

C8 PLUS

August 8, 2020

(Version 1.00)

By

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CARBONEUM.IO

EXECUTIVE SUMMARY

The blockchain industry promised to the public that it will change the world. Anyway, with the existing technology limitation it is still very hard for the public to get value from decentralized ecosystems. Decentralized Finance (DeFi) is creating an impactful movement to crypto communities after the crypto winter. Anyway, it is still too hard and complex for the majority who are presumably participating in those decentralized experiences. The complicated process to join the DeFi includes KYC, Transfers token and the demanding of gas fees need a lot of understanding and incredibly consume time to get through. The Carboneum team aims to bridge the gap between decentralized and centralized exchange and make it accessible for traditional investors to get value from DeFi. C8P represents a fully collateralized USDT-USDC liquidity pool which we selected to connect with UNISWAP for the beginning stage. The Carboneum team will ease the process that connects retail investors with the liquidity pool. For the most suitable pair, we selected USDT-USDC liquidity pool gives approx. 20-40% annual (rate vary according to the amount of swap traffic). C8P holders do not directly receive the commission fee from the pool but it will represent in the form of C8P capital gain. For the existing Carboneum (C8) holders, will be able to stake C8 token to get the weekly profit sharing from C8P service and we will start with USDT/USDC profit to all the stake. We believe that C8P will be part of the building block to help the rest of us get access to decentralized experience.

INTRODUCTION

The Carboneum project aims to ease the investment experience for traditional investors. We have launched the crypto analytic and social trading platform for cryptocurrency named “CarbonRadars”. With CarbonRadars, users can copytrade expert traders on centralized and decentralized exchanges by using a Carboneum token as a fee when the profit trade occurs. Unfortunately, the crypto market has not expanded after the launch that much. To be more specific, the number of active users in decentralized exchange is very low. Only 733 daily active users are trading on IDEX (as of August 2020). Moreover, the complex use case of the blockchain industry is a pain point for the majority. We found many feedbacks from our users about how hard of a procedure they need to complete before they can start copytrading on CarbonRadars. Although the DeFi is a very exciting area in the crypto world, it still seems to be impossible for traditional investors to get access to its value. This is the reason why we would develop the Carboneum further to the C8 PLUS (C8P) project. Also, while we waiting for the shift from centralized to decentralized experience, we found a gap between these two experiences and we will make it easier to use. The project will help the majority to invest and be accessible to the crypto market. The token will act as a bridge between centralized and decentralized experience. We realized that to get to a bigger group of users, it needs to be something very simple and easy to understand more about the decentralized experience.

C8 PLUS (C8P) is the underlying collateral token backed with a liquidity pool token held inside of the C8P vault. The liquidity pool (LP) is basically a public community for trading tokens without platform fees or middlemen. The highest trading

volume per month of a decentralized exchange is held in UNISWAP which accounted for over 2 billion dollars (as of August 2020). Furthermore, there are more liquidity pool protocols in the crypto market which we need to explore further such as Curve Finance or Balancer. After we have looked through the UNISWAP protocol, we are interested in the USDT-USDC pool and its safety which can provide a high return on investment along with the low-risk price impact. USDT-USDC liquidity pool has 6 million dollars liquidity locked in there. It provides approx. 20-40% annual (rate vary according to the amount of swap traffic). Anyway, we may shift to another liquidity pool protocol depending on some factors such as safety, liquidity, %APY. Thus, we will develop a new way for a new investment experience for any investors who want to invest in the liquidity pool by just purchasing the C8P token.

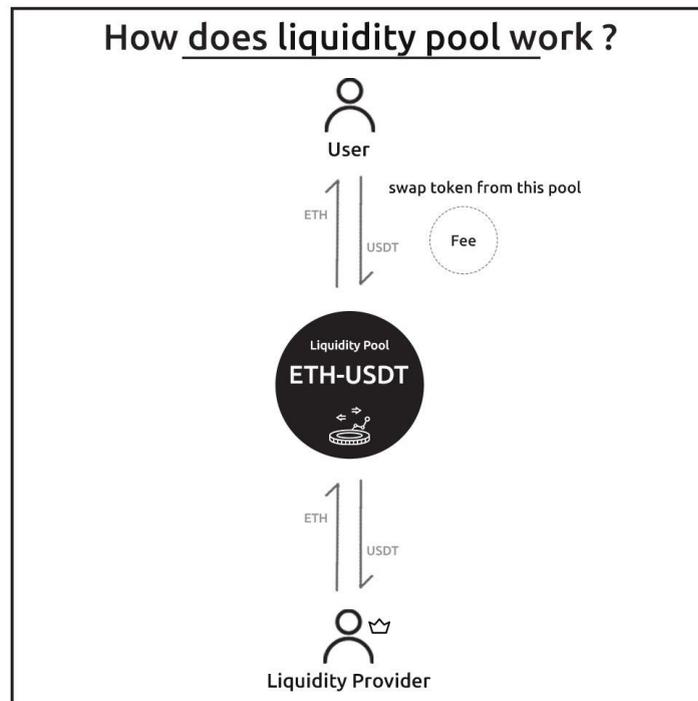


Figure 1: The basic principle of liquidity pool

WHY C8 PLUS?

From the feedback, many clients told our team about the frustration experience before start copytrading. We should make it more friendly for the new investors. The intuitive users need the friendly experience and less complex process for starting to invest in the crypto market. The C8P will provide the most accessible and simple way to invest in the DeFi. With the C8P token, investors can simply buy C8P from the centralized exchange and we will do the rest for you.

