



VRT WHITE PAPER

Real Estate & DJIA token

[Document description](#)

ICO white paper for project combining real estate development and unique composition method of DJIA shares portfolio

www.vernontoken.io

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Introduction

Our project combines two strong business areas that are growing these years and we are using them to deliver added value for our participants. ICO market is for us new opportunity how to catch new interested people and investors that use the opportunity to participate on this growth with us. First is real estate development in Czech republic, Poland, Spain and other European countries that are currently in growing market position. Second is cash flow based investment into shares of US blue chips chosen by precise data analysis bringing potential to generate positive return app 12 % annually. Usage of both investment areas brings potential to shift cash flow between them as current situation needs and diversify the risk as well as server token needs.

By using blockchain technology we are creating a platform that will enable everyone to benefit from these opportunities at those attractive markets. It will act as a transactional hub between us and the VRT (Vernon Tokens) token holders and enables them to receive profits generated by our project on a quarterly base. Holders of tokens will benefit as well from increasing value of VRT token as our company will grow in assets and projects.

MARKET OVERVIEW

REAL ESTATE MARKET

The [CEE real estate](#)¹ market has been one of the most dynamically developing markets across Europe and has enjoyed strong interest from a wide range of developers, investors and occupiers across all sectors.

Some of the top real estate experts have been discussing the transformation of the market over the last 20 years. And they came to a conclusion that real estate market in Central and Eastern Europe has probably been developing most dynamically throughout Europe over the last 20 years. While the two decades back the market was in its infancy, just embarking on a period of initiation and early stages of development. What is clear now is that 20 years on the CEE market is highly developed, property development and real estate projects are of the highest international standards and the markets enjoy a high transparency rating.

According to [PricewaterhouseCoopers](#)² report, in Europe, the secure long-term income is driving current European real estate investment. This happens while the industry hedges against potential interest rate rises, and we face an uncertain geopolitical backdrop.

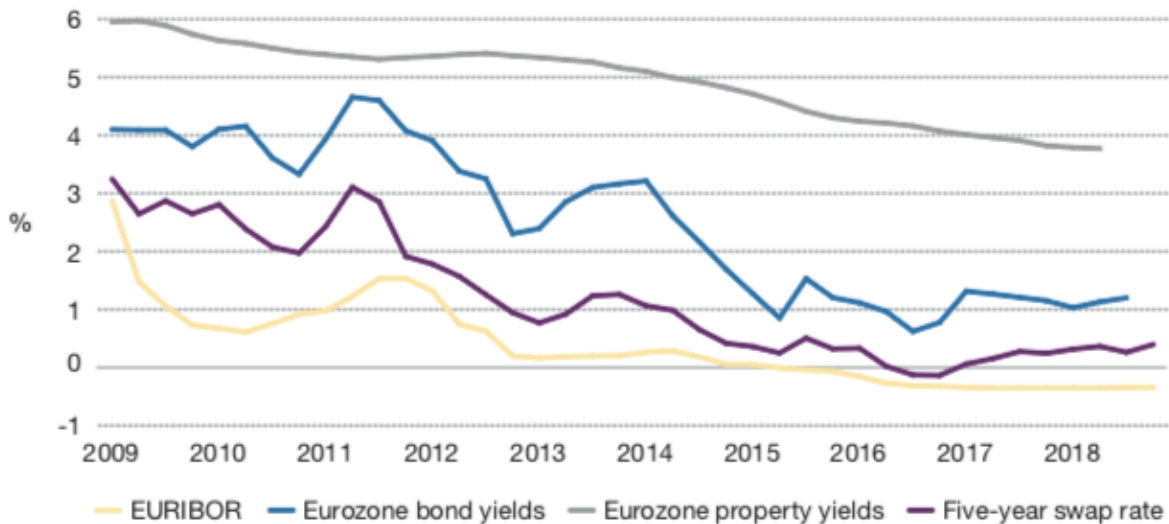
The increase of the interest rate won't be a risk during 2019, although real estate professionals should be aware that it might change if there is a geopolitical shock to the monetary system. You should also might keep an eye on the relationship between the demand and available assets. Money will continue to arrive, and there is a strong belief that during 2019, the Asian investment will increase.

