WHITEPAPER

Draft 1.1

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1 Introduction

1.1 What is Stablecomp?

Stablecomp is a decentralized application focused on offering stablecoins yield solutions.

Stabelcomp was conceived to address the need to generate stable returns over time through strategies that avoid volatility in a safe, comfortable, and easy investment experience. The decentralized application provides access to a range of different strategies for stablecoins returns, supporting multiple blockchains to offer the ideal opportunities to match every user's preferences.

Decentralized finance is a world full of risks. Stablecomp provides a careful risk analysis of each return strategy to help everyone in the savings management. Furthermore, the platform provides its users constantly updated projections of their returns and data on their investments, so that they can make timely and well-informed decisions.

Those who want the best investment experience in decentralized finance, will be able to unlock several exclusive rights and benefits on the Stablecomp platform using the native SCOMP token.

Stablecomp is led by a known and accessible group of blockchain finance experts committed to supporting savers and institutional investors who aim to improve their experience with stablecoins in DeFi.

1.2 Introducing the cryptocurrency market

This part of chapter 1 will help you to get the necessary basics of the cryptocurrency market to fully understand Stablecomp. If you already understand all this, please proceed to chapter 2.

Cryptocurrencies are digital currencies recognized by more and more institutions as digital assets. This market was born on January 3, 2009, with the genesis block of bitcoin, and in recent years the value of crypto assets and the scale of adoption has grown very rapidly.

The cryptocurrency market is made up of the following:

- Bitcoin: the first and the most capitalized cryptocurrency
- Altcoins: everything that is not Bitcoin

Altcoins are divided into two categories:

- Native cryptocurrencies: digital assets that are native to their own blockchain
- Tokens: digital assets that are built on the blockchains of others

Tokens are divided into the following categories:

- Utility tokens: tokens with utilities.
- Governance tokens: tokens with governance power.
- Stablecoins

1.3 Introducing stablecoins

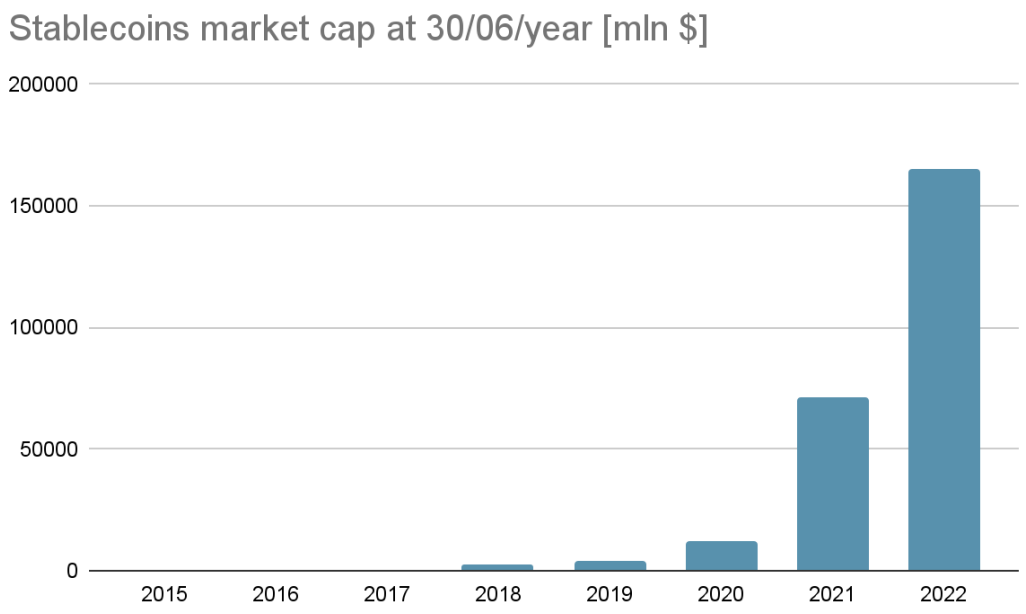
Stablecoins are the bridge between the cryptocurrency and the fiat currencies because their price is pegged to a reserve asset such as the US dollar, Euro, or gold. Stablecoins, therefore, are much less volatile than bitcoin and are a form of digital currency much more suited to trading and transfers.

