

# Increasing TVL Onchain Case Study

This top 50 token is a leader in global gaming, built on Ethereum.



## The Problem

Despite being a well known name, this foundation needed help to kick-start TVL onto their chain to enable their community and investors to interact with the chain. Foundations typically attract on-chain liquidity through reward programs funded by their treasury for liquidity mining, staking incentives, and yield farming. Such rewards entice users to deposit assets, boosting TVL metrics.

While effective initially, this strategy can be unsustainable long-term since continually providing liquidity rewards inevitably depletes the foundation's treasury, and as soon as rewards stop, much of this incentivized TVL also disappears, creating a rather fragile ecosystem.

## The Solution

We architected an alternative strategy for the project to seed TVL for their chain and create the desired trading experience for their community. Instead of continuously paying high rewards to attract/retain liquidity, the foundation allocates their funds directly onto their chain via their preferred DEX venues and liquidity pool pairs.

To ensure this capital consistently enables the desired trading experience for their community (stable liquidity for average trade sizes and slippage targets), we deployed the following systematic strategies

- 1 DEFI LP strategies to continuously manage/rebalance the pools and achieve desired price range and slippage KPI's
- 2 Impermanent loss hedging strategies to preserve their desired capital exposure.
- 3 Cross-exchange arbitrage strategies to align prices and generate returns.

## The Results

Client is able to save **several million dollars** annually by directly providing the TVL to their chain while their capital continues to be productive, providing them the same market exposure as if it were still sitting in their treasury.

Since this strategy has worked well for the foundation, we are replicating this framework for other large foundations while adapting it to their specific needs.