

## Abstract

As one of the largest GMX Arbitrum Partnered Protocols in terms of GM V2 TVL, KnightSafe is seeking 75,000 ARB to drive further growth in the trading volume and the adoption of GMX V2. The primary objectives of KnightSafe's grant application are to enhance user engagement on the GMX platform, provide a secured management platform to participate and trade in GM pool, and contribute to the overall growth and adoption of the GMX ecosystem.

KnightSafe has not received any STIP-Bridge allocation, LTIPP grant, or any grant in wave 1 of the GMX Grants Program.

## Section 1: Applicant Information

Provide personal or organizational details, including applicant name, contact information, and any associated organization. This information ensures proper identification and communication throughout the grant process.

Applicant Name or Alias:

KnightSafe

Project Name:

KnightSafe

Project Description:

KnightSafe is a non-custodial smart contract management platform. As an open-source and decentralized digital asset self-custody service, KnightSafe is specifically designed to address the need for seamless interaction with DeFi protocols under customizable role-based access controls, and custody issues faced in traditional digital asset management. It is served as the managed account platform for traders to trade on GMX for clients and/or for themselves.

KnightSafe is currently one of the largest GMX Arbitrum Partnered Protocols in terms of GM V2 TVL:

[

image

2505×527 79.2 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/5/5c992decafd4fa19325e1ce18c0f04036dab0ce5.png)

Team Members and Qualifications:

Development Team:

Our team consists of seven full-time developers proficient in front-end, back-end, and smart contract development. Our tech management team, who used to manage a team of 200, equipped with over ten years' experience in general-purpose programming languages as well as in solidity, is the perfect candidate to lead the development of KnightSafe.

Business Development Team

Our team members are from senior positions from different backgrounds, including hedge funds, crypto funds, investment banks, and asset management, with a solid track record in developing DeFi protocols and product development.

Project Links:

Website <https://www.knightsafe.io>

Twitter [x.com](https://twitter.com/knightsafe)

GitHub [Knight Safe · GitHub](#)

Contact Information:

Twitter: @KnightSafeTeam

Email: [support@knightsafe.io](mailto:support@knightsafe.io)

## Section 2: Grant Information

Requested Grant Size:

75,000 \$ARB

Grant Matching:

N/A

Grant Breakdown:

[Please provide a high-level overview and pro forma of the budget breakdown and planned use of funds]

Audit Grant

- 20% of the grant (15,000 \$ARB) will be used to reimburse part of the audit expense. ("Audit Grant")

Incentivize Grant

- 80% of the grant (60,000 \$ARB) will be used to incentivize the trading (including mints and redeems) volume on GMX v2. ("Incentivize Grant")
- KnightSafe team is discussing with auditors regarding the smart contract audit of KnightSafe v2. The audit is expected to be completed before July 2024. The Audit Grant will not be distributed until the audit is fully completed and upon a satisfactory result from the auditor.
- The Incentivize Grant will be distributed across 8 weeks, with equal portions each week. Traders will get a volume-weighted average portion of the \$ARB rewards based on the volume they traded on GMX v2 through KnightSafe.
- The Incentivize Grant is designed to attract at least an additional \$10 million to GM pools, and additional \$30 million trading by providing extra incentives for the trading on GMX v2. The full amount of the Incentivize Grant will be used to incentivize GM pools that are currently integrated on KnightSafe and incentivize traders and institutional clients to trade in v2 GM pools.

Funding Address:

Funding address for Audit Grant: TBD;

Funding address for Incentivize Grant: TBD.

Funding Address Characteristics:

2/3 multisig SAFE wallet. Each private key is held by core team members and is securely stored.

Distribution Contract Address:

TBD.

Incentivised Contract Addresses:

TBD.

### Section 3: Grant Objectives and Execution

Objective:

- Integrating the audit into KnightSafe v2 to bring extra confidence to existing GMX users;
- Attract new traders and institutional clients to KnightSafe to participate in GM pool and facilitate adoption of the GMX ecosystem; and
- Increase trading volume and TVL for at least an additional \$30 million by providing extra incentives for the trading on GMX v2.

Key Performance Indicators (KPIs):

KPI

Description

Target

Smart Contract Audit

Smart contract audit from reputable audit firm

Completion before July 2024

TVL in GM Leverage Vault

Measures the total inflow of capital into GM pools

\$10 million+

Total Trading Volumes

Measures the trading volumes of new users attracted by the program

\$30 million+

Number of unique addresses

Measures the number of new users attracted by the program

100+

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

With this grant, we aim to attract at least an additional \$10 million TVL to GMX through KnightSafe which will be done by incentivizing the trading, mints and redeems in GMX v2.