The most crucial parameter for establishing the safety of a stablecoin is the quality of the collateral used to keep the peg, which can be done in different ways based on the stablecoin category.

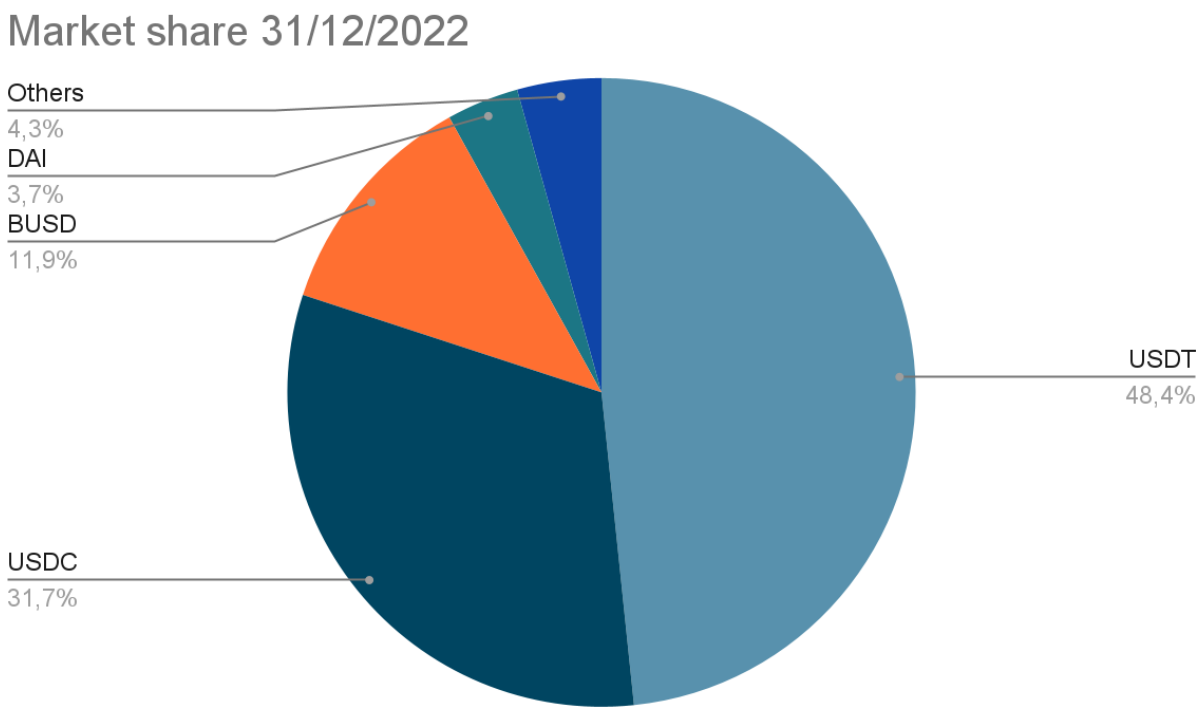
Stablecoins are divided into three categories:

- Fiat Collateralized Stablecoins: USD, EUR, GBP is used as collateral.
- Over-collateralized Stablecoins with Crypto: due to the volatility of cryptocurrencies, over-collateralization is a necessity for this category.
- Over-collateralized Stablecoins with ibT: due to the volatility of cryptocurrencies, over-collateralization is a necessity for this category.
- Algorithmic stablecoins: the algorithm (or smart contract) governs the relationship between the algorithmic stablecoin and another crypto asset supporting the first.

Stablecoin adoption continues to grow as the chart below shows:



Today the stablecoin market has grown immensely and is worth about 140 billion dollars. The following graph shows the market share for each stablecoin:



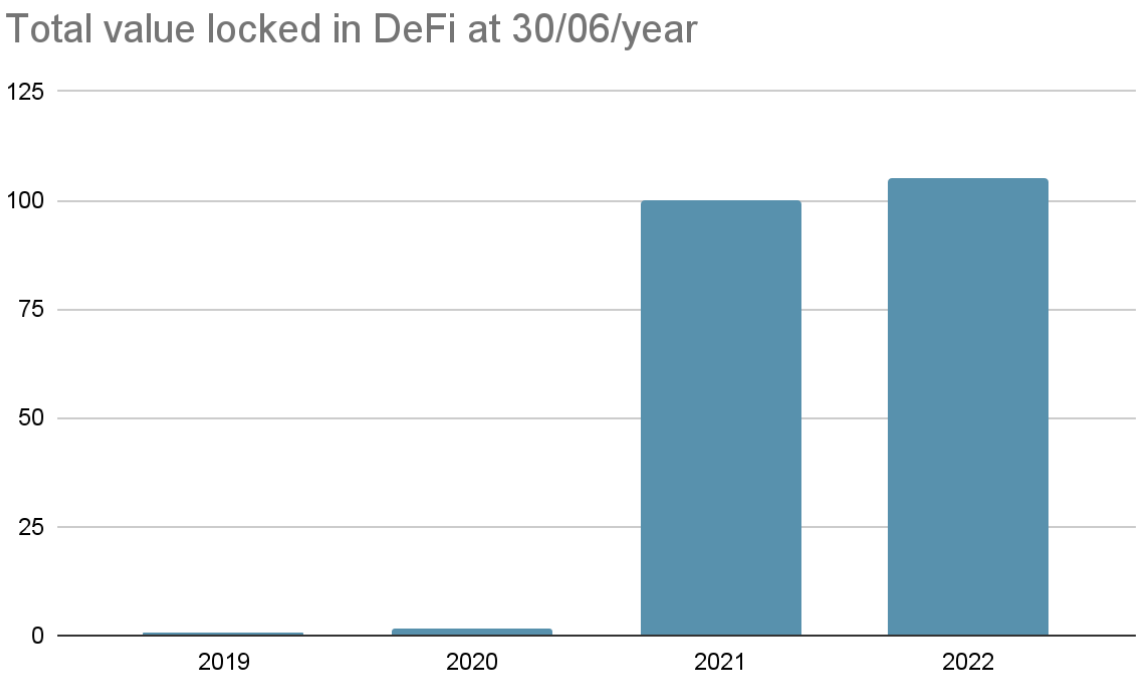
1.4 Introducing DeFi

The term "DeFi" means decentralized financial services (such as lending, borrowing, trading and insurance products) on public blockchains. DeFi challenges centralized (traditional) financial systems by empowering individuals with peer-to-peer digital exchanges, eliminating intermediaries and costs.

Defi is:

- Fast and scalable: the working time of the investment process takes very little time.
- Accessible and flexible: any users with an internet connection can get access to DeFi and can move their assets anywhere at any time without asking for permission.
- Bankless: decentralization allows users to interact with an ecosystem that has no centralized organizations, financial intermediaries or other third parties.
- Low-cost: low fee

The DeFi trend, like the stablecoin trend, has been vigorous, but volatile.



1.5 Introducing DeFi protocols categories

Decentralized finance has reproduced the essential components of traditional finance: decentralized exchanges and money markets, respectively peer-to-peer crypto-assets marketplace and lending-and-borrowing protocols, are the main decentralized applications, but there are many other categories:

- Liquid staking: stakers receive liquid staking derivatives in exchange for staking their assets, representing their claim on the underlying stake pool and its yield
- Bridges: bridging crypto-assets between blockchains
- Yields & Yield aggregator: protocols that interact with decentralized exchanges and money markets and offer better revenues to liquidity providers
- Derivatives exchanges: decentralized trading platforms for crypto-derivatives
- Insurance: decentralized applications that allow creating insurances for crypto-deposits
- Launchpad: community-based platforms that allow several projects to launch their native tokens

2 DeFi for stablecoins: Stablecomp

Stablecomp is a decentralized application focused on offering stablecoins yield solutions. The idea of Stablecomp comes from a careful and precise analysis of the market and from understanding the needs of the users of decentralized finance, a constantly evolving but still young sector. The rapid growth of the stablecoin market and decentralized finance, mentioned in the previous chapter, were great incentives for creating a product like Stablecomp.

2.1 Introducing the problems

- Complex investment process: challenging and dispersive investment experience in DeFi, users must learn multiple decentralized applications
- Absence of a dapp focused on stablecoin returns for stablecoin allocations
- Assessing the risk/safety of decentralized applications and crypto-assets: evaluate the risk properly for a safe investment experience.

2.2 Introducing the solution and the mission

- Easy-to-use and smart interface with one-click solutions to minimize the investment time
- A decentralized application that offers decentralized finance services reserved for stablecoins
- Analyzing the risk of a DeFi product with concrete parameters

With these features, Stablecomp aims to become a dapp of reference for savers and liquidity miners within decentralized finance. This is our mission.

2.3 Market overview and vision

- **TAM**: the total addressable market is the cryptocurrency market (1000B)
- **SAM**: the serviceable available market is the stablecoins market (160B)
- **SOM**: the serviceable obtainable market is the dilution of the serviceable available market that Stablecomp can serve. Stablecomp aims to drain the 0,1% of the stablecoins in the SAM in the next five years (this is not financial advice, but only the vision of Stablecomp)

2.4 Customers overview

The types of users that Stablecomp can obtain based on the services it offers are the following:

- Savers: generally, these users have a mid allocation between $50,000 and $500,000 and could typically deposit something like 10% of their assets under management.
- Institutions: in general these entities have a significant allocation between $10,000,000 and $100,000,000 and they could deposit 1% of their assets under management

2.5 Customers journey

The user:

- Explores yield strategies and chooses according to his risk sentiment.
- Deposits with one click
- Tracks his allocation and portfolio
- Takes profit and considers changing strategies

2.6 Revenue model

Stablecomp's revenue model is low-fees based:

- Deposit fee 0%
- Management fee 0%
- Performance fee 10%
- Withdrawing fee 0,2%
- Zapper fee 0,2%

Stablecomp treasury stores the first half of all the collected fees.

The second half is used to buy SCOMP tokens on the open market to redistribute to token holders. This mechanism will create a significant buy-pressure on our token and a winning narrative for our token holders (this is not financial advice).

3 Introducing strategy 1: Automatic self-composition

In general, compound interest, as a long-term investment, is the secret to raising liquidity. Thanks to the composition of interests, it is possible to achieve some with relative simplicity and relatively controlled risks some financial goals.

In decentralized finance, compound interest is used by operating on the returns offered by money markets and decentralized exchanges, maximizing the benefits that users obtain, indeed, not surprisingly, this is the first strategy Stablecomp offers for its stablecoins stakers. Despite this, the return solutions through this strategy are different and are categorized according to the implicit risk they have (low, mid and high risk) and the return. Therefore, creating a matrix that collects all the return solutions sorted by risk and return is quite intuitive.

Here there are the investment steps:

- The user picks a blockchain to stake on, chooses a pool in the Risk/Return matrix and then deposits the eligible stablecoin of his choice also thanks to the zapper function.
- Stablecomp's zapper function automatically swaps the stablecoin on a Decentralized exchange to obtain the required asset pair for the chosen pool.
- The obtained assets are staked in a Pool or in a Liquidity Pool, which returns Liquidity receipts or Liquidity Pool Tokens (LPTs).
- LPTs flow into a solution where they generate reward tokens (RT) and store fees.
- Reward tokens are sold to market-buy new LPTs.
- The LPTs that Stablecomp bought and the LPTs received by the aggregated protocol are reinvested in the strategy to autocompose the percentage yield (Loop).

