

WHITE PAPER

DECENTRALIZED STRATEGY ZONE

Mastering On-Chain Finance:
AI-Powered Multi-Chain
Wealth Growth, Transparent
Value by DAO Governance





Preface

In the wave of blockchain technology reshaping the global financial infrastructure, decentralized finance (DeFi) is facing unprecedented opportunities and challenges. The explosive growth of the multi-chain ecosystem has given rise to core pain points such as asset liquidity fragmentation, complicated strategy execution, and high user operation thresholds, and a new generation of infrastructure is urgently needed to achieve breakthrough integration.

DSZ (Decentralized Strategy Zone) - an open financial protocol based on an artificial intelligence strategy engine and a multi-chain interoperability architecture. We are committed to building a "Strategy-as-a-Service" platform in the decentralized era

We believe that true financial democratization begins with the collapse of technical barriers. DSZ encapsulates complex strategies into simple interfaces, allowing every user to become a strategy master of their own assets.

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1. Executive Summary

▶ 1.1 Core Values

DSZ (Decentralized Strategy Zone) is a new generation of AI-enabled cross-chain asset management protocol, dedicated to solving the strategy execution efficiency and multi-chain operation problems of digital asset users through decentralized technology. Based on smart contracts and inter-chain interoperability architecture, DSZ provides a unified asset view, automated income strategy and community-driven governance system to create a safe and transparent decentralized wealth growth engine.

AI Strategy Optimization

The machine learning engine analyzes 200+ on-chain data sources (such as DEX liquidity, lending rates) in real time to recommend the best yield strategy for users. Historical backtesting shows that APY has increased by 22%-35% (based on ETH/USDC strategy testing).

Seamless cross-chain management

Integrate 10 mainstream chain assets such as Ethereum, BNB Chain, Polygon, etc., reduce 90% of manual cross-chain operations, and reduce Gas costs by 50% through LayerZero technology (using DSZ payment).

Community autonomy

The DAO governance model ensures that key decisions such as protocol parameter upgrades and fund allocation are controlled by DSZ holders through voting.

1. Executive Summary

▶ 1.2 Key indicators

index	Target value	Implementation Strategy
Initial TVL (within ninety days)	≥ \$50 million	CEX/DEX liquidity initiation and airdrop incentives
Agreement Fee Percentage	0.15% / Strategy Implementation	Dynamic rate model (tiered based on TVL)
Supporting resources	50+ widely recognized currencies	Multi-chain adapter enhancement strategy
Daily transaction volume	20,000+ entries	ZK-Rollup Settlement Layer (Scheduled for Deployment in 2026)

▶ 1.3 Technology Credibility Foundation

- Smart contract: Passed dual audits by Certik and OpenZeppelin (Audit ID: DSZ-SC-0525)
- Cross-chain security: Adopts Chainlink oracle verification + multi-signature cold wallet custody (5/8 signature mechanism)
- Open source and transparency: core contract code is 100% open source (GitHub: DSZ-Protocol)

2. Industry pain point analysis

▶ 2.1 Cross-chain operation fragmentation

The Nature of the Problem

- User assets are scattered across multiple blockchains such as Ethereum, BNB Chain, and Polygon, and users are forced to use different wallets to manually manage them, which makes operations complicated and costly.

Data support

- According to the Dune Analytics 2025 report, DeFi users need to manage assets on 3.2 chains on average, and 47% of their operating time is spent on cross-chain transfers;
- The average cost of transferring assets from BSC to Ethereum is \$15, and the average annual gas expenditure exceeds \$180 per user;
- The cross-chain transaction confirmation delay exceeds 15 minutes, resulting in the loss of 68% of arbitrage opportunities (Chainalysis 2025).

DSZ Response

- A unified asset view is built through the LayerZero interoperability protocol, which supports a single account to manage assets on 10+ chains. DSZ token payments are used to achieve a 50% reduction in cross-chain fees, significantly reducing operational friction.

2. Industry pain point analysis

▶ 2.2 The threshold for strategy execution is too high

The Nature of the Problem

- Complex strategies such as liquidity mining and hedging balance require professional financial knowledge and on-chain operation skills, which are difficult for ordinary users to master.

