Human Path Dao

Protocol Whitepaper

4th April 2022

Abstract

This document describes the definitions and theory behind Human Path Dao

Table of Content

1.Introduction

Human Path Dao: Accumulate surplus, reduce deficits.

What is the best way to amass a pool of money? Crowdfunding! However, what you do with the money is the true test.

Human Path Dao plans to use the fundamental method that has been used by living beings, animals and humans alike to grow in size. To accumulate surplus and reduce deficits.

For example, why do we humans want money? It is to improve our circumstances, and to do that, we have to save money.

When we make lots of money, we try our best not to lose it to unavoidable circumstances such as taxation or natural disasters.

2. Our vision

Many DeFi projects on the market now are dependent on outside money and unsustainable apys. When it ends, it all comes falling down.

Our protocol aims to be self-reliant. Using our unique trading strategy, Human Path is able to create value without investing into other protocols.

3.We are not a Ponzi. How we make revenue.

Using the trading strategy from the founder, he has found much success. However, doing things manually is tiring, so he decided to automate it. Then, might as well share the benefits to all.

The benefits trading strategy vs dollar cost averaging

> Let's say John buys 1btc. He knows that the market trends up with time however, he is aware that the market is super volatile.
>
> In this situation what should he do?
>
> Most people will suggest doing dollar cost averaging. However, that method only allows you to profit from the upside. If the market were to go down, John will be left with a portfolio in the red. Then, John would take more money to buy the dip to reduce his average price of BTC. Only when the price of BTC is over his average price can he say he has profited.

The only redeeming factor to dollar cost averaging is that it is easy to do. Nothing else.

However, what if there was a better method? A method so bizarre that once you think of it, you will laugh at it due to your ignorance.

Introducing the Benefits Trading Strategy(Lite)

To truly understand the beauty of the Benefits Trading Strategy, you must first understand the various tools used in trading.

Long: Buying an asset with the intent of selling it at a higher price later in time.

Short: Selling an asset with the intent of buying it at a lower price.

Lending and borrowing: By depositing collateral into a platform such as aave, it allows you to borrow within your means.

Leverage: Using collateral to borrow an asset.

All these tools have their pros and cons, and if you stick to just one of them, you are bound to get burnt.

But with Benefits Trading Strategy, tools that seem to contradict each other have now begun to complement each other. Each of their good points will nullify the bad points of the other tools, leaving a tool with no flaw.

Emulsion. Like how oil and water don't mix, but with the addition of an Emulsion agent, a product thought not possible has been born.

How the Benefits Trading Strategy work(Lite)

Going back to our previous example John.

John has bought 1BTC at the price of 50,000USDC, but this time he uses the Benefits Trading Strategy.

John's Wallet: 1BTC

John will deposit the 1BTC into aave, then he will borrow BTC

Price of BTC: 50,000USDC

AAVE
Collateral: 1 BTC Loan: 0.5BTC

John’s Wallet: 0.5BTC

Price of BTC: 50,000USDC

AAVE
Collateral: 1 BTC Loan: 0.5BTC

John’s Wallet: 0.5BTC

After that, he will sell the borrowed BTC imitating a short

Price of BTC:50,000USDC

AAVE
Collateral: 1 BTC Sell Loan: 0.5BTC

John’s Wallet: 25,000 USDC

So at this point in time, there are 2 scenarios that can happen. It can either go up or down. Let’s start with up first.

Price of BTC: 60,000USDC

AAVE
Collateral: 1 BTC Loan: 0.5BTC

John’s Wallet: 25,000 USDC

When you access this situation, the ignorant person will say that John was an idiot. The market was going to go up, so why did he short it?

Instead, you should see it as a whole; the big picture. If John were to exit the market now, he would have made a profit.

Price of BTC: 60,000USDC

AAVE
Collateral: 1BTC(60,000USDC) Loan: 0.5BTC(30,000USDC)

John's Wallet: 25,000 USDC

After repaying his loans and liquidating his BTC, John will end up with a profit of 5,000USDC.