3.1 Stablecomp risk analysis

Every investment choice requires a careful assessment of the possible risks. For a DeFi product, the risks can be separated into those related to the protocol used and those related to the assets to which you have exposure.

Stablecomp offers risk analysis for the protocols and stablecoins in the opportunities presented on the platform. The analysis reported on the dapp is based on quantitative, qualitative, and statistical parameters and should not be interpreted as financial advice.

3.2 Protocol risks

3.2.1 Protocol risk parameter 1: Audit of contracts

This is the main parameter to consider in a global project evaluation. The Stablecomp team evaluates the credibility of auditors and the vulnerability of smart contracts. Not all audits have the same quality, and many audit processes have critical issues.

	Low-risk	**Mid-risk**	**High-risk**
Audit of contracts	High credibility auditors, no critical issues	Credible auditors, just a few critical issues	Many critical issues, no audits

3.2.2 Protocol risk parameter 2: Dominance of value locked

Total Value Locked (TVL) represents the value of the assets that are currently being staked in a specific protocol. It is an important parameter to understand the health of the project and its sustainability.
Stablecomp believes that the TVL is not enough to assess the importance of a particular decentralized application. To capture a dApp market strength, Stablecomp has created a powerful concept called DVL, the Dominance of the Value Locked.
Each blockchain has its TVL, the sum of all the TVLs of the dApps built on it.
The DVL is the percentage ratio between the TVL of the dApp and the sum of all the other dApp TVLs on the given blockchain. This figure offers a clear and robust representation of market share within a certain DeFi ecosystem.
Since the cryptocurrency market is very volatile and blockchain TVLs can change quickly, , we opted to base our analysis on dynamic data. To reflect the strength of a DApp based on its market share in its blockchain, Stablecomp has framed 3 risk zones using the dominance of value-locked statistics.

	Low risk	**Mid risk**	**High risk**
DVL	DVL > 1%	0,2% < DVL < 1%	DVL < 0,2%

3.2.3 Protocol risk parameter 3: Longevity

According to the Stablecomp team's analysis of DeFi history, knowing how long a project has been active is essential to understand its level of risk. First, most of the "rug pulls" on DeFi platforms have occurred in the first 60 days of the project's life. Second, longevity is an

indicator of market trust, reducing the risk of panic that could result in a selling run that might make it impossible to hold the peg.
For this reason, Stablecomp evaluates longevity as a risk assessment parameter too. Once again, projects are divided into 3 risk levels.

	Low risk	**Mid risk**	**High risk**
Longevity	DVL > 12 months	6 months < DVL < 12 months	DVL < 6 months

3.3 Stablecoin risks

3.3.1 Stablecoin risk parameter 1: stablecoins collateralization categories

The quality of the collateral used for each stablecoin is also an indication of the quality, therefore of the security, and therefore of the risk of failing to maintain the peg.

	Low risk	**Mid risk**	**High risk**
Category	Fiat Collateralized Stablecoins	Over-collateralized Stablecoins with Crypto or ibT (interest bearing tokens)	Algorithmic stablecoins

3.3.2 Stablecoins risk parameter 2: Market cap

The market capitalization of a stablecoin reflects user confidence in a given asset. Stablecoin risk is divided into three levels based on market cap.

	Low risk	**Mid risk**	**High risk**
Market cap (MC)	MC > 1 billion USD	100 millions USD months < MC < 1 billion USD	MC < 100 millions USD

3.3.3 Stablecoins risk parameter 3: Longevity

Longevity is an essential factor for two reasons. First, rug pulls have usually occur early in a project, within the first 120 days, so this is considered a period of high risk. Second, longevity is an indicator of market trust, reducing the risk of panic that could result in a selling run that might make it impossible to hold the peg.

	Low risk	**Mid risk**	**High risk**
Longevity	t > 12 months	6 months < t < 12 months	t < 6 months

3.4 Final risk assessment

The initial assessment of the degree of risk of a stablecoin or a protocol is based on objective parameters for several indicators of risk considered separately.

