



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stakers and farmers to withdraw their assets at any time by applying an early withdrawal fee ("EWF") if the assets are withdrawn before the term of the lock-up period.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, a transfer fee will be applied on every DEFO tokens' transfers and redistributed 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.

### TRANSFER FEE

Additionally, transfer fees will also be distributed to DEFO stakers and farmers. These transfer fees will amount to 2% and will be applied on every tokens' transfer.

## REVENUES' ALLOCATION

As previously mentioned, the DEFO staking and farming revenues will be generated by 2 different streams (EWF + transfer fee). 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
- Transfer fee revenues' 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 and transfer fee 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;
- Application of a transfer fee will decrease the selling pressure as holders will be encouraged to hold their tokens over a longer period.

DefHold



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