Key Findings

- According to the CoinGecko 2025 survey, 78% of users give up using advanced profit strategies due to technical barriers;
- Manual rebalancing strategies result in annualized returns that are 9.2% lower than automated systems (Delphi Digital);
- Information asymmetry makes the capture rate of arbitrage opportunities for ordinary users 41% lower than that of institutions, exacerbating the profit gap.

DSZ Innovation

- Deploy an AI-driven strategy engine to analyze 200+ on-chain data sources (such as DEX liquidity depth, lending rate spreads) in real time, provide a one-click enabled pre-qualified strategy library (such as dynamic LP weight optimization), and democratize professional-level asset management capabilities.

2. Industry pain point analysis

▶ 2.3 Security and Trust Crisis

The Nature of the Problem

- The centralized custody risks of cross-chain bridges and the frequent vulnerabilities of smart contracts threaten the security of user assets.

Industry Alerts

- Certik's 2024 annual report pointed out that cross-chain bridge attacks caused \$1.9 billion in losses throughout the year, with centralized custody single point failure being the main cause;
- Unaudited contracts led to 127 security incidents, accounting for 68% of the total DeFi vulnerabilities throughout the year;
- The manipulation of a single oracle data source caused a liquidation loss of \$430 million (2024 Q4).

DSZ Security System

- The smart contract is double audited by Certik and OpenZeppelin and is fully open source;
- The cross-chain bridge uses 5/8 multi-signature cold wallet custody and sets a daily limit of 20 million US dollars for fund transfer;
- Integrated Chainlink + Pyth dual oracle, key price requests require double data verification.

3. Technical architecture

▶ 3.1 Application Interaction Layer

Functional Positioning

- The entry point for users to interact with the protocol, providing a visual operation interface.



Core components

- Unified dashboard: aggregates asset balances, income history and strategy status of 10+ chains including Ethereum, BNB Chain, Polygon, etc., and supports single-page multi-chain asset management.
- Strategy Market: pre-set AI-audited income strategies (such as dynamic LP market making, cross-chain arbitrage), users can deploy with one click and monitor APY fluctuations in real time.
- DAO Governance Panel: integrates proposal voting, parameter adjustment and treasury fund allocation functions, and supports delegated voting mechanism. Technical implementation: React front-end + Web3Modal wallet connection, responsive design compatible with Web/mobile terminals.

3. Technical architecture

▶ 3.2 AI Strategy Engine Layer

Functional Positioning

- The core intelligent module of the protocol drives automated revenue optimization.

Workflow



Data input:

- DEX liquidity depth (Uniswap/PancakeSwap)
- Lending protocol interest rates (Aave/Compound)
- On-chain volatility indicators (such as GARCH model predictions)



Strategy Generation:

- Use LSTM neural network to predict short-term price trends and profit opportunities.
- Dynamically adjust asset allocation based on reinforcement learning model.
- Output risk rating and expected APY strategy plan.



Execution monitoring:

- Automatically trigger rebalancing conditions (such as when the impermanent loss threshold exceeds 15%);
- Real-time tracking of strategy performance and generation of adjustment recommendations.

3. Technical architecture

▶ 3.3 Cross-chain execution layer

Functional Positioning

- Securely handle multi-chain asset transfers and contract calls.

Core Innovation



Light node cross-chain bridge:

01

- Based on LayerZero's lightweight messaging protocol, the inter-chain asset transfer confirmation time is less than 2 minutes;
- Support DSZ tokens to pay for gas fees, reducing the handling fee by 50%.



Multi-link routing optimization:

02

- Integrate 0x API and linch's aggregated quotes to automatically select the optimal transaction path;
- Cross-chain slippage control < 0.5% (compared to the industry average of 1.8%).



Asset custody model:

03

- Non-custodial design: User assets are always controlled by their own wallets;
- Cross-chain transfer uses 5/8 multi-signature cold wallets with a daily limit of 20 million US dollars.

