



# Unifund White Paper

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## Abstract

Unifund is a smart contract tackling a proven use case with historical precedent: The fees on Ethereum have reached extreme heights lately. Rolling out a fully functional system at launch, what we provide will functionally serve as a “Layer 2” style social scaling solution for the decentralized liquidity provision protocol Uniswap. Just like Uniswap, Unifund is totally decentralized without upgrade features or controls.

This system allows users to buy into Trade Groups where skilled Fund Managers can trade on their behalf with pooled funds for fixed periods of time. Unifund's IFUND Token is used in an incentive system with strong tokenomics (including *lock-ups*, *staking*, and *fee savings mechanisms*) which take advantage of key features in bull market movement like we see at present. This is a transparent, auditable solution to the persistent problem of pump group exit scams. Pooled trading funds and locked-in mechanisms for equal profit sharing mean we can all trade the top, *together!*

## How The Token Works

We have modeled our decentralized structure on Uniswap's superlative example, as well as integrated their protocol into our smart contract system. This grants us access to all their existing trading pairs. Therefore, a fund manager can choose to invest in every token that is available on Uniswap.

How much ETH is in the group, we will conduct a final system audit to ensure all risk factors involved in each group type are adequately communicated at the UX level.

### **The IFUND Token is used in three ways:**

1. Staking for rewards;
2. Staking to open Trade Groups; and
3. Fees to join Trade Groups.

*All of these use cases involve locking the token.* Group entry fees are locked with the Fund Manager's stake into the IFUND pot until the end of the round, while other users can stake for rewards risk-free. Liquidity will slowly be removed from the pool, resulting in more stability at launch, and thinner books over time for pump season.

### **The gamification of competing groups will be a crucial organic element to the IFUND Token's value.**

Two immutable leaderboards built into the system will showcase top Fund Managers by both notional and percent, granting the opportunity to climb the leaderboards and develop a reputation as a master Fund Manager.

This system's design has additional higher-level benefits for the Ethereum ecosystem. It helps small traders, and reduces overall network load and congestion by consolidating so many disparate trades.

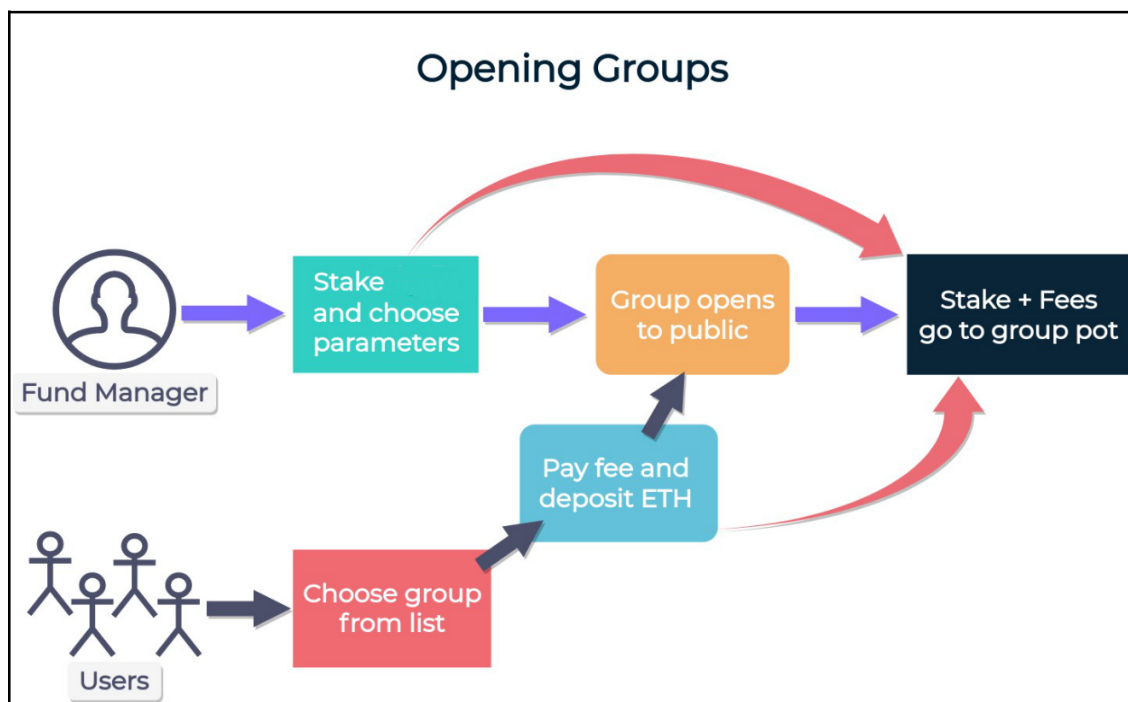
Recently, Uniswap trades can cost anywhere from fifty dollars (\$50) to more than one-hundred dollars (\$100) in network congested times. By establishing a norm where many traders are pooling their funds under a single Fund Manager's temporary control, the fees would be eliminated for the user and offset for the Fund Manager based on their gains.

