

WORKING TITLE - Whitepaper

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Intro

Dozens of protocols and a cumulative TVL of over 6 billion dollar makes yield strategies one of the biggest categories in DeFi. These yield strategies can be simple compounder or complex strategies using multiple protocols. Yet all of them are accessible to any user with one click in so-called vaults.

Problem

While there is a lot of demand for vaults the process of creating them is expensive and full of risk. Vault protocols must make sure that new integrations are safe and that they fully understand its internal logic. Otherwise they risk exploits or bugs that could cost millions. They need to spend a huge amount of resources on audits and testing to minimize risk.

Strategies are therefore only created by internal team members or must go through multiple stages of reviews and audits. The opposite of open and permissionless.

Current vault protocols need to spend resources on building their own infrastructure, strategies, auditing each of which is an enormous task on its own. Not to mention frontend, marketing and business development. Quite the challenge for just one team.

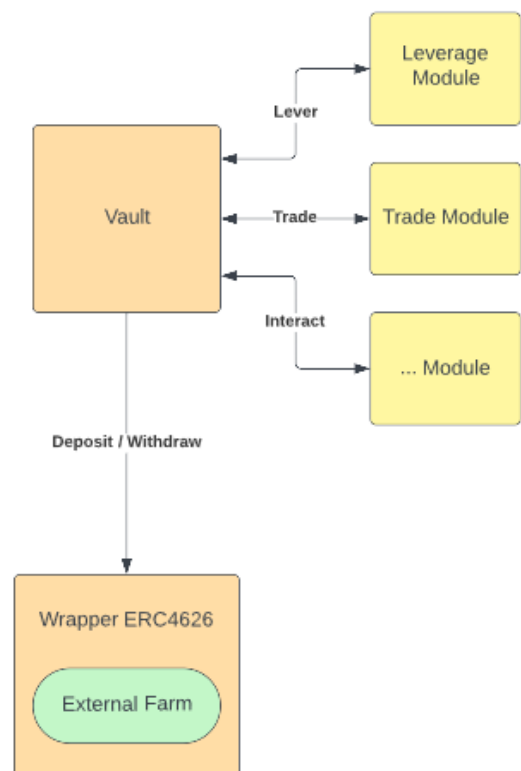
Solution

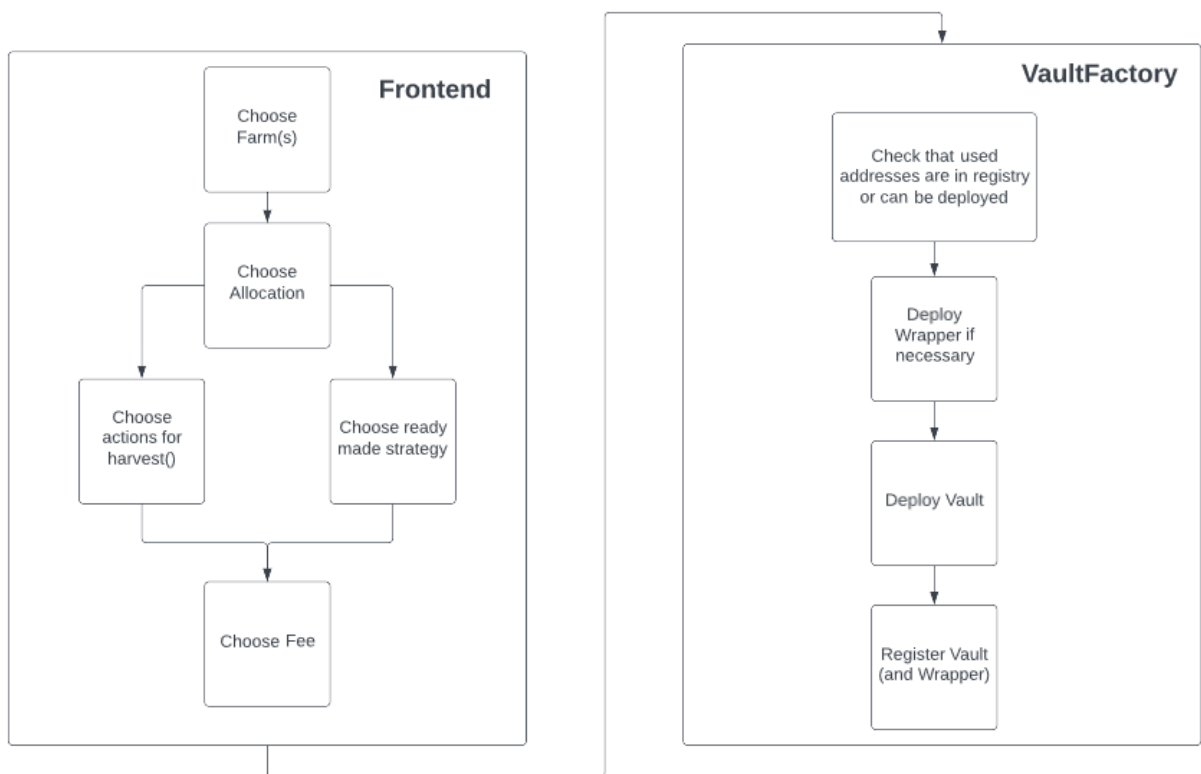
I propose to create a new protocol focussed on providing common permissionless infrastructure and tooling for creating vaults.

