INDEXFY

WHITEPAPER

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$INDY and $TOP5 (together, the "Tokens") are utility and index-tracking tokens designed to provide access to the Indexfy protocol.

This Document contains forward-looking statements concerning the Indexfy protocol, including statements regarding product roadmap, token supply and vesting, fees, governance, and future development plans. These statements are based on current expectations and assumptions and are subject to risks, uncertainties, and changes in circumstances that may cause actual results to differ materially. Indexfy undertakes no obligation to update or revise this Document except as required by law.

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The Tokens are not being offered or sold, and may not be offered, sold, or made available for purchase, to persons or entities resident in, incorporated in, or located in any jurisdiction where such offer, sale, or purchase would be unlawful under applicable law ("Restricted Jurisdictions"). It is the responsibility of each prospective participant to ensure compliance with the laws of their jurisdiction before participating in any token sale.

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1. Executive Summary

Indexfy is a non-custodial, on-chain asset management protocol built on Base that gives users diversified, verifiable exposure to the largest digital assets by market capitalization through a single token. Rather than requiring investors to source, size, and rebalance a basket of individual assets themselves, a process that is operationally heavy, gas-intensive, and prone to execution error, Indexfy issues index tokens that are fully backed by real underlying assets held in an auditable, on-chain vault.

The protocol's first product, $TOP5, tracks the five largest crypto assets by market capitalization, currently Bitcoin (BTC), Ethereum (ETH), XRP, Solana (SOL), and BNB, in a single ERC-20 token. Holdings are verifiable on-chain at all times, and the protocol's rebalancing logic automatically adjusts the basket's composition when the market capitalization ranking of a constituent asset change, so that $TOP5 continues to reflect the top of the market without requiring any action from the token holder.

Indexfy is governed and powered by $INDY, the protocol's native token, which coordinates governance, aligns long-term incentives between the team, investors, and the community, and captures value from protocol activity. This Document describes the product architecture, the technical design of the index and rebalancing mechanism, the $INDY tokenomics and sale structure, the protocol's governance roadmap, and the risks associated with participating in the ecosystem.

1.1 Key Highlights

- Non-custodial index exposure: $TOP5 is backed 1:1 by assets held in an on-chain vault, not a synthetic or a representation.
- Automatic, rules-based rebalancing: constituents are added or removed based on a published market-cap-rank methodology, not discretionary calls.
- Verifiable at all times: anyone can inspect the vault's on-chain holdings against the token's circulating supply.
- Built on Base: low transaction costs and fast finality, secured by Ethereum.
- Dual-token design: $TOP5 for index exposure, $INDY for governance, protocol incentives, and value capture.

2. Introduction

2.1 The Problem

Gaining diversified exposure to the crypto market today is harder than it should be. An investor who wants exposure to the top five assets by market capitalization must open positions in each asset individually, size each position correctly, pay gas or trading fees on every transaction, and then manually monitor and rebalance the portfolio as prices and market capitalizations shift over time. When a new asset overtakes an existing top-5 constituent, as happens periodically in a fast-moving market, the investor must notice the change and manually execute the trade, often after the opportunity has already partly played out.

Centralized alternatives exist, exchange-listed index products and custodial baskets, but they require trusting a centralized intermediary with custody of the underlying assets, typically offer limited or no on-chain verifiability of holdings, and are gated behind the exchange's own listing, geographic, and KYC restrictions. There is no simple, trustless, and continuously verifiable equivalent of an index fund for crypto, no “S&P 500 of crypto” that lives entirely on-chain.

2.2 The Solution: Indexfy

Indexfy solves this by issuing index tokens that are fully collateralized by the underlying assets they represent, held in a transparent on-chain vault, and rebalanced automatically according to a fixed, published methodology rather than discretionary management. A holder of $TOP5 owns a claim on a real, verifiable basket of BTC, ETH, XRP, SOL, and BNB, not a synthetic derivative or a promise backed by off-chain reserves.

The protocol is designed around three principles that recur throughout this Document: non-custodial by default (assets are held in a smart-contract vault, not by Indexfy or any centralized custodian), rules-based rather than discretionary (composition changes follow a published market-cap-rank methodology with defined buffers, not ad hoc decisions), and verifiable rather than trust-based (anyone can check the vault's holdings on-chain against the token's supply at any time).

3. Product Overview

3.1 $TOP5 — The Index Token

$TOP5 is an ERC-20 index token issued by Indexfy that provides diversified exposure to the five largest crypto assets by market capitalization. Each $TOP5 token represents a proportional claim on the assets held in the Indexfy vault. The token is minted when a user deposits the underlying basket (or a supported input asset that the protocol routes into the basket) and burned when a user redeems it back into the underlying assets, so supply always expands and contracts in lockstep with vault holdings.

