

FLURRY

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THE FUTURE OF YIELD FARMING

EARN TRADE SPEND

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EXECUTIVE SUMMARY

The Future of Yield Farming – Earn, Trade, Spend!

FLURRY is a protocol that aims to offer a token with the following features:

STABLE

Price does not fluctuate

INCOME

Generates yield automatically and continuously

FLEXIBLE

Can be spent as a medium of exchange while earning interest,

A cross-chain token with all the goods of a stablecoin plus continuous yield farming with diversified DeFi product risk and lower yield farming fee. No more Lock-Up!

Despite the blinding speeds of innovation in the DeFi space, advances in technology often outpace the equally crucial improvements in user experience, which only adds a barrier to entry and a hurdle to adoption. We believe investment opportunities should NOT be reserved only for tech-savvy crypto enthusiasts but for everyone. We aim to improve the usability of DeFi products and make the process as convenient as possible so everyone can participate.

The team at Flurry comprises cryptocurrency veterans, serial entrepreneurs and finance professionals whose experience and educational background include JP Morgan, Societe Generale, Barclays Capital, Stanford University, Cornell University and Imperial College London.

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PROBLEMS

The growth of Decentralized Finance (DeFi) in 2020 was so rapid that many call 2020 to be the year of DeFi. As of now, the total value locked of DeFi protocols stands at over $19 billion. That is almost 20X growth over 11 months. DeFi protocols are offering different ways of generating yield to crypto enthusiasts. With the growth of Defi products, crypto owners are now able to earn decent returns on their holdings. However, the current market landscape has a few pain points that need to be addressed:

Fragmented

Different DeFi products generates different yield and each one of them has a different mechanism of generating yield. The mechanism involved is not easy to understand without certain technical background. The risk involved also varies across different products.

High Gas Cost

With the rapid rise of DeFi, the Ethereum network is congested. Ethereum transaction fees have shot up to new highs in early 2021. The high gas fee is not cost justified for users to move small amounts in and out of different DeFi products.

User Experience

The user experience of DeFi products is not friendly. The process of participating in different yield farming products such as providing liquidity in liquidity pools or supplying tokens in lending protocol is not convenient to use. It also requires technical knowledge to understand the yield generation mechanism of different products.

Funds Locked Up

Users get back deposit token (which is like a receipt of deposit) when depositing their fund in different DeFi products. Since the deposit tokens have a changing value with the accrued interest, the tokens cannot be used as a medium of exchange and thus users have their fund locked up while earning interest. Users have to unlock their fund when they want to use it and that incurs a cost.

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SOLUTION: FLURRY

Introducing the FLURRY Protocol. FLURRY issues rhoTokens which are backed by stablecoins and searches for the best transaction fee adjusted yield for your backing stablecoins. With rhoTokens, users do not need to go through the tedious process of locking/ unlocking and switching in and out of different DeFi products to generate yield. FLURRY will do everything for you automatically and continuously. The process is transparent to users and users will see their wallet balance growing to reflect the interest earned. Since rhoToken is pegged 1:1 to the underlying stablecoin, rhoTokens have the same value of the underlying stablecoins and can thus be used as a medium of exchange.

Apart from automating the yield generation process, FLURRY offers other advantages that users cannot enjoy if they do it on their own:

- Lower Gas Costs per User
  Since FLURRY pool assets together and move funds in one single transaction, the average cost incurred per user is lower

- Risk Diversification
  FLURRY can diversify specific smart contract risk by allocating the pool of assets in different DeFi products, whereas it is not cost justified for individuals to do on their own

- Nice User Interface
  FLURRY provides a nice user interface to give users a clear picture of how much interest they have earned, how the interest is earned and the allocation of the funds in different pools, etc.

Why is FLURRY better than other Yield Aggregators?

FLURRY is better than existing Yield Aggregators in two perspectives:

- No Locking

  FLURRY has a different interest distribution mechanism from existing yield aggregators. The yield generated in FLURRY is distributed in the form of rhoTokens. For example, you deposit 100 USDC and earn an interest of 5%. What you will have in return is 105 rhoUSDC in your wallet. By increasing the supply of rhoUSDC, FLURRY makes sure 1 rhoUSDC is always equal to 1USDC, whereas in normal yield aggregators like Yearn, you get deposit tokens (yTokens) in return which unfortunately has a changing value due to the interest accrued. With a changing value, deposit tokens cannot be used as a medium of exchange and thus your funds will be locked up while earning interest. But in FLURRY, 1 rhoUSDC is always equal to 1 USDC and thus rhoUSDC can be spent the same way as USDC. FLURRY will work on providing use cases (e.g. trading on centralized and decentralized exchanges) for the rhoTokens. In other words, users do not have their funds locked up. They can trade while earning interest in between.

- Cross Chain
  Current yield aggregators are limited to Ethereum based products, while FLURRY is targeting to work cross chain to look for the best yield after cost on different Defi Protocol cross chain.

