STATERA WHITEPAPER

A comprehensive examination of the Statera Ecosystem

"With a possible annual yield of over 38%, on the low end, our funds are incredible products. As it stands, our funds are one of, if not the most, profitable places to hold your cryptocurrencies."

STATERA

An Ethereum smart contract deflationary token with a difference.

Table of Contents

STATERA

An Ethereum smart contract deflationary token with a difference.

I. Abstract

“Including the deflationary STA token in any crypto index fund synergizes and increases the profitability of that crypto index fund.”

Statera (STA) is an Ethereum-powered deflationary token pegged to an index fund. It is a fully autonomous smart contract, which was initially pegged to the value of four other digital assets (cryptocurrencies): Bitcoin (BTC), Ethereum (ETH), Chainlink (LINK), and Synthetix (SNX). As Statera's ecosystem grows, the basket of digital assets placed with Statera can evolve with it, ensuring Statera remains competitive. The basket of tokens making up Statera's liquidity reside on the Balancer and Uniswap protocols (or any similar protocol). There, the portfolios automatically re-balance at a constant rate to be equally weighted (similar to an “index fund”), and are used to provide liquidity for the protocol exchanges. The STA token acts as an asset and also creates new assets from each pool (index fund) Statera joins. Once in the index pool, the collective value of the other assets and the balancing effect create positive price pressure (Alpha) for Statera. Statera's alpha benefits from its small market cap size, deflationary nature, connected ecosystem, and being pegged to many other digital assets. Statera's use as a deflationary, finance-focused token means that inserting it into any financial ecosystem or investment tool (above and beyond index funds) can instantly provide that space with sound monetary policy.

Investors also have the option of buying the pools STA is in, allowing for risk diversification. By joining the pools, users can invest in BTC, ETH, LINK, and SNX with reduced volatility, increased fees (derived from a holder's total percentage stake of the pool, and distributed in the form of the five tokens), increased value (airdropped to holders like interest in the form of Balancer's native cryptocurrency BAL), and automatic rebalancing. Protocols like Balancer Pool and Uniswap revolutionize index/mutual funds, instead of paying a fee to have a fund rebalanced, it is instead the holders who are paid a fee every time the automatic rebalancing occurs, Statera's attributes increase these rebalances, increasing the rate of return. Statera's increased volume also benefits the wider ecosystem because it reduces spreads, increases volume, increases trades/arbitrage, and helps efficiently rebalance the entire ecosystem. Including the deflationary STA token in any crypto index fund synergizes and increases the profitability of that crypto index fund.

II. Mission & Vision

STATERA'S MISSION

- Provide every investor with simple and effective ways to invest in digital assets.
- Decrease volatility and increase positive price pressure in digital asset investments.
- Lower the barrier for entry to more advanced investment tools.
- Operate as a community-focused and community-driven digital asset, fully decentralized in every sense of the word.

STATERA'S VISION

We aspire to put "cryptocurrency in every portfolio." We envision a world where wealth building strategies that were once only accessible to affluent individuals become available to everyone, transferring the power over our financial systems back to the people. Statera was created as a revolutionary investment tool to bring more people into digital assets, helping to maintain their privacy, security, power, and autonomy. We strive to create an investment ecosystem based on sound monetary policy and all the foundational strength that comes with a sound asset.

III. Power Of Decentralization

“This is the people’s index fund, there can be no exit, torpedoing of the project, or misleading of the project by a centralized entity”

Satoshi Nakamoto started the Bitcoin Whitepaper with these 9 words: “A purely peer-to-peer version of electronic cash.” Those words launched a revolution in finance, politics, and economics. “A purely peer-to-peer version,” means that power is given wholly to the people in the network, a completely decentralized mechanism that is incentivized to benefit the community. There is no way for a person to attack the system without destroying one’s own value within it, as causing damage within the community would hurt their own individual holding. We aspire to reach this level of decentralization through our fully autonomous and immutable smart contract that has given ownership of this network to its members.

Looking at Bitcoin and Ethereum, we see the power of decentralization. When looking at centralized cryptocurrency and the exchanges we trade them on, we see the downsides of having a centralized holder of power and organizational direction. There are ways to increase centralization as needed, for information on this see “The Future” section (e.g. a community development fund would be comparable to the Ethereum Foundation). It is worth noting, these options will only be pursued if the community chooses to enact them. We have seen how powerful and exponential decentralization can be. We are excited to see the power that hundreds, thousands, millions of people can have when given a revolutionary and unheard of new asset class (Deflationary Index Funds and more broadly Deflationary Assets). Our community can now take Statera and put it anywhere and there is no central party to answer to, no central party to regulate or control it. It was Bitcoin’s decentralization that gave it power and made it unstoppable. We hope for the same future for Statera.

Certainly, some level of centralization is necessary at the project’s launch stage. This is where the Statera Core Team comes in. This team comprises a group of community members that coalesced during the early post-launch days, who wanted to assist with organizing, marketing, and spreading Statera across the crypto sphere. However, this ownership will slowly and organically shift to the community. The visionary many will always overpower the energetic few. Bitcoin’s greatest champions, organizers, CEOs, marketers, investors, organizations, and project managers are all community members. Bitcoin doesn’t need a centralized actor. This is due to the fact that Bitcoin’s utility and value proposition are hard-coded into it, and so are Statera’s.

This all creates an ecosystem that is fully owned by the community and driven by those who hold Statera and its financial instruments (currently only index funds). Moving forward, it is our community’s decisions and support that will assure the success of the project. Even if the central team behind Statera vanished, the token itself has an intrinsic value of improving the results of any liquidity pool that it is a part of. Without a team, marketing, or direction the token would still hold value and continue on in the world. This is the people’s index fund, there can be no exit, torpedoing of the project, or misleading of the project by a centralized entity. All that is fundamentally impossible. This is representative of cryptocurrency and decentralized finance in their purest and most honest form.

IV. Decentralization Through A Smart Contract

"Our smart contract is certified as secure by a respected and accredited auditing firm (Hacken) and successfully verified as fully decentralized and autonomous"

Traditionally, financial transactions and agreements are brokered through a trusted third party. This is usually a bank or brokerage, who take a set percentage from any profits as a fee for their management services. These fees, which are paid out, introduce a counterparty risk, wherein third parties may act in their own best interests to profit, and not the best interests of the transacting parties involved. Decentralized finance eliminates the need for a third party to execute financial transactions for the user. It does so through the use of the blockchain (a distributed public ledger) and the smart contracts used to interact within it. Smart contracts are an autonomous, executable code that acts on predefined rules, allowing for transactions to occur between untrusted parties. In this way, a financial system can function with the power in the hands of all parties, with no central figure to control the system. Our smart contract is certified as secure by a respected and accredited auditing firm (Hacken) and successfully verified as fully decentralized and autonomous. The founding team has no way to control the contract, mint any new tokens, or change any parts of the contract code.