3. Technical architecture

▶ 3.4 Security and Audit Layer

Functional Positioning

- The cornerstone for ensuring the security of the entire protocol stack.



Key Mechanisms

Smart contract security:

- Core contracts pass Certik formal verification + OpenZeppelin vulnerability scanning;
- Adopt the upgrade proxy mode (Transparent Proxy) to support lossless contract iteration.

Oracle protection:

- Dual data source verification: Chainlink mainnet price is compared with Pyth high-speed feed price, and transactions are frozen when the deviation is $> 2\%$;
- Key price requests must be confirmed by at least 7 nodes.

Real-time monitoring:

- Integrate the risk alert system of the Forta network to automatically trigger protocol checks for abnormal TVL fluctuations ($>10\%$ /hour);
- All operation logs are auditable on the chain.

4. Token Economic Model

▶ 4.1 Token Core Parameters

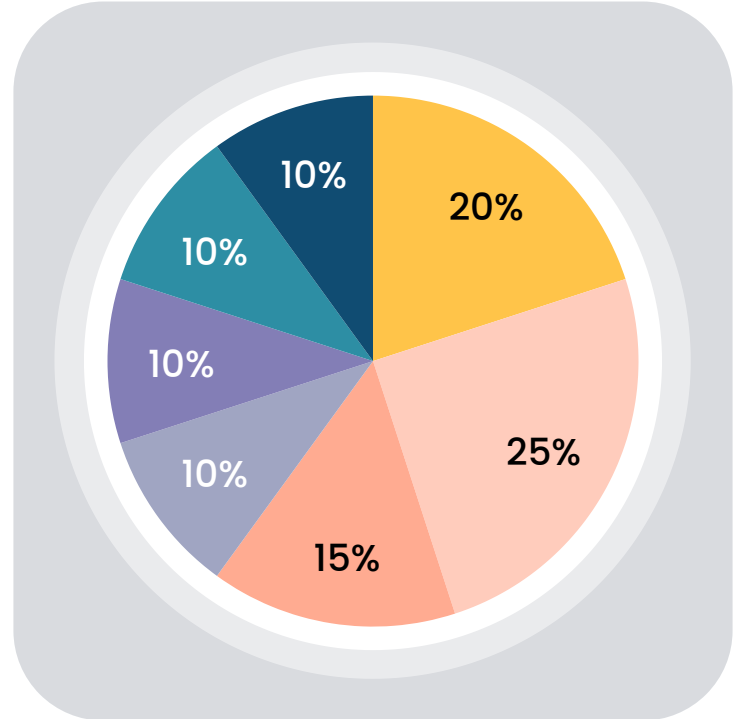
property	Parameter Value
Token Name	DSZ
Complete name	Decentralized Strategic Zone
Contract Standards	ERC-20 (Ethereum Mainnet)
Total Supply	1,000,000,000 pieces
Initial circulation	100,000,000 (10%)
Accuracy	18th decimal position
Initial Launch Exchange	MXCI + two partner exchanges

4. Token Economic Model

▶ 4.2 Token Allocation and Release Mechanism

Allocation Overview:

- Team and Consultants
- Ecological Fund
- Market Making Liquidity
- Public offering (IEO)
- Private placement round
- Reserve Funds
- Strategic Cooperation



Token circulation release plan:

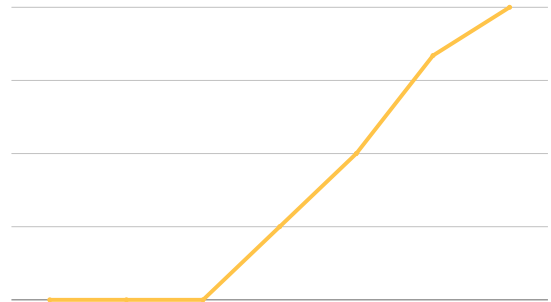
Temporal Node	New circulation (units)	Cumulative circulation (units)	Key Developments
2025 Q2 (TGE)	127,500,000	127,500,000	IEO Public Offering and Market Making Initial Release
2025 Q4	42,500,000	170,000,000	Private placement monthly report finalized.
2026 Q2	62,500,000	232,500,000	Team tokens will commence linear release.

