

MORPHO VAULTS

**Institutional Lending**

[app.morpho.org/curator/clearstar](https://app.morpho.org/curator/clearstar)



EARNXRP VAULT

**RWA Yield Strategy**

[debank.com/profile/0xedb7b...](https://debank.com/profile/0xedb7b...)

# Institutional-Grade Risk Architecture for Decentralized Finance.

Bridging Traditional Finance Discipline and Decentralized Finance Opportunity

Built for Decentralized Finance's **Worst Day**

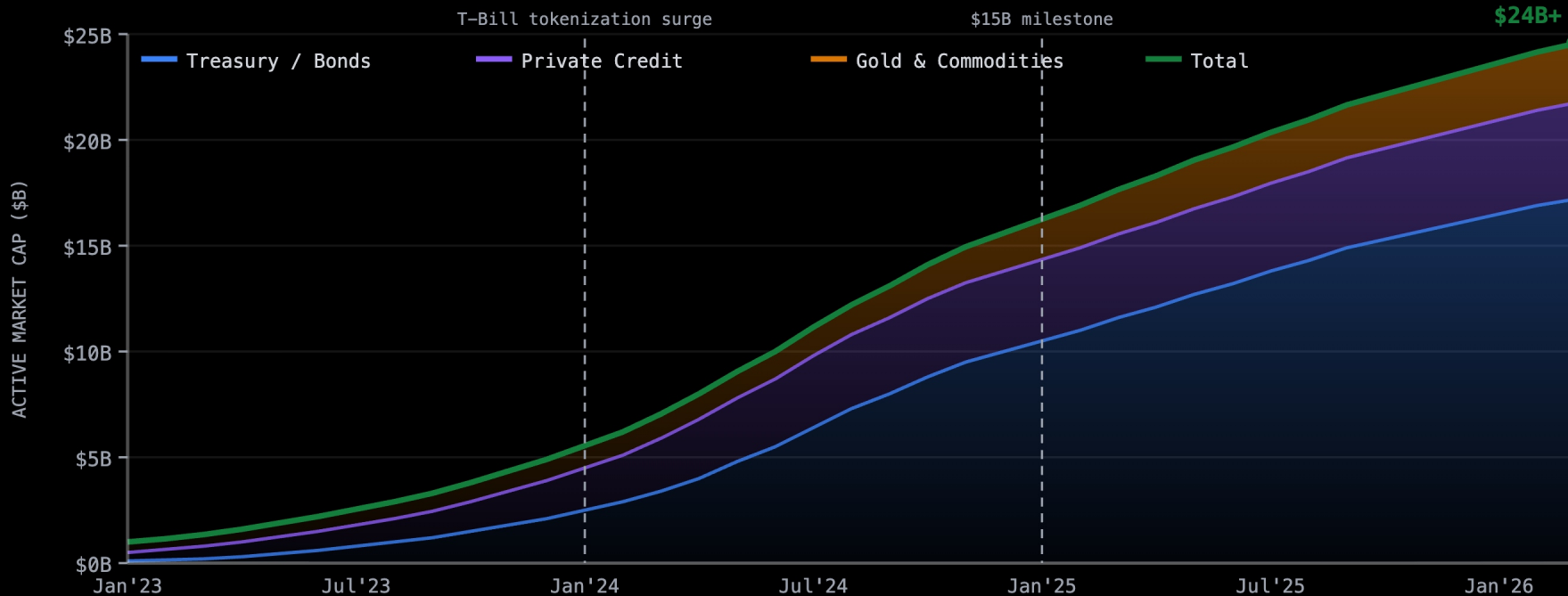
TOTAL VALUE LOCKED

**\$120M+**

# Real-World Assets Are Moving Onchain

Institutions want exposure.  
**But deploying capital safely into DeFi remains extremely difficult.**

**ENTER CLEARSTAR:** The institutional bridge between Traditional Finance discipline and Decentralized Finance opportunity.



Source: RWA.xyz, DeFiLlama RWA Tracker · Mar 2026

**\$24B+**

Tokenized Assets On-Chain

**138+**

Active Asset Issuers

**↑ 8x**

Growth Since Jan 2023

### WHY IS IT HARD?

Structural opacity, smart contract risk, and fragmented liquidity block safe access.