This is true decentralization; the contract now persists into the future, dispassionately executing its purpose with no chance of deviation. This immutability is essential to value creation. Arguably, Bitcoin's "most important characteristic" is its immutability: "Bitcoin's value comes from it having an immutable monetary policy precisely because nobody can easily change it." Statera's monetary policy is immutable as well and will continue infinitely.

The other smart contracts in our ecosystem are those of the platforms Statera trades on. We have also developed the Delta Token (which is 50/50 STA/ETH) that can connect deflation with any platform even if they don't support deflationary tokens. All other smart contracts we interact with have been audited multiple times, and with Delta, we can work within any liquidity pool platform and beyond.

IV. Deflationary Token

Figure 1a

Demand ← → + Supply ↓ = Price ↑
Demand ↑ + Supply ↓ = Price ↑
Demand ↓ + Supply ↓ = Price ↑ or ↓

Figure 1b

Demand ↑ + Supply ↓ = Price ↑

Statera is a deflationary token (burning 1% of each transaction). In a world rife with issues of inflation and the risks it brings to stores of value, we hope to be a positive counter-narrative to this trend. The deflationary pressure produces a simple outcome in economics. Price functions as an outcome of supply and demand: it interacts inversely with supply and directly with demand. Statera sees only a decrease in supply: (See figure 1a)

Notice how only one scenario sees price decrease, and that depends on how steep the reduction in demand is. If it far outstrips the drop in supply, price will lower; if it is less than the drop in supply, price will still increase or remain at the same level. This is the positive price support of lowering supply simply illustrated.

Past this simple effect on price, deflation also increases the need for arbitrage in the Balancer Pool (index fund). As tokens are burned on exchanges and in transactions, the lower supply affects price and the balance of the pool, and this forces a rebalance in the index fund. This rebalance, in turn, burns more tokens, affecting price again, causing another rebalance, which burns tokens, and so on. The effect is a synergistic loop that causes an added positive price pressure.

This increased rebalancing benefits the Balancer Pool (or any pool STA is in). Balancer Pools are used as a liquidity mechanism for exchanges. The more liquidity and transactions in a given pool, the more likely it will be used as liquidity for the exchange. Competition, arbitrage, and added trades reduce the fees and spreads paid by exchange users. This rise in usage of one's pool also increases the desire of people to add liquidity to the pool, the amount of fees they get paid, and the ease with which the pool can rebalance. This too is a synergistic loop where increased transactions (and opportunities for arbitrage), increases fees, increasing profitability, increasing the supply of liquidity, increasing transactions, increasing fees, increasing profitability…

Every fee paid to one's pool is a transaction facilitated. A quote from Balancer documentation, "Balancer pools charge a percentage of the input amount traded for each trade. The fee goes entirely to the Balancer Pool liquidity providers." So each fee earned is for facilitating a trade. The added volume and connecting of buyers to sellers is a service that is provided and earns the fee. If every pool in Balancer had Delta (STA/ETH) in it, the token would increase all pools' volume and increase the efficiency of the whole marketplace.

The addition of STA to a balancer pool makes that balancer pool more profitable, liquid, and attractive. This increases demand for STA and indexes it is in, completing our formula: (See figure 1b)

> “Deflation is a powerful market mechanism”

STA incentivizes and, arguably, makes inevitable the decrease of supply and increase of demand. This is outside of organic demand for STA itself as a store of wealth with its deflationary pressure and pegging to the price of multiple financial products across the DeFi space (currently only Balancer and Uniswap Pools).

Deflation also creates a loyalty and holding incentive. The earlier a user buys STA, the higher the supply will be. The longer they hold, the lower the supply will go. As the user continues to hold, the decreasing supply continues to put positive price pressure on their holdings. This incentivizes the best practice of buying and holding, while intrinsically rewarding brand loyalty to Statera.

The deflation of STA individually also creates a secondary deflation of sorts across the other tokens it is held with. The supply of the asset pool as a whole is reduced. For example, if we packaged STA with Apple Stock (on the blockchain) together in a basket, that basket would now see its supply go down, making STA/Apple a deflationary play on Apple’s share price. Most cryptocurrencies have a set supply or a growing supply due to “mining” new coins. Statera breaks this status quo: pairing STA with Bitcoin would offset the effects of Bitcoin’s increasing total supply due to STA’s 1% burn rate on each transaction. STA/Bitcoin now creates an opportunity for a deflationary play on Bitcoin.

Deflation is a powerful market mechanism. When supply is held steady or decreased, price becomes a better reflection of preference. The price now correlates more directly to demand and market pressures. We see how hyperinflation in our current markets has created hundreds of “zombie companies”, they have become numb to market pressures and the market’s preference is null and void. This is dangerous, slows progress, and destroys markets. Statera stands in opposition to that. Within its financial products, it forces a flight to quality and an alignment to market pressures. We believe the market pressure of cryptocurrencies is bullish, and Statera will reflect that much more naturally and powerfully than any other type of asset.

The STA Token can be “injected” into any financial instrument or digital asset ecosystem. Put another way, STA provides the ability to inject sound monetary policy into any financial instrument in crypto and even in the world (through oracles). We see this as a very bright future for STA as a token.

V. Pegged To An Index Fund

Within the Balancer Pool, STA is constantly rebalancing against Link, Bitcoin, Ether, and SNX. This is done safely by "wrapping" STA in an ERC-20 Standard "Delta Token" (which is a Uniswap Liquidity Pool Token) so that no deflation takes place on Balancer Pools, instead the deflation safely takes place on Uniswap. The four tokens in the Balancer Pool were chosen for their longevity, stability, size, and innovation:

10% CHAINLINK The leading oracle provider, oracles being essential for many (if not all) current and future DeFi projects

10% BITCOIN The first and leading cryptocurrency, currently being bought by hedge funds and leading investors everywhere

10% SYNTHETIX A leading DeFi platform that is bringing synthetic assets to the blockchain, allowing the trading of gold, Nikkei 225, and many more real-world assets

30 % ETHEREUM The leading smart contract cryptocurrency with over 100 million addresses and over 500,000-1,000,000 transactions per day

STATERA DELTA TOKEN (40%, 20% STA 20% ETH) This safely links deflation to the index fund and also creates added opportunities for arbitrage and added volume.

