

Project name

: DefiEdge

Author name and contact info

(please provide a reliable point of contact for the project):

Oxfast (Discord:Oxfast#2306, Twitter:[https://twitter.com/Oxfast\\_](https://twitter.com/Oxfast_)) & DangerExploit (Discord:#DangerExp

**3836, Twitter:[https://twitter.com/0x\\_vd](https://twitter.com/0x_vd))**

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

I understand that I will be expected to following the public grant reporting requirements outlined[here](#)

: Yes

L2 recipient address

: 0xA7EEb1b719ef7b40F79D2056900ee3Ca904F28F9

Which Voting Cycle are you applying for?

: Season 3 cycle 10

Which sub-committee should review your proposal? (Builders Grants, Growth Experiment Grants)

: Growth Experiment Grants

Project description

(please explain how your project works): DefiEdge is a permissionless liquidity management solution for concentrated liquidity AMMs like Uniswap V3. Liquidity providers can use it to seamlessly deploy their liquidity on UniV3 pools over multiple ranges, set limit orders, swap tokens, and much more in a single strategy. Passive investors who do not have the time and energy to rebalance liquidity into optimal ranges continuously can deploy tokens in public strategies managed by active strategy managers in exchange for a fee by looking at their historical performance.

Website

: <https://app.defiedge.io/>

Twitter

: <https://twitter.com/DefiEdge>

Discord/Discourse/Community:

[DefiEdge](#)

Other relevant links

(including any demos): [DefiEdge - YouTube](#)

Additional team member info

(please link): <https://twitter.com/0xtj1>

[https://twitter.com/0x\\_vd](https://twitter.com/0x_vd)

<https://twitter.com/0xAirboom>

[https://twitter.com/Oxfast\\_](https://twitter.com/Oxfast_)

Please link to any previous projects the team has meaningfully contributed to

: <https://www.unbound.finance/>

Relevant usage metrics

(TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.): Usage statistics on Optimism since 15th January 2023:

TVL: \$4.5M+

Total investors: 450+

Volume supported: \$20M+

Total transactions: 1500+

[DefiEdge: TVL and Stats - DefiLlama](#)

Competitors, peers, or similar projects

(please link): <https://www.tokensets.com/>

<https://enzyme.finance/>

Is/will this project be open sourced?:

Yes

Optimism native?

: No

Date of deployment/expected deployment on Optimism

: 10/31/2022

What is the problem statement this proposal hopes to solve for the Optimism ecosystem?:

UniswapV3 offers a significant increase in capital efficiency, but liquidity providers often find the whole process difficult and time-consuming. At DefiEdge, we have created an alternate UI that makes LPing and trading on UniswapV3 simpler and more efficient. Passive users can deploy tokens in strategies managed efficiently by looking at their historical performance. On the other hand, strategy managers get access to all this passive liquidity and a host of features integrated into a simple UI.

How does your proposal offer a value proposition solving the above problem?

: Liquidity mining rewards can be a good method to bootstrap liquidity, but this liquidity is predominantly passive and mercenary. We propose to generate passive broad-ranged liquidity and active trading by incentivizing the best-performing strategies over different periods, similar to how centralized exchanges like Binance often run trading competitions. This will bring fresh liquidity into the system and make the ecosystem much more vibrant, with efficient price discovery and generating dynamic trading and arbitrage opportunities. We are the only platform capable of incentivizing trading and dynamic liquidity provisioning, as we have created a decentralized and permissionless layer over concentrated liquidity DEXs.

The platform leverages the secure contracts built over UniswapV3 to make liquidity management efficient, easy, and intuitive. Users can track rebalances, fees APR and liquidity distributions at any point in time without hassle. Strategy managers get access to deep liquidity across the whole chain through our 1inch integration. They also have the ability to set limit orders through Chainlink-keepers or Guni, along with multiple ranges in the same pool (up to 20 different ranges).

Why will this solution be a source of growth for the Optimism ecosystem?