3.2 Current Composition

As of publication, the $TOP5 basket tracks the following constituents. Composition is reviewed continuously and updates automatically under the rebalancing methodology described in Section 4.

Rank	Asset	Ticker	Role in Basket
1	Bitcoin	BTC	Store-of-value anchor
2	Ethereum	ETH	Smart-contract platform
3	XRP	XRP	Payments / settlement
4	Solana	SOL	High-throughput L1
5	BNB	BNB	Exchange / ecosystem token

3.3 How It Works

1. Mint: a user deposits supported assets into the Indexfy vault and receives newly minted $TOP5 tokens reflecting their proportional share of the basket.
2. Hold & verify: the user holds $TOP5 in their own wallet. At any time, they (or anyone else) can inspect the vault contract on-chain to confirm that its holdings match the token's circulating supply.
3. Automatic rebalancing: if the market-cap ranking of a constituent changes such that it no longer belongs in the top five (subject to the buffer rules in Section 4.2), the protocol swaps the outgoing asset for the incoming one inside the vault. Holders do not need to take any action — the value of their $TOP5 position simply continues to track the top of the market.
4. Redeem: a user can burn $TOP5 at any time to withdraw their proportional share of the underlying basket directly from the vault.

3.4 Why a Vault-Backed Model

Many “index” products in crypto are synthetic, they track a basket's performance via price feeds and derivatives rather than holding the actual underlying assets. Indexfy takes the more capital-intensive but more trust-minimized path: the vault physically holds BTC, ETH, XRP, SOL, and BNB (or their wrapped/bridged representations on Base), so there is no counterparty or oracle-only dependency standing between the token and the value it represents. This removes hidden slippage or execution risk from the holder's perspective — the risk of rebalancing execution sits with the protocol's rebalancing module, not with the individual holder's position.

3.5 Fee Structure

Fee	Rate	Applied
Mint fee	0.20% (0.1% + 0.1%)	Charged on deposit, 50% distributed through veIndy holders and 50% retained by the protocol
Redeem fee	0.20% (0.1% + 0.1%)	Charged on withdrawal, 50% distributed through veIndy holders and 50% retained by the protocol
Annual management fee	0.00%	Streamed continuously from vault assets
Performance fee	0.00%	None at launch

4. Technical Architecture

4.1 System Overview

The protocol follows a modular architecture, separating custody, issuance, and rebalancing into distinct smart-contract components so that each can be audited, upgraded, and reasoned about independently:

- Vault: holds the underlying basket assets and is the sole source of truth for what backs $TOP5's circulating supply.
- Issuance Module: handles minting and redemption, enforcing that supply changes are always matched by a corresponding deposit or withdrawal of the underlying basket.
- Rebalance Module: executes constituent swaps when the ranking methodology determines a change is due, using controlled, slippage-capped execution.
- Oracle Module: supplies the price and market-capitalization data used to evaluate the ranking methodology.
- Governance Module: gates parameter changes (fees, buffers, eligible-asset allowlist) behind $INDY-holder governance and a timelock.

4.2 Ranking Methodology & Data Integrity

Composition changes are driven by a published, mechanical methodology rather than discretionary decisions, in order to keep the index predictable and resistant to manipulation:

- Market capitalization is sourced from a decentralized oracle network aggregating multiple independent data sources, rather than a single centralized API, to reduce the risk of a single point of failure or manipulation.
- Hysteresis / buffer bands: an asset is not removed the instant it drops one rank below the cut-off. It must fall to rank 5 + buffer (for example, rank 8) before removal is triggered, and a new asset must rise to rank 5, buffer before inclusion is triggered. This prevents “thrashing” assets flipping in and out of the basket on small, temporary rank changes.
- Minimum dwell time: a ranking change must persist for a minimum period (for example, 14–30 days) before it is actioned, filtering out short-lived volatility spikes from triggering a rebalance.
- Eligible-asset allowlist: only assets that have been governance-approved for inclusion — based on liquidity, bridge/wrapping availability on Base, and security review — are eligible to enter the basket, even if they rank in the top five by raw market capitalization. This prevents a manipulated or illiquid token from being forced into the index.

4.3 Rebalance Execution

When a rebalance is triggered, the outgoing asset is not sold in a single, publicly visible transaction, which would expose the vault to front-running and adverse price impact. Instead, execution is handled through slippage-capped, time-weighted trades. split across multiple blocks and, where available, routed through batch-auction or aggregator venues, to minimize market impact on what can be a thinly-traded, newly-demoted asset. Rebalance transactions can be triggered automatically by an on-chain automation/keeper network once the ranking and dwell-time conditions are met, removing the need for manual intervention while keeping execution parameters (maximum slippage, execution window) governance-controlled.

