SECTION 1: APPLICANT INFORMATION

Project Name: GMD Protocol

Applicant Name or Alias: GMD Crimson & GMD BetsyKettleman

Project Description: GMD Protocol is a vault service provider established since 2022. We have consistently dominated the Delta-Neutral Vaults market on top of GMX on Arbitrum with ~15m TVL. Our latest innovation is the GMXv2 Delta-Neutral vault. It is the first of its kind on Arbitrum.

Team Members and Qualifications:

Saul Goodman: Tech Lead / Co-Founder (Core Member)

Crimson: Operations Lead / Co-Founder (Core Member)

Betsy Kettlemen: Marketing Lead / Co-Founder (Core Member)

Regex: Senior Developer (Core Member)

Lil' W1nddd: Front-end Developer

Yohellosup: UI & Illustrator Designer

Website:

GMD Protocol: https://gmdprotocol.com/

[GitHub](#)

[saulgoodmandev - Overview](#)

saulgoodmandev has 5 repositories available. Follow their code on GitHub.

Contact Information:

Twitter:

GMD Protocol: https://twitter.com/GMDprotocol/

Email: gmdaoproject@gmail.com

SECTION 2: GRANT INFORMATION

Requested Grant Size: 100,000 $ARB

Grant Breakdown:

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1225×451 43.5 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/1X/c94e3202f7b047704fe318139343d43dfd183ffb.png)

The first milestone is already completed, and we are currently in the audit phase. Should the proposal be accepted, the corresponding grant will be streamed to us. The subsequent milestones are contingent upon reaching specific TVL targets, with additional funds being released as each milestone is achieved.

Effective use of $ARB:

Elimination of Deposit Fee for GMX V2 Vaults: 50,000 $ARB will be allocated to remove the deposit fee for GMX V2 Vaults. This initiative is expected to remove barriers to entry, making it more accessible for users to participate in the GMX ecosystem, thus increasing the GMXv2 vault's attractiveness and user base.

GMX V2 Delta-neutral Vaults Incentives: The remaining 50,000 $ARB will be used to incentivize the GMX V2 delta-neutral vaults, focusing on subsidizing the yields with $ARB for users who deposit assets. This is to foster the protocol's growth, enhance liquidity, and support strategic objectives such as boosting TVL and GMX user activity on Arbitrum.

How we'll distribute $ARB incentives to LPers:

- Allocations of Incentives for GM Liquidity are based on weekly epochs.

- Every epoch, a set number of ARB will be allocated per each GM.

- A time-weighted average of users' GM balance is taken for the whole week to calculate proportional rewards.

- ARB incentives will be airdropped directly to GM holders after the completion of each epoch.

- APR and other information shown on the Earn/Pools page is a rough estimate; actual rewards depend on the final calculations at the end of each epoch.

- The amount of ARB for each epoch and the conditions for distribution under this program may be amended from time to time, to make sure they meet the goals of GMX's STIP proposal in the most cost-effective way.

Funding Address: 0x73EaD57A47DcFecd87F15C8438b9eAbFDcCf5C5b

Funding Address Characteristics: This is GMD Treasury Wallet, a 2 of 4 Gnosis Safe Wallet with each key held by a core team member

Distribution Contract Address: 0x73EaD57A47DcFecd87F15C8438b9eAbFDcCf5C5b

Incentivised Contract Addresses: 0x14986A9e9Ed8bcE6AEd97A30291bD8cFEaF45E01

SECTION 3: GRANT OBJECTIVES AND EXECUTION

Objectives:

- Strategically appeal to a risk-averse customer base seeking low-volatility opportunities while still wanting to participate as liquidity providers in GMX V2 pools.

- Eliminate the deposit fee for GMX V2 Vaults with an allocation of 25,000 $ARB, enhancing the onboarding experience for new users by removing initial cost barriers.

- Significantly increase Total Value Locked (TVL) by attracting a broader user base through the removal of deposit fees and offering stable yield opportunities.

- Increase trading volume on GMX by leveraging the incentivization of deposits and active participation in GMX V2 Vaults.

Key Performance Indicators (KPIs):

- Allow at least $25,000,000 of additional liquidity to GMX V2 Vaults by subsidizing the estimated 0.2% LP fees (Accounting for slippage, GMX fees, and swap fees) with the allocated 50,000 $ARB.

