

Project name:

NUKE VAULTS

Author name and contact info:

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- Twitter: @nukevaults

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant

: Yes

L2 recipient address

: 0xa8055f65E899024bB8734884fC47Dce2E0c28Eee (Gnosis SAFE)

Grant category

: DeFi / Phase 1

Is this proposal applicable to a specific committee?

Yes, DeFi

Project description (please explain how your project works):

Nuke Vaults is an Optimism Yield Aggregator, focused on Stablecoins, incubated via AELIN Protocol with contracts 100% compatible with EIP4626.

Currently Nuke Vaults has strategies created for the following stablecoin only pools: Curve, Velodrome & Stargate which a yielding 5%-15%

We have also just launched our first approach to revenue sharing, those with \$NUKE can stake it to get 100% of the fees charged by the protocol in \$sUSD.

From a Security perspective NukeVaults uses OZ Defender, configured for any governance/admin function on contracts with a 3/5 Multisig + 2 day Timelock

[

1600×1093 190 KB

](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/d/d3d0fa715c1da35e607034e968ab0feb79250515.jpeg)

Project links:

- Website

: app.nukevaults.com

- Twitter

: @nukevaults

- Discord

: [Nuke Vaults](#)

- Docs

: <https://nukevaults.gitbook.io/>

Relevant usage metrics:

TVL:

±\$40k and building

Users:

±10

Competitors, peers, or similar projects (please link):

beefy.finance or yearn.finance

Is/will this project be open sourced?

YES

Optimism native?

: YES

Date of deployment/expected deployment on Optimism:

11 Aug 2022

Ecosystem Value Proposition:

Nuke Vaults was created with the mission to become a simple, secure and easy to use dapp to get Yield on Stablecoins. We believe Layer 2s, and especially Optimism will become the place of choice for most users in the near future, and Stablecoins will represent the biggest stake in the Cryptocurrency Market Cap. This is what we think about Nuke Vaults market fit.

By incentivizing users to use NukeVaults you are also incentivizing users to use the underlying protocols, like Curve and Velodrome.

We are going to focus on building and offering secure yields for Stablecoins, using secure protocols in the likes of Curve or Velodrome.

This together with our Revenue Sharing model, built on the Optimism ecosystem as well, will create a long lasting bond between the protocol and its token holders, together with an everlasting revenue stream for Users

Finally we expect our UX will provide a high user friendliness which will lower the threshold for new users. Hoping to attract not only current DeFi users, but opening the door for new ones.

The fact that this project was incubated via AELIN (OP native), our Operations, specifically our Staking/RevShare contracts, but also salaries and incentives are all in OP, and using sUSD should bring enough confidence we believe in the OP Ecosystem and want to integrate with lots of those partners building on OP

Has your project previously applied for an OP grant?

NO

Number of OP tokens requested:

250.000 OP

Did the project apply for or receive OP tokens through the Foundation Partner Fund?:

NO

How much will your project match in co-incentives?

NUKE Token is currently only available via AELIN Raises and not available in any DEX, in a future proposal we would like to do a co-incentives match with a NUKE/OP LP, but putting a price on our token is not our priority right now

Proposal for token distribution:

Nuke Vaults is at a stage where all we are missing is incentives to attract usage, we want to keep building, collaborating with neighbor projects and innovating!

USER Incentives

- 150.000 OP (60%)

We would use this part of the allocation to incentivise users to park their stables with us. By incentivizing users to use NukeVaults you are also incentivizing users to use the underlying protocols, like Curve and Velodrome.

We would spin up a MasterChef or StakingRewards contract where Users can deposit their vault tokens, and apart from the juicy yields from velo or Curve, we'll add the OP rewards provided in this proposal. The increase in APY will not only attract users to NukeVaults, but as well to the OP ecosystem.

Given our estimates this initial Incentive, could ramp NukeVaults to a TVL of \pm \$1M, after this milestone is proven we would see to submit a new proposal with a new and different incentive program to take us to the next milestone \$10M TVL

TREASURY

- 100.000 OP (40%)

The remaining tokens would be deposited into our Treasury to ramp up engineering and business efforts, we are 4 people (mostly part time) that are currently receiving \$600-\$1300 \$sUSD per month (given our currently small treasury based on the amazing initial AELIN Raise, this was the salary range we all agreed that would allow us to survive for 2 years), we would like to increase the time dedicated to the project by adding some OP tokens to our monthly payslip, and also get some contractors and community people do so some work such as improving our docs and marketing.

We are looking to add new sources of strategies for Stablecoins as new protocols join the ecosystem (Lyra2, Homora, Angle, etc) as well as starting to invest engineering efforts by creating Stable Leveraged Vaults and moving into other stablecoin assets like EUR. Memes are also needed

The Treasury would not dump these tokens, payments would be done directly in OP wherever possible

How will this distribution incentivize usage and liquidity on Optimism?

Everyone is looking for Yield, and even more when you're talking about Stablecoins, we think Optimism can gain lots of TVL if their stablecoin APYs are attractive compared to other chains. By incentivizing users to use NukeVaults you are not just attracting more liquidity into the Optimism network, you are also incentivizing users to use the underlying protocols, like Curve and Velodrome.

Why will incentivized users and liquidity on Optimism remain after incentives dry up?

Users will stay with NUKE Vaults as they see the simplicity of parking their stables and getting a yield, but the real innovation is our RevShare model, which creates a direct link between token holders and the protocol fees. We truly believe NukeVaults can become a self-sustaining protocol very easily, creating a great story for the OP Ecosystem.

Over what period of time will the tokens be distributed?

3 to 6 months of rewards. Depending on how fast the TVL increases over time. The faster the TVL the more rewards will be distributed to keep the APYs competitive

About us

The team is anon, however they have worked and participated in other protocols for example:

- Trinty

is a full stack developer & security auditor who performed contractor work for multiple projects during DeFi summer

- Linus

is also a full stack dev, and is a current Core Contributor to AELIN

- Calavera

has been in crypto & defi since the early days, he's a SNX OG, been in the SNX Council, AELIN Council and previously part of Bankless VC DAO (aka Fight Club), MakerDAO delegate, EthStaker among other DAOs where he frequently participates

- Gunnar

is the latest addition to the team, UX-expert, long time crypto enthusiast and responsible for communications

All feedback is welcome! Thanks for reading.