Clip Whitepaper V1.0

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1 Introduction

1.1 Overview

Clip protocol is an integrated Defi infrastructure platform that allows users easy access to cross-chain Defi investments with high returns, safey and transparancy.

Clip integrates the several core DeFi protocols with a cross-chain bridge for fully automated investing. The protocol:

- Captures high-quality assets in each L1 ecosystem and produces high-yield returns;
- Aggregates data, analysis, with comprehensive DeFi data;
- Is a Web3.0 data services platform

The CLIP protocol is focused on solving the key problems for Defi users. There are several considerations and assumptions the team made.

The current most popular method for cross-chain DeFi is using the Yearn Vault. That concentrates assets and fees into a random mining pool, but does not specify which coin to mine. It only seeks projects that use the same mining algorithm that produce the best income. It then has to transfer assets to the project, in the process failing to maximize gains. It must go through multiple smart contracts, which can create layers of fees, lag and security risk. The yearn vault is one example, although they sometimes have high returns, the depth is very poor and there are security risks.

The current DeFi market data platforms only display certain statistics. TVL, APY, and APR can be used to illustrate this paradigm. But when users see the data, it means that someone has already enjoyed this return, and does not predict future returns.

Many DeFi platforms are also released without thorough review, or even an audit. Many mines do not display transaction volumes, and contracts can only enter with no exit. If the user is merely using the data displayed from the DeFi platform to select the project, it is easy to lose money. Even the principal is not guaranteed. Analysis of the project requires more comprehensive data support.

1.2 Solutions

Clip ensures safety through the introduction of third-party security companies and a whitelist audit system. A real-time audit is carried out to ensure the safety of the protocol.

We ensure that user funds are in their hands using threshold signature technology, a multi-signature mechanism, sharing private keys without the need to entrust funds with the platform or other third parties.

Cross-chain Bridge: Users can engage various DeFi projects on a variety of different layer 1 public chains through a single wallet account.

Automated adaptation of different public chains: We adopt new mining and staking information in real time.

Use of data tracking, comparing and analyzing all mining pools in the whitelist to form an effective analysis.

Implementation of the Web 3.0 ecosystem: We provide a DeFi intermediation platform, summarizing data, with more effective analysis, and generating high-value information for the core public layer 1 chains.

Capacity of the Clip API

Clip through the development of the API interface, the public blockchain DeFi platform crawler, the capture indicator in the interface set perfectly, any one of the indicators unqualified, there may be security risks, API will give up this target. When all the metrics meet the requirements, the API sends this target to the security company server for review, and the audit is added to the whitelisting system. Crawl metrics and security companies are all at the service of risk control.

Clip SDK

Clip will also provide the SDK, a DeFi platform with cooperation intentions, which can be accessed through the SDK, and the DeFi platform bringing high-quality targets to Clip. This provides risk control services for DeFi platforms. Only high-quality targets that pass the risk control standard can join the whitelist system.

Cross-chain bridge technology

In view of the problem of the value islands of each public chain, Clip has built a cross-chain bridge system, so that assets can be efficiently transferred between multiple chains. Clip Cross-Chain Bridge currently supports 5 public chains including:Ethereum, Polygon, Avalanche, Binance Smart Chain, Fantom along with 40 DeFi ecosystems and hundreds of tokens. In the future, it will support the DeFi ecolosystem on all public chains so that the public chain with DeFi ecology will be fully covered by the cross-chain bridge system.

Clip cross-chain bridge system, solves the following problems

- Reduces Gas fees while increasing transaction speed
- User assets can be freely interacted with
- Improved user experience
- Increase the productivity and usefulness of existing crypto assets
- Greater security, better privacy
- Solution for the flow of funds

Threshhold Signature Scheme (TSS)

TSS is an encryption protocol for distributed key generation and signatures, TSS can be used in ECDSA-based blockchains, including various EVM-enabled networks.