We weighted the fund more heavily towards Ethereum, because it is the bedrock of DeFi and the protocol that many other cryptocurrencies run on. Twenty six of the top fifty cryptocurrencies run on the Ethereum Blockchain. Ethereum also creates the most volume (more accrued fees) for our pool.

These four cryptocurrencies are all leaders in the space and are bound to increase in value during any bull market. Since they are in a balancer pool with STA, their price action will be reflected in the STA price. If they go up in value, the index will sell them to buy Delta (which contains STA); if their value goes down, the index will sell Delta to buy them. The buying, selling, creating, and destroying all creates deflation. Statera's deflation produces positive price pressure and reduces volatility for funds it is placed in.

This rebalancing is well known in the investing world and incredibly popular in the use of ETFs, Index Funds, Hedge Funds, and Mutual Funds. It is a way of buying low and selling high. When an asset is rising, it is recommended to sell and take profits. When it is dipping, it is advisable to buy, so one could benefit

> “Statera’s deflation produces positive price pressure and reduces volatility for funds it is placed in.”

from a future increase in price. This forces the pressure of the index fund to constantly shift to the asset that has the most potential for upside (holding their quality equal).

Statera is also currently in a Uniswap Liquidity Pool that holds 50/50 ETH/STA. This pool has the same benefits as the Balancer Pool, but is a bigger bet on ETH and STA. STA can be added to any index fund in the future and be constantly balanced against multiple digital assets. We foresee Statera becoming a mainstay across the DeFi space, bringing sound monetary policy to multiple assets and instruments.

With Statera’s Indexes, one’s gains are less volatile and have positive price pressure through deflation. They are less volatile, because users’ portfolios constantly buy low and sell high, while staying perfectly diversified. The token is positively supported for the same reason, while also being positively supported by a reduction in supply. If a large investor were to sell 1 million STA on the market instantly, the Statera Funds would constantly be selling other digital assets to buy more STA (reducing volatility and positively supporting price). In other terms, the index funds can be seen as “altruistic whales” that work to trend the price of STA higher while reducing volatility, while benefiting from the higher volume STA brings.

Our index funds have outperformed all traditional products and many DeFi products. Our Balancer Liquidity pool was top 34 in Liquidity, but 6th in Volume - all due to Statera. Our new secure pool is currently on Balancer and is 108th in Liquidity and 44th in Volume. Our volume far outpaces what it should be for our liquidity (because of Statera). Our Uniswap pool has consistently returned over .10% daily interest. Our pools overall have consistently returned 0.10% to 0.50%+ daily interest yield, which holding constant for a year would produce 38% to 600%+ APY (the interest is compounded daily). This is just in fees paid to our holders, not including appreciation of the assets in the pool. Our index funds are easily outclassing all traditional finance options and many, if not all, DeFi options. These gains are tempered by impermanent loss, which happens when assets change in price while in liquidity pools. But even a 500% price change will only produce 25% less gains, which would be offset by our APY. With a possible annual yield of more than 38% on the low end, our index funds are incredible products. As it stands, our index funds are one of, if not the most, profitable places to hold your cryptocurrencies.

VI. Ecosystem Overview

The current ecosystem consists of three pools. Further on, more funds can be added in Uniswap (consisting of 50/50 STA with any other digital asset), on Balancer Pools (adding in Statera Delta with any index fund of multiple digital assets), and on any other index fund/liquidity pool platform. With Statera Delta, deflation can be safely introduced to any platform. With Statera, deflation can be introduced safely to any platform that has secure code (the main issue being the need for a constant calling of the gulp function, which syncs smart contracts with the blockchain). All of these pools interact to create more volume, arbitrage, efficient markets, and deflation across the system.

TOKEN

STA – Holding this token allows a holder to benefit from the price action of our whole ecosystem. STA will be used in all of our products. The more our products are used and the more successful they are, the more STA will rise in value.

UNISWAP POOL TOKENS

STA Delta Token – an ERC 20 standard token which is 50/50 STA/ETH. This will earn the user fees, will be trade-able, and can be used to add to Phoenix Fund. It is like holding an index fund of 50% STA and 50% Ether with a possible yearly yield of 38%-500% (depending on daily volume).

STA Delta Liquidity Token – an ERC 20 standard token which is 75/25 ETH/STA. This will earn the user fees and is a bigger bet on ETH. We have no current plans to make it tradable (but as this is a decentralized system, it is a possibility). It cannot be used to add to Phoenix Fund, but it could be added to another index fund.

STATERA

An Ethereum smart contract deflationary token with a difference.

BALANCER POOL

Phoenix Fund – a secure deflationary index fund of 40/30/10/10/10 STA Delta/wETH/wBTC/LINK/SNX. This is our most diversified option and yields fees from the Delta token and the Balancer pool

	Portfolio Weighting	Fees Earned
Delta Token	STA (50%) ETH (50%)	Ethereum and Statera estimated around 38%+ a year possible
Delta Liquidity Token.	STA (25%) ETH (75%)	From Delta Token: Ethereum and Statera estimated around 38%+ a year possible From Delta Liquidity Token: -Ethereum and Statera (not enough data yet, but at least around 7% APY on the conservative end)
Phoenix Fund	Delta (40%) wETH (30%) wBTC (10%) LINK (10%) SNX (10%)	From Delta Token: -Ethereum and Statera (38%+ APY possible) From Balancer: -Delta, wETH, wBTC, LINK, SNX (30%+ APY possible) -Balancer Token airdropped to your wallet (5-20% conservatively, 50%+ APY possible depending on value of BAL tokens)

STATERA

An Ethereum smart contract deflationary token with a difference.

STATERA ECOSYSTEM

STATERA TOKEN POOL

Ether and Statera, it is used to buy and sell Ether or Statera

DELTA TOKEN

A Uniswap token that allows exposure to deflation safely, holding this gives you 50/50 STA/ETH and earns you fees, this can also be used to add to Statera Phoenix

DELTA TOKEN

Delta is traded between three locations: Statera Token Pool, Balancer Pool, and Delta Token Pool. This connects the deflation of STA to Balancer without being exploited by any attack vector.