	Parameter	**Low risk**	**Mid risk**	**High risk**
Protocol risk	Audit of contracts	High credibility auditors, no critical issues	credible auditors, just a few critical issues	many critical issues, no audits
	DVL	DVL > 1%	0,2% < DVL < 1%	DVL < 0,2%
	Longevity	t > 12 months	6 months < t < 12 months	t < 6 months
Stablecoin risk	Category	Fiat Collateralized Stablecoins	Over-collateralized Stablecoins with Crypto or ibT (interest bearing tokens)	Algorithmic stablecoins
	Market cap (MC)	MC > 1 billion USD	100 million USD months < MC < 1 billion USD	MC < 100 million USD
	Longevity	t > 12 months	6 months < t < 12 months	t < 6 months

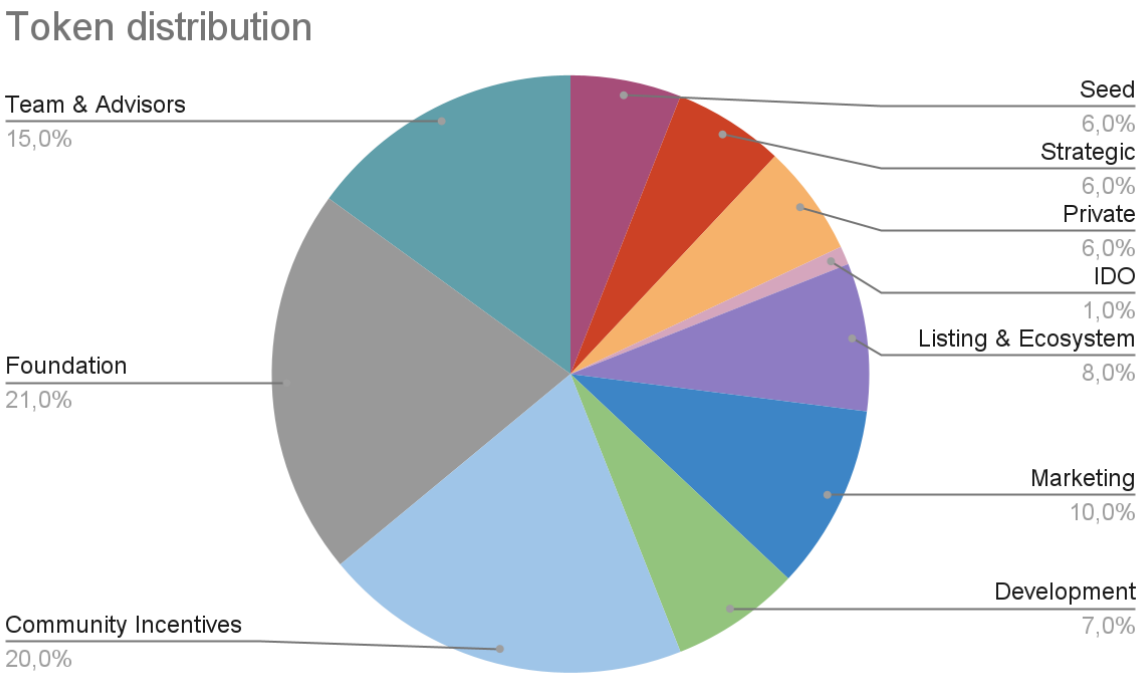
The final evaluation for a particular strategy takes into account all the risk parameters to show the user an average and global assessment.

4 SCOMP token

SCOMP is the native governance token of Stablecomp and has a limited supply of 200.000.000 tokens. Holders can use SCOMP tokens to unlock benefits and rights on the platform.

