

RoyalDAO



Whitepaper

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RoyalDAO Whitepaper

(Birth of the groundbreaking unrivaled
reservable assets for DeFi & TradFi
industries)

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RoyalDAO Disclaimer

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Introduction to RoyalDAO

Welcome to the dawn of a new era in asset ownership and wealth distribution - RoyalDAO. We are a team of passionate crypto veterans, witnessing the highs and lows of every market cycle, and we're here to revolutionize the way you invest in real-world assets (RWAs).

RoyalDAO is more than just a cryptocurrency project; it's a gateway to a future where the rarest and most coveted assets are accessible to everyone. We're not just talking about the next big meme coin or a speculative digital token. We're bringing the world of high-value RWAs like precious rubies and exquisite jade onto the blockchain through the power of tokenization.

The Power of Real-World Assets

Imagine owning a piece of a multi-million dollar ruby, a gemstone so rare that only a fraction of the world's millionaires can even dream of affording it. Or, what about co-owning a food supply chain capable of nourishing entire metropolises? With RoyalDAO, these extraordinary assets are no longer out of reach.

Our team has secured access to a treasure trove of unique and irreplaceable RWAs, including:

- Over 3kg of purplish red ruby (approximately 15,800 carats) valued at over \$800 million USD - a staggering sum beyond the grasp of 99% of 56.1 million people of millionaires and even most billionaires due to lack of liquid assets to acquire such a once-in-a-lifetime treasure.
- Up to \$1 billion USD worth of precious stone - a collection dwarfing the holdings of even industry giants like Blackrock's BUIDL Ethereum Fund, boasting a value four times greater.
- Food supplies that are even capable of sustaining major cities - Even though we are not a corporate giant like Blackrock and other financial institutions, we also have access to the food supply which can be fed to Paris and Istanbul for 1 full year. (For tokenized trade)

These are just a few examples of the incredible assets waiting to be tokenized on the RoyalDAO once we find out proper rhythm and opportunity in the crypto market. By leveraging the power of blockchain technology, we're ready to fractionalize these RWAs,

making them accessible to the global audience for the very first time regardless of their social class.

RoyalDAO is our experimental project and also will be the OG project for our further ecosystem development. When every industry giants are in the state of "I don't know what I don't know" and looking for every opportunity and potential use-cases of RWA tokenization, fractional ownership, and blockchain technology. We believe this is the best time to showcase our potential knowledge, strategic network, and advanced noble technology to those who are wandering around.

Introducing the Never-Zero Guarantee

But wait, there's more! RoyalDAO goes beyond simple asset tokenization. We're pioneering a revolutionary concept - the never-zero guarantee. Unlike traditional cryptocurrencies susceptible to market fluctuations, RoyalDAO tokens are intrinsically linked to real-world assets with inherent value. This means your investment will always be backed by the underlying asset, ensuring a minimum floor price and protecting you from the volatility often associated with the crypto market. Every utility token you own will represent the "Right of Redemption" to our backing assets which means you are more than welcome to redeem any of our jade or ruby at the predetermined redemption value at any time just by using our utility token.

A Glimpse into the Future

RoyalDAO is more than just a project; it's the foundation for a comprehensive RWA ecosystem. We're currently developing a state-of-the-art, all-asset tokenization platform that will empower anyone, from retail-grade investors to institutional-grade giants, to tokenize their assets and participate in a new era of fractional ownership of anything you can touch or think about. This platform, planned for launch in stage 5 of our strategic roadmap with RWA-only NFT marketplace, will transform the financial landscape, making everything from Fixed-Income Assets, Structured Notes, Coupons, Funds, RUVs, CLOs, and Short Term Treasuries to real estate and even everyday objects like your own car will be ownable in fractions.

Your revolutionary journey

As industry leaders grapple with the immense potential of RWA tokenization, RoyalDAO stands ready to illuminate the path forward. We are extending a hand to potential partners and the

crypto community, the lifeblood of our ecosystem. Together, we will usher in a new era of asset ownership, where everyone can participate and share in the prosperity of the future. Remember, the future is tokenized, and with RoyalDAO, you can be a part of it.

The Problem

"The Volatility Chasm Between Traditional and Crypto Assets"

The current financial landscape presents investors with a stark choice: stability or liquidity. Traditional assets, like private stocks and real estate, offer a sense of security through established regulations and underlying value. However, their illiquidity can make entering and exiting positions cumbersome. Conversely, crypto-native assets boast unparalleled liquidity through decentralized exchanges. However, this freedom often comes at the cost of extreme volatility and a lack of inherent value.

The Perilous Swings of Crypto:

Imagine waking up one morning to discover your entire crypto portfolio has vanished. This harsh reality is a constant threat in the crypto market, as evidenced by recent events like the collapse of FTX and Terra Luna. Despite seemingly sound fundamentals and strong communities, these projects plummeted from immense highs to near zero value due to unforeseen circumstances. Even seasoned analysts were caught off guard, highlighting the unpredictable nature of purely crypto-backed assets.

In contrast, traditional market downturns, while impactful, rarely result in complete loss of principal. Even during a burst real estate bubble, investors might recoup a portion of their investment through bankruptcy proceedings or distressed asset sales.

Crypto-Native Assets: A Wild Ride with Questionable Value

On the other side of the spectrum, crypto-native assets, like Bitcoin and Ethereum, boast high liquidity. They can be easily traded on exchanges, allowing for quick buying and selling. However, this liquidity often comes at the cost of extreme

volatility. Crypto markets are notorious for their boom-and-bust cycles, with asset values susceptible to rapid swings based on speculation, hype, and even social media trends. This volatility exposes investors to the risk of losing a significant portion, or even all, of their invested capital.

The Collapse of the Crypto Giants: A Case Study in Crypto's Vulnerability

The collapse of the Terra Luna ecosystem serves as a stark reminder of the inherent risks associated with crypto-native assets. Despite a seemingly robust ecosystem, strong fundamentals, and institutional backing, the value of Terra Luna plummeted from over \$100 per coin to practically zero in a matter of days. Investors, even seasoned analysts, were caught off guard, highlighting the unpredictable nature of crypto markets. Despite seemingly strong fundamentals, loyal communities, and institutional backing, these projects experienced devastating declines, leaving investors with near-worthless holdings.

The Root of the Problem: Lack of Intrinsic Value

The fundamental difference between traditional and crypto-native assets lies in the concept of intrinsic value. Traditional assets derive their value from tangible factors like company earnings, property value, or underlying assets in the case of some bonds. Crypto-native assets, on the other hand, often lack a clear intrinsic value proposition. Their worth is primarily driven by speculation and market sentiment, leading to the high volatility we see today. In crypto, intrinsic value is a hotly debated topic. Some argue for the importance of a project's use case and community support, while others point to the ephemeral nature of hype and speculation. In the crypto world, the concept of intrinsic value is more complex. Hype, speculation, and a project's utility play a crucial role in determining price. While a strong use case can help maintain liquidity, it often proves insufficient when faced with negative sentiment ("FUD") or market-wide corrections.

The Solution

"A Bridge Between Two Worlds"

We propose a solution that leverages the strengths of both traditional and crypto assets. By introducing real-world assets (RWAs) like precious gems and commodities onto the blockchain through tokenization, we aim to create a stable and secure investment environment.

These RWAs offer a tangible foundation for our token's value, similar to how gold once backed the US dollar. This intrinsic value acts as a floor price, mitigating the extreme volatility that plagues many cryptocurrencies. Additionally, by allowing for fractional ownership of these high-value assets, we enhance liquidity, making them more accessible to a wider audience.

RoyalDAO proposes a solution that bridges the gap between these two asset classes. By leveraging the power of blockchain technology, we aim to create a new category of assets: tokenized real-world assets (RWAs). These tokens represent ownership fractions of valuable physical assets like precious gemstones (e.g., jade and ruby), essential commodities (e.g., food supplies), or even with tokenized carbon credits.

By linking crypto assets to real-world assets with inherent value, RoyalDAO offers investors the best of both worlds:

- **Stability:** The underlying value of the physical asset provides a floor price, mitigating the extreme volatility associated with traditional cryptocurrencies.
- **Liquidity:** Fractional ownership through tokenization unlocks the liquidity potential of RWAs, making them accessible to a broader investor base.
- **Transparency:** Blockchain technology ensures transparency and immutability of ownership records, fostering trust and security within the ecosystem.

The \$10 Trillion Opportunity

Our project addresses a critical gap in the current financial system, estimated at a staggering \$10 trillion USD. By offering a bridge between the stability of traditional assets and the liquidity of crypto, we aim to revolutionize fractionalized RWA tokenization. Investors can participate in a secure and transparent ecosystem, free from the fear of waking up to a worthless portfolio. They can hold tokens with a guaranteed minimum value and the potential for upside, all backed by the inherent value of real-world assets.

The Never-Zero Guarantee: A Safety Net for Investors

RoyalDAO introduces a groundbreaking concept - the never-zero guarantee. Our tokens will be backed by the real-world value of the assets they represent, creating a minimum floor price. This means even in a bearish market scenario, investors can rest assured that their holdings retain a significant portion of their value. Additionally, we are exploring the possibility of offering physical redeemability, similar to how gold once backed the US dollar. This adds another layer of security, allowing investors to redeem their tokens for a predetermined price if necessary.

By addressing the inherent shortcomings of both traditional and crypto assets, RoyalDAO aims to unlock a \$10 trillion USD market opportunity according to the Blackrock inc. Our RWA tokenization platform will empower investors to participate in a new era of fractional ownership, where stability meets liquidity, and investments are protected from complete value collapse.

The Status Quo and Our Disruptive Offering

"A Glimmer of Hope in a Sea of Uncertainty"

The current landscape of stablecoins is plagued by a fundamental flaw often referred to as the "impossible trinity" - achieving scalability, censorship resistance, and true stability simultaneously. Many existing stablecoin projects promote the ability to redeem 1 USD for every token issued, but this claim often lacks transparency and relies on complex mechanisms that can be susceptible to manipulation or unforeseen circumstances.

RoyalDAO: A Revolution in Stability

Our project shatters this paradigm with a revolutionary approach. The floor price of our utility token and the stability of our semi-stable token (SST) are unequivocally backed by the intrinsic value of real-world assets (RWAs) - namely, a treasure trove of precious rubies and jades. These tangible assets are readily available for redemption at any given time, eliminating the need for opaque calculations or algorithmic adjustments which often fail.

RoyalDAO Shatters the Illusion: Intrinsically Valued Stability

Our project breaks the mold by offering a truly stable and secure environment. Here's how we stand out:

- **Unwavering Backing:** The floor price of our utility token and the stability of our stablecoin are unequivocally anchored by the intrinsic value of real-world assets (RWAs) – our exquisite rubies and jades. These physical assets are always available for redemption at any time, eliminating the need for manipulative price controls or reliance on volatile cryptocurrencies.
- **Scalability for the Long Term:** While a fully collateralized model might seem like a limitation at first glance, RoyalDAO has the foresight to address this. Our vast reserves of RWAs, including precious stones and essential commodities, provide ample backing to meet market demand well into the future.
- **Inflation-Proof Stability:** A unique advantage of our RWA backing is its inherent inflation resistance. As inflation rises, the value of our gemstones and commodities increases proportionally. This built-in mechanism not only ensures the stability of our issued tokens but also allows for organic growth of their floor price due to the appreciating value of the underlying assets.

Scalability Without Compromise

While concerns regarding scalability might arise at first glance, RoyalDAO has meticulously addressed this challenge. Our extensive reserves of RWAs, including precious stones and essential commodities, provide a robust foundation to meet market demand not only in the present but also well into the future.

Scaling for the Future

While some may initially perceive this model as a potential hurdle for scalability, we have a comprehensive strategy to address this concern. Our strategic asset reserves are substantial enough to meet anticipated market demand for the foreseeable future. Furthermore, we plan to expand our RWA portfolio to include various commodities, creating a diversified and robust backing mechanism. Who knows there will not be products like RWA backing index NFTs which can be long, short, trade, and options or simply reserved as new must-have necessities standard backing assets for crypto projects.

Inflationary Hedge and Intrinsic Appreciation

The brilliance of our RWA-backed model extends beyond simple stability. These assets possess a unique advantage – their value tends to rise in tandem with inflation. This built-in inflation hedge ensures the long-term stability of our issued semi-stable tokens (SST). Furthermore, the intrinsic value of these RWAs

allows for natural appreciation over time, fostering a more organic and sustainable growth pattern for our token ecosystem.

Inflation? We Embrace It

The beauty of our chosen RWAs lies in their inherent inflation-resistant properties. As inflation rises, the value of our gem-based reserves naturally increases. This translates into a self-correcting mechanism, ensuring the issued every each of semi-stable tokens (SST) maintain their stability while experiencing a natural, intrinsic appreciation in value. These unique characteristic fosters long-term confidence and growth within the ecosystem.

Transparency and Unwavering Solvency

Transparency is paramount at RoyalDAO. Our unwavering commitment to solvency is reflected in several key features:

- **100% Backing Guarantee:** Every token issued is fully backed by real-world assets, readily available for redemption.
- **Real-Time Price Data:** Our Protocol Owned Liquidity (POL) dashboard provides transparent and up-to-date information on our floor price, eliminating any room for speculation or manipulation.
- **Redemption as a Right:** The ability to redeem tokens for their underlying reserves (rubies and jades) are not a privilege, but a guaranteed right for our token holders.

Solvency is Our Strength, Redemption is Our Guarantee:

In a sea of crypto projects exceeding 2.4 million, with a total market capitalization of over \$2 trillion USD, RoyalDAO stands out as a beacon of solvency. We offer a unique guarantee - the right to redeem your tokens for their underlying value in real-world assets. This unprecedented level of security and transparency is unmatched within the entire crypto industry.

The Competitive Edge: An Unbreakable Barrier to Entry

The strategic selection of rubies and jades as our primary backing assets offers a significant advantage - a near-impenetrable barrier to entry. Replicating our model is exceptionally challenging due to the difficulty of acquiring and managing such a substantial reserve of valuable gemstones that can only be found in one place in the whole world, especially which is also only accessible to a limited network like ours.

This ensures RoyalDAO's position as a pioneer and a leader in the non-fiat RWA-backed cryptocurrency space.

RoyalDAO offers a revolutionary approach to stablecoins and utility tokens. We transcend the limitations of the current market by providing an ecosystem built on transparency, unwavering asset backing, and intrinsic stability.

The Immense Market Potential of RWA Tokenization with RoyalDAO

The world of finance is on the cusp of a paradigm shift, driven by the transformative power of real-world asset (RWA) tokenization. This revolutionary approach unlocks the vast potential of traditional assets, estimated at a staggering \$217 trillion USD for real estate alone – a figure exceeding 2.7 times the global GDP. This immense value has historically been out of reach for most investors, even industry giants like Blackrock and J.P. Morgan. Yet, with tokenization, this landscape is poised to change dramatically.

A Sleeping Giant: The RWA Market

Consider this: the value of global real estate alone is estimated to be \$217 trillion USD, a figure nearly three times the entire global GDP. This represents an untapped ocean of wealth, largely inaccessible to most investors due to the inherent limitations of traditional ownership structures. Even financial giants like Blackrock and J.P. Morgan struggle to fully engage and capture the full value of these assets.

Democratizing Access to Monumental Value

Imagine a world where anyone, regardless of wealth or social status, can own a piece of a multi-million dollar jade gemstone or a thriving real estate property. RWA tokenization makes this a reality by fractionalizing these high-value assets into smaller, more manageable tokens. This opens the door for a new era of inclusive wealth creation, allowing everyone to participate in previously inaccessible investment opportunities.

Tokenization: Democratizing Access to a Trillion-Dollar Market

RoyalDAO's core innovation lies in unlocking this hidden potential through RWA tokenization. By leveraging blockchain technology, we can fractionalize high-value assets like precious gems and commodities, making them accessible to a global audience of investors. This democratization of ownership disrupts the traditional financial landscape, empowering individuals to participate in a previously out-of-reach market.

