

Abstract:

DamFi introduces a decentralized protocol facilitating On-Chain Autonomous Funds (OAFs), akin to ETFs but tailored for the DeFi ecosystem. By leveraging Zero-Knowledge Proofs (ZKPs) for enhanced computational capabilities, DamFi ensures efficient and trustless fund operations. Moreover, DamFi can integrate with external DeFi protocols like EigenLayer, and theoretically any other DeFi protocol, to maximize investment flexibility and diversification.

Motivation:

The motivation behind creating DamFi stemmed from a desire to simplify the investment process for the average person. In traditional finance, ETFs provide a straightforward way to invest in a diversified portfolio with minimal effort. However, the DeFi space lacked a comparable analogue due to the limitations of smart contract technology. With the advent of Zero-Knowledge Proofs (ZKPs), we recognized an opportunity to overcome these limitations. ZKPs enable efficient off-chain computations with proofs uploaded on-chain, allowing us to create On-Chain Autonomous Funds (OAFs) that function similarly to ETFs, making decentralized investing accessible and straightforward for everyone.

Introduction:

Current crypto investment management often requires significant user involvement and active management. DamFi addresses this by offering automated, on-chain investment funds that adapt to market conditions without requiring constant oversight, making them ideal for both novice and experienced investors.

Core Features:

1. On-Chain Autonomous Funds (OAFs):
 2. Automated rebalancing and management of crypto assets.
 3. Designed to function similarly to traditional ETFs in a decentralized context.
 4. Diversified investing solution for both retail and institutional investors.
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 7. Diversified investing solution for both retail and institutional investors.
 8. Zero-Knowledge Proofs (ZKPs):
 9. ZKPs enhance computational capabilities by performing calculations off-chain.
 10. Proofs are uploaded on-chain to ensure efficient and trustless operations.
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 12. Proofs are uploaded on-chain to ensure efficient and trustless operations.
 13. Integration with External DeFi Protocols:
 14. Supports integration with protocols like EigenLayer, where tokens will be staked.
 15. Potential to leverage major DeFi protocols such as Aave, offering extensive investment opportunities.
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1. Chainlink Oracles:
 2. Utilizing Chainlink's decentralized oracle network to ensure accurate and reliable off-chain data feeds.
- Enables secure and verifiable price feeds and other external data, enhancing the robustness of fund operations.
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Fund Offerings:

- Heritage Dam: Focuses on Bitcoin (BTC) and Ethereum (ETH) investments.
- Castor Credit Dam: Invests in a range of DeFi protocols.
- Grateful Dam: Specializes in Liquid Staked Derivatives.

Fund Management:

- Funds are set to rebalance every x days or when weights deviate by x%, depending on the specific fund's rules.

Future Developments:

- Customizable investment strategies tailored to user preferences.
- "Funds of Funds" structure, where users can invest in multiple funds, increasing their exposure and diversification.
- Users will have the ability to choose whether to utilize integrated external protocols, how often their funds rebalance, what coins are included, and the associated fees.
- Theoretical possibility to create a "fund of funds" to mimic a crypto S&P 500.

Community and Governance:

- Currently, no community governance, but plans to establish a DAO and introduce a governance token in the future.

Technical Overview:

DamFi's architecture employs smart contracts for autonomous fund management. The integration of ZKPs ensures efficient off-chain computations, while the proofs are uploaded on-chain for verification. This modular approach enhances security, scalability, and adaptability in the evolving DeFi landscape.

Partnerships and Collaborations:

- We are partnered with Ora and utilizing their ZKPs to ensure the computational efficiency and security of our protocol.
- Currently in talks with a few others but not ready to announce them yet.

Testnet Launch and Airdrop:

We are excited to announce the launch of the DamFi testnet. To celebrate this milestone, we will conduct an airdrop to reward early adopters and contributors in the future. Please take a look at <https://damfi.io> and launch the app!

Currently working are our rebalancing dams and staking in the "earn" tab

Call to Action:

We invite the community to provide feedback, engage in discussions, and explore the potential of DamFi. Your insights will be crucial as we refine our protocol and expand its capabilities. Also, please take a look at our Galxe campaign here [Join DamFi on Galxe](#)

Contact Information:

For more details, visit our website at [Damfi.io](https://damfi.io) or join our community here: [damfi](#) | [Twitter](#) | [Linktree](#)

Let's collaborate to shape the future of decentralized finance.

Conclusion:

DamFi represents a significant advancement in the DeFi space, offering secure, automated, and flexible investment options. By integrating with external DeFi protocols, we provide users with unparalleled opportunities to diversify and optimize their portfolios.

Thank you for your interest in DamFi. We look forward to your feedback and support.

Thanks,