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MECHANISM

1) *Minting rhoTokens*

Users convert their stablecoins to rhoTokens under the FLURRY protocol. In phase 1, we will launch rhoTokens on 3 stablecoins: USDT, USDC and BUSD. Each rhoToken is backed 1:1 by the stablecoin it represents:

- rhoUSDT is backed 1:1 by USDT
- rhoUSDC is backed 1:1 by USDC
- rhoBUSD is backed 1:1 by BUSD

2) *Automated Yield Farming*

FLURRY generates yields by allocating the backing stablecoins to different DeFi protocols:

Borrow/ Lending

- Compound
- Aave
- Dydx
- C.R.E.A.M
- Harvest

Bonus token rewards from DeFi Platforms

- Comp
- Farm

3) *Rebasing*

The yield generated is distributed to the holders of rhoTokens by increasing the supply of the corresponding rhoTokens. This allows the price of the rhoToken to stay pegged 1:1 to its backing token. Users will see the number of rhoTokens grow in their wallets to reflect the yields that have been earned by the protocol. For example, if an user owns 1000 rhoUSDC and assuming APY is 12%, he will see his wallet balance grow from 1000 rhoUSDC to 1010 rhoUSDC (he earns an interest of 1000 * 12%/12 = 10) after a month. In this way, 1rhoUSDC is always equivalent to 1USDC in value, whereas in other yield aggregators, the deposit tokens will change in value with accrued interest, making the deposit tokens not stable in value and thus not suited to be a medium of exchange. This is an important feature that differentiates FLURRY from other yield aggregators.

4) *Redeem rhoToken*

Users can redeem the underlying rhoToken at any time they want with a withdrawal fee.

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CROSS CHAIN INTEROPERABILITY

In the first stage, FLURRY will be built on Ethereum as Ethereum continues to be the largest DeFi Ecosystem with the best source of yield. However, if the problem of gas cost is not going away with all the upgrades coming, we will port our project to Binance Smart Chain to take advantage of the lower transaction cost and thus higher yield after cost. Since Binance Smart Chain is EVM-compatible, the switch over should be easy.

In the long run, we aim to deploy FLURRY on other chains like Cosmo and Polkadot which offers cross chain capability such that FLURRY can look for yield cross chain, taking into account of the fees on different chains, to generate the best return for our rhoToken holders.

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PROMOTING RHOTOKEN

The value of FLURRY comes from yield generation and the flexibility of using the fund without unlocking. Therefore, we will promote the rhoToken in these two perspectives:

1) Yield Generation

   Apart from looking for the best risk adjusted yield for our users, we will further boost the yield by distributing our governance token to our rhoToken owners as a reward in the beginning.

2) User Cases

   The current top use case of stablecoins is still trading. Therefore, our first step is to have markets for our rhoToken owners to trade when they want to:

   Centralized Exchange

   We will have C-Trade (a crypto derivatives exchange) as our first partner to have markets for rhoToken against other cryptos. rhoToken owners can buy Bitcoin, Ethereum with their rhoToken. They can also use their rhoToken as collateral to trade Bitcoin/ Ethereum derivatives products.

   We are talking to more centralized exchanges to have markets on the rhoToken. We think it is not difficult to convince market makers to provide liquidity because the risk involved is the same as that of the underlying stablecoin pairs.

   Decentralized Exchange

   We will list our rhoToken in popular DEX such as Uniswap, Sushiswap, etc

   Our second step is to approach payment service providers to accept payment in rhoToken. Popular payment service providers such as Visa and Mastercard already accepted payment in stablecoin like USDC. Since our rhoToken is inherently possessing the same value and risk as those of the corresponding stablecoin, we can ride on the underlying acceptability to approach the payment service providers.

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GOVERNANCE TOKEN

The FLURRY Token (FLURRY) is the governance token of the FLURRY Protocol. FLURRY will begin with centralized control of the protocol (such as adding/ removing new types of yield-farming strategies, assigning risk factors to different strategies, etc) and migrate to complete community and stakeholder control over time.

FLURRY tokens have the following utilities:

Voting

Vote on adding/ removing yield farming strategies.
Vote on the risk factor of yield farming strategies

Fee

FLURRY users have to pay:

- minting fee of 0.5%
- management fee of 10% of the generated yield
- redemption fee of 0.5%

Governance token owners are entitled to earn a part of the above fee

Deflation Mechanism

The remaining fees income will go to buy and burn the FLURRY tokens

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ROADMAP

Q2 2021

- Whitepaper Release
- Website Launch
- Testnet Launch
- Governance Token Public Sale
- Partnership Announcements

Q3 2021

- Mainnet Launch on Ethereum
- Launch rhoTokens rhoUSDT, rhoUSDC and rhoBUSD

Q4 2021:

- Integration with more yield strategies
- Implement Cross Chain Interoperability

Q1 2022:

- Integration with yield strategies on different chains
- Strategies performance tuning

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CONCLUSION

With the growth of the Defi space and cross chain interoperability, we believe the traditional interest rate model will be replaced by a much more cost effective and efficient model implemented in DeFi. FLURRY strives to make the whole process of yield generation easy and convenient to everyone.

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