

Ω Olympus



Olympus Q2, 2023 Report

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Introduction

Throughout Q2 OlympusDAO has demonstrated unwavering dedication to the ongoing mission to provide a decentralized and autonomous reserve currency. At the start of Q1, the DAO prepared a list of projects bringing OHM closer to achieving that mission.

During Q2, the DAO showed that it is sticking to that plan, building out the infrastructure needed for making OHM an attractive asset and launching Boosted Liquidity Vaults, native cross-chain OHM. Great strides were made in on-chain accounting of OHM as a project, and in treasury management. The DAO continued to dedicate efforts towards designing, developing, and refining innovative mechanics.

OlympusDAO is resolute in upholding transparency and fostering open communication with its community, especially amidst these periods of rapid iteration and development. This report presents an overview of Q2 2023 activities, achievements, and updates across multiple working groups within the DAO.

The Olympus Council

Please note:

Content in this report reflects Olympus DAO's current expectations of future performance. These forward-looking statements relate to and depend upon, among other things, future external events not controlled by Olympus DAO. While Olympus DAO may elect to update this roadmap at some point in the future, it specifically disclaims any obligation to update or revise any forward-looking statements contained herein whether as a result of new information or future events, except as may be required by applicable law. Nothing contained herein constitutes or will be deemed to constitute a forecast, projection or estimate of the future financial performance or expected results of Olympus DAO. The Council issuing this report was duly elected by Olympus DAO. As part of the Council's mandate, it is issuing this report to update the community about the current and future development of the Olympus ecosystem.

Treasury Update

The second quarter of FY23 has been productive as the DAO has been executing the strategic plan outlined by the community in OIP-137. Assets have been consolidated out of the original treasuries with only \$100k remaining to be sold into DAI or ETH. RBS aggressively bought back and burned ~1.4m OHM at an adjusted price of \$10.41 for a total of 11.4m DAI which was the largest quarter of buy backs to date. A 10 week incentivization plan during the quarter produced: A total of 326,606 AURA and 97,194 BAL were claimed, producing net inflows \$203k added to liquid backing. Subsequently, we executed our default activities with all the baseline positions netting another ~\$544k, including DSR yields.

Key Notes / Significant Q2 2023 processes:

- Substantial completion of the recharacterization of assets into the new Olympus v3 Framework
- Continued accumulation of wETH through systematic sale of rewards to obtain target ratio of 75% Stables / 25% Directional Exposure
- Current: 80% Stables / 20% Directional Exposure
- Transfer of DAI Reserves to the interest bearing DSR (79.2m earning 3.49%)
- Successful execution of Incentivized Gauge Votes and request/approval for additional and ongoing capital to perform these operations
- Q2 Net Treasury Income: \$747k + Lending Inflows

Treasury Valuation

Date	Amount
April 1, 2023	\$240,718,683
June 29, 2023	\$207,011,710
Q2 Variance	(\$33,706,973) (\$31,167,956) in OHM removed from supply via RBS or POL

Treasury Ratio

Asset Category	Current %	Future Target (OIP-137)
Directional Exposure	21%	25%
Stable Exposure	79%	75%

Policy Update

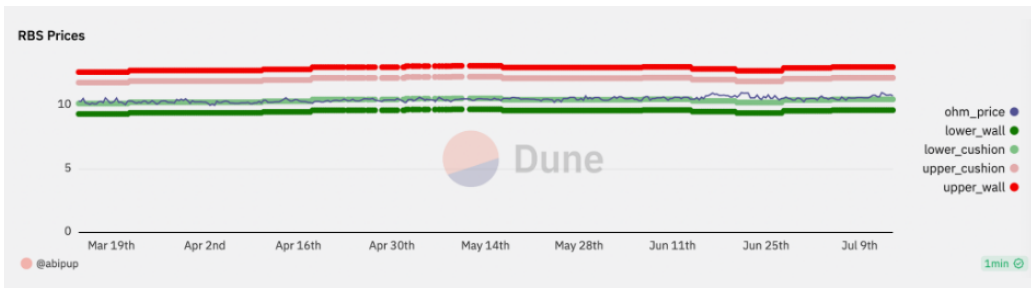
Hyper-Focused on Managing Volatility and Increasing OHM's Attractiveness as Trusted Backing

During Q2 2023, Policy's main focus was on continued support of the RBS module, and on the path forward under Cooler Loans.

