

Looking for easy access to the DeFi and digital asset space? Meet Nova Finance

As part of our quick fire questions series – or QFQs – we spoke to Tom Sichel and Adam Greenberg, cofounders of Nova Finance about DeFi, crypto assets, giving access to powerful financial tools previously reserved for the wealthy and the Nova token.

The catalyst for Nova started when yearn finance first launched YFI. We spent hours trying to understand its components and how it all worked. Bearing in mind at that time, Adam had about 6 years experience in crypto and Tom had two and we still struggled initially. We then realised that setting up and the buying and exchanging of crypto is only half of the picture for people and there are a whole other set of challenges around managing and maximising that asset to work in the best way – which is where the idea of Nova Finance came about. We wanted to define a strength of portfolios where you can automate the complexity away from Defi investing and embed investment strategies into your portfolio to deal with fluctuating market conditions.

DeFi has created an ecosystem that rivals traditional finance but in a more inclusive and decentralised manner. Services that are only accessible to high net worth individuals live out in the open for anyone to use and gain value from.

We want to open up that world and make it accessible and reduce the knowledge gap through automation. Most importantly, we want to give people

control and that's why our rebalancing strategies have garnered so much interest.

In summary Nova is designed to be the right equipment you need to navigate and invest in crypto.

Tell me about the business – what it is, what it aims to achieve, who you work with, how you reach customers and so on?

Nova Finance is an asset management protocol designed to help make access into DeFi and the digital asset space easier. Nova, you can create a portfolio of crypto assets that:

- Are based on your own risk profile

- Generate returns through yield

- Auto-execute on investment strategies such as dollar-cost averaging, take profit, reduced crypto volatility and much more.

Nova is built on the belief that DeFi provides people across the globe, no matter their country or background, access to powerful financial tools previously reserved for the wealthy and as an outcome of this, the opportunity to prosper and create a better quality of life.

Users can create portfolios with a range of Solana based assets (that's the blockchain we have built Nova on), with more blockchains and asset types added all the time. Users can then easily design their own investment strategies to adapt to market trends by using controls such as take profit and data such as volatility indexes to reduce downside risk and increase returns over time.

Portfolios can also be set to generate yield by depositing assets into a range of different lending and liquidity providing strategies. Portfolio's generate a token which we call an nAsset, this represents the value stored within the portfolio. We are already collaborating with other protocols so that nAssets can be used across the DeFi space as collateral and liquidity for example.

For more experienced crypto users (crypto enthusiasts), Nova offers being able to automate strategies that they would have to do manually while also sharing

and earning rewards from people who join their portfolio. nAssets will provide opportunities to automate activities that you would generally end up doing manually like rebalancing, scalping, hedging to reduce downside risk or moving funds between stable coins, mature crypto like BTC, SOL and ETH and altcoins as crypto market cycles occur. It also provides the chance to monetise your skill and knowledge -you will earn 10% of all the yield generated by users who join your portfolio which could be a very lucrative and long term revenue stream if you build a high quality portfolio.

For less experienced users, Nova can bring the ability to participate in successful portfolios created by crypto experts and being able to trust that their investment will follow a secure and automated path. Nova makes it as straightforward as possible to invest in cryptocurrency assets and generate interest on top of them with as few clicks as possible. The range of strategies available mean that you can set thresholds and controls to make sure that you're always operating in as safe a way as possible.

We want to make sure that Nova is as accessible as possible. Defi projects especially struggle because they are built and run by engineers and people who love the technology but aren't always able to translate that into the value that is accessible to users. We have tried to take a very user-centric approach with lots of interviews and sessions with users to ensure we are building the best possible product.

How has the business evolved since its launch? When was this?

We have had an extensive period of development since winning the Solana Hackathon in June 2021 and have been constantly conducting testing and interviews with our community to make sure we are making the product that people want to use and that meets our high standards and is secure. Being global means that we have to be able to meet each individual country's policies and regulations. The protocol is currently undergoing an audit and in the process of conducting beta testing with the public launch expected in due course.

We have doubled our team to include over 25 developers, including our latest hire – COO Zaahirah Adam, who brings a wealth of experience from the finance world, moving to Nova from her leadership role at Liberis.

Our community continues to grow as word is spreading about the capabilities of Nova. We had more than 2,000 sign ups during our development phase and have a rapidly growing beta whitelist.

How are you funded?

In Q4 of 2021, Nova Finance raised \$3M, post winning the Solana Hackathon, with a mission to Innovate Investments through Automation and shape the future of investing. This funding round included investments from Rarestone Capital, Solana Capital, Sky Vision Capital, Animoca Brands, Morningstar Ventures, Lian Group, 3Commas, DFG, Spark Digital Capital, Jsquare, Genblock Capital, Mirana, Stacker Ventures, Ascendex, Solanium, Citizen X to name a few.

