# How Marinade's Stake Auction Marketplace Optimizes Rewards

The Stake Auction Marketplace (SAM) is a cornerstone of Marinade's ability to consistently deliver industry-leading APYs for Solana staking.

On **August 14, 2024**, Marinade introduced **SAM 2.0**, an upgraded delegation strategy designed to enhance benefits for **Validators, Stakers**, and the broader **decentralization of Solana's network**.

# What Is SAM?

SAM is an innovative and efficient delegation solution designed to optimize staking rewards. Similar to the bidding model of Google Ads, SAM creates a competitive marketplace for validators:

1. **Holders of SOL stake funds** with Marinade for distribution.
2. **Validators bid** for staker's delegated SOL.
3. **Marinade automates the distribution** of SOL to the highest-performing validators.

This unique system ensures that Marinade's **entire Solana TVL (Total Value Locked)** is distributed exclusively through SAM, reinforcing transparency and efficiency.

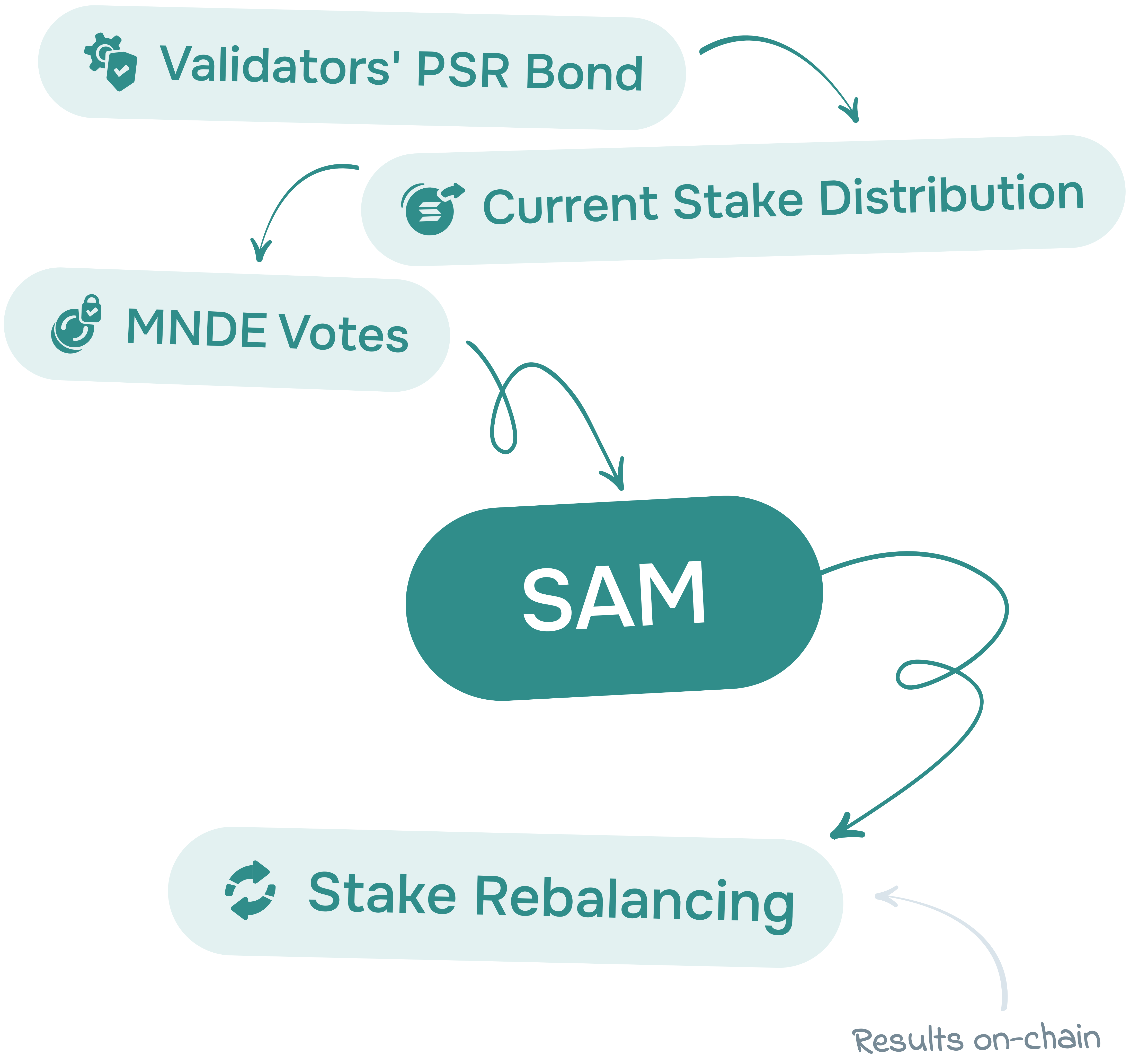
# How it works?

Selection

## Validator Evaluation

Every epoch, Marinade evaluates all active validators participating in SAM with a properly set PSR bond. Performance is assessed, and stake amounts are rebalanced accordingly.

The entire process is **open-source** — the code computing stake distribution is publicly available, with all results published live on Github for full transparency.