Tokenization: The Key to Unlocking Value

The future lies in fractional ownership through tokenization. By fragmenting these high-value assets into smaller, tradable units, we unlock a world of possibilities:

- **Frictionless Tokenization:** Our platform will streamline the tokenization process, making it easier and more efficient for asset owners to convert their holdings into tradable tokens.
- **Increased Accessibility:** Previously out-of-reach assets like multi-million dollar rubies or vast food supplies become attainable for everyday investors. This democratizes wealth creation, allowing everyone to participate in a previously exclusive market.
- **Enhanced Liquidity:** Tokenization removes the friction associated with traditional asset ownership. Fractional ownership enables easier buying and selling, fostering a more liquid and dynamic marketplace.
- **Transparency and Security:** Blockchain technology underpins tokenization, providing a secure and transparent platform for asset ownership and transaction tracking. This reduces counterparty risk and fosters trust within the ecosystem.

First-Mover Advantage: Seizing the Opportunity

RoyalDAO's early adoption of RWA tokenization positions us as a frontrunner in this transformative movement. By building a robust tokenization platform now, we stand to capture the initial wave of asset tokenization across various sectors, not just real estate. This first-mover advantage translates into a significant market share and the potential to become the go-to platform for future tokenization endeavors.

Beyond Speculation: Building Sustainable Prosperity

Our vision extends beyond short-term gains and market speculation. We envision an inclusive wealth creation process where everyone, regardless of social status, can benefit from the power of RWA tokenization. By democratizing access to these

valuable assets, RoyalDAO empowers individuals to participate in the global financial landscape and build a brighter future.

The Road Ahead: A Shared Journey

The market potential for RWA tokenization is undeniable. With RoyalDAO, we aim to lead the charge towards this new frontier, unlocking immense value and fostering a more inclusive financial ecosystem.

The Evergreen Business Model

"Thriving in Every Market Cycle"

The traditional financial world is a rollercoaster ride of bull and bear markets, with businesses flourishing during upswings only to struggle when the tide turns. During bull runs, everything seems to rise - from groceries to stocks. However, the pendulum inevitably swings. When the bear market arrives, millions lose jobs, businesses collapse, and bank runs become a stark reality. Historically, only a select few unethical businesses manage to survive these cycles unscathed.

RoyalDAO presents a paradigm shift. We're not just pioneering RWA tokenization; we're building an **evergreen business model** designed to thrive in both bullish and bearish market conditions. Here's how:

Hedging Against Inflation

Bull markets bring soaring inflation, eroding the value of cash. Investors flock to commodities and tangible assets as a hedge. This is where RoyalDAO shines. We offer a diverse portfolio of tokenized assets - RoyalDAO may offer a diverse array of tokenized assets, empowering users to safeguard their wealth against inflation.

Facilitating Liquidity in Downturns

Bear markets often lead to job losses and financial hardship. People desperately need liquidity, and traditional banks can become restrictive. RoyalDAO offers a solution with our one-stop tokenization service. Individuals can tokenize their own assets, creating a frictionless path to immediate liquidity, bypassing

traditional banking hurdles and geographical limitations. More participants on our platform translate to increased liquidity, benefiting everyone within the ecosystem.

Debt Restructuring and Redemption

Market downturns can trigger widespread loan defaults, leaving both individuals and corporations with mountains of bad debt. RoyalDAO offers a novel solution: tokenization of defaulted debt. This allows debt to be sold at a discounted price, facilitating future obligations and eventual redemption. Think of it as a more transparent and efficient alternative to traditional distressed debt sales.

Maximizing Collateral Liquidation

When collateralized assets are liquidated during defaults, fire sales often result in undervalued assets. RoyalDAO steps in as a liquidation partner, offering a fairer price through tokenization. This benefits both the lender, who recoups more value from the defaulted asset, and potential buyers who gain access to these assets at a more attractive price.

Transparency and Security through Decentralization

Every asset ownership within the RoyalDAO ecosystem will be held in secure escrow by our trust management partner. Additionally, Chainlink's Proof of Reserve integration ensures continuous validation of all assets backing our tokens. This transparency fosters trust and security within the platform.

DAO-Driven Governance: Your Voice Matters

We understand that some might view our services as taking advantage of those in distress. However, RoyalDAO operates on a core principle - Decentralized Autonomous Organization (DAO) voting. Every decision, from service offerings to ecosystem inclusions, is subject to community approval. Your vote will determine how RoyalDAO interacts with various market conditions, ensuring our actions are aligned with the collective will of our community. Every decision, every action within our ecosystem, is subject to community approval. Ownership token holders with voting rights have a direct say in shaping how RoyalDAO interacts with the market, ensuring our operations are ethical and beneficial to all participants.

By offering a diverse range of services, RoyalDAO positions itself as an evergreen entity. We are not a flash in the pan, riding the highs of a bull market. Instead, we are a resilient ecosystem built to adapt and navigate the ever-changing tides of the financial world. With community governance at our core, we strive to create a future where everyone can benefit from the power of RWA tokenization, regardless of the market climate. across market cycles and empowering our community through DAO governance, RoyalDAO positions itself as an evergreen business model, poised to not only survive but flourish in any market landscape.

Why Every Currency Should Be Backed by Intrinsically Valuable Assets

"A Return to Stability"

History offers valuable lessons. For much of the 20th century, the global financial system functioned under a **gold standard**. This system linked the value of a currency, like the US dollar, to the value of a tangible asset - gold. This created a sense of stability and predictability, as the value of the dollar wasn't solely reliant on government manipulation or economic whims.

However, the gold standard wasn't without its flaws, and the system was eventually abandoned. The consequence? The rise of **fiat currencies**, whose value is based solely on the issuing government's credit and faith. While this system offers flexibility, it comes at a cost:

- **Debt and Inflation:** Fiat currencies create an environment conducive to debt and inflation. Governments can easily print more money, potentially leading to economic bubbles and a decline in the currency's purchasing power.
- **Government Dependence:** The value of a fiat currency hinges on public trust in the issuing government. Political instability or economic mismanagement can erode this trust, causing the currency's value to plummet.
- **Vulnerability to Shocks:** Fiat currencies are susceptible to both positive and negative economic events. They may struggle to adapt to sudden changes, potentially amplifying the effects of economic booms or busts.
- **Limited Flexibility:** The money supply in a fiat system may not be flexible enough to respond to the ever-evolving needs of the

global economy. This can hinder growth and lead to economic stagnation.

- **Interconnected Economies:** Under a fiat system, national economies become more intertwined. A financial crisis in one country can easily ripple across borders, leading to widespread instability.
- **Excessive Reserves:** Countries with fiat currencies might need to hold larger reserves of foreign currency to mitigate financial risks, tying up resources that could be used for productive investment.
- **Market Manipulation:** The value of fiat currencies can be influenced by factors beyond the realm of traditional economic forces. Speculation and market manipulation can create artificial price movements, disrupting economic stability.

Statement 2

- **Intrinsically Valuable Backing:** Gold possesses inherent value, independent of government manipulation. This intrinsic value acted as a natural floor price for the dollar, preventing excessive inflation and promoting trust in the currency.
- **Curbing Debt and Inflation:** The gold standard limited a government's ability to print money at will. This helped control debt levels and prevent runaway inflation, a major concern with today's fiat currencies.
- **Promoting Global Trade:** The gold standard established a common denominator for international trade, facilitating stable exchange rates and fostering global economic cooperation.

The transition to fiat currencies, where a government's decree dictates a currency's value, has introduced several drawbacks:

- **Debt and Inflation Spiral:** With no inherent value anchor, governments can easily print more money, leading to debt accumulation and inflation. This erodes purchasing power and creates economic instability.
- **Erosion of Trust:** The value of fiat currencies hinges on public trust in the issuing government. Economic mismanagement or political turmoil can erode this trust, causing currency devaluation and economic hardship.
- **Limited Flexibility:** Adjusting the money supply in a fiat system can be slow and cumbersome, hindering a government's ability to respond effectively to economic fluctuations.

RoyalDAO: A Modern Reimagining of the Gold Standard

RoyalDAO builds upon the strengths of the gold standard while addressing its limitations. We propose a novel approach: utility tokens and semi-stable token (SST) which is backed by a

diversified portfolio of real-world assets (RWAs) like precious gemstones (rubies and jades).

These RWAs offer several advantages over gold:

- **Tangible Assets:** Unlike gold, which is primarily stored in vaults, RWAs can be utilized and generate additional value. Precious stones can be used in jewelry, while commodities like food can address real-world needs.
- **Diversification:** Our RWA basket mitigates the risks associated with relying on a single asset class. This diversification strengthens the overall stability of our token ecosystem.
- **Scalability:** The global supply of valuable RWAs is vast, allowing us to scale our project to meet increasing demand without compromising on the value backing our tokens.

RoyalDAO: A Return to Stability with Real-World Assets

RoyalDAO proposes a solution: a return to a system anchored in intrinsic value. Our project utilizes real-world assets (RWAs) like precious gems and commodities to back our utility token and semi-stable token (SST). This offers several advantages:

- **Stability and Predictability:** The intrinsic value of RWAs acts as a floor price for our tokens, mitigating the excessive volatility often associated with fiat-backed cryptocurrencies.
- **Transparency and Trust:** By leveraging blockchain technology, we ensure complete transparency regarding our RWA reserves, fostering trust within the ecosystem.
- **Inflation Hedge:** Many RWAs, like precious metals and commodities, tend to appreciate in value alongside inflation. This protects the purchasing power of our token holders during inflationary periods.
- **Sustainable Growth:** The intrinsic value of RWAs allows for organic and sustainable growth within our token ecosystem, as opposed to the potentially inflationary tendencies of fiat-backed systems.

A Return to Stability with RoyalDAO

RoyalDAO proposes a revolutionary solution - a return to a form of intrinsic value backing for our semi-stable token (SST) and utility token. We leverage the inherent value of real-world assets (RWAs) like precious rubies and jades to provide a stable foundation for our token ecosystem.

This approach offers several critical advantages:

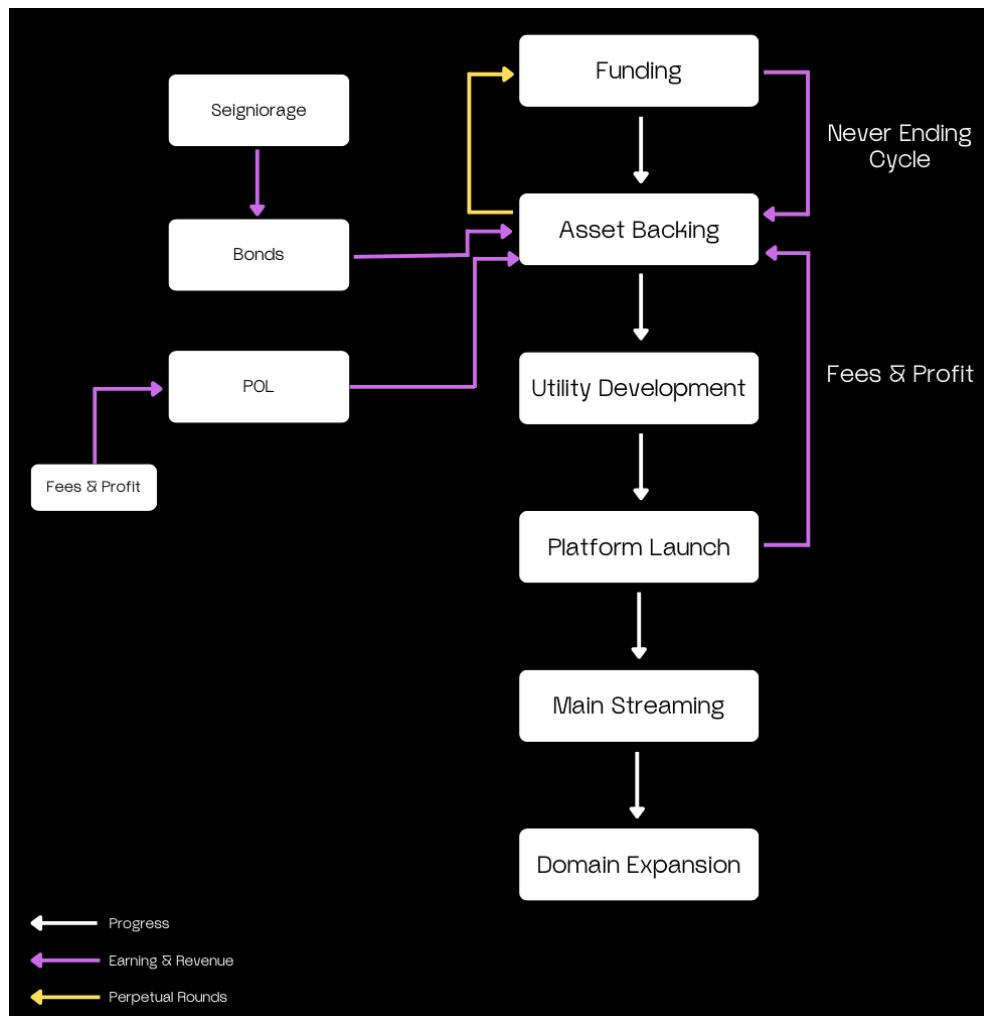
- **Intrinsic Value Anchor:** The value of our tokens is directly tied to the value of the underlying RWAs, mitigating the risk of excessive inflation or devaluation.
- **Tangible Security:** The physical assets backing our tokens act as a tangible store of value, fostering greater trust and confidence among investors.
- **Resilience to Shocks:** The intrinsic value of RWAs provides a buffer against external economic shocks, promoting greater stability within the RoyalDAO ecosystem.

A Pioneering Vision for the Future

By reintroducing the concept of intrinsic value backing, RoyalDAO paves the way for a more stable and secure financial future. Our innovative approach offers a compelling alternative to the shortcomings of fiat currencies, fostering a more resilient and trustworthy financial ecosystem.

Step-by-Step Sustainability & Growth Plan

"A Manifesto for Our Future"



Building a sustainable and thriving ecosystem is paramount to RoyalDAO's success. We present a meticulous, multi-phased plan designed to secure our long-term viability and growth:

Phase 1: Seeding the Future with "Never Zero Guarantee" Tokens

RoyalDAO ushers in a new era with the introduction of our never-zero-guarantee, inflation-friendly RWA-backed cryptocurrency. The presale of semi-stable token (SST) version of pre-TGE tokens offers several advantages:

- **Securing Strategic Reserves:** Presale funds will be strategically deployed to acquire a substantial reserve of RWAs, the cornerstone of our ecosystem's stability.
- **Presale Rewards & Flexibility:** Presale participants receive pre-TGE tokens redeemable for our utility token, \$Greenrock, at a 1:1 ratio upon the Token Generation Event (TGE). These pre-TGE tokens offer additional utility:

- **Staking for Airdrop Points:** Presale participants can stake their tokens to earn airdrop points, granting them access to exclusive rewards distributed to early investors and adopters.
- **OTC Market Liquidity:** Pre-TGE tokens can be traded on secondary OTC platforms like "Whales Market," providing participants with early liquidity options.

Phase 2: Building a Foundation of Asset-Backed Stability

Leveraging the liquidity raised during the presale, we transition to a robust asset-backed model:

- **Strategic Asset Acquisition:** 80% ~ 100% of SST presale liquidity will be used to acquire the strategic reserves of precious stones, particularly rubies and jades. These RWAs become the collateral and backing for our future utility tokens.
- **Minting Utility Tokens and Introducing \$USDG:** With our RWA reserves in place, we mint our utility token \$Greenrock. This token fuels our ecosystem and can be seamlessly exchanged for our stablecoin, \$USDg. \$USDg offers unparalleled flexibility, enabling activities like:
 - Liquidity Provision on Decentralized Exchanges
 - Staking for Potential Rewards
 - Exchange for Other Popular Stablecoins (USDT, USDC, FRAX)
- **Locking Rewards:** For those committed to the RoyalDAO vision, we offer a tiered locking program (3, 6, 9 months, and 1 year). Longer locking periods the more chance to participate in token-gated RWA sales events.
- **Discounted RWA Acquisition & Ecosystem Reinforcement:** Vesting participants receive airdrops of \$Grimstone tokens, representing up to a 40% discount on RWAs offered through our sales events. This incentivizes ecosystem participation while reinforcing the value proposition of RoyalDAO's RWA-backed system. The discount rate will vary based on liquidity and price impact or the price level of the market situation.

