



DefHold

Whitepaper

DEFHOLD - THE NEW GENERATION OF YIELD DRIVER

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DEFHOLD

About DefHold

DefHold is a non-inflationary DeFi ecosystem aiming to provide yield generating investments' strategies to long-term crypto holders in both markets' pump and dump. Nowadays, the most common way to secure assets during market dumps is converting assets to stable coins which can thereafter be staked and/or farmed into various DeFi protocols generating yields on the underlying assets.

However, currently there is no incentive to hold cryptocurrencies during market's dumps other than averaging down his purchase price. Therefore, to reward holders with accurate portfolio's and own liquidity's management, DefHold aims at implementing new autonomous yields generating solutions.

INTRODUCING DEFO

NON-INFLATIONARY YIELD GENERATOR

The native token of the DefHold ecosystem, called DEFO, will enable holders to stake or farm their assets into pools with different pre-defined lock-up periods. However, all these pools will offer the ability to stakers and farmers to withdraw their assets at any time by applying an early withdrawal fee ("EWF") if the assets are withdrawn before the term of the lock-up period.

These EWF will form the first revenues' stream for stakers and farmers who have accurately managed their portfolio and own liquidity's requirements. Indeed, an investor managing properly his cashflow forecasts and portfolio allocation will be able to stay within the selected pool until the end of the lock-up period thus avoiding him to pay any EWF. Moreover, it will allow them earning the EWF from people who withdraw their funds due to liquidity requirement or due to market moves' fears (the latter being mostly known as "weak hands").

Additionally, a second yield generating mechanism will be implemented to continuously generate income for DEFO stakers and farmers. Indeed, every new product of the DefHold ecosystem will require an entrance fee and apply a profit-sharing on the generated revenues. Both of these income will be distributed to stakers and farmers.

Unlike most of other DeFi protocols existing nowadays, these 2 mechanisms will continuously generate yields to stakers and farmers in a non-inflationary way. Indeed, no additional DEFO token will ever be minted thus distinguishing it from other inflationary tokens which have to continuously mint new tokens to enhance their APY (by the way reducing the market price of their tokens due the demand-supply principle).

NON-INFLATIONARY STAKING & FARMING POOLS

STAKING POOLS

POOLS	LOCK-UP PERIOD	EFW
1st pool	10 days	1% of staked DEFO
2nd pool	30 days	3.5% of staked DEFO
3rd pool	60 days	8.2% of staked DEFO
4th pool	90 days	14.3% of staked DEFO
5th pool	180 days	33.3% of staked DEFO

FARMING POOLS

POOLS	LOCK-UP PERIOD	EFW
1st pool	10 days	2% of farmed LP tokens
2nd pool	30 days	7% of farmed LP tokens
3rd pool	60 days	16.3% of farmed LP tokens
4th pool	90 days	28.6% of farmed LP tokens
5th pool	180 days	66.6% of farmed LP tokens

REVENUES' STREAMS

EARLY WITHDRAWAL FEE ("EWF")

All the above pools will be available at any time (i.e. there will be no commencement date). Each investor can join the desired pool whenever he wants. The end of his lock-up period will be calculated automatically by the Smart Contract.

Moreover, each time a pool reaches the lock-up period of a faster pool, investors' funds will be automatically transferred into the faster pool (in this case the EWF and rewards will automatically change to match those of the pool in which the tokens are transferred).

- For example, an investor stakes DEFO in the 4th pool on 01.01.2021 with EWF amounting to 14.3%.
- On 01.02.2021, the tokens will be automatically transferred into the 3rd pool and EWF will amount to 8.2%.
- On 01.03.2021, tokens will be automatically transferred into the 2nd pool and EWF will amount to 3.5%.
- Finally, on 21.03.2021, tokens will be automatically transferred into the 1st pool and EWF will amount to 1%.

In the future, additional tokens' pools will be added based on community proposals once the governance will be implemented. Moreover, to increase buying pressure on DEFO and generate continuous yields to the DEFO holders, every additional tokens' pool will require to stake the amount corresponding to the EWF in DEFO. This mechanism will enable new investors to benefit of the hedge offered by the DefHold ecosystem without having to sell their tokens. In the meantime, it will also offer to DEFO holders a continuous price increase of their tokens thanks to the requirement of owning DEFO tokens to access DefHold features.

REVENUES' ALLOCATION

As previously mentioned, the DEFO staking and farming revenues will be generated by 3 different streams (EWF + entrance fees + profit sharing). These revenues will be allocated as follows:

- EWF revenues allocation:
 - 5%: to developer fund
 - 95%: to stakers/farmers according to their share of their respective pool
- Entrance fees + profit sharing allocation:
 - 5%: to developer fund
 - 40%: to stakers (equally shared between all the staking pools)
 - 55%: to farmers (equally shared between all the farming pools)

LIQUIDITY ENHANCEMENT

Liquidity has always been a major concern when it comes to trading, especially since DEX appeared. In order, to maintain liquidity levels as high as possible, DefHold has opted for the following solutions:

- Presale will be held by Liquidity Dividends Protocol (LID). 75% of the raised ETH will be allocated to Uniswap liquidity and definitively locked by their smart contracts. This process will enable us to protect our investors against any exit scam concern they might have.
- EWF, entrance fees and profit-sharing revenues are distributed more importantly to farmers to increase their revenues and incentivize them providing liquidity to the DefHold ecosystem.