# How it works?

Distribution

## Finding The Best Yield

SAM calculates validator performance based on a ***"max_yield" score***, factoring in the highest yields at specific stake levels. At the end of every epoch, Marinade automatically redistributes stake to the top-performing validators, ensuring optimal returns for stakers.

| Validator | Max APY | Max Stake Wanted | Stake Received | Realized APY |
|---|---|---|---|---|
| #1 | 10.60% | 95,000 SOL | 95,000 SOL | 8.12% |
| #2 | 9.58% | 1,000,000 SOL | 200,000 SOL* | 8.12% |
| #3 | 9.41% | 80,000 SOL | 80,000 SOL | 8.12% |

# How it works?

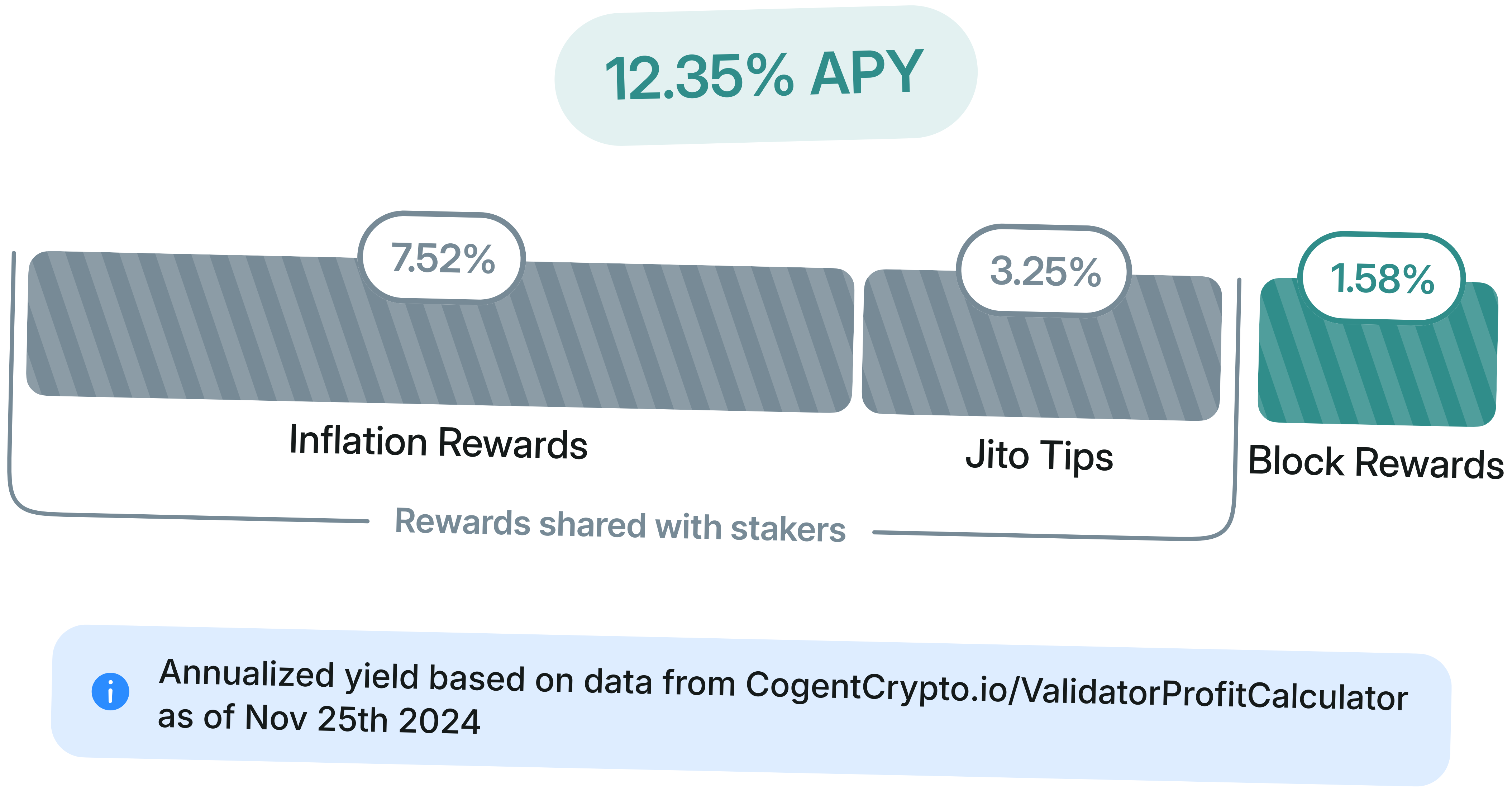
## Optimized Rewards

# Where The Higher Yield Comes From

By allowing validators to share block rewards with stakers and incorporate additional third-party funds into their bids, SAM enables Marinade to deliver some of the highest rewards in the Solana ecosystem.

- **Block rewards** remain fully (100%) allocated to validators.
- Validators can leverage Marinade to share **additional revenue** streams directly with stakers.

This collaborative model creates a win-win environment where stakers enjoy enhanced yields, and validators gain access to competitive delegation opportunities.



Marinade

marinade.finance