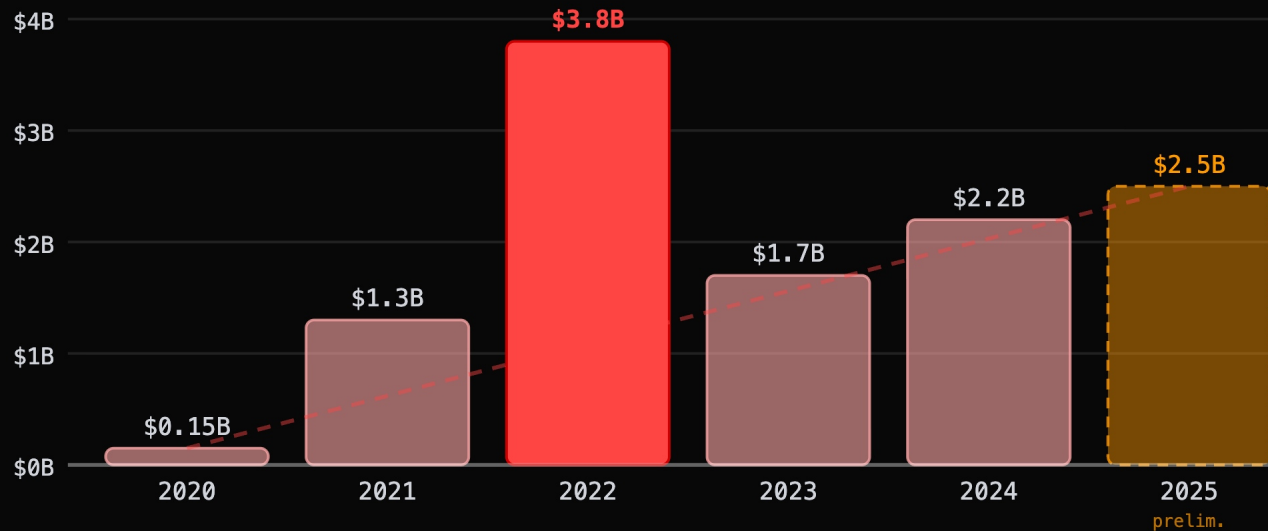
→ See next slide

# Why Safe Decentralized Finance Deployment Is Hard

Structural opacity, fragmented venues, and invisible smart-contract risk make conventional risk tools unreliable.

ANNUAL DECENTRALIZED FINANCE PROTOCOL EXPLOIT  
LOSSES (\$B) · 2020-2025

Historical losses · chart scope differs from RWA  
growth chart (p.2)



Source: Chainalysis Crypto Crime Report 2026 · DeFiLlama Security Incidents 2026  
Total protocol losses since 2018: ~\$12B+ (incl. pre-2020 not shown) · 2025 figure preliminary  
Chain count: DeFiLlama 2026 · Unaudited TVL estimate: DefiSafety Protocol Security Score Report 2025

**\$12B+**

in protocol losses  
since 2018

Chainalysis 2026

**150+**

fragmented chains  
and venues

DeFiLlama 2026

**38%**

of TVL  
unaudited

DefiSafety 2025

## THE CORE PROBLEM

Fragmented liquidity across hundreds of chains and venues, opaque smart contract risk, and billions in **hard-to-price tail exposure** make it impossible to accurately quantify risk with conventional tools.

## HOW CLEARSTAR BRIDGES THIS

Qualitative due diligence before capital is committed, hard exposure limits enforced on-chain, and continuous live monitoring - so institutions can access Decentralized Finance yield without taking on risk they cannot see.

# Where Conventional Risk Management Fails

Quantitative models cover Technical and Economic dimensions reasonably well. Three dimensions remain structurally invisible: Tail Risk, Operational, and Governance.

Standard Decentralized Finance risk models rely on on-chain metrics, TVL movements, and historical price data. These cover technical and economic dimensions reasonably well - but they were never designed to assess who controls protocol upgrades, how a team behaves under stress, or how to price extreme tail events that have no historical precedent.

