

# Liquidity Pool Token (LPT) Risk Assessment Template

**Useful Links** - A compilation of pertinent resources and references that will aid in understanding the assessment process and the LP token in focus.

**TL;DR** - A concise summary of the key findings and recommendations from the risk assessment.

## 1. Background

- Purpose: Define the objective of the risk assessment.
- Scope: Specify the type of LP being assessed (stable vs. non-stable).

## 2. LP Token Overview

- Token Name and Ticker: e.g., DOLA/FraxBP
- DEX: e.g., Curve, Balancer
- Current Size + Historical Performance: TVL in the LP. Price stability, yields, and volume trends.

## 3. LP Token Analysis

- Token 1/2/3 Liquidity: liquidity levels of the underlying assets in the LP.
- Pool Parameters: e.g. a param, fee %, etc.
- Token 1/2/3 Emissions: emission rates of the underlying assets, which can impact the LP's yield and stability.
- Oracle Solution: oracle mechanism in place for price discovery and its robustness against manipulation
- Audits & Bug Bounties: to gauge the security level of the protocols of the underlying tokens in the LP.
- Utility & Use Case: practical applications and utility of the LP token in the broader ecosystem.

## 4. Conclusion

- LPT Scoring Model: An adaptation of our in-house devised [Asset Scoring Model](#), summarizing the evaluated risk parameters to provide an overall risk score for the LP token.
- Parameter Recommendations: Suggested values for various risk parameters (CF, LF, LI, Supply Ceiling, Daily Borrow Limit) based on the assessment findings, aiding in risk management and decision-making for FiRM.