

eosinterest

WHITE PAPER

One- stop-ecosystem Aggregator

for

Risk-Weighted Yield Maximization

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One-Stop-ecosystem Aggregator for Risk-Weighted Yield Maximization

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Abstract

The eosinterest (INTR) is an all- in- one- ecosystem aggregator for risk-weighted yield maximization in the community- verified cryptocurrency farming, lending and liquidity mining projects. Eosinterest users can manage their investment via a single dashboard setting and the eosinterest's Automated Market Maker (AMM) routes their investment via its audited smart contracts. We position eosinterest in a sustainable rational bubble ecosystem by controlling certain economic conditions. In contrast to existing Defi projects, eosinterest has a non-inflationary token supply, the entire token supply of which will be in circulation from the day one of the project launch. The initial price discovery would occur through a dutch auction. The native token is used as a medium of distribution of yield accumulated through eosinterest. For that purpose eosinterest AMM will sell the yield which comes in various tokens and buys the eosinterest native token and the stable coin DAI, and SUSD which effectively generate continuous market demand and supply for the eosinterest native token (INTR). An index fund which is financed through 10 per cent of the yield generated through the platform sets the floor price of the native token in an event of major price fluctuation. The index fund can be dissolved and holding assets be distributed among the token holders through the majority voting. The eosinterest is governed by the community who can propose and vote on the platform governance and asset management.

1. Introduction

The eosinterest is an all-in-one eco-system aggregator. The users of the eosinterest can invest in a full spectrum of existing yield farming and lending platforms of their choice such as Compound, Uni, Sushi, Balancer, Harvest, Yearn, Cream, Avve etc. through the eosinterest AMM. Eosinterest is a sub ecosystem

that feeds into and feeds off from the larger cryptocurrency ecosystem. By controlling certain economic conditions, we convert it into a rational self-sustaining bubble. Strength of the eosinterest and its long term sustainability is hardwired to the controlled economic conditions of its sub ecosystem.

Problem

Decentralized Finance (Defi) yield farming platforms are doing a lucrative business. But, in the economic logic, much of their inflated market cap comes from minting tokens out of thin air to pay as dividends to liquidity providers and lenders. This business model creates major token supply inflation without no intrinsic value generated from economic activity. The price is maintained by speculative holding by large holders. This is a veritable pyramid model and can go on only as long as new buyers come in or holders hold on to their bean bags. When either of the two does not happen, the model collapses. In the cryptocurrency space where token prices can much easily be manipulated, a total collapse can perhaps be averted. This would nonetheless lead to substantial price correction and cause hefty losses for the holders and new buyers.

The eosinterest sub ecosystem

The eosinterest is creating a risk-weighted non-inflationary sub ecosystem that would feed off from the Ponzi-economics of the yield farming. However, by controlling certain economic conditions within the eosinterest sub ecosystem, we mitigate the adverse impact associated with runaway token inflation of the larger ecosystem.

There are several interrelated components of the eosinterest ecosystem. First, eosinterest has a non-inflationary token supply. The eosinterest native token (INTR) has a fixed token supply of 10,000,000. The entire token supply will be issued at the launch and will be freely circulating in the market. There will be no lockups, no team holdings, no future token issuances. This allows the market forces to decide the price. The price discovery of the initial market cap would occur through a dutch auction. At the pre-sale price of \$.4 per a native token (INTR), the initial market cap would be \$ 4,000,000, which allows a substantial room for growth.

Second, the eosinterest is not minting tokens to pay as yield or liquidity rewards, instead, the eosinterest AMM would proactively buy INTR tokens from the market to be distributed as yield. In order to buy INTR, it would sell a portion of yield generated through the investment routed through the eosinterest platform. The investors would receive their yield in Stable coins of their choice and eosinterest native token (INTR). Thus it would be market forces of demand and supply that set the price for INTR token, and not speculative hoardings and lockups.

Third, there is an INDEX fund. A 10% of yield is invested and auto compounded in BTC and DAI. The asset value of INDEX set the floor price of the INTR token. Even when there is a major price correction, it can not drop any further than the asset value of the INDEX fund. That effectively saves token holders and future token buyers from a steep price collapse that has been synonymous with cryptocurrency

Through a combination of the above interventions, we create what is known in economics as a self-sustainable rational bubble for the eosinterest sub ecosystem. Economists generally dismiss self-sustaining bubbles as something that does not exist, like a free lunch. But, some of the most respected economists, including two Nobel prizewinners, Paul Samuelson (1958) and Jean Tirole (1985) have demonstrated that self-sustainable bubbles can persist when an economy's growth rate consistently exceeds its interest rate. In these circumstances, a bubble can remain both attractive and affordable, enticing the buyers it needs to sustain itself without dwarfing the economy.