Phase 3: Unleashing the Power of Utility

With a solid foundation established, we embark on the development of two transformative utilities:

- **Comprehensive Asset Tokenization Platform:** We will create a fully functional platform enabling the tokenization of various assets. This empowers individuals and institutions to unlock the value trapped in their real-world assets.
- **Dedicated RWA-Only NFT Marketplace:** A revolutionary RWA-exclusive NFT marketplace will be established. This fosters a unique space for trading and interacting with NFTs backed by the inherent value of real-world assets.

These powerful utilities will fuel a surge in user adoption and ecosystem growth, attracting new community members and forging strategic institutional partnerships.

Phase 4: Platform Launch and Ecosystem Expansion

With our core functionalities in place, RoyalDAO is poised to unleash its full potential. The launch of our asset tokenization platform and RWA-exclusive NFT marketplace marks a pivotal moment:

- **Web3 and Web2 Convergence:** Our services extend beyond the crypto-native community, reaching the vast potential of Web2 users through strategic partnerships. This fosters broader adoption and welcomes non-crypto users into a secure and familiar environment - the RoyalDAO ecosystem - offering the first steps toward Web3 exploration. Our "never zero guarantee" serves as a safety net for these newcomers, alleviating entry anxieties.
- **A Gateway to Decentralized Finance:** Millions will gain seamless access to innovative, next-generation DeFi services powered by RWA tokenization through our user-friendly platform. This empowers individuals to participate in a more inclusive and transparent financial landscape.
- **Sustainable Growth through POL:** The majority of fees generated within the ecosystem will be strategically allocated as Protocol Owned Liquidity (POL). This not only enhances liquidity but also allows for the acquisition of additional inflation-friendly RWAs, further solidifying our reserve base.

Phase 5: Mainstreaming and Sustainable Growth

With a robust platform in place, we shift our focus to global brand awareness:

- **Global PR and Media Outreach:** RoyalDAO will engage in a comprehensive public relations and media buying campaign to garner worldwide attention. This strategy aims to attract additional funding and solidify our position as a leading force in the no-zero-guarantee financial landscape by acquiring more and more RWA reserves.
- **Seamless DeFi for Millions:** We are committed to empowering millions with access to revolutionary, decentralized financial services. Our RWA tokenization platform will be the cornerstone of this initiative, offering a user-friendly gateway to a new financial paradigm.
- **Fee Management for Ecosystem Growth:** The majority of fees generated by our platform will be strategically allocated. A portion will be directed towards building Protocol Owned Liquidity (POL), while the remainder will be used to acquire

additional inflation-friendly RWAs, further bolstering our reserves and reinforcing the stability of our ecosystem.

Phase 6: Domain Expansion and The Endgame

Having established a solid foundation – both intrinsically through RWA backing and extrinsically through widespread adoption – RoyalDAO sets its sights on an ambitious long-term vision:

- **Multi-Chain Interoperability:** We will expand our reach by becoming a multi-chain platform, ensuring seamless interoperability across multiple blockchain networks.
- **The Dawn of "1 Corporation, 1 Blockchain":** We anticipate a future where every corporation leverages its own blockchain. We will see corporations leveraging blockchain technology for functions like tokenized deposit, tokenized funds, tokenized trade, and RWA tokenization. RoyalDAO will be at the forefront of this paradigm shift, developing a next-generation blockchain specifically designed to cater to the needs of this emerging financial landscape.
- **Tokenized Solutions for a Tokenized World:** Our blockchain will empower corporations to embrace tokenization in all its aspects – from tokenized funding and trade to RWA tokenization. This comprehensive suite of solutions will be facilitated by our very own, intrinsically valuable, and inflation-friendly decentralized currency, perfectly positioned to serve as the medium of exchange within this transformative ecosystem.
- **The Go-To Platform for Everyone:** Backed by a strong community, ample liquidity, a robust network, a proven track record, and unparalleled expertise, RoyalDAO will position itself as the clear choice for individuals and institutions worldwide seeking a secure and innovative platform for their financial needs.

The Unrivaled Choice for the Future

RoyalDAO's meticulously crafted roadmap is a testament to our unwavering commitment to building a sustainable and thriving ecosystem. By prioritizing asset-backed stability, fostering community engagement, and unlocking the power of RWA tokenization, we are confident in propelling the future of finance forward.

Product Supremacy

Why Jades and Rubies Reign Supreme

"A Multifaceted Advantage"

While a variety of precious stones undeniably possess beauty and value, RoyalDAO's strategic selection of jades and rubies offers a unique and unparalleled set of advantages within the RWA (real-world asset) backing framework. Here's a breakdown of why jades and rubies stand out from the competition:

Rarity and Geologic Formation

- **Jades:** Formed through a complex process involving intense heat and pressure over millions of years, top-quality jade is exceptionally rare. Unlike diamonds, which can be produced commercially in labs, the formation of true jade cannot be replicated, making it a finite resource with intrinsic scarcity.
- **Rubies:** These fiery gems are formed when aluminum oxide crystallizes under extreme heat and pressure. While mined in various locations, Burmese rubies are particularly prized for their exceptional color saturation and brilliance, making them much rarer than commonly found diamonds.

Logistical Challenges and Legitimacy Concerns

- **Provenance and Ethical Sourcing:** Diamonds, particularly those mined in conflict zones, face significant ethical and logistical hurdles. Ensuring a clean and conflict-free supply chain for diamonds adds complexity and cost. Jades and rubies, on the other hand, have established trade routes with reputable suppliers in Asia, offering greater transparency and ease of ethical sourcing.
- **Storage and Security:** The unique properties of jades and rubies necessitate specialized storage and security measures. However, compared to diamonds, which require highly sophisticated and expensive equipment to detect fakes, jades and rubies can be more readily authenticated by experienced gemologists, reducing the risk of forgeries entering the market.

Intrinsic Value and Cultural Significance

- **Jades:** A symbol of wealth, nobility, and virtue in China for over 7,000 years, jade transcends its monetary value. Its deep cultural significance adds a layer of intrinsic value not readily found in diamonds, which are primarily valued for their brilliance.
- **Rubies:** Associated with passion, power, and protection throughout history, rubies have adorned the crowns of emperors and graced the collections of royalty. This rich cultural heritage imbues

rubies with a certain mystique and desirability that goes beyond their physical characteristics.

Diversification and Strategic Advantage

- **Complementary Value Proposition:** Jades and rubies offer a diversification strategy within the RWA portfolio. Jades are prized for their serene beauty and symbolism, while rubies captivate with their fiery brilliance. This caters to a wider range of investor preferences compared to a single gemstone focus.
- **Market Fluctuations and Long-Term Stability:** The gemstone market experiences price fluctuations. By focusing on jades and rubies, RoyalDAO benefits from the potential for both stones to appreciate in value over time, offering a more robust hedge against inflation compared to a broader gemstone basket.

Beyond the Glitter: A Focus on Stability and Trust

While other precious stones like sapphires, emeralds, pearls, alexandrite, and even gold hold value, they don't possess the same confluence of factors as jades and rubies. Diamonds, for instance, while undeniably beautiful, face saturation concerns due to lab-grown alternatives. Sapphires and emeralds, although rare, lack the deep cultural significance of jades and rubies. Pearls, while organic, require special care and are susceptible to damage. Alexandrite, with its color-changing properties, is a fascinating gem but lacks the established market presence of jades and rubies. Finally, gold, though a valuable metal, is often subject to government regulations and price manipulation.

By strategically selecting jades and rubies, RoyalDAO establishes a foundation built on **rarity, verifiability, cultural significance, and diversification**. This unique approach fosters a more stable and secure RWA backing system, ultimately inspiring greater trust and confidence among investors in the \$Greenrock token (SST).

A Legacy in Stone

"The Unmatched Power of RoyalDAO's RWA Backing"

RoyalDAO stands at the forefront of a financial revolution, leveraging the timeless allure and enduring value of precious stones - jades and rubies - as the cornerstone of our project.

This section delves into the rich history, intricate details, and unparalleled advantages associated with these RWAs (real-world assets).

A Journey Through Time: A Legacy Etched in Stone

Jades and rubies boast a history as rich and captivating as their colors. For millennia, these gemstones have been prized possessions, revered for their beauty, symbolism, and enduring value. Jades, particularly, have held cultural significance in Asia for over 7,000 years, representing nobility, wealth, and spiritual purity. Rubies, with their fiery brilliance, have symbolized passion, protection, and prosperity throughout history, adorning the crowns of kings and queens.

Beyond Beauty: The Science Behind the Sparkle

Jades and rubies are more than just dazzling stones; they are marvels of geological science. Jades, composed primarily of nephrite and jadeite, possess a remarkable toughness that belies their elegant appearance. Rubies, a variety of the mineral corundum, derive their captivating red hue from trace elements of chromium, each stone a unique fingerprint of nature's artistry. Understanding the scientific composition of these RWAs is vital for appreciating their enduring value.

A Spectrum of Splendor: The Allure of Variety

The world of jades and rubies encompasses a breathtaking array of colors, clarities, and cuts. Jades range from translucent mutton-fat white to deep, almost emerald green, each shade imbued with cultural significance. Rubies, while predominantly known for their قرمز (qirmizi - Arabic for crimson) red, can also exhibit captivating hues of pink, orange, and even a rare pigeon's blood red, the most coveted variety. This remarkable diversity ensures that each RWA within the RoyalDAO treasury is a one-of-a-kind masterpiece.

A Scientific Exploration: Unveiling the Depths of Rarity

Jades and rubies are formed through extraordinary geological processes, taking millions of years to achieve their brilliance. Gemologists meticulously evaluate these stones based on various factors:

- **Color:** For jades, a spectrum of greens is valued, with the most prized being an intense emerald hue with a lustrous translucency.

Rubies are admired for their rich red color, with a strong saturation and a hint of blue being particularly desirable.

- **Clarity:** The presence of inclusions (flaws) significantly impacts value. Flawless stones, or those with minimal inclusions invisible to the naked eye, command premium prices.
- **Cut:** The way a stone is cut plays a crucial role in maximizing its brilliance and fire. Precise cuts, like the emerald cut for jades and the brilliant cut for rubies, enhance their beauty and value.
- **Carat Weight:** Larger stones, especially those exceeding 5 carats, are exponentially more valuable due to their rarity.

A Pricey Proposition: Unveiling the Value of Rarity

The average price per carat for these exquisite stones varies depending on the aforementioned quality factors. Here's a ballpark estimate:

- **High-Quality Jade:** \$10,000 USD per carat and above
- **Top-Tier Ruby:** \$15,000 USD per carat and above

These figures merely represent an average; exceptional stones can fetch significantly higher prices, reaching into the millions.

Quantifying Value: A Price Tag on Priceless Beauty

The average price of jades and rubies varies depending on a multitude of factors, including quality, provenance, and historical significance. Investment-grade jades can range from several thousand USD per carat to tens of millions, while exceptional rubies can fetch prices exceeding one million USD per carat. Owning even a fraction of these extraordinary stones through \$Greenrock tokens represents a stake in a truly valuable asset class.

The Unreplicable Advantage: Why RoyalDAO Stands Alone

Owning a collection of such high-caliber jades and rubies presents a nearly insurmountable barrier to entry. Even industry giants would struggle to replicate this feat due to several factors:

- **Rarity and Provenance:** Acquiring top-quality stones necessitates established relationships with reputable miners and gemstone dealers. Building such trust takes time and a proven track record.

- **Sheer Volume:** The vast collection held by RoyalDAO acts as a significant deterrent. Amassing a comparable collection would require immense financial resources and ongoing acquisitions.
- **Logistical Challenges:** Secure storage, transport, and insurance for such a valuable asset portfolio necessitate a robust infrastructure and expertise.
- **Finite Resources:** Unlike mass-produced commodities, jades and rubies are formed over millions of years under specific geological conditions. The supply of these exceptional stones is inherently limited, and mining operations are subject to strict regulations and geographical constraints.
- **Exquisite Rarity:** The most coveted jades and rubies exhibit a unique combination of color, clarity, cut, and carat weight. Stones that possess all these qualities in exceptional measure are incredibly rare, further amplifying their value and exclusivity.
- **Cultural Significance:** The rich cultural heritage associated with jades and rubies imbues them with a value that transcends mere monetary worth. Owning such a gemstone represents a connection to a timeless legacy.

A Superpower Project: Unmatched Security and Growth Potential

By anchoring itself in these irreplaceable RWAs, RoyalDAO establishes itself as a true superpower project. These stones offer several advantages:

- **Intrinsic Value:** Unlike traditional cryptocurrencies, jades and rubies possess inherent worth independent of market fluctuations. This intrinsic value provides a safety net for \$Greenrock token holders.
- **Hedge Against Inflation:** Precious stones have historically proven to be a reliable hedge against inflation. As the value of fiat currencies weakens, the value of these RWAs tends to be appreciated.
- **Limited Supply:** The finite nature of these natural resources ensures their long-term scarcity, potentially driving their value upwards over time.

In conclusion, RoyalDAO's RWA holdings are not simply assets; they are the very foundation of a revolutionary project. The immense value, undeniable rarity, and logistical hurdles associated with acquiring these stones create an **unparalleled** competitive advantage, solidifying RoyalDAO's position as a **superpower project** within the cryptocurrency landscape. This unique approach paves the way for a secure, stable, and potentially lucrative future for \$Greenrock token holders. These are the all reasons why RoyalDAO is entering into the crypto

market by strategically selecting rubies and jades as backing RWAs.

The Grand Ambition of \$Greenrock

"A Gateway to a Reimagined Financial Landscape"

\$Greenrock is more than just a token; it's a gateway to a revolutionary financial future. Our vision extends far beyond the immediate horizon, aiming to establish \$Greenrock as a **powerful force** that reshapes the way we interact with value.

A Foundation Built on Real-World Assets

At its core, \$Greenrock is firmly anchored in the **unwavering security** of real-world assets (RWAs) - precious rubies and jades. Each \$Greenrock token represents a **fractional ownership** stake in these tangible assets, providing an inherent layer of value that transcends the often-volatile nature of cryptocurrencies.

Expansion Through Strategic Acquisition

As RoyalDAO grows, we plan to strategically **expand our RWA portfolio**. This doesn't just mean accumulating more rubies and jades; we envision a future where our treasury encompasses a diverse range of low-risk assets like:

- **Real Estate:** Imagine owning a piece of prime real estate simply by holding \$Greenrock tokens.
- **Carbon Credits:** Be a part of the environmental solution while holding a valuable asset class.
- **Agricultural Outputs:** Gain exposure to essential agricultural commodities through your \$Greenrock ownership.

This diversification strategy serves a dual purpose:

- **Enhanced Stability:** By incorporating a wider array of RWAs, we further **solidify the foundation** of the RoyalDAO ecosystem, mitigating risk and fostering long-term stability.
- **Increased Redemption Options:** As our RWA portfolio expands, so too do the **redemption possibilities** associated with \$Greenrock tokens. In the future, holding \$Greenrock could empower you to redeem not just rubies and jades, but also any of the RWAs held within the RoyalDAO treasury.

\$Greenrock: A Potential Paradigm Shift

The ultimate ambition for \$Greenrock is nothing short of transformative. We envision a future where \$Greenrock transcends its role as a token and evolves into a **widely recognized currency** due to its underlying right to redemption upon various RWAs. Imagine a world where \$Greenrock can be used to **redeem a vast array of RWAs**, similar to how fiat currencies function today. This would fundamentally alter the financial landscape, empowering individuals with a **universal tool** to access and own real-world assets. By holding \$Greenrock, you're not just investing in a token; you're **investing in the future**.