4. Token Economic Model

▶ 4.2 Token Allocation and Release Mechanism

Team and consultants (20% | 200 million)

- Purpose: Long-term incentives for core developers and strategic advisors
- Release rules: Full lock-up for 12 months, followed by linear monthly unlocking for the next 24 months



Ecosystem Fund (25% | 250 million)

- Purpose: Community incentives, developer subsidies, partner programs
- Management mechanism: DAO votes quarterly to decide on funding allocation

Market making liquidity (15% | 150 million)

- Purpose: To ensure the trading depth of CEX/DEX
- Release rules: TGE releases 5% (7.5 million pieces), and the remaining part is released linearly over 12 months



4. Token Economic Model

▶ 4.2 Token Allocation and Release Mechanism

Public IEO (10% | 100 million)

- Distribution platform: MXCI and two partner exchanges
- Release rules: 100% TGE unlocked

Private placement round (10% | 100 million)

- Participants: Early strategic investment institutions
- Release rules: TGE unlocks 20%, and the remaining 80% is released linearly over 6 months



Reserve funds (10% | 100 million)

- Purpose: Protocol emergency response and long-term strategic deployment
- Management mechanism: DAO multi-signature wallet control (5/8 threshold)

Strategic cooperation (10% | 100 million)

- Purpose: cross-chain protocol integration, third-party DApp access incentives
- Release rules: gradually released according to cooperation milestones

4. Token Economic Model

▶ 4.3 Token Value Logic

The value of DSZ is supported by both functional utility and governance rights:

Functional application scenarios

Strategy execution cost optimization

50% discount on cross-chain fees when using DSZ

Advanced Policy Access

Stake $\geq 10,000$ DSZ to unlock VIP strategy library (such as dynamic hedging model)

Developer Ecosystem Incentives

DApps that integrate DSZ SDK will be rewarded 50 DSZ for every thousand calls

Governance rights system

Basic voting rights:

- 1 DSZ = 1 vote (regular proposals such as parameter adjustment, fund allocation, etc.)

Enhanced governance rights (veDSZ):

- Lock DSZ to obtain veDSZ certificate (1 lock for 4 years = 1 veDSZ)
- Privileges include:
 - Advanced proposal initiation rights
 - Protocol fee dividends (up to 30%)
 - Eligibility to participate in emergency decision-making

5. Ecological application scenarios

DSZ tokens are deeply integrated into the protocol ecosystem to build a value closed loop of "utility-governance-incentive"

► 5.1 Intelligent Strategy Execution Engine

How it works



AI strategy recommendation

The STM neural network analyzes on-chain data (DEX liquidity, lending rate spreads, volatility) and automatically generates a risk grading strategy (A+ to D).



One-click deployment

After the user selects a strategy, the smart contract automatically completes cross-chain asset transfer, liquidity addition and position management, reducing the entire gas cost by 50% (paid using DSZ).



Real-time rebalancing

When impermanent loss >15% or APY deviation >5%, the system automatically triggers position adjustment, reducing the need for manual intervention.

User Value

- Strategy execution efficiency increased by 90%
- Average profit increased by 22%-35% compared to manual operation (based on historical backtesting)

