

Disclosure; not technical, just a logic minded retard.

First I'd like to thank the team on behalf of the community for all the hard work over the years, and congratulate everyone on the success, below are some points I felt needed to be brought to attention, perhaps some are wrong but I did my best to read as much as I could before summarizing my thoughts as best I understand them. This is not a proposal, I'm just hoping to open a discussion.

Financial risks; I understand the thought process to diversify risks into separate DAOs with separate backstops however if they share a market between them (usdt, Dai, etc) then we are at risk of any of these crashing and blowing through all layers of backstop. I liken this to the insurance industry, local providers (home auto etc) purchase insurance from a national provider, they diversify their risk across a nation (assuming natural disaster only hits one location) National Insurance providers buy Global insurance to further diversify (risk is spread further in case natural disaster affects entire country) great system until there is an international pandemic. (note; a backstop for this was presented 3 years ago as an investment insurance policy to Pension Funds as they are the only industry who faces international pandemics)

Underexposure/UI

Separate market tabs and poor UI make navigation difficult, the website prompts a wallet connection while browsing tabs this is excruciatingly painful while browsing or showing the platform to new users.

uniswap is already missing a button from the v1 market page. adding more markets will exacerbate this issue. Essentially burying new markets from eyes of the market. Shouldn't we be highlighting this?

One market to rule them all

Can we tranche this model on a smaller scale? Can new coins be individually backstopped by whomever proposes the market until a milestone health metric is reached where the backstop gets returned to original investor and the market gets added to the main pool. We can attach some metric for utility strength (dom, mc, investor sentiment) I don't see the diversity in pooling a handful of high risk coins into one market. If anything this increases risk, the same with diluting high risk markets with stablecoins etc. who knows how long tether will be stable.

New coins backstopping themselves would operate similar to an ICO in which the MM will fund or crowdsource the backstop for the new market they wish to create. Doing this they can even present a 0% borrow APY to give users a chance to try a new coin without investing too much. this would still benefit aave as they would still need to deposit collateral in the main market to take the loan from the new market. I don't think there even needs to be incentive in the MM for this as their incentive is in the growth of the market of the currency they wish to promote. As our metric rises based on TBD factors the backstop % can slowly decrease over a period of time. This would allow Highlighting on the main page new coins with much more exposure.

I'm probably missing stuff, I scribbled this in bullet points last night. if I'm wrong just say so I'll go back to my corner.