

This is more of a discussion than a proposal, any changes to APR will only be done after careful evaluation and a governance vote. We are posting this as this was brought up in the Telegram group by [@kalcrypto1](#) and we think it makes sense to be discussed.

As we have seen from past performance the amount of fees received by the protocol can fluctuate significantly from week to week. This leads to large changes in the APR of both GMX and GLP at times.

A possible way to smooth out this APR would be:

- If the APR for GLP is more than 30%, transfer the excess fees to a treasury contract, the excess fees should be from both the GLP and GMX portion, so e.g. if there is \$500 million worth of GLP tokens and fees for the week is \$5 million, 70% of that would give GLP an APR of ~36%, in this case the total fees distributed for both GMX and GLP should be $30 / 36 * 5 \text{ million} \Rightarrow \$4,166,666$, and \$833,333 would be transferred to the treasury
- This treasury can be used in case of emergencies, it can also be used to help smooth out the APRs, so if there is a week where the APR of GLP is below 20%, then instead of increasing APR with esGMX rewards as detailed in [Snapshot](#), an amount of funds equivalent to 1/52 of the total treasury can be used to increase APRs for both GLP and GMX

Benefits

- More predictable APRs for LPs and GMX stakers
- Reduced esGMX emissions

Drawbacks

- APR for GLP will be capped