5. Ecological application scenarios

► 5.2 Cross-chain operation cost optimization

Core Features

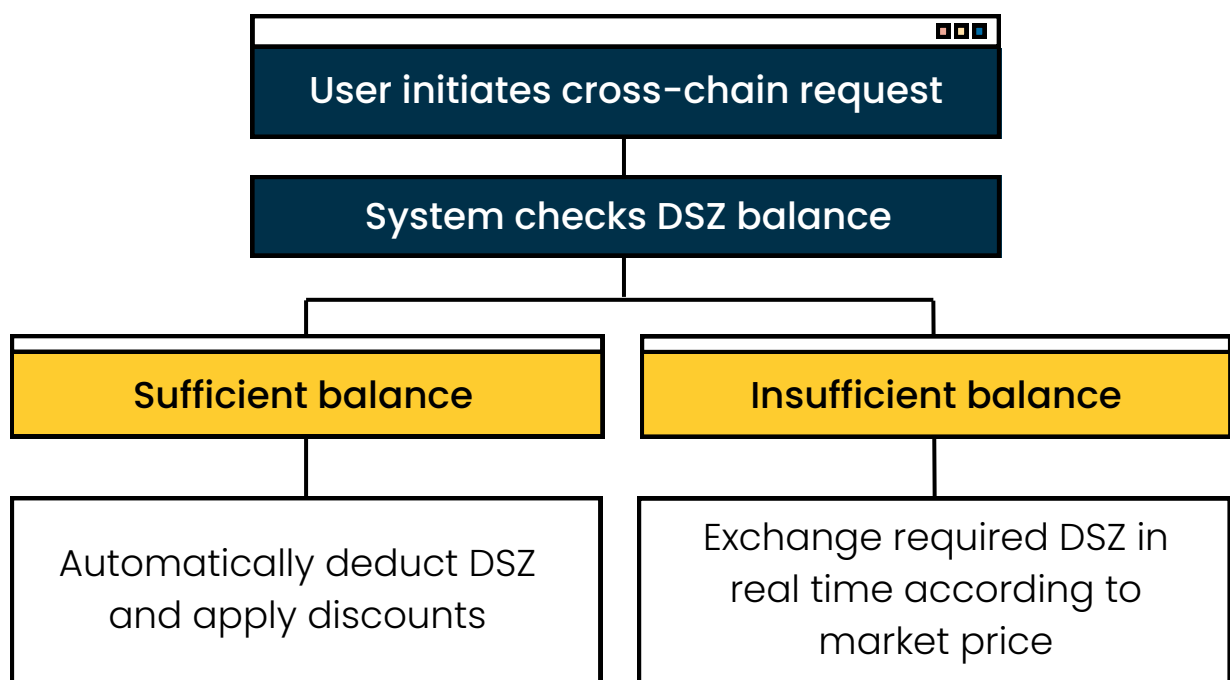
AI strategy recommendation

Use DSZ to pay LayerZero bridge fees and enjoy a 50% fee discount (e.g., the ETH→Polygon transfer cost drops from 8 to 4).

Multi-chain Gas Subsidy Pool

The protocol injects 0.15% of the strategy execution fee into the subsidy pool and distributes the quarterly subsidy amount according to the proportion of DSZ holdings.

Operational Model



5. Ecological application scenarios

► 5.3 Liquidity Incentive System

Participation Form	Reward Regulations	Annualized return projection
Fundamental commitment	Secure DSZ to achieve an 8% basic annualized return.	8%-12%
USDC/DSZ Liquidity Pool	Provide liquidity and receive a 25% APY reward.	25%-40%
Strategy Insurance Consortium	Deposit USDC to mitigate strategy risk and benefit from a 15% APY.	15%-18%

► 5.4 DAO Governance Power

Dual-track governance model

Basic voting layer (1 DSZ = 1 vote)

- Regular proposals: protocol parameter adjustments (such as handling fee rates)
- Fund allocation: quarterly budget approval for ecological funds
Pass threshold: number of participating votes > 15% of circulation

veDSZ enhanced layer (1 DSZ locked for 4 years = 1 veDSZ)

- Core proposal rights: smart contract upgrades, cross-chain bridge security configuration
- Handling fee dividends: 30% of protocol income is distributed according to veDSZ weights
- Emergency voting: suspend risk strategies, enable reserves
Pass threshold: veDSZ support rate > 40%

6. Development Roadmap

▶ 6.1 Technology foundation and ecosystem launch

2025 Q2

- Completed DSZ core smart contract deployment and third-party audit
- Started IEO, the first batch of liquidity was injected into CEX and DEX
- Released airdrop and invitation incentive plan

2025 Q3

- Officially released DSZ platform V1
- Opened DAO governance system and proposal mechanism
- Multi-chain bridging service launched for internal testing