This initiative will significantly benefit the GMX ecosystem by attracting more institutional clients and traders equipped with non-custodial smart contract management platform.

There are numerous traders who are running their market neutral strategy on GMX through KnightSafe, by offering additional \$ARB incentives, we would expect meaningful capital inflow from traditional clients will be lured to earn the attractive yield and participate in GMX v2. Investors who are risk averse could leverage KnightSafe to avoid counterparty risk while earning attractive returns from GMX related strategies. The extra \$ARB incentive serves as an additional layer of encouragement to traders to explore further on GMX ecosystem.

Furthermore, with our endless efforts in building KnightSafe a better platform for traders and institutional clients, the grants would enhance our business development ability and continue to contribute significantly to the GMX ecosystem.

Justification for the size of the grant:

Given the robust security and governance elements in KnightSafe v2, the initial fee quotations from various auditors have been on the expensive side. The amounts fall within the mid-five figure to six-figure range. The Audit Grant would be crucial in facilitating cooperation with the auditors and thus accelerating the integration of the audit process.

The Incentivize Grant funding is pivotal for the development of our KnightSafe protocol by incentivizing traders to engage in GMX ecosystem through KnightSafe. As one of the largest GMX Arbitrum Partnered Protocols, the requested grant size is justified by the meaningful Total Value Locked (TVL) and the trading volumes the existing traders contributed.

Execution Strategy:

- The grant will be distributed across 8 weeks, with equal portions each week. Traders will get a volume-weighted average portion of the \$ARB rewards based on the volume they traded, minted, and redeemed on GMX v2 through KnightSafe.
- KnightSafe will claim the funding each week from the third-party protocol (subject to the distribution method that GMX opts for), and transfer the \$ARB amount to the claim contract weekly.
- Users could then claim their eligible amount which is based on their volumes weekly from the contract.

Grant Timeline and Milestones:

KPI

Milestones

Grant Release

Smart Contract Audit

Completed and Satisfactory Audit Result from Renowned Auditor

15,000

TVL in GM Leverage Vault

Accumulated additional inflow of capital into GM pools exceeds \$3 million

15,000

Total Trading Volumes

Accumulated additional trading volumes of exceeds \$15 million

25,000

Total Trading Volumes

Accumulated additional trading volumes of exceeds \$50 million

20,000

Incentivize Grant:

Start date: TBA (Depending on the approval date by the Grant Committee)

Duration: 8 weeks

Users Claiming period: From the start date until 2024-08-31, and subject to adjustment after the start date confirmation.

Audit Grant:

The grant is distributed conditionally upon a complete and satisfactory result from the auditor.

Fund Streaming:

Yes we accept.

Section 4: Protocol Details

Provide details about the 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?:

September 2023.

Protocol Performance:

[Detail the past performance of the protocol and relevance, including any key metrics or achievements, dashboards, etc.]

KnightSafe is by far one of the largest GMX Arbitrum Partnered Protocols in terms of GM V2 TVL, and KnightSafe still maintains \$21M+ as at the application submission date.

<https://dune.com/queries/3570873/6010509>

Some key matrix of KnightSafe Users' data:

KnightSafe TVL: \$30 million+

KnightSafe Users' GM token balance: \$20 million+

KnightSafe on GMX v2:

Total Trading, Mints, Redeems Volume: \$200 million+

Dune Stats on trading volumes:

<https://dune.com/knightsafe/knight-safe-x-gmx-v2>

Audit History:

N/A. V2 will be audited and expected to be completed before July 2024.

Protocol Roadmap:

Phase 1 (Q1 – Q2 2024)

- KnightSafe Wallet v1 officially launched
- KnightSafe v2 beta

Phase 2 (Q2 – Q3 2024)

- Smart contract audits on v2
- KnightSafe Analytics launch
- KnightSafe Marketplace launch
- Release transaction authorization policy integration for KnightSafe Wallet
- Extend KnightSafe compatibility to non-EVM chains

#### Phase 3 (Q3 – Q4 2024)

- KnightSafe mobile app launch
- Release customizable analytics and dashboards for KnightSafe Analytics
- Release Automated Trading SDK

#### Phase 4 (2025 & beyond)

- Release programmable security rules and advanced policy engine optimization for KnightSafe Wallet
- Gas / storage optimization
- Partnership for KnightSafe Marketplace and ecosystem expansion

#### Section 5: Data and Reporting

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

Yes, we will create the Dune Spell reporting the TVL, trading, mints and redeems volumes through our analytics dashboard. Please also refer to the above Dune Stats for existing analytics.

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

Yes, we agree.

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.