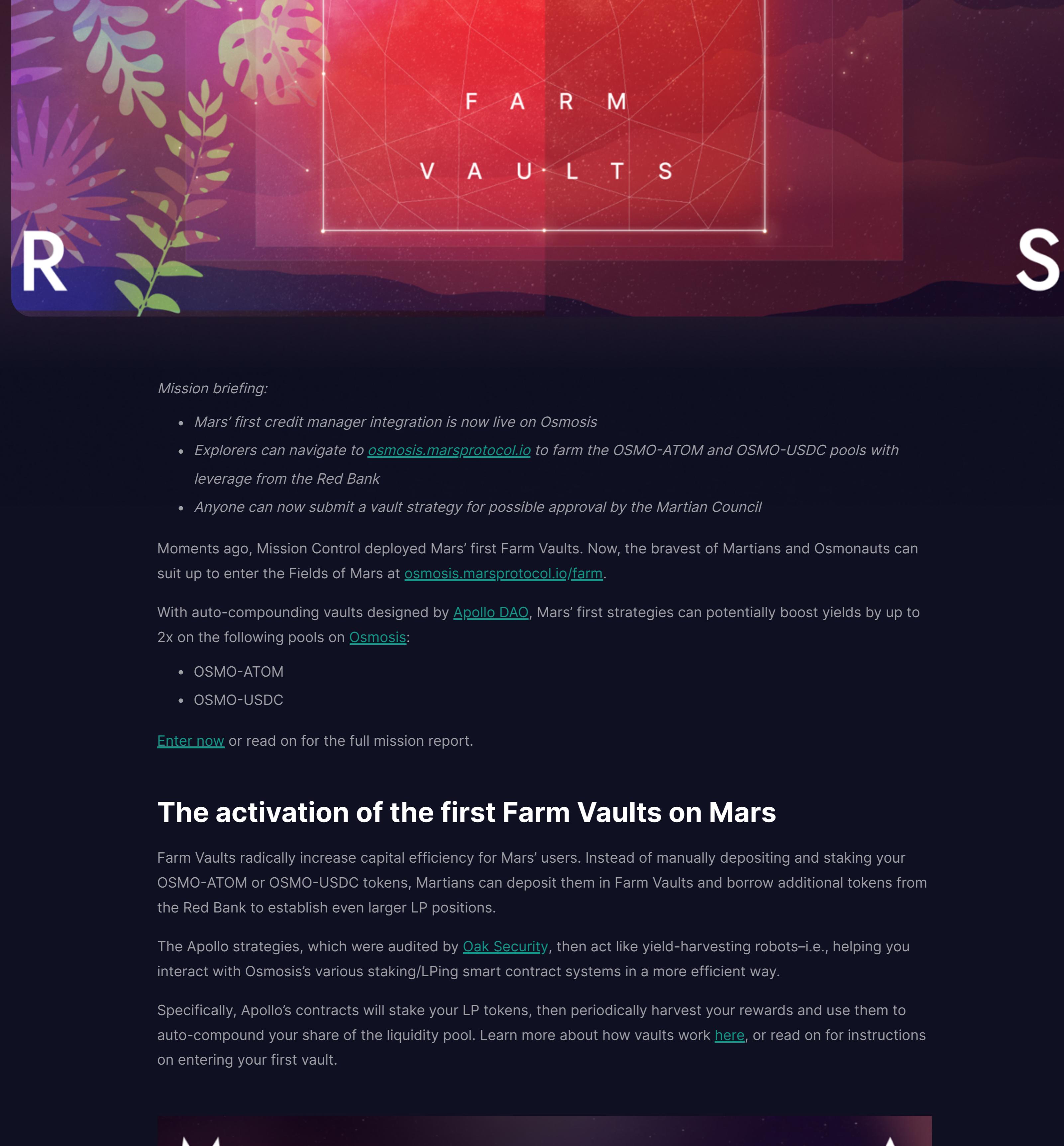


Announcements

Farm Vaults deployed on Osmosis Outpost

FEBRUARY 27, 2023



Mission briefing:

- Mars' first credit manager integration is now live on Osmosis
- Explorers can navigate to osmosis.marsprotocol.io to farm the OSMO-ATOM and OSMO-USDC pools with leverage from the Red Bank
- Anyone can now submit a vault strategy for possible approval by the Martian Council

Moments ago, Mission Control deployed Mars' first Farm Vaults. Now, the bravest of Martians and Osmonauts can suit up to enter the Fields of Mars at osmosis.marsprotocol.io/farm.

With auto-compounding vaults designed by [Apollo DAO](#), Mars' first strategies can potentially boost yields by up to 2x on the following pools on [Osmosis](#):

- OSMO-ATOM
- OSMO-USDC

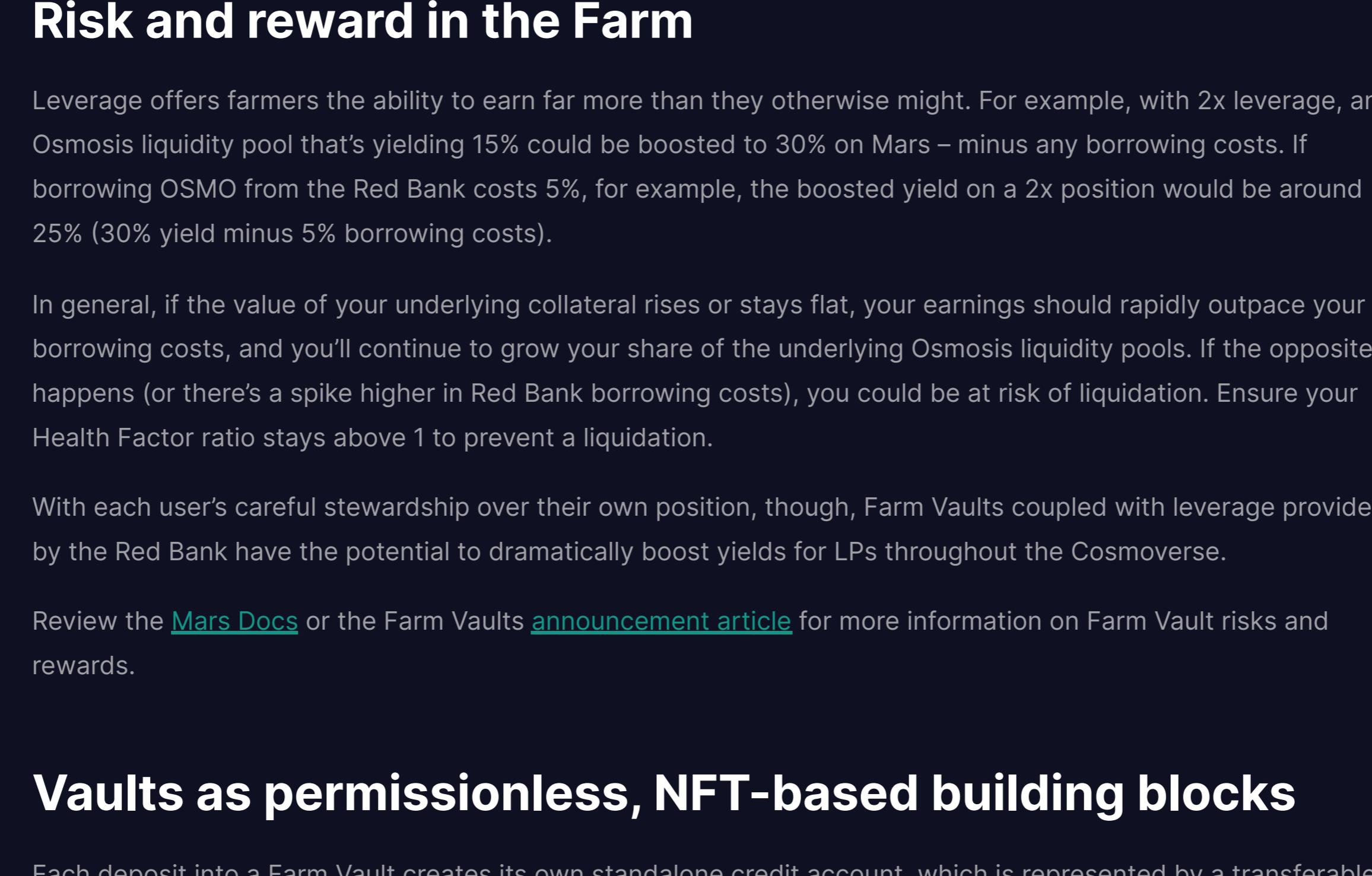
[Enter now](#) or read on for the full mission report.