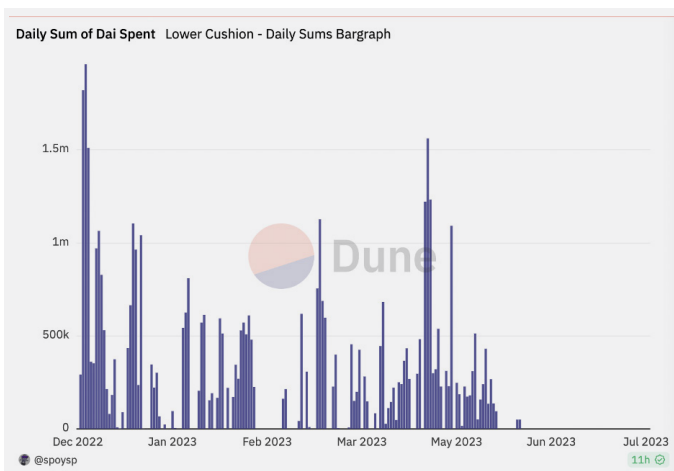
RBS Activities

During Q2 2023, Olympus utilized \$14.5M of stablecoin reserves to buy back a total of 1,393,210 OHM at an average price of \$10.42 / OHM. These purchases took place only in April and May, with price fully in range in June.

The chart below shows the outflows over time have steadily decreased over the past quarters. The trend strengthens our hypothesis that the RBS module has been effective at deterring excess volatility and keeping OHM within its ranges. The spike in spending late April and early May can be attributed to general market instability and ETH price moving liquid backing, despite sell pressure present on the OHM token.



This graph shows over April and May, price hovering around the lower cushion, with more substantial upticks towards the price target in June.



This graph (previous) shows a spike in spending over late April into early May, with sudden dropoff and ultimately no spending in June. This trend continues into July.

Further analysis was done on the RBS module as it pertains to Cooler Loans, which is discussed in the next section. (See Rusowsky's [dune dashboard](#) for more charts of the RBS module's performance over time).

Analysis and Preparation of Cooler Loans

Policy worked through the implications of Cooler Loans and started several important discussions with the community. First, the right speed of capital deployment with a detailed timeline. A deployment schedule was eventually incorporated directly into the TAP-28 proposal.

Second, discussion on the impact of the ongoing OHMv1 migration. This old supply has significant bearing on the Cooler Loan backing value. The DAO and community both reaffirmed support for this old supply's 1:1 mobility to OHMv2. Long term support plans should be communicated and decided by August.

Third, specific adjustments to the RBS price target logic are needed. Policy ultimately settled on proposing a midpoint between Cooler Loan value and backing. This enforces the positive spread needed between lower cushion and loan value, while staying robust to whatever Loan Value was selected by the community. We expect final resolution and RBS tuning in time for Cooler Loans implementation.

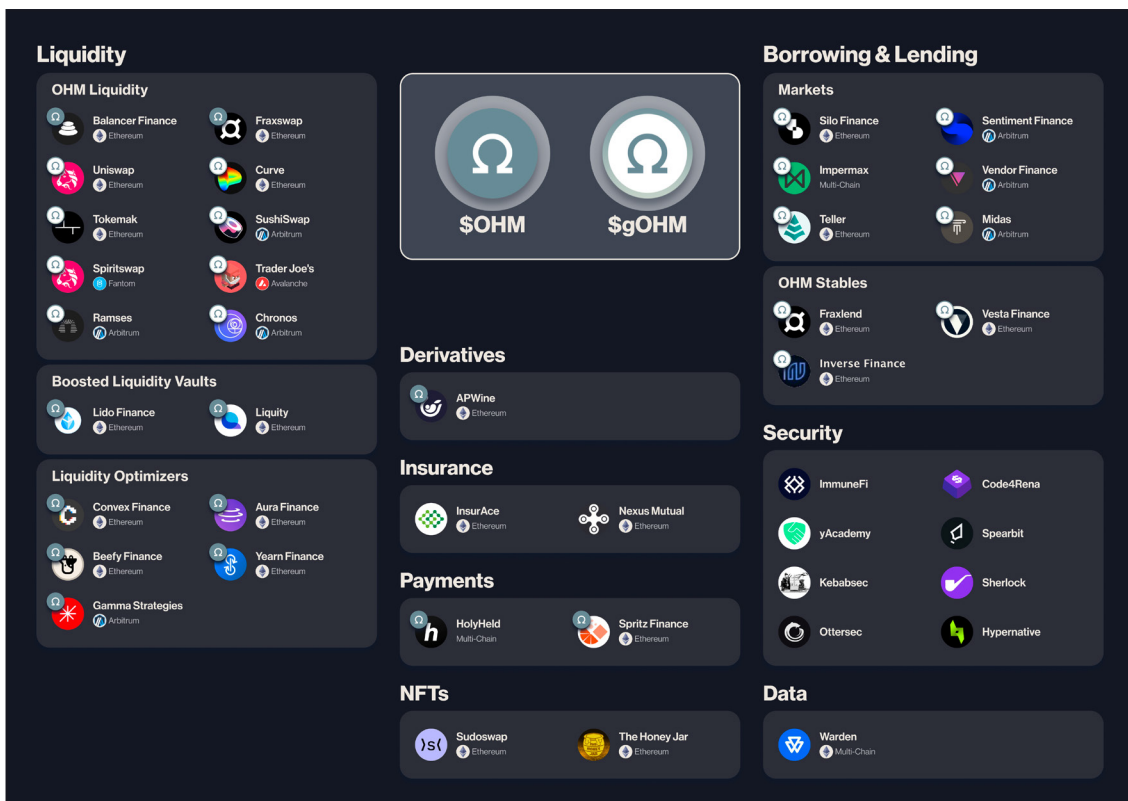
With Cooler Loans near, and potential for lending at a large scale, no stone can be left unturned. Policy expects resolutions to every point here, and more ideas to come, in the coming quarter.

