

# ERC-20 Token Distribution Report

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## 1 Introduction

Token Distribution aims to determine how distributed (or dispersed) is a project's native cryptocurrency.

Simply put, if 90% of your project's tokens are lying dormant in a handful of large addresses, your network adoption likely has a ways to go.

In theory, a 'healthy' token should be broadly distributed across the project's network/addresses, and relatively sparse in exchange wallets. To determine if (and how much) a certain token is distributed or concentrated, we calculate the amount of tokens currently located in 100 of its biggest non-exchange wallets, and compare that to the total current supply of said token. We then calculate the top 15 most concentrated and 15 most distributed cryptocurrencies, and compare the performance of these two 'portfolios' over time. For more information, head over to our [article on Token Distribution](#).

## 2 Methodology

The 'distribution ratio' formula is as follows:

$$\frac{\sum \text{top 100 wallets}}{\text{total supply}}$$

For this report, we calculate the distribution ratio for all ERC20 assets stored by Santiment, excluding stablecoins. At the moment, this includes 939 assets.

For each asset, we fetch the distribution ratio which is computed by Santiment and available through our [API](#).

We use the distribution ratio of the non-exchange top wallets. However we consider only those projects which at least 5% of their total supply on centralized exchanges. This restriction is added in order to remove tokens which are not suitable for investment.

### 3 Results

Here are the current top 15 distributed projects together with their distribution ratio:

unus-sed-leo	1.198646
3x-long-bitcoin-token	2.006135
etherparty	6.993271
okb	8.114476
odyssey	11.143569
matryx	11.641940
cindicator	12.332855
amber	13.206411
iht-real-estate-protocol	15.195377
perth-mint-gold-token	15.275524
sonm	16.843882
game	16.959639
genesis-vision	20.383755
monetha	23.028060
inmax	23.402033

Name: 2020-06-18 00:00:00+00:00, dtype: float64

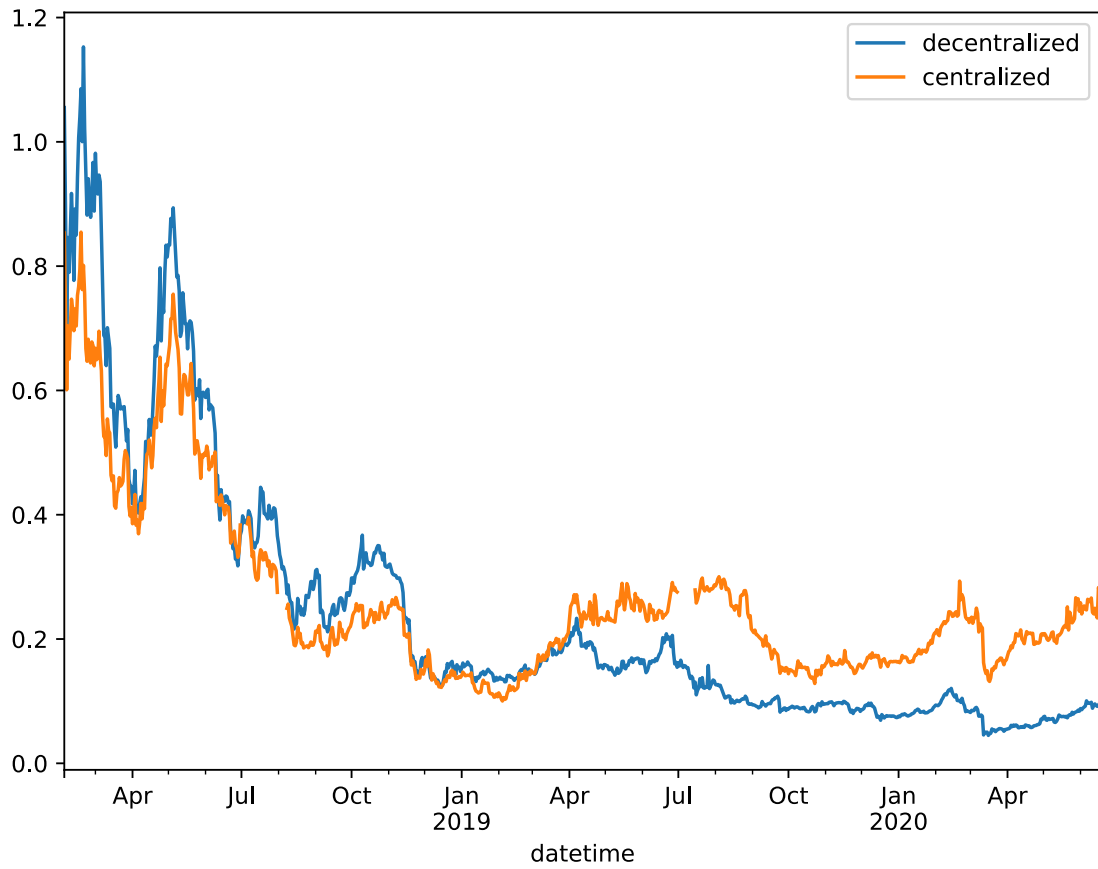
And here are the current 15 most concentrated projects

the-currency-analytics	94.366598
dapp-token	94.180520
digitalbits	93.573224
ampleforth	93.473194
hxro	93.411175
origin-protocol	93.308753
ultra	92.778179
bosagora	92.456046
ruff	92.184147
roobee	91.985671
rakon	91.958782
amino	91.930950
cloudbric	91.887697
huobi-pool-token	91.748316
cotrader	91.320906

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### 4 Portfolio performance

Based on the above results, we backtest a portfolio with equal distribution of investment over the 15 most centralized and 15 most decentralized assets, rebalanced at the beginning of each month. Here is the performance of those two portfolios:



Finally let's compare the performance of our portfolios with holding of Bitcoin or Ethereum for the same period:

