

# Quarterly Report

to Tracer DAO



# Executive Summary

The Mycelium team supported Tracer's long-term vision of developing nascent markets and risk management tools in Q3 by achieving a number of key milestones.

We made a strategic pivot to prioritize bringing Perpetual Pools to market before Perpetual Swaps; supported the decentralization of Tracer via the first public distribution of TCR and successfully launched the Perpetual Pools MVP on Arbitrum One. The quarter has been a resounding success, with total protocol TVL surpassing USD \$45M in late October.

The beta launch of Perpetual Pools has provided a great amount of feedback regarding the performance of the product; and the Mycelium team is already working hard on Perpetual Pools V2 as we iteratively improve this novel derivative.

Strategic integrations with Balancer, Tokemak and Visor have highlighted the strong momentum building within the Tracer community while promoting liquid markets for both TCR and leveraged pool tokens. Additionally, a partnership with Risk Harbor has provided insurance mechanisms for our users in the event of smart contract risks being realized.

# Financial Position

Quarter Start Date: 01/08/2021	August	September	October	Quarter Total
<b>Revenue</b>				
DAO Earnings	\$250,000.00	\$250,000.00	\$250,000.00	\$750,000.00
<b>TOTAL REVENUE (USD)</b>	<b>\$ 250,000.00</b>	<b>\$ 250,000.00</b>	<b>\$ 250,000.00</b>	<b>\$ 750,000.00</b>
<b>Expenses</b>				
Wages				\$424,497.99
Business Development	\$16,006.81	\$24,451.82	\$30,913.51	
Financial Engineering	\$8,003.41	\$12,225.91	\$15,456.75	
Product Development	\$4,001.70	\$6,112.95	\$7,728.38	
Software Engineering	\$12,005.11	\$18,338.86	\$23,185.13	
Business Services	\$64,245.11	\$80,044.02	\$101,778.52	
Overheads	\$27,931.09	\$26,409.80	\$35,313.35	\$89,654.24
Operating Expenses	\$9,185.27	\$30,908.71	\$32,433.73	\$72,527.70
Other Expenses				\$0.00
Flex Dapps Remuneration	\$0.00	\$0.00	\$0.00	
<b>TOTAL EXPENSES (USD)</b>	<b>\$ 141,378.50</b>	<b>\$ 198,492.06</b>	<b>\$ 246,809.37</b>	<b>\$ 586,679.92</b>
<b>Assets</b>				
DAO TCR				215,000,000.00
Vested	38,819,444.44	44,791,666.67	50,763,888.89	
Unvested	176,180,555.56	170,208,333.33	164,236,111.11	
<b>Liabilities</b>				
Employee TCR				60,585,000.00
Vested	10,938,958.33	12,621,875.00	14,304,791.67	
Unvested	49,646,041.67	47,963,125.00	46,280,208.33	

# Forecast Resource Allocation

	Q1 Actual	Q2 Forecast	Q2 Actual	Q3 Forecast	Q3 Actual	Q4 Forecast	Q2 - Q3 Forecast Change	Q3 - Q4 Forecast Change
<b>Resource Allocation</b>								
<b>Wages</b>								
Business Development	\$51,091.39	\$52,000.00	\$102,901.38	\$130,000.00	\$71,372.13	\$80,858.08	26.33%	13.29%
Financial Engineering	\$32,512.70	\$33,000.00	\$51,450.69	\$100,000.00	\$35,686.07	\$50,397.43	94.36%	41.22%
Product Development	\$18,578.69	\$20,000.00	\$25,725.34	\$40,000.00	\$17,843.03	\$97,995.45	55.49%	449.21%
Software Engineering	\$60,380.73	\$150,000.00	\$107,176.03	\$225,000.00	\$53,529.10	\$114,408.36	109.94%	113.73%
Business Services	-	-	\$85,751.15	\$110,000.00	\$246,067.66	\$235,921.00	28.28%	-4.12%
Overheads	\$14,518.93	\$16,000.00	\$52,876.16	\$65,000.00	\$89,654.24	\$140,000.00	22.93%	56.16%
Operating Expenses	\$19,499.96	\$20,000.00	\$29,812.90	\$40,000.00	\$72,527.70	\$94,000.00	34.17%	29.61%
<b>Other Expenses</b>								
Flex Dapps Remuneration			\$10,000.00	\$0.00	\$0.00	\$0.00	-100.00%	-

