Project name:

Vesper Finance

Author name and contact info (please provide a reliable point of contact for the project.):

Jordan Kruger jjkru#3032 (Discord), director@vesper.finance (email)

L2 recipient address:

0x32934AD7b1121DeFC631080b58599A0eaAB89878

Which Voting Cycle are you applying for?:

Cycle-11

I confirm that I have read the landing pages for the Builders 1 and Growth Experiments 2 Sub-Committees and that I have determined my proposal is best suited to be reviewed by the Growth Experiments Sub-Committee: [Yes/No]:

Yes

I understand that Growth Experiments grants are subject to a "no sale rule," as explained in this post 1, and I have read the terms of the rule: [Yes/No]:

Yes

Project Details

What are you building?:

Vesper Finance is a multi-chain yield aggregator offering users secure opportunities to generate yield on their crypto assets in a non-custodial manner. Vesper emphasizes safety and simplicity with 50+ smart contract audits and a sleek, intuitive UI.

Why do you believe what you are building is going to succeed?:

We believe DeFi as a whole is still in its infancy, but that in the years ahead it will play a pivotal role in global finance. Everything we build is based upon this premise, and we are constantly trying to create both for what DeFi represents today, and what we envision it will look like ten years from now.

We have focused our energy on three main components: Security, user experience, and competitive yield opportunities.

- Security: To our knowledge, Vesper is the most externally audited DeFi protocol in existence. We have had 50+ external audits on our code base, and in our two years since launch have never had a security incident where user funds were in jeopardy. If a user feels secure in the protocol they are using, they are likely to continue using it for the long term.

- User experience: We intentionally designed the user experience to be elegant, functional, and approachable. Vesper is positioned to attract both the DeFi native as well as the newcomer.

- Competitive yield: With dozens of strategies across multiple chains, combined with a low fee structure, Vesper yields often match or exceed competing protocol's similar products.

Vesper additionally differentiates itself as "DeFi Middleware" which consists of straightforward integrations for third party projects to pass off yield to their users as well as supporting already-productive assets (ie. LSD) with premium yield opportunities.

Our core pillars above separate Vesper as the premier destination for users and integrations alike. We've recently seen growing activity and TVL on mainnet as a result; this is energy we are confident we can carry and grow into the Optimism ecosystem.

How many users does your project have currently? Please include how you arrived at this estimate:

- As of 2/15/23, Vesper has 8655 unique depositor addresses. This number was calculated using Etherscan wallet holdings across VSP positions and Vesper pool share token positions.

How will receiving a grant enable you to further the mission of maximizing the number of users interacting with Optimism? Please include a step-by-step flow of how you imagine this grant can lead to a greater number of user interactions with Optimism:

By launching on optimism, this grant will help us onboard both existing Optimism users, while simultaneously introducing Optimism to all of our existing Vesper users. We have been impressed with Optimism's level of adoption in the past year, and are excited to offer it to our existing community.

We will enact a full marketing campaign for every Optimism product we create, along with the initial launch of the chain itself.

Our Optimism grant will also encourage third-party integrations. We've already begun conversations with partners on mainnet who are also deployed to Optimism, such as Alchemix.

Step by step flow:

1. Launch three Vesper Pools on Optimism for beta testing. Initial pools will be OP, ETH, and USDC.

2. Alert our existing users through Discord/Telegram of the beta testing opportunity

3. Launch pools to full production once internal testing is complete

4. Initiate marketing campaign for production launch on all of our socials (Twitter, Discord, Telegram, Linkedin) and publish a Medium article covering the launch

5. E-mail our existing user base w/ announcement

6. Set-up quests/tasks through learn-and-earn platforms for users to deposit into new pools, as well as in conjunction with partners on cross-platform quests (i.e deposit to Vesper and use deposit at partner protocol).

Tell us about the users you plan to target with this grant. Include any defining characteristics that will help you identify and target them.:

Location: US and Europe

We've identified two separate B2C demographics that we plan to target: DeFi Pros, and DeFi newcomers.