Interest rates impact

¹ <http://www.jll.cz/czech-republic/en-gb/news/436/tz-capitalmarketsevent>

² <https://www.pwc.at/de/publikationen/branchen-und-wirtschaftsstudien/pwc-emerging-trends-in-real-estate-europe-2019.pdf>

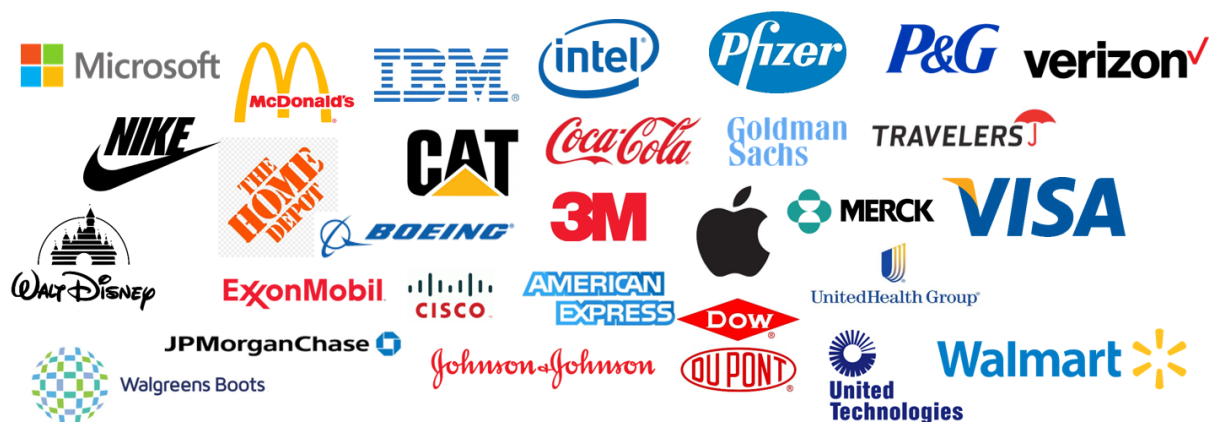
Now that the European Bank officially announced that the interest rates will remain very low, close to 0%, and that the bond-buying program will end, we have a better picture for 2019 real estate development.



Surprisingly or not, this announcement has no major direct impact in the real estate business. Professionals think that even though the rates will remain pretty much the same, for the time being, the rental price and inflation will increase.

FINANCIAL MARKET OVERVIEW

Index DJIA - Dow Jones Industrial Average is one of the most known and the oldest benchmarks of American stock market. DJIA contains 30 companies, which are the largest and the most known and most traded (Blue-chip stocks).



The United States of America is a union of fifty states in North America. It is the

world's third-largest economy. It is a mixed economy. That means it operates as a free market economy in consumer goods and business services. But, even in those areas, the government imposes regulations to protect the good of all. It operates as a command economy in defense, some retirement benefits, some medical care, and in many other areas. The U.S. Constitution created and protects America's mixed economy.

Some facts about the economy:

- Gross Domestic Product: \$21.063 trillion (Annualized nominal rate for first quarter 2019)
- GDP Growth Rate: 3.2% (Annualized rate for Q1 2019)
- GDP per Capita: \$57,541 (Q1 2019) Federal Reserve
- Gross National Income: \$18.138 trillion PPP dollars (2015) World Bank
- Unemployment Rate: 3.8% for April 2019

BUSINESS STRATEGY

OUR MISSION

Our mission is to create a decentralized and fully autonomous token on blockchain with stable growing value for the holders.

ADVANTAGE OF OUR APPROACH

Majority of cryptocurrencies are prone to high volatility. By combining VRT token with real estate & DJIA investment we aim to offer a level of diversification and stability for the business. We use real estate asset to create a utilized product that has growing value itself with sell bonus once development finished. DJIA is working as cash flow bridge as its very liquid and we can move cash from DJIA to real estate and back as project or economy behaves. At the same moment, DJIA is holder of higher profitability as our experience and history shows.

VRT token is used by participants to purchase land and start development and activate part of DJIA portfolio to increase asset value and cash flow. VRT network is a conceptual new solution that will benefit ordinary people all around the world, investment funds and companies.

DJIA DESCRIPTION & INVESTMENT SYSTEM

The main idea of this strategy is rightly balanced portfolio composition based on Nobel price winner Mr. Harry Markowitz. We use our own robustly tested mathematical model, which is responsible for active portfolio asset management. We invest only to the most stable and one of the largest companies, which are traded on the USA stock market and have stable growth.

We do not use market news, but only quantitative methods. Our system is interested only in mathematics and statistics of historic prices. We do not aim to make a quick dollar but rather our goal is long-term stable growth.

