



# Introducing Hegic V8888


August 10, 2021

Hi, I'm **Molly Wintermute**,  
founder and solo core  
developer of Hegic



@0mllwntrmt3 on Twitter



 **Hegic** is an on-chain  
peer-to-pool options trading  
protocol built on Ethereum

With Hegic you can trade 24/7  
American, cash-settled, on-chain  
ETH and WBTC call / put options  
with no KYC or registration  
required for trading

I founded Hegic 1.5 years ago.  
If you want to **read the true story**  
behind it, I wrote a book about it:

# CRYPTO ANONSENSE

5 / 88

## Download and read it for free

*“Crypto Anonsense:  
The Story Behind Hegan”  
by Molly Wintermute*

<https://tinyurl.com/cryptoanonsense>

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The Story Behind Hegan  
by Molly Wintermute

- ✓ **\$492,075,000** total volume
- ✓ **\$22M** record daily volume
- ✓ **6,450** options traded
- ✓ **2,825** unique users
- ✓ **\$10,415,000** earned by  
\$HEGIC staking lots holders

With this deck, my goal is  
to tell you about the new version  
of Hegic that I've built

For better experience, read the deck on your laptop or PC









**Win big. Pay less.**  
**Hegic will do the rest.**







What is this new  
version of Hegic about?



# Hegic V8888

## In Three Slides

-  **0% trading fees**
-  **100% gas fee-free trading**
-  **The lowest options prices**
-  **Auto-exercising of ITMs**
-  **Tokenized ERC721 options**
-  **Up to 90 days of holding**

-  **Zero-loss pools**
-  **X2 capital efficient**
-  **Call and put pools**
-  **Individual lock-ups**
-  **No front-running**
-  **Real-time APY / P&L**



**No limits for staking**



**80% / 20% lots rewards**



**Earn ETH, WBTC or USDC**



**Pausing \$HEGIC rewards**



**The fee is in the premium**



**Flexible fee rates**



# Hegic V88888

# Trading Options on Hegic V8888





**0% trading fees:**  
pay only a premium



**100% gas fee-free**  
options trading



**The lowest prices**  
for ETH and WBTC  
call / put options



**Auto-exercising**  
of in-the-money  
options



**Tokenized options**  
for trading on the  
secondary market



**90 days** is the new  
maximum period  
of holding options



**0% trading fees:  
pay only a premium**

# 0% trading fees: pay only a premium

**Hegic V8888 will have zero commissions on trading options.**

The options buyers will no longer need to pay any commissions on top of the premium. The settlement fee paid to the \$HEGIC token holders is now *a part* of the premium. The options buyers won't need to consider the settlement fee rate in order to understand the total option price. **Pay zero trading fees. Pay less on Hegic.**



**100% gas fee-free  
options trading**

# 100% gas fee-free options trading

**Hegic V8888 will cover 100% of gas fees (transaction fees)** for buying and exercising options contracts. With the help of *Gas Station Network (GSN)*, your trading experience on Hegic stays the same. You won't need to migrate your funds anywhere. Use MetaMask, Wallet Connect, Coinbase Wallet or other wallets as you usually do. **Sign transactions with \$0 gas fees. Pay less.**

At launch, the minimum option size for gas fee-free trades will be **10 ETH** for ETH calls / puts and **1 WBTC** for WBTC calls / puts

After **10,000 options in total** will be acquired on Hegic V8888, the minimum option size for gas fee-free trades will be x2 lowered: from 10 to **5 ETH**, 1 to **0.5 WBTC**

After **20,000 more options** will be acquired on Hegic V8888, the minimum option size for gas fee-free trades will be x5 lowered: from 5 to **1 ETH**, 0.5 to **0.1 WBTC**



# Gas Fee-Free Options Trading Tiers

*Total options trades on Hegic    Min. option size for gas fee-free trades*

<b>#1</b>	10,000	10 ETH	1 WBTC
<b>#2</b>	10,001+	5 ETH	0.5 WBTC
<b>#3</b>	30,001+	1 ETH	0.1 WBTC



**The lowest prices  
for ETH and WBTC  
call / put options**

# The lowest prices for ETH and WBTC call / put options

**Hegic V8888 will set and keep the prices lower than on Deribit.** Through adjusting *the implied volatility rate* parameter, Hegic offers you American, cash-settled, on-chain, no-KYC options **with lower prices** than on centralized exchanges with KYC. Ultimately, call and put options with the similar periods and strikes will have lower prices on Hegic. **Pay less premiums.**



# Auto-exercising of in-the-money options

# Auto exercising of in-the-money options

**Hegic V8888 will automatically exercise the ITM options for you.** If you acquired options on Hegic and they are in-the-money, Hegic will automatically exercise them 30 minutes prior to the expiration. You won't need to pay for this. Hegic will cover the costs. Don't worry about leaving money on the table. **Win big on Hegic. Even while being asleep or away from your keyboard.**



**Tokenized options  
for trading on the  
secondary market**

# Tokenized options for trading on the secondary market

**Hegic V8888 will tokenize all the options as transferable tokens.** With tokenized ERC721 options, you will be able to sell contracts before the expiration and receive the time value of your options. The secondary market for trading options on Hegic will be added in the nearest time. **Win big on the Hegic secondary market.**



**90 days is the new  
maximum period of  
holding options**



# 90 days is the new maximum period of holding options

**Hegic V8888 will increase the period of holding up to 90 days.** It wasn't possible to buy and hold options for longer than 28 days on Hegic before. Now you can hold options for up to 90 days. The longer periods of holding might increase buyers' probabilities of making profitable trades. **Win big with the mid-term options.**

# Bonus:

# Free Options

**One free option** is available  
for the users of popular DeFi  
apps till August 31, 2021

Buy **0.8888 ETH call or put option with a 1 day period** and  
get a 100% refund of the premium plus the gas fee you paid for it

If you have ever used  
**Aave, Bancor, Compound, Maker,  
SushiSwap, Synthetix, Uniswap or  
Yearn** you can trade one free option  
on Hegic in August, 2021 using  
the same Ethereum address

1/2: Go to Hegic, buy a call or put  
ETH option with the size of  
**0.8888 ETH** and **1 day period**

2/2: Send your Ethereum address in direct messages on Twitter to **@HegicOptions** and get a refund of the premium + gas fee paid

The free options costs  
(the premium + gas fee) will be  
**refunded on September 1, 2021.**  
One address can only be used  
to trade one free option.



**Win big** with  
auto-exercising  
of ITM options



**Win big** with  
tokenized options on  
the secondary market



**Win big** with  
mid-term 90 days  
options



**Pay less** with  
0% trading fees



**Pay less** with  
100% gas fee-free  
options trading



**Pay less** with  
the lowest prices  
for call / put options



# Earning Yield on Hegic V8888



**Zero-loss options**  
**selling pools** with  
auto-hedging



**x2 higher capital**  
**efficiency** with flexible  
collateralization



**Independent pools**  
for selling call and  
put options



**Individual lock-ups**  
for each liquidity  
tranche deposited



Pools' **unrealized**  
**profits front-running**  
**prevention**



**Real-time data on**  
**pools APY** and P&L  
for each option sold



# Zero-loss options selling pools with auto-hedging

# Zero-loss options selling pools with auto-hedging

**Hegic V8888 will offer pools with no losses/downside risk.**

There are two types of liquidity pools: classic pools and hedged (zero-loss) pools. The classic pools LPs will be receiving 100% of gross premiums paid by the options buyers. The hedged (zero-loss) pools LPs will be earning **20% of premiums** and **will always be able to withdraw the same amount of liquidity provided.**



**x2 higher capital  
efficiency with flexible  
collateralization**

# x2 higher capital efficiency with flexible collateralization

**Hegic V8888 will collateralize options in a range of 30-100%.** The on-chain analysis has shown that less than 1% of all ITM options exercised on Hegic in the last 10 months required more than 50% of the initial collateral locked in the options. **Hegic V8888 collateralization ratio will be set at 50% at launch.** That might double the premiums earned by LPs with x2 more options traded.