DeFi Pros: An educated DeFi user who is actively involved with yield farming

Profile: $100k+ in crypto holdings, and will actively adjust the strategies they are utilizing always in search of better yield.

Messaging: Earn yield on crypto's leading assets, and earn additional yield utilizing our advanced strategies. Combined with Metronome, Vesper can unlock significantly increased APY through looped strategies (Smart Farming).

Frustrations: Low protocol liquidity, no governance, lack of LSD support, slippage, high gas fees, lack of network support, and high fees.

What do they want?: High APY, incentives/rewards, high liquidity, range of supported assets, decentralization, LSD exposure, minimal fees, layer 2 support, TVL, and accessible statistics.

DeFi Newcomer: New to DeFi. User holds crypto, but doesn't know what to do with it.

Profile: $2-100k in crypto holdings, and looking for a safe place to deposit it to earn yield.

Messaging: Want to get more out of your crypto assets? Through Vesper, you can effortlessly generate yield on your crypto holdings while maintaining self custody of your assets utilizing our low risk industry leading automated strategies.

Frustrations: DeFi knowledge, trust, lack of transparency, unsecure protocols, high gas fees, high protocol fees.

What do they want?: Effortless yield, low risk, high reward, utility with tokens, transparency, and security.

We have identified these audiences using tools like Semrush, Wope, GA and similar. Utilizing listening tools to identify the type of content they are engaging with, we can mimic that content through advertising, and with the assistance of influencers, to promote directly to the above personas.

How would these users interact with Optimism? For how long?:

Users would be able to interact with Optimism directly through the Vesper Finance dApp, indefinitely. Users will also be able to interact with Vesper's Optimism pools through external integrations, such as Zapper. Once the chain and pools are launched they will remain live forever, as long as there is a viable strategy available that we can generate yield for on the underlying assets.

We plan to launch Optimism to production on the 15th of March. Over time, it is our plan and intention to continue adding new strategies and pools, so that the Optimism portion of our dApp is robust and appealing.

Provide us with links to any of the following for the project:

- Demo: [Loom | Free Screen & Video Recording Software | Loom](#)

- Website: https://vesper.finance/

- Twitter: https://twitter.com/VesperFi

- Discord/Discourse/Community: Vesper Finance

- Telegram: Telegram: Contact @vesperfinance

- Github: Vesper Brewing Co Ltd · GitHub

- Technical/Economic Documentation: https://docs.vesper.finance/

- Other: [https://medium.com/vesperfinance

](https://medium.com/vesperfinance)

Do you have any metrics on the project currently? (TVL, transactions, volume, unique addresses, etc. Optimism metrics preferred; please link to public sources such as Dune Analytics, etc.):

- TVL: 17,000,000 USD (1,660,000,000 USD at highest point)

- Chains Currently Supported: Ethereum, Binance, Polygon, & Avalanche

- Unique depositor addresses: 8,655

- Number of Active Strategies: 30+

- 36 Pools

- https://dune.com/Vesper_Finance

Who are your competitors, and are they on Optimism?:

Yield Aggregators such as: Yearn Finance (On Optimism), Beefy (On Optimism), Yield Yak (Not on Optimism), Idle Finance (Not on Optimism) to name a few.

Please link to code audits (if any):

[https://github.com/vesperfi/doc/tree/main/audit/v3%2B

](https://github.com/vesperfi/doc/tree/main/audit/v3%2B)

Team

Who are your founders?:

- Jeff Garzik (Co-Founder) https://twitter.com/jgarzik / jgarzik (Jeff Garzik) · GitHub / https://www.linkedin.com/in/jeffgarzik

- Jordan Kruger (Co-founder) https://twitter.com/JordanJKruger / https://www.linkedin.com/in/jordanjkruger/

- Matthew Roszak (Co-Founder) https://twitter.com/MatthewRoszak / https://www.linkedin.com/in/matthewroszak/

- Manoj Patidar (Head of Engineering) patidarmanoj10 · GitHub https://twitter.com/manojpatidarr / https://www.linkedin.com/in/manoj-patidar-18164b14/

- Zane Huffman (Head of Strategy) https://twitter.com/jeffthedunker /

- https://www.linkedin.com/in/zanehuffman/

- Jelena Keatley (Head of Marketing and Business Development) https://twitter.com/JelenaKoen https://www.linkedin.com/in/jelena-keatley-302b292b/

What makes your team well-suited to carry out the project described in this proposal?