The activation of the first Farm Vaults on Mars

Farm Vaults radically increase capital efficiency for Mars' users. Instead of manually depositing and staking your OSMO-ATOM or OSMO-USDC tokens, Martians can deposit them in Farm Vaults and borrow additional tokens from the Red Bank to establish even larger LP positions.

The Apollo strategies, which were audited by [Oak Security](#), then act like yield-harvesting robots—i.e., helping you interact with Osmosis's various staking/LPing smart contract systems in a more efficient way.

Specifically, Apollo's contracts will stake your LP tokens, then periodically harvest your rewards and use them to auto-compound your share of the liquidity pool. Learn more about how vaults work [here](#), or read on for instructions on entering your first vault.



Venturing into the Mars' Farm Vaults

Follow the steps below to enter Mars' first two vaults on osmosis.marsprotocol.io/farm:

1. Visit the "FARM" tab on osmosis.marsprotocol.io and connect your wallet.
2. Choose your desired vault and leverage to borrow from the Red Bank.
3. Mint a [Credit Account](#) to enter a given vault. Each vault currently requires its own Credit Account.
4. Set up your position and lock your assets. Once your assets are committed to the vault, they're beamed into the target pool (OSMO-ATOM or OSMO-USDC) on Osmosis. Then, the resulting LP tokens are staked on Osmosis. All rewards are regularly harvested and auto-compounded until you elect to exit the vault.
5. When you're ready to exit a vault, initiate a withdrawal by [unlocking](#) your deposit. **IMPORTANT: The first two Apollo vaults have a mandatory 14-day unlocking period**, which is required for Osmosis LPs seeking the highest possible yield. *During the unlocking period, your position will no longer earn fees or rewards. Note that your position is still subject to liquidation during this time.* You cannot reduce your position size during this period, but you can reduce your leverage by repaying all or a portion of your debt. Once the unlocking period has elapsed, you can withdraw your deposit(s), and any tokens that you've borrowed from the Red Bank will automatically be repaid.

Mars Vaults also come with pre-defined deposit caps to limit overall risk. The strategies, leverage ratios and deposit caps for the OSMO-ATOM and OSMO-USDC vaults are shown below.

| FARM LAUNCH STRATEGIES | | |
|------------------------|--------------|-------------|
| | OSMO - ATOM | OSMO - USDC |
| CAP | \$ 2,000,000 | \$ 750,000 |
| LIQUIDATION LTV | 6.5 % | 6.6 % |
| VAULT | APOLLO DAO | APOLLO DAO |

Risk and reward in the Farm

Leverage offers farmers the ability to earn far more than they otherwise might. For example, with 2x leverage, an Osmosis liquidity pool that's yielding 15% could be boosted to 30% on Mars – minus any borrowing costs. If borrowing OSMO from the Red Bank costs 5%, for example, the boosted yield on a 2x position would be around 25% (30% yield minus 5% borrowing costs).

