# DEFi HEDGE

# THE DEFIHEDGE PROTOCOL & EXCHANGE

Julian Traversa, Founder

## MARKET

The Bank for International Settlements estimates the notional value of all OTC interest rate derivates to be **~ $524 Trillion** in their most recent annual economic report

## RISK

All swaps are subject to counterparty risk and each party must evaluate the likelihood of counterparty default

# TRADITIONAL INTEREST-RATE SWAP MARKETS

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# SOLUTION: DEFi HEDGE

## FIXED-SIDE

Hedge against rate volatility with fixed-side swaps

## FLOATING-SIDE

Leverage capital & long rates with floating-side swaps

## NO RISK

No counterparty or liquidation risk & a truly "trustless" swap venue

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# HOW IT WORKS

For every swap, there is a fixed, and floating side.

Like a traditional exchange, rates are set by a marketplace of buyers & sellers (floating & fixed sides)

Once an order is accepted, floating-side collateral is posted to back a given fixed rate.

Both user's funds are pooled and minted into cTokens to earn interest on the Compound protocol

When the lending term has completed, any party can initiate a return of funds

One user is returned their initial capital & fixed yield, while the other is returned the excess interest

DEFI HEDGE

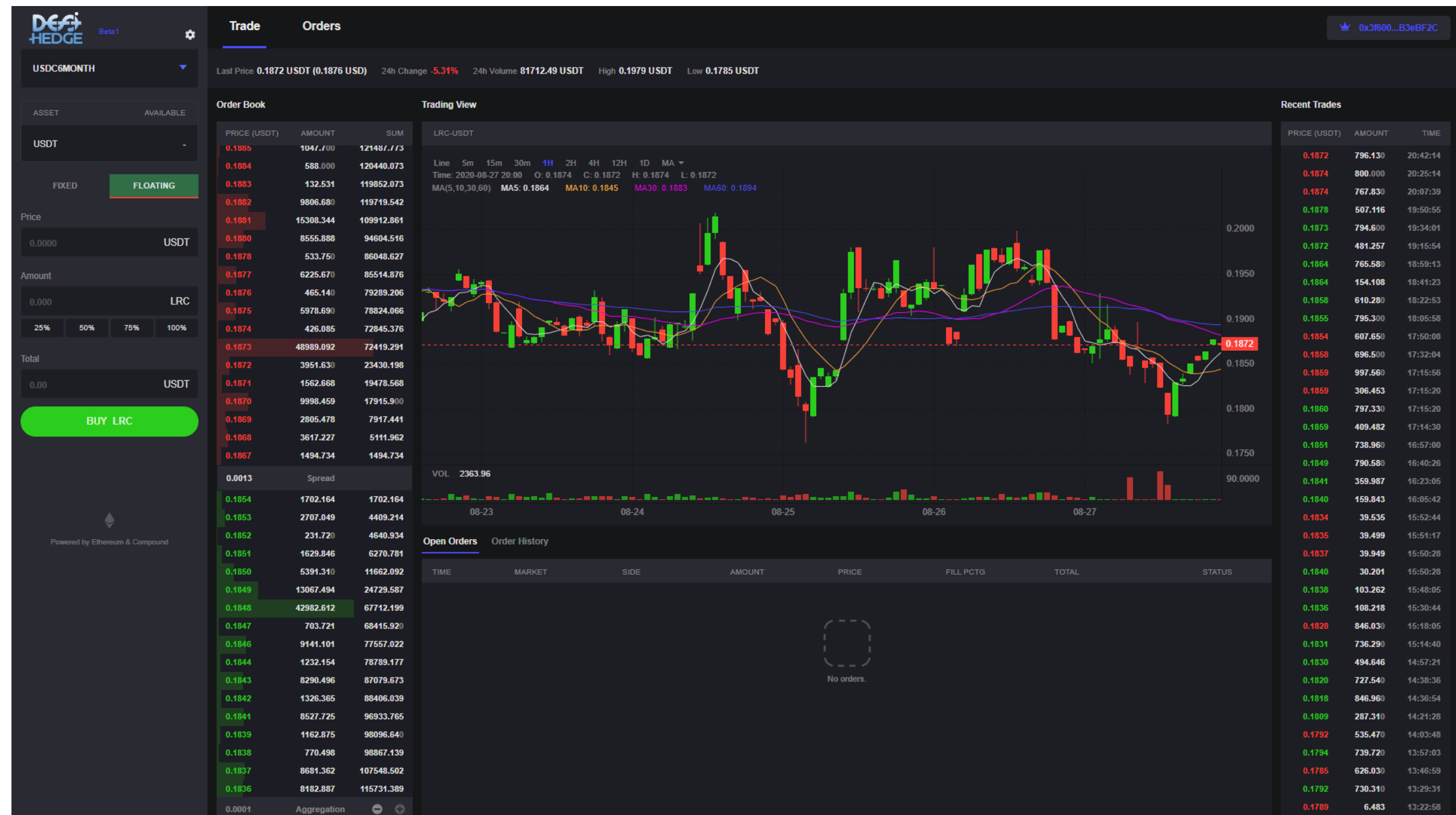# CURRENT STATUS

## CONTRACTS

Basic MVP complete

(Order Matching, EIP712 Signature Validation, siloed on/off chain orderbooks)