So what if the market dips?

Price of BTC: 40,000USDC

AAVE
Collateral: 1BTC(40,000) Loan: 0.5BTC(20,000)

John's Wallet: 25,000 USDC(now worth 0.625BTC)

By using the Benefits Trading Strategy, John has effectively "Bought the dip" without actually putting in any more money.

Other benefits of Benefits Trading Strategy

- When paired with other factors such as the market's extreme volatility and by constantly reaping benefits of both ups and downs, Human Path Dao can have consistent profits in stables.
- It is also compatible with existing strategies such as dollar cost averaging

Look at the chart below, if you have used the Benefits Trading Strategy, you would have effectively sold the top and bought the bottom without feeling overly emotional due to market volatility. All while gaining "Benefits"

3.Overview of Human Path Dao

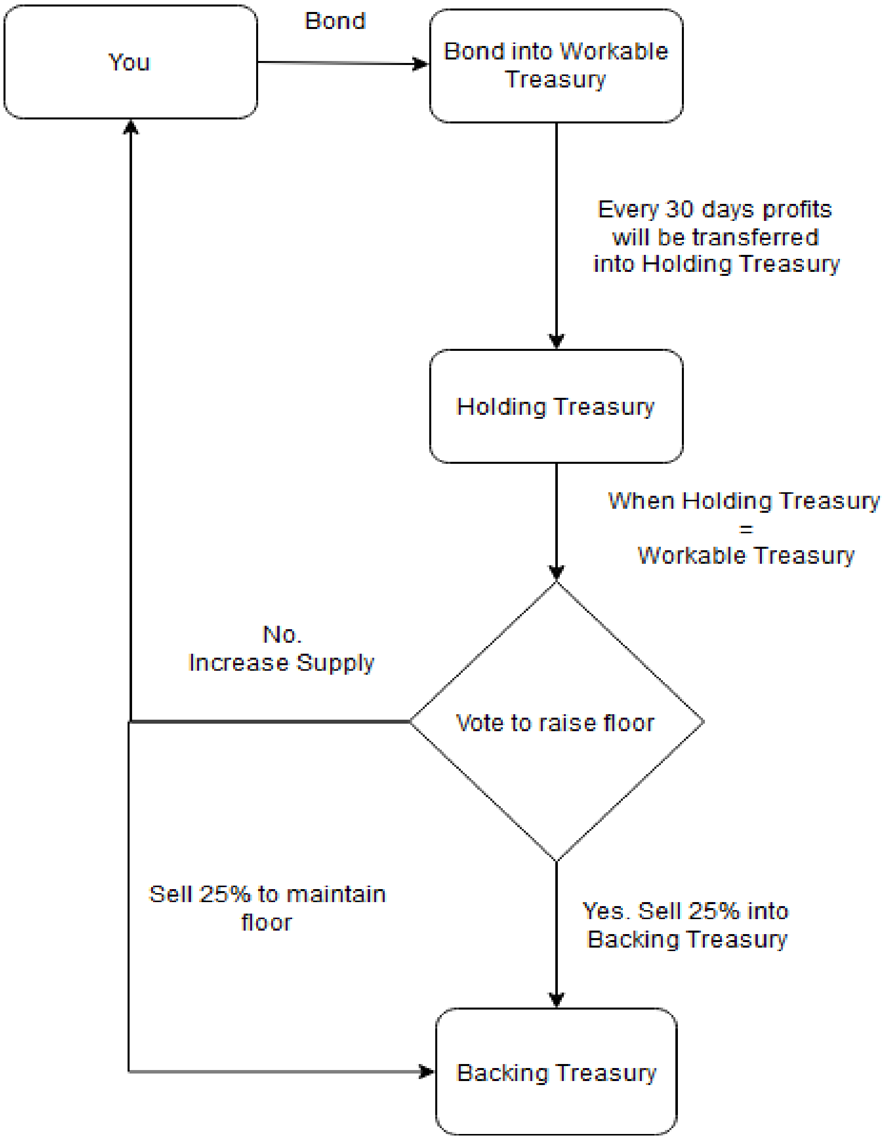
Benefits Trading Strategy is only a small part of Human Path Dao.