In general, if the value of your underlying collateral rises or stays flat, your earnings should rapidly outpace your borrowing costs, and you'll continue to grow your share of the underlying Osmosis liquidity pools. If the opposite happens (or there's a spike higher in Red Bank borrowing costs), you could be at risk of liquidation. Ensure your Health Factor ratio stays above 1 to prevent a liquidation.

With each user's careful stewardship over their own position, though, Farm Vaults coupled with leverage provided by the Red Bank have the potential to dramatically boost yields for LPs throughout the Cosmoverse.

Review the [Mars Docs](#) or the Farm Vaults [announcement article](#) for more information on Farm Vault risks and rewards.

Vaults as permissionless, NFT-based building blocks

Each deposit into a Farm Vault creates its own standalone credit account, which is represented by a transferable NFT that holds your vault position. That means you can send your positions to another address, sell them, or potentially even list them on NFT marketplaces that could potentially add support for Mars vaults in the future. **(IMPORTANT: There is currently no specific reason to expect such NFT marketplaces to emerge, or if they do emerge to have significant liquidity, in the near future—they are merely a theoretical possibility.)**

Permissionless and decentralized, anyone can also develop their own Mars vault smart contracts that implement the cw-vault-standard api. If approved by the Martian Council, those strategies could charge a fee and even integrate with Mars' upcoming [Rover credit accounts](#).

If you'd like to write your own strategy, visit the [Mars Docs](#) or join the [Mars Discord](#) and begin exploring the #dev-chat channel now.

Celebrating the rise of the Vaults of Mars

To commemorate the launch of the Farm Vaults on Osmosis, Martians everywhere can mint a free NFT Badge within 24 hours of the publication of this article. The final badge in a four-part series, your open edition badge will show the world you were there for the rise of the vaults on Osmosis: [Mint Now](#).

- Mission Control



Follow [Mars on Twitter](#), join the [Mars Discord](#) for community support, and subscribe to [Mars' email newsletter](#) for the latest updates from Mission Control.

About Mars

Mars is a novel interchain credit protocol primitive facilitating non-custodial borrowing and lending for the Cosmos ecosystem and beyond. Its hub and outpost architecture allows Mars to operate on any chain in the Cosmoverse, and enables a new primitive: the Rover. Rovers can give their pilots DeFi superpowers to engage in virtually every governance-approved activity they might encounter on a centralized exchange: spot trading, margin trading, lending and borrowing — all in a single decentralized credit account represented by a transferable NFT. Explore it now at [marsprotocol.io](#) or in the [Mars v2 Whitepaper](#).

DISCLAIMER

Leveraged asset interactions may be subject to local laws prohibiting them in certain jurisdictions. You are ultimately responsible for using Mars protocol and Apollo vaults in accordance with all applicable laws.

As always, it is important to keep in mind that vaults and the smart contracts they help automate interaction with are all simply on-chain copies of software. We call these automation patterns "strategies", but they are really just efficient patterns of user interaction with smart contracts.

You are not borrowing from or lending to a counterparty, no counterparty is promising to pay you any interest rate or return, the vaults are limited to their programmed interaction scripts (i.e., there is no discretionary manager of your vault funds), and the ultimate source of "yield" is simply governance token emissions and fees generated autonomously by various smart contract systems.

Users are free to interact with those smart contract systems without Vaults as well—the Vaults merely automate certain ministerial actions (like periodic harvesting and re-staking of governance token awards) that would otherwise need to be undertaken by each user manually.

Remember, Cosmos, Osmosis, and Mars are experimental technologies. This article does not constitute investment advice and is subject to and limited by the disclaimers and other information contained or referenced in the [Mars FUD Bible](#) which you should review before interacting with the protocol.

[Join the Network: How to run a Validator on Mars](#)

[Mars Protocol to launch Farm Vaults on Osmosis Outpost](#)

Previous post

Next post



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