## EXCHANGE

Major UI components complete

Database established

Optimistic Release Q4 2020

# TOKEN DESIGN & SUSTAINABILITY

## FEES

Upon official launch DefiHedge will offer -.10% maker fees & 0% taker fees in order to to bootstrap liquidity

## GOVERNANCE

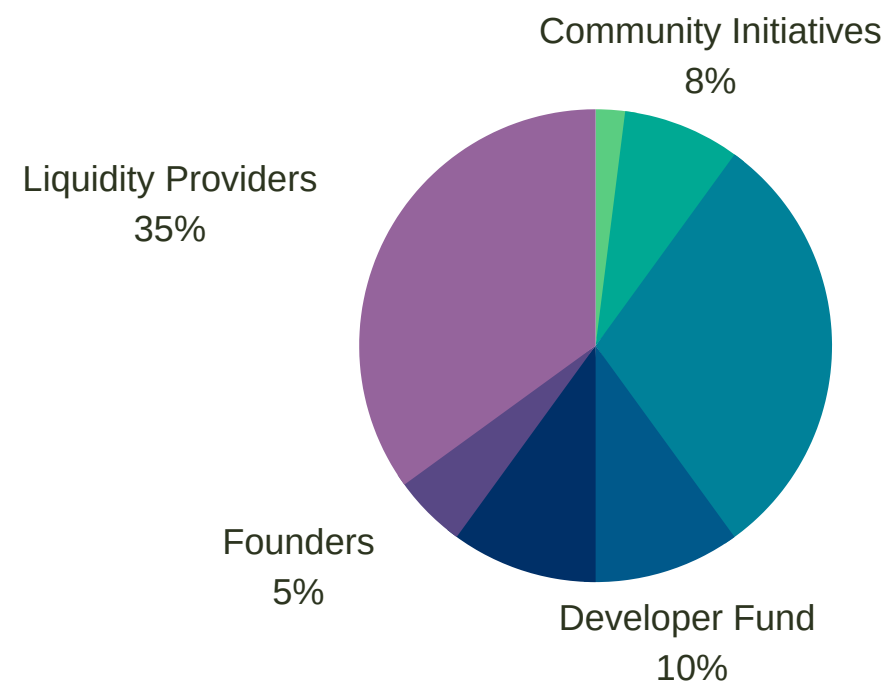Democratic contract upgradability, fee determination & funding proposals

## PROPOSED DISTRIBUTION

2% Compound Finance Stakeholders
8% Community Voted Initiatives
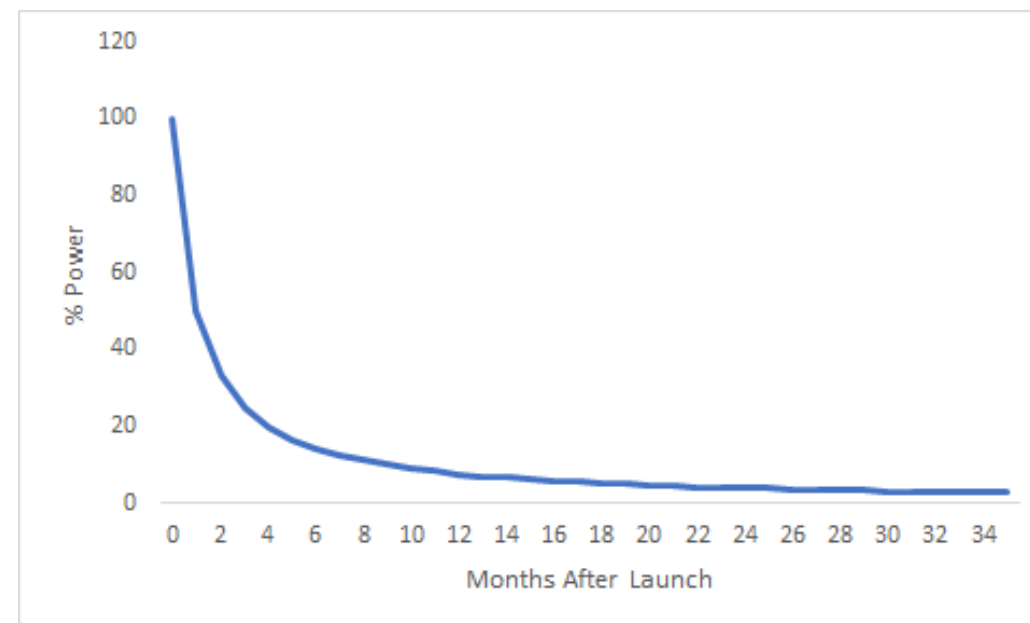30% Early Investors & Advisors
10% Developer Fund