# Independent pools for selling call and put options

# Independent pools for selling call and put options

**Hegic V8888 will let to choose the type of options for selling.** Same as options buyers, the liquidity providers have their own views on the state of the market. For expressing their opinion they need to be able to sell calls *or* puts depending on their projections and for properly hedging their positions by themselves. **You can now sell calls only, puts only or both types of options on Hegic.**





**Individual lock-ups  
for each liquidity  
tranche deposited**

# Individual lock-ups for each liquidity tranche deposited

**Hegic V8888 will lock-up each liquidity tranche deposited.**

There is a required **30 days lock-up** for the classic liquidity tranches and a **60 days lock-up** for the hedged (zero-loss) liquidity tranches. After the lock-up expires, LPs are able to withdraw their funds if needed. In case if another deposit will be made during the lock-up period or later, **it won't impact other tranches lock-ups.**



# **Pools' unrealized profits front-running prevention**

# Pools' unrealized profits front-running prevention

**Hegic V8888 will protect liquidity providers from the arbitrage.** It was possible to deposit funds right before the out-of-the-money options expiration to earn risk-free premiums. Now there is a new function that will be used to stop any additional deposits **for protecting the liquidity providers' unrealized profits.**



**Real-time data on  
pools APY and P&L  
per each option sold**

# Real-time data on pools APY and P&L per each option sold

**Hegic V8888 will provide liquidity providers with free useful data.** One of the most important things for the liquidity providers is to base their decisions on the risk/reward ratio of the pools and to know the expected returns. The liquidity providers will be able to use real-time data about Hegic V8888 historical returns as well as know their **APY and P&L calculated in real-time and shown on the website.**

# HLTPs: Hegic Long-Term Pools

# Pools limited monthly capacity

	Classic	Hedged	Total
Aug 21	\$40,000,000	\$10,000,000	\$50,000,000
Sep 21	\$80,000,000	\$20,000,000	\$100,000,000
Oct 21	\$120,000,000	\$30,000,000	\$150,000,000
Nov 21	\$160,000,000	\$40,000,000	\$200,000,000
Dec 21	\$200,000,000	\$50,000,000	\$250,000,000
Jan 22	\$240,000,000	\$60,000,000	\$300,000,000
Feb 22	\$280,000,000	\$70,000,000	\$350,000,000
Mar 22	\$320,000,000	\$80,000,000	\$400,000,000
Apr 22	\$360,000,000	\$90,000,000	\$450,000,000
May 22	\$400,000,000	\$100,000,000	\$500,000,000
Jun 22	\$400,000,000	\$100,000,000	\$500,000,000
Jul 22	\$400,000,000	\$100,000,000	\$500,000,000
Aug 22	\$400,000,000	\$100,000,000	\$500,000,000



The total  
premium rates  
of the pools  
are decreasing  
monthly

	Premiums (C)	Premiums (H)
Aug 21	100%	20%
Sep 21	95%	19%
Oct 21	90%	18%
Nov 21	85%	17%
Dec 21	80%	16%
Jan 22	75%	15%
Feb 22	70%	14%
Mar 22	65%	13%
Apr 22	60%	12%
May 22	55%	11%
Jun 22	55%	11%
Jul 22	55%	11%
Aug 22	55%	11%

The share of  
the premium  
redirected  
to the HLTPs  
is increasing  
monthly

	Classic HLTP	Hedged HLTP
Aug 21	0%	0%
Sep 21	5%	1%
Oct 21	10%	2%
Nov 21	15%	3%
Dec 21	20%	4%
Jan 22	25%	5%
Feb 22	30%	6%
Mar 22	35%	7%
Apr 22	40%	8%
May 22	45%	9%
Jun 22	45%	9%
Jul 22	45%	9%
Aug 22	45%	9%

Liquidity  
providers with  
no withdrawals  
till Aug 10, 2022  
will earn more  
of HLTPs rewards

Deposited In	Share in HLTPs
Aug 21	50%
Sep 21	
Oct 21	
Nov 21	35%
Dec 21	
Jan 22	
Feb 22	10%
Mar 22	
Apr 22	
May 22	5%
Jun 22	
Jul 22	0%
Aug 22	
Aug 10, 2022	100% of rewards are distributed

