

Introduction

[OptyFi](#) is a DeFi yield optimization protocol that evaluates thousands of yield strategies across hundreds of liquidity pools, dozens of protocols and multiple blockchains. Multi-step yield strategies are generated dynamically based on the universe of protocols and liquidity pools integrated with the OptyFi Protocol.

OptyFi vault assets are continuously deployed into the most profitable strategies based on predefined risk profiles and user preferences. OptyFi aims to deliver the technical sophistication of quantitative asset management and user experience of web2 fintech applications while preserving the ground-breaking advantages of decentralization and composability. You can learn more about OptyFi from our [docs](#).

Lido and stETH Integrations

We are proposing to integrate the Lido protocol to enable our users to earn yield on their ETH via daily staking rewards from the Lido Ethereum staking pool and other strategies involving the staked ETH (stETH) token across several DeFi protocols. This integration will consist of two major phases:

1. ETH Staking:

OptyFi will enable investors to seamlessly stake their ETH by depositing any amount into our stETH vault which will in turn stake the ETH into the Lido staking pool in order to receive stETH. Investors will initially receive vault tokens representing the amount of ETH they deposit into the stETH vault. They will always be able to redeem these vault tokens for stETH tokens which will have been earning daily yield from the Lido staking pool as well as other yield strategies across DeFi protocols.

1. stETH Deposits:

OptyFi will also enable investors to deposit their staked ETH (stETH) or wrapped stETH (wstETH) tokens which will automatically be deployed into other DeFi protocols like the Curve, Sushi and 1inch ETH-stETH

pools to further compound their yield. Similar to ETH stakers, investors who deposit stETH (or wstETH) tokens into our vault will receive vault tokens which represent their share of the vault and can be redeemed anytime for the underlying stETH tokens plus any other tokens earned from the yield strategies undertaken by the vault.

In the future, we could have LP vaults that enable deposits of LP tokens like crvSTETH into other pools like the Yearn yCRV/stETH

vault in order to provide our investors with even more opportunities for earning yield. Additionally, when the OptyFi Protocol has been deployed on the Terra blockchain, we will support LUNA staking as well as bLUNA deposits and bLUNA-backed borrowing across Terra-based DeFi protocols. This will apply to other Proof-of-Stake (PoS) networks and tokens supported by both Lido and OptyFi.

Value Proposition

Staking on Proof-of-Stake (PoS) networks is already a billion dollar industry and it is projected to deliver up to \$40 billion in annual revenue by 2025 according to JPMorgan. Ethereum is well placed to become the most valuable PoS network when the Ethereum 2.0 upgrade goes live.

OptyFi is committed to enabling investors to earn the most optimal yield on their assets. By staking their ETH into the Lido Ethereum pool and receiving stETH tokens in return via OptyFi, investors will be able to earn daily returns via Ethereum 2.0 staking rewards while still having liquid tokens to trade or utilize on other protocols. At the same time, we will allow these investors to deposit their liquid stETH tokens into our vaults which will deploy them across DeFi to earn more yield in an automated and risk-adjusted way.

We believe this is a very compelling proposition which our users will definitely be interested in and ultimately, will significantly increase the total value (TVL) of ETH staked into the Lido protocol as well as the overall liquidity of stETH tokens.

Grant Request

We are seeking a grant of \$25,000 (in LDO tokens) from the Lido Ecosystem Grant Organization to be provided after 500 stETH has been deposited (or zapped from ETH/wstETH deposits), held and utilized in the OptyFi Protocol for at least a week. We expect the development, testing and deployment of the above-mentioned integrations to take about 4 weeks from start to finish and should be ready for launch sometime in Q4 2021 after the OptyFi Protocol goes live.