Our team has a long track record of successfully implementing and creating the technology of which we put our energy towards. Our founders and our team have been building in crypto / Web3 for many years, with some of us building from nearly the beginning.

We are made up of DeFi natives, with our values and vision deeply embedded in a decentralized future.

Having already launched multiple chains on Vesper, and corresponding pools for each chain, we will easily be able to deliver exactly what we say we will in this grant proposal.

Is this your first Web3 project?:

Our team of founders have launched numerous projects over the years in Web3 and have collectively over 30 years of experience in crypto. Vesper's parent company Bloq was founded in 2015 and has a suite of sub brands working in various aspects of the crypto industry, such as Lumerin Protocol, Atmos.xyz, Titan Mining, Space Chain, Capsule NFT, Vesper, and Metronome.

Bloq also provides blockchain infrastructure services such as staking and nodes to private clients and large corporations.

If not, what else have you built? (Share links, Github repository, or any other useful information.):

https://bloq.com/, Bloq, Inc. · GitHub

https://vesper.finance/, Vesper Brewing Co Ltd · GitHub

https://www.metronome.io/, Autonomous Software · GitHub

https://lumerin.io/, Lumerin-protocol · GitHub

https://atmos.xyz/,

https://titan.io/,

https://pure.finance/,

https://capsulenft.com/,

Grant Request

What is the size of the grant request? (250k OP max):

75,000

How do you justify the size of the grant?:

We have a strong commitment to building out further Optimism products over the months and years ahead. This grant will enable that further development, by helping our initial user adoption during the early innings of our Optimism launch.

This allocation is proportionate to the number of users we plan to bring to Optimism, both from our existing community and through new users discovering Vesper during our Optimism marketing campaign and through internal effort.

Roadmap and Distribution Plan

Describe in discrete steps how you will successfully implement your grant plan:

1. Launch Smart Contract pools for internal alpha testing

2. Launch one initial strategy for each pool

3. Internally test Alpha pools (deposits, rebalances, yield generation)

4. Launch pools to public beta on the Vesper Finance Beta Website

5. Announce public beta to our existing community, allow testing for 1-2 weeks

6. Launch additional strategies for alpha > beta testing

7. Upon successful beta, graduate all pools/strategies to production on main Vesper App

8. Initiate OP rewards per pre-defined distribution plan

9. Marketing for production launch

How will the OP tokens be distributed? (please include % allocated to different initiatives such as user rewards/marketing/liquidity mining. Please also include a justification as to why each of these initiatives align with the problem statement this proposal is solving. Distribution should not include the sale of any tokens by the grantee or the use of tokens for compensation, protocol expenses, etc. See the no sale rule here 2):

60,000 OP (80%): Pool Incentives

A majority of the OP will be used to directly incentivize users who deposit into Vesper. The OP will be distributed over a 3 month period, with 25%/25%/50% of the rewards distributed months 1/2/3.

Pools will be incentivized as follows:

USDC

Month 1: 6,000 OP

Month 2: 6,000 OP

Month 3: 12,000 OP

ETH

Month 1: 3,000 OP

Month 2: 3,000 OP

Month 3: 6,000 OP

wstETH

Month 1: 4,500 OP

Month 2: 4,500 OP

Month 3: 9,000 OP

OP

Month 1: 1,500 OP

Month 2: 1,500 OP

Month 3: 3,000 OP

15,000 OP (20%): Third Party Integrations

Vesper will incentivize potential partners with 2,000-5,000 OP through this portion of the grant when they integrate Vesper into their own DeFi application. Vesper is positioned as "DeFi" middleware that works best when integrated into other products. Recently, Vesper has seen TVL uptick on Mainnet through integrations with projects like Frax, Convex, Alchemix, and Metronome.