There are 3 parts to Human Path Dao.

1. **Workable Treasury**(Benefits Trading Strategy)
   Our founder's trading strategy will be used to generate consistent income. It's where all the magic happens.

2. **Holding Treasury**
   Holding treasury: The income from the workable asset treasury will be used to buy the blue chips and utility tokens. Crypto bought here will be held until the Dao votes to lock in profits and transfer it to the Backing Treasury or choose to allow more bonds hereby increasing the Workable asset treasury.

3. **Backing Treasury**
   A floor price that is determined via vote and Price Defender will initiate a buyback whenever the token price dips below the floor price.


You
Bond
Bond into Workable Treasury
Every 30 days profits will be transferred into Holding Treasury
Holding Treasury
When Holding Treasury = Workable Treasury
No. Increase Supply
Vote to raise floor
Sell 25% to maintain floor
Yes. Sell 25% into Backing Treasury
Backing Treasury

4.Tokenomics

Token Overview

- **Name:** Benefits
- **Symbol: $**Benefits
- **Type:** ERC-20
- **Decimals:** 9
- **Token Contract Address:**

  0x02b2E2a68d20ed1406e105467eC47d932dD467da
- **Max supply:** Determine by how big the backing treasury is
- **Current Circulating Supply:** 27,000

Bonds and Treasury Information

- Bonds will be open only when two criteria are met, the criteria is as follows.
  - First, when backing treasury can sustain the increase in circulating supply
  - Second, When the DAO votes on it.
- When a bond occurs, the assets that it is bonded with will go in the workable treasury where it will be generating profits for the DAO.
- Every 30 days profits from the workable treasury will be moved to holding treasury.
  - Holding Treasury allocations
    - Dao expenses: 8%
    - Marketing: 10%
    - Assets holding: 82% (Selected tokens are up to vote)
      - Blue Chip assets (Eg. BTC or ETH)
      - Governance token (Eg. Beefy or Jade)
      - Defi Tokens(Eg. AAVE)
      - 10% for Community Engagement
      - 10% Inheritance Pool

- When Holding Treasury assets = Workable Treasury.
  25% of Holding treasury assets will be sold into stables and placed into the Backing treasury and then followed by a vote by the community to raise floor price or to allow Bonding.
- Backing Treasury, as the name suggests it will use its funds to defend the floor price.
  - The buybacks will be done by PriceDefender where it will defend the floor price at all costs.

    Formula for backing treasury

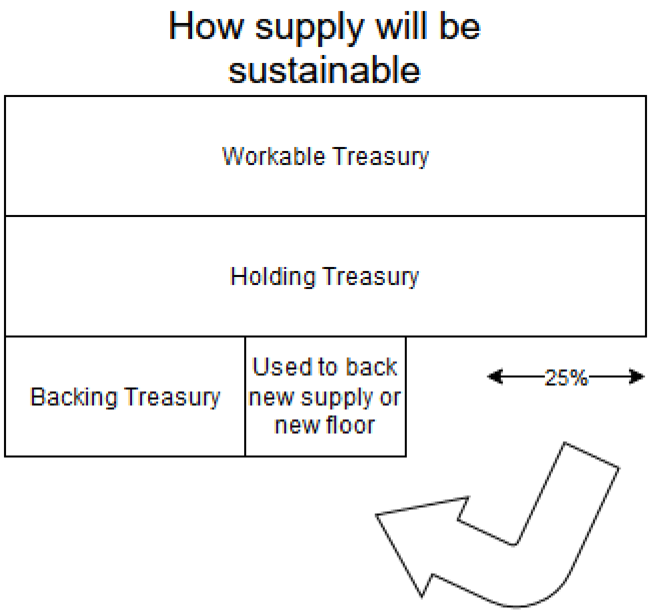
Circulating supply * floor price = Backing treasury size

- When funds in the Backing Treasury runs out, it means there is no circulating supply left.

