

As GMX matures, our growth will come from additional products and new traders but significantly also from an expanding ecosystem of partners that are building on GMX. Partners bring expanded communities, development resources and through joint efforts innovative new DeFi products allowing GMX to be introduced and used by more people.

As a protocol, we have 1.0m tokens reserved for marketing, partnerships and community developers. In terms of utilizing tokens for partnerships, the typical approach for most protocols is towards incentives, grants and bribes. While these levers will be utilized as appropriate, in the coming weeks we will have multiple plans that instead focus on treasury swaps with protocols that are building on GMX.

Key Benefits

- Swaps result in both protocols having a joint interest in long-term collaboration
- GMX gains a commitment toward the platform being part of these protocols' development plan be it as a source of yield, trading on the platform or some other combination.
- esGMX yield provides partners with a natural source of yield to fund incentives for the products they are building on GMX.
- GMX has an opportunity to diversify its treasury through strategic investments
- utilizing esGMX removes sell pressure and instead reinforces long term alignment

Key Risks

- Investment in crypto is risky and investment especially in seed round transactions or in other early-stage projects comes with a higher than average failure rate.
- Development of products in collaboration with GMX will lead to varying levels of success and may not lead to products that achieve product-market fit
- While most protocols proposed for swaps are aiming to build out sustainable real yield strategies similar to GMX, there is no guarantee that they will succeed or that the future yield we earn will compare to the yield paid out on the esGMX swapped.

Terms will vary but the typical structure would be:

- a swap of esGMX using the 30-day average price proceeding the swap
- pricing for other protocols based on a prior seed / private sale round if unlisted or the same 30-day average price methodology used for esGMX
- Both parties will maintain lock-ups on their positions of mutually similar lengths
- Where possible tokens received by the protocol will be staked on their platform and used to boost GMX/GLP usage if possible
- Our goal is to achieve a fair transaction but GMX 'return' from such swaps are more about the long-term development of products on our platform and not about trading the market.
- Transactions are sized to avoid undue influence over other protocols or vice versa
- Proposals may be posted by core contributors or the protocol a swap is proposed with, along with feedback from the core contributors involved in reviewing the proposed swap.

Future

While the strategy has been articulated individual swaps need to stand on their merits. In the coming months, we will establish a set allocation of GMX tokens, with a small committee of contributors evaluating and negotiating these opportunities financially and in terms of their benefit to the protocol plus handling long-term decisions related to these investments.

In the interim, a token swap that involves a commitment over \$50,000 will come to the forums for feedback and votes.