HOW DOES IT WORK?

Deflation happens in the Statera Token Pool (on Uniswap). This ripples through the system, while trades in the system ripple back to Delta and Statera Pools. Everything is connected in self feeding cycles that reduce volatility and increase upward price pressure. Statera Pool, Delta Pool, and the Balancer Pool all start with Statera. The whole system both feeds, and is fed by Statera. Each movement of the balancer pool as it trades Delta to/from Delta Pool (and by extension, Statera Pool) burns STA whether it is selling or buying Delta! The added benefits of Delta Token and Delta Liquidity Token are the high returns they will give you because of STA's ability to increase the fees you earn.

STATERA PHOENIX FUND

Delta Token Pool

ETH and Delta, it is used to buy and sell ETH or Delta

This is the Balancer Pool indexed with 40% Delta Token, 30% wETH, 10% SNX, 10% LINK, and 10% wBTC

DELTA LIQUIDITY TOKEN

Holding this gives you 25% STA/75% ETH, a bigger bet on ETH with the benefits of STA, also earns you fees. Is not traded, is not in a Balancer Pool.

STATERA

An Ethereum smart contract deflationary token with a difference.

DEFLATION IN THE ECOSYSTEM

Here are some examples of how the ecosystem interacts. As a high-level hypothetical, let's look at the following table, where the weights are all equal (20% each) and deflation is 50% (this will more clearly illustrate what deflation does slowly and over time with a balanced fund):

An Example of How Deflation Affects a Balanced Fund

	wBTC	wETH	LINK	SNX	Delta (ETH/STA)
Price	1000	100	10	1	101 (100/1)
Supply	1	10	100	1000	9.9 (each of the 9.9 are .505 ETH/50.5 STA)
Total Holdings	$1,000	$1,000	$1,000	$1,000	$1,000
Price Change	+1000= 2,000	No change	No change	No change	No change
New Holdings	$2,000	$1,000	$1,000	$1,000	$1,000
New Rebalance	Sell $800	Buy $200	Buy $200	Buy $200	Buy $200
New Holdings before deflation	$1,200	$1,200	$1,200	$1,200	$1,200
New Supply before deflation	.6	12	120	1200	11.88 (.505 ETH/50.5 STA)
New Supply after deflation	.6	12	120	1200	11.88 (.505 ETH and 25.25 STA) half of STA has burned, STA now needs to rise in price to still be 50/50 with ETH
New Prices after deflation	2,000	100	10	1	$102 (100 ETH/2 STA)
New Rebalance Holdings after deflation	$1,200	$1,200	$1,200	$1,200	$1,211.76 (another rebalance needs to happen so all assets are $1,202.35 but deflation would cause Delta to not be perfectly balanced again)

The deflation causes the price of STA and Delta to go up. This would require another rebalancing, which would cause the price of Delta/STA to move again because of deflation, causing another rebalancing and so on. Though this price movement doesn't happen with every microtransaction, it happens on a macro level and over time. The deflation causes positive price pressure, opportunities for arbitrage, and added volume (which means more fees for holders). Examples of these opportunities for arbitrage are illustrated below:

EXAMPLES OF THE ECOSYSTEM WORKING

Balancer Pool Sells Delta: Here we see the Balancer pool selling Delta for Statera and then getting Ether (on Uniswap). This causes deflation directly for Statera and also will move the price of Delta incentivizing more minting or unminting of Delta (causing more deflation). The Balancer pool sold Delta to buy more of the other four assets (wBTC, wETH, SNX, LINK) in the pool, as their value had gone down.

Tokens Transferred: 8

From	0x762ed657b76372f...	To	0xcd461b73d5fc8ea...	For	1.72408 ($414.88)	Wrapped Ethe... (WETH)
From	0xcd461b73d5fc8ea...	To	0x762ed657b76372f...	For	60.728871834438238147	Uniswap V2 (UNI-V2)
From	0x762ed657b76372f...	To	Uniswap V2: UNI-V...	For	60.728871834438238147	Uniswap V2 (UNI-V2)
From	Uniswap V2: UNI-V...	To	0x762ed657b76372f...	For	26,229.07932806010008051	Statera (STA)
From	Uniswap V2: UNI-V...	To	0x00000000000000...	For	264.940195232930303844	Statera (STA)
From	0x762ed657b76372f...	To	Uniswap V2: STA 5	For	25,966.788534779499079704	Statera (STA)
From	0x762ed657b76372f...	To	0x00000000000000...	For	262.290793280601000806	Statera (STA)
From	Uniswap V2: STA 5	To	0x762ed657b76372f...	For	1.739111724776147591 ($418.50)	Wrapped Ethe... (WETH)

Balancer Pool Buys Delta: In this transaction, Balancer buys Delta, and we see the same outcome: multiple burns of Statera, even though the pool ends up with wETH, which it uses to buy the other assets or add to the wETH share of Phoenix. This transaction would also move the price of Delta causing a spread for minting or buying/selling between Balancer and Uniswap. The Balancer bought Delta, because the value of it had gone down more than the other four assets in the pool.

Tokens Transferred: 8

From	0x762ed657b76372f...	To	Uniswap V2: STA 5	For	1.61766 ($388.87)	Wrapped Ethe... (WETH)
From	Uniswap V2: STA 5	To	0x762ed657b76372f...	For	28,861.567176620536219179	Statera (STA)
From	Uniswap V2: STA 5	To	0x00000000000000...	For	291.530981582025618376	Statera (STA)
From	0x762ed657b76372f...	To	Uniswap V2: UNI-V...	For	28,572.951504854330856987	Statera (STA)
From	0x762ed657b76372f...	To	0x00000000000000...	For	288.615671766205362192	Statera (STA)
From	Uniswap V2: UNI-V...	To	0x762ed657b76372f...	For	62.845739966983011465	Uniswap V2 (UNI-V2)
From	0x762ed657b76372f...	To	0xcd461b73d5fc8ea...	For	62.845739966983011465	Uniswap V2 (UNI-V2)
From	0xcd461b73d5fc8ea...	To	0x762ed657b76372f...	For	1.704889301041433194 ($409.84)	Wrapped Ethe... (WETH)

DELTA ARBITRAGE

The price movements of Delta referenced above are illustrated by these two transactions. The Balancer had bought enough Delta that the market price was more than a Delta token costs to make (i.e. a Delta token sold for $8.50 but only took $4 of Statera and $4 of Ether to mint). So this transaction was possible: minting 30.85 Delta on Uniswap for 1 Ether in value and then selling it on Balancer Exchange for 1.02 Ether (all the “Wrapped Ether” transactions summed). This produces a $5.39 profit (depending on gas fees) for the arbitrage trader with minimal risk.