In this paper, we explain how the eosinterest sub ecosystem is constituted and would function. This is not a theoretical only design. While the control of certain economic conditions may be problematic in the free-market economic model of the economics of scale, such an experiment can be implemented much easily and effectively within a cryptocurrency sub-ecosystem. Within the eosinterest sub-ecosystem, we do the following microeconomic adjustments.

- a) We fixed the supply of eosinterest token (similar to the suppression of interest rates in an economic system) and allow it to freely trade against infinite market demand.
- b) Set an incremental floor price through (i) a risk-weighted stable coin (ii)inflationary bitcoin.
- c) Create a market demand for the fixed supply of native tokens by distributing 50% of yield through the eosinterest token. Eosinterest token is purchased from the free market -and NOT minted for that purpose- through regular automated orders by the AMM.

Sequence

In the first part, we analyze the cryptocurrencies in their use case for various economic purposes. We argue while cryptocurrency does not tick any boxes, the rapid evolution of the ecosystem and mass adoption would mitigate some deficiencies in the medium to long run, placing bitcoin as the bedrock of an emerging decentralized financial system.

In the second part, we outline as to how eosinterest plans to overcome the existing deficiencies in the yield farming platform.

- a) We will provide how the economic theory of rational bubble is applied in the control setup.
- b) Explain the fundamental components and the overall function of the eosinterest ecosystem.

1.1.A brief overview of cryptocurrency as a viable financial system

Back in 2008, Satoshi Nakamoto, combined the distributed ledger technology with cryptography and gave origin to what is now known as blockchain technology. The blockchain technology allows for a trustworthy record of transactions among anonymous without the need of a neutral central authority. The blockchain contains all the transaction history and each transaction is tamper-proof, publicly auditable (traceable) and no-reversible. The first application of the blockchain technology is Bitcoin: a digital currency that combines together the characteristics of money with those of a payment system. This dual nature is explained by the fact that Bitcoin is money expressed as a string of bits sent as a message in a fully decentralized network composed of millions of users with computers and devices connected among each other. (Tasca, 2016)

Payment system?

In its earlier phase, bitcoin, and the early-stage cryptocurrencies that follow the creation of bitcoin were embraced by crypto enthusiasts as an alternative to currencies and payment systems that are seen to threaten users' privacy, limit personal liberty, and undermine the value of money through state and corporate oversight. Bitcoin's promise lies in its apparent capacity to resolve these concerns not through regulatory institutions or interpersonal trust, but through its cryptographic protocols. However, despite offering an alternative in a technical sense, neither bitcoin nor other cryptocurrencies managed to reach a level of mass adoption that would make it an alternative to the legacy financial system. The problem lies in the fundamental shortfalls, the limited scalability, and long delays of the transaction.

Store of Value?

However, Bitcoin (and to a lesser extent certain other cryptocurrencies) found a different use case as a store of value, which can be explained in their massive price inflation over the decade. A Bitcoin that was valued less than \$1 in 2010 reached its all-time high of \$19,783.06 in late December 2017. That would be 20,000% value creation for someone who got hold of a btc in 2010 and hodle for the next 7 years. However, equally spectacular price crash during the following year and virtual annihilation of most associated cryptocurrencies challenge Bitcoin's premise of the store of value. The extreme volatility was in the display again during March 2020 when Bitcoin lost half of the value in a matter of days.

Bitcoin's volatility underscores the challenge of establishing the trust needed for a widely useful currency, but the proliferation of cryptocurrencies also shows that traditional, government-backed

currencies don't address everyone's needs (Goetzmann, 2020). While major price inflation is also hardwired to Bitcoin due to its limited supply and fixed token issuance, the extreme volatility negates the promise of a safe store of value asset.

Money?

The most important property of functional money is fungibility. The other is predictability. In economics, fungibility is the property of a good or a commodity whose individual units are essentially interchangeable, and each of its parts is indistinguishable from another part. In theoretical sense Bitcoin and any of the cryptocurrencies is fungible. However, they all lack the predictability of a functional medium of finance. Until the extreme volatility associated with cryptocurrencies is mitigated, the mass adoption of cryptocurrency as money is not feasible.

