

# Fundamental

## Prime Rating Report

**Protocol:** cVault.finance (CORE)

**Version:** 1.21

**Previous Report:** None

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Please fill in all questions with a written explainer, any relevant links and score per variable based on the [Fundamental Review Process V 1.0](#). Insert the scores per variable in the scorecard at the end of the report. Please follow the [Rating Process](#) when creating and submitting a report.

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## Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

### Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? In general, forks without any newly added functions are considered subordinate to the protocol they forked.

**Answer:**

CORE is a non-inflationary crypto currency that is designed to execute profit-generating strategies autonomously with a completely decentralized approach. The status quo in autonomous strategy-executing platforms is for a team or single developer to be responsible for determining how locked funds are used to generate ROI. Unlike other protocols in this space, CORE is a community run project that is governed by the votes of the community. CORE token holders will be able to provide strategy contracts and vote on what goes live and when, in order to decentralize autonomous strategy execution. At the moment, the main product available for the CORE Vault ecosystem is deflationary farming through CORE staking. One is also able to use the CORE flash arbitrage tool. In the future governance and automated strategy vaults will be available

**Score:** 11

### Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market

fit evaluates if the protocol is able to satisfy the needs of a specific market. To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

**Answer:** CORE is the first crypto currency that uses deflationary farming in the asset category of DeFi. CORE is backed by \$71,397,804 in locked liquidity- \$55,330,313 of which is permanently locked.

**Score: 9**

## Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

**Answer:**

The global asset market size was valued at \$216 billion in 2019. It is expected to expand at a compound annual growth rate of 25.9% for the next 7 years (2020-2027)  
asset management

**Score: 10**

## Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). The relative comparison can become rather subjective, to solve this the score standardizes the results in fixed categories.

**Answer:**

CORE is in the same market as Yearn.Finance, that of asset management. Yearn Finance currently has \$509 million in locked liquidity. YFI is the market leader in the space, backed by a public and credible team. At its current state, CORE is not competitive against YFI as it does not yet provide on its core promise of giving the community the power to govern strategies.

Another large competitor to CORE is Ad Harvest Finance. FARM has \$440 million in liquidity locked.

**Score: 5**

## Tokenomics

The Tokenomics section of the review assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behavior in the protocol, and the ability of the token to capture a portion of the value created.

### Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

**Answer:**

The entire supply of CORE, 10,000 tokens is currently being circulated. This means the maximum supply of CORE is 10,000. This happened over multiple Liquidity generation events. During the even all 10,000 CORE that will ever exist were minted and placed together with the Ethereum raised into the Uniswap liquidity pool. The last event happened on November 20<sup>th</sup>, 2020 and now ensures that the circulating supply can only ever go down. With approximately 70% of CORE on UniSwap, the largest individual holder has less than 1% of the supply. Its important to note that the main source of income for the developers is from the developer fund. The developer fund is grown by the 1% transfer fee from trading the token, of which the developer fund takes 7% (explained in detail later). Furthermore, 7% of the tokens released during the liquid generation events were allocated to the developers as reserves.

**Score:** 14

## **What is the extent of the token's capabilities? (10 points)**

What are the different merits of the token? Is the token useful in the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way?

**Answer:**

The CORE token is and will be used in multiple ways within the protocol. Currently, CORE differentiates itself by getting rid of inflation within its minting process. CORE does this by using a deflationary farming process—attaching a 1% fee to any transfer of the CORE token. This allows stakers to earn yield without the protocol having to mint new tokens.

The project plans on adding community governance to the forefront. This will be done with once the automated strategy vaults are live. CORE token holders will be able to provide strategy contracts and vote on what goes live and when, in order to decentralize autonomous strategy execution. 5% of all profits generated from these strategies are used to auto market-buy the CORE token. Rationale for lower rating is due to lack of implementation for governance.

**Score:** 5

## **Is the issuance model able to improve the coordination of the protocol? (10 points)**

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behavior? Are all relevant stakeholders benefiting from the issuance model?

**Answer:**

no new CORE tokens will be created and all are currently in circulation. This was done with the intention of providing the infrastructure for true community based governance. There are, however, multiple ways to incentivize the right behaviour. For example, all transfers have to be approved by the CORE transfers smart contract, which will block all liquidity withdrawals from Uniswap. This will guarantee a stable market, giving holders and farmers skin in the game.