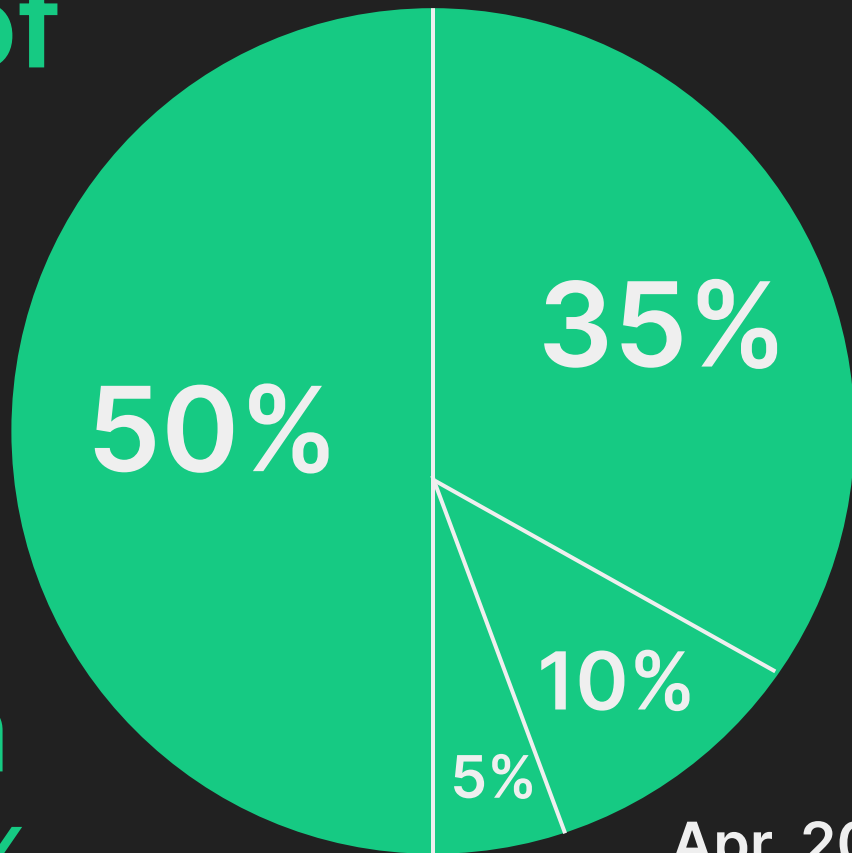
The earlier the deposit was made, the higher the LP's share in HLTPs will be on August 10, 2022

Deposited In	HLTPs %	Multiplier
Aug 21	50%	x1.1
Sep 21		x1.0
Oct 21		x0.9
Nov 21	35%	x1.1
Dec 21		x1.0
Jan 22		x0.9
Feb 22	10%	x1.0
Mar 22		x1.0
Apr 22	5%	x1.0
May 22		x1.0
Jun 22	0%	
Jul 22		
Aug 22	100% of rewards are distributed	
Aug 10, 2022		