The evolution and future

From where they stand now, cryptocurrencies do not tick any of the boxes – mass adopted payment system, store of value or money. However, cryptocurrencies, especially Bitcoin, and underline technology, blockchain as a public ledger have undergone major changes. Scalability issues of the Bitcoin may not be addressed in a way it becomes a mass adopted payment system. However, other blockchain solutions have emerged with both theoretical and practical high scalability. Though the extreme volatility is denting the store of value of Bitcoin, it still retains probably the highest value creation. And it is wired to grow due to the simple market function of (fixed) supply and incremental demand. While Bitcoin may not become money, however, digital currencies of a stable value, Digital Yuan, and Facebook Libra have been explored. Bitcoin itself is getting traction as global payment systems such as Paypal plans to enable bitcoin payments.

Therefore, we believe Bitcoin, rather than serving one specific role in the future financial system would be a reserve currency. It would consolidate as a store of value asset as its extreme volatility would be tackled with mass adoption. It would be the bedrock of an assorted decentralized financial system, which may emerge from the fringe and acquires a degree of mass adoption in countries where the legacy systems and the centralized monetary policy are already a mess, and currency depreciation is ripe. Some such places, such as Venezuela have already incorporated bitcoin into the finance system, while countries such as Iran have also explored the possibility. However, the overall mass adoption of digital assets in developed financial systems would happen with regulations.

1.2. Yield Farming and Decentralized finance

Decentralized Finance (DeFi) is the latest buzz in the cryptocurrency sphere and is behind the recent resurgence of the market activity after a long winter - though the latest spike of bitcoin prices is a different phenomenon and may not relate to any real market activity, but manipulation through centralized exchanges using unlimited printing of USDT as the absence of any real retail interest suggests. We forecast the next wave of retail interest in cryptocurrency would come through Decentralized finance. Yield farming also known as liquidity mining allows token holders of various cryptocurrencies to put their idle crypto-assets to work. Instead of letting cryptocurrency sit in a wallet and growing or falling in value depending on the external market, DeFi users can earn interest or receive returns for their participation. For instance, liquidity providers can add funds to liquidity pools, which are governed by trustless smart contracts which typically run on the Ethereum network. In return, they are rewarded with liquidity rewards in the form of the native token of the platform. The users can then either hodl or sell their liquidity rewards.

Similarly, holders of stable coins, BTC and high-value alt coins can lend their digital assets via trustless smart contracts and earn interest, similar to liquidity rewards. Interests could either be in the asset they lent or the native currency of the platform.

Thus, the decentralized finance (defi) is taking off from where bitcoin as a financial system failed due to its scalability limitations. However, defi as a financial eco-system is centred around Bitcoin. Without Bitcoin, it is unlikely to foresee the existence of other cryptocurrencies. In other words, bitcoin is indispensable, and others are not.

1.2.1. The problem with Defi- Yield Farming

The extreme token supply inflation

Yield farming platforms are built on a business model that creates extreme token supply inflation. Without liquidity rewards, users would not be incentivized to provide liquidity or use the services of the platform. On the other hand, liquidity rewards are minted for simply to the purpose of rewarding the users and have no intrinsic value other than the speculative value.

Most yield- farming platforms are in the early stage of their token supply. Most have not issued even 20 per cent of their total supply. That also means there will be massive token inflation as more and

more liquidity rewards are added to circulation. This creates immense downward pressure on the price of the tokens and inevitable major price correction.

‘Governance’ token

Most tokens issued as liquidity rewards have one use case, other than speculative holding: they can be used to vote on issues related to the governance of the platform. This is a step forward towards decentralized democratic governance of financial systems. However, in practice, such measures have done very little democratization in cryptocurrency platforms. Several factors stand in the way. First, is the fact that token ownership is extremely concentrated into a few large holders. Second, smallholders have no incentive or are inclined to participate in governance. This apathy is well established in the cooperate governance and applies to large cryptocurrency projects such as EOS, which have a larger community who has been more or less passive when it comes to voting. As a well-received study on the privatized funds observed: “The shareholders of privatization funds are small investors who are typically passive and do not vote. They have neither the incentives nor means to undertake the collection of proxy votes”(Simoneti, Estrin and Bohem, 1999, p176).

This brings to question as to why should someone hold these tokens, the only explanation being speculative hoarding and extreme concentration of the token ownership. However, this cannot go forever and at one point of accumulation, token holders will be compelled to sell. That would seriously diminish the price unless of course, new buyers are brought into the platform or to the cryptocurrency sphere.