Partnerships Update

Building Partnerships That Improve OHM Liquidity Across Chains and Attractiveness as a Collateral Asset

Key Notes Significant Q2 2023 activities and accomplishments include the following launches within the below Partnerships OKR focus groupings: Q2 OHM Utility added:

- New Integrations: Midas, Paladin, Silo (Arbitrum), Sentiment, Popcorn, Ramses, Chronos, Overnight
- Continued growth of Lending AMO and two new venues: Sentiment and Gearbox (to be deployed)
- New Grantees: Midas and Asphodel
- Cross chain launch support
- BLV Launch: Lido wsETH and Liquity LUSD



Q2 2023 Partnerships matrix

Council Update

Throughout the second quarter, the Council actively engaged with the DAO and community, working hand in hand to drive progress and achieve collective goals. Council members dedicated themselves to collaborating on the treasury tasks, diligently supporting the cleanup and consolidation of assets. This task gained significant focus, particularly in light of the passage of OIP-137 at the beginning of the quarter. The team's efforts also extended to cross-chain endeavors, bolstering Olympus' capabilities across different networks.

A key responsibility of the Council was ensuring adherence to the Budget and Compensation OIP for 2023. Working closely with the DAO, the Council followed the outlined guidelines and played a significant role in preparing an upcoming OIP to secure funding for the association in the second half of the year. Furthermore, the Council provided support and assistance to DAO members in preparing OIPs for key DAO projects, ensuring realistic timelines and transparency.

Regarding teams and internal structure, Council members reviewed applicants and played a hand in creating a smooth transition in the marketing team. Necessary adjustments were made to the Learn team to further streamline operations, in line with the overall goal of decentralizing and automating protocol functions.

Additionally, the quarter witnessed the seamless migration of the forum to a self-hosted instance, a noteworthy accomplishment facilitated through the collaborative efforts of the Council and engineering team.

The Council initiated discussions regarding Cooler loans both within the DAO and within the broader community, exploring their implications on the overarching strategy and current product line up and engaged with contributors and community members regularly. These interactions served as valuable opportunities to understand the needs and aspirations of community members. Through maintaining open lines of communication, the Council strengthens relationships, encourages active participation, and helps to harness the collective power of the community to drive meaningful impact.

