



BOOMERANG
CAPITAL

W H I T E P A P E R



Introducing Boomerang Capital

Boomerang Capital is the first dynamic market response protocol generating value for the **\$BOOM** token holders through both unique operating model features and profit generating services.

Origin story

Boomerang Capital was designed from the desire to create sustainable DeFi protocol with unique features, and ability to grow and create value to the **\$BOOM** token holders from more than just inflow of new holders or investment of the treasury.

The protocol objective

The protocol objective is to continuously increase the backing of the **\$BOOM** token via a sustainable growth model enforced through dynamic market response.

So how is it different?

Boomerang Capital has taken **best features of FaaS reflection protocols** (such as **\$MCC**, **\$ReFi** and **\$EXPO**) and **rebase protocols** (such as **\$OHM**, **\$TIME** and **\$KLIMA**), while leaving out the worst ones, and enhancing the mix with the unique operating model features and value added services.

Boomerang Capital brings you best features of reflection and rebase tokens.... and more!

FaaS reflection tokens (e.g. \$MCC, \$ReFi, \$EXPO)

- ✓ Taxes growing treasury
- ✓ Dividends / Reflections
- ✓ Fixed Supply / No Inflation
- ✗ Slow treasury and backing growth
- ✗ Market price far from backing per token

Rebase tokens (e.g. \$OHM, \$TIME, \$KLIMA)

- ✓ Bonding
- ✓ Quick treasury and backing growth
- ✓ Protocol owned liquidity
- ✗ Inflation / Growing supply
- ✗ Market price far from backing per token

- ✓ Dynamic market response
- ✓ Unique operating model features
- ✓ Unique value added services

Key differences between Boomerang Capital and reflection or rebased projects can be summarized as following:

- **Mix of best FaaS reflection projects and rebase projects features with no clear downsides of those types of projects:** Boomerang Capital is treasury backed protocol with user value generated from backing price growth (due to taxes, bonds and treasury investment), dividends and bonding ROI; Simultaneously protocol is non-inflationary and ensures that market price of the \$BOOM token is tightly correlated with the backing of the \$BOOM token.
- **Different operating model and \$BOOM token features:** Aside from the unique dynamic market response feature, Boomerang Capital has multiple completely different features of the protocol, that separate it from both FaaS reflection projects and rebase projects; this will become apparent after the announcement of our fifth operating model feature in first week after the launch.
- **Multi use / multi purpose nature of the protocol:** Multiple value added services (aside from treasury investment) that will be provided to users and other cryptocurrency projects for a fee that will increase treasury value and generate incremental value to the protocol.

Given these key differences, we have no intention of competing with either FaaS reflection projects or rebase projects but we aim to build and lead a completely separate category in the DeFi space.

Dynamic market response protocol – what is it?

Dynamic market response protocol is a set of automated mechanisms built into the smart contracts of the protocol, that will ensure that market price of the underlying \$BOOM token is oscillating around the fair price of the \$BOOM token, where fair price of the \$BOOM token is derived from the backing price of the coin and expected future growth (more about fair price and backing price in “how does it work?” section).

Dynamic market response protocol – why implement it?

By keeping market price close to the fair price the protocol is able to achieve several various objectives:

- **Sustainable growth** and much "smoother" growth profile as opposed to over-exaggerated pump and dump that we have seen in so many other coins
- **Hard price floor** at minimum trading price (around backing price of the \$BOOM token) helping to instill the investor confidence in the \$BOOM token around fair price (if price cannot go below 95% of the backing price of the \$BOOM token then downside is limited to the difference between purchase price and backing price) and additional demand and buying pressure around backing price of the \$BOOM token (if the price can't go down from the backing price level - the only possible direction is up)

- **Every holder benefits from a large leg up** – by preventing jeets from "dumping at the top" by implementing maximum trading price at any given point (tied to current backing price at that point in time) and \$BOOM token sellback above that price to ensure that all \$BOOM token holders benefit from the run up – not only jeets (sellback intervention drastically increases value of the treasury benefiting all \$BOOM token holders – not just select jeets that were first to sell)
- **Increased confidence in the project** and desire to hold the \$BOOM tokens for longer due to the sustainable growth approach, clear "trading channel" around the fair price and establishing clear connection between market price and backing of each \$BOOM token

Dynamic market response protocol – how does it work?