This sounds eerily familiar! In its economic explanation, liquidity rewarding platforms, or cryptocurrencies, in general, operate in a pyramid structure, or what is known as Ponzi schemes.¹ There is a subtle difference between Ponzi and pyramid schemes though the economic logic is similar: in Ponzi schemes, investors give money to a portfolio manager or someone similar who in return pay their dividends through the investor’s money itself or money from the new investors. In pyramid schemes, the initial

¹ In 1920, the Italian-born immigrant Charles Ponzi offered investors in Massachusetts a 50% return on their investment in 90 days. He was using the money invested by others to pay out interest. The system collapsed after 10,000 people had invested almost ten million dollars. The term ‘Ponzi-schemes’ is now used to describe games where individuals or companies pay out funds to some parties by borrowing funds from others. Though the term ‘pyramid scheme’ is often used for this type of game, it should be noted that they are a specific kind of Ponzi scheme. First, a pyramid scheme involves investing for the right to receive compensation for introducing new participants. There is a clear understanding that success depends on attracting additional participants. In a non-pyramid Ponzi scheme (like the one by Ponzi himself), participants believe that success depends on the development of some productive asset. Second, pyramids must fail because their success depends on endless exponential participation growth. Other Ponzi schemes eventually fail because the underlying asset either never existed, or was grossly overvalued. Contrary to pyramid schemes, other Ponzi schemes can flourish even with passive investors.

schemer recruits other investors who in turn recruit other investors and so on. Late-joining investors pay a premium to buy the product that the early investors sell.

Ponzi and pyramid schemes are self-sustainable to the extent new inflows offset the outflows paid as returns of the early investors. In other words, new investors should continuously be roped into the scheme, when that fails, the scheme collapse.

While this is true to the cryptocurrency in general, yield farming platforms are more in line with pyramid schemes due to their extreme token supply inflation. Price under such a scenario can not be maintained without bringing a continuous supply of new investors. That however does not happen in the economic analogy.

1.3.Boom-bust cycles

In economics the popular notion of a bubble or bubbly episode refers to a situation in which, for no really good reason, asset values and credit start growing rapidly. This marks the beginning of a period in which investment expands sharply, typically financed by large capital inflows. Output and consumption growth accelerate. Some of the new investments might seem unproductive, especially if they are made in low productivity sectors such as real estate. But this is not perceived to be a major problem contemporaneously. After all, the population enjoys a high level of consumption and well-being. Eventually, again for no really good reason, asset values and credit drop, often quite dramatically.

Same fundamental dynamic could be seen in each of cryptocurrency bubble and boom cycles. For instance, in two occasions in 2013 and 2017, cryptocurrency market grew by over ten fold in market capitalization and then popped. This leads to a sudden collapse in investment and a reversal of capital flows. Output and consumption growth stop abruptly and might even turn negative. Some of the investments made during the expansionary phase turn out to have little value, and they might even be abandoned or dismantled. The population now suffers a low level of consumption and well-being.

This is the stylized view of bubbly boom-bust cycles held by many economic analysts and policymakers around the world and is applicable broadly for the cryptocurrency market.

There are several fundamental elements in the boom and bust cycle, which again is applicable for cryptocurrency market.

The most defining aspect of this view is that movements in asset values and credit do not seem to be justified by major changes in economic conditions. Instead, they seem to be driven by random and capricious shifts in market psychology. Another important aspect of this view is that even in those cases in which investments are mostly unproductive or even useless, they still seem to create value and raise

wealth during the expansionary period. These aspects of bubbly episodes are hard to generate in conventional macroeconomic models. But they are a central feature of models of rational bubbles. Thus, a major selling point of the theory is that it can formalize this popular view and make sense of it.

1.4. Rational Crypto Bubbles

A rational bubble is present whenever an asset price deviates progressively more quickly from the path dictated by its economic fundamentals. The growth of rational bubbles reflects the presence of arbitrary and self-confirming expectations about future increases in an asset's price. Speculative assumptions of major future gains are the primary catalyst. In such a scenario investor purchases an asset solely in anticipation that it could be resold at a higher price to another investor willing to purchase the asset for the same reason. Thus, an explosive divergence from fundamentals would be possible even if economic agents always held rational expectations and rational arbitrage conditions were satisfied.

While this is commonplace in the cryptocurrency market, the value of the digital assets being the value that the buyers willing to pay driven by speculative gains, the potential for rational speculative bubbles exists in the large class of dynamic asset pricing models, in which the equilibrium price in the current period depends on expectations about future changes in the asset's price. In these models, such bubbles can emerge if expectations are rational and the current equilibrium price depends positively on its own expected rate of change.

These models of rational speculative bubbles are indeterminate. In other words, they have an infinite number of equilibrium solutions. The indeterminacy comes about because asset pricing models with such a structure essentially possess only one condition to constrain asset market equilibrium and rationality of expectations, whereas the model's solution dictates solving for two endogenous variables – the current equilibrium asset price and its expected rate of change – in each period. Thus, in these models, there can exist a multiplicity of asset price solutions or trajectories, of which only one corresponds to the economic fundamentals; the other trajectories will all contain asset price bubbles.