Our approach and added value is in data collection process as to test and justify the system, we located and purchased data of all companies that were

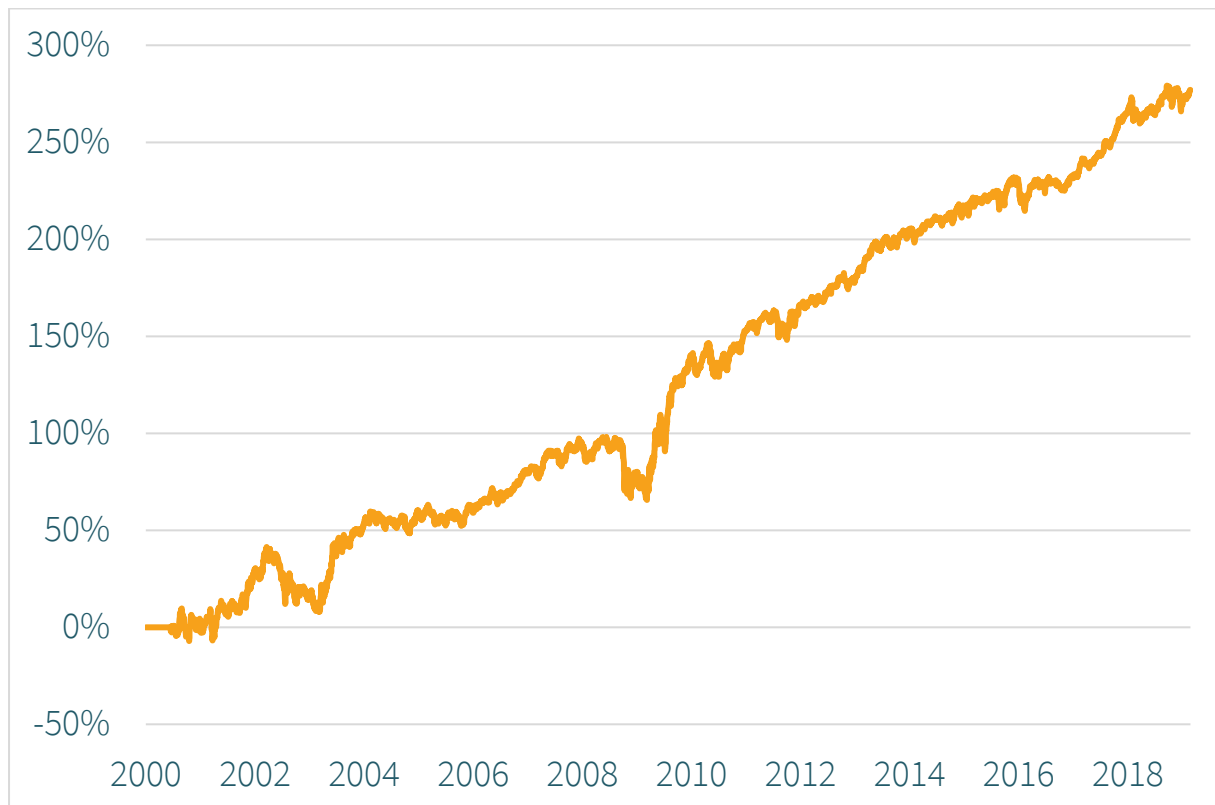
historically in DJIA index.

For token and this project, the potential and effectiveness is in stabilized income and regular cash flow as this investment is very liquid and positions change each month.

Table with our system average performance attached below.

Results from 1/1/2000 to 31/12/2018	Our Performance
Average annual returns	14.47 %
Dividend - fluctuates in time, can not be estimated with precision	2.29 %
Gross average annual returns	16.76 %
Net average annual returns	14.18 %
Best profit year	61.32 %
Number of years in profit	16
Worst loss year	-15.97 %
Number of years in loss	3
Max. number of consecutive years in profit	10
Max. number of consecutive years in loss	1

Chart showing our DJIA system performance in time



REAL ESTATE DEVELOPMENT

As a residential development company, we have a mission to create homes that can offer safe, spacious, and sustainable space. Our development strategy is to re-development neighborhoods that are in strategic locations accessible to major arteries of a city or area. These areas primarily are houses and areas that were booming but have since not been cared for.

As a design firm, we are not a typical residential developer. We not only lead with a business strategy on each development project but also let our critical design eye to imagine and re-define how a development is shaped. With the ability to use the latest architectural software in house, we can make development and design decisions at a much quicker pace.