10% Retained by DefiHedge
5% Founding Team
35% Market Making/Liquidity Providers
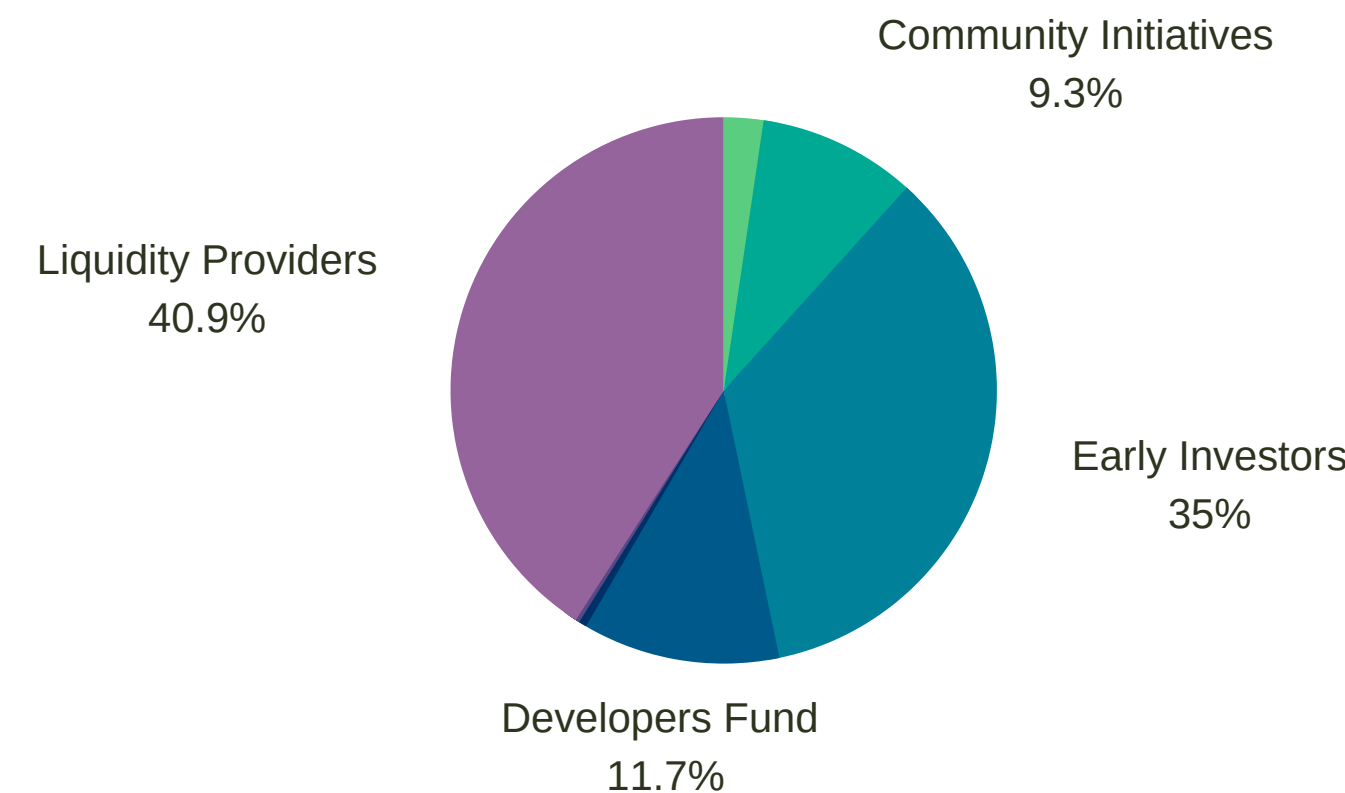
# COMMUNITY GOVERNANCE

## INITIAL VOTING POWER

Community Initiatives
8%

Liquidity Providers
35%

Early Investors
30%

Founders
5%

Developer Fund
10%

## FOUNDER VOTING POWER

% Power

Months After Launch

VOTING MODIFIER = 100/(X+1)

## AFTER 3 YEARS

Community Initiatives
9.3%

Liquidity Providers
40.9%

Early Investors
35%

Developers Fund
11.7%

# DEFi HEDGE

## THE DECENTRALIZED PROTOCOL FOR FIXED-RATE LENDING & INTEREST-RATE SWAPS

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WEBSITE

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