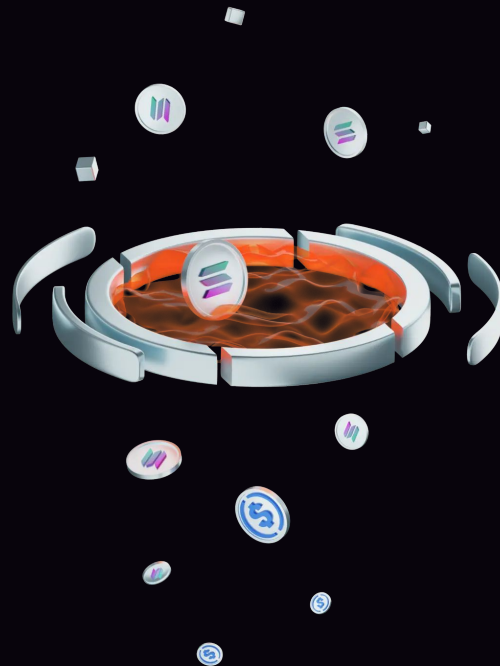# DUAL FINANCE

Partnership Deck

Overview

Sustainable Incentive Liquidity
Infrastructure for Web3 Communities

Project Benefits:

➢ Grow Token Liquidity
➢ Maximize Treasury Value
➢ Evangelize the Community

Core Team

Decentralizing concepts gained pioneering Crypto Derivatives

John Kramer : MIT Masters in Finance & MIT B.Sc Aerospace Engineering

Prior Head of OTC & DeFi Trading at GSR. Led buildout of options trading capabilities, market making deal structures, and global team of traders & operations. Specialty in illiquid crypto derivatives trading, structured products, bespoke margining & lending. Crypto's first-ever trades across altcoin options, variance swaps, accumulators, average price options, onchain derivatives/DOVs. Risk managed a portfolio of 300+ illiquid token derivatives with a multi-billion $ AUM.

Britt Cyr : MIT Masters & MIT B.Sc in Computer Science, concentration in Theoretical Computer Science (Cryptography)

Lead developer at YouTube. Over 7 years launched multiple live streaming projects & scaled the system from 100s of broadcasts to over 100K concurrent broadcasts with over 10M viewers. Managed live streaming ingestion & transcoding on projects, including webrtc mobile live streaming & ultra low latency, reducing latency from 45 seconds to < 1 second. Ex-Google, Ex-Facebook

Staking Options (SO)

Web3 "Stock Option" Plans

Benefits vs. Standard Token Rewards:

1. Dump Protection - *Strike*
   - Earned options are non-inflationary, free tokens are
   - Token supply only unlocks when price increases & options are worth exercising
2. Timed Motivation - *Theta*
   - Option value decays every day no contribution is made
   - Punish apathy & reward activity
3. Price Stability - *Gamma*
   - Community centric Market Making
   - Bootstrap Spot & Option Liquidity
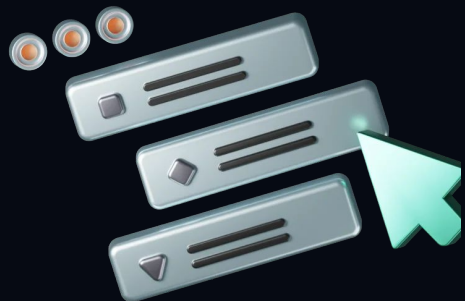
Project Collaboration

Sustainable Rewards. Prevent Inflation. Gain Allegiance

➢ Staking Option Studio (SOS)
- ○ Educate founders & communities on option benefits
- ○ Design, Value & Mint option structures
- ○ Implement unique ways to reward & motivate users

➢ Staking Option Marketplace (SOM)
- ○ Seamless user experience for earned rewards
- ○ Allow skeptics to exit & liquidate
- ○ Encourage competition to provide token liquidity

Reward Pathways

Engineer New Forms of Community Participation

1. Liquidity Mining

   - Exterminate mercenary capital who leach project value
   - Stimulate stickier long term liquidity

2. Governance Activity

   - Root out community apathy
   - Provide economic upside to the decision making process

3. Token Lockup

   - Remove excess circulating token supply
   - Vote of confidence for project roadmap, team & mission

4. Application Specific

   - Whatever activities a project finds valuable!

