

2.0 Fundamental

Prime Rating Report V2.0

Protocol: PoolTogether

Version: v3

Previous Report: [Link to previous report](#)

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Instructions

Please go to files and make a copy of this template.

Fill in all questions with a written explainer, any relevant links and score per variable. Insert the scores in the scorecard at the end of the report. Please follow the process as laid out in the Medium announcement and submit the report through the form.

Please include your sources into the text (as a link), so others can follow your trail of thought.

1. 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.

a) 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? Is the project a fork? To what extent did they copy/fork the original?

Answer: PoolTogether(for the purpose of brevity i will refer to the protocol as PoolT) enables developers and the protocols governance to customize and create no - loss prize games. Users can deposit an ERC20 token into a [Pool](#) and receive [tickets](#) in return relative to the value of their deposit. Each ticket has a number assigned to it. The liquidity inside the pool is deployed to a predetermined pool strategy. At the end of an arbitrary period of time the interest accrued by the accumulated capital is distributed as prizes to an arbitrary number of winners (many of the pools range from 3-5 winners). The winners are chosen through a random number generator. Liquidity is further incentivized through POOL token emissions. Users can increase their chances of winning by using Pods to pool their tickets together. Pool prevents whales from depositing lots of capital near the end of a cycle by using a [credit](#) system. The credit system assigns users a withdrawal fee that reaches 0 after a set period of time. PoolTogether is essentially a yield aggregator(YA) (in the sense that it pursues a yield strategy) with an added psychological aspect (in the sense that it's similar to a

lottery). PoolT [beats](#) the expected value and effective interest rate of the underlying strategy (same strategy but not using PoolT) by adding capital to Pools that isn't eligible to win through Reserve and [Sponsorships](#). Through sponsorships users can deposit extra capital to the pool. Reserve takes 5% of prize winnings and redeposits it into the pool.

Score: 12

b) 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 (can also be measured by user adoption/ #of users). 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: PoolT has a total value locked ([TVL](#)) of ~\$190 million, which is double the [TVL](#) of Rari Capital, a yield aggregator(YA), and around 2/3 the TVL of Harvest Finance (YA) who has a 1/10 the TVL of Yearn Finance (the largest YA).

Score: 8

c) 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: PoolT targets the lottery market and retail traders seeking yield. Currently 38% of US Equities (valued about \$15 Trillion USD) are owned by Retail traders. Using the US [38% of households](#) as an estimate for what [world market size](#) could be is around 36 Trillion USD. In 2020 state lotteries in the United States made [\\$89 billion](#), and the global lottery market is ~ [\\$1.5 trillion](#).

Score: 10

d) 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).

Answer: In terms of being a YA Pool has yet to establish itself as a top alternative. In terms of being a "lottery" there is no protocol as well known or successful. It's lottery aspect makes it especially appealing to non-crypto users who want the thrill of buying a lottery ticket.

Score: 4

e) Integrations & Partnerships (15 points)

Due to crypto's open-source nature, the code of most protocols can easily be forked. This score represents a piece of "unforkable value". Some indicators to look at are the number of applications built on top of the protocol (vertical integration), other entities integrating the protocol's services (horizontal integration) or the number of relevant partnerships (be careful of logo collections/partnerships without much purpose).

Answer: PoolT has partnerships with Compound(yield strategy), Dharma(onramp), Aave(yield strategy), Sushiswap(yield strategy), and [Uniswap](#) (for rewarding LPs).

Score: 9

2. 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.

a) 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 Total POOL supply of 10,000,000 is distributed as [such](#):

57% to treasury

14% retroactively sent to past users (similar to uniswap)

12.44% for core team

7.52% for investors

5% for Liquidity bootstrapping

2.5% Educating new users

1% Early governors

96.59% of the supply is held in the [100](#) largest addresses, which is very centralized compared to ethereums 62%, however one must take into account that 50% is held in the treasury wallet.

Score: 15

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

Is the token useful within the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way? Does it serve any other purposes?

Answer: POOL serves one purpose: governance.

Score: 4

c) Is the issuance/distribution 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: The token of distribution of POOL incentivizes the growth and development of the protocol through the sheer volume of tokens given to governance. Similar to [uniswaps](#) distribution model, governance is incentivized to use its resources to improve the protocol. Liquidity for pools is also incentivized through the POOL token.