To see most simply how rational bubbles can arise, consider the following asset price expression

$$x_t = z_t + a.[E(x_{t+1} - x_t)|I_t] \quad (1)$$

where x_t is the (logarithm) of the equilibrium asset price at time t ; z_t represents a scalar measure of current period “fundamentals” affecting the asset price, i.e. the economic conditions of supply and demand;

$[E(x_{t+1}-x_t)|I_t]$ represents the expected percentage rate of change of the asset price between period t and $t+1$, conditional on all information currently available, I_t ; and a is a positive constant representing the elasticity of the current asset price with respect to market expectations.

Equation (1) states that the spot asset price in any period is determined by the current period “fundamentals” and the prospective capital gain or loss from holding the asset until the next period. It embodies rational expectations, since the expectation is the mathematical expectation of the change in the asset price based on all information currently available.

Re-arranging equation (1) gives:

$$x_t = \frac{1}{(1+a)} \cdot z_t + \frac{a}{(1+a)} E[x_{t+1}|I_t] \quad (1a)$$

This is a stochastic difference equation in the asset price, with the fundamentals, z_t , acting as the “forcing” process. Applying the “law of iterated expectations”, equation (1a) can be solved recursively forward T periods, yielding the following expression:

$$x_t = \frac{1}{(1+a)} \sum_{i=0}^T \left(\frac{a}{1+a} \right)^i E[z_{t+i}|I_t] + \left(\frac{a}{1+a} \right)^{T+1} E[x_{t+T+1}|I_t] \quad (2)$$

A particular solution to the stochastic difference equation (1a) is given by:

$$x_t = \frac{1}{(1+a)} \sum_{i=0}^{\infty} \left(\frac{a}{1+a} \right)^i \cdot E[z_{t+i}|I_t] \equiv x_t^* \quad (3)$$

Equation (3) defines the *fundamental* or intrinsic value of the asset price at time t , denoted as x_t^* . The fundamental spot price of the asset at time t is an exponentially weighted sum of present and expected future values (conditional on the information set available in period t) of all relevant economic fundamentals.

However, x_t^* is the unique solution to the difference equation (1a) if, and only if, the following condition is satisfied:

$$\lim_{T \rightarrow \infty} \left(\frac{a}{1+a} \right)^{T+1} E[x_{t+T+1}|I_t] = 0 \quad (4)$$

Condition (4), sometimes referred to as a transversality condition, is regularly assumed, though in most instances, there is no *a priori* justification for its imposition. If the transversality condition does not hold,

then the stochastic difference equation (1a) has an infinite number of solutions of which only one corresponds to the fundamental solution x_t^* .

The *general* solution to the stochastic difference equation (1a) is given by a set of solutions of the form:

observed asset price = fundamental value + rational bubble

More precisely, each solution may be expressed as:

$$x_t = x_t^* + b_t \quad (5)$$

where x_t^* is given by equation (3) above, and b_t satisfies the condition:

$$b_t = \left(\frac{a}{1+a} \right) E[b_{t+1}|I_t] \quad (6)$$

or equivalently,

$$E[b_{t+1}|I_t] = \left(\frac{1+a}{a} \right) b_t \quad (6a)$$

The stochastic process b_t is defined as the *rational bubble* component of the asset price, and is simply the difference between the actual price at time t and its intrinsic value determined by prevailing economic fundamentals. Condition (6) above states that, for a bubble to be a viable outcome, it must reflect the expectation that it will continue to expand in the following period. If the transversality condition holds, then $b_t = 0$, which implies that the observed price corresponds with its long-term equilibrium value. Thus, a common theoretical interpretation of rational speculative bubbles is as a violation of the transversality condition.

Deterministic (Crypto) Bubbles

In its simplest (and least plausible) form, a rational bubble may follow a deterministic time path, with deviations from fundamentals growing exponentially. An example of such a deterministic or ever-expanding bubble is:

$$b_t = \left(\frac{1+a}{a} \right)^t b_0 \quad (7)$$

In equation (7), b_0 is an arbitrary non-zero constant. This equation implies that the asset price will diverge explosively forever from its intrinsic value – a highly improbable event.

