Fundamental
Prime Rating Report

Set | TokenSets

Protocol: TokenSets
Version: V2
Previous Report: None

Date: 25 January 2021
Author: Dinda Ayu Putri

Please fill in all questions with a written explainer, any relevant links and score per variable based on the Fundamental Review Process V 1.0. Insert the scores per variable in the scorecard at the end of the report. Please follow the Rating Process when creating and submitting a report.

Value Proposition

The Value Proposition section describes the value a protocol delivers to its users. Based on the proportion of the problem the protocol aims to solve and the potential of the protocol to effectively solve the problem - better than other industry solutions - a Value Proposition rating is created.

Novelty of the solution (15 points)

This score evaluates the novelty (uniqueness) of the protocol. Has the protocol introduced any new innovations that help solve user's problems more efficiently? In general, forks without any newly added functions are considered subordinate to the protocol they forked.

Answer: Set Protocol gives the traders an option to buy baskets in the form of tokenized assets known as Robo Sets. These baskets are programmed to restructure depending on the chosen strategy of the trader. This process saves a lot of time for traders and takes the stress away from the stressful world of trading.

Score: 10

Market fit/demand (15 points)

This score evaluates the degree to which the protocol satisfies a strong market demand. The market fit evaluates if the protocol is able to satisfy the needs of a specific market. To what extent has the protocol proven to meet the demand of a specific market? Is the timing of the product right for the market? Is the protocol targeting the right market?

Answer: tokensets is able to meet the demand of the market and is steadily growing both in terms of users and totalvaluelocked

Score : 11

Target market size? (10 points)

The target market size evaluates the current and future size of the problem the protocol is aiming to solve. The category of the Open Finance solution can be used as a reference to the target market (for example: Lending). Because Open Finance is by definition global, the global market for a specific problem equals the target market size.

Answer : The platform has a very valuable use case in that is seen in the real world of finances in the form of asset backed baskets. The TokenSets team have taken that use case and successfully brought it to the blockchain.
Score: 8

Competitiveness within market sector(s) (10 points)

This score evaluates the competitiveness of the protocol within the market sector(s) it operates in. This score offers a relative comparison of the protocol and other protocols operating in the same market sector(s). The relative comparison can become rather subjective, to solve this the score standardizes the results in fixed categories.

Answer: Set Protocol offers a variety of trading strategies, ultimately providing investors of different appetites with Sets that suit their appetite. The protocol functions as a top alternative to the benchmark in the market segment

Score: 7

Tokeneconomics

The Tokeneonomics section of the review assesses the function of a protocol's token. This includes the token distribution, functionalities of the token, the ability of the token to incentivize positive behavior in the protocol, and the ability of the token to capture a portion of the value created.

Is the token sufficiently distributed? (15 points)

The token distribution can be an indicator of a healthy protocol. When the protocol tokens are widely distributed among different stakeholder groups and contributors, this genuinely improves the coordinating capability of the token and strengthens the resiliency of the protocol. Was the initial distribution balanced between relevant stakeholders? Are the tokens distributed over sufficient participants (10, 25, 100 largest addresses)?

Answer: NO TOKENOMIC

Score: 0

What is the extent of the token's capabilities? (10 points)

What are the different merits of the token? Is the token useful in the protocol? Does the token allow the holders to participate in governance or influence the protocol in any way?

Answer: NO TOKENOMIC

Score: 0

Is the issuance model able to improve the coordination of the protocol? (10 points)

To what extent does the issuance of the token support the advancement and function of the protocol? Are the tokens justifiably being issued? Does the issuance model incentivize the right behavior? Are all relevant stakeholders benefiting from the issuance model?

Answer: NO TOKENOMIC

Score: 0

Is the value capture model able to accrue and distribute value? (10 points)

A value accrual and distribution mechanism can help improve the merit of a token and its ability to be used as an effective coordination mechanism. Does the protocol have mechanisms to distribute some of the value created to the token holders?

Answer: NO TOKENOMIC

Score: 0

Is the token sufficiently liquid to enable active use and trade? (5 points)

Is the token widely available and is there sufficient liquidity available to facilitate all protocol functionalities?

Answer: NO TOKENOMIC

Score: 0

Team

The Team section describes the quality of the team behind the protocol. The current version of Prime Rating favors teams that are publicly identifiable. In the case of an anon team, the track record of the specific anons involved can be taken into account

Is the team credible and public? (15 points)

Are the identities of the core contributors and team publicly identified? In the case of anon team members, is there any way to track their background/record?

Answer: yes the [Team](#) is public not anonymous and is credible

Score: 15

Does the team have relevant experience? (10 points)

Are there any documents or trails available to showcase the track record of the team? Do the team members have relevant backgrounds and skill sets?

Answer: the CEO inje Yo is ex senior front and engineer in Go daddy, this is track record of The [CEO](#)

Score: 10

Does the team participate and help shape the public debate? (10 points)

To what extent do the protocol contributors participate in the public debate around open finance? Are the team members giving presentations, sharing their thoughts and opinions, and do they help raise the collective intelligence of the industry?