ECDSA (Elliptic Curve Digital Signature Algorithm) TSS allows for the private key to be distributed and secured much more safely.

TSS allows for flexible threshold policies. For example, three users can jointly manage a private key. Everyone only holds part of the private key shards. In order to sign a transaction, it is necessary to integrate the signature data of at least two users to construct a valid signature.

For CLIP, the threshold signature mechanism can use multiple devices to manage private keys, so that a single compromised device does not pose a risk to the asset. For platform business operations, the threshold signature mechanism enables better access control strategies to prevent internal or external personnel from stealing platform funds.

TSS Process:

1. Vault initialization: This step establish an end-to-end encrypted communication channel to initialize the participating parties.

2. Key generation: In this step, we need to determine the threshold policy for the number of signers and share the private key. For example, with a 2/3 policy, this means that the private key will be split into 3 private key fragments, and any 2 of the 3 participants can sign the transaction.

3. Signature: Generate digital signatures from the respective private keys so that the private key will not be leaked

4. Vault reorganization: If someone loses the private key, it is necessary to re-share the private key. Reorganization will generate new key shards, while previous shards will be invalidated.

Role description

There are four roles on the CLIP platform: Platform, Hunter, investors, and the security company.

Hunter

The platform is able to aggregate data and provide information well packaged for new users. This data or investment opportunity can be promoted by our hunter.

Any user can become a hunter. There is a well constructed system with three levels

• Junior hunter, through their own investment results inform prospective investors and help them decide if they want to participate.

• Intermediate hunter both promote the project and pledge tokens. They get access to more data and features.

• Senior hunter, work directly with partnering organizations to grow the ecosystem.

Hunter have the right to access platform resources, publish asset allocation lists, and configure relevant parameters. If you want publish the asset allocation list, you need to pledge a certain percentage of platform tokens.

The platform counts the investment returns of Hunter for each period, and performance can also be searched.

When hunter's investment loss reaches 30%, their pledge tokens are directly deducted, liquidation is initiated through the contract, and all assets are exchanged for USDT, which is then returned to investors in proportion to the investment.

Hunter can integrate various high-quality projects more smoothly through the CLIP platform and earn more income.

Investors

Investors obtain investment rights (tickets) by staking CLIP-issued tokens on the platform.

Before the product listing is released, they stake a specified number of platform tokens for a certain amount of days to get 1 ticket, the more tickets you get, the higher the investment amount you have.

If you invest during the eligible period, the corresponding tickets will be burned, and when a new product list is released, the number of tickets obtained by investors will be recalculated.

Investors use of the CLIP can easily obtain high-quality assets with a one-click completion of investment.

2 Project Introduction

2.1 Defi Aggregation

The CLIP protocol enables the selection of the top projects and top farms or pools within each project. For example, CLIP will integrate with the most widely used and well-known Defi projects on Ethereum, BSC, Avalanche etc. such as PancakeSwap, Trader Joe, Compound to give users safe access to the best options.

Additionally, users will be provided with the opportunity to place grouped funds into certain high-income pools or farms for short periods of time. That will allow high returns with the safety necessary. Once they make an investment, they will be given a virtual certificate that

they may use for reclaiming the funds. It will be bound into their defi wallet.

CLIP is able to aggregate data and investment opportunities from the best protocols in Defi using the methodology above. That creates a simple, easy to use process that is much friendlier and profitable for users on average.

2.2 Structured Funds

The CLIP protocol allows users to structure their investments in several ways. For regular investors, they have the opportunity to invest in high return vaults. These are short-term investments into high-yielding farms chosen by the asset manager hunter that work on the platform. They benefit from the investment yield and the simplicity of the choice. They do not need to choose the chain, the farm, the entry or exit point. That gives them a huge advantage in managing their investment.

CLIP also offers a means to get additional liquidity through investments in special projects that go into the Vault Token Liquidity Pool. These special projects receive tokens that represent the investment returns from the farms. They can be swapped in other dexes or held for future appreciation.

