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## DeFi Novice: Guide to Make the Diversified Cryptocurrency Portfolio Simple

Original:

<https://www.btcc.com/en-US/academy/research-analysis/defi-novice-guide-to-make-the-diversified-cryptocurrency-portfolio-simple>

There is no lack of choice in investing in [cryptocurrencies](#). New projects are launched every day. Because of this complexity, not to mention the complexity and risk of buying and storing these assets, investors who may jump into this field are blocked out. However, new services and products are emerging to bring professional portfolio management to day-to-day investors who do not have to be experts in the field first.

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### Survive in the Cryptocurrency Market

While cryptocurrencies can be attractive, browsing transactions and securely storing assets can be daunting at best and dangerous at worst. Registering a platform, building a cryptocurrency wallet, ensuring your seed phrase and transferring funds correctly can make users make mistakes and lead to potential capital losses. When you enter the world of decentralized finance, things become more complex. There are a dazzling range of services and asset choices, but they are not always legal or easy to use.

There are still some problems to be solved, such as the legal clarity around cryptocurrency. Not every platform is legal in every jurisdiction. Even binance, the world's largest exchange, is banned in many first world countries, which leads to confusion among users because local variants of the service, such as binance us, have been pushed out to try to cover as many places as possible. This is not intuitive and makes users unstable before they start exploring.

Most importantly, there are also scams and hackers. Bad guys keep creating websites with similar appearance and imitating coins in order to deceive newcomers and let them accidentally give them money. The worst thing is that even well intentioned services may cause users' financial losses due to errors or vulnerabilities in the code. Recently, a \$600 million vulnerability occurred in Axie Infinity's ronin network.



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## Novices of DeFi

Ideally, investors should not need to harness all the subtleties and complexities of these markets to achieve institutional results. In order to stimulate broader investment, we need to promote methods that allow relatively novices to participate and succeed. Fortunately, there are various strategies and products that can provide such opportunities.

If the traditional investment industry practices, investors tend to prefer mutual funds and ETFs and other instruments. Using these tools, investors can obtain different portfolios through a single asset, providing better risk management and flexibility. For investors who lack time and experience, such methods can provide a level of expertise that they cannot obtain in other aspects.

## Index Tokens

However, for many investors, perhaps the simplest and easiest option will be the increasing number of so-called “index tokens”. As the name suggests, these tokens are a single asset that gathers investments focused on specific market segments, such as the DeFi or Layer-1 blockchain. Similarly, the underlying related projects are managed by professionals, but what users need to do is to buy index tokens, so they can.

Amun has provided some attractive products that provide indexes for polygon, Solana and the wider DeFi ecosystem. These “basket” assets are regularly rebalanced, taking into account recent price changes and the overall market value. This represents the freest approach, because nothing needs to be registered or set up, and users don't need to micromanage their portfolio to get the maximum return. Once they buy tokens, investors can simply sit down and let them appreciate with the market.



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## **Conclusion**

New capital has been entering cryptocurrency, but many people are cautious about buying something more complex than bitcoin or Ethereum. The more diverse world of DeFi is too complex and dangerous for them to explore the possibility of return.

Fortunately, by taking advantage of these technologies that make entry barriers easier, it is now possible to bring a diversified cryptocurrency portfolio to almost everyone.