OUR PROCESS



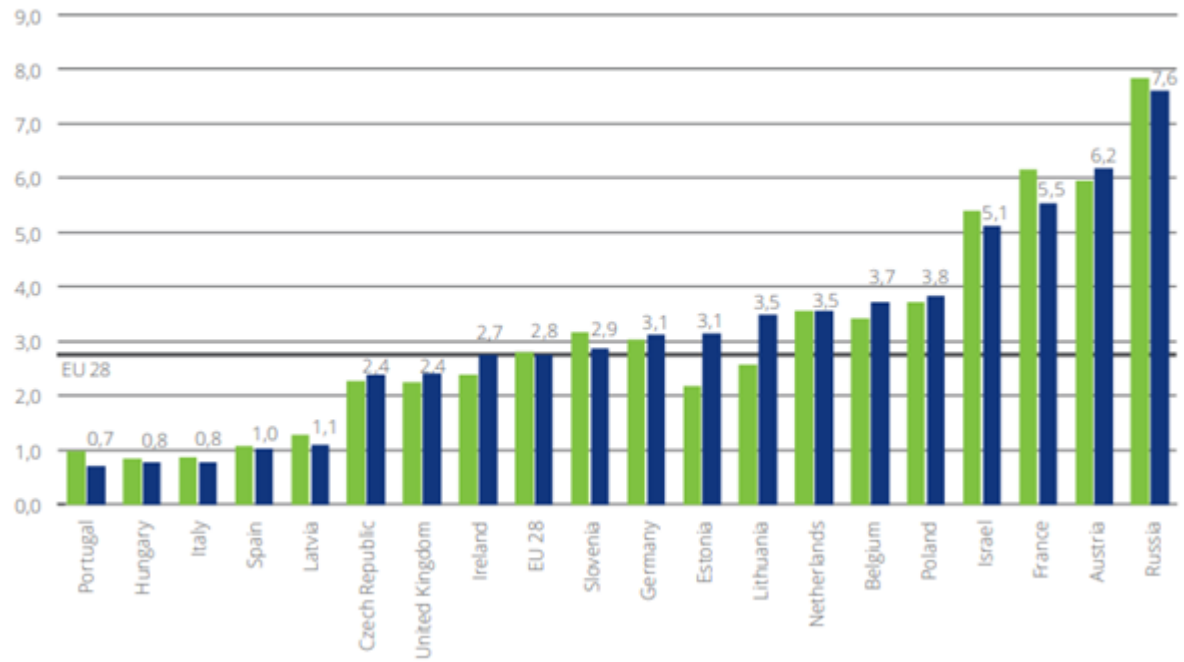
Acquisition of land is very important and during years, we find out many ways how to get right deal on right place. Current market status is helping us as we can sell un-finished projects in their initial phase and we cover all needed financing from banks.

On following chart you can find housing market statistics over the economies in

years 2018 (green) and 2017 (blue).

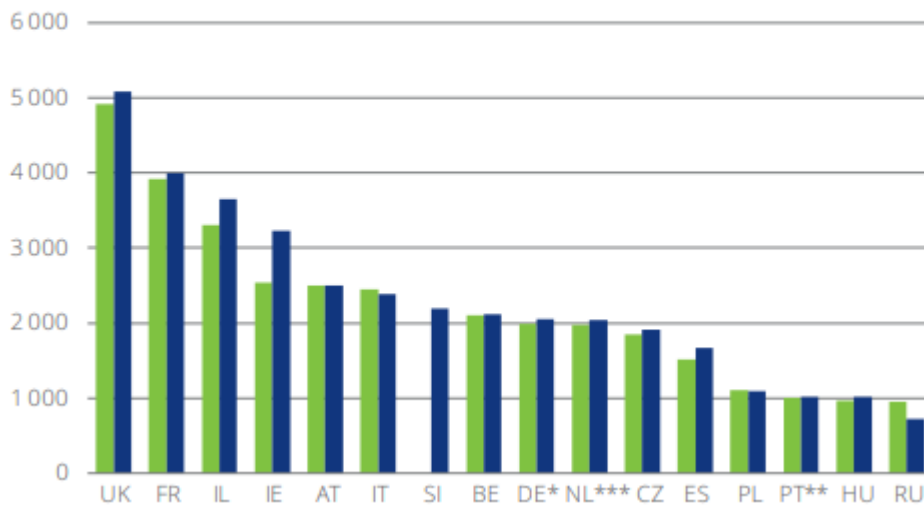
Housing development intensity

Index of the number of completed dwellings per 1,000 citizens



Average Transaction Price of the New Dwelling

EUR/ m²



Proof of systems stability

DJIA Investment

DJIA investment model used by our team is built and based on Nobel price holder Harry Markowitz that is focused on winning portfolio composition. DJIA investment mathematical model is robustly tested and live proofed system based on data starting from the year 2000. But our team still continuously improves and upgrades it.