BUYING PRESSURE & TVL

In order to continuously maintain the buying pressure, thus encouraging and incentivizing holders to join and stay within the DefHold ecosystem, the following features have been implemented:

- Staking and farming EWF aim to increase and maintain the TVL thus decreasing the DEFO circulating supply;
- Non-inflationary staking and farming revenues' streams guarantee to the DEFO holders that the market price of the tokens will not be affected by an infinite increasing supply;
- Total supply of DEFO will be capped at 12'000 tokens and no further DEFO minting will ever be possible;
- Future tokens' pools will require to hold the amount corresponding to the EWF in DEFO thus continuously increasing the demand of DEFO tokens.

WHALE CLUB

The idea of this product was born from the willingness to offer every investor the ability to influence his investments. Thus, our product will offer a combination of a traditional financial product, namely a Special Purpose Acquisition Company ("SPAC") (offering an increased buying power somehow comparable to that of a whale) and the decentralization achievable on the blockchain (enabling the avoidance of a centralized authority/manager).

To better understand the purpose and operating process of our "Whale Club", it is highly recommended to go through a summarized SPAC's definition.

SPAC DEFINITION

A Special Purpose Acquisition Company ("SPAC") is a company created for the sole purpose of raising funds through an Initial Public Offering (IPO). Such a firm will raise the funds deemed necessary without having, at the time of the IPO, target companies to acquire or any operating business. Most of the time, such companies are formed by founders with expertise in particular business fields or industry. Once the IPO is successfully completed, the funds will then be used to acquire one or more unspecified businesses that will be identified after the IPO. In accordance with the applicable legal provisions, the target companies' acquisition(s) will be processed. Thereafter, the founders will profit from their stake in the new company while the investors will receive an equity interest according to their capital contribution.

Should the planned acquisition not be processed after a pre-determined period of time (usually 2 years), the SPAC will reimburse its investors.

WORKING PROCESS

Initially, the Whale Club will offer 3 vaults as follows:

- Small cap:
 - o Minimum investment: USD 1,000
 - o Minimum liquidity of the underlying project: USD 100,000
- Mid cap:
 - o Minimum investment: USD 6,000
 - o Minimum liquidity of the underlying project: USD 500,000
- Large cap:
 - o Minimum investment: USD 15,000
 - o Minimum liquidity of the underlying project: USD 1,000,000

To invest into one of the vaults, users will be required to:

- Pay their investment amount in USDC or USDT (these funds will be used to buy the underlying assets)
- Pay an entrance fee in DEFO amounting to 5% of their investment
- The vault will accept contributions during 48 hours

Upon completion of the contribution period, investors will receive secondary tokens representing their share of the vault, similar to LP tokens received by contributing to a liquidity pool.

As soon as investors have received their secondary tokens, they will be granted access to the private area associated with each vault. Within this private area, each investor will be allowed, for a period of 72 hours, to propose projects in which they want the vault's assets to be invested.

Once the proposal period has ended, a voting period will begin and last 24 hours. During this period, each investor will be able to vote for his preferred project, with more or less weight depending on his initial investment. Thereafter, the project with the most votes will be the one in which the vault funds will be invested.

Upon selection of the investment, the total funds of the vault will be split into three buy vote poll as follows:

- Each buy vote poll will correspond to 1/3 of the total amount invested in the vault;
- Once a buy vote poll reaches 50% of the voting rights, it will proceed the buy-transaction by market buying the underlying asset;
- Whether after 30 days, a buy vote poll did not get 50% of the voting rights, the funds will be refunded to the investors;
- Once a buy-transaction is approved, the buy vote poll will be replaced by a sell vote poll;
- The number of tokens bought through the 1st buy-transaction will be the ones sold in the 1st sell-transaction ;
- Once a sell vote poll reaches 50% of the voting rights, it will sell the corresponding amount of tokens of the underlying assets;
- Once a sell-transaction is proceeded, 5% of the profits will be used to market buyback DEFO and distribute them as follows:
 - 5% to developer fund
 - 40% to stakers (equally shared between all the staking pools)
 - 55% to farmers (equally shared between all the farming pools)
- After each sell-transaction, the remaining 95% of profit + the initial investment will be sent back to the investor

WHALE CLUB BENEFITS

- Small investors can benefit of the buying power and experience of whales. Moreover, they will not suffer from Whale dumping as their assets will be sold at the same time as those of the whales.
- Whales will benefit of additional buying power and will be able to discover innovative projects thanks to the proposals of other investors.
- Decentralization allowing every investor to propose and vote for the targeted investment as well as the entry and exit price without any centralized authority or fund manager.
- Cost cutting as there will be no middleman or asset managers to be remunerated. All features and processes will be handled by smart contracts.
- Entrance fee and profit-sharing will benefit all DEFO holder as it will increase the buying pressure on the token and offer additional revenues to stakers/farmers.

DefHold



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