CVault.finance (protocol) allows users to yield CORE by providing LP tokens. A user must obtain UNI-V@-LP tokens and stake them on cvault.finance. Once added liquidity tokens cannot be removed from the CORE Uniswap LP pools. This is by design. Furthermore, the fees collected by those LP tokens also remain in the pool, adding to the growth of the CORE-ETH Uniswap pool. The user then stakes them on cvault.finance to begin the farming process. Here users will receive CORE staking rewards—the amount depending on amount of LP tokens and current APY. As core has a 1% fee on transfer, the majority of which goes to farmers, CORE makes it possible to farm without printing new CORE tokens.

**Score: 7**

## Is the value capture model able to accrue and distribute value? (10 points)

A value accrual and distribution mechanism can help improve the merit of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

**Answer:**

CORE currently holds a 1% fee on transfers for farming, with 7% of that being used as a dev fund. The remaining 93% goes directly to farmers. The incentive fees place preference in holding CORE. The Token is also able to increase its value not by trading but the profits it generates those who execute strategies with the C.vault Finance protocols (5% going into auto-buying core token).

**Score: 8**

## Is the token sufficiently liquid to enable active use and trade? (5 points)

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

**Answer:**

The CORE token is by design created to minimize trading. It is, however, sufficiently liquid and possible to trade on UniSwap

**Score: 5**

## Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

## Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

**Answer:**

The team is anonymous. The 3 core members go under the names 0xRevert, X3, and 0xdex4f—the latter is head of operations. It's important to note that the team has managed to gain 55 million in total value permanently locked. One argument for remaining anonymous is because derivatives is a highly regulated market and revealing yourself makes it easier for it to be shutdown.

**Score: 3**

## Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

**Answer:**

the team is anonymous and have no background to showcase their works either as individuals or as a team—at the same time they continue to push code and develop their project

**Score: 3**

## Does the team participate and help shape the public debate? (10 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

**Answer:**

The team is active on twitter, sharing their thoughts on the defi space and work as a whole. Furthermore they have active telegrams and discords. All information is streamlined on these medias.

**Score: 7**

## Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed? How well are resources managed and used?

**Answer:**

The team has created tools which draw peoples into the protocol and henceforth the token. At the same time, the team also raises funding by having people transfer the CORE token. This is because, when transferring the CORE token, one will have to pay a 1% transfer fee. From that 1% transfer fee, the developers will receive 7% into the developer fund. The team has garnered over 50 million in total value permanently locked. The team also has 7% of tokens circulated during liquidity generation events as a form of reserves for the developer fund.

**Score: 5**

## Governance infrastructure (10 points)

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

**Answer:**

Governance has not yet been implemented for CORE. It is a very important aspect of the community and people currently use the discord & telegram, where there are google forms and google docs that are used.

**Score: 1**

## Scorecard

Value Proposition	Points
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1. Novelty of the solution	11 / 15
2. Market fit/demand	9 / 15
3. Target Market Size	10 / 10
4. Competitiveness within market sector(s)	5 / 10
<b>Tokenomics</b>	<b>Points</b>
1. Is the token sufficiently distributed?	14 / 15
2. What is the extent of the token's capabilities?	7 / 10
3. Is the issuance model able to improve the coordination of the protocol?	7 / 10
4. Is the value capture model able to accrue and distribute value?	8 / 10
5. Is the token sufficiently liquid to enable active use and trade?	5 / 5
<b>Team</b>	<b>Points</b>
1. Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	3 / 15
2. Does the team have relevant experience?	3 / 10
3. Does the team participate and help shape the public debate?	7 / 10
4. Is the team able to effectively attract and coordinate resources?	5 / 10
<b>Governance</b>	<b>Points</b>
1. Admin Keys (Yes, Multisig, Multi-sig and Timelock, None)	0 / 20
2. Extent of Governance capabilities	0 / 15
3. Active Governance contributors	0 / 5
4. Robustness of Governance process	/10
5. Governance infrastructure (rituals, docs, UI)	1 / 10
<b>Regulatory</b>	<b>Points</b>
1. Does the protocol have any legal accountability?	0 / 15
2. What is the quality of the legal jurisdiction?	0 / 10
3. Is the protocol (able to become) legally compliant?	0 / 5
<b>Total</b>	<b>93</b>

### Author:

Namik Muduroglu is a Business and Political Economy student at NYU Stern. With interest in emerging markets, the applications of DeFi are particularly interesting. He is very interested in this chaotic space where innovation is at the forefront and the barrier to create and revolutionize the status quo is relatively low. Ultimately, Namik is interested in how DeFi and

Crypto will greatly enhance the independence of the average person and even more so people from developing nations who do not have access to international markets and financial instruments.

