

As GMX matures, our growth will come from additional products and new traders but significantly also from an expanding ecosystem of partners especially on Arbitrum 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.

Background:

Plutus is an Arbitrum-native governance aggregator aiming to maximize users' liquidity and rewards while simultaneously aggregating governance behind the PLS token. Plutus' objective is to become the de-facto Layer 2 governance blackhole for projects with veTokens. Plutus has quickly gained traction with its governance product with Dopex and JonesDAO, owning approximately 50% of all Dopex governance power. In addition, Plutus is now expanding its product line to include Vaults with GLP as the premier product.

Plutus has recently released a GLP vault as its flagship product for their Vaults product line. The product is summarized below. In short, the purpose is to give GLP stakers maximum yield with maximum convenience while creating a base-layer DeFi-lego for other protocols to build on top of.

- GLP can be deposited to mint plvGLP at any time.
- Exiting plvGLP is subject to a 2% fee (there's no liquidity pool)
- plvGLP is interest-bearing, meaning that as rewards compound over time, plvGLP will become more valuable than GLP (for example 1 plvGLP = 1.2 GLP). This makes it a prime candidate to build on.
- esGMX rewards are locked under Plutus and automatically compounded. This results in constantly increased yields for all pool participants.
- Plutus will take a 10% fee on GLP yield.
- Stake plvGLP to earn PLS emissions, ensuring that yields are always higher than the native GLP pool.

For a more in-depth look at plvGLP, please refer to Plutus' [docs](#).

plvGLP was recently launched with a supply cap of 1M. The supply cap was met in under 2,5 hours. Plutus is looking to raise the cap in increments, specifically to 5M, 10M and 20M. The first raise will happen within a week of launch.

These supply cap increases are also accompanied by increasing the LM emissions from the current 5% of PLS LM emissions to 10-15% of total PLS LM emissions. The Plutus team sees that allocating emissions to GLP and GMX-related products solidifies GMX as an anchor governance asset for Plutus alongside Dopex and Jones.

Proposal:

In order to further solidify the collaboration between GMX and Plutus while enabling the GLP vault to receive maximal yield, we propose a \$200k token swap between the teams' treasuries.

Specifically, we are proposing to swap \$200k worth of esGMX tokens for \$200k worth of locked PLS tokens. The amount of tokens received will be based on a 30-day trailing average of both tokens' prices at the time that the governance proposal passes if voted on or 15 days after being posted to the GMX forum if no vote is conducted. Pricing will be used using the daily rate from coingecko.

Plutus and GMX will stake their respective initial positions for a period of not less than [2] years but may utilize their yield including in native tokens (esGMX / PLS) as required by their protocol.

The esGMX tokens that Plutus receives will therefore never enter circulation and their yield will be used solely to incentivize the products that Plutus builds on top of GLP and potentially GMX. Similarly, the PLS tokens can be staked by the GMX team to earn yield and later down the line bribes as well, providing a future source of yield and diversification for the GMX treasury. The size of the swap was determined to be small enough to not significantly affect the treasuries of either protocol or introduce unnecessary risk, while still bringing significant benefits to the users of Plutus' GLP vault product.

Effectively the main objective of the treasury swap is to benefit the end users of the product, which are current GLP stakers. While Plutus' GLP product can thrive without a treasury swap, it would significantly increase yield for plvGLP stakers due to the emissions from the permanently locked and compounded esGMX while signaling the beginning of a mutually beneficial relationship between GMX and Plutus.

Action:

Complete an OTC treasury swap between the GMX and Plutus treasuries for \$200k worth of locked esGMX for \$200k worth of locked PLS tokens.