Uniswap Minting

Tokens Transferred: 4

From ...	To Uniswap V2: STA 5	For 6,064.319776522231453232	Statera (STA)
From ...	To 0x0000000000000...	For 61.255755318406378316	Statera (STA)
From Uniswap V2: Router 2	To Uniswap V2: STA 5	For 0.499999999999999999 ($123.04)	Wrapped Ethe... (WETH)
From 0x0000000000000...	To	For 30.85295696952996206	Uniswap V2 (UNI-V2)

Balancer Pool Sell

Tokens Transferred: 8

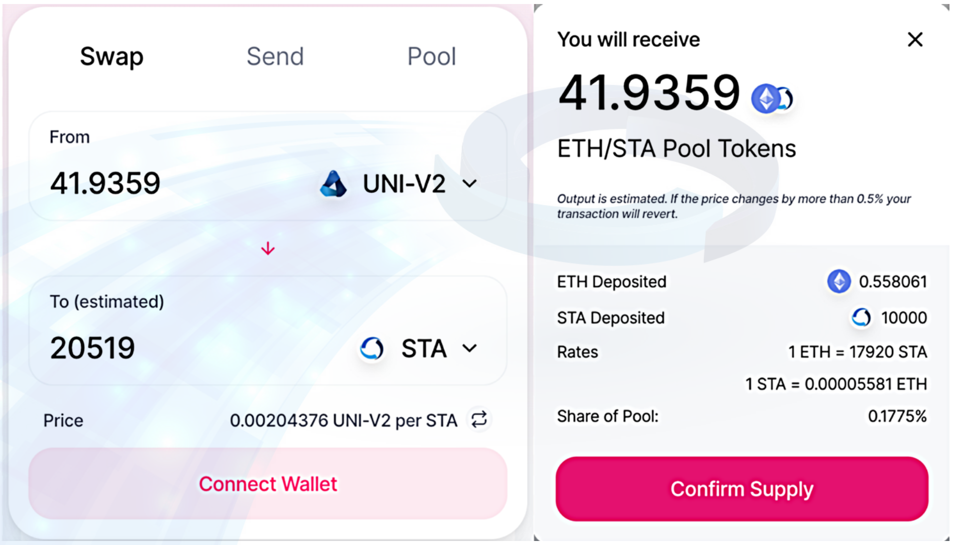
From	To Balancer: Exchange...	For 30.8529	Uniswap V2 (UNI-V2)
From Balancer: Exchange...	To 0xcd461b73d5fc8ea...	For 16.404917711044675206	Uniswap V2 (UNI-V2)
From 0xcd461b73d5fc8ea...	To Balancer: Exchange...	For 0.540494749706068027 ($132.98)	Wrapped Ethe... (WETH)
From Balancer: Exchange...	To 0xb908ca330af4a18...	For 8.781632127905172219	Uniswap V2 (UNI-V2)
From 0xb908ca330af4a18...	To Balancer: Exchange...	For 0.29263193385873697 ($72.00)	Wrapped Ethe... (WETH)
From Balancer: Exchange...	To 0x4c262757dfafb56...	For 5.666350161050152575	Uniswap V2 (UNI-V2)
From 0x4c262757dfafb56...	To Balancer: Exchange...	For 0.188798915041175783 ($46.45)	Wrapped Ethe... (WETH)
From Balancer: Exchange...	To	For 0	Uniswap V2 (UNI-V2)

STATERA

An Ethereum smart contract deflationary token with a difference.

UNISWAP DELTA ARBITRAGE

Here is an example of being able to mint Delta for 20,000 STA in value and being able to sell it for 20,519, an $8 spread.



Arbitrage Bot- Here a bot saw an opportunity in the price spreads between ETH, STA, and Delta on Uniswap and Balancer. In one transaction the bot purchased Delta for Ether from Balancer, sold Delta for STA on Uniswap, and sold STA for more Ether than it started with. This trade netted $7.76 for minimal risk. This trade also burned STA twice, as with the other trades above.

Tokens Transferred: 8

From 0xf1ad4bfdf8829d5...	To Uniswap V2: STA 5	For 1.463803527415620808 ($351.69)	Wrapped Ethe... (WETH)
From Uniswap V2: STA 5	To 0xf1ad4bfdf8829d5...	For 12,276.400348573818278888	Statera (STA)
From Uniswap V2: STA 5	To 0x00000000000000...	For 124.004043924988063424	Statera (STA)
From 0xf1ad4bfdf8829d5...	To Uniswap V2: UNI-V2...	For 12,153.636345088080096099	Statera (STA)
From 0xf1ad4bfdf8829d5...	To 0x00000000000000...	For 122.764003485738182789	Statera (STA)
From Uniswap V2: UNI-V2...	To 0xf1ad4bfdf8829d5...	For 34.568282118562511107	Uniswap V2 (UNI-V2)
From 0xf1ad4bfdf8829d5...	To 0xcd461b73d5fc8e...	For 34.568282118562511107	Uniswap V2 (UNI-V2)
From 0xcd461b73d5fc8e...	To 0xf1ad4bfdf8829d5...	For 1.565636914195171402 ($376.16)	Wrapped Ethe... (WETH)

Our ecosystem is built for these opportunities. Moreover, the economics of our system hyperdrives these opportunities. Each time arbitrage happens it creates more volume and deflation. Increased volume increases fees paid to holders and deflation increases positive price pressure. Note that every one of these fees is also helping to facilitate trades and efficient pricing on the marketplace, keeping slippage and spreads minimal while matching buyers with sellers. As price fluctuates, incentives to pool in Uniswap or Balancer fluctuate too, causing constant arbitrage and opportunity.

All of this sums up to increasing volume and positive price pressure for all of our pools. This increases fees paid to holders and increases the likelihood of the price of Statera going up in the future. The ecosystem is intentionally designed to synergize with Statera: Statera helps the ecosystem function more fluidly, while the ecosystem helps Statera increase in value.

