

Olympus DAO



April 2022 Policy Report





Ω olympus

Olympus aims to become Web 3's premiere
decentralized reserve currency



Key Policy Notes

- Policy started using its levers to try and support OHM price as it is considered to be undervalued. Inverse bonds were launched in the last week of the month and are expected to be running for 90 days or until OHM price reaches its 120 day Moving Average. So far, the Treasury bought and burned \$1.66M worth of OHM.
- The size of Olympus Protocol-Owned Liquidity was also reduced to reach a target size of 20% of Olympus' market cap which is in line with the historical average. Note that this also makes inverse bonds more efficient as any buy pressure they introduce to the market will have greater impact.
- OHM-LUSD Sushiswap pool was pulled in totality (~\$24M) while the OHM-DAI Sushiswap pool size was reduced by approximately \$40M. In parallel, Policy decided to double the OHM-DAI-ETH Balancer pool size, bringing it to \$9M. OHM presence on Curve was also established by funding a \$4M OMH-ETH pool.
- Following OIP-93's approval, circulating supply is now being used to calculate the emissions, as opposed to total supply. This resulted in a reduction of the reward rate, from a maximum of 0.2192% to a maximum of 0.1587%. The runway is currently at 538 days.



Policy Outlook

- Continue to model & test the Ranged Stability system. The recent launch of Inverse Bonds provide Policy with real world data upon which to better tune the future cushions in that new upcoming system. Inverse bonds are currently running with a \$600k daily capacity and at current price levels, Olympus Treasury has the capacity to support to protocol during the ongoing macro bear market. Inverse bonds will continue to be analyzed, monitored and fine tuned to adapt to the evolving market conditions.
- Establish OHM liquidity on the highest TVL AMM through an OHM-ETH curve pool. In addition, this pool has the potential to become an important source of revenue for the Treasury, considering Olympus could use its CVX holdings to point CRV emissions towards it.
- Prepare to rebalance a portion of the Treasury holdings as Policy currently believes it has an overweight position in DAI and stablecoins in overall, (~40% & 70% of Total Treasury respectively). Policy is evaluating whether it makes sense to increase its exposure to ETH as well as FEI by reducing its DAI position.



A faint, grayscale image of a classical statue of a man in a toga, positioned on the left side of the slide. The statue is shown from the waist up, looking slightly to the right.

The Treasury Generated \$10M In April 2022

Bonds, POL, Olympus Pro, & Incubator
still continue to bring steady revenue
into the protocol.