Month of  
Deposit

Aug, 2021  
Sep, 2021  
Oct, 2021

Share in  
HLTPs %



Nov, 2021  
Dec, 2021  
Jan, 2022

Feb, 2022  
Mar, 2022

Apr, 2022  
May, 2022

Aug 2021  
100%

May 2022

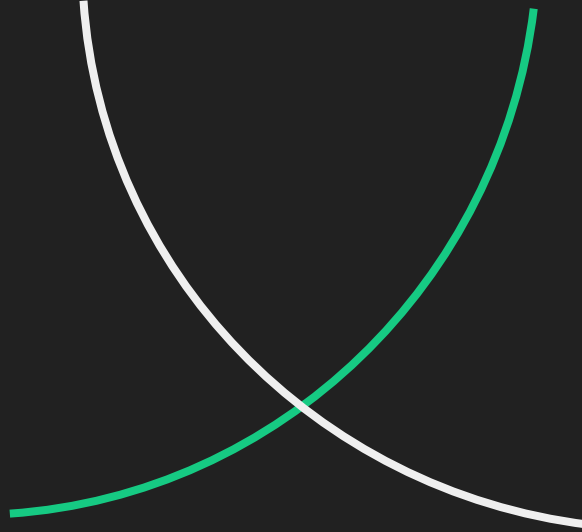
\$500,000,000

↑ Total liquidity  
deposited into  
the pools

↓ Pools premium rates  
excluding the share  
that goes to HLTPs

Aug 2021  
\$0

May 2022  
55%



Aug 2021  
50%

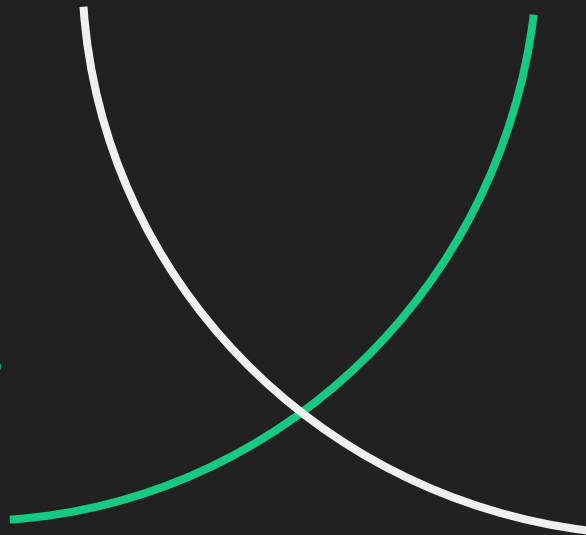
May 2022  
45%

↑ The share of the  
total premium that is  
redirected to HLTPs

↓ LPs share in HLTPs  
total rewards (month  
of liquidity deposit)

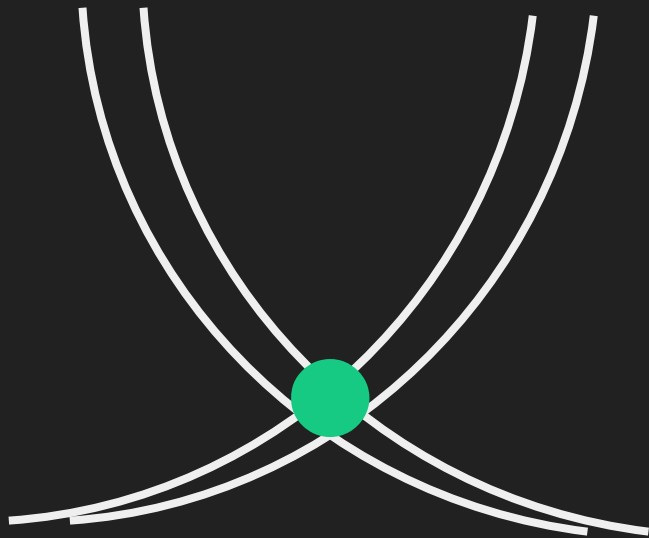
Aug 2021  
0%

May 2022  
0%



The higher  
HLTPs share  
every month

The highest  
premiums are in  
the first months



Pools  
limited  
capacity

The earlier was the  
deposit, the higher  
the share in HLTPs





**Win big** with  
zero-loss options  
selling pools



**Win big** with  
flexible options  
collateralization



**Win big** with  
independent pools  
for calls and puts



**Pay less** with  
individual liquidity  
tranches lock-ups



**Pay less** with  
pools' front-running  
prevention



**Pay less** with  
real-time data on  
pools APY and P&L

# Staking \$HEGIC on Hegic V8888



**No limits  
for staking  
\$HEGIC tokens**



**80% of fees go to  
staking lots, 20% go  
to staking microlots**



**Earning staking  
rewards in **ETH**,  
**WBTC** or **USDC****



**Pausing \$HEGIC  
liquidity mining  
rewards distribution**



**Settlement fee as  
a part of the option's  
premium**



**Flexible settlement  
fee rates that depend  
on the pools returns**



**No limits for staking  
\$HEGIC tokens**

# No limits for staking \$HEGIC tokens

**Hegic V8888 will have no limits of \$HEGIC that can be staked.** There were third-party staking solutions previously built for Hegic as it was impossible to stake less than 888,000 \$HEGIC tokens as a staking lot. With Hegic V8888, any amount of \$HEGIC can now be staked in the form of non-custodial staking microlots.



**80% of fees go to  
staking lots, 20% go to  
staking microlots**

# 80% of fees go to staking lots, 20% go to staking microlots

**Hegic V8888 will offer \$HEGIC staking lots and microlots.**

100% of settlement fees generated by the Hegic protocol will be distributed among the \$HEGIC staking participants. 80% of total fees will be distributed pro rata among the \$HEGIC staking lots holders (888,000 \$HEGIC per lot) and 20% of total fees will be distributed pro rata among the microlots holders (any amount).