Before diving into details of automated mechanisms defining dynamic market response – let's define few of the price metrics and levels core to the way the protocol works

Backing price – represents current underlying value of each \$BOOM token derived from the corresponding share of the protocol treasury.

Backing price = Treasury market value (excl. value of LP and protocol-owned \$BOOM tokens) / circulating supply of the \$BOOM token

Maximum trading price – minimum market price that the protocol will allow before instituting market intervention to push price back closer to the fair price (default value: 95% of the backing price of the \$BOOM token)

Fair price – represents algorithmically established expected value of each \$BOOM token – derived from the backing price of the coin and expected future growth

Fair price = Backing price * fair price multiplier(*)

(*) fair price multiplier is algorithmically established based on the treasury value and protocol market capitalization

Market price – current market price (price of last transacted \$BOOM token) on a decentralized exchange (e.g. Uniswap) or centralized exchange (e.g. Kucoin)



Maximum trading price – maximum market price that the protocol will allow before instituting market intervention to push price back closer to the fair price

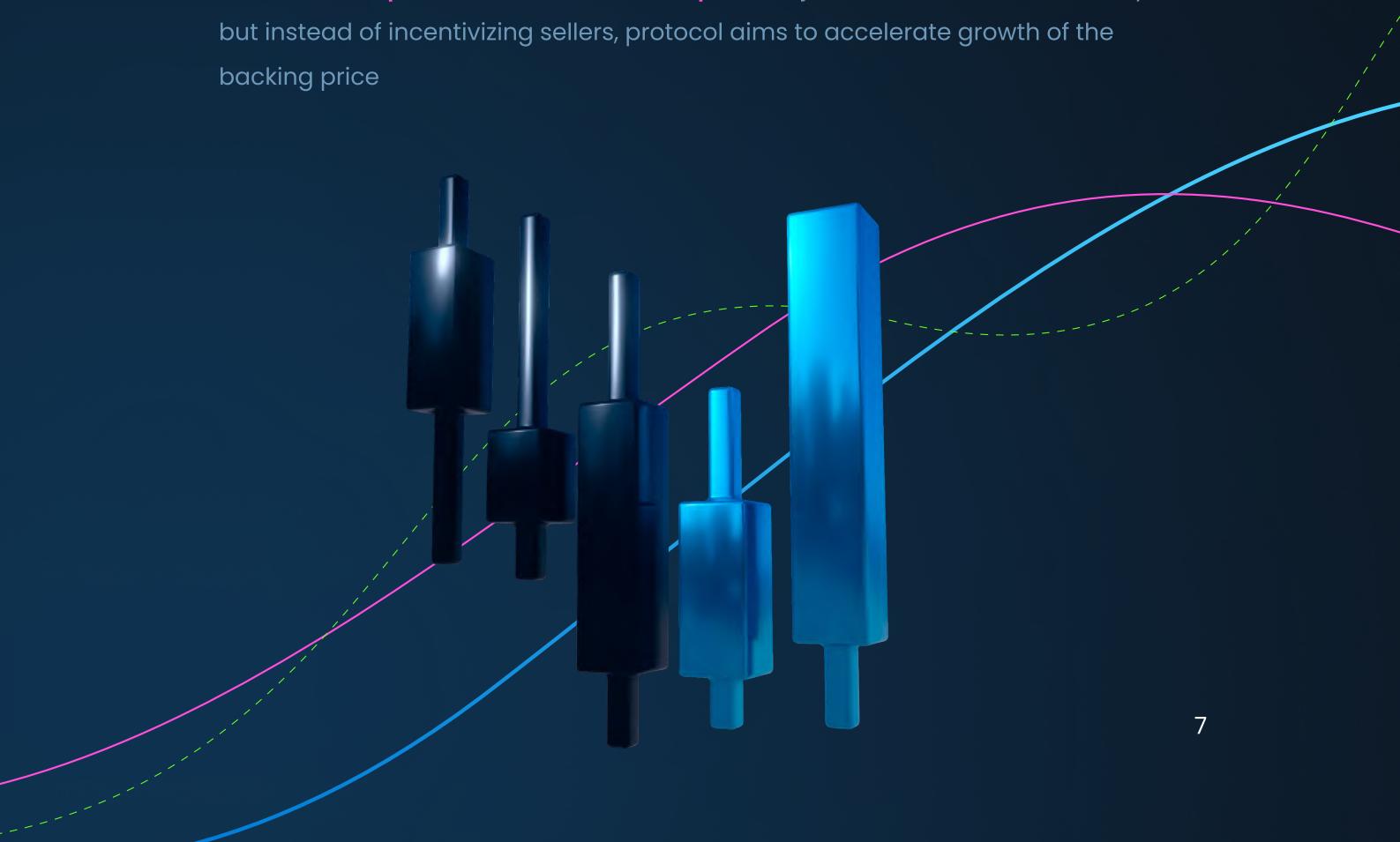
The protocol has two types of automated dynamic market response mechanisms, that will help to keep the market price of the **\$BOOM** token close to the fair price of the **\$BOOM** token:

- **Soft measures** (incentives)
- **Hard measures** (market interventions)

Simultaneously – the objective of the dynamic response mechanism is different when market price is above fair price vs when market price is below fair price:

When market price is below the market price: objective is to incentivize buyers and disincentivize sellers

When market price is above the market price: objective is to disincentivize buyers but instead of incentivizing sellers, protocol aims to accelerate growth of the backing price



In line with the above protocol will have 5 different “price zones” defined by levels tied to the backing price of the \$BOOM token and fair price of the \$BOOM token - with different dynamic market response mechanisms in each zone:

Fair zone: Zone in close proximity to the fair price (+ X% and - X% of the fair price) - basic operating model with no automated dynamic market response mechanisms

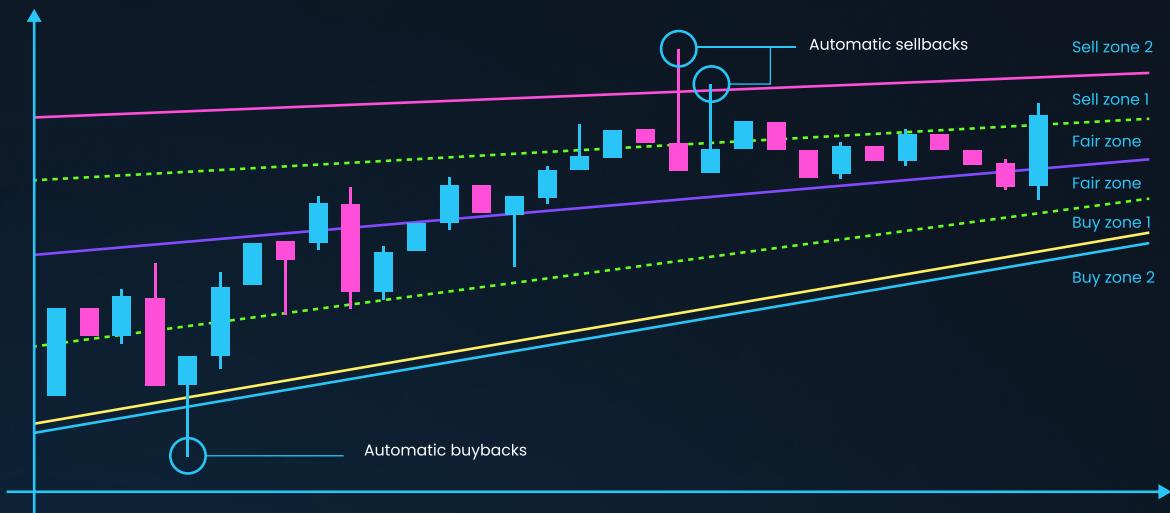
Buy zone 1: Zone between the backing price of the \$BOOM token and bottom of the fair zone - soft measures (incentives) aimed at incentivizing buyers and disincentivizing sellers (lower buy tax & higher sales tax vs basic operating model, larger portion of taxes dedicated towards reflections to incentivize buyers)

Buy zone 2: Zone below the backing price of the \$BOOM token - hard measures (market interventions) aimed at keeping price at or above the backing of the coin and establishing hard price floor (automatic buybacks built into the contract after every transaction that results in market price below 95% of the backing price of the \$BOOM token)