## CLEARSTAR COVERS THE THREE BLIND SPOTS

- **Governance Review:** Upgrade controls, multisig structure, emergency pause mechanisms
- **Operational DD:** Team processes, incident history, key-person and control segregation
- **Tail Risk Calibration:** Adversarial scenario modelling; calibrated for fat-tail events with no precedent
- **Live Monitoring:** Continuous on-chain surveillance post-deployment; automated exit triggers

### TAIL RISK

Fat-tail exploit calibration - outside quantitative model scope

### OPERATIONAL

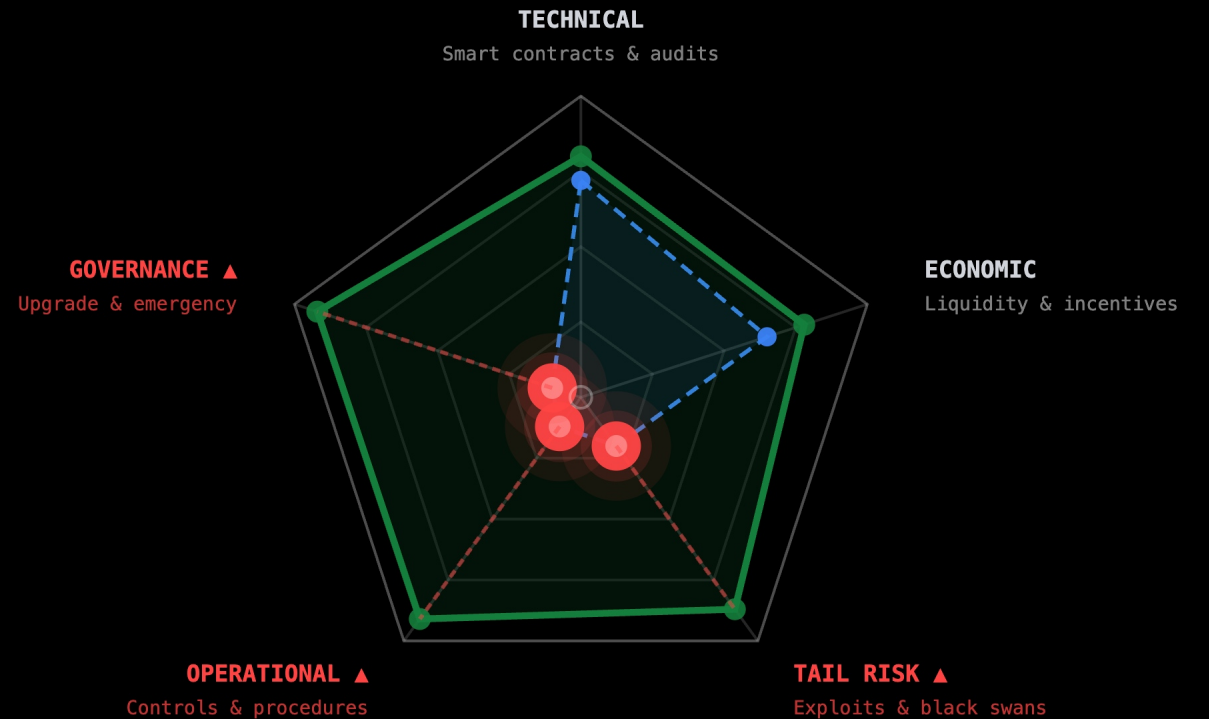
Team processes and controls - not in on-chain data

### GOVERNANCE

Upgrade powers and emergency controls - structurally invisible to quantitative tools

## RISK COVERAGE COMPARISON

CONVENTIONAL (QUANTITATIVE ONLY) VS CLEARSTAR – CONCEPTUAL



— Clearstar    - - Conventional (quantitative only)    ● Blind spot (3 identified)

Radar chart is a conceptual diagram – shapes indicate direction of coverage, not measured scores. Sources: Chainalysis Crypto Crime Report 2026 · DeFiLlama 2026 · Clearstar ODD methodology

# Structural Opacity

The primary challenge is not yield quantity. It is structural opacity.

CLEARSTAR DETECTS RISKS OTHERS CANNOT SEE



CURRENT SCORE

5/5

ACHIEVED

SCAN MODE

CONTINUOUS

SC-01

Smart Contract

LOCKED

OR-02

Oracle Risk

LOCKED

LC-03

Liquidity Crisis

LOCKED

GOV-04

Governance Attack

LOCKED

BRG-05

Bridge Exploit

LOCKED

DEX-06

DEX Manipulation

LOCKED

## 01 CHALLENGE

DeFi risk vectors do not fall linearly. They are **strongly interconnected** and compound rapidly into catastrophic tail events:

- Smart contract vulnerabilities
- Oracle dependencies & manipulation
- Liquidity reflexivity & death spirals
- Governance attack surfaces
- Cross-protocol composability failures

## 02 TAIL RISK LAYER

Long-term survival in DeFi is **not achievable** by focusing on return optimization alone. A **comprehensive and systematic approach** to detect, monitor, and mitigate tail risks across technical, economic, and governance layers is the only viable path.