2025 Q4

- Launched AI Strategy Execution Engine V1
- Released DSZ App and Light Wallet
- Connected to Uniswap, SushiSwap, LayerZero cross-chain functions

• 2025 Q2

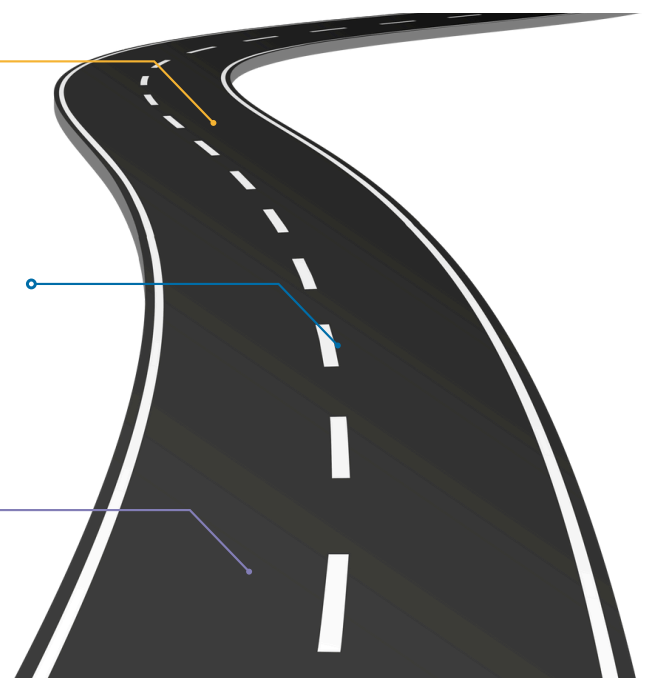
The target test network TVL exceeds 10 million US dollars and the community users reach 50,000 people

• 2025 Q3

The target mainnet TVL exceeds 50 million US dollars, and the average daily strategy execution volume exceeds 5,000 transactions

• 2025 Q4

The target mobile users account for more than 40%, and the median APY of strategy execution is 18%.



6. Development Roadmap

▶ 6.2 Risk protection and cross-chain integration

2026 Q1

- Launch on-chain risk protection pool to provide strategic insurance support
- Expand NFT financial management strategy and GameFi integration module
- Realize asset reuse integration with multiple on-chain lending protocols

2026 Q2

- Launched zk-Rollup settlement layer
- Added support for Cosmos/IBC ecosystem

2026 H2

- Institutional asset management portal
- RWA income tokenization

• 2026 Q1

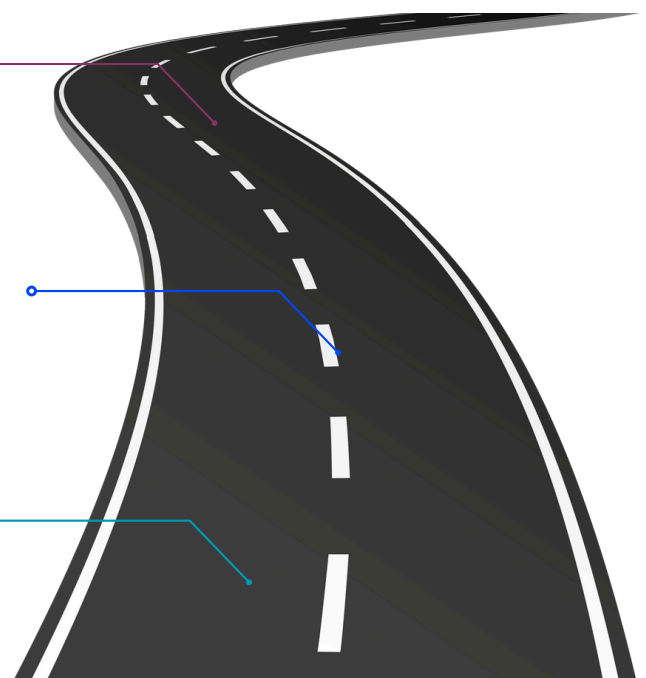
The target insurance pool size exceeds 10 million US dollars, and the TVL of the GameFi module reaches 8 million US dollars