Sell zone 1: Zone between the top of the fair zone and a 2-3x multiple of the fair price (exact value chosen algorithmically and depending on treasury value and market capitalization) - soft measures (incentives) aimed at disincentivizing buyers and increasing the speed of growth for the backing of the coin (same tax levels as in fair zone, but entire tax goes to treasury)

Sell zone 2: Zone above 2-3x multiple of the fair price (exact value chosen algorithmically and depending on treasury value and market capitalization) - hard measures (market interventions) aimed at keeping price close to the fair price and aggressively increasing the backing of the coin (automatic sellbacks built into the contract after every transaction that results in market price above the maximum trading price at 2-3x multiple of the fair price)

Unique feature: Dynamic market response



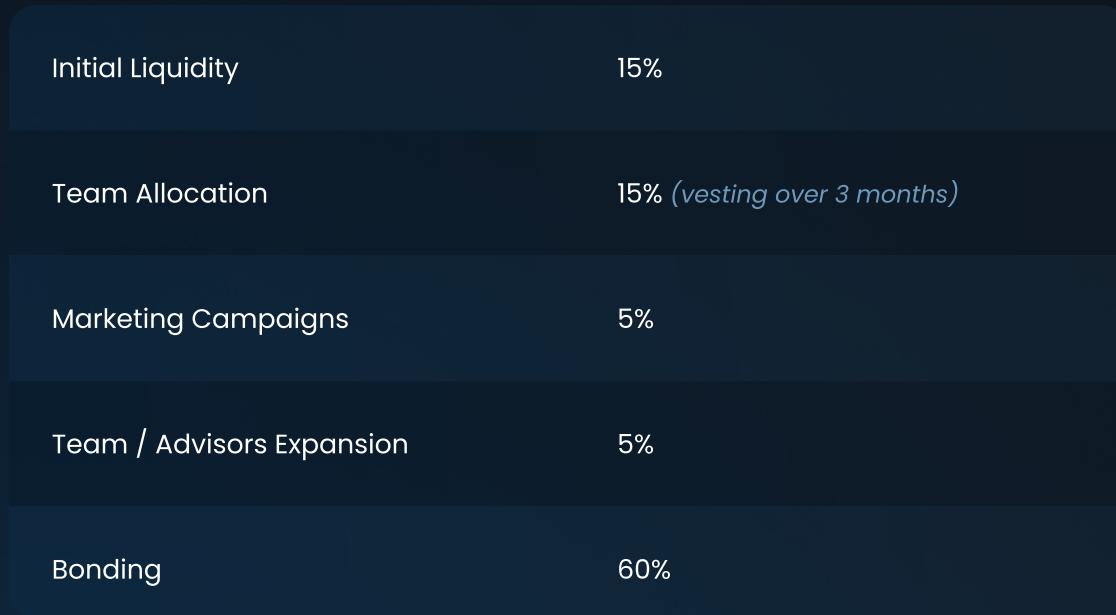
Legend:

- | | | |
|-------------------------|-------------------------|------------------------|
| — Minimum trading price | — Maximum trading price | — Backing of the token |
| ··· Fair zone bonds | — Fair price | |

Initial \$BOOM token allocation

Initial \$BOOM token allocation has been designed to support long term protocol growth with only 15% of the total supply dedicated to the initial liquidity and 60% of the \$BOOM tokens dedicated to bonding that will help to bootstrap protocol treasury.

Initial allocation supporting protocol growth



So how is the protocol going to ensure consistent growth of the backing price of the \$BOOM token?

There are two types of protocol features that will help continuously grow the underlying value of the protocol \$BOOM token:

- **Operating model features**
- **Value added services**

Sources of the sustainable growth of the backing price



Operating model features

Operating model features help to drive the backing price of the \$BOOM token up by retaining current \$BOOM token holders, attracting additional buyers and monetizing the trading activity.

If operating model features are implemented as a sole purpose of the protocol, they create an unsustainable ponzi scheme where the growth of the protocol is dependent purely only on the inflow of new buyers and their capital.

However if used jointly with value added services, operating model features can be a robust and efficient tool helping to magnify and accelerate the increase in the treasury value and backing price of the \$BOOM token particularly in the first days of the protocol existence

Operating model feature 1: Tax

Tax is a great tool to kick start treasury build up and ensure treasury inflows around important project announcements. Simultaneously – as it can be noticed in many projects with high taxes – it often has a very negative effect on the volume which results often in hype dying down, unattractive looking charts (in terms of both volume and price action) and project stagnation.