<b>TOTAL</b>	<b>\$196,582.40</b>	<b>\$291,000.00</b>	<b>\$465,693.65</b>	<b>\$710,000.00</b>	<b>\$586,679.93</b>	<b>\$813,580.32</b>
<b>PER MONTH</b>	<b>\$65,527.47</b>	<b>\$97,000.00</b>	<b>\$155,231.22</b>	<b>\$236,666.67</b>	<b>\$195,559.98</b>	<b>\$271,193.44</b>

## Key Growth Areas

55.49%

### Product

Developing innovative Products that delight users is a core goal of the Mycelium team. To support these efforts we are adding resources to the Product team to design, test and deploy new products, improve on existing products, provide high quality user experiences and interfaces, and create tools to allow users to easily deploy new markets through Tracer.

109.94%

### Software Development

Deploying and executing on our Product vision requires development resources. We will expand the team by bringing in smart contract developers, Full-stack and Front-end Developers and Scrum Masters to coordinate team activity and create an agile work environment which enables our people to support our Product and DAO operations.

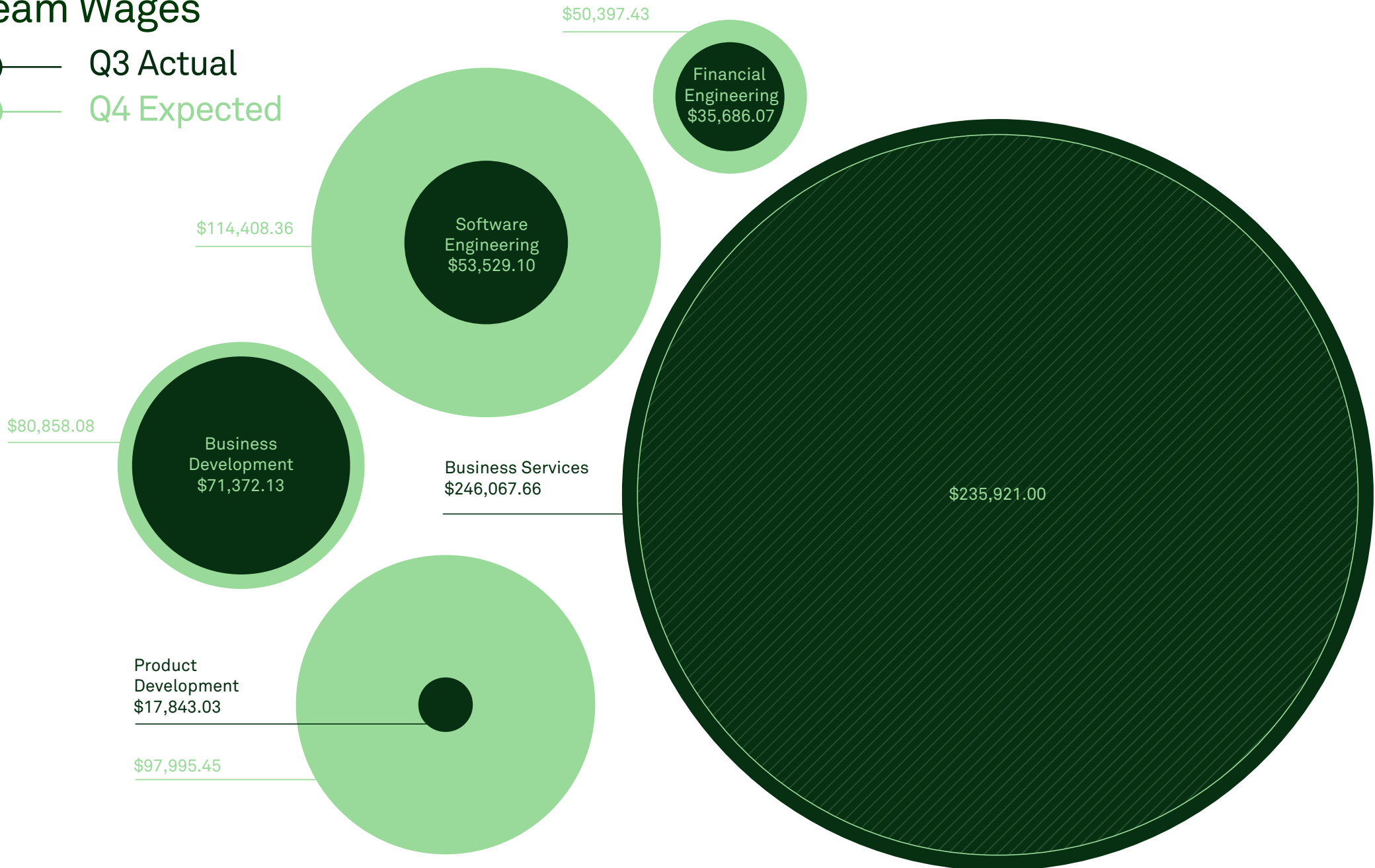
### Join us

To accommodate growth in both of these areas, Mycelium will be hiring over the next quarter. If you are interested, view our available positions here: [Mycelium Careers](#). If you know someone who might be interested, make sure you pass on the link.

# Forecast Resource Allocation

## Team Wages

- Q3 Actual
- Q4 Expected



# Roadmap

## Mission #1

### Hiring

The Core team has been able to identify an incredible amount of talented people to support the DAO. That said, these efforts are not done. We are always on the look out to work with passionate, high quality people who are eager to contribute in a collaborative environment. This can be as a full-time Core team member, as an advisor or as a community contributor through DAO-work programs. This mission will continue in perpetuity as we are always on the lookout for incredible talent.