**Earning staking  
rewards in ETH,  
WBTC or USDC**



# Earning staking rewards in ETH, WBTC or USDC

**Hegic V8888 will let to earn ETH, WBTC or USDC while staking.** There will be three different ways of earning staking rewards. One can acquire a staking lot or a staking microlot to start earning ETH staking rewards on the ETH call options, WBTC staking rewards on the WBTC call options or USDC staking rewards on the ETH and WBTC put options combined.



**Pausing \$HEGIC  
liquidity mining  
rewards distribution**

# Pausing \$HEGIC liquidity mining rewards distribution

**Hegic V8888 will stop the liquidity mining rewards distribution.** During the last ten months after the launch of Hegic V888, the liquidity mining and utilization rewards distribution phases were live. While they helped Hegic to reach the half billion dollar in total volume, Hegic V8888 will make an attempt to grow organically with no token-based incentives introduced at the launch of this version.

The Phase II liquidity mining & utilization rewards distribution will start as expected: **rHEGIC2** will become convertible into HEGIC on **11/11/2022** or after reaching **\$1B** in total volume (\$680M to go)



**Settlement fee as  
a part of the option's  
premium**

# Settlement fee as a part of the option's premium

**Hegic V8888 will have the fee priced in into the premium.**  
The settlement fee was priced in on top of the options earlier. Now there is no additional fee but the settlement fee is set in a range from 10% to 30% of the total premium paid by the option buyer. It is then distributed among the \$HEGIC staking participants.



**Flexible settlement fee  
rate that depend on  
the pools returns**

# Flexible settlement fee rate that depends on the pools returns

**Hegic V8888 will lower fees if LPs will start to suffer losses.** The initial settlement fee rate will be set at the 20% (of the total premium) mark. This amount will be paid to the \$HEGIC staking participants. In case if the total cumulative realized loss of the liquidity providers on selling options will be -10% or lower, the settlement fee rate will be lowered from 20% to 15%.



# LPs Returns & Settlement Fee Rate

*LPs Realized P&L*

*The settlement fee rate (premium %)*

**#1** -20%      15%      →      **10%**

**#2** -10%      20%      →      **15%**

**#3** +10%      20%      →      **25%**



**Win big** with  
no limits for staking  
\$HEGIC tokens



**Win big** with  
80% / 20% staking  
rewards distribution



**Win big** while  
earning three types  
of staking rewards



**Lose less** with  
paused \$HEGIC  
rewards distribution



**Lose less** with  
the settlement fee as  
a part of the premium




**Lose less** with  
flexible settlement  
fee rates

**Win big. Pay less.**  
**Hegic will do the rest.**

If you will have any questions  
about Hegic V8888, feel free to  
**contact me** via Twitter,  
Telegram or Keybase  
*Click to message me* 🖱️



**Make your free option  
trade on Hegic now**  
**<https://www.hegic.co/>**  
*Click to try Hegic* 

# Win big. Pay less. Hegic will do the rest.

Start trading gas fee-free ETH and WBTC call / put options with 0% fees.  
Make your life-changing options trade on Hegic in just two minutes.

[Use Hegic Now](#)[Learn more](#)

**0% options trading fees:**  
pay only a premium



**100% gas fee-free**  
options trading



**Always the lowest**  
options prices (premiums)



**Auto-exercising**  
of in-the-money options

**! DISCLAIMER: Hegic V8888 is an experimental open source protocol in beta built on Ethereum. Use it at your own risk. If you will lose any money using Hegic V8888, you won't be compensated or refunded. Only use Hegic V8888 with money that you can 100% afford to lose. You can lose 100% of your funds provided to the Hegic liquidity pools. Hacks, security bugs and economic abuses can happen because of an experimental nature of beta version of the protocol. You won't be compensated in case of any losses related to the Hegic protocol. If you do not agree with any part of this disclaimer never use the Hegic protocol / Hegic V8888.**

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A green line graph icon with three segments, showing an upward trend, positioned above the dot of the letter 'i' in 'Hegic'.

# Hegic V88888