A Liquidity Tree Protocol

DeFi's Next Leap

Redefine Liquidity with Pachira: Say goodbye to the standard LP model and say hello to our Liquidity Tree Protocol (LTP)

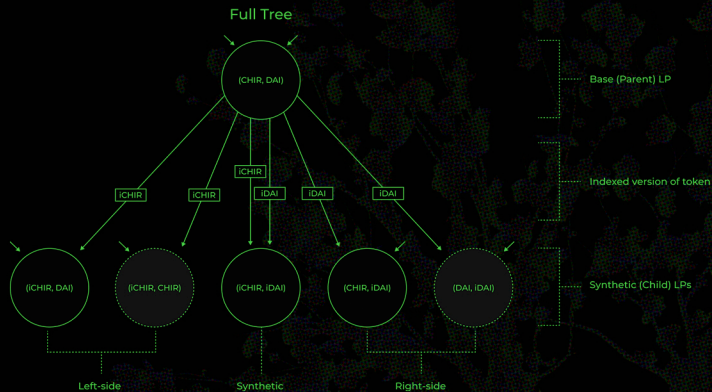## *Who said money doesn't grow on trees?*

Pachira stands as a Vanguard in DeFi innovation, revolutionizing not just liquidity management but also its optimization across multiple blockchains. With a focus on maximizing investment efficiency, Pachira transcends traditional boundaries, offering a sophisticated solution that redefines the landscape of decentralized finance **without the need of oracles.**

Pachira distinguishes itself through the seamless integration of diverse DeFi services. This holistic ecosystem encompasses an innovative yield-bearing exchange-traded fund, comprehensive treasury asset issuance, and a cutting-edge multi-asset exchange. Central to its ingenuity is the Liquidity Tree Protocol, a unique DeFi primitive that redefines financial interaction and efficiency, positioning Pachira as a trailblazer in the DeFi revolution.

The LTP: Liquidity Tree Protocols introduce a novel approach to addressing 'stagnant liquidity', which is non-mutually exclusive to 'lazy liquidity'.

This approach focuses on optimizing the underutilized liquidity found in liquidity pools (LPs), which often accounts for 95-98% of the total. By transforming this dormant liquidity into continuously rebasing index tokens (CRITs), the LTP not only revitalizes liquidity within LPs but also encourages the emergence of dynamic sub-markets, or 'liquidity trees', derived from CRITs. This innovative strategy significantly enhances capital efficiency, marking a substantial advancement in liquidity management.

Liquidity Tree Visualization

Full Tree

(CHIR, DAI)

iCHIR
iCHIR
iCHIR
iDAI
iDAI
iDAI

(iCHIR, DAI)
(iCHIR, CHIR)
(iCHIR, iDAI)
(CHIR, iDAI)
(DAI, iDAI)

Base (Parent) LP

Indexed version of token

Synthetic (Child) LPs

Left-side
Synthetic
Right-side

What happens when liquidity trees are at work?

Metric	Totals
Revenue (LP) / LP Liquidity	19.4%
Revenue (LP+LP1+LP2) / LP Liquidity	26.3%
Revenue Boost (Indexed Liquidity)	35.61%
Percentage Indexed	7.51%

| | Sub-totals | | |
	LP (ETH-DAI)	LP1 (iETH-ETH)	LP2 (iETH-DAI)
Liquidity	$1,559,145	$71,961	$162,118
Revenue	$302,140	$57,927	$49,673
Revenue/Liquidity	19.4%	80.5%	30.64%

Table simulation Metrics harvested from full left-tree simulation using ETH and DAI (Jan 2018 to Oct 2023).

By utilizing just 7.5% of previously stagnant liquidity, the LTP has demonstrated a remarkable 35% surge in overall aggregate revenue. The reason is because volatility in the main liquidity pool (Parent LP) often leads to amplified changes in the subsidiary pools (Child LP's), creating attractive arbitrage opportunities. These opportunities generate additional revenue in the subsidiary pools, thanks to the 0.3% fee charged on each transaction.

$CHIR token

At the heart of this strategy is the $CHIR token, a reserve-backed asset within Pachira's ecosystem, plays a key role in its decentralized ETF and multi-asset exchange

How $CHIR works?

Minted for reserve deposits, $CHIR enhances liquidity, allowing holders to redeem it for the underlying reserve. $CHIR can be redeemed through swaps or vault withdrawals (ERC4626). This streamlined approach, backed by a range of collateralized tokens in a range of liquidity trees, is fundamental to Pachira's market growth and reserve stability.

1. User mints $CHIR
New $CHIR tokens are minted when users add liquidity into a Pachira vault.

2. The Liquidity Trees
Traders and Dex Aggregators take advantage of the profit opportunities presented by the CRITs (continuous rebasing index tokens) across various liquidity trees.

3. Liquidity on-tap
Liquidity added to chains mint their own native $CHIR offering further arbitrage cross-chain.

4. Staking
Users staking their $CHIR tokens receive $veCHIR governance token and a **share of the protocol fees.**

5. Redeeming and burning
$CHIR can be redeemed through swaps or vault withdrawals (ERC4626) for the underlying asset's value, burning the token and stabilizing supply.

Snapshot of Benefits

Pachira is a groundbreaking primitive that taps into additional liquidity and enhances trading. Utilizing $CHIR's Decentralized ETF offering it provides several efficient means to access secure DeFi opportunities for users.

Innovative Liquidity Tree Protocol (LTP):
Transforms traditional liquidity pools into more efficient and dynamic systems without the need for oracles.

Co-ordinated Launch:
Pachira will launch on a wide range of blockchains, enhancing flexibility and accessibility.

Decentralized ETF:
$CHIR token offers diversified, automated, and optimized asset growth, leveraging DeFi advancements.

Enhanced Asset Growth:
Utilizes advanced strategies for optimized and automated growth in asset portfolios.

Strategic Market Expansion:
Focused on leveraging capital for new market creation and opportunities.

Stable Reserve Management:
$CHIR ensures a balanced approach to reserve stabilization and risk management.

Governance Token Integration:
$CHIR holders gain governance rights and the ability to influence reserve liquidity and market decisions.

Protocol Fee Sharing:
$CHIR token holders receive a portion of protocol fees, fostering incentive and aligning their interests with Pachira's success.

Invest in the $CHIR Private Sale

contact:

Nathan Hatzfeld
Business Relations
nathan@syslabs.com

Alex Guerra
Investor, relations
alex@syslabs.com