Unleashing the Power of Unduplicatable Security

"Multi-Billion Dollar Market Opportunity for RoyalDAO's Semi-Stable Token (SST)"

RoyalDAO's pioneering Semi-Stable Token (SST) presents a paradigm shift within the crypto industry, offering unparalleled security and stability for an entire ecosystem of crypto projects. This section explores the multifaceted advantages of SSTs, particularly their applicability as a **foundation for other crypto projects**, illuminating a multi-billion dollar market opportunity for RoyalDAO.

The Achilles' Heel of Existing Stablecoins: Vulnerability and Downward Risk

Current stablecoin offerings, while striving for price stability, often leave projects and investors exposed to potential vulnerabilities. Fiat-backed stablecoins are susceptible to fluctuations in traditional currencies, while algorithmic stablecoins rely on complex mechanisms that can introduce unforeseen risks. This inherent **downward risk** creates a significant hurdle for widespread adoption.

The Allure of the SST: A Guaranteed Floor Price

The brilliance of the RoyalDAO SST lies in its **guaranteed floor price**. This floor price is directly tied to the **unduplicatable** value of the underlying RWAs (real-world assets) - the exquisite

jades and rubies held within the RoyalDAO treasury. This intrinsic value acts as a **safety net**, ensuring the SST never falls below a predetermined level.

Mathematical Formalization of the SST Floor Price

Let:

- F denote the SST Floor Price (in USD)
- $V_{j,i}$ represent the individual market value (in USD) of the j th jade and i th ruby in the RoyalDAO treasury at a given time t
- N_j, N_i signify the total number of jades and rubies in the treasury, respectively

The SST Floor Price (F) can be mathematically expressed as:

$$F(t) = \min \{ W_j * \sum(V_{j,i}(t)) ; W_i * \sum(V_{i,j}(t)) \}$$

where:

- W_j, W_i represent pre-defined weighting factors assigned to jades and rubies, respectively, based on their individual value contributions

This formula ensures that the SST floor price is always anchored to the **combined lowest market value** of the jades and rubies within the treasury, offering a **mathematically guaranteed** level of security.

Unveiling the Use Cases: A Boon for Crypto Projects

This innovative design unlocks a plethora of compelling use cases for the SST, particularly for other crypto projects seeking to bolster their offerings:

- **Stablecoin Issuance with Guaranteed Downside Protection:**
Stablecoin providers can leverage the SST as a core collateral asset. The SST's guarantee floor price safeguards against the perils of downward price spirals often plaguing traditional cryptocurrencies, mitigating the risk of insolvency for stablecoin projects.

Scenario-Based Opportunity Quantification

Let's consider a hypothetical scenario where 1 SST is backed by rubies and jades with a combined proven redeemable value of \$3 USD. However, due to market demand, the current SST price is \$15

USD. This scenario presents two collateralization options for stablecoin projects:

1. **Safe Method (Intrinsic Value-Based Collateralization):** The project conservatively uses \$3 USD (intrinsic value) as the collateralization value for each SST. This approach prioritizes absolute security for the stablecoin peg.
2. **Volatile Method (Premium Value-Based Collateralization):** The project exploits the opportunity presented by the SST's premium. They can choose varying degrees of collateralization based on risk tolerance:
 - o **Under premium-collateralization:** Using a value less than \$15 USD (range between \$3 USD ~ below \$15 USD) per SST which introduces calculated risk. For example, market price of 1 SST = \$15 USD but mint \$10 USD worth of utility or stablecoin by collateralizing \$15 USD worth of SST.
 - o **Full premium-collateralization:** Using \$15 USD (current market price) per SST ensures a perfect balance between risk and reward. Utilizing the market value of SST to maximize the output of other projects.
 - o **Over premium-collateralization:** Using a value exceeding \$15 USD (e.g., \$20 USD in counterparty token) per SST which is not recommended. Based on the future speculation or upward exposure of SST more than its current market value. For example, 1 SST = \$15 USD market price but mint \$20 USD worth of utility or stablecoin by collateralizing just \$15 USD worth of SST.

This flexibility empowers stablecoin projects to tailor their collateralization strategies based on their specific risk profiles.

- **Utility Token Backing with Upward Potential:** Projects issuing utility tokens can utilize the SST as a backing asset. This not only enhances the perceived value of their tokens but also allows for potential price appreciation beyond the SST's floor price.

Quantifying the Opportunity: A Multi-Trillion Dollar Market

The global crypto market is projected to reach a staggering **USD 10.9 trillion by 2030**. Considering that a significant portion of this market relies on crypto-backed collateral susceptible to price fluctuations, the demand for a stable and reliable alternative like SSTs is undeniable.

- By 2030, the market is projected to reach a remarkable USD 10.9 trillion, underlining the increasing prominence and adoption of tokenized assets in the global financial landscape.

Furthermore, the DeFi sector, valued at over **USD 200 billion** in 2023, thrives on innovative collateralization mechanisms. SSTs, with their unique risk management features, are poised to disrupt this space and capture a significant market share. The combination of RoyalDAO's SST and tokenization platform alone is sufficient to grow RoyalDAO in billions if not in trillions with over \$200 billion worth of immediate addressable market.

A Non-Speculative Product-Market Fit: A Beacon of Stability

Unlike many speculative ventures within the crypto industry, RoyalDAO's SSTs address a fundamental need - **investor protection**. By prioritizing solvency and minimizing downside risk, SSTs cater to a **non-speculative product-market fit**. This focus on long-term sustainability aligns perfectly with the evolving demands of a maturing cryptocurrency landscape.

Leading by Example: Decentralization Beyond Speculation

RoyalDAO transcends the traditional narrative of decentralization focused solely on censorship resistance and democratized access to assets. The project aims to champion a **nobler vision**, leveraging decentralization to prioritize investor safety and promote responsible financial practices within the crypto ecosystem without any regulations or constraints ever needed.

A Future Empowered by SSTs

RoyalDAO's SSTs represent a groundbreaking innovation with the potential to revolutionize the crypto industry. By offering a unique blend of stability, flexibility, and investor protection, SSTs unlock a multi-billion-dollar market opportunity. As the crypto space matures and prioritizes responsible financial practices, RoyalDAO's SSTs are poised to become the cornerstone of a safer, more secure, and more prosperous future for all participants aka crypto investors.

RoyalDAO Institutional Product Architecture: Empowering the Future of DeFi

RoyalDAO embraces a collaborative approach, extending the power of its Semi-Stable Token (SST) technology beyond its core ecosystem. This section unveils the RoyalDAO Institutional Product Architecture, designed to empower other crypto projects – both retail and institutional – with secure and innovative financial instruments.

Beyond Competition: Fostering a Collaborative DeFi Landscape

RoyalDAO rejects the limitations of "red ocean" strategies and monopolistic tendencies. Instead, we believe in fostering a collaborative environment within the DeFi space. The RoyalDAO Institutional Product Architecture embodies this philosophy by offering our SST technology as a foundation for other projects.

Building Trust and Interoperability: Bridging TradFi and DeFi

By enabling other projects to leverage RoyalDAO's RWA (real-world asset) backing of jades and rubies, the Institutional Product Architecture fosters trust and interoperability across the entire blockchain landscape. This bridges the gap between traditional finance (TradFi) and decentralized finance (DeFi), creating a more robust and interconnected financial ecosystem.

Why Choose RoyalDAO's Institutional Products?

Several compelling reasons make RoyalDAO's Institutional Products the ideal choice for other crypto projects:

- **Secure RWA Backing:** Projects gain immediate access to the stability and security of RoyalDAO's jades and rubies, offering their investors a **guaranteed floor price** and protection against downward volatility.
- **Enhanced Investor Protection:** By integrating RoyalDAO's SST technology, projects can demonstrate a strong commitment to investor protection, fostering trust and confidence within their communities.
- **Reduced Development Time and Cost:** Projects can leverage RoyalDAO's existing infrastructure and expertise, saving them valuable time and resources in developing their own reserve systems.
- **Increased Utility and Yield Generation:** The RoyalDAO ecosystem offers a diverse range of yield generation opportunities for \$Greenrock holders. Projects that integrate with RoyalDAO can potentially unlock these benefits for their own token holders.

Tailored Solutions: Meeting the Needs of Retail and Institutional Projects

The RoyalDAO Institutional Product Architecture caters to a broad spectrum of needs:

- **Institutional-Grade Offerings:** For established projects seeking a secure and reliable RWA backing solution, RoyalDAO offers a minimum purchase value of \$500,000 USDT or USDC. This ensures a significant level of commitment and aligns with institutional investment standards.
- **Sub-DAO Program for Early-Stage Projects:** Recognizing the potential of innovative new projects, RoyalDAO offers a Sub-DAO program. This program provides promising early-stage ventures (with great ideas but limited liquidity) with access to:
 - **Trust and Credibility:** By associating with RoyalDAO's established ecosystem, these projects gain a crucial layer of trust and credibility.
 - **Community and Network Effects:** The Sub-DAO program connects these projects with the vibrant RoyalDAO community, fostering valuable network effects.
 - **Liquidity Solutions:** RoyalDAO's established liquidity pools can potentially benefit these projects by providing access to a wider investor base.
 - **RWA Backing:** Participation in the Sub-DAO program allows even early-stage projects to offer their investors the security of RoyalDAO's RWA backing.

Transparency and Verifiability: Building Trust Through Public Vaults

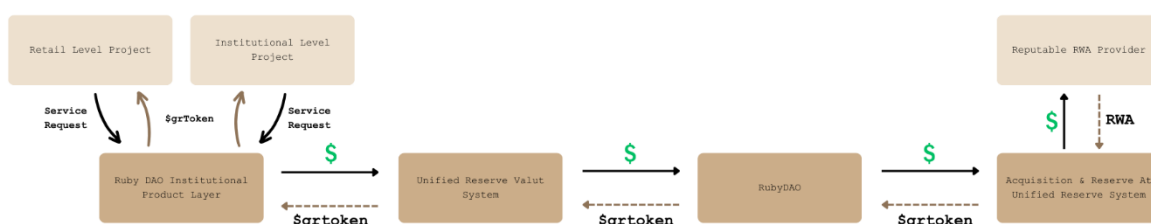
Each project that utilizes RoyalDAO's Institutional Products will have a unique reserve pool displayed on a separate, publicly verifiable vault dashboard. This unwavering commitment to transparency allows investors to monitor the underlying RWA holdings associated with their project's SST.

A Simpler, More Secure Future for DeFi

The RoyalDAO Institutional Product Architecture presents a compelling vision for the future of DeFi. By empowering other projects with secure RWA backing, fostering collaboration, and promoting interoperability, RoyalDAO paves the way for a more robust, trustworthy, and interconnected DeFi landscape. Ultimately, this benefits the entire crypto ecosystem by

creating a more secure and sustainable environment for investors and projects alike.

RubyDAO Institutional Product Architecture



How to Redeem Your Real-World Asset (RWA) Backing

RoyalDAO empowers you to redeem the intrinsic value behind your \$Greenrock tokens through a secure and transparent process. This section details the steps involved in redeeming your RWA backing, along with important considerations regarding processing times and legalities.

The Redemption Process: A Step-by-Step Guide

1. **Initiate Redemption:** Visit the official RoyalDAO redemption page and browse the available RWA packages. These packages represent assortments of precious stones (jades and rubies) with varying values.
2. **Select Your Package:** Choose the RWA package that aligns with your redemption preference. Once you've identified your desired package, click the "Redeem Package" button.
3. **Token Burn:** Upon clicking "Redeem Package," the equivalent amount of \$Greenrock tokens associated with your chosen RWA

package will be deducted from your wallet and transferred to a designated burn wallet. This burn process permanently removes these tokens from circulation, ensuring a proportional decrease in circulating supply and potentially influencing the value of remaining \$Greenrock tokens.

Crucially, this step is irreversible, so please proceed with caution and only redeem when you are certain of your decision.

4. **NFT Receipt:** Following the successful token burn, an NFT (Non-Fungible Token) representing your RWA package will be deposited into your crypto wallet. This NFT serves as a unique digital certificate of ownership for your redeemed real-world assets.
5. **Secure Transfer:** Locate the official RoyalDAO redemption wallet address displayed prominently on our website. Carefully transfer your RWA package NFT to this address. This initiates the secure transfer process.
6. **Official Contact:** After you have successfully transferred your RWA package NFT, the RoyalDAO redemption team will reach out to you through our official **Twitter** account. **Please note, that we will never contact you regarding redemption through any other social media platform.**
7. **Final Steps: Secure Shipment and Ownership**
 - During communication with the RoyalDAO redemption team, you will be required to cover the taxes and shipping costs associated with delivering your redeemed RWAs to your designated address.
 - Once taxes and shipping costs are settled and logistics are finalized, your exquisite jades and rubies will be securely delivered to you, solidifying your ownership of these valuable real-world assets.

Important Considerations: Processing Time and Legalities

The redemption process adheres to strict legal and regulatory protocols to ensure the secure handling and transportation of valuable assets. As such, please be aware of the following:

- **Processing Time:** The redemption timeframe may vary depending on factors such as background checks (to comply with anti-money laundering regulations), secure packaging, and international shipping procedures. RoyalDAO strives to expedite this process while maintaining the highest security standards. We will keep you informed throughout the entire redemption journey.
- **Legal Compliance:** RoyalDAO adheres to all applicable laws and regulations governing the cross-border movement of

precious stones. This may involve additional documentation or procedures depending on your geographical location. Our redemption team will guide you through any necessary steps to ensure a smooth and compliant experience.

The Power of Choice: Digital and Physical Ownership

\$Greenrock tokens offer you the best of both worlds: the ease and security of digital ownership combined with the enduring value and tangible beauty of real-world assets. The redemption process empowers you to convert your digital holdings into exquisite jades and rubies, allowing you to experience the enduring value and timeless beauty of these precious stones.

Fair Valuation Methodologies: Unveiling the Intrinsic Value of Jade

RoyalDAO recognizes the importance of transparency in establishing the fair market value of its core RWAs (real-world assets) - exquisite jades. This section explores established methodologies used to determine the value of these precious stones, empowering investors with a clear understanding of how their \$Greenrock tokens are backed by intrinsic worth.

A Multifaceted Approach: Unveiling Jade's Value

Unlike diamonds, which are primarily valued based on the GIA grading system, jade valuation incorporates a broader range of factors. Here are the key considerations that influence a jade's fair market value:

- **Color:** The most prized jades exhibit a vibrant, translucent green color with a lustrous sheen. Variations within the green spectrum, such as emerald green or mutton fat white jade, also hold value depending on cultural preferences and market demand.
- **Transparency:** Highly translucent jades, allowing light to pass partially through the stone, are more valuable than opaque jades. The degree of transparency significantly impacts a jade's overall beauty and desirability.
- **Texture:** The texture of a jade should be smooth and细腻 (xì nì - 细腻 meaning fine and delicate in Chinese) to the touch. Jades with a coarse or grainy texture are less valuable.

- **Carving and Workmanship:** The artistry and skill displayed in carving a jade piece significantly influence its value. Intricate carvings and depictions of auspicious symbols can elevate a jade's worth.
- **Origin:** Similar to rubies, specific geographical locations, particularly Myanmar, are renowned for producing exceptional jades. Jades from these regions often command higher prices due to their historical significance and perceived quality.

Market Dynamics and Additional Considerations

Beyond these core factors, market forces also play a role in jade valuation:

- **Cultural Significance:** Jade holds deep cultural significance in China and other Asian countries, influencing market demand and potentially driving prices upwards.
- **Investment Potential:** High-quality jades are increasingly viewed as a safe-haven asset, attracting investors seeking a tangible store of value. This growing demand can inflate prices over time.
- **Size and Weight:** Larger jade pieces, especially those exceeding 1 kilogram, are significantly more valuable due to their rarity.