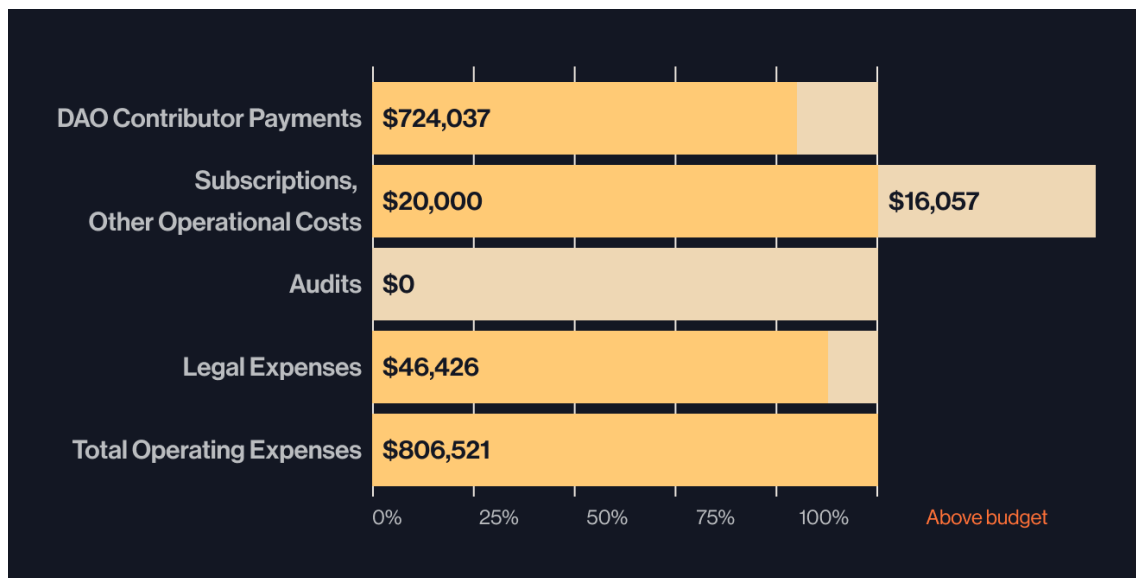
Conclusion

In conclusion, Q2 was a busy period for OlympusDAO in which a significant number of planned projects were completed and the DAO's set deadlines successfully met. Q3 2023 will see the effects of the groundwork laid in Q2 come to light and the changes brought about by the preparation for and implementation of Cooler loans will further drive iteration and adjustment to the protocol as well as to the DAO.

As always, we encourage community members to stay informed and actively participate in discussions on Discord and our forum, attend bi-weekly community calls, and follow Discord announcements. These are great opportunities to ask direct questions to contributors throughout active development. Together, we will continue to drive growth and success for Olympus DAO in the coming quarters.

Appendix: Q2 2023 Outflows and Governance

DAO Outflows Q2 2023 Expenses vs Budget



Q2 2023 Spend vs Budget

Q2 2023 Expenses and Disbursements ^{USD}	Actual \$	Budgeted \$
DAO Contributor Payments	724,037.50	810,000.00
Subscriptions, Other Operational Costs	36,057.72	20,000.00
Audits	0.00	125,000.00
Legal Expenses**	46,426.00	50,000.00
Total Operating Expenses	806,521.22	1,005,000.00
Services	23,768.22	*
Total Disbursements	830,289.44	1,005,000.00

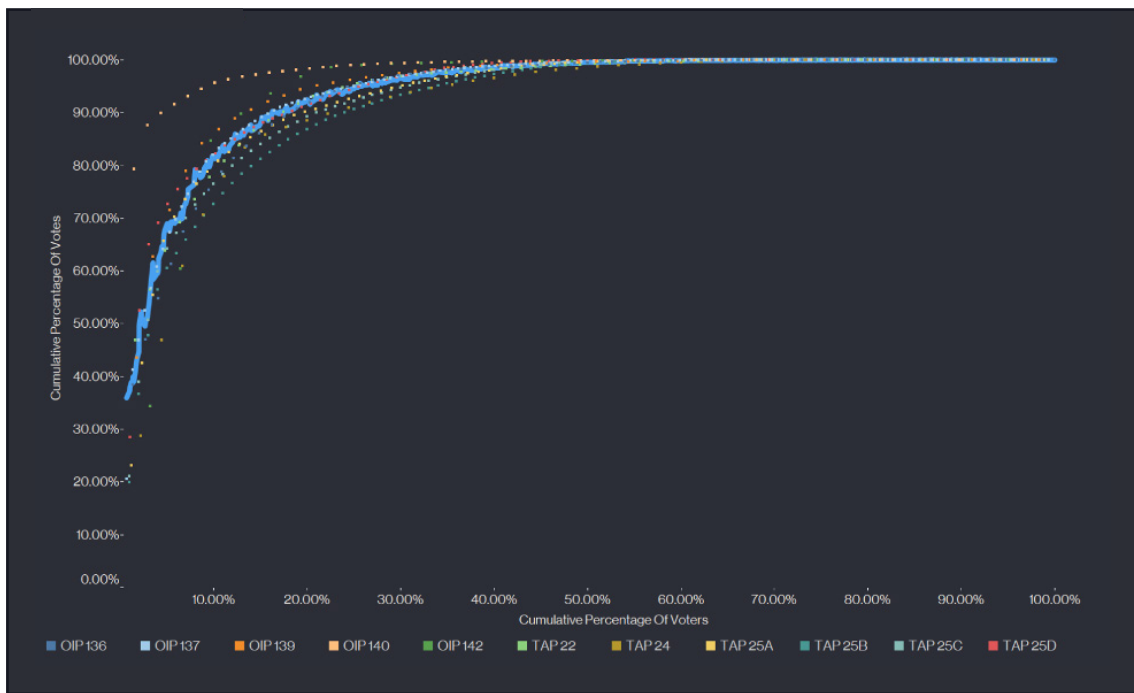
*Budgeted 2023 does not include projected service costs **Legal expenses reflect outflows. There are retainer balances that function like credits, totalling \$98,328.

Governance Activity

During Q2 2023 Olympus focused on the projects depicted [here](#). There were several lending facility OIP’s proposed by the community, and as a result there was increased governance engagement. Below is the breakdown of votes per proposal along with the voters vs votes per proposal, followed by the governance power curve.



Q2 2023 OIP Governance data



Q2 2023 Governance Power Curve