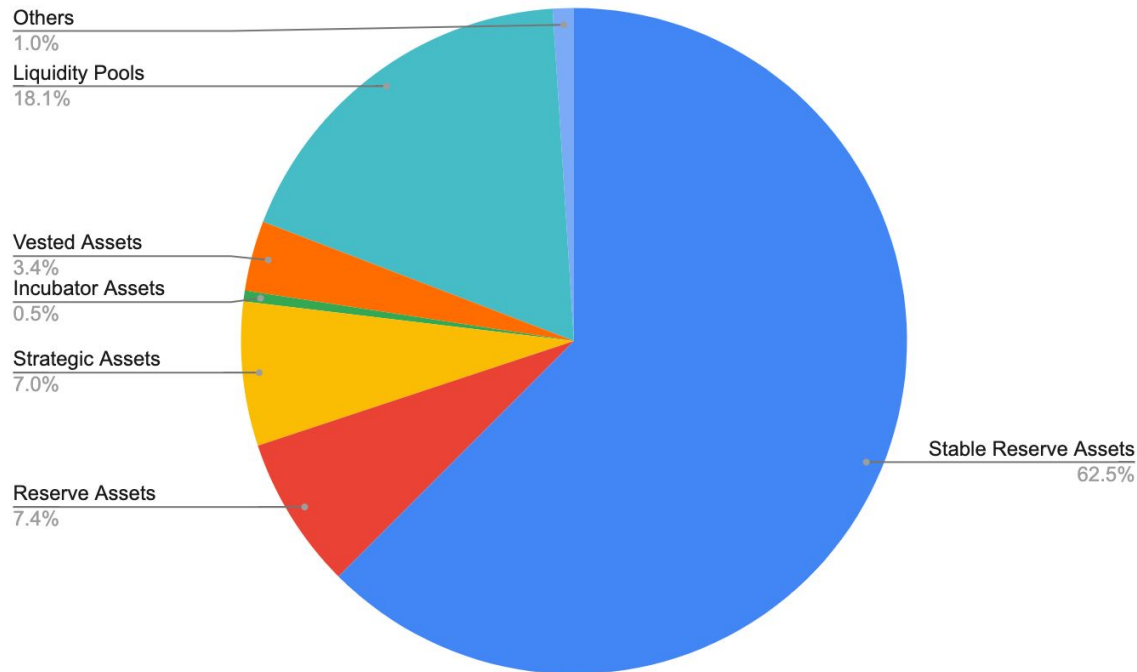
Olympus Treasury Assets



- Olympus Treasury ended April with close to \$410M worth of assets, resulting in 20% decrease MoM.
- Olympus Treasury suffered a \$10M loss in the Rari Fuse exploit. The DAO is in ongoing promising discussions with Fei Protocol regarding compensation.
- As part of OIP-94 and the launch of Inverse Bonds, the size of our liquidity pools have been reduced resulting in a tightening gap between the treasury market value with & without LP.



Olympus Treasury Composition



- Following OIP-94, POL now makes up 18% of the overall Treasury, compared to 33% in March as Policy established a POL to market capitalization target ratio of 0.2
- *Other*: Includes KLIMA, SUSHI, assets received as fees from Olympus Pro partners & yield farming rewards



Olympus Treasury Assets - Vested Assets

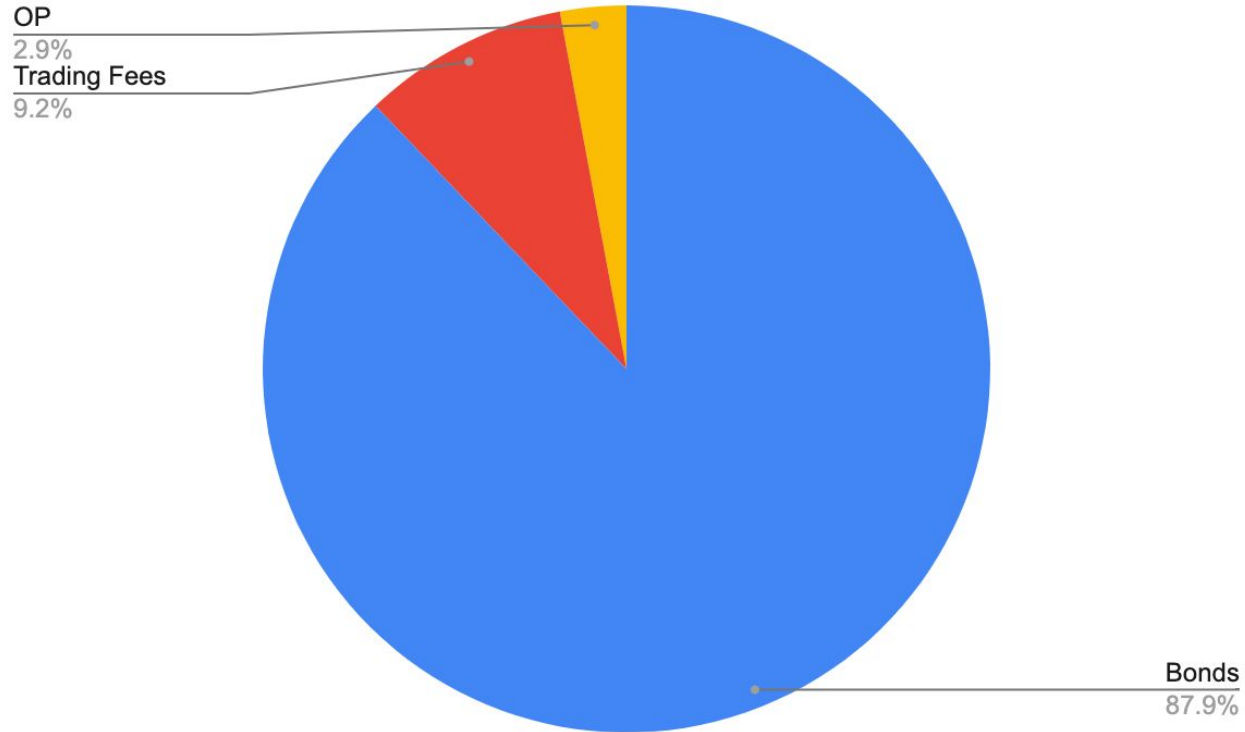
Protocol	Asset	% of Supply	Current Market Value (USD)
Redacted Cartel	pBTRFLY	10%	\$7,375,000
Klima DAO	pKLIMA	3.5%	\$2,320,000
Vesta	VSTA	6%	\$4,320,000*
Fiat DAO	FDT	0.5%	\$275,000
Total Market Value (USD)			\$14,290,000