4.4 Why Base

Indexfy is deployed on Base, an Ethereum L2, chosen for its low transaction costs and fast confirmation times, both important for a protocol whose value proposition depends on frequent, small-cost interactions (minting, redeeming, and periodic rebalancing), while inheriting security guarantees from Ethereum and benefiting from Base's growing liquidity and user base.

5. The $INDY Token

$INDY is the native token of the Indexfy protocol. It is designed to align long-term incentives between the team, early investors, and the broader community, to coordinate governance over protocol parameters, and to capture value generated by protocol activity.

5.1 Utility

- Governance: $INDY holders vote on protocol parameters — fee levels, rebalancing buffer/dwell-time settings, the eligible-asset allowlist, treasury spending, and the launch of new index products.
- Fee discounts: $INDY holders (or stakers) receive reduced mint/redeem fees on $TOP5 and future index products.
- Revenue / fee-share: a portion of protocol fees (see Section 3.5) will be routed to $INDY stakers or used for programmatic buyback-and-burn, subject to governance.
- Access rights: priority or exclusive access to future index products and allocation rounds.

5.2 Token Supply & Allocation

The total supply of $INDY is fixed at 1,000,000 tokens. No further $INDY will be minted beyond this cap. The allocation below reflects the current, confirmed split:

Category	% of Supply	Tokens
Team & Founders	5%	500.000
Liquidity	45%	4.500.000
Private Sale	2%	200.000
Public Sale	20%	2.000.000
Treasury / Ecosystem	28%	2.800.000

5.3 Sale Structure & Pricing

$INDY is distributed to the market through a private sale followed by a public sale, ahead of full circulation at token generation. The private sale is offered to a smaller group of early backers at a discounted price relative to the public round, in exchange for a longer lock-up (see Section 5.5).

Round	Allocation	Example Price	Example Raise	Notes
Private Sale	200,000 (2%)	$0.40	$80,000	Discounted entry, extended vesting, whitelist-only
Public Sale	2,000,000 (20%)	$0.44	$880,000	Open participation, shorter vesting

5.4 Private Sale Investor Benefits

Private sale participants are compensated for taking on the earliest risk and the longest lock-up through a combination of mechanisms, rather than through a shortened vesting schedule (private investors are typically the most, not the least, locked-up class — the benefit is economic, not liquidity-based):

- Discounted entry price relative to the public sale (see Section 5.3).
- Bonus token allocation for commitments made in the earliest tranche of the private round, on top of the discounted price.
- Preferential staking yield or fee-rebate multiplier once $INDY staking is live, rewarding investors who remain staked rather than sell at unlock.
- A single, publicly disclosed vesting schedule applied consistently across all private-round participants — negotiating bespoke terms per investor is avoided, both for fairness and because inconsistent terms are a due-diligence red flag for later-stage investors.

5.5 Vesting Schedule

Category	Cliff	Vesting (after cliff)	TGE Unlock
Private Sale	1 month	8 months, linear (monthly)	0%
Public Sale	None	9 months, linear (monthly)	100%
Team & Founders	12 months	36 months, linear (monthly)	0%
Liquidity	None	90% at TGE; remainder over 12 months	90%
Treasury / Ecosystem	None	Released per governance-approved budget, capped per quarter	0%

6. Governance

Indexfy's governance is designed to decentralize progressively rather than launch as a fully autonomous DAO on day one, reflecting the reality that early-stage protocols need the ability to respond quickly to security issues while the system, its parameters, and its community are still maturing.

Phase	Description
Phase 1 - Foundation-led	Core parameters are managed by the founding team and guardian multisig, with proposals and rationale shared publicly for community feedback before changes are made.
Phase 2 - Progressive decentralization	$INDY governance votes become binding for defined categories of decisions (fee changes, new index products, eligible-asset allowlist), while security-critical emergency powers remain with the guardian multisig.
Phase 3 - Full on-chain governance	$INDY-holder voting governs all non-emergency protocol parameters on-chain; the guardian multisig's scope is reduced to a narrowly defined emergency-pause role.

Matters within governance scope include, but are not limited to: mint/redeem and management fee levels, rebalancing buffer and dwell-time parameters, the eligible-asset allowlist for future index inclusion, treasury budget allocation, and approval of new index products beyond $TOP5 (for example, a broader Top 10 or a sector-specific index).

