GovMills Proposal - Add $CRV, $CVX and/or derivatives as Anchor collaterals

Following a request from an active community member to add $CVX as collateral on Anchor, this write up will explore the possibility of adding Curve- and Convex-related assets (CRV, CVX, and derivatives), delving into tokenomics and risk, and ultimately presenting a case for moving forward with this proposal.

While it may be too optimistic to expect this motion to garner immediate attention, It can be thought of as our first move towards participating in the Curve Wars, a DeFi talking point forgotten all too soon while fundamentals have remained unchanged (read: now should be the time to start accumulating). Adding the array of CRV & CVX assets to Anchor will lead to said assets entering the Inverse treasury, allowing us over time to influence Curve gauges in favor of the DOLA-3POOL vault and the DOLA-INV Factory vault. This could also be thought of as a marketing play (similar to adding BTC assets such as renBTC, ibBTC, etc would give Anchor the reputation of being the main destination to collateral ones BTC). Moreover, integrating derivatives and products built on top of Curve could turn some heads, potentially leading to additional benefits such as deepening liquidity, direct treasury buys, new DOLA feds, joint marketing, to name a few. Thus, this integration, if executed properly, stands to bring new visibility to DOLA and Inverse Finance and potentially lead us into other treasury diversification and lending protocol opportunities.

On tokenomics:

Curve, like the majority of assets in this space, has an emission schedule, the management of which will dictate the longevity and future success of the protocol. In Curve's case, this topic can be split into two categories:

- Product Revenues
- Bribes Conversions rate

Curve's product is the AMM; with stableswaps, Curve V2 and future add-ons which directs admin fees to veCRV holders in the most traditional sense.

Curve also has a fixed emissions schedule for CRV to get into circulation and the bribes conversion rate will vary depending on how much importance (in terms of brand and market premium) is given to LPing and farming on Curve vs other AMMs or protocols managing their own set of incentives. The ideal scenario for Curve is that bribing protocols are willing to spend more than 1$ in bribes per 1$ of emissions. If protocols were willing to give such incentives through LM of their token instead, there would be less TVL interested in such a pool compared to a Curve pool where farmers would receive CRV and CVX for example. Farmers receive CRV/CVX and vlCVX and veCRV holders get the governance token.

Owning CRV, or a derivative, comes with conviction that the current market cap + future inflation from the emissions schedule is compensated by the future cashflows from admin fees and bribes. This will depend on:
1. Curve's ability to maintain market share overtime
2. Increased admin fees revenue either through stableswaps, Curve V2 or any future product built by the team
3. Bribes conversion rate going over 1

The setup is currently reflexive (flywheel-esque) because currently most of the effective revenue (80%+) comes from bribes (CRV inflation for governance tokens such as FXS) rather than the admin fees. If CRV goes up then the bribes $ value will be higher, if CRV goes down then it'll be lower.

On Risk:

From a Risk perspective, the Curve and Convex Protocols are compliant with our partner prerequisites. That is they,

- Do not suffer from key-person dependency.
- Have addressed the potential for smart contract exploits by having their code audited by reputable third-party services
- Operate in a space where there is healthy competition. It is not a "one-of-a-kind"
- Have addressed market risks inherent to operating their product (is well set up to survive a prolonged bear market)
- Are not currently at risk of being shut down by regulators
- Have a healthy governance process.
- Don't have a sizeable amount of tokens held by a less-than-reputable centralized exchanged (at risk of getting hacked)
- have a healthy public roadmap with a loyal userbase
- are generating revenue
- have a positive or neutral reputation in the crypto space
- Are integrated with a reputable oracle (Chainlink)

Below are Curve-and Convex-related assets that could be added as collaterals to Anchor, along with their Safety Scores and other metrics:

Asset	MCAP	# Holders	Oracle	SS
CRV	$801,272,108	67,153	Chainlink	0.95
CVX	$991,596,415	10,351	Chainlink	0.73
CVXCRV	$366,906,983	2,489	SushiTWAP	0.66
YVBOOST	$19,879,586	1,092	SushTWAP	0.30
3CRV	$3,774,984,380	7,282	?	N/A
cvx3POOL	?	?	?	N/A
cvxrenCrv	?	?	?	N/A
cvxtricrypto2	?	?	?	N/A