# Four Lines of Defense

Hard and automated controls first. Soft and discretionary checks last. Capital is never deployed until all four layers pass.

[clearstar.xyz/docs.html](https://clearstar.xyz/docs.html)

HARD / AUTOMATED

SOFT / MONITORED

## 01 Risk Identification

Smart contracts · Audit completeness ·  
Oracle design · Admin key mapping

Multi-party audit verification  
Code maturity & upgrade patterns  
Oracle dependency mapping  
Permission structure analysis

## 02 Operational Due Diligence

Governance controls · Emergency procedures  
· Team process · Asset segregation

Team identity & track record  
Emergency response protocols  
Governance attack surfaces  
Multi-sig configuration review

## 03 Enforcement Mechanisms

Hard diversification caps · Protocol exposure  
limits · Liquidity requirements · Quantitative  
constraints

Protocol exposure caps (< 15%)  
Minimum liquidity thresholds  
Forced position diversification  
Automated rebalancing triggers

## 04 Live Monitoring + Response

Continuous on-chain surveillance ·  
Automated exit pathways · Pre-built  
emergency responses

Real-time anomaly detection  
Pre-authorized exit mechanisms  
Cross-protocol event correlation  
Automated liquidation sequences

● Lines 01-03 are prerequisites – failure at any point stops the process

● Line 04 runs continuously post-deployment – indefinitely

# One Failure. Ten Minutes. Total Collapse.

Decentralized Finance composability means a single infrastructure failure cascades through the entire ecosystem in minutes.



## THE FAILURE MODE

A compromised oracle feeds bad data to lending protocols. Mispriced collateral triggers liquidations. DEX arbitrage bots exploit the delta. Yield strategies collapse. **Game over.**

## WHY TRADITIONAL DD FAILS

Reviewing protocols in isolation misses these dependency chains entirely. By the time the connection becomes obvious, **your capital is already gone.**

## CLEARSTAR'S DEFENSE

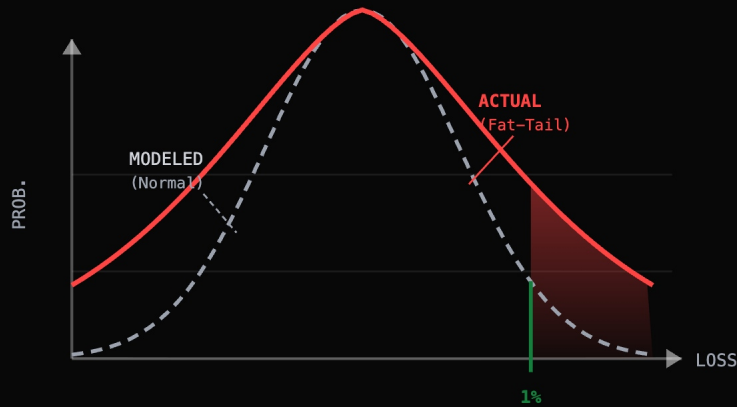
We map every dependency before deployment and monitor critical nodes 24/7. **Automated exits trigger before the cascade reaches your position.**

# Two Fundamental Problems - One Answer

Standard models fail DeFi in two ways. Clearstar's framework is built to address both.

## PROBLEM 1

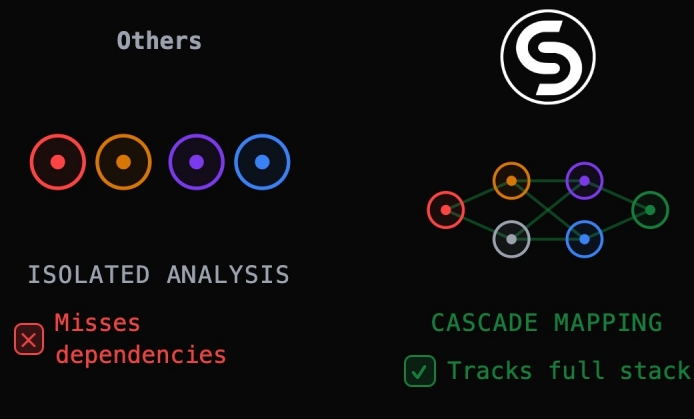
Quantitative models assume a **bell curve**. DeFi losses follow a **fat-tail distribution** - extreme events are far more probable and severe than any Gaussian predicts.