## Trade Groups

Trade Groups are the *central point of generative value* within our contract system's design. Utilized wisely, participation in these groups will save you both time and money, eliminating trading fees and consolidating high-stakes decision-making. This opt-in group structure also aligns the incentives of previously competing traders, creating an interesting middle ground where collaboration leads to greater profits for all.

When Fund Managers open a Trade Group, they must set configuration for the following attributes, resulting in a qualitative risk-to-reward profile which potential Trade Group participants can review:

1. The amount of IFUND Tokens they will initially stake in the group's IFUND Pot;
2. The amount of IFUND Tokens users will pay as a fee to join the group;
3. The list of specific Uniswap pairs they'll trade with the group's pooled ETH. This can be
  - a. All uniswap tokens
  - b. Predefined 'safe' list Unifund chose
4. The duration of the Trade Group's lifespan (set in *days* or *weeks*);
5. The maximum limit of funds (in ETH) that the group will be able to accept; and
6. The maximum limit of funds (in ETH) that each user can contribute to the group.



While opening a Trade Group is free, by staking their own IFUND Tokens, Fund Managers reduce other participants' risk of loss and thus incentivize more people to join their Trade Group. In turn, this gives Fund Managers more capital to trade with, and lets them collect IFUND Token fees from group participants. For those participants, the fees collected are minimal compared to the potential on-chain fees if they were to make all the same trades themselves.

## Tokenomics

At its core, this system drives forward the core mandate of DeFi development, with all the most effective tokenomic factors rolled into one contract. The balance between clarity and complexity presented here enables the creation of new and completely customizable risk-to-reward models. By offering this decentralized free market for Layer 2 risk model system creation, we hope to enable regular users of Ethereum and Uniswap to explore the same creative options as Solidity developers, without having to code a contract from scratch.

After the pre-sale concludes, half the ETH we've received to that point will remain locked into a UniSwap pool, along with a number of tokens roughly equal to half the amount sold, creating a starting market at 10% above main sale price. Over time, liquidity will be removed from the pool, with removed tokens distributed to users as staking rewards and the ETH going to the team. We have not included a token burn mechanism, as our research concluded that the effect of token burns overall can be high in the short term, but lack long term efficacy.

Additionally, this system is designed to allow participants to profit from privileged information. Fund Managers with insider information can point to their previous success on the blockchain itself and charge higher fees, just like in traditional markets. We've simply eradicated the thick layers of pretense which obscured these common practices from public view: within our system, you can embrace the rare circumstance of anonymous transparency.

## Staking System

We have designed this system with front-loaded staking rewards as a thank you to early believers:

- In the first twenty (20) days, three percent (3%) of the pool will be given out each day;
- In the second twenty (20) days, two percent (2%) of the pool will be given out each day;
- After these first forty (40) days, one percent (1%) of the pool will be given out each day.

These percentages represent the current total in the staking pot during that epoch.