The asset manager hunter also have the opportunity to engage in structured funds. These individuals pool the resources of ordinary investors to get leveraged returns for themselves. In exchange, they must place some CLIP tokens as collateral in case their investment choices go bad. In that case, the tokens can be used to compensate the pooled investors.

VAR= $$z_{1\text{-}\alpha} \times \sigma_L \times \sqrt{\mathrm{T}}$$

The leverage ratio for the hunter is determined by the formula above. This ensures proper liquidity for various pools.

2.2.1 Allocation and Settlement Rules

Allocations and settlement are initially determined by the founding team but will eventually be chosen by the DAO governance committee. These rules relate to distribution of funds into different pools and the length of time for each investment. Allocation are determined based on reputation, historical investment record and amount of collateral deposited.

All investors must deposit a small amount of CLIP tokens to engage in the investment pools,

but these could also be loaned as part of their total investment. Investors that want to withdraw funds before the investment period ends will be charged a 20% fee on the gains of their investment. However, this rule is subject to change in the future.

2.2.2 Settlement Period

The settlement period is governed by the underlying chains in each transaction. However, the asset manager hunter also choose the entry and exit period of the overall investment. Using their market knowledge, expertise and investment assumptions, they determine the settlement period for their chosen farm.

2.2.3 How to Deal with Profit and Loss

Clip has created a sophisticated formula to distribute profit and loss between the investors, hunter and the protocol itself. The table below illustrates the typical distributions for profit and loss.

The target goal for any potential farm investment is 20%. Using this guideline, the investors take the largest share when returns are between 0 and 20%. As they rise above 20% the hunter take a larger and larger share while CLIP also increases revenue. When the investment is negative, the collateral of the hunter takes the first loss. If the investment goes below 30% it is automatically closed out.

NO	Projected Return	Actual Return	Investor	Hunter	Clip Protocol
1	20%	0%≤Actual≤20%	Actual Return x97%	Asset x1%	Assets x2%
2		20%＜Actual ≤30%	Actual Return x90%	Assets x2%	Assets x8%
3		30%＜Actual ≤50%	Actual Return x70%	Assets x10%	Assets x20%
4		Actual ＞50%	Actual Return x50%	Assets x25%	Assets x25%
5		-30%＜Actual＜0%	Capital x Actual Return Rate	-	-
6		Actual <=-30%	Capital x-30%	Reduction of CLIP Tokens	-

2.2.4 Redemption Processing

Redemptions are processed as quickly as possible. However, due to the structure listed above, this causes a strain on the total pool and other investors. For that reason, there is a 20% early redemption fee on any investment gains. Once the whole farm investment is

closed out, the funds are available for immediate redemption.

2.2.5 Unsettled Investment

Unsettled investments will initially remain in the token pool and can be redeemed. Over time, CLIP will provide more and more options for passive investment for these unsettled tokens.

2.3 Vault Token

The Vault Token is a token that represents the investment returns in a farm or pool that is listed on the CLIP protocol. These tokens are only for certain star projects and cannot be independently minted. Vault tokens will have liquidity for swaps or may be held by the owner. These will rise and fall in price according to the investment returns of the underlying farm. Vault tokens may also be staked or additional rewards.

2.4 Fund Performance and Management Fees

Fund performance is key to attracting more users and growing TVL. At the same time, management fees are important to sustain the development of CLIP and to maintain the liquidity of CLIP tokens. As demonstrated by the chart above, CLIP will take a percentage of positive investments as management fees. Profit will also be allocated based on the chart below.

3 Our Token Advantages

3.1 Liquidity Re-release

The Vault token provides a unique functionality that provides a dual liquidity option for investors. The investors that receive Vault tokens not only get a tradable token that represents an investment return, they also get an asset that can be staked or held. This option represents a liquidity re-release model that is extremely attractive for investors.