The model of C8 PLUS is the commission sharing model. Starting from pooling the money into the C8P vault. Then, the team will add funds to the liquidity pool. When we receive the commission fee from the pool, it will be sent back to the C8P vault which increases the vault market capitalization. So, C8P holders will receive the benefit from capital gains and sell C8P tokens from the current price plus accumulated fee. In our process, if the supply is not enough in the market, we will add more liquidity within 48 hours.

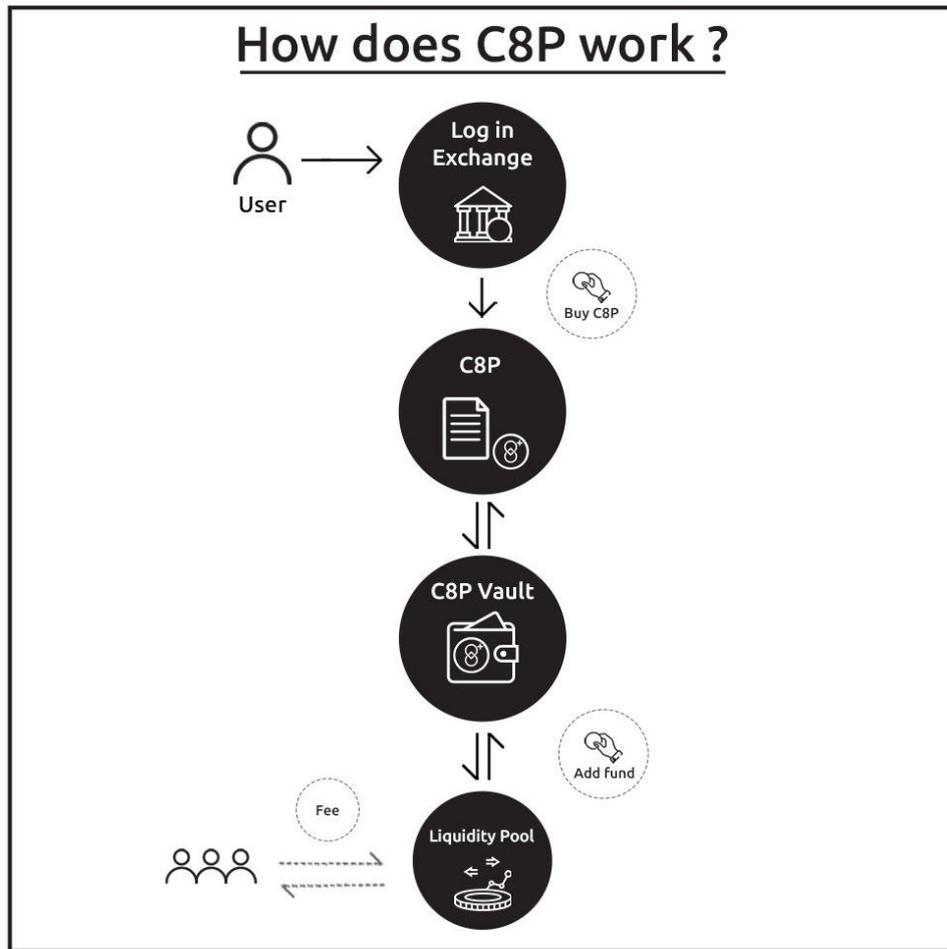


Figure 2: The mechanism of C8P

C8 PLUS TOKEN (C8P)

We will issue our token called 'C8 PLUS' (C8P), to be used primarily as digital assets. C8P will offer other exclusive services in the future, such as staking tokens or redeem more fee from the pool. The total supply will start from 8,088 tokens. The number of tokens can be decreased or increased depending on the liquidity pool token which C8P vault is held. The C8P token will be distributed and available on the centralized exchange while the supply of C8P will be available 100% circulation in the market. C8P is considered as a bridge which eases the investment process for the retail investors. Whenever the model is proven, it is possible to issue and tokenize more asset classes or on other liquidity pools in the future.

NAV Calculation

The NAV of C8P will be calculated from this equation

$$NAV = \frac{\text{Total Asset}}{\text{Unit}}$$

- NAV = the price of C8P (USDT / C8P)
- Total Asset = the value of USDC-USDT in the UNISWAP + Fee Accrued (0.3%)* - Advance Fee**
- Unit = the initial amount C8P token

* The percentage of fee accrued could be adjusted to 0.15%. The rest (0.15%) will be reserved for the staking program.

** Advance Fee: To prevent the high transaction fee from the UNISWAP, we will pay the advance fee back to the C8P vault instead of removing our liquidity to receive the accrued fee from UNISWAP.

For example,

The total asset will be 8,088 usd in UNISWAP (USDC-USDT 50:50).

The initial amount C8P token is 8,088 token

So, the price of C8P will be like this,

$$NAV = \frac{8088}{8088}$$

$$NAV = 1 \text{ usdt} / \text{C8P}$$

C8P is 1 usdt per unit

RISKS

As the C8P team will be the liquidity provider, we should consider the risk of being this role. The technical risk on the smart contract. Some smart contracts can be a bug and it could lead to a severe effect on the fund. This includes all funds that could be stolen or inaccessible. However, UNISWAP's smart contracts have been audited, passed a lightweight formal verification, and have also been "battle-tested" to quite a good degree (Karp, 2019). Also, the UNISWAP contract indicates that the pool token can not withdraw the fund from the liquidity pool. The only one who can withdraw is the unique owner liquidity pool tokens.

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