Score: 10

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

A value accrual and distribution mechanism can help improve the utility 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: The token has no value capture model, other than the incentive that good governance will improve the protocol thus increasing token price.

Score: 0

e) 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: POOL is only really usable on [Uniswap](#) where it has \$2.8 million in liquidity.

Score: 4

f) Are there any extrinsic productivity use cases for the token? (10 points)

Besides the protocol's value distribution model as described in 2. d), can the token be used productively on other protocols (e.g. as collateral, for lending, LPing, yield farming, etc.)?

Answer: It can be used to provide liquidity on Uniswap.

Score: 2

3. 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

a) 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: Members of the team are mentioned nowhere, but through enough poking around the author was able to find the two [co founders](#) very active twitter accounts. Other contributors can also be seen on [github](#).

Score: 9

b) 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: Some of the team members are trackable through github. Co Founder Brendan Asselstine has also [cofounded](#) Delta Camp: "a software consultancy specializing in blockchain apps and integrations". Co Founder Leighton Cusack also works for PleasrDAO and VentureDAO.

Score: 7

c) Does the team participate and help shape the public debate? (5 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: Both Cofounders are active in the public debate both on twitter and [podcasts](#).

Score: 3

d) 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?

Answer: PoolT has in the past secured the needed [resources](#) to improve the protocol, and has set aside ample amounts of capital for future resource needs.

Score: 10

4. Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

a) Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

Answer: Admin keys are [operated](#) by a 2 of n Gnosis multisig. The multisig is formed by the founding team of PoolT. After a proposal passes there is a 2 day [time lock](#).

Score: 14

b) Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

Answer: Governance mainly focuses on controlling governance managed prize pools, managing the prize pool builder, and distributing POOL.

Score: 11

c) Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

Answer: Proposals get anywhere from 40 to 100 individual voters. Given the small size of the protocol itself this is an active and diverse group.

Score: 3

d) Governance technology/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: Debate is had on the [forum](#) and discord. PoolT uses sybill to delegate votes for its [on-chain](#) governance and [Snapshot](#) for offchain voting.

Score: 10

e) Robustness of Governance process (10 points)

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol and to create social consensus. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

Answer: The governance process is clearly [outlined](#) likewise the language and norms are also [described](#). Proposals require 10,000(0.01% of total supply) POOL to be proposed– this filters out low support proposals while not being odiously high.

Score: 10

5. Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

a) Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: PoolT is created by PoolTogether LLC, [registered](#) in NY, USA. Whether or not users would be able to hold the protocol accountable has not been set in legal precedent.

Score: 15

b) What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.

Answer: PoolTogether LLC, [registered](#) in NY, USA.

Score: 10

Scorecard

1. Value Proposition	Points
a) Novelty of the solution	12 / 15
b) Market fit/demand	8 / 15
c) Target Market Size	10 / 10
d) Competitiveness within market sector(s)	4 / 10
e) Integrations & Partnerships	9 / 15
Total Points - Value Proposition	43 / 65
2. Tokenomics	Points
a) Is the token sufficiently distributed?	15 / 15
b) What is the extent of the token's capabilities?	4 / 10
c) Is the issuance model able to improve the coordination of the protocol?	10 / 10
d) Is the value capture model able to accrue and distribute value?	0 / 10
e) Is the token sufficiently liquid to enable active use and trade?	4 / 10
f) Are there any extrinsic productivity use cases?	2 / 10
Total Points - Tokenomics	35 / 60
3. Team	Points
a) Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	9 / 15
b) Does the team have relevant experience?	7 / 10
c) Does the team participate and help shape the public debate?	3 / 5
d) Is the team able to effectively attract and coordinate resources?	10 / 10
Total Points - Team	29 / 40
4. Governance	Points
a) Admin Keys	14 / 20
b) Extent of Governance capabilities	11 / 15
c) Active Governance contributors	3 / 5
d) Robustness of Governance process	10 / 10
e) Governance infrastructure	10 / 10
Total Points - Governance	48 / 60

5. Regulatory	Points
a) Does the protocol have any legal accountability?	15 / 15
b) What is the quality of the legal jurisdiction?	10 / 10
Total Points - Regulatory	25 / 25
Total	155 / 250

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