In terms of the crypto bubbles which tends to explode suddenly, another more realistic model Blanchard (1979) and Blanchard and Watson (1982) can be analyzed. Referred to as *rational stochastic bubbles*, these have the feature of growing over a certain interval, before suddenly collapsing. The following stochastic process illustrates:

$$\begin{aligned}
 b_{t+1} &= \left(\frac{1+a}{\pi \cdot a} \right) \cdot b_t + e_{t+1} \quad \text{with probability } \pi \\
 &= e_{t+1} \quad \text{with probability } (1 - \pi)
 \end{aligned} \tag{8}$$

where the bubble “innovation” e_{t+1} satisfies $E[e_{t+1}|I_t] = 0$

Under this formulation, there is a probability, π , that a bubble will survive until the next period and a probability, $(1 - \pi)$, that it will crash in the current period. If the bubble crashes, the asset price will return to its intrinsic value. The “innovation” term e , implies that a bubble can regenerate itself after crashing; the stochastic bubble can thus burst and restart repeatedly.

This bubble structure can also be extended to allow for certain features that have been observed in speculative asset markets. Blanchard and Watson (1982) suggest that the specification of π , the probability of the bubble's survival, could be refined. It could, for example, have stochastic properties and be determined by such factors as the length of time the bubble has lasted, or the deviation in the asset price from its fundamental value. An alternative approach would be to model it as a function of fundamental variables, such as “news” about key economic aggregates.

2.Eosinterest ecosystem

Crypto is good as long as it ‘moons.’ When it crashes, it tends to be a brutal rout that rips the investors, mostly the new investors, of virtually all of their investment. The eosinterest is a sub ecosystem that is designed to maximize the benefits from the upward movement of cryptocurrency prices while insulating against the most drastic effects of the price collapse, both are regular features in cryptocurrency. Integration to the larger cryptocurrency ecosystem happens through eosinterest’s primary function as an ecosystem aggregator. Thus, it provides a service by integrating a wide variety of cryptocurrency ecosystems into one dashboard and its users can earn an interest or liquidity rewards.

At the same time, eosinterest insulates against major price fluctuations by adopting its fixed supply non-inflationary native token as a form of yield distribution. Why countries have their sovereign currencies and do not rely on the US dollar is that having one’s own currency provides a greater leeway in adjusting micro-economic conditions, and also guarding against undue external financial shocks. The flipside though is central banks tend to print money leading to inflation. Eosinterest has set a deterrent against ‘printing money’ aka minting tokens, by setting the maximum fixed token supply which will be the circulation supply from the day one of the operations of the platform.

Also, by placing the total supply of the native token to be freely traded, eosinterest remove any third party that could control the price. There will be no team holdings, no locks up, which will later add to circulation and there will be no staking. It will be the market forces that will determine the price.

The demand is created by distributing 50% of the yield in native token of the eosinterest (INTR). For that purpose, it is not freshly minted as other defi projects do. Instead, it is bought from the free market at the price decided by market forces of demand and supply. The eosinterest AMM would regularly place market orders to sell the yield that had been accumulated through the platform and buy INTR and stable coins. Thus a regular market demand for the INTR token is created. As long as yield farming projects provide liquidity rewards and lending interests, eosinterest would generate yield, which then will be sold and INTR tokens and DAI would be bought.

Conversely, investors would sell a portion of their INTR tokens. And the AMM would keep buying INTR to pay in the next round of yield distribution, thus this is a continuous process.

There is however a deterrent in the long run that would prompt hodling. The index fund that would be comprised of 75% of all the yield accumulated through the genesis mining phase and 10% of yield thereafter would provide an asset holding that the users can take loans against. It can also be dissolved if the

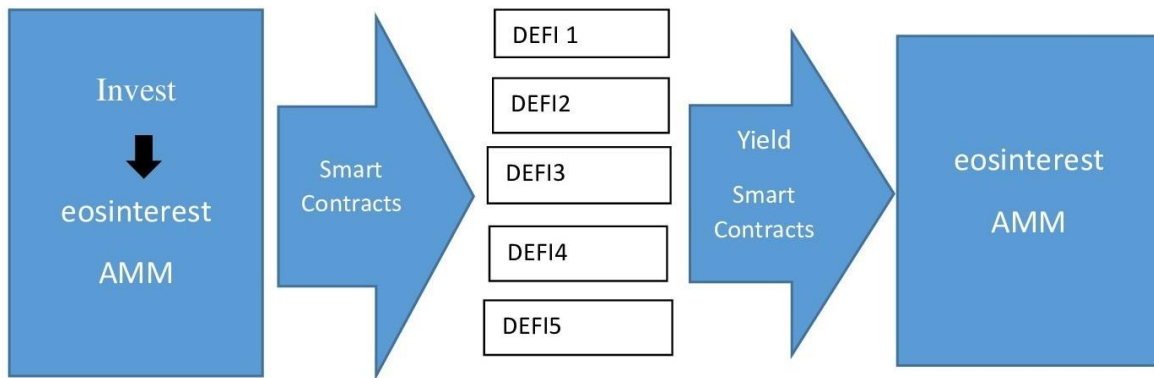
community decides so through voting and can be distributed among the token holders proportionately to their holdings of INTR native token.

