

SECTION 1: APPLICANT INFORMATION

Applicant Name or Alias:

strategicreserve

Project Name:

Gamma

Project Description:

Gamma Strategies is a protocol for active liquidity management on concentrated liquidity exchanges such as Uniswap, Camelot, Ramses, SushiSwap, PancakeSwap, and Zyberswap. It's been live in production since July 2021 and has accrued over \$115M in TVL, with most of the liquidity on the Arbitrum Network.

Gamma is currently building GMX v2 Perpetuals Vaults, which will utilize long/short positions on GMX v2 to help mitigate impermanent loss on LP positions.

Team Members and Qualifications:

bp_gamma - Project Lead

strategicreserve - Business Development

bro - Operations

hawkofsky - Smart Contract Engineer

bs - Strategy Engineer

eg - Front End Engineer

piospapios - Data Engineer

Project Links:

[Website](#)

[Web App](#)

[Documents](#)

[Twitter](#)

[Medium](#)

[Discord](#)

[Telegram](#)

[Github](#)

[DeFiLlama](#)

[Github](#)

[Revenue Dashboard](#)

Contact Information:

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SECTION 2: GRANT INFORMATION

Requested Grant Size:

100,000 ARB

Grant Matching:

Gamma will provide for all smart contract, frontend, and backend development. It will also provide for a two-week / two-person audit of the GMX v2 Perpetuals Vault contract with OpenZeppelin.

Grant Breakdown:

25,000 ARB to help fund a Sherlock Audit Contest

75,000 ARB to incentivize the usage of the GMX v2 Perpetuals Vault

Funding Address:

<0x8beFf353FCb2E288fdFFbb0b2B61B4c76dc700Df> - Gamma Community Treasury Arbitrum

Funding Address Characteristics:

2/3 GnosisSafe multisig with stored keys. [Link](#).

Distribution Contract Address:

<0x8beFf353FCb2E288fdFFbb0b2B61B4c76dc700Df> - Gamma Community Treasury Arbitrum

Incentivized Contract Addresses:

Incentivized vaults (hypervisors) will be ready when the incentive stage is ready to begin. All contracts, pools, pairs information, incentives rates, and more will be posted on our GMX Dashboard.

GMX v2 Perp Vaults Farms - (currently in unit testing phase awaiting audit from OpenZeppelin)

- BTC-WETH
- ETH-USDC
- ARB-USDC

75,000 \$ARB Incentive Distribution Plan:

1. 10% (7,500 \$ARB) will be distributed via a quest where users will be incentivized to go through the user flow of creating their own personal vaults that interact with the GMX v2 Perp Vault and providing at least 1,000 USDC directly to the GMX v2 Perp Vault for any LP pair.
2. 90% (67,000 \$ARB) will be allocated based on weekly epochs, where a set number of ARB will be allocated per each epoch
3. The time-weighted average liquidity per epoch will be used to calculate proportionate rewards
4. At the end of each epoch, the appropriate amount of \$ARB will be airdropped to the users.

SECTION 3: GRANT OBJECTIVES AND EXECUTION

Objectives:

1. Strategically appeal to concentrated liquidity LPs who are looking to hedge against divergence losses. The demand for this product is extremely high in both the Gamma community and the general LP community
2. Enhance safety by contributing to an audit contest on the vault smart contracts. Gamma will be funding the development and the initial audit by OpenZeppelin.
3. Increase perpetual futures trading volume and GMX protocol revenues by incentivizing the usage of the GMX V2 Perpetuals Vault.

Key Performance Indicators (KPIs):

1. Backend smart contracts (currently in unit testing) + audit contest completion

2. Frontend design and engineering - Currently in development
3. TVL accrued in the GMX V2 Perpetuals Vault
4. Number of users who utilize the GMX V2 Perpetuals Vault
5. Various applicable stats (Incentivized Liquidity Rates, Total Txns, etc.)

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

1. Exposure to LP User Base: The grant will enable Gamma to develop a long/short Perpetuals Vault that will cater to LPs seeking to reduce the divergence costs of providing liquidity on decentralized exchanges.
2. Increased Perpetuals Trading Demand: The ability to reduce divergence costs (or impermanent loss) in LP-ing is one of the most sought-after features by our users, and this demand would increase perpetuals trading volume and revenues for the GMX ecosystem.
3. Enhanced User Safety: The grant will help fund an audit contest to further support smart contract security. Gamma will be funding the initial OpenZeppelin audit.
4. Initial Incentivization: Using incentives to inform users how to use the product (Galxe Quests) and incentivize the liquidity provided to the GMX v2 Perp Vault.

