

## Summary

Seeking guidance to create a proposal to add AladdinDAO Concentrator aCRV and aFXS assets as collateral assets for Spark.

## References

Concentrator website: <https://concentrator.aladdin.club>

aCRV token address: [0x2b95A1Dcc3D405535f9ed33c219ab38E8d7e0884](https://etherscan.io/address/0x2b95A1Dcc3D405535f9ed33c219ab38E8d7e0884)

aFXS token address: [0xDAF03D70Fe637b91bA6E521A32E1Fb39256d3EC9](https://etherscan.io/address/0xDAF03D70Fe637b91bA6E521A32E1Fb39256d3EC9)

Documentation: [Concentrator - AladdinDAO](#)

Medium: [Concentrator – Medium](#)

GitHub: [aladdin-v3-contracts/contracts/concentrator at main · AladdinDAO/aladdin-v3-contracts · GitHub](#)

Twitter: <https://twitter.com/0xconcentrator>

Discord: [Discord](#)

## Protocol Description

Concentrator is a yield optimizer built around the idea of positive sum farm-and-hold yield farming. There are two types of concentrator vaults: compounders and harvesters. At present there are three compounder vaults, and many harvester vaults. Each harvester vault is paired with one of the compounder vaults. Harvest vaults claim all claimable yield associated with the underlying harvester asset and swap them appropriately to deposit into the paired compounder vault. Users deposit assets in harvester vaults and use those yields to earn the most blue-chip compounder tokens. Alternatively or in addition, users may deposit directly into the compounder vaults.

The compounder vaults each provide an increasing share of a specific blue-chip DeFi token, with growth coming from autocompounding its yields. Currently Concentrator offers five such compounder vaults: aCRV, aFXS, afrxETH, abcCVX, and asdCRV. aCRV is backed by cvxCRV, with autocompounding yields derived from Convex cvxCRV staking. aFXS is backed by fxs-cvxFXS LPs, with autocompounding yields derived from Convex vault/Curve gauge rewards. aCRV has been active since the protocol's inception (Spring 2022) and aFXS has been active for about a year. Both vaults have been through a complete audit process by SECBIT.

Although there is a lot of room for expansion in the future, currently all harvester vaults are based on Convex vaults. A wide variety of Convex vaults are offered as harvesters including various stable LP vaults, tricrypto, and many others. New vaults are regularly deployed based on user requests or new opportunities.

Concentrator harvesters allow users to hold one asset, but use its yield to earn a completely different one. For example, the most popular vault on Concentrator allows users to hold a stablecoin (FRAX-USDC LPs) but earn yields in aCRV. In the future, Concentrator vaults may execute more sophisticated strategies with the afrxETH compounder (which manages a rolling lockup to optimize yields) providing an example of the types of things that are possible.

## Motivation

Increasing the usage of aCRV and aFXS tokens usage as collateral assets will benefit each token's utility and improve the visibility of Concentrator overall. Because the assets autocompound yield from the underlying assets of cvxCRV and cvxFXS/FXS LP, the yield of those assets are firmly entrenched within the Curve/Convex/Frax ecosystems and have been bribed for CRV emissions from inception. The sustainability of the underlying yields can be assured as both Convex and Frax are prolific incentivizers for yield for both of the liquid derivative versions of the locked governance assets: veCRV and veFXS. As the yields of these tokens autocompound on Concentrator back into the underlying asset strategies, the use of these tokens as collateral would potentially assist in offsetting any underlying token price declines, thereby offering additional liquidation protection against the collateral, allowing the users to sustain longer loan terms within Spark.

## Specifications

Concentrator TVL: \$62,075,033.79

Concentrator Harvesters TVL: \$49,097,805.11

Concentrators Compounders TVL: \$12,977,228.68

aCRV Compounder TVL: \$2,172,082.52

aCRV Yield in APY: 29.75%

aFXS Compounder TVL: \$220,246.88

aFXS Yield in APY: 6.87%

asdCRV CompounderTVL: \$5,561,632.01

asdCRV Yield in APY: 37.47%

abcCVX Compounder TVL: \$1,820,396.40

abcCVX Yield in APY: 29.86% - 40.51%

aFRXETH Compounder TVL: \$3,202,870.86

aFRXETH Yield in APY: 5.73%

(all TVL and APY figures accurate as of June 10 2023)

Governance: The CTR token was deployed by the Aladdin core team. Aladdin continues to develop and administer Concentrator, progressively decentralizing governance power to veCTR holders. The Concentrator treasury is controlled by a 6/9 multisig wallet.

Oracles: Concentrator does not rely on oracles.

Audits: All Concentrator products have been audited. Reports are:

[PeckShield aCRV & Vault](#)

[PeckShield Legacy aCRV & Vault](#)

[SECBIT aCRV & Vault](#)

[SECBIT Legacy aCRV & Vault](#)

[SECBIT aFXS & Vault](#)