2.1.All- in- one eco-system aggregator

Eosinterest is not a yield farmer. Eosinterest does not farm aka. mint tokens as liquidity rewards. Instead, eosinterest is an eco-system aggregator. It provides a one-stop smart contract governed ecosystem aggregator to invest in existing community-verified liquidity farming and lending projects.

In phase one, the following platforms will be integrated: Compound, Curve, Avve, Uniswap, Sushiswap, Harvest, Cream, Pancake Swap and Digo. Users can invest in lending and liquidity mining programs in any of these platforms. Investment can be made via the eosinterest dashboard and it will be routed via audited smart contracts.

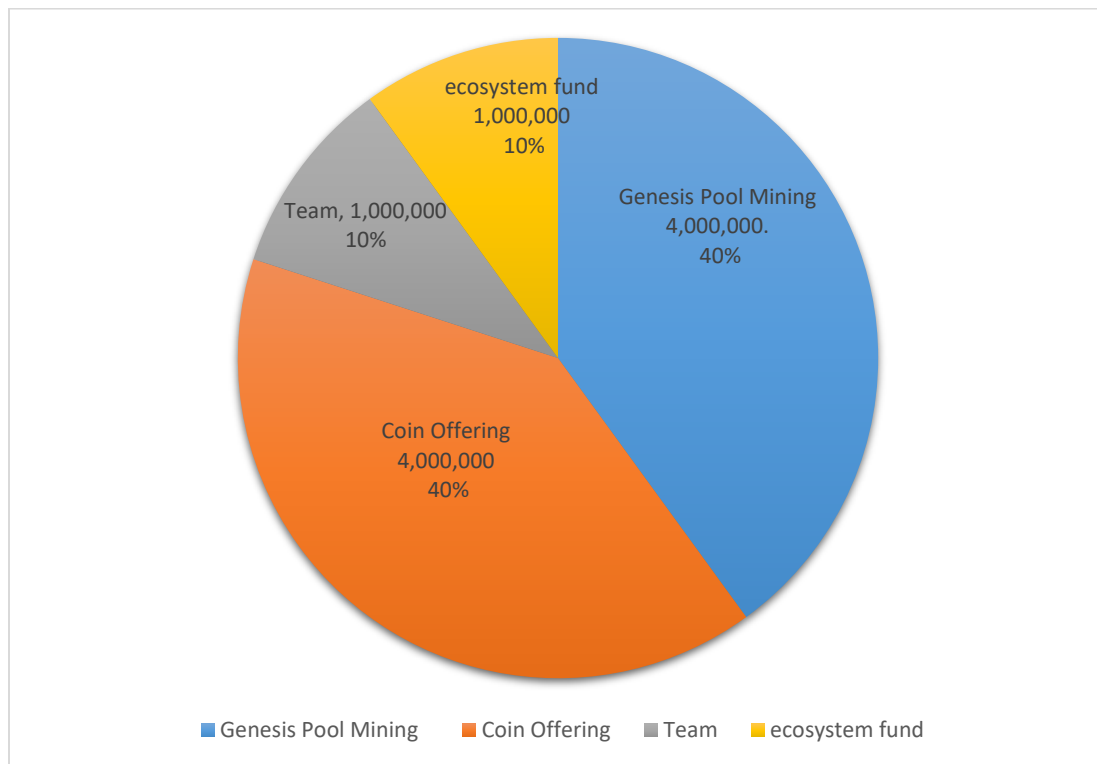
Eosinterest does not decide where you invest, nor does it spread out your investment across any or many platforms. It does only execute your investment decisions. It will provide a cross-section of verified yield farming programs, information on their estimated return during the past week, month and the three months. **This information should not be considered as investment advice or offer of investment in any of these platforms. Investors should exercise their due diligence and conduct their own research before choosing their investment options.**



2.2. Impermanent loss analytics

Yield farming platforms expose investors to a substantial level of impermanent loss, which given the practical considerations of cryptocurrency can be permanent. Eosinterest would incorporate data-driven analytics on the impermanent loss of each digital asset pair in the past week, past month, three months and the year to provide the investors with real-time critical market information. Impermanent loss analytics should not be considered as investment advice or offer of investment in any of the mining or lending programs.

2.3.Tokenomics



2.4.Zero token supply inflation

Token ticker: INTR

Maximum token supply: 10,000,000

Token type: ERC 20

INTR will be the native token of the eosinterest ecosystem. The total token supply of eosinterest ecosystem would be 10,000,000 INTR. The total token supply will be freely traded from day one. There will be no locked tokens, team- held tokens or staked tokens. Full token supply will be in circulation from the very outset.

