SECTION 1: APPLICANT INFORMATION

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Applicant Name

: Kharn

Project Name:

Perpy

Project Description:

Perpy is the ultimate Social Fi & Asset Management Hub. With Perpetual, Spot, and Options supported within a streamlined UI, Perpy is the all-in-one dApp for traders to execute their most complex strategies seamlessly.

Traders attract investor funds into their vaults, trade on their behalf and earn a transparent commission on any generated profits. Experience an unmatched trading journal and comprehensive trade statistics.

Investors seeking portfolio growth without the hassle of trading will find a wide range of skilled vault managers to invest in while maintaining full custody of their funds at all times.

Team Members and Qualifications:

- Erasme: CEO & Co-Founder (core team)
- Montaigne: Lead Dev & Co-Founder (core team)
- Baal: Front-end Dev
- Amospi: Community Manager
- Kharn: CMO
- Four freelance developers

Project Links:

- Website: www.perpy.finance
- Twitter: @PerpyFinance
- Discord: Perpy
- Documentation: Overview - Perpy Finance

Contact Information

- TG: @KharnHash
- Twitter: @KharnHash
- Email: kharn@perpy.finance

SECTION 2: GRANT INFORMATION

Requested Grant Size

: 100,000 $ARB

Grant Matching

: N/A

Grant Breakdown

:

- 40,000 ARB for "Competition incentives

" - Incentivize Traders with bi-weekly Trading competitions to increase trading volume on GMX.

- 20,000 ARB "Vault incentives

" - Incentivize deposits in Perpy's vaults to increase the liquidity available for traders to make more trading volume on GMX.

- 40,000 ARB "Account Abstraction trading rebates

" - Incentivize traders with trading transaction fee rebates when they use Perpy's account abstraction solution to trade on GMX.

Funding Address

: 0x556680340d80858BA6b03404efF4c50BAc8b5dc2

Funding Address Characteristics

: 2/3 multisig with securely stored private keys distributed across the Perpy core team.

Distribution Contract Address

: Same as Funding (each week, trading incentives will be sent directly from the multi-sig to eligible users using a multi-send tool).

Incentivised Contract Addresses

: None

SECTION 3: GRANT OBJECTIVES AND EXECUTION

Objectives:

Perpy's primary goal with this requested grant is to attract and retain skilled traders (vault managers) and liquidity from investors to the platform and, consequently, increase the trading volume on GMX. This will also help us develop the Social Fi vertical on Arbitrum, as Perpy has a unique position to attract more TVL and Trading volume, which will, in the end, benefit GMX.

With a diverse offer of profitable vault managers, investors seeking exposure to trading revenue without trading will be attracted to Perpy. This is a new influx of TVL, which will generate trading volume for GMX coming indirectly from non-trader users, a user base to which GMX currently has no access.

In the meantime, vault managers will discover why Perpy is the all-in-one dApp for traders with the support of GMX, Spot & Options, enhanced UI & trading tools and trading journal & statistics.

Key Performance Indicators (KPIs):

These are the KPIs we will track and provide a monthly report:

Users:

- New users (Traders and Investors)
- New vaults created
- Active users using AA
- Daily and weekly active traders

Performance:

- Daily, weekly and monthly Trading Volume on GMX
- Total Trading Volume before, during and after the grant period

Total Value Locked:

- Total Value Locked (AUM) before, during and after the grant period

- TVL behaviour of incentivised vaults

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

:

The rationale here is, on one hand, to leverage GMX as a robust venue to trade with deep liquidity to attract traders from other blockchains and protocols and, on the other hand, organically attract new users who don't trade, both personas contributing to Perpy TVL, GMX Trading volume fees and the overall success of both protocols.

This grant is divided into three incentive categories, as presented in Section 2:

- Competition incentives

- Vault incentives

- AA fee rebate incentives

The aim behind these categories is to incentivise traders by getting direct incentives and trading fee rebates while experiencing a CEX-like trading journey and getting all the statistics needed to improve their trading. Meanwhile, incentivizing investors to deposit in vaults will increase the trading volume generated with more liquidity available for traders.