- Olympus currently holds rights to claim 4 vested assets: pBTRFLY, pKLIMA, FDT & VSTA
- Ptokens held will be vested as their underlying supply grows. VSTA is linearly vested for 2 years with a 6 month cliff. Treasury will receive FDT in January 2023.

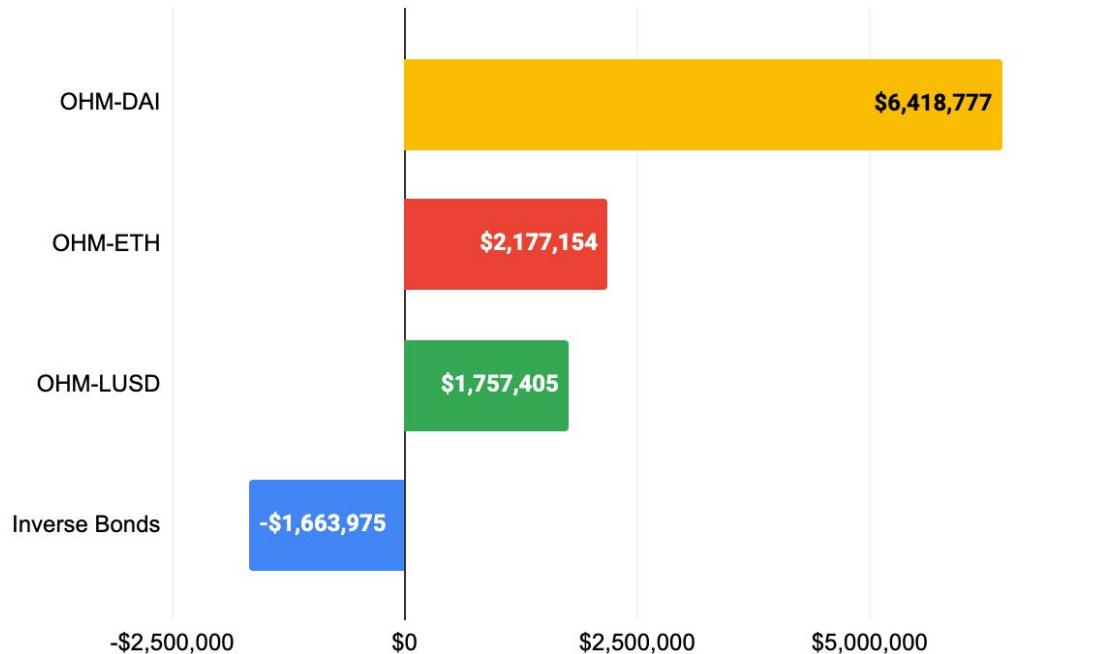
**Vesta currently has 5% of its total supply outstanding*



Olympus generated \$10M of revenue in April through Bonds, Trading fees & Olympus Pro