Token Distribution

Web3 Stock Option Program to Motivate Growth

1. Team Allocation

   - Incentivize long term contributors to have unbounded upside
   - Limit negative tax consequences & forced token dumping

2. Investor Fundraise

   - Grants leverage for investor returns
   - Invigorate entrepreneurs to achieve price targets to unlock capital

3. Project Partners

   - Align external communities by sharing in each other's upside

4. Service Providers

   - Pay for professional $$$ work leveraging liquidity on your token options

Staking Option Studio (SOS)

Design Rewards to Align Incentives & Gain Allegiance

- ➤ Help Projects by educating teams about the real $ value of options
- ➤ Beta Version Live: https://beta.dual.finance/studio

Configure Custom Staking Options For Your Project

Staking Option : `Enter a custom name for your community's incentive`

Token Mint Address : `Enter your Project Token Mint Address`

Stablecoin to Earn : `USDC`

Token Amount : `10000000`

Community Involvement: Where do you want your community focus to be? (1= Short Term : 5 = Long Term): 1 — 2 — 3 — 4 — 5

Optional Calculation Parameters Below

Price Stability: How do you view volatile price action? (1 = Price Swings are Good : 5 = Price Swings are Bad): 1 — 2 — 3 — 4 — 5

Treasury Reserves: How distributed is token supply in the market? (1 = Treasury has plenty of tokens - 5 = Community has too many tokens): 1 — 2 — 3 — 4 — 5

