

Date: 9th Apr 2024

Summary

On 2nd January 2024, Steadefi was granted a 100k ARB grant from GMX, of which 50k has been successfully disbursed and about 27k ARB claimed. The grants are used to incentivise for lending liquidity for our leveraged strategy vaults to various GMX GM pools, with prioritisation towards USDC lending liquidity.

Steadefi had relaunched for about 2 weeks with lending and strategy vaults that aim to earn yield via GMX GM pools, and the ability to incentivise for lending liquidity had helped us greatly attract and retain lending liquidity.

Overall, Steadefi was able to grow our TVL by 640% from ~280k to 1.8m USD in 12 weeks but we unable to achieve our targets that we had set in the period of time we envision.

Key Metrics and Data

- Over the span of 12 weeks
- Total TVL from 280k USD to peak of \$1.8m USD (6.42x)
- Lending liquidity made up >80% of TVL (~\$1.6m USD)
- Peak liquidity added to GMX would be \$1m USD
- ~140 unique users
- ~12 KOLs engaged
- 2 x NFT collab for marketing (2 more to come)
- Launched WBNB and SOL strategies with AAVE and UNI on the way
- Launched aggregated USDC lending aggregator
- Launched esSDY Airdrop Campaign
- +450% increase awareness and +105% engagement on twitter

Objectives

- Grow lending liquidity to \$2m USD using 40k ARB
- Grow lending liquidity to \$4m USD using an additional 50k ARB
- Achieve 500 unique users in 5 weeks
- Achieve 1000 unique users in 10 weeks

Reflections

On reflection, we were definitely too ambitious in our milestones and targets, severely underestimating the challenge in obtaining lending liquidity (especially USDC) due to the market being bullish and preferring not to hold stables, as well as competition from alternative lending and leverage protocols that also had ARB incentives to give out as well as having a larger community and marketing presence to drive more awareness, users and liquidity to their own protocol.

Additionally, even though yields are higher than before, the market bullishness also had many retail users preferring to take riskier bets instead of parking their capital for safer yield returns.

Our protocol's value proposition of isolated lending vaults as well as long/neutral/short delta strategies may also be too confusing and overwhelming for users to fully understand and appreciate, although we believe it is better in terms of risk management and giving options to earn yield to different risk/reward profiles. Our isolated USDC lending vaults are especially confusing and potentially tedious

Even though we were unable to achieve our (ambitious) targets in the time period so far, we believe that our product offering still offers uniqueness and value as can be observed by the vaults working effectively in giving users with different risk/reward profiles the ability to earn yield profitably across bull/bear/crab markets in both short and longer time timeframes.

All that being said, without a doubt, Steadefi was able to restart and gain our traction in both TVL with great help from this grant, and we are very grateful for it!

Moving Forward

Our immediate plans are to improve our product offering as such:

- combine lending vaults while still having dynamic yield sharing rates per borrower
- take away the option for short strategy vaults
- we will still aim to support as many GM pools with spot tokens on Arbitrum
- we will also look to support other protocols that indirectly integrate with GMX, such as HMX
- we will also look to offer other strategies that may not be relevant to GMX, but if successful, should also attract more awareness towards the GMX strategy vaults

We believe we can achieve this over the next 3-4 weeks.

Longer term, we are considering to have non automated vault, liquidatable, open leverage to GM tokens.

Additionally, we continue to work towards a token raise and launch for SDY, which if successful, we are hoping will bring more marketing awareness to Steadefi and our vaults.