

Summary

D2 Finance received approval for a 100,000 ARB grant from GMX, of which 60k ARB was claimed, to expand our trading strategies ontop of GMX V2 and GM pools.

Before realizing our key objectives, we first completed integration of GMX V2 features for limit orders, swaps, leverage positions and GM pool liquidity supply with our Proprietary Order Management system for utilization with our managed strategies. GMX is a core integration required to give our traders access to utilize our AUM for trading with GMX V2.

Key Objective:

With this integration completed, our focus was to incentivize WL users to deposit liquidity and boost trading volume within the GMX ecosystem, while maintaining our strategy mandates during our Proof of Concept strategy testing.

KPIs

- Milestone 1 - Dec 22nd - Launch of Vaults for Public :: 12.5K ARB
- Milestone 2 - Jan 15th - Target TVL 40k , Target Volume 200K in GMX for the period (22 Dec 19Th January):: 12.5k ARB
- Milestone 3 - Feb 15th - Target TVL 1M, Target Volume 3M in GMX for the period (19th January / 16th February):: 75K ARB

Results:

During this period (Dec to March 20) we ran 2 epochs of trading with our flagship ETH++ vault and 1 epoch of our tactical RODEO++ vault. 35k ARB was utilized to incentivizes these epochs.

- Overview: We drove \$3.44M total volume through GMX V2, >\$100k TVL in the GM pools, and \$8.96M+ notional volume of trading through the Arbitrum ecosystem with ~\$220k TVL in our vaults. (not included in the Dune dashboard is ~\$10M of notional volume via Lyra options)
- Volume Target: we exceeded our \$3m trading volume target though GMX.

https://dune.com/d2_finance/d2-finance-analytics

- TVL target: we did not achieve our target of \$1m TVL as we had to push the launch of our ARB++ vault back to align with the Arbitrum Foundation schedule for AMA. This vault was launched March 19

Performance:

- ETH++ Vault performance (2 epochs): 1.00 → 1.50 (50% return in 2 epochs)

see ERC-20 vault token intrinsic value:

<https://dexscreener.com/arbitrum/0x3e5972ef94697841d4e69be5c7bdce588e2cdefd>

- Rodeo++ Vault performance (1 epoch): 1.00 → 1.11 (11% return in 1 epoch)

see ERC-20 vault token intrinsic value:

<https://dexscreener.com/arbitrum/0xe992252368098f644679c77fbb9c975a807721f2>

Fees:

- D2 Finance generated ~15k in fees over 2 epochs

OI:

As we typically trade against the OI (open interest) imbalance, we also add liquidity to the side where it is needed. This, by definition, helps GMX to scale.

[

image

1600×1020 147 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/e/ebb5e427a1e4984d96a5cdd5d3828a54a761e93b.jpeg)

Metrics

Analytics: https://dune.com/d2_finance/d2-finance-analytics

Note: Lyra v2 volume, which accounts for ~\$10mil, is not included in the dashboard above (due to their subaccount structure, providing data requires a deeper integration which we are working to provide directly with Lyra, specifically to aggregate data between all subaccounts to show a total volume consistent with dune analytics.)

[

image

1887×427 20.3 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/6/6691eb1a5cc91f5229e2e0fd4c703e9aedce3aa6.png)

[

image

1883×513 88.8 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/c/cf8735ed9d1c35723d974507d949f1028ba45779.png)

Reflections

The performance of our ETH++ Vault across two epochs has been outsized considering risk has been mostly delta neutral, soaring from 1.00 to 1.50, which translates to an astounding 50% return in just two epochs. Meanwhile, the Rodeo++ Vault showcased its prowess in a single epoch, jumping from 1.00 to 1.11, marking an impressive 11% return. This stellar performance underscores the dynamism and potential of our strategies.

A key driver of success lies in the strategic utilization of the GMX ARB grant incentives to effectively amplify the grant ROI within the ecosystem—potentially tenfold—in terms of both volumes and fees for other protocols as well, unlike the static nature seen in other vault protocols.

The remaining 25k ARB has been put to use in our recently (March 19) deployed ARB++ Vault, which also utilizes GMX as a core foundation for strategies.

[

arb++ on opt pal-01

4000×2250 484 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/d/dcc807603fd530c2fd18d563c57f4eba98916e65.png)

[Medium – 19 Mar 24](#)

[

1200×675 185 KB

](https://global.discourse-cdn.com/business7/uploads/gmx/original/2X/f/f947b9231bedba6573c90c2d25274c4a9a256500.png)

[D2 Finance: ARB++ Market Launching on Camelot](#)

We are excited to announce the launch of the ARB++ Vault, the latest addition to our tactical vaults portfolio.

Reading time: 8 min read

[Medium – 19 Mar 24](#)

[

1200×675 189 KB

](https://global.discourse-

[**ARB++: How to Participate and Earn ARB incentives**](#)

For full details on the ARB++ Vault, please refer to the launch article here...

Reading time: 7 min read

The success of the grant initiative not only proved D2 Finance strategies are capable to take advantage of varying market conditions and return outsized risk-adjusted returns, but also significantly leverage grant incentives for expansive growth to benefit GMX and the greater Arbitrum ecosystem.

D2 Finance looks forward to scaling and working closely with GMX in the future as a core pillar in our managed strategies. Thank you to the GMX team for your support and working with us for this opportunity.