Over what period of time will the tokens be distributed for each initiative?:

We are planning to distribute all rewards within 3 months following the approval of the grant.

Please provide benchmark milestones for this project. These milestones should guide the Optimism community on the progress of your project throughout your work on the project. Do not use distribution of the grant itself as a milestone:

PLANNED DATE

BENCHMARK MILESTONES

STATUS

COMMENTS

2/20/2023

Launch Alpha Smart Contract for vaETH on Optimism

Completed

[Etherscan Link](#)

2/20/2023

Launch Alpha ETH Strategy (Curve)

Completed

[Etherscan Link](#)

2/21/2023

Launch Alpha Smart Contract for vaUSDC on Optimism

Completed

[Etherscan Link](#)

2/21/2023

Launch Alpha USDC Strategy (Curve)

Completed

[Etherscan Link](#)

2/28/2023

Launch Alpha AAVE v3 Strategy for vaETH Pool

Completed

[Etherscan Link](#)

3/21/2023

Launch USDC & ETH Pools/Strategies to Vesper's public beta dApp

Completed

[Vesper Finance Beta](#)

4/5/2023

Launch USDC, ETH, OP Pools/Strategies to production

Currently Beta Testing

[Vesper Finance](#)

4/18/2023

Launch Alpha Smart Contract for vaOP on Optimism

In Development

4/18/2023

Launch Alpha OP Strategy (Aave)

In Development

4/18/2023

Launch Alpha Smart Contract for wstETH on Optimism

In Development

4/18/2023

Launch Alpha wstETH Strategy (Aave)

In Development

4/28/2023

Add Stargate Yield Strategy

In Development

4/28/2023

Add 4th Yield Strategy

In Development

5/15/2023

Third Party Vesper Integration

In Development

Please define critical milestones for this project. Critical milestones are meant to show good-faith efforts to accomplish the project. Non-completion of these milestones could lead to revocation of remaining grant rewards. Do not use distribution of the grant itself as a milestone:

PLANNED DATE

CRITICAL MILESTONES

STATUS

COMMENTS

4/5/2023

Deployment of vaETH Pool on Vesper.Finance - Optimism

4/5/2023

Deployment of vaUSDC Pool on Vesper.Finance - Optimism

4/18/2023

Deployment of vaOP Pool on Vesper.Finance - Optimism

4/18/2023

Deployment of wstETH Pool on Vesper.Finance - Optimism

4/28/2023

Deploy 4th Unique Strategy to Vesper (Protocol to be determined)

5/15/2023

Achieve First 3rd Party Integration

6/5/2023

Reach $5 million TVL across all Vesper Optimism Pools, OR 5,000 unique users who deposit into the pools.

If the OP tokens are for direct distribution to users, why will incentivized users and liquidity on Optimism remain after incentives dry up?:

Initially, users will be drawn to the attractive incentivized APY, but in the long run, Vesper will have a positive impact on the entire Optimism ecosystem as we continue to build new industry leading strategies and initial offerings with best-in-class yield opportunities.

As a DeFi middleware, Vesper will see an increase in integrations over time, making it more appealing for users to remain within the application and participate in a variety of new product offerings. Users will be able to take advantage of a "Vesper + XYZ" yield experience, and by interacting with Vesper and other protocols simultaneously, they partake in a complex, nuanced DeFi experience that is intrinsically valuable to the user.

