PROPOSAL:

Inverse Finance to enable stETH alongside ETH and incentivise stETH with LDO rewards.

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Screenshot 2021-03-26 at 15.51.06

2434×920 173 KB

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INTRODUCTION

Inverse Finance is an innovative DeFi protocol which launched in December 2020 with a unique fair distribution. A selection of cherry-picked DAO members were given a stake of at least 80 INV to help grow the protocol, taking it from a google form without any branding to where it is today. We boast an incredibly active, diamond-handed community, and a number of achievements in this short space of time.

GENERAL INVERSE HIGHLIGHTS:

- INV was initially a non-transferrable asset before a tradability vote passed

- INV DAO has achieved record-breaking vote participation rates (75%+)

- Since launch Inverse Finance has:

- 2,360 DAO members (on-chain holders)

- Treasury assets worth $50m+ (as of writing)

- Rapidly growing social presence & outreach including 10,000+ twitter followers and 3,600+ Discord & Telegram members

- Features in popular outlets such as CoinTelegraph, The Daily Gwei, and social coverage from various influential DeFi natives

- And other growth stats on Dune (search Inverse Dao)

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- INV DAO members (aka INVaders

) are provably committed members with a large majority of original DAO members (409 O.Ds) remaining with the DAO despite the smallest initial distribution amount having reached over $166,000 USD at ATH prices, making it the second largest fair distribution to date after $MEME

WHAT IS INVERSE FINANCE?

Inverse Finance is an ecosystem of financial protocols and products (namely the Inverse DCA vaults, the Anchor Protocol and the Dola stablecoin).

DCA vaults:

As a starting point, Inverse Finance is a yield aggregator (utilising Yearn Finance V2) allowing users to deposit stablecoins and earn yield in specific, chosen assets including ETH, wBTC, and YFI (with more to follow). This allows users to Dollar Cost Average (DCA) their stablecoin yield into riskier assets, protecting their principle while gaining exposure to volatility.

Anchor/Dola:

Anchor is a new lending protocol based on a mixed synthetic/credit stablecoin (Dola). Comparisons can be drawn with MakerDAO or Compound, however Anchor enjoys some key advantages: on Maker, DAI cannot be used as collateral to

take out loans on other assets; on Compound your borrowing credit cannot be transferred. With Anchor, both are possible.

This is a general summary, please see the Anchor/Dola section in our docs for a deeper dive.

PROPOSAL

We propose that Inverse Finance begins enabling the supply of stETH (as well as regular ETH) by individual suppliers who want to borrow DOLA against their ETH while simultaneously auto-swapping any supplied ETH for stETH (behind the scenes) collecting the rewards for our treasury, or other utilities. This will help drive stETH demand and growth while giving Inverse additional revenue.

Next to this, we would like to incentivise adoption of this supply feature by rewarding those who supply stETH with LDO over the course of X months distributing a pro-rata share of 500,000 LDO. This will encourage users to get stETH instead of regular ETH, in order to participate in Inverse's Anchor Protocol, while discovering stETH and Lido DAO in the process.

POTENTIAL BENEFITS TO LIDO DAO

Increased awareness of & demand for stETH

Increased awareness of Lido DAO

Increased on-chain holders of LDO

POTENTIAL BENEFITS TO INV DAO

Additional revenue for Inverse treasury through stETH rewards

Increased overall ETH supply through incentivised stETH staking

Increased awareness through cross-pollination of two serious DeFi communities

RESOURCES

Website