



# **FOLIO WATCH WHITEPAPER V1 (LIMITED)**

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For liquidity providers in AMM (Automated market making) protocols, one of the primary risks to be aware of is Impermanent Loss (IL).

AMM protocols are controlled by an underlying mathematical formula that adjusts the ratios of the assets in the pool while simultaneously determining their prices. While this formula allows the market to function, it is also what is responsible for Impermanent Loss. Impermanent Loss occurs when the mathematical formula adjusts the asset ratio in a pool to ensure they remain at 50:50 in terms of value and the liquidity provider loses out on gains from a deposited asset that outperforms.

Frankly, impermanent loss isn't a great name. It's called impermanent loss because the losses only become realized once you withdraw your coins from the liquidity pool. At that point, however, the losses very much become permanent. The fees you earn may be able to compensate for those losses, but it's still a slightly misleading name. This has become a huge risk to DeFi users. (Abstract compiled from Binance Academy)

## Our System

We are developing a system to notify and provide users the option to swap pooled tokens to a stablecoin to avoid further loss when there's a downward trend

**Folio Watch:** Portfolio and liquidity pool performance watch plus yield farming, Fully decentralized.

\$FWATCH created on the Binance Smart Chain will serve as governance token for Folio Watch system.

BSC Verified smart contract:

0x58d023017C47FA6B1C7b906b15aea5a8b549881a

# Unique features

## LP Performance watch:

The LP performance watch feature is one unique use of FolioWatch Dapp that allows users to track and monitor their liquidity pooled tokens on different decentralized exchanges on the Binance smartchain.

## Portfolio Watch:

Portfolio Watch is another great feature of FolioWatch that allows users to know the total value of bsc coins in the wallet connected at any moment, this includes staked coins on various decentralized exchanges, coins used for yield farming on various yieldfarming websites including our yield farming features too, coins added as liquidity and so on.

## Yield Farming:

FolioWatch Dapp also offers a yield farming platform to its users On our yield farming platform users have the ability to earn high returns of capital from high capacity utilization, FolioWatch yield farming will have some new and revolutionary features that no other yield farming platform has

## Fully decentralized:

Folio Watch is a fully decentralized system or decentralized application meaning there is no governing body hence FolioWatch Dapp can not be tampered with.

*This version 1 of Folio Watch whitepaper is limited. Version 2 will be released with our decentralised application launch explaining our system model.*