Account abstraction integration will drastically improve the trading experience on Perpy, giving the users the possibility to trade without signing nor paying for any TX thanks to the trading fee rebates of this grant. This will help to onboard Web2 and CEX users, who will become investors in Vaults thanks to a seamless social login, no seed phrase management, fiat on-ramps and no need to fund your wallet with gas token. That's again an untapped source of TVL, which would generate more trading volume as this user category would be interested to invest in skilled traders to trade on their behalf.

Justification for the size of the grant:

We've been live on Arbitrum since Nov. 2022 with Perpy V1, our previous MVP old.perpy.finance.

This first iteration had real traction between March 2023 and June 2023, seeing a rough $50M trading volume before the overall market volume was drastically reduced.

Then, we launched Perpy V2 closed beta in September 2023, which we started to build from scratch in March 2023. Perpy Spectra has been public since November 24th, and GMX V2 support is expected before mid-December 2023.

With these incentives, we expect to reach a $20M-$40M/month trading volume.

Execution Strategy:

Perpy plans to distribute the granted funds through the following process:

Competition incentive

- 40,000 $ARB will be split into bi-weekly 5,000 $ARB incentives over 16 weeks (8 competition epochs)

- Distribution will be based on the last 14D notional Trading PnL leaderboard, resetting after each competition epoch on Sunday or Monday (TBC) to ensure fairness for new traders coming to the platform

- At the end of each epoch, the 5,000 prize incentive will be distributed as follows:

- (Total epoch Trader PnL / Trader PnL) * 5,000 $ARB

- (Total epoch Trader PnL / Trader PnL) * 5,000 $ARB

- If the Total epoch PnL doesn't exceed in notional value 5,000 $ARB, only a portion will be distributed to ensure that incentives are spent wisely (meaning that $ARB distributed will never exceed the Total epoch PnL)

- Incentives will be airdropped directly to vault manager wallets to avoid any extra security risks in developing an emission module

- The Perpy team will monitor the weekly distribution and report useful metrics for the monthly grant report

Vault incentive

- 20,000 $ARB will be split into weekly 2500 $ARB incentives over 8 weeks

- Every week, a random snapshot will be taken on the first 10 more profitable vaults

- Vault depositors will receive their ARB airdrop based on this distribution formula

- (Total 10 Best Vaults TVL / User TVL deposited) * 2,500 $ARB

- (Total 10 Best Vaults TVL / User TVL deposited) * 2,500 $ARB

- Incentives will be airdropped directly to users' wallets to avoid any extra security risks in developing an emission module

- The Perpy team will monitor the weekly distribution and report useful metrics for the monthly grant report

AA Trading rebates incentive

- 40,000 $ARB will be split into monthly 20,000 $ARB incentives over 2 months

- Traders using GMX with a smart account will have their transaction fees sponsored by Perpy paymaster using this GMX grant

- Each month, Perpy will swap the 20,000 $ARB in ETH and deposit them in the paymaster

- This incentive will be live when Account Abstraction is integrated (Q1'24)

It's worth noting that Perpy is covering the R&D expenses for integrating Account Abstraction and will not request a grant for this feature. The same goes for GMX V2 support in Perpy vaults (backend and frontend).

Grant Timeline:

To stay aligned with Round 1, we request that the grant be streamed over three months.

Competition and Vault grants: 60,000 $ARB over 4 months

- Month 1: 20,000 $ARB (10K Competition + 10K Vault incentives)

- Month 2: 20,000 $ARB (10K Competition + 10K Vault incentives)

- Month 3: 10,000 $ARB (10K Competition incentive)

- Month 4: 10,000 $ARB (10K Competition incentive)

AA Trading fee rebate grants: 40,000 $ARB over 2 months

- Milestone AA live on Perpy: 20,000 $ARB

- Month 2: 20,000 $ARB

Fund Streaming:

[Do you accept the funding of your grant streamed linearly for the duration of your grant proposal, and that the multisig holds the power to halt your streamed grant at their discretion at any time?] Yes

SECTION 4: PROTOCOL DETAILS

Provide details about the Arbitrum protocol requirements relevant to the grant. This information ensures that the applicant is aligned with the technical specifications and commitments of the grant.

