

PieDAO DeFi++

Date: Tuesday, 28 July 2020

Summary

Indexes for DeFi++ LargeCap, DeFi++ SmallCap and DeFi++.

Links:

DeFi++ Community Discussion: <https://www.youtube.com/watch?v=P2kR5oaBwbY>

DeFi++ Excel Model: https://docs.google.com/spreadsheets/d/1uTXf8CqCn9ej4gv_XeMoRua3bsxIGAM9tV0tNsooXq8/

Forum Discussion: <https://forum.piedao.org/t/pip-10-piedao-defi-index/148>

Motivation

The DeFi ecosystem is growing in maturity and awareness, the DEFI Pie allows people to get exposure to the ecosystem as a whole with a single token.

In order to cope with the current Balancer limit of 8 assets/pool, the suggested approach would include sub-indexes based on assets' current Market Capitalisation.

The proposed PieDAO DEFI++ Index at launch would include a 70%/30% allocation between DEFI+L (a.k.a Large Cap DEFI) and DEFI+S (a.k.a Small Cap DEFI).

Rationale

Which tokens were included in DEFI+L and DEFI+S were chosen through two rounds of community votes on Discord, this document notarized the choices of the community on-chain.

All indexes to be rolled out with SWAP disabled in order to avoid impermanent loss and maximize upside potential. Swap functionality can be enabled by the DAO at will to enable rebalancing.

Swap Fees start at 10% to allow a holding strategy with no rebalancing until a certain maximum deviation from the nominal % allocations is reached.

PieDAO DEFI+L							PieDAO DEFI+S						
LargeCaps							SmallCaps						
Max Weight 25%							Max Weight 30%						
Token	Name	S/L Cap	Include	Ratio	DEFI+L Weight	# tokens	Token	Name	S/L Cap	Include	Ratio	DEFI+S Weight	# tokens
COMP	Compound	L	<input checked="" type="checkbox"/>	8.03%	15.83%	0.5646239124	BAL	Balancer	S	<input checked="" type="checkbox"/>	11.57%	13.49%	8.87611
KNC	Kyber Network	L	<input checked="" type="checkbox"/>	5.65%	11.14%	89.5576675885	LRC	Loopring	S	<input checked="" type="checkbox"/>	22.74%	26.52%	3,034.08131
LEND	Aave	L	<input checked="" type="checkbox"/>	6.84%	13.49%	923.6726575535	REN	Ren Network	S	<input checked="" type="checkbox"/>	25.73%	29.99%	2,092.10006
LINK	Chainlink	L	<input checked="" type="checkbox"/>	61.96%	25.00%	55.8584372101	UMA	UMA Protocol	L	<input checked="" type="checkbox"/>	39.96%	30.00%	170.65166
MKR	Maker	L	<input checked="" type="checkbox"/>	10.58%	20.87%	0.3989538112							
SNX	Synthetic Netw	L	<input checked="" type="checkbox"/>	6.94%	13.68%	91.1878033697							

DEFI+L Pie Allocation

Token	Weight
LINK	25.0%
MKR	20.9%
SNX	13.7%
LEND	13.5%
KNC	11.1%
COMP	15.8%

DEFI+S Pie Allocation

Token	Weight
UMA	30.0%
REN	30.0%
LRC	26.5%
BAL	13.5%

Specification: DEFI+L

Ticker	DEFI+L
Assets	COMP / KNC / LEND / LINK / MKR / SNX
Max weight per asset	25%
isPublicSwap	FALSE

Specification: DEFI+S

Ticker	DEFI+S
Assets	BAL / UMA / REN / LRC
Max weight per asset	30%
isPublicSwap	FALSE

Specification: DEFI++

Ticker	DEFI++
Assets	DEFI+S / DEFI+L
isPublicSwap	FALSE