How is it sustainable?

$Benefits will be in tight supply, as Bondings/Minting new tokens will only happen when Holding Treasury = Workable Treasury, 25% of Holding will be transferred to the Backing Treasury and when dao members vote for bonding.

This makes sure that the backing treasury is able to hold the floor price.



Liquidity of Dao token

During the early stages of the Dao, there will be a lack of liquidity. As a solution, the Dao will initiate buybacks of the Dao token and pair it with another token and deposit it into the liquidity pool. This will solve the issue of not having lp bonds.

What happens to tokens that are bought when Price Defender activiates?

Tokens bought will be kept in the treasury to be redistributed into supply when bonding is enabled.

This makes sure that the Dao is more money efficient as tokens burnt is value gone forever.

5.Why Human Path Dao?

Effective scaling of Benefits Trading Strategy
From the explanation of the Benefits Trading Strategy above, the example could be scaled up to 10x or 100x and it will still work the same. It can also use other altcoins that are more volatile to increase earnings.

Reduced Risk
After bonding your assets into the dao, you are no longer responsible for the loss in value of the token. Instead, you can just ride the floor price of the dao token.

Money together strong
If your portfolio of 10k gains 100%, it will just be a gain of 10K
But if the dao treasury of 1million gains 100%, it will be a gain of 1 million.
We play the game in percentages!

Governance, the ultimate goal; A true pseudo dao
Current Dao's are not what they market themselves to be. They are still a centralised group who have the final say in the Dao's decisions. They can even carry out important decisions without a vote from the Dao members.

Human Path Dao proposes a different method. Due to the simple nature of how the Dao operates, a pseudo Dao is possible.

This means that in Human Path's final form, the Dao can have minimal amounts of human interaction from the team.

This is all allowed by having simple predetermined choices where a smart contract will execute after the timer has reached zero and it will choose the choice which has more votes.

Human Path Fragment NFT
NFT is minted by members of the dao. It enables Dao members to stake their tokens, for voting and to claim inheritance rewards.

One time inheritance NFTs can also be given to community members who established themselves among the community.

The amount that they can claim will be subjected to a three tier system to the number of staked tokens they hold.

Three tier system

The Three tier system like the name suggests will encompass 3 tiers each tier have their own benefits and voting power.
What determines your tier is the amount that you stake in the NFT.

For example let's say
Tier 0: 0 $Benefits, 0%inheritance and Voting power of 0.
Tier 1: 1 - 10 $Benefits in the NFT, 50% inheritance and Voting power of 0.5
Tier 2: 11 - 100 $Benefits in the NFT, 30% inheritance and Voting power of 1
Tier 3: 101 - 1000$Benefits in the NFT, 20% inheritance and Voting power of 1.25

If John stake 10 $Benefits in to the NFT this means that he is under tier one and will receive inheritance relative to the tier eg. Voting power will be calculated as follows, **10(amount of $Benefits staked in the NFT) x 0.5 = 5 voting power** so this means that when the monthly(every 30 days) vote is open his voting power will only be 5.

Inheritance

Inheritance is a small reward system given to wallets that stake the DAO tokens into the NFT and contribute to the Dao by voting.
BUT there is one condition that must be met to receive the inheritance, the condition is that only those who vote will be eligible to claim inheritances.
The NFT's tier will determine which Inheritance pool you will be assigned to.
The Inheritance is distributed equally among the wallets in their respective pools. Where they can select which inheritance they want to take.