• 2026 Q2

The gas cost of strategy execution is reduced to \$0.01, and the processing capacity is increased to 2000+ TPS

• 2026 H2

The goal is to exceed \$1 billion in TVL for the entire ecosystem, with an average daily strategy volume of over 100,000 transactions



7. Risk Management System

▶ 7.1 Risk Control Matrix

Smart Contract Security

Dual audit mechanism:

- Core contracts audited by CertiK (formal verification) and OpenZeppelin (vulnerability scanning)
- Upgraded to Transparent Proxy mode, supporting lossless iteration

Real-time monitoring:

- Integrated with Forta network, automatically suspend the protocol for abnormal TVL fluctuations (>10%/hour)
- All function calls are traced on the chain, supporting third-party audits

Strategy execution risk control

Risk Category	Response Mechanism
Impermanent loss surpasses the threshold.	Automatic rebalancing or stop-loss when exceeding 15%.
APY declines significantly.	A deviation from the predicted value exceeding 5% activates an alarm.
Liquidity Diminishes	Slippage exceeding 1% will result in the suspension of the strategy and a refund.

7. Risk Management System

▶ 7.2 Funding guarantee mechanism

Layered protection architecture

User asset layer	Non-custodial wallet (users hold their own private keys)
Protocol Asset Layer	5/8 Multi-signature cold wallet (\$20 million daily limit)
Risk Response Layer	\$10 million reserve + Nexus Mutual insurance coverage

Reserve fund activation conditions

- Cross-chain bridge attacks caused losses
- Strategy loopholes caused user funds to be damaged
- DAO voting approval rate >60%

▶ 7.3 Core risk control indicators

Protection area	Control Objective	Present Condition
Contract Security	Zero critical vulnerabilities.	Audit score: 98/100
Cross-chain latency	<90 seconds	45 seconds (LayerZero)
Impermanent loss reimbursement ratio	≥80%	85% (test network data)
Insurance coverage	30% of Total Value Locked	Nexus Mutual \$300 million

8. Legal Notice

▶ 8.1 Token Attributes Statement

DSZ tokens are utility tokens, and their design purposes are limited to:

- Paying for in-protocol service fees (such as cross-chain gas fee discounts, strategy execution fees)
- Participating in DAO community governance voting (parameter adjustment, fund allocation and other proposals)

Not for the following purposes:

- Equity, debt or any form of financial assets
- Investment contracts, securities or dividend certificates
- Financial tools that promise fixed returns

▶ 8.2 Governing Law and User Restrictions

Applicable Law:

- DSZ Protocol operations are governed by the laws of the Republic of Singapore (exempt from VASP license requirements).

Prohibited Jurisdictions:

- Citizens/Residents of the United States and its territories
- Citizens/Residents of Mainland China, Iran, North Korea, Cuba
- Individuals/Entities subject to OFAC sanctions lists

User Responsibilities:

- Using the agreement means confirming that: the user is not from the above regions and is over 18 years old;
- Understand the irreversibility of all on-chain operations (such as cross-chain transfers and strategy execution).

8. Legal Notice

▶ 8.3 Disclaimer

Core Disclaimer:

- No Investment Return Commitment:
- The DSZ team does not guarantee the strategy yield, token value growth or user asset security. The risks of market volatility, technical failures, etc. are borne by the users themselves.
- Audit Limitation:
- The smart contract audit report (Certik ID: DSZ-AUDIT-0625) only provides an assessment of the code security at a specific point in time and does not constitute an absolute security guarantee.
- Third-party risk isolation:
- DSZ is not liable for losses caused by vulnerabilities and regulatory changes in integrated protocols (such as Uniswap, LayerZero).
- Protocol Control Ownership:
- In the future, DAO governance may modify core parameters (such as handling fee rates, insurance terms) through voting, and users need to continue to pay attention to governance proposals.
- This statement may be adjusted based on regulatory requirements, and the changes will take effect through DAO voting (proposal publicity period ≥ 7 days).
- Users participating in the agreement are deemed to have agreed to all the terms of this statement.