Valuation Methods Employed by RoyalDAO

RoyalDAO utilizes a multi-pronged approach to ensure the fair valuation of its jade collection:

- **Professional Jade Appraisals:** Independent, qualified jade appraisers meticulously evaluate each jade in the RoyalDAO treasury, considering the factors mentioned above and assigning a value based on their expertise and market knowledge.
- **Auction Data Analysis:** RoyalDAO closely monitors auction results for high-quality jades, particularly those with similar characteristics to the stones within the treasury. This data provides valuable insights into current market trends and informs our valuation process.
- **Insurance Replacement Value:** Each jade is insured based on a professional appraisal, offering an additional layer of validation and transparency regarding its fair market value.

Transparency: Building Trust with Investors

By employing a combination of established methodologies, market research, and professional appraisals, RoyalDAO fosters transparency and trust within the ecosystem. Investors can be confident that the jades backing their \$Greenrock tokens are meticulously evaluated and assigned a fair market value, directly translating into the intrinsic value of their holdings.

Additional Resources:

The following resources provide further insights into jade valuation:

- Jade Source Magazine: <https://rockchasing.com/how-much-jade-is-worth/>
- The Jade & Gemstone Society of Australia: <https://www.gem.org.au/>

RoyalDAO's commitment to fair valuation methodologies ensures that its jade holdings represent a secure and valuable foundation for the \$Greenrock token ecosystem. By leveraging a multifaceted approach that considers traditional quality factors, market dynamics, and cultural significance, RoyalDAO empowers investors with the confidence that their holdings are backed by real-world assets possessing undeniable intrinsic value.

Fair Valuation Methodologies: Assessing the Intrinsic Value of Rubies

RoyalDAO prioritizes transparency and empowers its investors with a deep understanding of the valuation process behind its core RWA (real-world asset) - exquisite rubies. This section explores established methodologies used to determine the fair market value of these precious stones.

The Gemological Institute of America (GIA) Grading System: A Universal Benchmark

The GIA grading system serves as the industry standard for evaluating diamonds and colored gemstones, including rubies. This system takes into account the following factors, each assigned a specific grade and corresponding value:

- **Color:** The most prized rubies exhibit a pure, vibrant red color with a slight hint of blue. Saturation and depth of color significantly influence value.
- **Clarity:** The presence of inclusions (flaws) within the stone impacts its value. Flawless stones, or those with minimal inclusions invisible to the naked eye, command premium prices.

- **Cut:** The way a ruby is cut plays a crucial role in maximizing its brilliance and fire. Precise cuts, such as the cushion cut or the brilliant cut, enhance a ruby's beauty and value.
- **Carat Weight:** Larger stones, especially those exceeding 5 carats, are exponentially more valuable due to their rarity.

Beyond GIA Grading: Additional Considerations for Ruby Valuation

While the GIA grading system provides a strong foundation, additional factors can influence a ruby's value:

- **Origin:** Certain geographical locations, like Myanmar and Thailand, are renowned for producing exceptional rubies. Stones from these regions often command higher prices.
- **Treatments:** Some rubies undergo treatments like heat enhancement to improve their color or clarity. The type and extent of treatment can affect a ruby's value.
- **Market Demand:** Ultimately, market forces play a role in determining a ruby's worth. Fluctuations in demand for specific ruby characteristics can influence overall prices.

Valuation Methods Employed by RoyalDAO

RoyalDAO leverages a multi-faceted approach to ensure the fair valuation of its rubies:

- **Professional Gemological Appraisals:** Independent, GIA-certified gemologists meticulously evaluate each ruby in the RoyalDAO treasury, assigning a value based on the GIA grading system and other relevant factors.
- **Market Research and Analysis:** RoyalDAO continuously monitors market trends and auction results involving high-quality rubies. This data informs our valuation process and ensures alignment with current market realities.
- **Insurance Replacement Value:** Each ruby is insured based on a professional appraisal, providing an additional layer of validation and transparency regarding its fair market value.

Transparency and Trust: Empowering Investors

By employing a combination of established methodologies, market research, and professional appraisals, RoyalDAO fosters transparency and trust within the ecosystem. Investors can be confident that the jades and rubies backing \$Greenrock tokens are meticulously evaluated and assigned a fair market value, directly translating into the intrinsic value of their holdings.

Additional Resources:

The following resources provide further insights into ruby valuation:

- Gemological Institute of America (GIA): <https://www.gia.edu/gem-lab-service/diamond-grading>
- The International Colored Gemstone Association (ICA): <https://www.gemstone.org/>

Conclusion:

RoyalDAO's commitment to fair valuation methodologies ensures that its RWA holdings represent a secure and valuable foundation for the \$Greenrock token ecosystem. By leveraging established industry standards and incorporating additional market insights, RoyalDAO empowers investors with the confidence that their holdings are backed by real-world assets possessing undeniable intrinsic value.

Explanation Of RoyalDAO's Products Types Of Tokens

Understanding of Token Types from RoyalDAO Ecosystem

The RoyalDAO ecosystem boasts a rich tapestry of nine distinct tokens, each meticulously crafted to serve a specific purpose and empower our community. This diverse token architecture fosters participation, incentivizes commitment, and ultimately fuels the long-term growth of our project.

Pre-TGE Tokens: Fueling the Launchpad (On-Chain and Off-Chain)

- **Pre-TGE Token (On-Chain):** This token serves a critical role during our presale stage. Participants who contribute to the presale receive Pre-TGE tokens, acting as redeemable vouchers for

\$Greenrock tokens at a 1:1 ratio following the Token Generation Event (TGE).

- **Pre-TGE Token (Off-Chain):** To generate excitement and cultivate a thriving community around the presale, RoyalDAO offers an off-chain version of the Pre-TGE token as an airdrop farming incentive. Those who participate in this program will receive a predetermined amount of these off-chain tokens, also redeemable for \$Greenrock tokens at a 1:1 ratio after the TGE.

Green Points: Rewarding Active Participation (Non-Monetary)

Green Points are a unique feature within the RoyalDAO ecosystem. These non-monetary tokens reward users for actively participating in airdrop farming events, both before and after the TGE. By completing specific tasks and meeting designated requirements, users accumulate Green Points. These points play a crucial role in determining airdrop eligibility, essentially translating to "free money" and ownership in our intrinsically valuable real-world assets (RWAs) – rubies and jades. The more Green Points you accumulate, the greater the potential airdrop rewards you may receive.

\$Greenrock Token: The Cornerstone of Our Ecosystem

The \$Greenrock token serves as the cornerstone of the RoyalDAO ecosystem. This TGE token, also functioning as our utility token, represents the **right to redeem** or **right of ownership** for the RWAs that back our project – precious rubies and jades. The value of the \$Greenrock token is directly linked to the underlying value of these RWAs. Holding more \$Greenrock tokens translates to greater access to the RoyalDAO treasury, empowering you to claim a larger portion of these valuable assets. Most importantly, \$Greenrock establishes RoyalDAO as the first project in the crypto space to offer a true "non-zero guarantee," shattering the "no-loss delusion" prevalent in many other projects.

Stake Version Token (\$sGR): Cultivating Yield

The \$sGR token represents the staked version of \$Greenrock, akin to a certificate of deposit. By staking your \$Greenrock tokens, you receive \$sGR tokens, which in turn generate yield – distributed in the form of either \$Greenrock or \$USDg (RoyalDAO's native stablecoin). This mechanism allows you to earn passive rewards while contributing to the overall liquidity of the \$Greenrock token.

ve(voted-escrow) Token (\$veGS): Commitment Rewarded

The \$veGS token, also known as the voted-escrow token, represents the vested version of \$Grimstone tokens. By vesting your \$Grimstone tokens for a predetermined period, you receive \$veGS tokens in return. These tokens unlock a range of exclusive privileges, including:

- **Enhanced Voting Power:** Wield greater influence over the future of RoyalDAO through amplified voting rights.
- **Boosted Staking Yields:** Enjoy higher returns on your \$Grimstone tokens through increased Staking APYs.
- **Profit-Sharing Benefits:** As RoyalDAO generates profits from various ventures, \$veGS holders will be entitled to a share of these rewards.

Supercharging Your Staking Journey with Vesting

RoyalDAO incorporates a systematic approach to staking, inspired by the widely recognized "ve(vote-escrowed)" mechanism pioneered by CurveFinance. This system allows you to strategically **vest** a portion of your \$Greenrock tokens. The longer the vesting period you choose, the **more privilege rights** you'll receive.

Grimstone Token: RoyalDAO's Ownership & Utility Token

\$Grimstone is both the ownership and utility token of the RoyalDAO ecosystem, which comes with unique use cases that cannot be achieved with SST. \$Grimstone will be similar to the traditional equity of companies, while \$Greenrock is the product. For example, even if someone owns 100% of a product from Hugo Boss, this ownership doesn't mean they have any decision-making rights at Hugo Boss; they are merely key accounts for Hugo Boss. This is the main difference between \$Grimstone (ownership & utility token) and \$Greenrock (product token) as a holder.

Locker NFTs: Keys to Discounted RWA Sales

By locking your \$Greenrock (for type 1 tokenization vault) & \$Grimstone (for type 2 tokenization vault) tokens for designated periods (3, 6, or 9 months), you'll receive exclusive Locker NFTs. These NFTs function as time-decaying gated entry passes, granting you access to special RWA sales events within the Locker. These events offer RWAs at a significant discount - up to 40% off market value. This innovative approach incentivizes

long-term commitment while providing exceptional value to dedicated RoyalDAO community members.

\$USDg Stablecoin: Stability Backed by Real Value

\$USDg is RoyalDAO's native stablecoin. Unlike other stablecoins, \$USDg is **fully collateralized** by the underlying value of RoyalDAO's treasury reserves – precious rubies and jades. The maximum mintable amount of \$USDg is constantly updated and directly linked to the total value of these real-world assets. Investors have the flexibility to burn their \$USDg tokens to unlock \$Greenrock at any time. Alternatively, they can seamlessly trade \$USDg for other popular stablecoins like \$USDT, \$USDC, or \$FRAX.

Staking

How Staking Empowers You on the Path to RWA Redemption with RoyalDAO

At RoyalDAO, we understand that our community craves not only financial gain but also the ability to interact with the real-world assets (RWAs) that underpin our ecosystem – precious rubies and jades. Our innovative staking mechanism is meticulously designed to bring you closer to this goal.

Earning \$sGR Tokens: The Power of Staking

Following the Token Generation Event (TGE), \$Greenrock token holders can choose to stake their tokens. This action unlocks to earn **\$sGR tokens**, representing yield tokens within the RoyalDAO ecosystem. These \$sGR tokens offer remarkable flexibility:

- **Unrestricted Trading:** \$sGR tokens can be seamlessly traded on secondary markets or OTC platforms, providing you with instant liquidity whenever desired.
- **Double Dipping on Rewards:** \$sGR tokens act as gateways to additional yield opportunities. You can provide liquidity on various Automated Market Makers (AMMs) and earn rewards for facilitating trades within the DeFi ecosystem.

The Road to Redemption: Every \$Greenrock Token Counts

By strategically staking and accumulating \$Greenrock tokens, you're not simply earning rewards – you're actively taking a step closer to the ultimate goal: **redeeming the real-world assets** that back our ecosystem. Every additional \$Greenrock token brings you closer to this possibility.

Staking with RoyalDAO: A Multifaceted Advantage

Staking with RoyalDAO offers a multitude of benefits:

- **Effortless Rewards:** Earn \$sGR tokens simply by staking your \$Greenrock tokens.
- **Unmatched Flexibility:** Enjoy the freedom to trade your \$sGR tokens on secondary markets or provide liquidity for additional yield generation.
- **Amplified Staking Yields:** Extend your vesting period to unlock progressively higher staking rewards.
- **A Path to RWA Redemption:** Every \$Greenrock token accumulated through staking brings you closer to the possibility of redeeming the underlying precious stones – real-world assets with a proven track record of value appreciation.

Understanding veGrimstone

“A Powerful Tool for Long-Term Stability and Enhanced Rewards”

At RoyalDAO, we prioritize fostering public confidence in our ecosystem's long-term viability and ensuring robust liquidity. To achieve this, we introduce **veGrimstone (\$veGS)**, a revolutionary token inspired by Curve's veCRV model, but with additional functionalities designed to empower our dedicated community.

Building Public Confidence and Liquidity Stability

The ve (voted-escrow) system serves as a cornerstone of public confidence in RoyalDAO's long-term viability. By incentivizing users to lock their \$Grimstone tokens, veGrimstone fosters a sense of commitment and stability within the ecosystem. This translates into a more robust and resilient environment for all participants.

The Power of Choice: Flexible Vesting Options

We understand that investors have varying time horizons. To cater to this diversity, RoyalDAO offers a range of vesting periods for your \$Grimstone tokens: 3 months, 6 months, 1 year, 2 years, and 3 years. The longer the vesting period you select, the greater the amount of \$veGS tokens you'll receive in return. You can lock up your \$Grimstone from 3 months (= $0.1\$veGS / \$Grimstone$), 6 months (= $0.25\$veGS / \$Grimstone$), 1 year (= $0.4\$veGS / \$Grimstone$), 2 years (= $0.65\$veGS / \$Grimstone$), up to 3 years (= $1\$veGS / \$Grimstone$).

Enhanced Utility: More Skin in the Game, More Advantages

veGrimstone empowers holders by granting them additional features and privileges:

- **Flexible Vesting Options:** Lock your \$Grimstone tokens for varying periods, ranging from 3 months to 3 years, to suit your investment strategy.
- **Linear Decay Mechanism:** As your unlocking date approaches, your veGS balance gradually decreases, incentivizing continued commitment.
- **Non-Transferable:** veGS tokens are non-transferable, ensuring alignment between veGS ownership and long-term project commitment.
- **One Lock at a Time:** To streamline the process, you can only have one active vesting schedule for your \$Grimstone tokens at a time.

Privileges of Commitment: The Benefits of Holding veGS

The core principle behind veGrimstone is simple - the more committed you are to RoyalDAO's long-term success (as evidenced by a longer lockup period), the greater the benefits you'll reap. Here's a glimpse of the exclusive privileges reserved for veGrimstone holders:

- **Supercharged Staking APY:** Earn higher \$Grimstone token rewards through boosted Staking APYs for veGS holders.
- **Enhanced Voting Rights:** veGS grants you powerful voting rights within the RoyalDAO ecosystem. These rights hold greater weight than those associated with standard \$Grimstone tokens, empowering you to shape the future of the project. These rights include participation in:
 - **Cooperative Programs:** Participate in upcoming RoyalDAO collaborative initiatives designed to propel the ecosystem forward.
 - **Strategic RWA Acquisition:** Help decide on the acquisition of new strategic real-world assets (RWAs) to further solidify our foundation.

- **Collective RWA Redemption:** Join forces with other veGS holders to collectively redeem the underlying precious stones (rubies and jades) backing our ecosystem.
- **Profit Sharing:** As RoyalDAO's utility expands through services like asset tokenization and RWA-exclusive NFT marketplaces, veGS holders will be entitled to a share of the profits generated by these ventures.
- **Early Access:** Gain exclusive entry to exciting upcoming programs within the RoyalDAO ecosystem (details to be announced).

Bonds

Understanding to RoyalDAO's Type of Bond

"A Symphony of Stability and Growth (Where Time-Tested Mechanisms Meet Crypto-Tested Spectrum)"

At RoyalDAO, we possess a keen eye for the bigger picture. Our bond mechanism, meticulously crafted with a macroeconomic perspective, draws inspiration from traditional market instruments like bonds, zero-coupon bonds, repo/repurchase agreements, and other established fixed-income tools. However, we integrate these concepts seamlessly within the dynamic landscape of the crypto industry. These time-tested mechanisms provide a strong conceptual framework for our design.

We acknowledge the impressive and highly anticipated bond mechanisms emerging within the crypto industry. We've carefully studied models like Pandle.finance's PT (Principle Token) and YT (Yield Token) structure, as well as the innovative approach of OlympusDAO. Building upon these foundations, we've designed a comprehensive suite of bonds catering to a diverse range of risk appetites.