Token distribution will be conducted according to the following formula.

1. Pre-sale- 10%
2. Dutch Auction -30%
3. Genesis Mining -40%
4. Team-10%
5. Ecosystem fund-10%

2.5.Pre-Sale

The objective of the pre-sale is to enable the early contributors and community members to contribute to the development of the platform from the very outset.

- Number of tokens for sale at the pre-sale: 1,000,000 (1 million INTR)
- Token Price: 1 INTR = \$ 0.40.
- Goal: \$ 400,000
- Date: January 22, 2021- January 29, 2021
- Any tokens that were not sold during the 7 days will be burnt.

2.6. Dutch Auction

The main will be in the form of a Dutch Auction which would enable the price discovery for the INTR token, before the genesis mining.

- Number of tokens available for the main sale: 3,000,000 INTR
- Starting price : 1 INTR = \$ 2.5
- Floor price : 1 INTR = \$ 0.50
- Duration : 4 days (96 Hours)
- Date : February, 2021 tentatively
- The starting price will be 1 INTR = \$ 2.5 and the price will descend over the next five days to the floor price of \$ 0.5 at 96th hours. The dutch auction will last until the total amount of tokens available are sold or the lapse of 96 hours since the launch.

2.7.Genesis mining

- 40% of token supply (4,000,000) will be distributed during the genesis mining which would last 8 weeks. Accordingly, a maximum of 500,000 INTR will be distributed each week.
- Duration- March-April, 2021 (8 weeks)
- The price of the INTR will be decided at the market price
- Liquidity providers would be rewarded proportionately to the yield generated through their investment.
- Any number of tokens that were not distributed will be burnt.

Team: 10% of tokens of the final token supply after any burning will be vested with the team.

Eco-system fund: Similarly, 10% of the final token supply would be allocated for an eco-system fund that would be placed in a multi-sig wallet and governed by DAO governance.

2.7.Yield Accumulation

Investors who invest in multiple Dex, lending and liquidity mining programs would receive their yield in various tokens awarded by those platforms (COMP, UNI, DAI, FARM, SUSHI, AVVE, SNT etc). The eosinterest AMM convert the yield into two primary digital assets: A stable coin (DAI, USDC, SUSDC) and the native token of the eosinterest platform (INTR). When investors receive their yield, they will receive it in INTR and DAI , USDC or SUSDC.

In contrast to the other yield farming projects, eosinterest does not mint native tokens to be distributed as the yield. Instead, the AMM sells the yield accumulated in various tokens and buys in equal numbers a stable coin and INTR. This is an on-going process and the AMM would place multiple sell and buy orders to accumulate INTR and DAI and USDC which would then be distributed to the liquidity providers.

The investors can either hold them or sell at the free market at a price determined by demand and supply.

2.8.INDEX Fund

Eosinterest would have an INDEX fund which serves the following process.

- 1) Given the extreme price fluctuation of cryptocurrencies, future investors of the INTR tokens can expose them to undue risk. INDEX fund provides a digital asset buffer against major price fluctuation.
- 2) It also serves as a liquidation fund. Any time, the users can propose and decide by the majority vote to terminate the operations of the eosinterest and share the INDEX fund assets proportionately to their token holdings.

2.9.Creation of INDEX Fund

1. 75% of the yield that will be generated in the genesis mining period will be converted to BTC and invested in the INDEX Fund
2. After the launch of the platform, 10% of every yield is automatically converted into BTC and DAI in equal share and will be placed in an index fund.
3. Index fund will be auto compounded.
4. Index fund will be operated from multi-sig wallet and signatories will be selected from a DAO vote and would be bound to follow the decisions reached through voting.

2.10.Governance

Eosinterest ecosystem is controlled by the native token INTR holders who submit and vote on proposals that govern the ecosystem. Proposals that meet quorum requirements holdings of (>20% of the tokens and generate majority support (>50% of the vote) are implemented by a 7 member multi-signature wallet. Changes must be signed by 4 out of the 7 wallet signers in order to be implemented. The members of the multi-signature wallet will be voted in by INTR holders and are subject to change from future governance votes.

3. Extended Disclaimer and Risk Statement

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Despite our best efforts, INTR may not be able to execute or implement its goals, business strategies and plans. There may be changes in political, social, economic and stock or cryptocurrency market conditions and/or that there is no or little acceptance/adoption of the INTR trading portal, DEX and/or INTR Tokens, such that the EOSINTEREST trading platform and/or INTR tokens become no longer commercially viable.

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END

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