Total Tokens: 918273.645546

Strike: 2.0640

Option Expiration: Mon Jun 26 2023

Subscription Period End: Tue Oct 25 2022

Forward Price: 0.9310

Implied Volatility: 180%

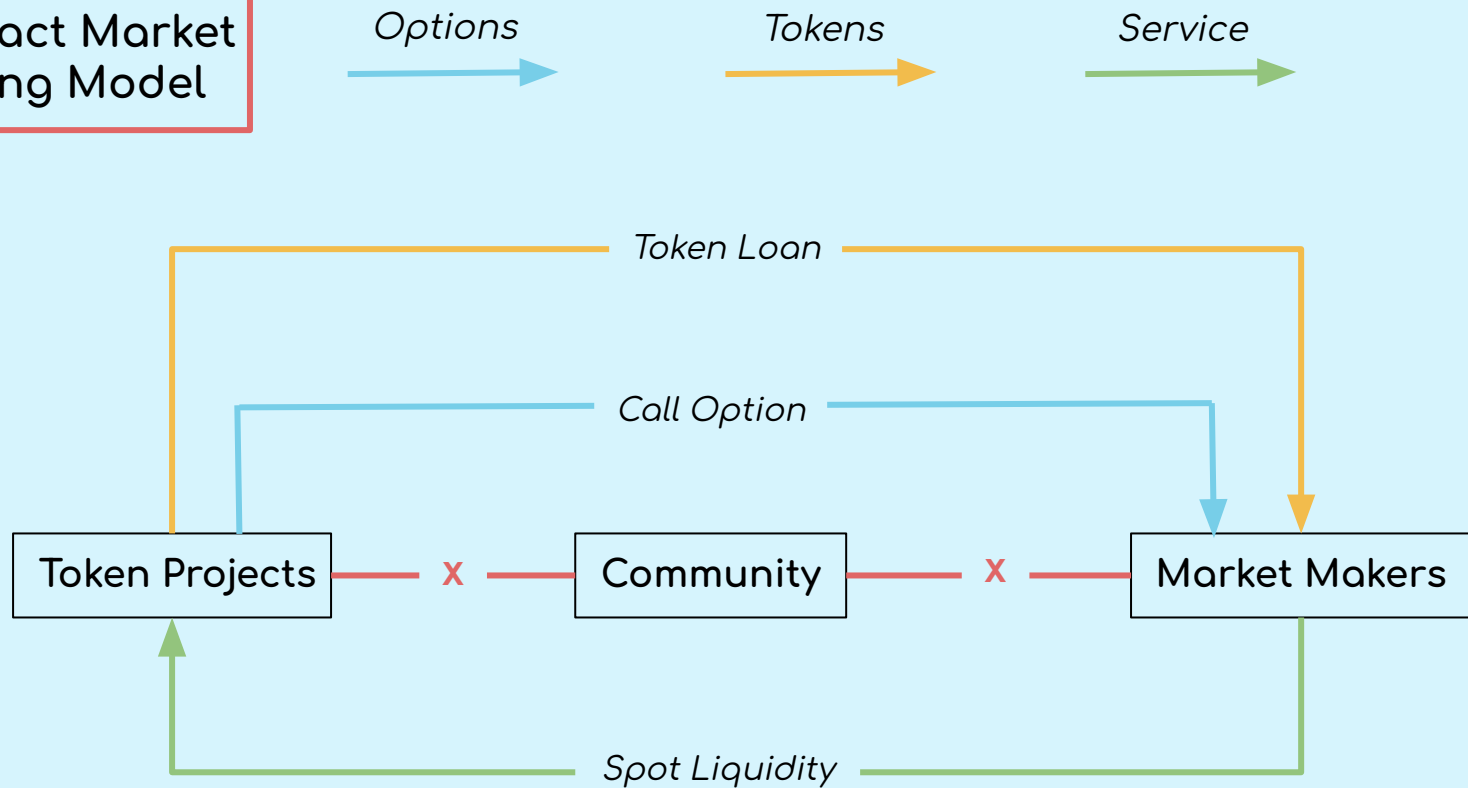Option Value:$314,307.47

Effective APY: 53.2%

Total Delta: 539120

Liquidity Upgrade

Supplement Contract Market Making by unleashing Community Activity

➢ Fuel liquidity while extracting maximum utility from tokens

➢ Community led price discovery of your token option market

➢ Market Makers openly compete to provide liquidity for your project

Dual Liquidity Model

Options →
Tokens →
Value →

Dual Finance

Stake Tokens
Mint Options
Sell Options
Buy Options
RLP

Token Projects
Reward Options
Community
Cash Premium
Market Makers

Participation (Liquidity, Governance, Lockups)

Spot & Options Liquidity

Earn Interest
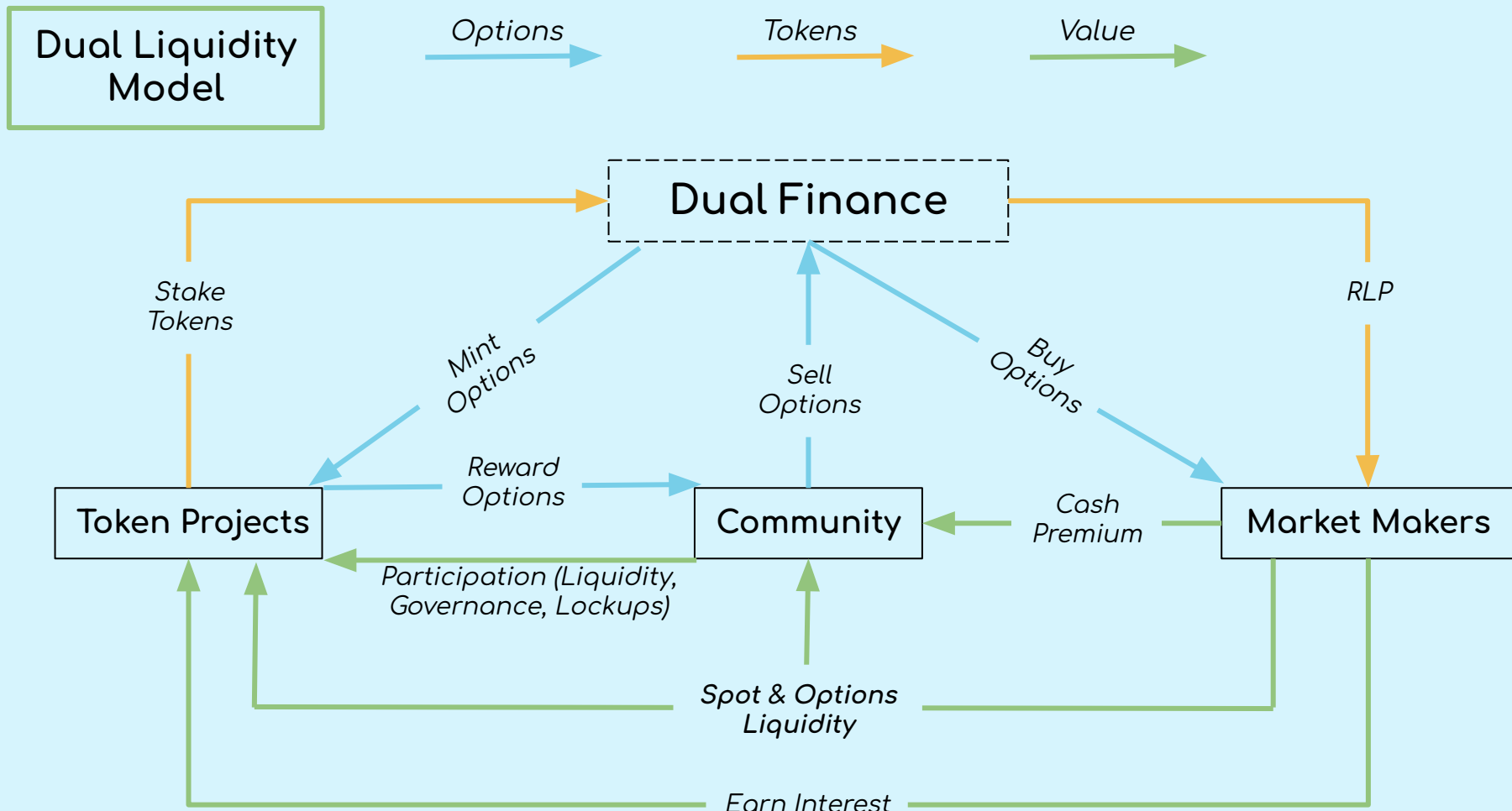
Rehypothecated Lending Pools (RLP)