A Spectrum of Bond Options

RoyalDAO offers four distinct bond categories, encompassing three unique bond types, each tailored for specific purposes. These categories, known as Type 1, Type 2, Type 3, and Type 4, can be strategically activated as Green Bonds, Repo Bonds, or LP Bonds depending on project needs and prevailing market conditions.

A Tailored Approach for Risk Tolerance

Understanding that investors have varying risk appetites, RoyalDAO offers a diverse range of bond categories. We present four core categories, each with the flexibility to transform into three distinct bond types based on project needs and market conditions: Green Bonds, Repo Bonds, and LP Bonds.

Type 1: Green Bonds - Cultivating Stability and Growth

- **Function:** Green Bonds offer \$Greenrock at a discounted price in exchange for treasury reserve assets that vest over a predetermined period.
- **Dual Benefits:** These bonds serve two critical purposes:
 - **Price Stabilization:** During bull markets, Green Bonds help stabilize the \$Greenrock price by absorbing excess supply.
 - **Treasury Reserves Accumulation:** Profits generated from Green Bonds are strategically allocated to treasury reserves. These reserves act as a war chest, deployed in bear markets to maintain \$Greenrock's price stability (achieved through Repo Bonds).
- **Traditional Equivalence:** Green Bonds share similarities with zero-coupon bonds in the traditional market.

Type 2: Repo Bonds - Mitigating Sell Pressure

- **Function:** Repo Bonds operate inversely to Green Bonds. They offer reserve assets (typically USD stablecoins) in exchange for \$Greenrock.
- **Price Stabilization:** Like Green Bonds, Repo Bonds are instrumental in maintaining \$Greenrock price stability.
- **Immediate Vesting:** Unlike Green Bonds with their vesting period, Repo Bonds vest instantly, allowing them to swiftly absorb sell pressure within the market.
- **Traditional Equivalence:** Repo Bonds draw parallels to repurchase agreements (repos) in traditional finance.

Type 3: LP Bonds - Bolstering Liquidity

- **Function:** Functionally similar to Green Bonds, LP Bonds offer bonding opportunities for Liquidity Provider (LP) tokens issued by an Automated Market Maker (AMM).
- **Purpose:** These bonds are activated when there's a need to augment RoyalDAO's Protocol Owned Liquidity (POL). A stronger POL translates to a more robust and resilient market for \$Greenrock.

A Symphony of Stability & Financial Instruments

RoyalDAO's bond mechanism is a carefully orchestrated composition, drawing upon the strengths of traditional finance and innovative crypto-native models. With its diverse range of bond offerings, we cater to a broad spectrum of risk appetites while prioritizing the long-term stability and growth of our ecosystem. We harmonize the future of finance!

Value Propositions

Introduction to RoyalDAO's Bond Mechanism

"A Revolutionary Force in Price Stability and Growth, Built on a Rock-Solid Foundation"

RoyalDAO's bond mechanism represents a paradigm shift in the DeFi space, surpassing the limitations of previous DAO attempts. Unlike other projects whose bonds lacked a crucial element - real-world asset (RWA) backing - RoyalDAO offers a revolutionary approach: **Non-Zero Guarantee Bonds** anchored in the intrinsic value of precious stones like rubies and jades. This fundamental difference translates to significant advantages for our investors.

The Achilles' Heel of Conventional Bonds in Crypto

Many Decentralized Autonomous Organizations (DAOs) have attempted to implement bond mechanisms, often with disappointing results. A critical flaw in these approaches is the absence of a **non-zero guarantee**. Investors are left vulnerable to the volatility inherent in cryptocurrencies, exposing them to the risk of principal loss.

The Strength of Real-World Assets

Traditional finance offers a well-established instrument - the **Principal Protected Note (PPN)**. PPNs safeguard a portion of an investor's principal investment. However, these instruments often lack the transparency and stability associated with tangible assets. RoyalDAO bridges this gap by offering bonds that function similarly to PPNs, but with a crucial distinction - our bonds are demonstrably backed by a reserve of valuable

RWAs. This **Non-Zero Guarantee** provides unparalleled security and peace of mind for our investors.

Strategic Bond Utilization: The Power of RWA-Backed Bonds

Unlike projects lacking the security of RWA backing, RoyalDAO's bonds offer several significant advantages:

- **Non-Zero Guarantee:** Our bonds are underpinned by the inherent value of physical rubies and jades, eliminating the risk of a zero-value scenario commonly encountered in other DAOs' bond offerings.
- **Strategic Use of Bond Proceeds:** Proceeds generated from bond sales are strategically allocated towards two critical objectives:
 - **RWA Reserve Reinforcement:** A portion of the profits is used to acquire additional rubies and jades, further solidifying the foundation of our RWA reserves and enhancing the value proposition of our ecosystem. This directly translates to a stronger and more secure \$Greenrock token.
 - **Protocol Owned Liquidity (POL) Bolstering:** Another portion of the profits is allocated to increasing our POL, comprised of stablecoins or strategically acquired volatile assets. This fortified POL acts as a buffer against market volatility, mitigating the impact of crypto market shocks and establishing a continuously rising floor price for \$Greenrock.

Evolving with Innovation: Fractionalized Bonds for Increased Liquidity

RoyalDAO doesn't stop at repurposing the traditional financial instruments. We constantly strive to innovate and provide superior value to our investors. In the foreseeable future, we plan to introduce a revolutionary feature:

- **Splitting Bonds into Tradable Tokens:** Our bonds will be separated into two distinct tokens – a **Principle Bond Token (PBT)** and a **Yield Bond Token (YBT)**. This grants our bondholders greater flexibility and liquidity. They can choose to:
 - **Sell PBTs on Secondary Markets:** PBTs represent ownership rights to the underlying RWAs. Investors can sell these tokens on OTC markets or secondary exchanges, providing an exit strategy before the bond matures.
 - **Trade YBTs for Current Yield:** YBTs represent the yield-generating component of the bond. Investors can trade these tokens on secondary markets to access the ongoing interest payments associated with the bond, even before the bond reaches maturity.

This unique feature transforms RoyalDAO bonds into more than just investment vehicles. They become tradable packages, similar to acquiring \$Greenrock (representing the right to redeem RWAs) at a discount. Furthermore, it unlocks entirely new financial possibilities. Imagine a marketplace where property ownership can be divided - Imagine a scenario where RoyalDAO becomes a marketplace for property ownership, allowing owners to separate and trade the property itself (represented by PBTs) and the rental income it generates (represented by YBTs). This paves the way for innovative financial strategies and opens doors for speculation on yield.

Owning RoyalDAO Bonds: More Than Just an Investment

By acquiring RoyalDAO bonds, you're not just making an investment; you're gaining exposure to a basket of valuable RWAs at a discounted price. Consider it a package deal - you acquire \$Greenrock tokens (representing the right to redeem for rubies and jades) at a discount, while simultaneously benefiting from the potential for ongoing yield generation.

RoyalDAO's bond mechanism stands out from the crowd. With the security of RWA backing, strategic use of proceeds, and the potential for future bond fractionalization, we offer a compelling and secure path toward sustainable growth for our investors and the entire RoyalDAO ecosystem.

Why Partner with RoyalDAO for Your SST Reserve Needs?

Having explored the benefits of RoyalDAO's Institutional Product Architecture, let's delve deeper into why partnering with RoyalDAO for your SST reserve process is a strategic decision compared to building your own reserve system.

Superior Value Proposition:

- **Cost-Effective Acquisition:** RoyalDAO's established network and direct sourcing channels eliminate unnecessary middlemen, ensuring you acquire rubies and jades at highly competitive prices.
- **Unparalleled Selection and Quality:** Our extensive global network grants us access to a wider variety of exquisite rubies and jades than any other dealer on this planet can

offer. You can be confident that your SST will be backed by the finest RWAs available.

Seamless Implementation and Ongoing Support:

- **One-Stop Solution:** RoyalDAO streamlines the entire reserve process. We handle the acquisition, storage, and ongoing management of your RWA holdings, providing you with a complete and convenient solution.
- **Proof of Reserve (PoR) for Enhanced Transparency:** We offer a robust PoR system, providing your investors with verifiable proof that their SSTs are backed by the promised RWAs held securely in our partner banks' vaults.

Collaborative Spirit, Building a Stronger DeFi Ecosystem:

- **Beyond Competition:** RoyalDAO prioritizes collaboration over competition. By partnering with us, you contribute to fostering a more secure and trustworthy DeFi environment for everyone.

Focus on Your Core Strengths:

- **Reduced Administrative Burden:** RoyalDAO alleviates the burden of managing legworks -legal, regulatory, tax, and other administrative tasks associated with RWA ownership. This allows you to focus your team's expertise on developing your core product and building a strong community.

Building Trust Through Verifiable Security:

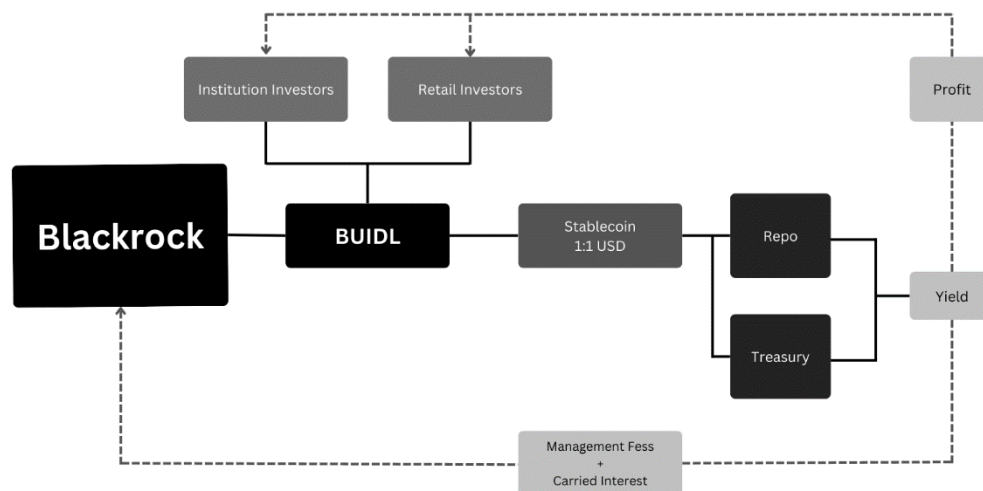
- **Sustainable Trust, Not Hype:** Instead of allocating millions of dollars to donating marketing agencies and running short-term hype marketing campaigns where your investors lose and outsiders gain in benefits, consider investing in building long-term trust with your investors by protecting their investments. Partnering with RoyalDAO provides a publicly verifiable foundation of security through our SST Reserve Vault System (SRVS).
- **Unwavering Security:** The RWAs backing your SST are securely stored in the vaults of reputable banks, employing the highest levels of security. Unlike digital internet money and assets, these physical assets are immune to hacking attempts.

Rug-Pull Proof and FUD-Resistant:

- **Peace of Mind for Your Investors:** With your project backed by the RoyalDAO's Unified Reserve System (URS) and the SRVS, your investors can rest assured that your project is not susceptible to rug pulls. The escrowed nature of the reserves further bolsters investor confidence.
- **Focus on Innovation, Not Fear:** By eliminating the threat of rug pulls and unfounded fears, uncertainty, and doubt (FUD), you can focus on developing innovative solutions and building a thriving community around your project.

In conclusion, RoyalDAO does a to z. So partnering with RoyalDAO for your SST reserve needs offers a multitude of advantages. From cost-effective acquisition and unparalleled selection to seamless implementation, ongoing support, and unwavering security, RoyalDAO empowers you to focus on what matters most - building a successful and sustainable project within the DeFi landscape.

Blackrock' BUIDL Base Yield Bearing Product Strategy



Stablecoin Mechanism & Backing Asset Comparison: A New Approach

Unlike the traditional "trilemma" of stablecoins (decentralization, stability, and scalability), RoyalDAO takes an innovative "outside-the-box" approach, focusing on 3 new crucial elements for stablecoin success: collateralization (choice of backing assets), the stabilization mechanism, and derivative output (regulatory considerations). This ensures a strong peg between the stablecoin and its target value (typically \$1 USD).

1. Collateralization: The Foundation of Stability

The choice of backing assets significantly impacts a stablecoin's stability. Highly volatile assets, such as fiat currencies, precious metals, or even cryptocurrencies, expose the stablecoin to price swings and potential depeg events.

RoyalDAO's Solution: Semi-Stable Tokens (SSTs)

RoyalDAO introduces SSTs, a utility token standard backed by **value-constant assets**: rubies and jades. These RWAs offer several advantages:

- **Extreme Rarity:** Rubies and jades are exceptionally rare, making them immune to market manipulations and fluctuations caused by geopolitics or macroeconomics.
- **Intrinsic and Extrinsic Appreciation:** The value of rubies and jades appreciates naturally over time due to their inherent beauty and scarcity. Additionally, inflation further strengthens their value as a hedge against a weakening dollar.
- **Non-Security Classification:** Since SSTs represent ownership of these RWAs without implying investment, they are classified as utility tokens, offering regulatory benefits.

This unique choice of backing assets provides SSTs with exceptional stability, making them ideal for projects seeking a "non-zero guarantee" for their own stablecoins or utility tokens. Other projects can leverage RoyalDAO's Institutional Products or Sub-DAO program to gain access to the security of SST-backed reserves.

2. Stabilization Mechanism: Simplicity and Effectiveness

Unlike traditional stablecoins that rely on complex algorithms or seigniorage shares, susceptible to market sentiment and external factors, RoyalDAO employs a straightforward and robust stabilization mechanism called the **Mintable Cap Deflator (MCD)**.

The Power of the Mintable Cap Deflator (MCD)

- **Prevents Over-Minting:** The MCD ensures that the number of minted stablecoins never exceeds the total value of the underlying RWA reserves held in the vault.
- **Maintains Stable Price:** With rubies and jades as backing assets, the MCD guarantees that the stablecoin price remains pegged to its target value (e.g., \$1 USD) regardless of external factors.
- **Scalability Through Appreciation:** As the value of the RWA backing appreciates over time, the MCD automatically adjusts the maximum number of mintable stablecoins per SST. This inherent scalability allows the system to grow organically without requiring additional reserves.

Investor Benefits:

- **Floor Price Protection:** The MCD guarantees a minimum value for the stablecoin, offering investors a "non-zero guarantee" and protection against devaluation.
- **Transparency and Trust:** Investors always know the intrinsic value of their holdings due to the transparent nature of the RWA backing.

3. Derivatives Output: Regulatory Considerations

Regulatory concerns surround the issuance of stablecoins. To navigate this landscape, RoyalDAO takes a unique approach.

- **Issuing SSTs (Not Stablecoins):** RoyalDAO issues SSTs, which are utility tokens representing ownership of RWAs, not securities or stablecoins themselves. This approach offers significant regulatory advantages.
- **Minting Stablecoins at Will:** SST holders can choose to mint stablecoins using the MCD mechanism, empowering them with control over the stablecoin creation process.

A Foreseeing Trilemma: Investor and Regulatory Friendly

RoyalDAO's innovative approach addresses both the traditional trilemma and regulatory considerations. By focusing on value-constant RWA backing and a simple yet effective stabilization mechanism, RoyalDAO offers a superior solution for stablecoins, prioritizing investor protection and fostering a regulatory-friendly environment. Ultimately, RoyalDAO's vision is to create a truly decentralized ecosystem by renouncing contract ownership once the system is established and the community thrives.