: Limit orders are a game changer in decentralized exchanges; they allow users to build an order book (while making fees) on the public ledger, thereby bringing order books on-chain. This will create the ecosystem needed to build an active trader community that is transacting over the blockchain in real time. We will use the OP rewards to bootstrap this trading activity and introduce a whole new method of market making. Strategies that generate the most fees will be awarded, as they have been the most active market makers. We have already created a leaderboard to facilitate this gamification.

We have also created contracts where users can easily migrate their existing active liquidity from UniswapV3 to be managed through DefiEdge. The idea is to equip liquidity providers with our enhanced tools for providing concentrated liquidity. By integrating with a bridge like Multichain, we plan to extend this feature to allow users to bridge UniV3 liquidity from different chains as well. Eventually, users can migrate liquidity on a wBTC-wETH pool on the Mainnet to a UniswapV3 pool on Optimism.

Has your project previously applied for an OP grant?

: No

Number of OP tokens requested

: 185,000

Did the project apply for or receive OP tokens through the Foundation Partner Fund?

: No

If OP tokens were requested from the Foundation Partner Fund, what was the amount?

: Not applicable

How much will your project match in co-incentives?

(not required but recommended, when applicable): We do not currently have a token for DefiEdge. When we do launch the token, we will initiate liquidity mining rewards to support liquidity and grow the ecosystem.

How will the OP tokens be distributed?

(please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving.): We have created the following distribution guidelines:

1. 25% of tokens will be distributed on blue-chip and legacy pools on UniswapV3, encouraging new user participation and introducing fresh liquidity.
2. 25% tokens will be distributed to Optimism native token pools like KROM/wETH, THALES/wETH, rETH/wETH, etc. (subject to change, after guidance from governance) to incentivize strategies on DefiEdge to manage their pool on UniswapV3 natively. A part of the rewards will also be used to encourage new token pools to launch on UniV3.
3. 50% tokens will be distributed through trading competitions to increase volume and make Optimism the venue of price discovery for these tokens as liquidity providers & traders use DefiEdge to create new strategies, rebalance, deposit, position transfers, and place buy or sell orders on their strategy.

Over what period of time will the tokens be distributed for each initiative?

Shorter timelines are preferable to longer timelines. Shorter timelines (on the order of weeks) allow teams to quickly demonstrate achievement of milestones, better facilitating additional grants via subsequent proposals: Three to six months.

Please clearly define the milestones you expect to achieve in order to receive milestone based installments. Please consider how each milestone relates to incentivizing sustainable usage and liquidity on Optimism. Progress towards each milestone must be trackable:

Any two of the following milestones will be fulfilled:

1. Increasing total TVL on DefiEdge strategies to >=\$15M). Currently at about \$4.5M.
2. Total volume on Optimism to 100M. Currently at about 20M.
3. Total investors in DefiEdge strategies on Optimism to be 1000+. Currently at about 450

investors.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

: Many liquidity providers thronged to our platform to earn liquidity mining rewards when we were chosen by Uniswap governance to distribute OP tokens on select pools on the Optimism chain. Yet users chose to manage liquidity in the same pools through our platform, knowing very well that this liquidity will not receive any rewards.

UniswapV3 is an organic source of generating passive revenue. It is the primary source of real returns and active fee generation. Liquidity providers can choose to earn a low-risk passive yield by depositing liquidity in a wide range. DefiEdge will make this process simpler and easier to track because of our integrated webhooks. They can also choose to participate in strategies launched by active strategy managers that amplify their yields in exchange for a performance fee determined by a free and open market.

Many liquidity providers will choose to stick around and use the platform purely because of the broad range of yield opportunities that UniswapV3 presents. Still, it is inaccessible due to the cumbersome and restrictive nature of LPing as it exists today. This makes the liquidity on our platform sticky and turbocharges liquidity provisioning in ways not yet imagined.

Please provide any additional information that will facilitate accountability

(smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.): [Contract Address 0x106a524C49b924a92194F6FE4F3Da81c2d42E607 | Optimism](#)

[Contract Address 0xe1fD038CBe37475fAAb39C9d676D9dAeAA47DA0C | Optimism](#)

Confirm you have read and agree to the Eligibility Restrictions

([here](#)): I have read the Eligibility Restrictions and agree to abide by their conditions