## Mission #4

### Integrations

We continue to engage in meaningful conversations with platforms, protocols and institutions in order to enable institutional client access to Tracer products, ensure efficient market functionality and create utility for our leveraged pool tokens so that our users can fully capitalize on the composable nature of their tokenized positions.

## Mission #2

### Perpetual Pools Improvements

The initial launch of perpetual pools has allowed for a great deal of information to flow through to our team regarding the product's performance. With the goal of iteratively improving, our R&D and product team are hard at work to try and reduce volatility decay, improve the trading interface experience, enable permission-less market deployment and develop effective mechanisms which reduce the 'skew' and support efficient market function.

While these improvements are in the works, we will expand the existing market offering beyond ETH and BTC markets to establish proof of concept for nascent market deployment.

## Mission #5

### Product Expansion

We reaffirm our priority is to build a suite of working products before committing wholeheartedly to widespread distribution. We are investing into our Product and Software Development teams to deliver products that compliment Perpetual Pools including the Data Factory, Market Factory and Perpetual Swaps.

## Mission #3

### Community Development

We are working on mechanisms which enable greater participation by DAO members in the development of TracerDAO. This will take the form of teams of 'Working Squadrons', which have a particular DAO function in mind, being able to contribute to the DAO in exchange for TCR rewards.

Additionally, our ecosystem team is also hard at work devising community competitions to improve community culture and visibility.

# Roadmap Visual Timeline

November

1

Pools V2 finalize scope

December

2

UX improvements, Pools V2 initial  
audit and launch DAO-work  
Community programs

January

3

Major integrations and start Pools  
V2 final audit