Stabilization Mechanism & Backing Asset Comparison



Collateralization	Stabilization Mechanism	Derivatives Output
cSSTs - c\$Greenrocks	cFully Collateralized Stablecoin cMintable Cap Deflators + cMulti-Layered $f(x)$ Stabilizations	c\$gUSDs
cRubius S Jades Only Appreciate Overtime Of Their Extreme Scarcity	cMintable Stablecoin Quantity Automatically Adjust By Underlying Backing Assets of SSTs c100% RWA Value = Max 100% Mintable Caps	cValue of Stablecoin is Constant c1 \$gUSD = \$1 USD = true



Collateralization	Stabilization Mechanism	Derivatives Output
cVolatile Assets - c\$eETHs c\$BTCs	cDelta-Neutral Stability	c\$eUSDe
cMost Volatile Assets in Human Financial History	cOn Every Deposit, DRS Order Opens cAs Long As Value Of Delta Neutral Position Has Not Polarized, 100% D Position Value = 100% Value of Minted Stablecoins	cValue of Stablecoin is Based On Stability Of Ds cAs Long As D Stable, 1 \$eUSDe = \$1 USD

Fiat Backed Stablecoins



Collateralization	Stabilization Mechanism	Derivatives Output
cRWAs - cFiat Debt Instruments	cNon-Inflation Hedge, Volatile RWAs - cBacking Assets Spot Prices	c\$USDs, c\$USDCs, c\$USDPs
cOn Demand Volatility By FEDs	cPurchases As Underlying Assets Got Pushed By Markets cSpot Value of Backing Assets = 100% Value of Minted Stablecoins	cValue of Stablecoin is Based On Spot Price of Collateral Assets c1 Stablecoin = \$1 USDs = cAlways true

Crypto Backed Stablecoins



Collateralization	Stabilization Mechanism	Derivatives Output
cCrypto Volatile Assets - cVolatile, cStables	cOver Collateralized Mechanisms, cSeigniorage Mechanisms	cSDAs, c\$FRAXs
cMost Volatile Assets in Human Financial History	cMore Volatile Assets Than Fiat Backed Stablecoins cPurchases As Underlying Assets Speculated cSpot Value of Backing Assets = 100% Value of Minted Stablecoins	cValue of Stablecoin is Based On Spot Price of Collateral Assets c1 Stablecoin = \$1 USDs = cAlways true

RoyalDAO's Sub-DAOs Program: Empowering Early-Stage Innovation

RoyalDAO's vision extends beyond its core ecosystem. The RoyalDAO Sub-DAOs Program fosters a collaborative environment where promising early-stage crypto projects can leverage RoyalDAO's infrastructure and expertise to launch their own endeavors. This program is structured around four distinct layers, each playing a vital role in empowering these Sub-DAOs.

RoyalDAO recognizes the immense potential within the crypto landscape for groundbreaking new ideas. The RoyalDAO Sub-DAOs Program fosters an environment that cultivates and empowers promising early-stage projects by providing them with the essential resources to transform their visions into reality. This program is meticulously structured with four distinct layers, each fulfilling a specific purpose:

1. Genesis Trust Layer: Building Trust and Credibility

The Genesis Trust Layer serves as the cornerstone of the Sub-DAOs Program, bestowing the following advantages upon participating projects:

- **Leveraging RoyalDAO's Brand Recognition:** Sub-DAOs instantly gain access to the established trust and brand power of RoyalDAO. This association fosters confidence and credibility from the outset, aiding in attracting potential investors and community members.
- **Solidity of the SST Reserve Vault System (SRVS):** The Genesis Trust Layer integrates each Sub-DAO with RoyalDAO's robust SRVS. This provides a secure foundation of RWA backing (rubies and jades) for the Sub-DAO's project, solidifying trust and attracting investors seeking the security of real-world asset backing.

2. Sub-DAO Accumulation Layer: Democratizing Fundraising

Once a Sub-DAO proposal successfully secures approval through a democratic DAO voting process, it gains access to the Sub-DAO Accumulation Layer. This layer empowers the Sub-DAO to raise the necessary funds to bring its project to life:

- **Secure Escrow with RoyalDAO's Unified Reserve System (URS):** All funds raised during a Sub-DAO's presale event are securely escrowed within RoyalDAO's URS. This transparent

and secure system ensures the safety of investor funds throughout the fundraising process.

- **Accessibility for \$Greenrock and \$Grimstone Holders:** Presale participation is restricted to those who have staked a minimum amount of \$Greenrock and \$Grimstone tokens. This incentivizes long-term holding of RoyalDAO's core tokens while ensuring participation from users who are demonstrably invested in the ecosystem's success.

3. Escrow, Acquisition & Backing Layer: Safeguarding Investor Funds

The Escrow, Acquisition & Backing Layer prioritizes the secure management of funds and the establishment of a strong RWA backing for each Sub-DAO:

- **Escrowed Funds in the URS:** All funds raised during a Sub-DAO presale event are directly channeled into the URS, ensuring they remain secure and untouched by the Sub-DAO's developers until the fundraising process is complete.
- **Post-Presale RWA Acquisition:** Once the presale concludes, RoyalDAO utilizes the collected funds to strategically acquire rubies and jades that will serve as the RWA backing for the specific Sub-DAO's project. This RWA acquisition process establishes the Sub-DAO Level SST Reserve Vault System (sdSRVS).
- **Building Trust Through Transparency:** By employing a secure escrow system and acquiring RWAs with the raised funds, RoyalDAO eliminates the risk of scams and rug pulls for Sub-DAO presale participants. This fosters trustless interaction and underpins the future value of the Sub-DAO's minted tokens.
- **Minimum Value Protection and Non-Zero Guarantee:** The acquired RWAs establish a minimum floor price for the Sub-DAO's future minted tokens. This, combined with the inherent value appreciation of rubies and jades over time, offers a strong foundation for long-term token value growth.
- **Vaulting Round, Not Fundraising:** The Sub-DAO presale functions as a "vaulting round" rather than a traditional fundraising round. While this may not be viewed as a traditional fundraising round, it should be recognized as a vaulting round. In this round, every cent of the collected funds will be dedicated solely to acquiring rubies and jades Real World Assets (RWAs) to establish the Sub-DAO Level SST Reserve Vault System (sdSRVS). RoyalDAO will use these funds to procure rubies and jades, converting them

into underlying backing RWAs for each Sub-DAO project. Only then can Sub-DAOs mint their own utility tokens or stablecoins, offering minimum value protection or Non-Zero Guarantee. This approach not only enables developers to gather essential early community support but also ensures minimum value protection for their future token issuances through sdSRVS. As a result of this vaulting round, Sub-DAO developers will be well-positioned to raise additional necessary funds through private presales, IDOs, and other crypto fundraising activities with the added strength of a rock-solid non-zero guarantee. This not only provides an absolute safety net for participants in the vaulting round but also safeguards future participants in subsequent fundraising rounds.

4. Utility & Distribution Layer: Empowering Sub-DAO Functionality

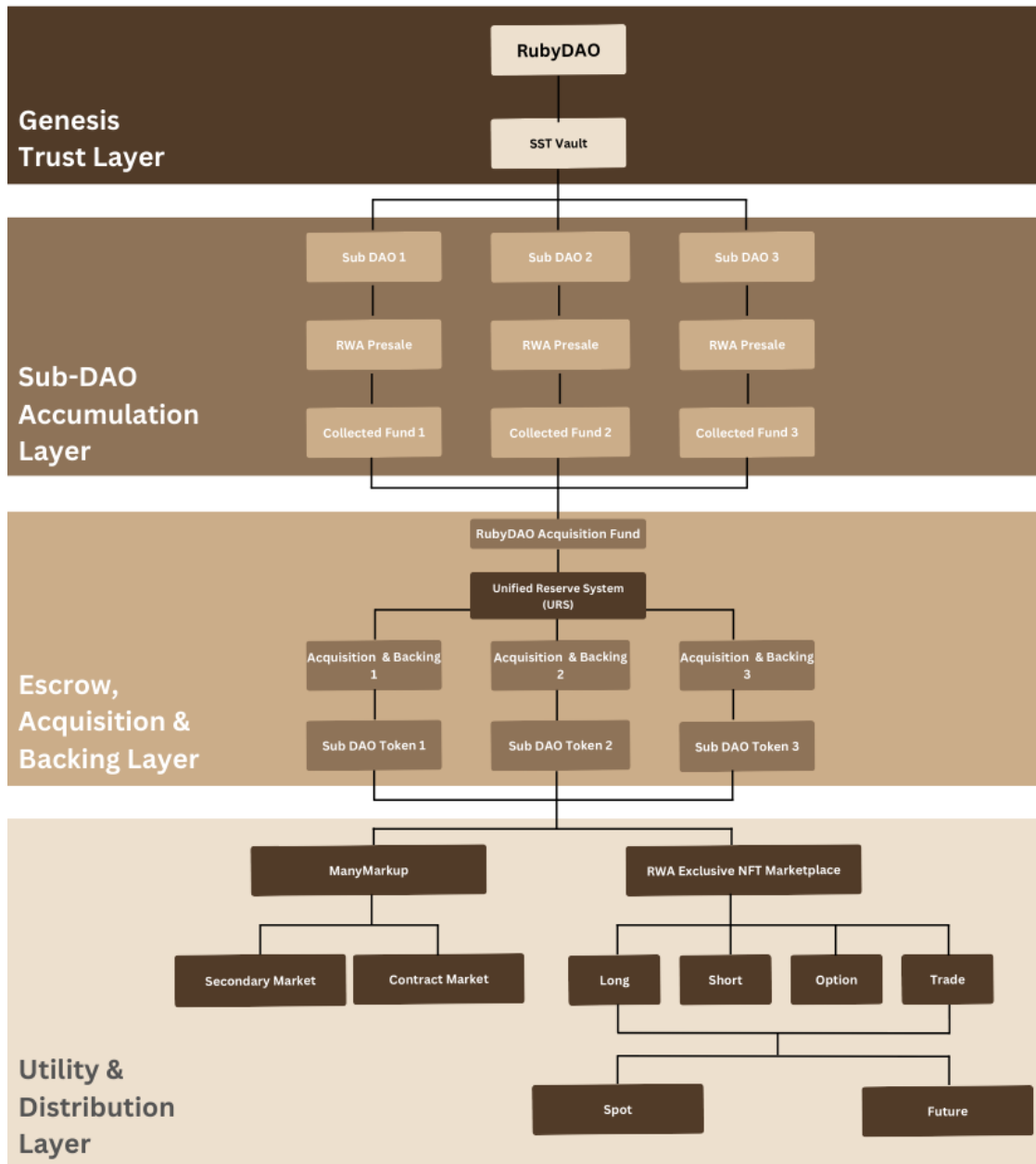
The Utility & Distribution Layer focuses on empowering Sub-DAOs to leverage RoyalDAO's infrastructure and functionalities:

- **RWA-Based Tokenization Platform:** Sub-DAOs gain access to RoyalDAO's robust RWA tokenization platform, enabling them to seamlessly tokenize their own assets and unlock new financial opportunities.
- **RWA Exclusive NFT Marketplace:** The Sub-DAOs can leverage RoyalDAO's RWA-exclusive NFT marketplace, creating a platform for users to engage in activities such as lending, borrowing, Long, Short, Options trading, regular trading and participating in auctions with RWA NFT spot and derivative markets for these NFTs.

Synergistic Impact: A Collaborative Ecosystem for Success

By strategically integrating these four layers, the RoyalDAO Sub-DAOs Program fosters a dynamic and collaborative ecosystem. Sub-DAOs benefit from the trust, security, and infrastructure provided by RoyalDAO, while RoyalDAO's ecosystem flourishes with the influx of innovative new projects and a growing, engaged community. This collaborative approach positions RoyalDAO as a true pioneer in the DeFi space, empowering the next generation of groundbreaking ideas while safeguarding the investors.

RubyDAO Sub-DAOs Program



Fund Management

Genesis Scenario 1

"Orchestrating a Robust Launch through Strategic Allocation of Fundraising"

The Genesis Scenario lays the foundation for a thriving RoyalDAO ecosystem, meticulously crafted to leverage the capital secured through fundraising activities. This initial phase involves the allocation of funds towards the acquisition of real-world assets (RWAs) - precious rubies, jades, and potentially even rare star rubies - while simultaneously establishing a robust initial liquidity pool.

Understanding Exceed Funds: Liquidity for Stability and Growth

Exceed Funds represent the liquidity that remains after allocating funds sufficient to acquire the targeted RWAs. However, this excess liquidity may not always be enough to acquire the next tier of higher-value assets, especially if the total value of these assets exceeds the project's fundraising soft cap. This scenario necessitates a strategic approach to ensure the project's long-term stability and growth.

A Mathematical Illustration: Scenario 1

Let's delve into a hypothetical scenario (Scenario 1) to illustrate the concept:

- **Total Funds Raised:** \$10 million USD
- **Target RWA Acquisitions:**
 - Jade: \$1 million USD
 - Ruby: \$3 million USD
 - Star Ruby: \$5 million USD (Total RWA Acquisition Value: \$9 million USD)

In this scenario, while the project successfully raises \$10 million USD, the combined value of the targeted RWAs (\$9 million USD) falls short of the acquisition cost for the next tier of assets (hypothesized to be \$10 million USD).

Liquidity Pool Priming: Formula for Success

To calculate the total required liquidity (L) for acquiring all targeted RWAs, we can employ the following formula:

$$L = \sum (V_i)$$

where:

- L represents the total required liquidity
- \sum signifies summation
- V_i denotes the individual value of each targeted RWA

Following this formula in Scenario 1:

$$L = \$1 \text{ million USD (Jade)} + \$3 \text{ million USD (Ruby)} + \$5 \text{ million USD (Star Ruby)}$$

$$L = \$9 \text{ million USD}$$

Exceed Funds Calculation: A Buffer for Stability

Since the total fundraising amount (\$10 million USD) surpasses the combined value of the targeted RWAs (\$9 million USD), we can calculate the Exceed Funds (EF) using the following formula:

$$EF = F - ACA$$

where:

- EF represents Exceed Funds
- F signifies the total funds raised
- ACA denotes the Acquisition Coverage Amount (total value of acquired RWAs)

Applying this formula to Scenario 1:

$$EF = \$10 \text{ million USD (F)} - \$9 \text{ million USD (ACA)}$$

$$EF = \$1 \text{ million USD}$$

Strategic Allocation: Fueling Growth and Liquidity

This \$1 million USD in Exceed Funds plays a crucial role in establishing a strong foundation for the project. These funds are strategically allocated to the following purposes:

- **Liquidity Pool Injection:** A significant portion of the Exceed Funds is directly injected into the project's Automated Market

Maker (AMM) pool. This bolsters the initial liquidity, fostering stability and mitigating price volatility during token trading activity.

- **Price Stabilization:** By increasing the overall liquidity within the AMM pool, the Exceed Funds act as a buffer, absorbing potential sell pressure and preventing excessive price drops.
- **Price Discovery Efficiency:** A well-funded liquidity pool facilitates smoother price discovery within the market, ensuring a more accurate reflection of the token's true value.

The Genesis Scenario: A Catalyst for Sustainable Growth

The Genesis Scenario exemplifies RoyalDAO's commitment to responsible financial management. By strategically allocating funds towards RWA acquisition and liquidity pool establishment, we lay the groundwork for a thriving ecosystem poised for long-term success. This meticulous approach fosters investor confidence and paves the way for the widespread adoption of \$Greenrock tokens.

Genesis Scenario 2

"Navigating a Balanced Landscape"

The Genesis Scenario encompasses a broader range of possibilities, extending beyond situations with excess liquidity. Scenario 2 explores a scenario where the project's fundraising efforts culminate in an exact match between the total capital secured and the value of the targeted RWAs.

Scenario 2: Perfectly Aligned Acquisitions

Let's postulate a scenario (Scenario 2) where the project successfully raises \$9 million USD:

- **Target RWA Acquisitions:**
 - Jade: \$1 million USD
 - Ruby: \$3 million USD
 - Star Ruby: \$5 million USD (Total RWA Acquisition Value: \$9 million USD)

In this instance, the total amount of funds raised (\$9 million USD) precisely aligns with the combined value of the RWAs targeted for acquisition (\$9 million USD).