Answer: : The team actively participates in public debate through social media. The core members of the team regularly write a blog and product marketing manager Anthony Sassano is active in [Twitter](#)

Score: 10

Is the team able to effectively attract and coordinate resources? (10 points)

How effective is the team at attracting and coordinating resources for the benefit of the protocol? Has the team raised sufficient funding or are there mechanisms in place to attract resources when needed? How well are resources managed and used?

Answer: setprotocol has raised a total of $2M in funding over 2 rounds. Their latest funding was raised on Apr 18, 2020 with 1 lead investor and 13 investor

Score: 8

Governance

The Governance section evaluates how the protocol is governed and who the governors are. The different governance functionalities and processes are evaluated to determine to what extent the Protocol will be able to self-govern in a way that ensures the development of the protocols while respecting the needs of all current and future stakeholders.

Admin Keys (20 points)

Admin Keys allow some critical functionalities of a protocol to be controlled by an admin. This allows the developers to react to potential bugs, but also creates a risk as the developers could potentially misuse the admin keys to exploit the protocol. Does the protocol have admin keys and how are they managed?

Answer: Token Sets' protocol is upgradeable via a 2-of-3 multisig contract with no timelock. Token Sets claims to use Ledger hardware wallets to secure the signing keys

Current Admin Key Config

Timelock: None

Multisig: 2-of-3

Score: 3

Extent of Governance capabilities (15 points)

Distributed governance allows the token holders to participate in the governance of open finance protocols. How much influence does the governance mechanism have? Are the votes affecting on-chain changes or do they function solely as signals to the team?

Answer: No Governance No token

Score: 0

Active Governance contributors (5 points)

Governance is a process that can be rather resource-intensive if executed well. To ensure good governance is practiced by the protocol, it's important to have a sufficient number of governors allocate resources to the governance process of the protocol. How many individuals participate in the debate around the protocol? How active are voters?

Answer: No Governance No token

Score: 0

Robustness of Governance process (10 points)

This score requires documentation specifically on the governance process that sets the basic framework in terms of agreements, norms, and language for governing the protocol. Does the protocol have a formal governance process? How robust is the governance process and does it promote good governance?

Answer: No governance no token

Score: 0

Governance infrastructure (10 points)

The Governance infrastructure relates to the technology, software, and models used by the protocol's governance. Does the protocol have a reliable and usable voting mechanism? Are there channels for governance debate? Is there sufficient documentation available?

Answer: No governance No token

Score: 0

Regulatory

The Regulatory section describes the extent and quality of the regulatory environment that affects the Protocol. To be able to guarantee functionality, security, and legality the protocol should comply with regulatory requirements, or limit itself to facilitating services to users who are willing to operate outside of the traditional regulatory environment.

Does the protocol have any legal accountability? (15 points)

Does the protocol have any form of legal accountability? Can users and partners hold the protocol accountable in case of a breach of the agreement?

Answer: SetLab.inc incuporated in US located San Francisco California US, founded Date November 2017. the user and partner have legal acountability

Score: 11

What is the quality of the legal jurisdiction? (10 points)

If the protocol has a legal entity, what is the quality of the jurisdiction the entity is established in? Will the jurisdiction be able to facilitate the legal framework for the protocol to expand while remaining accountable.
Answer: Relevant jurisdiction with applicable laws. The US is a respected jurisdiction, but has taken a somewhat conserverative stance towards crypto-assets

Score: 6

Is the protocol (able to become) legally compliant? (5 points)

Is the protocol able to acquire the necessary licenses and supervision to be able to operate in the traditional regulatory environment? Has the protocol already acquired such licenses?
Answer: As far as I can tell (based on web searching), tokensets hasn't acquired any licenses that allow them to bridge their services to the traditional financial industry. I do believe setprotocol would be able to acquire such licenses in its current jurisdiction if it follows the right procedures

Score: 2

Scorecard

Value Proposition	Points
1. Novelty of the solution	10 / 15
2. Market fit/demand	11 / 15
3. Competitiveness within market sector(s)	8 / 10
4. Novelty of the solution	7 / 10
Tokeneconomics	**Points**
1. Is the token sufficiently distributed?	0 / 15
2. What is the extent of the token's capabilities?	0 / 10
3. Is the issuance model able to improve the coordination of the protocol?	0 / 10
4. Is the value capture model able to accrue and distribute value?	0 / 10
5. Is the token sufficiently liquid to enable active use and trade?	0 / 5
Team	**Points**
1. Is the team credible and public? (No, Partly, Yes & Anon , Yes & Public)	15 / 15
2. Does the team have relevant experience?	10 / 10
3. Does the team participate and help shape the public debate?	10 / 10
4. Is the team able to effectively attract and coordinate resources?	8 / 10
Governance	**Points**
1. Admin Keys (Yes, Multisig, Multi-sig and Timelock, None)	3 / 20
2. Extent of Governance capabilities	0 / 15
3. Active Governance contributors	0 / 5
4. Robustness of Governance process	0 /10
5. Governance infrastructure (rituals, docs, UI)	0 / 10
Regulatory	**Points**
1. Does the protocol have any legal accountability?	11 / 15
2. What is the quality of the legal jurisdiction?	6 / 10
3. Is the protocol (able to become) legally compliant?	2 / 5
Total	**209 x 235**

Author: *just someone who wants to learn about crypto to earn a little money*