THE FUTURE OF THE ECOSYSTEM

> “Index funds are where we are showing the value proposition of immutable and sound monetary policy, but we predict a future where Statera is added to many financial instruments to give them sound monetary policy”

This is just the beginning of the ecosystem. More funds will be implemented to give options to all investors (Exchange Token Fund, Layer 2 Solutions Fund, Social Networking Fund, Lending Fund, etc.). With these foci on specific sections of the cryptocurrency landscape, investors can choose specific areas to invest in more heavily than others. These will be chosen by the Statera Core Team (a group of community members that helps with the initial direction of Statera) and will be called our “White Label Funds.” However, we have already seen our community make their own pools and add in Statera Delta. Anyone can make a pool on Balancer and add in Delta to receive the benefits of deflation in their fund. Anyone can start a 50/50 liquidity pool with any token and Statera on Uniswap. These “Community Funds” will help the ecosystem grow and make the value proposition of Statera that much clearer to all investors.

We also foresee this ecosystem growing outside of liquidity pools/index funds. Index funds are where we are showing the value proposition of immutable and sound monetary policy, but we predict a future where Statera is added to many financial instruments to give them sound monetary policy. This could be deflationary loans, deflationary NFTs, deflationary savings accounts, and tools beyond our imagination. We also see a future where Statera becomes the world’s first deflationary currency, synergizing and pushing forward the whole ecosystem.

VII. A Deflationary Currency

What makes the US Dollar valuable? What makes it an accepted currency? It functions as a reserve currency and by extension is a pervasive tool in financial instruments. The US dollar is used to trade oil, trade stocks, put in savings accounts, transact for goods across the world, pay for loans, prop up bank reserves, etc. This prevalence in financial instruments is a large part of its value as a currency. It all comes down to utility, trust, and network effect. People trust that the US government will back its currency, and this encourages them to trust it as a currency. The dollar is used pervasively in countless financial markets giving it network effect. The utility is proven through this use and the backing of the US government.

So how would one start a currency from scratch? How can it be given utility, trust, and network effect? The most illustrative evolution of a currency was with natural resources, such as gold. Gold had attributes that gave it utility, trust, and network effect before it was a currency. For over 4,000 years it had been used solely for decorative purposes. This usage developed gold's utility, trust, and network effect, which allowed it to become a currency.

Statera can go through a similar evolution. As Statera continues to be used in liquidity pools, its utility and value will continue to grow. The added returns it provides create an intrinsic value. As it gets added to more financial instruments or even just dozens of liquidity pools, it will start to build a network of users which builds trust in it and the utility it provides. In this way it can become a unit of account in and of itself. As it begins to hold value based on its utility, it can be used to transfer value.

The Federal Reserve Bank of St. Louis defines money as having the following 6 traits, that can all be applied to Statera:

- Durability - Statera is concretely durable and cannot be physically destroyed.
- Portability - Statera is almost instantly portable, and millions of Statera can be placed on a thumbdrive.
- Divisibility - Statera is divisible to the 18th digit, or by one quintillion.
- Uniformity - Statera tokens are uniformly distributed and all equal in value.
- Limited Supply - Statera has an immutably limited and decreasing supply.
- Acceptability - this is the crux of the matter at hand: if Statera becomes pervasive in financial instruments, acceptability can naturally follow.

There is no “deflationary currency” in crypto. No one has claimed that throne, and it is because it is a nearly impossible throne to claim. You can’t just say “we are a currency, accept us.” Statera works to position itself as a currency from the ground up. It works to build utility, trust, and network effect through an immutable value proposition (increasing returns of liquidity pools). If Statera becomes prevalent in financial instruments, it could become the world’s first immutable deflationary currency. A deflating currency is a powerful economic tool. The deflation incentivizes savings (as the value goes up over time with reducing supply) and encourages positive economic choices. A deflating currency trends towards appreciating in value:

“When the value of money appreciates, people are likely to be far more discerning with their consumption and to save far more of their income for the future...Such a world would cause people to develop a lower time preference, as their monetary decisions will orient their actions toward the future, teaching them to value the future more and more....A currency that appreciates in value incentivizes saving, as savings gain purchasing power over time.“ (Bitcoin Standard)

Deflation shifts people’s time preference and supports them in making better economic decisions. It also protects their purchasing power, protecting the value of the asset they hold. This can cause an organic and healthy shift in consumer actions and outcomes.

STATERA

An Ethereum smart contract deflationary token with a difference.

> “The goal is considerable: become a global deflationary currency, used across the world to store and transfer value within a deflationary ecosystem ”

A deflationary currency within an investment ecosystem would also cause a flight to higher quality investments. Our ecosystem becomes a sensor for the highest quality investments, as our deflationary mechanism disincentivizes using it on investments that do not make returns (as opposed to an inflationary asset):

“...an economy with an appreciating currency would witness investment only in projects that offer a positive real return over the rate of appreciation of money, meaning that only projects expected to increase society’s capital stock will tend to get funded. By contrast, an economy with a depreciating currency incentivizes individuals to invest in... unprofitable projects and investments that only appear profitable during the period of inflation and artificially low interest rates…” (Bitcoin Standard)

Statera’s deflation will create an ecosystem that values and rewards profitable investments. It can ensure that capital moves to the best investments in the world (through oracles). This will mean that Statera’s suite of products remains high quality and profitable. This benefits the whole ecosystem (by moving capital to strong assets that deserve it) while also benefiting Statera’s individual value proposition (as it being pegged to strong assets increases its own value).

Statera becoming a currency synergizes off of it’s genesis as an investment tool. Statera becoming a valued currency increases the value of our portfolio options (as STA would be more valuable). There is a synergistic loop between currency and investment vehicles. If we show the value of our investment vehicles, we then allow for Statera to become a currency, and it becoming a currency, makes our investment vehicles more valuable...

The value proposition of being in investment vehicles is large enough alone. The stock market is over 89 trillion dollars, wealth held by individuals is over 360 trillion, and derivatives are over 500 trillion dollars. However the synergizing of also becoming a currency cannot be ignored. The added branding and marketing alone, that could come from being the world’s first global “deflationary currency,” cannot be underestimated.

The goal is considerable: become a global deflationary currency, used across the world to store and transfer value within a deflationary ecosystem. This will bring deflationary pressures to a macroeconomic scale: increasing the incentives to save, maintaining the value of your assets, and encouraging people to put capital into worthy investments. Statera aims to be a counterbalance to all the inflation and devaluation of assets we see in the world. This would change economies for the better. Our asset wouldn’t be the default cryptocurrency for every use, but it would be a top crypto, and the leading deflationary one. Statera would play its role as an asset with exceedingly sound monetary policy and be one of the “hardest” assets in cryptocurrency. We see this as one of the stronger “value-add” propositions on the future of Statera, and the future of economics.