Our investors were chosen carefully, as we wanted to have investors who trusted the mission and vision of creating a platform for experts and newcomers alike. A platform to invest with confidence through automated tools, and creator portfolios, and drastically change how investments will be made in web3.

Rarestone led the funding round and has been extremely supportive throughout the process.

What has been your biggest challenge so far and how have you overcome this?

The main challenges have been in growing a team that is spread out over many countries since we finished our investment round. We have been able to call on the experience of our wonderful advisor and investor network who have contributed greatly to helping us launch the project – having people who have grown their businesses from the ground up advising us has been invaluable. As our team is growing all the time, company culture is really important to us and in this remote working world we are working hard to make sure that we all have the chance to come together in person and try to arrange regular events, the latest is a team session coming up in Turkey.

The other challenges are around ensuring that we can keep up with the rapid pace of innovation within the space. The more integrations we have for yield and strategies, the more valuable Nova is to the community (while getting all the other advantages that Nova brings). We are aware that the key to our ongoing success will be continued innovation and pioneering new ways of providing value to users. We are trying to optimise our team and systems to accelerate innovation in a way that is repeatable, allows for radical improvements rather than incremental, allows Nova to continually deliver value to the community that is not found elsewhere in DeFi and allows Nova to always be at the front of the pack. We want to ensure that we are always opening up a wider range of assets that users can invest and automate will

deliver greater value and increase the amount of people who can and want to use Nova.

How does Nova answer an unmet need?

Within the crypto sphere there are other platforms that make it easy to create portfolios and share those portfolios with other people. Where Nova differs is in its algorithmic approach to investing, which makes it possible to layer trade or investment rules on top of a portfolio that can either buy, sell or yield according to what you have set those rules to be. For example, you can create investment rules that:

- Dollar-cost average into the market

- Are composed of assets that have reduced volatility and as a result, reduced risk

- Use data recording on the blockchain as a trigger a buy or sell such as the number of active wallets or transaction volumes, etc

At present Nova has seven investment strategies with constant monitoring and long term sustainable tools our users can deploy, all of which are designed to mitigate risk and help improve returns during bear or bull markets. There will be around 30 at launch with many more being reviewed, tested and added in over time, as we can support mostly based on the Solana blockchain or bridged from other networks like Ethereum

With Nova your funds are not held in our custody, known as non-custodial asset management, whereby there is no third party that has custody of its user's assets. With a protocol like Nova, because all assets are in the full custody of its users and not us, it means you have full control of the destiny of your money. We believe this approach is a major step toward building a financial system that is safer for its participants.

When these trading strategies aren't in play your assets can be put to use elsewhere - you can deposit into lending protocols and liquidity pools on the Solana network (the main ones being Saber and Solend, which enables us to generate 'interest' on over 15 assets within the app).

The main benefit to Nova is its flexibility. Any aspect of the asset can be programmed and adapted over time as the investment landscape changes within the crypto ecosystem. Many other asset management protocols are fixed or depend on human interaction to change over time. Nova is fully autonomous and gives users (and other protocols) assurances and trust over

the assets and what activities they will carry out.

What's in store for the future?

We can say that decentralised Finance (DeFi) has had a challenging first few years as a pioneer of modern finance. However, we are passionate about the innovation in the Defi space and believe it has the potential to make automation and complex algorithms available to the masses through its global reach and scalable deployment through smart contracts. Automation can be powerful in removing some of the barriers that less experienced participants face such as limited time, knowledge gaps and emotional trading.

The next launch will be a webapp that will allow crypto experts to come onto our whitelist, then we launch the Nova token. Through a new type of governance which will give great opportunity and utility to the community. Our ultimate hope for Nova is that it can become a DAO and fully owned by the community. Participating in a meaningful way with DAOs can be extremely rewarding for the early adopters both financially and also in terms of the connections or relationships you can go on to form.

Going forward we will have further partnerships with other protocols to add even more value to our proposition. We are hoping to be able to let people tokenise their portfolios (with all of the instructions and yield generation that is happening) into one token which will allow interoperability (letting other protocols interact with your portfolios built in Nova).

Lastly, we have found that many newcomers not familiar with crypto are comfortable and would prefer using mobile devices for financial decisions and activity, therefore we are developing our mobile app for release in future.

What one piece of advice would you give other founders or future founders?

Our main advice would be to make sure that you really want to hear the negatives when you are testing your products – getting true feedback, the bad with the good, is the only way that you can make the best and most robust protocol or product you can. We have both traded cryptocurrency for a number of years and we use the benchmark that we want to develop a product that we would actually use.

Tom Sichel and Adam Greenberg are the cofounders of *Nova Finance*.