The robust testing includes methodologies:

1. Mode returns distribution & Markowitz portfolio selection-looking for the most probably future returns-portfolio selection based on correlation algorithm
2. Walk Forward analysis-testing of prediction effectivity and consistency
3. Monte Carlo analysis-testing individual scenarios of future situations

Real estate

Real estate portfolio projects are always purchase as 100 % owned by our company and all legal, finance and tax advisory is provided on best possible level by professional providers that are experienced on the market and can increase value of the transaction.

Projects are proven through our due-diligence process that we use and upgrade for the last 8 years we do this kind of business. it includes these areas:

- Legal check to ensure its clear for purchase and we know all details about it
- Technical control for permits, condition of premises and land attributes
- Sell check to determine potential of revenues on specific project

About VRT Token

OVERVIEW OF PLATFORM

The aim is to develop the VRT platform to a beta stage with basic functionalities. Timeframe is presented in Roadmap below.

The platform will also display listed reports for projects. These reports will be based on all standard analyses (quantitative/static, and qualitative/dynamic with cash-flow projections) developed in partnerships with our real estate advisors and administrators. As such, the algorithm takes the following parameters into consideration:

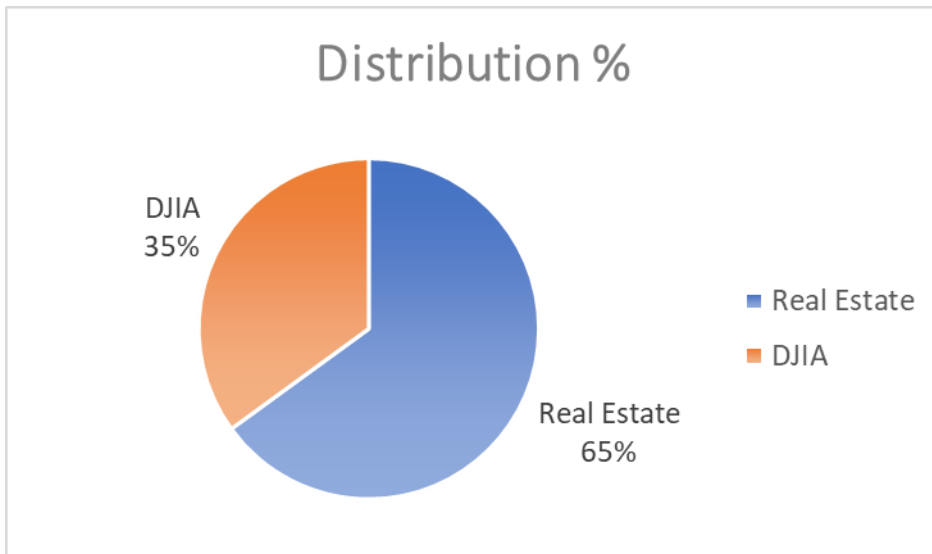
- Real estate
 - Class of real estate (residential, commercial).
 - Phase of development of real estate.
 - Location of the property.
 - Market attractiveness of the real estate.
 - Required yearly yield
- DJIA portfolio
 - Current composition of selected shares
 - Actual performance
 - Historical statistics

