APR: A Day by Day Breakdown

The following shows day by day APR & key fee events for a given mASSET under stable market conditions. Note: Actual APR jumps are instantaneous but have a sloped line due to Google graph constraints :) For illustrative purposes we will look at the first 42 days for a 900 UST investment on mCOIN.

- The following assumes aTarget Collateral Ratio
- of 200%
- The following assumes there is no material price premium or discount between mCOIN & the oracle price
- The following assumes the short & long farm APR as well as MIR & SPEC token price remains constant for first 42 days
- The following also assumes low volatility for mCOIN price for the first 42 days (volatile assets will trigger rebalances which will eat into APR
-)
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APR calculations are based on 3/29/2022 spot APR rates for the mCOIN delta neutral pool Note:

Listed APRs above are proportionally weighted. For example, Anchor Earn at time of publication was ~19.5% but we're displaying it here as 12.93% to reflect the ⅔ of the investment that is in Anchor Earn.

Day by Day APR Breakdown:

Day 0: -0.16% APR

- Immediately upon opening the position you will have a slightly negative balance primarily due to the ~0.3% TerraSwap fee on short sale proceeds & the long position.
- Day 0 = 900 - short sale TS fee - long buy TS fee
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A ~1.25 Terra gas fee is required to open the position Day 1-13: +18.28% APR

- Not yet full APR potential, only yield is from short farm (+5.35%) & Anchor deposit (+12.93%). By Day 4 the negative position should be reversed.
- Day 13 Value = Day 0 Value x ((5.35% + 12.93%) * 13/365)
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Day 14: +18.28% APR - Spec Fee

- Proceeds from short sale arrive (less the TerraSwap fee from Day 0) & are married with long position to initiate long-farm, spectrum fee incurred
- Day 14 Value = Day 13 Value + 1 Day of Short & Anchor Yield - Spectrum Fee
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Day 15-42: 39.68% APR

- Long-farm is live & thus the DN strategy is running on its full APR potential.
- Day 42 Value = Day 14 Value + Day 0 * ((5.35% + 12.93% + 21.4%) * 28/365)
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