

The DeFindex Approach

In this section we will describe the approach we took to build DeFindex. Why we chose the design decisions we made and how we tried to improve the current state of the art, leveraging the Stellar ecosystem.

Design Decisions

We have decided to do:

Multi Assets Vaults.

We think is important to offer diversified Vaults to our users, not only in the platforms or strategies they will be interacting, but also in the assets they will be exposed to.

AMM Liquidity Pool Support

When supporting a AMM Liquity Pool, the underlying asset will be considered as the **AMM LP token**, for example, for a Soroswap USDC-XLM liquidity pool, the underlying asset will be the Soroswap-USDC-XLM-LP token and not the USDC or XLM tokens.

User should provide the exact underlying assets

Even if we would provide the best user experience, every Vault only accepts the corresponding assets it will be using for its strategies. We can help the user to get these assets before investing in the Vault(See Zapper contract). However it is a decision that the Vault will only accept the desired assets in the correct ratio.

To understand better why we decide this please check the [Why we can't swap on deposit](#) section.

IDLE funds.

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IDLE funds are funds that are not being used for any strategy. But they are protected by being held inside the DeFindex Smart Contracts.

- Security: Enables **rescue**. This means that if a DeFi protocol gets too risky, the users won't lose their funds because they can be withdrawn from the DeFi protocol to the DeFindex Smart Contracts.
- Performance: Enable multi transaction movements.
- Transaction Cost: Enable small transactions that wont be affected by costly txs.

Rescue

- It allows the Emergency Manager to rescue funds in case of an emergency. These are held in the DeFindex Smart Contracts. Thus, the users won't lose their funds and they will be able to withdraw them anytime.

Roles

- Manager: Can change the Emergency Manager and the Fee Receiver. Rebalance between strategies to optimize the performance and minimize the risk.
- Emergency Manager: Can rescue funds in case of an emergency.
- Fee Receiver: Receives the fees that the protocol pays to incentivize good management.