VRT TOKEN USE & PURCHASE

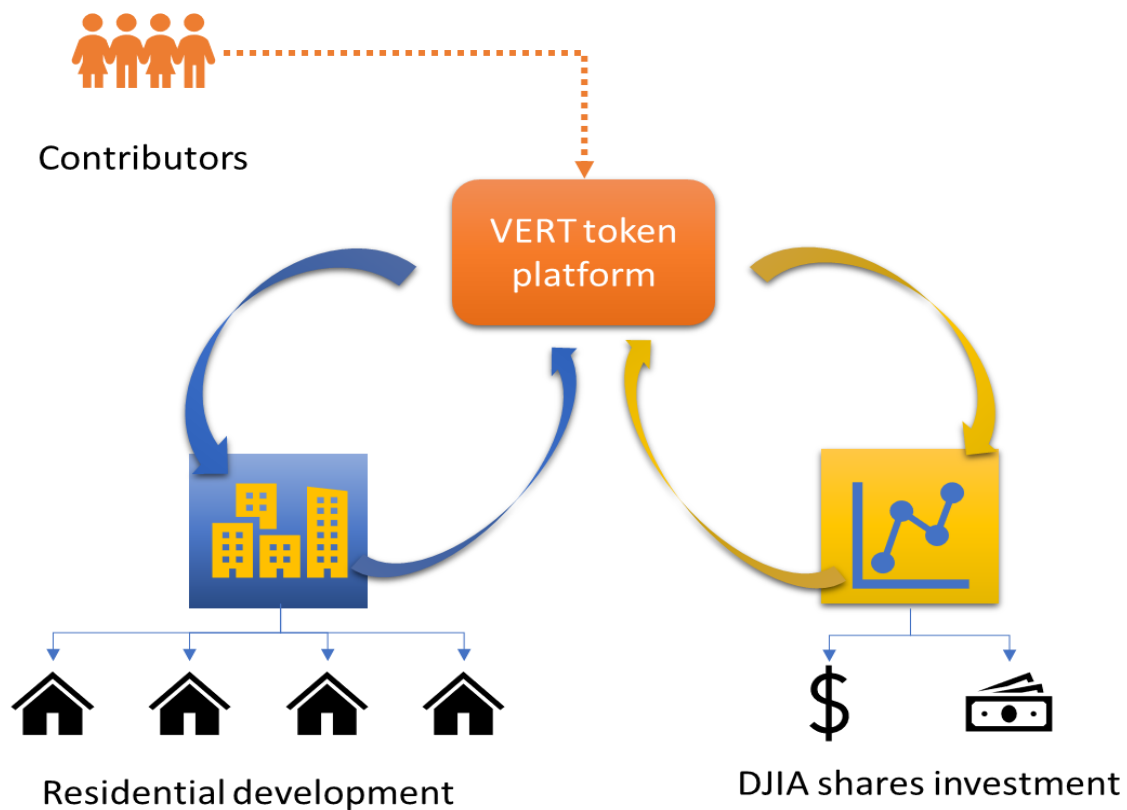
Token Use

Each contribution is used for new real estate acquisition or flows into DJIA. Our

targeted approach is to reach following levels of diversification:



Organigram showing usage of VRT token contributions



As described on the chart above, through the strategic use of VRT tokens we will create its own ecosystem driven by the platform. The aim is to maximize the growth possibility of the VRT token value through utilization of tokens in real life

and to ensure that, the users of VRT tokens, the fund, the parties that we partnership with and in general also wider community, all benefit.

Through the consultative management of the fund, up to 35 percent of issued VRT tokens will be kept as a liquidity pool in DJIA investment. This means that because of large amount of traffic is expected in certain periods by token use, we can ensure that in these peaks of token demands, they will be able to partially assist with supply of tokens on a market.

Acquiring VRT

Users can first acquire VRT tokens during the Initial Coin Offering period. The company will also be offering a Private Participation Period for users before the Pre-ICO period is launched. VRT tokens are then used as payment means for all services and properties over the platform.

VRT VALUE & BENEFIT SHARE

As displayed in the picture above our ICO contributors will first provide necessary funding for building real estate portfolio & DJIA investment and these will be used for project's funding.

In exchange for that our contributors will receive the VRT tokens. In the real estate project, properties from will be acquired, bank financing for development started as well with marketing and sell process.

Every completed real estate project generates gains of the real estate portfolio (the value of portfolio will constantly grow at a certain rate) and on the other side will bring new cash for DJIA investment where another gain will be constantly made.

Value of VRT token will grow as total asset under management will grow as total supply of tokens is limited. At the same moment tokens trading through exchanges in the futures will bring more liquidity and fair value for the holders.

As owner of VRT you will be rewarded every quarter through net value increase generated by our project. This will be funded either through our VRT token, Bitcoin or Ethereum. Our target is keep VRT mainly as participation token creating the opportunity to be part of our project and not increase the supply in the future. Thus for profits is best way to use some monetarization currency.

TOKEN ECONOMICS & ICO

Supply and phases

Total supply: 250.000.000

Token symbol: VRT

During the ICO there are two main goals, the soft cap and the hard cap:

- Hard cap (max) = 50 million USD
- Soft cap (min) = 2,5 million USD

The ICO will be broken down into three main phases:

- PPP – Private Participation Period – open to those who are related to the project or who are approached as a private participant.
- Pre-ICO – The pre-ICO will only be open to those who participate in our White List which will be placed on our website before the pre-ICO goes live.
- Time duration: 10 days
- ICO – This is the period when anyone can participate in the ICO itself.
- Time duration: Six weeks.

During each phase you will be able to acquire a different number of tokens for BTC, ETH and BNB token. This is known as the “discount” amount. The earlier you participate, the bigger discount on tokens you will receive.

