

## Personal DAO Tokenomics

**\$DAO** token will be responsible for facilitating both the governance and the profit distribution within the Personal DAO ecosystem.

### Revenue Generation

The Personal DAO ecosystem will derive revenue from 2 primary sources:

1. Rewards earned from a neuron controlled by the SNS DAO
2. \$DAO token burned in order to create and/or maintain Personal DAOs.

The following details explain the mechanisms by which each of the two revenue sources will function.

#### Rewards earned from a neuron controlled by the SNS DAO:

Following the Personal DAO SNS launch, 50% of the \$ICP raised will be placed into an 8-year neuron that is controlled by the SNS DAO. This 8-year neuron will be used to represent the interests of all Personal DAO communities within the ICP ecosystem. The \$ICP rewards earned from this 8-year neuron will be distributed to all wallets that hold \$DAO token.

The maturity accumulated by the 8-year neuron will be spawned on a regular basis. Approximately 15% of the maturity accumulated will be re-staked within the 8-year neuron to ensure continued growth of \$ICP rewards over time. Approximately 15% of the maturity accumulated will be sent to the SNS DAO's treasury to be used however \$DAO neuron holders see fit. The remaining ~70% of the \$ICP rewards generated by the SNS DAO's 8-year neuron will be distributed to holders of the \$DAO token. These parameters can be updated by \$DAO voting neurons to adapt to macro conditions as needed.

#### \$DAO token burned in order to create and/or maintain Personal DAOs.

\$DAO is the currency that users will be required to burn when purchasing services offered by the Personal DAO development team.

Services include:

1. *Personal DAO vending machine:*

For users looking to become a founder of their own Personal DAO, they will be able to do so by simply navigating to the Personal DAO vending machine and purchasing their own Personal DAO using \$DAO token as the currency. The \$DAO token will be burned upon creation of the new Personal DAO that is deployed for the user- creating deflationary pressure for \$DAO token.

## 2. *DAO upgrades:*

For DAO communities that don't have their own development team for coding upgrades, they have the option to download and install new upgrades developed by the Personal DAO dev team. Downloads and installations occur completely autonomously and are achieved via proposals submitted to the Personal DAO where the upgrades are to be installed. During the early beta stage of development, upgrades will be offered free of charge. Eventually, Personal DAOs will be required to burn \$DAO token in order to download upgrades offered by our dev team- creating deflationary pressure for \$DAO token.

## **\$DAO Token Incentives**

### Holding

All wallets holding \$DAO token will be scheduled to receive an \$ICP rewards distribution from the SNS-controlled 8-year neuron upon each rewards event conducted. This follows an incentivization structure similar to Water Neuron.

*Note: staking the \$DAO token is not required in order to receive \$ICP rewards. Users receive rewards by simply holding \$DAO token.*

### Staking

Users who stake \$DAO token will be rewarded with newly minted \$DAO tokens. \$DAO holders are incentivized to stake \$DAO token in order to gain voting power over how the funds within the SNS DAO are allocated for the growth of the Personal DAO ecosystem. As the Personal DAO ecosystem grows, so too will the need for regular deliberation regarding how the SNS DAO's resources are used to promote growth. The SNS DAO will function as the Personal DAO ecosystem's sovereign wealth fund, all who wish to have a say in how those funds are managed must do so by staking \$DAO token.

## **Token Demand**

With each Personal DAO deployed to the Internet Computer, more demand for \$DAO token is created as communities are incentivized to hold \$DAO token within their treasury as a matter of sound budgetary principle. The reason is that each Personal DAO consumes ~6 Trillion cycles

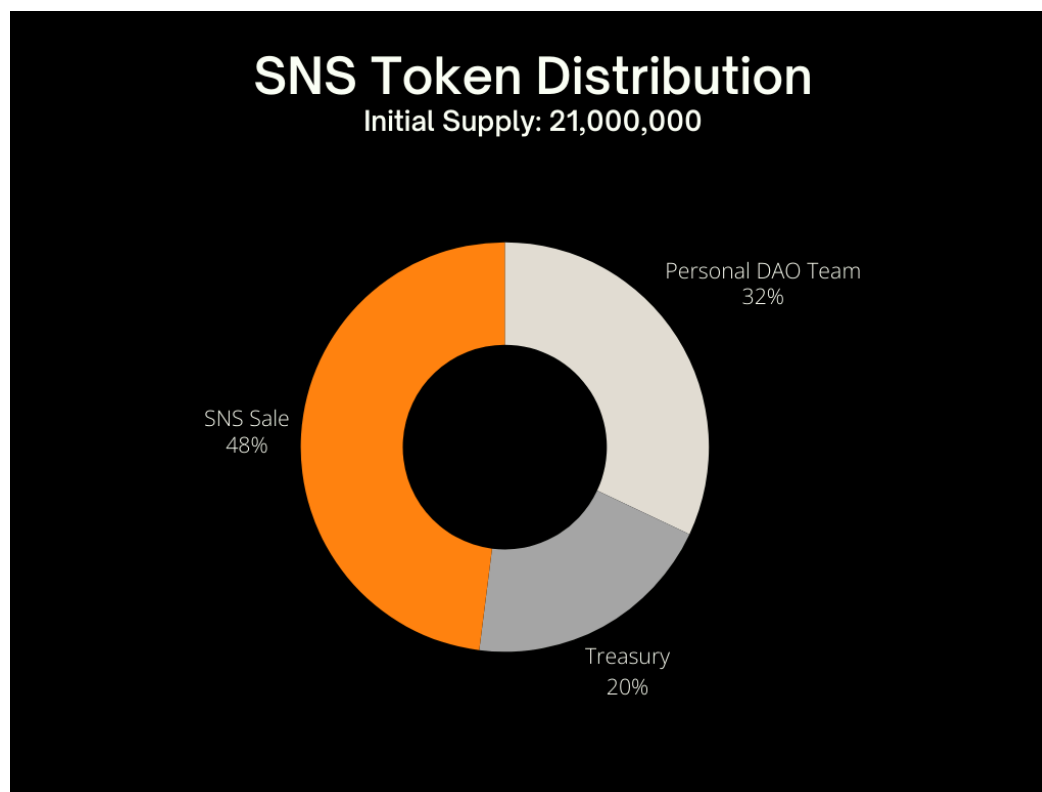
per month (~\$8 /mo). Because \$DAO token holders receive regular \$ICP rewards, Personal DAOs that hold \$DAO token within their treasury will ensure that they always have enough \$ICP to cover the cycles costs associated with their Personal DAO's operations.

Furthermore, Communities that wish to remain competitive must achieve this by upgrading their DAOs to include the latest features. This incentivizes communities to hold enough of the Personal DAO payment token within their DAO's treasury in order to afford present and future upgrades.

### Token Supply

The Personal DAO Payment Token has a non-fixed supply. Upon creation of the SNS DAO, the supply will be 21,000,000 \$DAO tokens. \$DAO token will have an initial inflation rate of 2% and a final inflation rate of 1% over a transition period of 8 years.

1.



### Funding Target

Minimum funding target: 1 \$ICP.

Maximum funding target: 1,000,000 \$ICP.

The purpose of the SNS launch is threefold:

1. To create and distribute \$DAO token- the token that will serve as the foundational asset of the Personal DAO ecosystem.
2. To bootstrap the liquidity needed in order to foster robust defi activity within and across Personal DAOs.
3. To raise funds that will be used to afford the continued development of the Personal DAO Protocol.