WE CALIBRATE FOR THE 1% TAIL

## PROBLEM 2

DeFi protocols are **deeply interconnected**. Examining assets in isolation misses how a single failure propagates across composability dependencies - invisibly, until it's too late.



A single compromised oracle can cascade through every dependent protocol. Traditional isolated reviews miss these paths entirely.

## CLEARSTAR'S ANSWER

- Qualitative DD first**  
 Structural review of governance, team, and architecture before any quant work begins.
- Full dependency mapping**  
 We trace every composability path and model cascades bottom-up - not in isolation.
- Calibrated for the 1% tail**  
 Our risk engine prices tail events that have no historical data - because Decentralized Finance crisis events are rare but catastrophic.
- Live enforcement**  
 Hard limits and automated exit pathways mean our protection is real-time, not reactive.

**"Safety forms the baseline. Always."**

Clearstar Operating Mandate

# Structured Due Diligence - 5 Layers, No Exceptions

A rigorous process any institutional manager should have - executed with native Decentralized Finance depth and live on-chain enforcement.

EVALUATION SEQUENCE – FAILURE AT ANY LAYER STOPS THE PROCESS

1

## Security Foundation

Smart contracts · Audits · Oracle design · Admin control review ✓

2

## Operational Due Diligence

Team background · Governance controls · Emergency procedures ✓

3

## Quantitative Enforcement

Hard exposure caps · Diversification limits · Liquidity requirements ✓

4

## Live Monitoring Setup

On-chain surveillance · Automated exit configuration · Alert thresholds ✓

5

## Ongoing Position Curation

Continuous review · Rebalancing triggers · Incident response execution ✓

Outcome: All 5 layers cleared

5/5 ✓

### ● INSTITUTIONAL STANDARD

✓ **Transparent Fund Segregation**  
On-chain verifiable separation of assets

✓ **Multisig / Timelock Governance**  
No unilateral admin control

✓ **Decoupled Oracle Dependencies**  
Multiple independent price feeds

✓ **Proactive Incident Response**  
Documented runbooks and war-game tests

✓ **Documented Team ODD Processes**  
Backgrounds, track record, continuity

### ● AUTOMATIC DISQUALIFIERS

✗ **EOA-Controlled Admin Rights**  
Single key = single point of failure

✗ **Instant Price Feed Updates**  
No delay = manipulation vector

✗ **Opaque Liquidity Source**  
Undisclosed LP or wash-trading risk

✗ **Refusal of External Audit**  
Red flag for undisclosed vulnerabilities

### WHAT SETS CLEARSTAR APART

Every protocol Clearstar deploys into passes a structured five-layer evaluation before capital is allocated. No layer is skipped. No exception is made for yield.

- Exposure limits written into smart contracts - not subject to human override at the wrong moment
- 24/7 on-chain agents that act, not just alert - positions exit before an incident becomes a crisis
- Protocol-level structural checks: oracle architecture, composability exposure, admin key topology
- Exit pathways pre-configured at entry - execution is automatic, never dependent on a 3am phone call

"Each layer is a prerequisite for the next. Security is proven before optimisation begins."

# Active Vaults - On-Chain, Verifiable

ACTIVE VAULT TVL (USD) · 2 VAULTS

● Combined TVL



## ● EarnXRP Vault

Flare Network

[debank.com](https://debank.com) / [0xedb7b...](#)

## ● Morpho Vaults

Morpho Blue

[app.morpho.org/curator/clearstar](https://app.morpho.org/curator/clearstar)

0

Loss events

24/7

Monitoring

10+

Live vaults

Nov '24

Initial peak

Zero capital loss events since inception. The Nov 2024 TVL dip reflects a market deleveraging event, not a loss.



JAKUB



COLIN



JASHIEL



GASAN



MAGNUS



NICK

6

CORE EXPERTS

Traditional Finance + Decentralized Finance

\$120M+

TVL CURATED

Across 2 Vaults

0

LOSS EVENTS

Since Inception

9+

INSTITUTIONS

Team Pedigree

## TEAM BACKGROUND

CITADEL

CREDIT SUISSE

DELOITTE

ETH ZURICH

GNOSIS

UNIVERSITY OF GRONINGEN

GAINS NETWORK

REAPER FARM

CLEARLIGHT INVESTMENTS