Token distribution

The Tokens will be distributed in the following amounts.

- 10% for Liquidity pool (25 million tokens)
 - support additional liquidity,

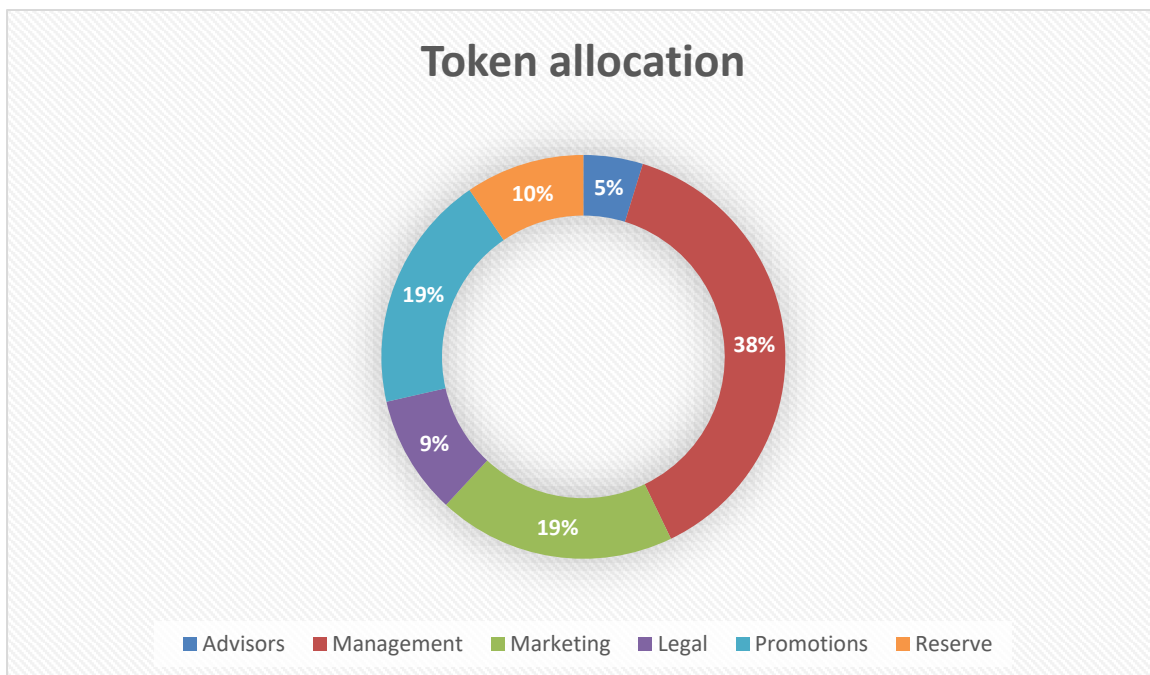
- disbursement at the market price.
- 70% available in whole crowd sale (175 million tokens)
- 20% for business costs, team etc. (50 million tokens)

We intend to lock the 20% of tokens primarily for business operations, set-up and scale business infrastructure and target additional deals for after the initial portfolio is set up and platform in place.

Business costs allocation

As seen with token distribution 20 percent of tokens will be dedicated and reserved to business costs and the team.

- Advisors = 2.5 million tokens
- Management = 17.5 million tokens
- Marketing = 10 million tokens
- Legal = 5 million tokens
- Promotions (bounty, hackathon, referrals etc.) = 10 million tokens
- Reserve fund = 5 million tokens



Price of VRT Tokens

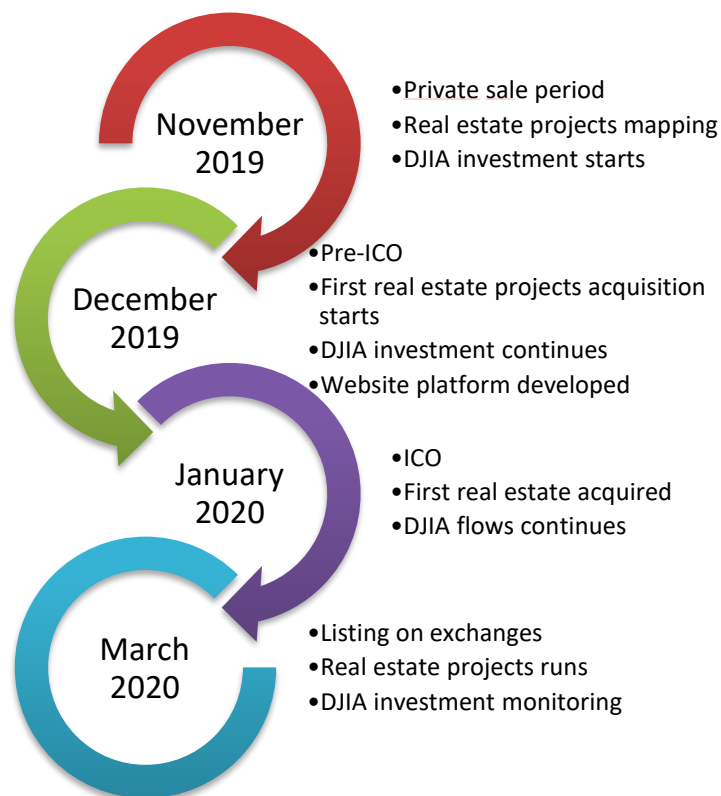
During the pre-ICO period – tokens will be sold at USD 0.40 cents this will last for a period of a 14 days, with certain min. investment amount