3.1.1 Lending Function

The CLIP protocol will enable collateralized lending through assets deposited in the vault or in protocol farms. This will enable different methods of liquidity will still gaining the

appreciation of the underlying investment.

3.1.2Transferability

The Vault Tokens are transferable and available for all standard liquidity provisions. That includes lending, staking, swaps, collateral and redemption. This transferability is a key concept that allows enhanced value, greater liquidity and ultimately more demand for the token. It creates another important value for the CLIP protocol.

3.1.3 Income Enhancement

Due to the transferability mentioned above, it represents income enhancement for the owner or investor. The mutability of the token allows for different forms of income depending on the investors risk tolerance, needs, tax preference or holding period.

3.2 Algorithm Design

The expected rate of return of the platform token is the excess rate of return over the risk free rate. The currency price is P. According to the asset portfolio theory, the optimal holding ratio of platform tokens is

$$w_2 = \frac{R_2 \times \sigma_1^{\,2} - R_1 \times \rho \times \sigma_1 \times \sigma_2}{R_1 \times \sigma_2^{\,2} + R_2 \times \sigma_1^{\,2} - (R_1 + R_2) \times \rho \times \sigma_1 \times \sigma_2} \quad (1)$$

Lock Up Coefficient

$$\beta = \left(\frac{w_2}{1 - w_2}\right) / p \quad (2)$$

Standard Deviation

$$\sigma = \sqrt{\frac{\sum (x - \bar{x})^2}{n}} \quad (3)$$

Correlation Coefficient

$$\rho = Correl(X,Y) = \frac{\sum (x-\bar{x})(y-\bar{y})}{\sqrt{\sum (x-\bar{x})^2 \sum (y-\bar{y})^2}}$$

4 DAO

4.1 Community Governance Framework

The DAO will be governed by the community through a voting system based on the amount of vault tokens that each voter or wallet owns and their participation in the system. They will have the chance to replace the initial board after one year. However, a new board would be empowered to run the day to day maintenance of the protocol in that case.

4.2 Committee

The committee overseeing the DAO will have day to day responsibilities to enact the will of the DAO. In particular, they are responsible for providing technical maintenance, marketing, administration and other core functionality.

4.3 Proposal and Voting

DAO Voting will consist of many different categories including:

- Propose any non-standard upgrades;
- Modifying protocol parameters;
- Unofficial protocol subjects;
- Change treasury assets or distribution of funds;
- Change and multi-sig wallet and treasury management;
- Proposed changes to API or integrated chains;
- Community talent and training;
- Increase or decrease types of assets for investment;

• Committee appointments；

• DAO voting rights and procedures

Security companies

Audit DeFi platforms, mining contracts, mining projects, etc. to ensure security.

5 RoadMap

Road A V1.0	Road B V2.0	Road C V3.0
• Threshold Signature Scheme (TSS) • Risk control and clearing mechanism • CLIP API • Support assets cross-chain • Adapt to support EVM public chains • Adapt to high-quality DeFi protocols	• Adapt to all public chains, including non-EVM chains • Automatically adapt to high-quality DeFi protocols • CLIP SDK • Data Integration Service Module • DAO partnerships • NFT badge system	• Support all cross-chain protocols and develop cross-chain components • Multi-dimensional DeFi client data service • Web3 infrastructure integration service platform

6 Core Team Member

The team is comprised of professionals with deep DeFi Web 2 and Web 3 experience. The team consists of excellent operators, developers and marketing professionals.

Josh

Co Founder

Josh has worked in the Web3 industry for 5 years. His first role was with Paxful as head of business development. He helped to grow the user base from 1 million to 6 million. After that, he worked as an investor and advisor for several Defi platforms, providing him a deep understanding of the ecosystem.