Please provide any additional information that will facilitate accountability (smart contracts addresses relevant to the proposal, relevant organizational wallet addresses, etc.):

https://docs.vesper.finance/,

Organization wallets:

[https://etherscan.io/address/0xf4087b7ab24bde9c445ddd0bc4df257f81277214

](https://etherscan.io/address/0xf4087b7ab24bde9c445ddd0bc4df257f81277214)
[https://etherscan.io/address/0x4fc50236af16f9642ec6b1f56ecbdf8398ec76dd

](https://etherscan.io/address/0x4fc50236af16f9642ec6b1f56ecbdf8398ec76dd)Vesper Finance: DAO Treasury | Address 0x9520b477aa81180e6ddc006fc09fb6d3eb4e807a | Etherscan

Smart Contracts: The two Optimism pools below are currently launched in 'alpha' for internal testing. The first pool is an aggressive ETH pool utilizing a Curve>sETH>ETH strategy, and the second is an aggressive USDC pool using a Curve>sUSD>UDC strategy.

Optimism ETH Pool:

[https://optimistic.etherscan.io/address/0xccf3d1acf799bae67f6e354d685295557cf64761

](https://optimistic.etherscan.io/address/0xccf3d1acf799bae67f6e354d685295557cf64761)

ETH Strategies:

[https://optimistic.etherscan.io/address/0xb1458639956402b3f96e514f5a7dbe1bbc58a981

https://optimistic.etherscan.io/address/0x5cd23c6fcc61fa33fc36abcf696129a85a99db31

](https://optimistic.etherscan.io/address/0xb1458639956402b3f96e514f5a7dbe1bbc58a981)

Optimism USDC Pool:

[https://optimistic.etherscan.io/address/0x539505dde2b9771debe0898a84441c5e7fdf6bc0

](https://optimistic.etherscan.io/address/0x539505dde2b9771debe0898a84441c5e7fdf6bc0)

USDC Strategy:

[Contract Address 0x6a12fa3ed48b1404eb973bcdf2d4df390e497544 | Optimism](#),

Optimism Relationship

Does your project solve a problem for the Optimism ecosystem? If so how?:

Vesper offers a secure 'set and forget' yield farming experience on blue chip crypto assets such as ETH, wBTC, and USDC, allowing users to safely earn competitive yield on their crypto holdings, while maintaining custody of their tokens. With a simplistic yet elegant interface, users of all experience levels are able to have a positive experience on the platform. Yield generated through Vesper is automatically compounded utilizing complex strategies through the most reputable DeFi protocols, such as Aave, Maker, Compound and Curve.

Utilizing our methodology of yield and existing community, Vesper will contribute to the capital efficiency of the assets on Optimism and the broader Optimism ecosystem.

Vesper offers a safe application to store assets and gain stable yield. Utilizing the OP grant, Vesper aims to boost participation in select pools and further provide a comprehensive solution for yield aggregation across multiple chains. By depositing assets into Vesper, users can earn rewards on their idle funds without the hassle of individually searching for yield-generating opportunities. The Vesper vaults simplify this process and enable easy diversification of exposure to multiple protocols with a few simple clicks.

The proposed pools are as follows:

- (OP, ETH, USDC) - These are just the initial pools that will be launched within the first 30 days, with additional pools to be added based on demand.

Why will this solution be a source of growth for the Optimism ecosystem?:

Vesper utilizes many protocols to offer yield to its users, and as Vesper grows on Optimism, so will the other protocols that Vesper uses for its Optimism pools. This will likely give benefits to platforms like Curve, Aave, and Stargate. Users will also be able to gain exposure to yield generating opportunities that they might otherwise not have known to exist. By going through Vesper, users are exposed to more complex strategies that if re-created, would otherwise be less capital efficient.

As Vesper matures within the Optimism ecosystem, it is also intended to work as "DeFi Middleware". Other protocols can permissionlessly leverage Vesper pool positions within their own protocol. Existing integrations with Optimism protocols already exist on mainnet, such as Convex and Alchemix, where projects improve the service they provide through Vesper's risk-adjusted yield product and users benefit from a "Vesper + XYZ" user experience.

Is your project Optimism Native?:

No

Confirmations

I understand that I will be required to provide additional KYC information to the Optimism Foundation to receive this grant: [Yes/No]:

Yes

I understand that I will be expected to following the public grant reporting requirements outlined [here](#): [Yes/No]:

Yes