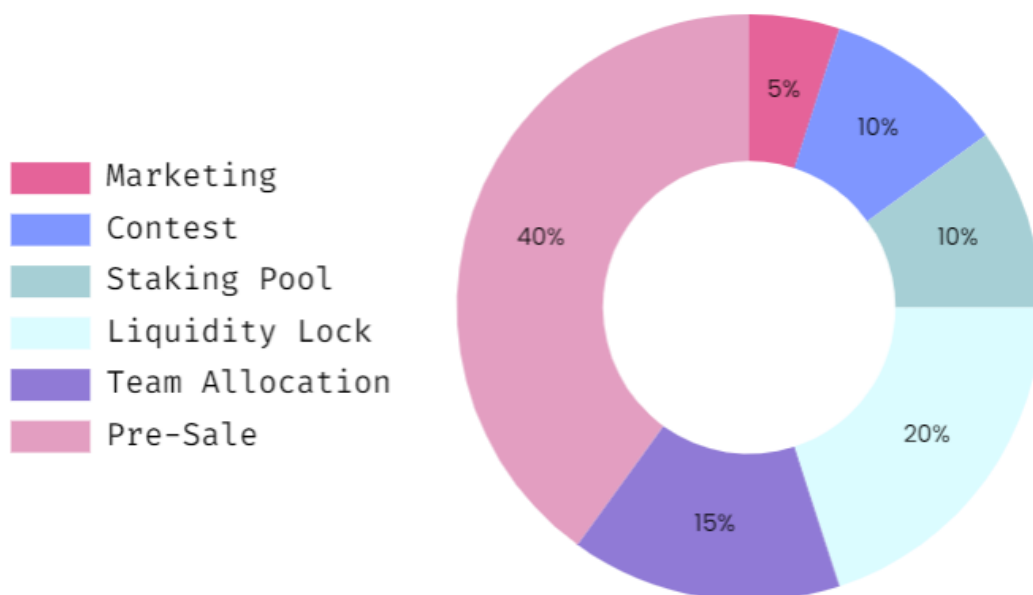
Additionally, Unifund from redeemed liquidity pool tokens will be continuously added to the staking rewards

## Distribution Model

We have been in the 'blockchain' industry since it was just the Bitcoin industry, and thus we realize how crucial a token's distribution model is to fairness and shared profits.

**The full supply thirty seven million (37,000,000) maximum UNIFUND Tokens was issued upon contract creation:**

- 40% was sold for ETH, during the token generation event
- 20% is locked in a Uniswap liquidity pool with half the ETH from the pre-sale
- 10% is used for staking rewards
- 10% is reserved for trading contests
- 5% is dedicated to the project's marketing budget
- 15% is locked for team allocation over time



## Glossary

**DeFi:** Smart contract systems designed to perform new types of financial tasks without the need for intermediaries.

**Fund Managers:** Someone in charge of a Trade Group, who controls all group funds.

**Staking:** Any user can lock up funds to receive rewards from the tokens that are in the staking rewards pool and unlocked from the liquidity pool over time. Staked coins used to open groups by Fund Managers also count towards these rewards.

**Tokenomics:** The complex interplay of a token's programmed attributes that creates its potential market value.

**Trade Fund:** The amount of funds deposited by users into the control of the Fund Manager when they choose to participate in their Trade Group.

**Trade Group:** A collection of users who have deposited ETH into the Trade Fund for the Fund Manager to trade with.

**Trade List:** A list of trade pairs which a Trade Fund is allowed to be used to buy. This list is set when a Trade Group is created, *and cannot be changed* after the group's activation.

**IFUND:** The ticker symbol of the Unifund smart contract system's token.

**IFUND Pot (aka Group Pot):** The total staked coins of the Fund Manager, as well as all entry fees paid to that group.

## FAQs

**What will you do if this contract breaks?**

If such a circumstance arises, we will migrate to a new contract and allow users to claim the new token at a 1:1 ratio.

**How do I know which groups are safe to join?**

Fund managers will develop reputation over time, and the Trade List should be carefully checked before joining any Trade Group.

Groups with more Unifund staked as collateral by the Fund Manager compared to the value of ETH collected offer a better risk-to-reward ration for users.

**Why are you doing a sale instead of letting us yield farm for distribution?**

Yield farming systems disproportionately reward whales, so we consider a sale significantly fairer.

**Is this system sustainable long term?**

The functionality of this product is designed for bull markets.

**Can this be used to scam people?**

If it gets popular, we're sure scammers will try, just as they have with Uniswap. This is the reason for the front-end delay: we aim to do as much as possible to protect our users.