VIII. Advantages and Risks

ADVANTAGES

1. Proven concept- In one month on Balancer, we made 18% returns on Balancer Token drops and over 16% returns in fees. Compounded these are over 100% APY, we foresee this leveling out as other competitors come into the space, but as long as we maintain dominance, we will see some of the best returns in DeFi. Cryptocurrency holders will come to us to store their assets while making industry leading returns on their holdings.

2. Proven team- We have already gone through astronomical adversity. We had $500,000 stolen from us and our users. This hack was a vulnerability in the exchange code, our token had no security issue. Through this crisis we persisted, stayed focused, and came out with what could be an even better product. We also worked with the exchange to set up reimbursement for affected users. Our team proved we are here to stay and we have the skill to make it through anything.

3. Name Recognition- Statera is quickly becoming a proven and trusted name in the liquidity pool (index/mutual fund) investment space.

4. One Token One Name- STA provides a single token that instantly gives the user access to the price action of Link, BTC, ETH, SNX, STA, and any future asset it is linked to. It also gives the user access to the positive price action and reduced volatility of deflation. This single name provides access to an entire ecosystem.

5. Deflationary- The deflation of the token increases arbitrage, volume, and by extension liquidity which increases the “interest” investors make from the liquidity pool (through fees and token airdrops), while increasing the effectiveness of the marketplace. The deflation is also a sound monetary policy that produces positive price pressure and reduced volatility. It can be used in a variety of financial instruments from currency to savings accounts.

6. Rewarding Long Term Holders - The deflation above also rewards “brand loyalty” to Statera. Users, who get in early at a high supply, will benefit from the positive price pressure as supply goes lower. The longer users hold, the more they benefit from this.

> “Statera is the first of its kind, which comes with all the advantages to being a first mover”

7. Decentralized- by the truest meaning of the word, the contract is immutable and is now owned by the community. The developer holds less than 4% of the original supply and can not change the contract, as audited by Hacken.

8. Bringing sound monetary policy to any financial instrument- The entire crypto space along with all assets in the world (through oracles) can be the recipient of Statera's deflationary benefits.

9. First Mover advantage- Statera is the first of its kind, which comes with all the advantages to being a first mover. It is also moving at a time when unsound monetary policy is pervasive in our world.

10. Network Effect- Statera started with a built-in community and is continuing to build that community. Its Balancer Pool reached over $500,000 in liquidity (34th largest liquidity) and $60,000 in volume (9th largest volume) in the first month. The much higher volume shows the benefits of the Statera pooling mechanisms. The new and secure pool reached $70,000 in days.

11. Reduced Volatility for the Index- As a result of the Balancer pool, market cap size, ecosystem, and deflationary mechanics.

12. Positive Price Pressure for the Index- As a result of the Balancer pool, market cap size, ecosystem, and deflationary mechanics.

13. Statera and Index synergy- Instead of selling STA, an investor can pool their STA in an index fund (pool), “locking in their gains.” With the fees and Balancer tokens paid on this pooling, they can buy more STA. This keeps money in the ecosystem and creates another positive feedback loop.

14. Diversified choices- Investors can choose their risk tolerance while supporting the Statera Ecosystem, buy indexes for more diversification and less volatility, buy STA for more alpha and beta. STA will also get users price exposure to all STA pools, while indexes will only give them access to each individual pool they choose to buy.

15. Pegged to Cryptocurrencies in a Synergistic Relationship- Statera's value can be a result of all of the above, and all of the above can be seen as a result of being pegged to strong digital assets in an index fund. In other words, Statera's value comes from being pegged to other digital assets, while also benefiting the index fund of those digital assets. This symbiosis is the main driver of value.

RISKS

1. An eroding of Network Effect and First Mover advantage -We must remain nimble and responsive to market needs and wants. We have already outlasted competitors that are now defunct.

2. Our community is not actively and positively engaging - We are now fully decentralized, there is no centralized actor to ensure we stay on course (for more information, see "The Future" section). This decentralization is both a risk and an advantage.

3. Platform Failure - Statera can be migrated to any successful platform. We see cryptocurrency index funds as a necessary tool in the future, so there always will be somewhere for STA to live. However, failures would produce short-term setbacks.

4. A lack of funding - Currently the Core Team is incentivized through holding 4% of tokens. These are also used to fund marketing and development. While this may not be enough for long-term marketing and development, there are some possible solutions (see "The Future" section).

5. A continuous cryptocurrency bear market - Statera is indexed to the market, without a crypto bull run the long term value proposition of Statera is not completely destroyed (you would still make better returns in liquidity pools) however, a bear market would reduce the possible alpha of Statera.

IX. The Future

OUR ROADMAP HAS SIX STAGES:

1. Launch: Get the plane off the ground and build community. Move first, move fast, move innovatively.

2. Foundations: Fill in all the blanks and build out the necessary foundational documents/vision

3. Spread: Get in front of as many people as possible, become synonymous with DeFi and digital asset Investing.

4. Longevity: Build a platform to last forever, a value proposition that is undeniable and persistent.

5. Dominance: Get into every portfolio on earth, become the go-to and first stop for digital asset investing.

6. Simplify: Make our ecosystem more pervasive and easy to move in and out of.

Here are a few possible drivers of evolution in the Statera Ecosystem (some are already in the works or just recently completed):

1. Having multiple Statera Balancer Pools: bringing the reduced volatility, positive price pressure, and positive liquidity outcomes of STA to a pool made up of: Liquidity Mining Tokens, Currency Tokens, Second Layer Tokens, Social Tokens, etc. STA can become a standard for inclusion in any and all future cryptocurrency funds.

2. Inclusion in more decentralized exchanges: the more exchanges, the more transactions to burn supply, the more demand, and the more exposure.

“ the more exchanges, the more transactions to burn supply and the more demand/exposure ”

3. **Inclusion in more centralized exchanges:** the more exchanges, the more transactions to burn supply and the more demand/exposure. Deflationary tokens do not work on all exchanges, this can be ameliorated through using a representative token (Balancer Pool Token or Uniswap Pool Token) or through an adjusted system, where a centralized exchange keeps a wallet that records burns to the general network on an intermediate basis.