7. Roadmap

Phase	Milestones
Foundation	Protocol architecture finalized; smart contracts written; initial audit engaged; $TOP5 vault deployed on Base.
Private Sale	Private sale of $INDY opens to whitelisted early backers; mainnet audit completed;
Public Sale & TGE	Public sale of $INDY; token generation event; initial DEX liquidity deployed; $INDY staking module live.
Growth	CEX listing discussions; governance module v1 (Phase 2 governance); second independent audit; community/ecosystem incentive programs.
Expansion	Additional index products launched (e.g., Top 10, sector indices, leverage); cross-chain exploration; Phase 3 full on-chain governance.

8. Risk Factors

Participation in the Indexfy protocol and acquisition of $INDY or $TOP5 involves significant risk. The following list is illustrative, not exhaustive, and should be expanded and reviewed by legal counsel before publication.

8.1 Smart Contract Risk

The protocol's vault, issuance, rebalance, and governance modules are smart contracts and may contain bugs or vulnerabilities despite auditing. Exploits could result in partial or total loss of assets held in the vault.

8.2 Oracle & Market Data Risk

The rebalancing mechanism depends on accurate market-capitalization data. Oracle failure, manipulation, or temporary data unavailability could cause incorrect or delayed rebalancing decisions.

8.3 Market & Volatility Risk

The underlying assets are highly volatile. The value of $TOP5 will fluctuate directly with the value of its underlying basket, and the value of $INDY may fluctuate independently of protocol performance based on broader market sentiment.

8.4 Liquidity Risk

Redemption of $TOP5 depends on the vault holding sufficient underlying assets and on those assets' own market liquidity. In extreme market conditions, redemption or rebalancing execution may experience delays or increased slippage.

8.5 Regulatory Risk

The regulatory treatment of digital assets, index-tracking tokens, and token sales is evolving and varies by jurisdiction. Future regulatory action could restrict the protocol's operation, the tradability of $INDY or $TOP5, or require changes to the protocol's design.

8.6 Governance & Concentration Risk

During early phases, governance authority is concentrated in the founding team and guardian multisig. Concentrated control introduces both execution speed and centralization trade-offs, as described in Section 6.

8.7 Third-Party & Network Risk

The protocol depends on the continued operation and security of the Base network, underlying bridges or wrapped-asset representations, and third-party oracle and automation infrastructure. Failures in any of these dependencies may affect the protocol.

9. Legal & Regulatory Considerations

This section is a placeholder overview only and is not a substitute for jurisdiction-specific legal advice.

- $INDY and $TOP5 are not registered as securities in any jurisdiction as of the date of this Document. Whether the Tokens constitute securities under the laws of any given jurisdiction depends on local law and may change over time.
- Persons in Restricted Jurisdictions (see Section 0, Disclaimer) are not permitted to participate in the private or public sale, or to interact with the protocol, where prohibited by local law.
- This Document does not constitute tax advice. Tax treatment of acquiring, holding, staking, or disposing of $INDY or $TOP5 varies by jurisdiction and individual circumstances.

10. Conclusion

Indexfy aims to make diversified, top-of-market crypto exposure as simple to hold as a single token, without asking users to trust a centralized custodian with their assets, and without requiring them to manually track and rebalance a basket themselves. $TOP5 provides that exposure today; $INDY aligns the incentives of the team, investors, and community that will govern and grow the protocol as it expands beyond its first product.

This Document will be updated as the protocol's design, tokenomics, and roadmap are finalized. Participants are encouraged to review the most current version before making any decision, and to reach out through the official channels listed in Appendix B with questions.

Appendix A: Glossary

Term	Definition
Vault	The smart contract that custodies the underlying basket assets backing $TOP5.
Rebalancing	The process of changing a basket's constituents to reflect updated market-cap rankings.
Hysteresis / buffer band	A rank margin an asset must cross before being added to or removed from the basket, preventing frequent flip-flopping.
Dwell time	The minimum period a ranking change must persist before it triggers a rebalance.
Cliff	A period after token generation during which no vested tokens are released.
TGE	Token Generation Event — the point at which a token is created and distribution begins.
Timelock	A delay enforced between a governance decision being approved and it taking effect on-chain.
Guardian multisig	A multi-signature wallet authorized to take narrowly scoped emergency actions (e.g., pausing the protocol).

Appendix B: Contact & Links

- Website: https://indexfy.xyz
- Twitter / X: @Indexfyxyz
- Telegram: https://t.me/indexfy_official

Contract addresses (Base):

$TOP5 - 0x3B653a87AA4cc5E24af6052bc5a63BC92e59a832

$INDY - 0x6D21812b58E2B4667DB37B8b8B85C534a9771ceC

Vault - 0x3B653a87AA4cc5E24af6052bc5a63BC92e59a832

- Security contact: legal@indexfy.xyz