Anyone with some DeFi knowledge will be able to develop vaults quickly without the need to code. This allows a huge variety of new capable people to participate in this field and create better products for everyone.

A strategist will be able to choose one or more underlying protocols and define the allocation to each of them. They will be able to select from a wide variety of actions from trades, leverage and more to build their strategy. Atlast they can define a fee model that suits them.

The VaultFactory will check that all steps in the strategy are possible and use endorsed contracts from the VaultRegistry or Modules. This ensures that strategies use safe protocols and don't just transfer funds directly to its creator. Afterwards the factory creates the new Vault and registers it in the VaultsRegistry.





Vaults can interact with a variety of protocols through ERC4626-Wrapper. They standardize any protocol into one easy to use interface. Wrappers will only be added if the external protocol was audited by WORKING TITLE and deemed safe.

Vaults can also build on top of other vaults. This allows a vault to use multiple complex strategies in an easy fashion. It also enables strategists to earn money not only from end users but also other integrations.

To allow for more specialized actions WORKING TITLE provide specialized Modules. They provide any vault access to a variety of optimized functionality from trades, leverage, staking and more.

Each Vault and Wrapper is stored in the VaultsRegistry. This allows anyone to pull contracts, curate or audit them further and create their own frontend on top of it. Whole new businesses could be created which don't need to build any strategies themselves. Instead they could focus on curation, UX and marketing to end customers.

I imagine the vault market to democratize further through this system and allow way more people and protocols to participate.

No one protocol will have to do it all, instead different market participants can focus on either strategies, curation and safety or simply better ux and marketing.

WORKING TITLE will solely focus on developing infrastructure and tools to enable anyone else to build safer and better products faster. In this I don't see WORKING TITLE as

competitors to current vault protocols. On the contrary I hope to collaborate closely with existing protocols to develop tools tailor-made for their needs.

By making the whole system permissionless and so much easier I believe that this benefits the ecosystem as a whole. What Uniswap did for AMMs and DEXs WORKING TITLE can achieve for yield strategies.

This proposed model allows anyone to become a strategists. It will allow new businesses to entirely focus on user experience. It will reduce cost and effort for existing protocols.

External protocols will benefit and see their TVL grow as it becomes much easier to integrate with them. Everyone wins and grows together.

Fees and Tokenomics

The protocol will not take any percentage of the fees that accrue in Vaults. Instead each Wrapper will be able to charge a small fee of a few basis points. This will be turned off and can be later activated if the protocol believes its beneficial to the development and growth of the ecosystem.

To this point in time there are no plans for any token.

Further technical Overview

Registry - A common registry for any ERC-4626 contracts in the system.

Wrapper - The Wrapper are factory created ERC-4626s which provide a common interface to external protocols.

Modules - Modules provide specialized functionality that goes beyond the 4626 interface. Vaults can use modules in their strategies to trade, for leverage and other special interactions.

VaultFactory - The VaultFactory is used to create Vaults with custom strategies and fees.