- Incentivize up to $4,000,000 of liquidity in GM Liquidity pools across all supported assets.

- Track the growth in the number of users, specifically targeting those interested in low-volatility LP opportunities.

How will receiving a grant enable you to foster growth or innovation within the GMX ecosystem?:

- Optimized Yield Opportunities: The grant will enable GMD to develop the first GMX V2 Delta Neutral Vault on Arbitrum, offering a novel LP option for users. This innovation is set to unlock a new category of liquidity provision on GMX V2 Vaults that caters to users seeking stable returns without exposure to high volatility.

- Ecosystem Synergy: Increased yield and liquidity will foster symbiotic relationships with other protocols and services within Arbitrum that support GMX.

- Sticky Liquidity Provision: The grant will empower GMD to create attractive and competitive liquidity pools, drawing in 'sticky' liquidity – long-term, stable funds from investors and users who are committed to the vaults for sustainable yield.

- Enhanced User Confidence: Attracting stable liquidity will reinforce user confidence and trust in the protocol, creating a reliable and secure platform for users to interact with. This strengthened reliability can encourage more prolonged and substantial engagement from users not just for GMD but for GMX.

Justification for the size of the grant:

GMD's reputation as a dedicated and innovative vault service provider within the GMX ecosystem justifies the need for a 100,000 $ARB grant. This funding is crucial to maintaining our competitive edge, especially after missing the last Arbitrum grant, which has placed us at a disadvantage. The grant will support GMD's ongoing commitment to delivering unique and successful innovations that enhance the GMX platform.

In addition, we have a strong dedication towards Real-Yield generation, which would in turn create positive-sum yields for our users and the GMX ecosystem. Over the course of GMD's existence, we have distributed more than 317 $WETH in real-

yield revenue for our stakers.

Execution Strategy: We will utilize the grant to implement a novel GMX V2 Vault incentive program. By developing a contract atop the existing delta-neutral vaults, we can channel the grant into $ARB emissions for users who deposit their assets into the vaults. This strategic move aims to enhance the vaults' attractiveness and sustain a competitive APR, drawing more liquidity providers and maintaining our leadership position in the market.

Grant Timeline:

Our strategy is set to unfold as soon as we receive our GMX DAO grant and concluding on January 31, 2024. This timeline allows for a focused and impactful distribution of resources, aligning with market dynamics and the protocol's growth phases.

Fund Streaming:

We agree to receive the grant funds linearly over the proposed period, with the understanding that the multisig authority has the discretion to adjust the streaming as necessary. This ensures flexibility and responsiveness to the evolving needs of the GMD ecosystem.

SECTION 4: PROTOCOL DETAILS

On what other networks is the protocol deployed? Avalanche

What date did you build on GMX? Since the first day GMD Protocol has been built on GMX, in September 2022.

Protocol Performance:

GMD Protocol has solidified its position in Arbitrum's DeFi space, focusing on delta-neutral vaults and real-yield generation, with approximately $10 million in TVL and 320 WETH distributed in real-yield dividends to stakers over the past year.

Protocol Roadmap:

Our immediate focus is on the development and deployment of the GMX V2 Delta Neutral Vault. We are currently in the auditing phase and plan to release a beta version to test and refine the offering. Upon successful completion of the audit, and assurance of no potential issues, we aim to fully launch the product, particularly if we secure ARB funding which will further support this initiative.

Audit History (if any):

GMD Protocol have been audited multiple times by trusted services.

GMD:

Audit 1: GMDAO Vault Smart Contract Audit by SourceHat (formerly Solidity Finance)

Audit 2: https://github.com/pashov/audits/blob/master/solo/GMD-security-review.md

The GMX V2 Delta Neutral Vault is currently under audit. We are committed to the highest standards of security and will proceed with the full implementation only after the audit has been completed satisfactorily. Any funding received from ARB will be allocated to the vault only once we have confirmed that there are no outstanding issues post-audit.

SECTION 5: Data and Reporting

Is your team prepared to create Dune Dashboards according to program requirements for your incentive program?

Yes, we will have a dedicated team engaged to develop a Dune Dashboard or a similar dashboard on our own platform that conveys equivalent information.

Does your team agree to provide bi-weekly program updates on the GMX Forum thread?

Certainly! We are committed to providing bi-weekly program updates on the GMX Forum thread.