4. **Inclusion across more products:** Spread Statera to other financial instruments and platforms. This can be as simple as other liquidity pools and as complex as deflationary loans.

5. **Custom Smart Pools:** Setting up custom smart pools that interact across multiple platforms and can intelligently respond to market needs/movements.

6. **Custom Investment Tools:** Provide sophisticated analytics tools for planning, tracking and managing the funds invested in the Statera ecosystem.

7. **Ecosystem dominance:** Be included in multiple products across the the DeFi space, branching out to new and possibly unthought of financial products.

8. **Drive community development:** Developer DApp build-offs, integration competitions, code-offs, etc.

9. **Establishment of a Development Fund:** As the size of the project grows and the community warrants a need of funding for marketing and expansion, a Development Fund can be a way to ensure the resources are there to continue growth.

“ The Statera token is fully decentralized and nothing can happen to it ”

10. Establishment of a Decentralized Autonomous Organization (DAO): A Statera DAO could be developed, where the parts of the ecosystem are more centralized and controllable by the community. The Statera token is fully decentralized and nothing can happen to it (if a DAO is created, the original STA will continue to provide value and be its own entity). There could be the creation of a new token that is either airdropped to current users or completely new. With this token the community can vote on next steps, determine the use of funds, determine future tokenomics, and so on.

11. Inclusion on traditional investing platforms: Many platforms (like Grayscale and TD Ameritrade) have brought investing in digital assets to the masses. Our goal is to have Statera and/or its funds available on these platforms also. Our unique and revolutionary value proposition of being a “Deflationary Index Fund” is the one we want to see available to every investor, everywhere.

12. Establishment as a currency: As the utility, trust, and network of Statera builds, we can shift towards being used as a deflationary currency, bringing all of the benefits of sound monetary policy from investment vehicles to currency.

13. Fiat on and off ramps: Create direct and easy channels for converting fiat to Statera or Statera funds.

14. Second Layer Platform: Create a platform of our own to ease the buying and using of Statera products.

X. Conclusion

STATERA - CRYPTOCURRENCY IN EVERY PORTFOLIO

Statera has come about at a perfect moment. As we look around, all we see is inflation and the devaluing of assets. Statera is designed from the ground up to hold and create value. Through its mechanisms it reduces volatility, increases positive price pressure, and increases incentives to holding it (fees, rewards paid, and reductions in supply). STA's current iteration is only the beginning, the goal is to become synonymous in DeFi, cryptocurrency investing, index funds, and all financial instruments. We have created a completely new and unheard of asset class, "Deflationary Index Funds." We hope this is only the beginning on our way to being another unheard-of asset class, "Immutable Global Deflationary Currency." The value proposition of what we have is immeasurable, the future of it is unimaginable. STA is a new wave of decentralization. It is a decentralized platform that is now fully and immutably owned by the community. It is up to our community how far we go. We will be talked about, we will be replicated, we will change the world.

If you would like to support Statera, work with the team, or talk directly with the team, please send an e-mail to support@stateratoken.com

XI. (TLDR) Too Long Didn't Read

Not enough time to read all these pages? We really hope you take that time, we are presenting you with a revolutionary and first of its kind financial instrument that is changing DeFi. But we are here to serve, here is a quick summary:

IN ONE SENTENCE

Statera is an autonomous immutable smart contract deflationary token that, when included in a financial instrument (index funds to start), increases positive price pressure and reduces volatility.

IN LAYMAN TERMS

Statera allows users to hold an index fund of cryptocurrencies while increasing the returns on their investment and decreasing the volatility.

IN ONE PARAGRAPH

Statera creates cryptocurrency index funds that are decentralized and catalyzed through an immutable deflationary smart contract. It can be included in multiple index funds to increase their value while increasing its own token value. Instead of traditional index funds, where you are charged a fee, since the index fund is used to provide liquidity to exchanges, the holder is paid the fees, earning more capital on their investments (what equates to 38%-500% APY depending on the daily volume). Statera's deflationary mechanism increases volume (trades and arbitrage), which increases the rebalances and, in turn, the fees paid to the user. Statera benefits the markets it is in, by facilitating more efficient market making, matching buyers to sellers. The ecosystem is fully decentralized and owned by the community. The future of Statera is bright. Not only does it create its own ecosystem, but it also can be used by other ecosystems to instantly introduce sound monetary policy into their platform (loans, NFTs, banking, commerce, any investment instrument, currencies, etc.). This expansion increases the value proposition of the token. With this value proposition Statera can position itself to become the world's first "global deflationary currency." The Statera Token gives users one token access to the price action of the entire DeFi suite of products it creates and is included in.

XII. Risk Disclosure/Disclaimer

RISK DISCLOSURE

Statera Token is not a registered broker, analyst, or investment advisor. Everything that we provide is purely for guidance, informational, and educational purposes. All information contained herein should be independently verified and confirmed. We do not accept any liability for any loss or damage whatsoever caused in reliance upon such information or services. Please be aware of the risks involved with any trading done in any financial market. Do not trade with money that you cannot afford to lose. When in doubt, you should consult a qualified financial advisor before making any investment decisions.

DISCLAIMER

Trading and investing in cryptocurrencies (also called digital or virtual currencies, crypto assets, altcoins and tokens) involves substantial risk of loss and is not suitable for every investor.

Any content in the Whitepaper should not be relied upon as advice or construed as providing recommendations of any kind. It is your responsibility to confirm and decide when to trade our token. Trade only with risk capital; that is, trade with money that, if lost, will not adversely impact your lifestyle and your ability to meet your financial obligations. Past results are no indication of future performance. In no event should the content of this correspondence be construed as an expressed or implied promise or guarantee.

Statera Token is not responsible for any losses incurred as a result of trading our token. Information provided in this correspondence is intended solely for informational purposes and is obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.

None of the content published here constitutes a recommendation that any particular cryptocurrency, portfolio of cryptocurrencies, transaction or investment strategy is suitable for any specific person. None of the information providers or their affiliates will advise you personally concerning the nature, potential, value or suitability of any particular cryptocurrency, portfolio of cryptocurrencies, transaction, investment strategy or other matter.

The products and services presented in this document may only be purchased in jurisdictions in which their marketing and distribution are authorised. Statera Token advises all interested parties to check in advance whether they are legally entitled to purchase the products and/or services presented in this document.