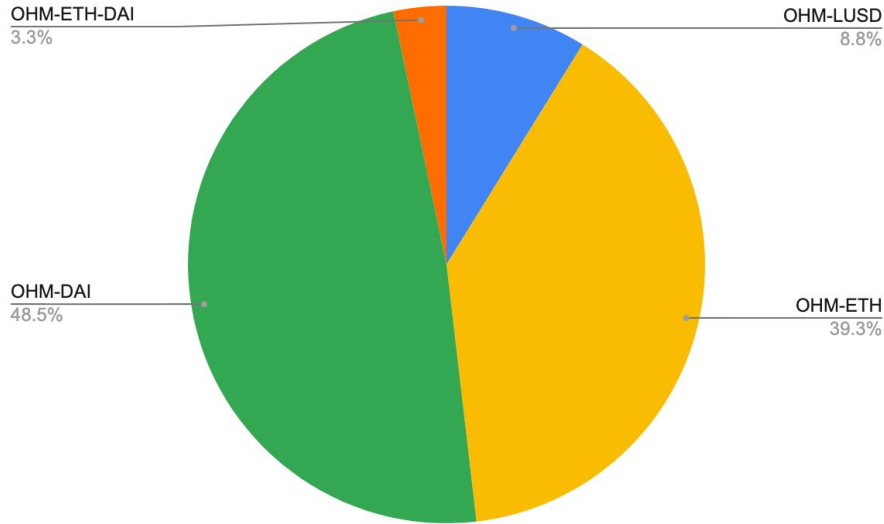
\$8.7M Net Revenue from Bonds



- Prior to releasing Inverse Bonds, Policy, deployed liquidity bonds in April.
- When Inverse Bonds were launched in late April, liquidity bonds were discontinued.



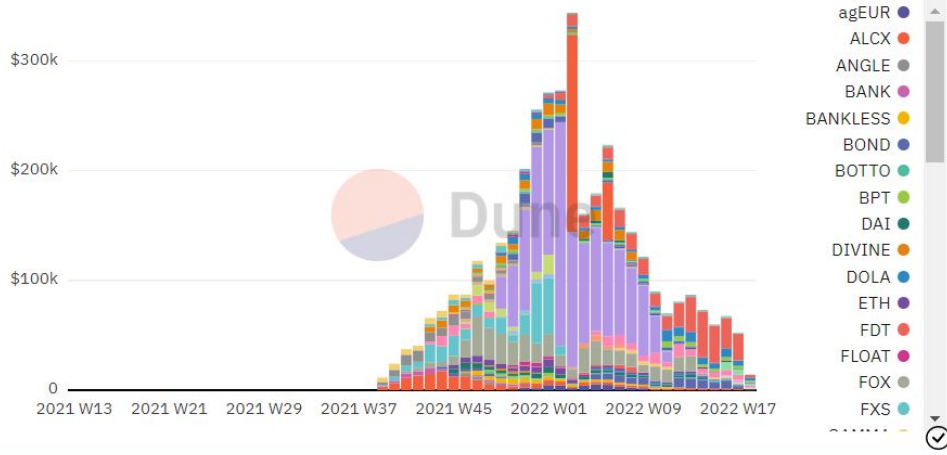
Olympus' Protocol-Owned Liquidity generated \$900K in April



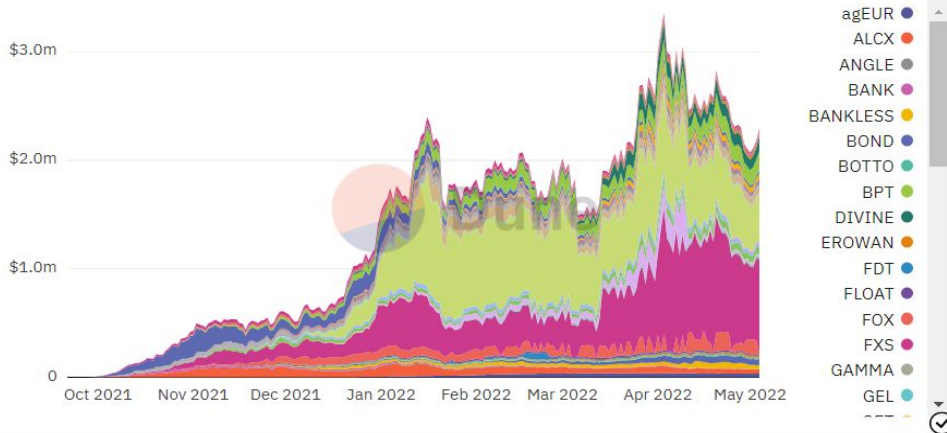
- OHM-DAI & OHM-ETH remain the main trading venues for OHM.
- As part of OIP-94, all liquidity from the OHM-LUSD pool was removed in late April; Policy also removed ~\$42M from the OHM-DAI pool.



Olympus Revenue (Pro)



OHM Reserves (Pro excl. risk-free)



Olympus Pro

- Olympus Pro generated \$290k in revenue in April, a 9% decline MoM versus March.
- Adverse macro crypto market conditions impacted Olympus Pro revenues given that many OP partners have seen a decline in their token price



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