While at Boomerang Capital we will use dynamic tax structure as soft incentive for buyers and sellers in buy zone 1 and sell zone 1, we will aim to continuously decrease average level of taxes over time (with first decrease happening at the conclusion of project ignition phase (more about that in the roadmap).

Initial tax structure implemented immediately after launch will look as follows:

Example: Initial transaction tax allocation

Buy tax	10%	Sell tax	10%
Reflections	4%	Reflections	4%
Treasury	3%	Treasury	3%
Marketing	2%	Marketing	2%
Liquidity Pool	1%	Liquidity Pool	1%

Operating model feature 2: Buybacks

Buybacks can be a very powerful tool to increase a backing of the \$BOOM token if used wisely. While buybacks decrease the value of the treasury (Treasury purchases \$BOOM tokens from LP, therefore decreasing treasury ETH balance), they will increase the backing price of the \$BOOM token if the market price of the \$BOOM token is below the backing price of the \$BOOM token by decreasing circulating supply of the \$BOOM token by a larger %.

Given that our primary objective is to drive the backing price of the \$BOOM token up – this is a desired outcome (vs focusing on market cap or treasury size as a primary metric – as many other protocols do).

Example below represents how the backing price of the \$BOOM token will increase after a sample buyback:

Example: Automatic buyback



Circulating supply	200,000,000	200,000,000	190,000,000	Backing of the token increased by ~0.5% as a result of automatic buyback (from 0.005000 to 0.005024)
Treasury value	1,000,000 USDC	1,000,000 USDC	1,000,000 USDC	
Backing of the token	0.005000 USDC per token	0.005000 USDC per token	0.005024 USDC per token	
Minimum trading price	0.004750 USDC (0.95x backing)	0.004750 USDC (0.95x backing)	0.004773 USDC (0.95x backing)	
Protocol tokens in the pool	100,000,000	110,000,000	100,000,000	
USDC value of ETH in the pool	500,000 USDC	454,545 USDC	500,000 USDC	
Market price of the token	0.005000 USDC per token (1x backing)	0.004132 USDC per token (0.83x backing)	0.005000 USDC per token (~1x backing)	

¹ Calculation of ETH received / used to sell / buy tokens based on Uniswap liquidity pool price formula where product of LP tokens remains constant ($x \text{ tokens} * y \text{ ETH} = \text{const } k$)



Operating model feature 3: Sellbacks

Automatic sellbacks from the protocol will happen only if market price exceeds the backing price multifold (e.g. market price 5-10x bigger than backing price of the \$BOOM token). \$BOOM tokens used in sellbacks will come from \$BOOM tokens bought back in the buybacks and initial allocation of the \$BOOM tokens to the treasury.

Given that market price is significantly bigger than backing of the \$BOOM token at the moment of sellback – sellback will significantly increase backing of the coin despite increasing circulating supply of the \$BOOM token, as % treasury value increase will be bigger than circulating supply of the \$BOOM token increase.



Example below represents how backing price of the \$BOOM token will increase after sellback:

Example: Automatic sellback



Before transaction that pushes price above 10x of the backing price of the token	After transaction that pushes price above 10x of the backing price of the token	After automatic sellback that brought the market price to upper band of the fair zone
Circulating supply	200,000,000	200,000,000
Treasury value	1,000,000 USDC	1,221,580 USDC
Backing of the token	0.005000 USDC per token	0.005971 USDC per token
Maximum trading price	0.050000 USDC (10x backing)	0.059710 USDC (10x backing)
Protocol tokens in the pool	32,000,000	30,000,000
USDC value of ETH in the pool	1,562,500 USDC	1,666,667 USDC
Market price of the token	0.048828 USDC per token (~9.8x backing)	0.055556 USDC per token (~11.1x backing) ²)

Backing of the token increased by ~19.4% as a result of automatic sellback (from 0.005000 to 0.005971)

¹ Calculation of ETH received / used to sell / buy tokens based on Uniswap liquidity pool price formula where product of LP tokens remains constant (x tokens * y ETH = const k)

² Scenario assumes that top of the fair zone is at 7x backing of the token; sellback will bring the market price of the token to the upper band of the fair zone

Operating model feature 4: Bonding

Bonding is a feature well known to many DeFI users from rebase protocols such as \$OHM or \$TIME. However the difference in case of the Boomerang Capital is that \$BOOM tokens dedicated for bonding are not newly minted - but come from initial \$BOOM token allocation to the treasury and from \$BOOM token buybacks.