Create a Token Loan Market

Problem:

➢ Market Makers cannot use staked collateral to hedge positions. "Hard-to-Borrow" tokens
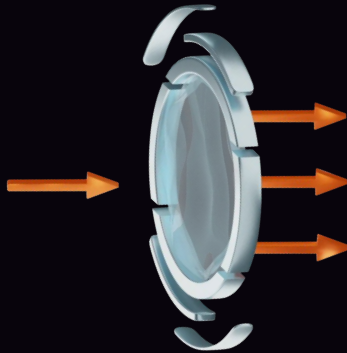
Solution:

➢ Lend collateral capped by position size
➢ Required repayment to exercise

Benefits:

1. Unlocks dormant collateral
2. Positive variable user yield
3. Tighter option pricing

Risk Manager

Treasury-Backed Token Market Making

➢ Protocol provides baseline option prices for market makers to compete against

➢ Hedging Strategy (Gamma Scalping) provides bid/offer on tokens

Integrated Venues:

OpenBook

Mango

Links: Monitor Automated Trading

Video Demo

	Balances	Orders 2		Positions 2	
Market	Side	Size	Price	Value	
SOL-PERP	BUY	30.76	$33.77	$1,038.77	
SOL-PERP	SELL	30.76	$34.09	$1,048.61	

Partnership Option Grants

Offered to early users of Dual Finance

Options: 10,000,000 DUAL

Strike Price: Max($0.20, 100% OTM)

Maturity: 12 months

Style/Type: American Call

Estimated Value: $100,000

Treasury Incentive

Choice of Payment Structure

Mint Model:

➤ Portion of Staking Options minted are allocated to DUAL Treasury

Advantage:

1. Aligns partnership to maximize treasury value
2. Supply natural liquidity from the Risk Manager

Exercise Model:

➤ If Staking Options get exercised, then a portion of the stablecoins are sent to DUAL Treasury

Advantage:

1. Aligns partnership to achieve favorable token sale prices
2. No fees if prices do not appreciate

Partnerships

Example Proposal

Mango Markets (Portfolio Margined Perpeutual CLOB DEX) [Token Buybacks]:
https://forum.mango.markets/t/dual-financ e-mango-staking-options-proposal/579

Realms Integration for DAO approved option issuance

Transactions

Instruction 1

Dual Finance | All Common Gateway Plugin NFT Plugin Vsr Plugin ⌘

Staking Option ⌄

Name

Liquidity Mining 1

Base Treasury

3LtPNF23wLdSsrG9VMYRmXBfgfvtvywzsNtafC4T7sbn ⌄
Token: **Mango**   Bal: **9,298,131.548388**

Quote Treasury

Ho4u6dcauVe1w89TyShYzZ8o5UJaicZZJ1yPU6D9Shqn ⌄
Token: **USD Coin**   Bal: **0**

Quantity

1000000

Expiration

1672502400

Strike

0.10

DUAL FINANCE

Web3 Incentive Liquidity Infrastructure