Justification for the size of the grant:

1. Market Opportunity & Size: Gamma is currently the largest liquidity manager on Arbitrum, with over \$115M in TVL overall and \$37M+ on Arbitrum. Both Camelot and Ramses are expending the majority of their incentives towards Gamma Vaults, so a large market share of LPs on Arbitrum are providing liquidity via Gamma Vault Positions.
2. Arbitrum Alignment: Gamma has bespoke integrations with native Arbitrum DEX's like Camelot and Ramses, while also supporting Uniswap, PancakeSwap, and SushiSwap.
3. GMX Alignment: Gamma is currently incentivizing WETH-GMX LP on Camelot DEX with its own STIP grant, and is also managing liquidity positions on Uniswap as well.
4. Contributions from Gamma: Gamma will be funding the entirety of the development for smart contract, frontend, backend, and data analytics for the GMX v2 Perp Vaults. It will also be funding a tier one audit by OpenZeppelin. The funds would solely be used towards an audit competition on Sherlock and to incentive early usage of the product.

Execution Strategy:

1. Complete backend development (Currently in second week of unit testing)
2. Deploy grant-funded audit competition on Sherlock
3. Engage OpenZeppelin after mitigations are completed from the audit competition → Gamma also has a priority pass with OpenZeppelin where they can secure priority access
4. Complete frontend development
5. Deploy GMX v2 vaults live
6. Begin incentive program
7. Bi-weekly reporting (continuous)
8. End incentive program
9. Final report

Grant Timeline:

Action

Date (tentative)

Finalize backend

January 31, 2024

Sherlock Audit Competition (grant-funded)

February 15, 2024

OpenZeppelin Formal Audit (Gamma-funded)

March 7, 2024

Finalize frontend and deploy vaults

March 15, 2024

Begin incentive program

March 15, 2024

End incentive program

May 15, 2024

Final report

June 1, 2024

Fund Streaming:

We accept linear streaming of the grant funds per the operating procedures set by GMX.

SECTION 4: PROTOCOL DETAILS

What date did you build on GMX?:

Development of IL-mitigation strategies using perpetual futures started in November 2022. Originally, the development was focused on GMX v1 integration. In October 2023, we pivoted development to integrate with GMX v2 as we saw that it was the superior product in terms of costs and efficiency.

Protocol Performance:

As of December 3rd, 2023, Gamma currently has \$37.5M in TVL on Arbitrum. [Gamma's TVL](#) and protocol revenues are currently at an all-time high.

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image

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](https://global.discourse-cdn.com/business7/uploads/gmx/original/1X/d181d2cb21eb4d8d309e84fe1a5dc8f585f6638a.png)

Gamma supports six different AMMs on Arbitrum. [Uniswap](#), [SushiSwap](#), [PancakeSwap](#), [Zyberswap](#), [Ramses](#), and [Camelot](#). All these AMMs currently have frontend support on Gamma's application and have already established liquidity incentive programs with Gamma.

Gamma currently manages over all networks about \$115M in funds on eighteen networks and nineteen AMMs. We have a diverse management portfolio of volatile and stable assets. We are a leader in our space in fees and revenue produced, AMM/network integrations, supported pools, and Arbitrum TVL,

Gamma has also consistently shown its alignment with the Arbitrum ecosystem by investing its own resources into bespoke integrations with Arbitrum-native DEX's like Camelot and Ramses. We have secured long-term and stable partnerships with many protocols on Arbitrum as well.

Protocol Roadmap:

Gamma is currently in the process of deploying IL-mitigation strategies, a new staking contract, security updates, and a new cross-chain/cross-AMM user interface.

Audit History (if any):

Gamma has major audits from [Arbitrary Execution](#) and [ConsenSys Diligence](#). As mentioned previously, our IL-mitigation strategies will be audited by [OpenZeppelin](#). We have engaged independent auditors for our upcoming staking contract as well.

SECTION 5: DATA AND REPORTING

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

Yes. We currently have a Google Doc [dashboard](#) for the Arbitrum STIP that we would be duplicating for our efforts here.

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

Yes.

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.