What date did you build on GMX?: We launched Perpy V1 (https://old.perpy.finance/ site deprecated) on the 15th December 2022 on Arbitrum with the native support of GMX V1 Perpy Launch Tweet

Protocol Performance:

Performance

GMX has always been a strong focus for Perpy to have a secure and robust underlying Perp DEX.

We've been building on GMX since December 2022, and here are the key dates:

- Dec. 2022: Launch of Perpy V1 (MVP) with GMX V1 support

- March 2023: Public sale on Camelot launchpad to seed the V2 development

- Sept 2023: Perpy V2 (Spectra Update) closed beta launch

- Sept 2023: GMX V2 support development kickoff

- Nov 24th 2023: Perpy V2 public launch

- Mid-December 2023: GMX V2 support live

Here are the metrics of the Perpy V1 before the launch of Spectra Update in September 2023:

- Vaults created: 1884

- Total Trading Volume: $50,662,708

- Peak Users on the dApp: 2972

- Average active users: 320

Trading volume above was routed only to GMX V1 as it was the only Perp DEX supported back then.

During the closed beta, we kept the number of beta testers relatively small. Here are the metrics:

- Vaults created: 80

- Trading Volume: $698,433

- Whitelisted Users:167

It's worth noting that this volume was made on Level Finance during the closed beta period while GMX V2 support was being developed.

Since our public launch on November 24th, we have the following metrics (snapshot Dec. 4th):

- Vaults created: 115 (+35 since Nov. 24th)

- Trading Volume: $1,267,582 (since Nov. 24th, not including $698K closed beta volume)

- Users: 412 (+245 since Nov. 24th)

Achievements

The biggest achievement in 2023 was the complete revamp of the Perpy V2 and GMX V2 support (coming mid-December):

- New vault architecture to support trading of a wide range of assets on multiple Perps DEX platforms in one single vault, improving the trader experience not having to switch between different dApp (architecture to support Spot and Options in the future in the same UI)

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- New trading engine with the minimum trading features (Market/Limit Order, Take Profit, Stop Loss)

- A completely new dApp design (some examples below):

- Vault Explorer

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Screenshot 2023-12-04 at 16.18.34

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- Introduction of User Profile

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Screenshot 2023-12-04 at 16.22.09

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* Vault performance

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* On-chain trading journal

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* Extensive list of vault metrics

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Protocol Roadmap:

Perpy will adapt its roadmap in an agile way, taking into account community and traders' feedback as we always did to shape a product that users actually want to use.

The priorities for the next 3-6 months focusing on onboarding users (not in a particular order):

- Vault - GMX V2 support (coming before mid-December)

- UI - Account Abstraction and On-ramp solution

- UI - dApp Notifications (trade open/close, vault deposit/withdraw…)

- UI - Metavaults

- Trading Engine - Drag&Drop Take Profit/Stop Loss

- Trading Engine - One-click Trading

- Trading Engine - Bot SDK support

Audit History:

Audit done by Peckshield for Perpy Spectra Closed Beta release (Aug. 2023)

docs.perpy.finance

[Audit]

SECTION 5: Data and Reporting

Is your team prepared to create Dune Spells and/or Dashboards for your incentive program?

:

Yes, we will provide a Dune Dashboard or a specific section of our upcoming Statistics page to track the incentive program with the KPIs presented in Section 3.

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

:

Yes, we will provide bi-weekly updates on the GMX Forum with the support of our Dune Dashboard/Statistics page, and we would be more than happy to get the feedback of Labs, the Grants Committee and the community on our updates.

Does your team acknowledge that failure to comply with any of the above requests can result in the halting of the program's funding stream?

: Yes