4.1 SCOMP token distribution

The token distribution is shown in this representation:



4.2 SCOMP token distribution, vesting and Stablecomp evaluation

The token parameters are shown in this chart:

SCOMP Token distribution and vesting							
Total Supply: 200,000,000	**% of Total Supply**	**Total Tokens**	**Price / token**	**Total Raised**	**Evaluation**	**T.G.E. Unlocks in $**	**Vesting**
Seed	6%	12.000.000	$0,040	$480.000,000	$8.000.000	$144.000	15% day one monthly over 15 months
Strategic	6%	12.000.000	$0,050	$600.000,000	$10.000.000	$144.000	15% day one monthly over 1 year
Private	6%	12.000.000	$0,060	$720.000,000	$12.000.000	$144.000	15% day one monthly over 9 months
IDO	1%	2.000.000	$0,080	$160.000,000	$16.000.000	$40.000	25% day one monthly over 5 months
Listing & Ecosystem	8%	16.000.000				$51.200,000	4% day one monthly over 1 year
Marketing	10%	20.000.000				$64.000,000	4% day one monthly over 1 year
Development	7%	14.000.000					monthly over 12 months
Community Incentives	20%	40.000.000					monthly over 4 years
Foundation	21%	42.000.000					4 months lock monthly over 20 months
Team & Advisors	15%	30.000.000					4 months lock monthly over 20 months
TOTAL	100%	200.000.000		$1.960.000		$587.200,00	

4.3 The vote escrow token system and the staking pool

As previously mentioned, holders of SCOMP tokens can access exclusive rights and benefits in their investment experience on the platform. This happens when they lock their SCOMP tokens in the staking pool to generate veSCOMPs (vote escrow SCOMPs), which are not exchangeable for other cryptocurrencies but represent a form of receipt.

The system of ve[tokens] has already been used by decentralized applications such as Curve Finance: if the quantity of locked tokens in the staking pool is greater and/or if the token locking time is longer, then ve[tokens] released as a receipt to the user will be linear greater. In particular, for Stablecomp:

- 1 SCOMP locked for 2 years generates 1veSCOMP
- 1 SCOMP locked for 1 year generates 0,5 veSCOMP

The relationship between quantity staked and receipt amount and staking time and receipt amount are linear. One half of one veSCOMP is given as a receipt per locked SCOMP per two years. A user cannot do multiple locks. A user can only extend the period of the first lock or increase the number of tokens that are part of it.

The benefits and rights for SCOMP stakers are:

- Boosted yields paid in SCOMP tokens
- Platform dividends
- More to come...

4.4 Boosted yields in FARM

One of the main incentives for SCOMP stakers is the ability to boost rewards for the boosted strategies they use. SCOMP stakers can boost yields in SCOMP up to 8x the base emission. The boost mechanism will calculate the earning boost weight per user by taking the smaller amount of two values in this formula.

$$min\left[(Liquidity\ Provided\ *\ 0,125)\ +\ (totalLiquidity\ *\ VotingShare\ *\ 0,875)\ ;\ LiquidityProvided\right]$$

where:

$$VotingShare\ =\ VotingBalance\ /\ VotingTotal$$

4.5 Platform dividends and SCOMP buy-back

SCOMP stakers earn a portion of the fees generated by the protocol in proportion to the number of staked SCOMPs. Stablecomp applies the following fees:

- Deposit fee: 0%
- Management fee: 0%
- Performance fee 10%
- Withdraw fee: 0.2%
- One click fee 0.2%

50% of the total platform fees are used to buy back and redistribute SCOMP tokens to SCOMP stakers in proportion to their share of the total tokens staked in the staking pool.
The remaining 50% is used to run the dapp and its strategies, and to accumulate funds in the protocol treasury.

5 Tools

The following tools are a fundamental part of Stablecomp's easy-to-use platform providing support for its users in their decentralized investment experience:

- Portfolio
- Analytics

5.1 Portfolio

This section shows the user his crypto-assets on all chains implemented by Stablecomp. This feature is used to monitor allocations and help everyone to make decisions about their DeFi strategy.

5.2 Analytics

Users can keep track of their ongoing investments through three simple graphs, allowing them to:

- Analyze asset allocation
- Visualize realized returns
- View a 1-year projection yield chart