Ritik

Community manager

Ritik is a professional community manager working since last three years even he has worked with various big projects like coinhub and mintvlub many others

He can mange all the media and channel that is available in the market and try to learn new things daily to serve you better

George

Engineer

Blockchain/DLT/Smart Contract programming and issuance for 5+ years.

In-depth knowledge of web systems architecture, design and development.

Hands-on experience with complex project management.

7 Token Design and Tokenomics

Total issue 100,000,000

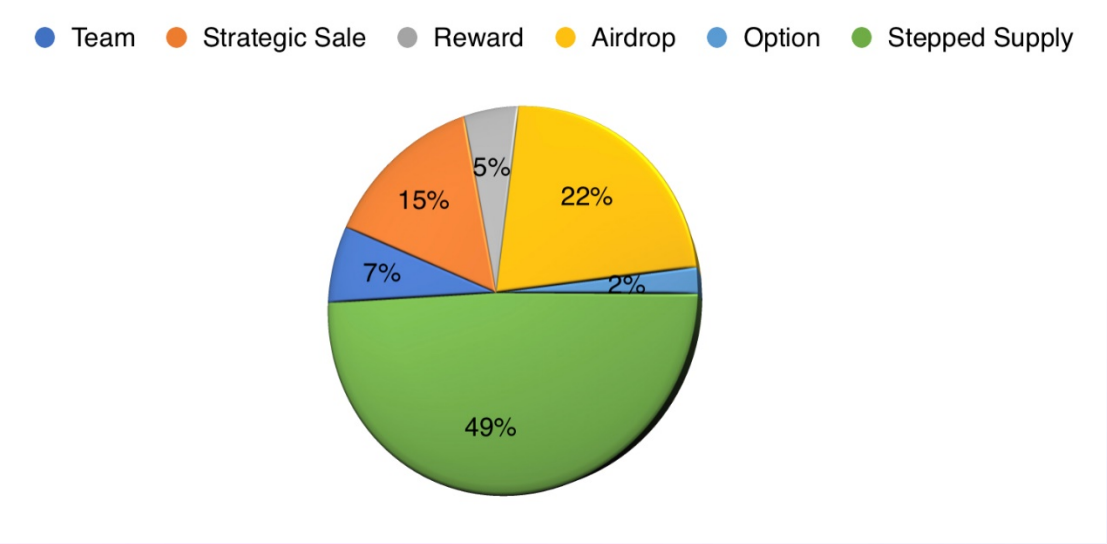
Token function

Platform fees

Hunter deposit

Investment user tickets

Token allocation



Strategic sale description

Strategic sale	Percentage	Date	Function
Angel Round	2.5%—2.8%	2022.05	Road A V1.0 • Threshold Signature Scheme (TSS) • Risk control and clearing mechanism • CLIP API • Support asset cross-chains • Adapt to support EVM public chains • Connect with high-quality DeFi protocols
Round A	2.2%—2.5%	2022.11 — 2023.05	Road B V2.0 • Adapt to all public chains, including non-EVM chains • Automatically adapt to various core DeFi protocols • CLIP SDK components • Data Integration Service • NFT badge system

49% of the tokens are partially supplied when the following three conditions are met **at the same time:**

• TVL ≥ US$100 million;

• Platform token lock-up accounts for no less than 50% of the cumulative supply;

• The platform has been officially launched for more than 1 year.

Supply Allocation

The supply allocation of 49% of the tokens is determined according to the cumulative circulation of this component of the tokens:

• Divide 49 million tokens into 100, and each 490,000 supply bucket is used as a supply range;

• Each supply interval has a corresponding supply coefficient, the basic supply coefficient is α, and the supply coefficient of the i-th supply interval isα*$(1 - \frac{i-1}{100})$, The speed of supply decreases linearly.

• The daily token supply in this range is equal to the platform's TVL* range supply coefficient on that day;

• The value of the base supply factor depends on the platform's expected long-term average TVL and the period over which all 100 million tokens will be released.