Furthermore, Boomerang Capital commits to never issuing bonds below the backing of the \$BOOM token, ensuring that bonding process is always accretive and increases \$BOOM token backing.

Example below represents how backing price of the \$BOOM token will increase after bonding each batch of the \$BOOM tokens:

Example: Automatic sellback



	Before releasing new bonding terms for purchase	After all bonds from the bonding term were purchased
Circulating supply of \$BOOM	200,000,000 \$BOOM	250,000,000 \$BOOM
\$BOOM held by Treasury	400,000,000 \$BOOM	350,000,000 \$BOOM
Backing of the token	0.005000 USDC per \$BOOM	0.005500 USDC per \$BOOM
Non-\$BOOM Treasury Value	1,000,000 USDC	1,375,000 USDC















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Operating model features 5-7

Operating model features 5-7 will further help to accelerate the growth of the backing price of the \$BOOM token. Features 5-6 are already developed and tested and feature 7 is under construction. All of them will be announced within the first few weeks after the launch, with operating model features 4 and 5 announced within the first week after the launch. Features 5 and 7 are particular differentiators for the protocol and are expected to bring a lot of attention to the project.



Value added services

Value added services help to drive the backing price of the \$BOOM token up by increasing treasury value in one of 3 ways:

- Investment of the treasury in other digital assets to generate sustainable profit
- Services provided to cryptocurrency users (both \$BOOM token holders and other cryptocurrency holders) for a fee
- Services provided to other DeFi protocols for a fee

Unlike many other protocols in DeFi space – we will not limit our value added services to "just" investment of the treasury – as we believe that this is not enough to provide fast, sustainable growth of the backing of the \$BOOM token, given it is very difficult to achieve consistent (or even average) 25–30% return on treasury investment per month.

While we will allocate the treasury to investments using proprietary investment strategy, we will also provide other value added services – to both users and other protocols – for a fee that will increase treasury value

Value added service 1: Treasury investment

The goal of the treasury investment will be to generate an average of 15–20% return (on invested capital) monthly with a limited drawdown. Remainder of anticipated treasury and backing of the \$BOOM token growth will be driven by the operating model features and other value added services

Treasury investments will be divided into 3 investment categories:

- low risk investments (major coins, e.g. ETH, SOL, NEAR and stable coin or single-sided coin farming in reputable places)
- medium risk investments (smaller coins, partner projects, more risky DeFi investments)
- high risk investments (leveraged positions on CEXs, large APY LP staking with high impairment loss risk, emerging projects and shitcoins)

Key principles for treasury investments:

Risk management: All investments will follow proper risk management with no more than 3% of investable portion of the treasury dedicated to a single investment and clear exit (stop-loss) criteria

DCA: For medium-term positions in low and medium risk investments, we will use dollar-cost-averaging techniques to improve the entry point and maximize % return

Initials out at 2x-5x: For all investments we will derisk and take initial investment out of the position regardless of the market situation. For low risk investments when profit equals 2x of the amount risked, for medium risk investments at 3x and high risk investments at 5x

Book the profit: Profit on positions will be booked regularly after taking out initials to ensure proper risk management, decrease treasury value fluctuation and free the capital for further investments

As protocol scales, we plan to onboard several treasury managers, representing different trading styles and focus areas, to diversify the risk

Value added services 2-5

Value added services 2-5 will further help to accelerate the growth of the treasury and hence the backing price of the \$BOOM token. Services 2-3 are already developed and tested, service 4 is under construction and service 5 in ideation phase.

All of the value added services will be announced within the first few months after the launch, with value added services 2 and 3 announced within the first month after the launch. Services 4 and 5 are particular differentiators for the protocol.

Short-term project roadmap

We plan to announce and release several protocol features throughout the first 3 weeks after the launch, combined with other important announcements and intensive marketing campaign aimed at raising the interest in the project and understanding of the protocol

Short-term project roadmap