During the ICO period – tokens will be sold at a varying price.

- Price for the first 14 days USD 0.45,
- Price for the next 14 days USD 0.50,
- Price for the final days USD 0.55

Roadmap

This roadmap is representing projected intentions and may be a subject to changes according to the project development and world conditions.



Team

Our team has an established record of managing real estate projects, analysis and investment on financial markets for more than 10 years. We have the proven ability to create value and run successful businesses.

Our experience and previous projects

Our organization is asset management provider with focus on DJIA investments, real estate development and professional advisory for our clients. We created strong business model for our clients with possibility invest in one or both products. Together they create great opportunity and diversification for everyone.

Our company is residing in New York, USA and Prague, Czech Republic and gathers best knowledge and projects from US and Europe. Our team has experience to provide you with maximal support and energy so you feel comfortable with us.

Our team worked on acquisitions and development of many real estate projects that were in total amount 20+ MEUR.

In DJIA investment process have our colleagues actively managed over 10+ MEUR in clients' accounts and created for them value app 12% p.a.

We are looking forward to increase our potential, create new platform for new audience and continue in grow and performance.

Management board



David Stybr

Founder & CEO

David was at CEO position in several medium sized companies in real estate and hedge fund industry, is oriented on management, finance and business structures.

He was responsible for crisis management, new product lines launch and overall leadership. He has been involved in many projects across Europe and USA.

Into his day to day routine belongs strategical decisions, negotiations with banks, investors and advisors about business matters, acquisitions and DJIA portfolio setup.

www.linkedin.com/in/davidstybr

David.stybr@vernontoken.io



Simon Sandoval

Business development

Simon is leading person for raising, has worldwide connections and is providing financing services for our clients. Simon raised and closed lot of real estate or financing deals, is well known for his raising experience and great visions for every problem.

His connection from Asia, through Europe to USA made him very fast in capital connections, solving business operation and financing deals.

<https://www.linkedin.com/in/simonsandoval/>

simon.sandoval@vernontoken.io



Jose Luis Huayhua

Business development

Jose has many years of experience in real estate markets, loans and project financing. He is very fast and target oriented. His expertise is in real estate field where he closed and realized deals 20+ mil EUR in USA and Europe.

In our team is responsible for real estate calculation, acquisition evaluation and investors relations. His relations inside the market are bringing our deals realistic

parameters and he makes sure we finance smart way.

<https://www.linkedin.com/in/jose-luis-huayhua-78b849116>

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Team

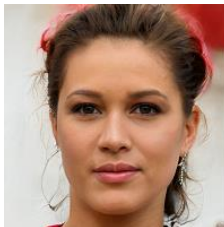


Michal Iron

Main real estate person with passion and skills for development, project management and cost control. His effectivity and 15 years of experience in this area creates great value and security that project will be done in specified time and budget.

He worked for residential developers in CEE region and knows principles of budgeting, suppliers negotiations and construction problems.

Michal.iron@vernontoken.io



Christine Coarse

Christine is master in real estate sales and marketing. She works in this area for more than 10 years and delivers clients and pricing as expected. Her long line experience creates unique opportunity to determine right marketing strategy for each project based on its location and quality.

Christine.coarse@vernontoken.io



Jakub Bow

Our investment analytic and main person responsible for DJIA investments. Youngest of our team but very devoted to his passion and responsibilities. He is creating parameters of the portfolio and monitoring all important inputs so the performance is always

optimal and best possible. He leads team devoted to monitor the market situation 24 hours a day and prepare the right portfolio setup.

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<https://twitter.com/TokenVRT>

telegram: https://t.me/VRT_token