Formulaic Confirmation: Balanced Allocation

We can mathematically verify this balanced allocation using the formula for Total Required Liquidity (L) introduced in Scenario 1:

$$L = \sum (V_i)$$

where:

- L represents the total required liquidity
- \sum signifies summation
- V_i denotes the individual value of each targeted RWA

Applying this formula to Scenario 2:

$L = \$1 \text{ million USD (Jade)} + \$3 \text{ million USD (Ruby)} + \$5 \text{ million USD (Star Ruby)}$

$L = \$9 \text{ million USD}$

The result ($L = \$9 \text{ million USD}$) confirms that the total funds raised perfectly cover the targeted RWA acquisitions, leaving no excess liquidity.

Liquidity Pool Considerations: Strategic Solutions

The absence of excess liquidity in Scenario 2 presents a unique challenge – the inability to directly inject funds into the project's liquidity pool on a selected AMM. However, RoyalDAO has devised two innovative solutions to address this situation:

Solution 1: Introducing the Native Stablecoin

Leveraging the inherent value of the underlying RWAs backing our project's tokens, RoyalDAO proposes the creation of a native stablecoin. This stablecoin derives its value from the very same precious stones (jades and rubies) that underpin our ecosystem. Unlike traditional stablecoins, this unique offering provides a mechanism for conversion:

- **Project Token Conversion:** Holders of our project tokens can convert them into the native stablecoin at a predetermined exchange rate.
- **RWA Redemption:** Holders of the native stablecoin can redeem them for real-world assets (RWAs) – tangible precious stones that represent a refuge from inflation and fiat devaluation.

Calculating Token Value and Stablecoin Supply

To illustrate this concept, let's assign some hypothetical values:

- **Total Project Tokens:** 10 million Units
- **Total Asset Under Management (AUM):** \$9 million USD

We can calculate the value of each project token using the following formula:

Value per Token = Total AUM / Total Project Tokens

Value per Token = \$9 million USD / 10 million Units

Value per Token = \$0.9 per Unit

Total Project Value Calculation

We can then calculate the total value associated with both the project tokens and the underlying RWAs:

Total Value = AUM + (Value per Token * Total Project Tokens)

Total Value = \$9 million USD + (\$0.9 per Unit * 10 million Units)

Total Value = \$9 million USD + \$9 million USD

Total Value = \$18 million USD

Determining Stablecoin Mintable Cap

Since the total value (\$18 million USD) exceeds the actual value of the backing RWAs (\$9 million USD), we must introduce a mechanism to prevent the creation of undercollateralized stablecoins. Therefore, a **Mintable Cap Deflator** is implemented, limiting the mintable stablecoin supply to a fully collateralized amount:

Number of Stablecoins = Total Value / Value of 1 Stablecoin

Number of Stablecoins = \$18 million USD / \$1 per Stablecoin (hypothetical 1:1 peg)

Number of Stablecoins = 18 million Stablecoins

Mintable Cap Deflator in Action

To ensure full collateralization, the Mintable Cap Deflator is calculated as follows:

Mintable Cap Deflator = Inflationary Cap - Total Semi-Stable Token (SST) Value

Mintable Cap Deflator = \$18 million USD (Total Value) - \$9 million USD (Total Semi-Stable Token (SST) Value)

Mintable Cap Deflator = \$9 million USD (Fully Collateralized Stablecoin Supply)

This Mintable Cap Deflator effectively limits the issuance of stablecoins to \$9 million USD, perfectly aligned with the value of the underlying RWAs. As you may see regardless of the \$Greenrock (SST) price, the mintable stablecoin cap is limited by 1:1 pegged to underlying RWA backing assets. This makes RoyalDAO's \$USDg distinct from LUNA's \$UST which is an algorithmic stablecoin.

Learn More at "[RoyalDAO's SST Primary Derivatives](#)"

Solution 2: Harnessing the Power of Protocol Owned Liquidity (POL)

In situations where, like Scenario 2, there's limited excess liquidity for direct injection into the AMM pool, RoyalDAO strategically leverages a concept known as **Protocol Owned Liquidity (POL)**. POL offers a compelling solution to establish a robust liquidity pool while simultaneously expanding the project's RWA holdings.

Building the POL Vault: Rebase Bonds and Strategic Allocation

To establish POL, the project implements a strategic approach involving the sale of **yield-bearing rebase bonds**. Investors participating in this bond offering will receive **Bonds** in exchange for their **LP tokens(majority offering)** or **specific token investment**.

The capital raised through the Rebase Bond Selling Event(RBSE) is then meticulously allocated:

- **RWA Acquisition:** A designated portion (e.g., 30%) of the funds is used to acquire additional precious stones and jewelry, further enriching the project's RWA treasury.
- **POL Vault:** The remaining portion (e.g., 70%) is used to establish the POL vault. This vault holds the acquired LP tokens, effectively creating a pool of project-owned liquidity.

Sustainable Rewards: A Win-Win Proposition

The beauty of the POL strategy lies in its ability to generate ongoing rewards for both the project and its investors. Fees collected from trading activity within the AMM pool are distributed as follows:

- **Bondholder Rewards:** A significant portion (e.g., 98%) of the collected fees are distributed to rebase bond holders as an attractive APY (Annual Percentage Yield). This incentivizes continued participation and fosters a loyal investor community.
- **Management Fees:** A minimal portion (e.g., 2%) of the fees is allocated towards project management to cover operational costs.

Tailored Investment Opportunities: Rebase Bond Flexibility

To cater to diverse investor preferences, RoyalDAO offers a range of rebase bond options with varying degrees of convertibility to project tokens:

- **Bond to Project Token Convertible Percentage:** This value determines the percentage of a bond that can be converted into project tokens upon maturity. (e.g., 30%, 50%, or 70%)
- **Bond Vesting Period:** Investors can choose a vesting period (e.g., 60 days, 90 days, or 120 days) that aligns with their investment goals.

Beyond Liquidity: A Sustainable Ecosystem

Through the implementation of POL, RoyalDAO effectively addresses the challenge of limited excess liquidity in Scenario 2. Furthermore, this innovative strategy fosters a sustainable reward system, incentivizing investor participation and propelling the long-term growth of the RWA-backed ecosystem. By strategically combining project token ownership with LP token rewards, RoyalDAO empowers investors to share in the success of the project while simultaneously contributing to the establishment of a robust and well-capitalized liquidity pool.

Conclusion

The Genesis Scenario exemplifies RoyalDAO's commitment to navigating diverse fundraising scenarios with strategic foresight. Whether faced with excess liquidity or a balanced allocation, RoyalDAO possesses the tools and vision to establish a thriving ecosystem. This adaptability fosters investor confidence and paves the way for the widespread adoption of \$Greenrock (SST) tokens, the cornerstone of our innovative RWA-backed project.

Chronicle Decay Tax Mechanism (CDTM)

"Fostering Organic Growth and Sustainable Value"

The Chronicle Decay Tax Mechanism (CDTM) represents a meticulously crafted, temporary measure designed to cultivate a healthy and stable market environment for \$Greenrock tokens following the Token Generation Event (TGE). This strategically implemented function serves a multitude of purposes, ultimately benefiting both the project and its early adopters (pioneer \$Greenrock holders).

Curbing Disruptive Market Activity: A Time-Bound Solution

CDTM is a **recallable** and **temporary** function, actively influencing the market for a predetermined period of 50 days upon the release of \$Greenrock tokens. This targeted approach ensures that the mechanism doesn't evolve into a perpetual constraint on investor activity.

Curbing Bots and Ensuring Fair Market Launch

The cryptocurrency market, particularly during initial launches, is susceptible to manipulation by automated trading bots. These bots can disrupt natural price discovery and create artificial volatility, often leading to damaging pump-and-dump schemes. The CDTM proactively addresses this challenge by establishing a **temporary tax** on \$Greenrock token sales during the first 50 days following the Token Generation Event (TGE).

A Tailored Tax Structure: Balancing Protection and Growth

The CDTM employs a **linearly declining tax rate** that commences at a strategically determined initial level (e.g., 50%). This initial tax rate serves as a powerful deterrent against bot activity and excessive selling pressure, fostering a more organic market environment. Throughout the 50-day activation

period, the tax rate **linearly decreases by 1% each day**. This gradual decline allows for a measured introduction of healthy selling activity while still mitigating the risks associated with abrupt price fluctuations.

The Rationale Behind the Tax: Protecting Value for All

We acknowledge that a 50% tax rate might seem substantial at first glance. However, this strategic decision is rooted in the current realities of the cryptocurrency market, where bot activity can often disrupt fair price discovery. CDTM serves as a safeguard against such disruptive forces, protecting the interests of both the project and its early adopters.

Deactivation and Transition to Standard Market Practices

Upon completion of the 50-day activation period, the CDTM is **deactivated**. At this juncture, a **standard market tax rate** is implemented, along with a **whale control tax** specifically designed to curb large-scale sell-offs that could negatively impact market stability.

The Benefits of a Stable Market Environment

The CDTM offers a multitude of advantages for both the project and its investors:

- **Reduced Pump-and-Dump Risk:** By discouraging bot activity and excessive selling pressure, the CDTM safeguards against manipulative market schemes that could harm long-term investor confidence.
- **Organic Price Discovery:** The temporary tax structure fosters a more natural price discovery process, ensuring that the market value of \$Greenrock tokens accurately reflects their underlying utility and intrinsic value.
- **Enhanced Investor Confidence:** A stable and predictable market environment fosters investor confidence, attracting new participants and contributing to the long-term growth of the RoyalDAO ecosystem.

Combating Short-Term Speculation: A Disincentive for Pump and Dumps

The substantial initial tax rate imposed by the CDTM serves as a powerful **disincentive** for short-term, speculative trading activities. By significantly increasing the selling cost, the CDTM discourages practices like "pump and dump" schemes, which can wreak havoc on fledgling cryptocurrencies. This targeted

measure protects the interests of long-term investors and fosters a market environment conducive to sustained growth.

Indirect Reward System: Enabling Unrealized Gains

While the CDTM may appear to impede immediate selling, it ultimately benefits long-term \$Greenrock holders by creating an environment for **indirect reward**. The significantly reduced sell pressure induced by the CDTM paves the way for **price stability and potential price appreciation**. This translates into **unrealized gains** for investors who choose to hold their \$Greenrock tokens. The value of their holdings increases alongside the overall rise in token price.

Sustainable Liquidity Pool and Community Growth

The price stability fostered by the CDTM creates an attractive environment for new investors, encouraging them to join the RoyalDAO ecosystem. This influx of fresh capital translates into a **deeper and more robust liquidity pool**. A well-funded liquidity pool is essential for facilitating smooth trading activity and fostering long-term project health.

OTC Markets: A Complementary Avenue for Liquidity

The CDTM does not preclude investors from accessing liquidity. Established **Over-the-Counter (OTC) markets** can serve as a valuable platform for investors with significant financing needs to trade their \$Greenrock tokens. These OTC transactions occur outside the traditional exchange environment and are not subject to the CDTM. This dual approach - CDTM for in-exchange stability and OTC markets for flexibility - caters to the diverse needs of the investor community.

The Intrinsic Value Anchor: The Power of RWAs

It's crucial to remember that \$Greenrock tokens are not speculative instruments. Their true value lies in their underlying backing - precious rubies and jades. As a \$Greenrock holder, you not only benefit from potential token appreciation but also retain the fundamental right to redeem your tokens for these intrinsically valuable real-world assets (RWAs).

In conclusion, the Chronicle Decay Tax Mechanism stands as a testament to RoyalDAO's commitment to fostering a healthy and sustainable RoyalDAO ecosystem. By prioritizing long-term stability over short-lived gains, we empower our pioneer holders

and pave the way for a thriving future fueled by the power of real-world assets. Every collected tax will directly go into the ecosystem fund of RoyalDAO for further use cases of ecosystem development.

Summarizing the history, laboratory level explanation, and the types of Rubies and Jades then the average USD-denominated value of those precious stones where they came from, and why owning them as RWA backing assets is unduplicatable with the highest wall of barrier to entry even for industry giants. Then why do those precious stones make the RoyalDAO a superpower project that any other projects cannot be followed or duplicate as a supreme project.

Source of Yield Explanation: Sustainable Rewards for \$Greenrock Holders

RoyalDAO takes a unique approach to yield generation, prioritizing sustainable rewards for its investors without compromising the stability of the \$Greenrock token. Unlike some DeFi projects that offer inflated rewards through unsustainable methods, RoyalDAO focuses on non-diluting sources to ensure long-term value for its stakeholders.

Understanding the Limitations of RWA Collateralization

While the jade and ruby reserves provide a solid foundation for the RoyalDAO ecosystem, they don't inherently generate yield. These RWAs (real-world assets) serve the crucial purpose of establishing a **non-volatile** and **inflation-resistant** backing for the \$Greenrock token. Their value typically appreciates over time due to rarity, market demand, and global economic factors such as inflation.

Pre-Utility Source of Yield: Building a Strong Foundation

Before the full deployment of RoyalDAO's utility features, the project will generate yield through the following mechanisms:

- **Protocol Owned Liquidity (POL):** A portion of the fees collected from providing liquidity on the RoyalDAO DEX (decentralized exchange) by utilizing POL will be distributed to \$sGreenrock and \$Grimstone holders

proportionally and accordingly. This incentivizes community participation and fosters a healthy liquidity pool.

- **DEX Fees and Taxes:** A percentage of the fees and taxes collected on the RoyalDAO DEX will be distributed to \$Greenrock and \$Grimstone holders. This creates a sustainable revenue stream that rewards investors for their participation in the ecosystem.
- **Penalty Fees:** Certain actions within the RoyalDAO ecosystem, such as whale dumps (large token sales) or early unstaking from liquidity pools, may incur penalty fees. A portion of these collected fees will also be directed towards rewarding \$Greenrock and \$Grimstone holders.

These mechanisms ensure that \$Greenrock and \$Grimstone holders benefit from the early activity within the RoyalDAO ecosystem, without diluting the token's overall value. The focus remains on **sustainable, non-inflationary** rewards.

Post-Utility Source of Yield: Unleashing the Power of RWA Tokenization

Once RoyalDAO's full suite of functionalities is launched, including the RWA tokenization platform, a new wave of yield generation opportunities will emerge:

- **Utility-Driven Reward Structure:** As RoyalDAO onboards clients who leverage its RWA tokenization platform, various fees and taxes associated with these functionalities will be collected. A significant portion of these fees will be distributed to users who stake their \$Greenrock tokens (denoted as \$sGR) & \$Grimstone Token (denoted as \$sGS) for a minimum of 7 days. [20% performance fees, 72% goes to \$sGS holders and 8% for \$]
- **Reward Token Distribution:** A portion of the fees collected from the RWA tokenization platform will be distributed to users who stake their \$Greenrock tokens for a minimum of 7 days in the designated staking pool. These staking rewards will be denominated partly in **stablecoin** and partly in a utility and ownership token - **\$Grimstone** or all tokenization fees by accepting token at that time.

A Commitment to Sustainable Rewards: Prioritizing Stakeholder Value

By prioritizing non-diluting and sustainable yield generation methods, RoyalDAO distinguishes itself from projects that rely on inflationary reward systems. This approach protects the long-

term value of \$Greenrock while still offering investors attractive returns.

Beyond Short-Term Gains: A Focus on Long-Term Success

The RoyalDAO team recognizes the pitfalls of short-term, greed-driven strategies prevalent in some sectors of the crypto market. Our commitment lies in building a sustainable ecosystem that prioritizes the long-term success of our stakeholders. We actively seek alternative yield generation methods that minimize dilution and maximize stable, less-fluctuating returns for our token holders.

Prioritizing Long-Term Value over Short-Term Hype

By prioritizing non-diluting and sustainable yield generation methods, RoyalDAO stands apart from projects that rely on inflationary reward structures to attract users. This commitment protects the long-term value of \$Greenrock tokens while ensuring healthy returns for investors who contribute to the growth of the RoyalDAO ecosystem.

In Conclusion:

RoyalDAO's innovative approach to yield generation fosters a win-win scenario for investors and the overall ecosystem. By leveraging a combination of pre-utility and post-utility yield sources, RoyalDAO provides attractive rewards for both \$Greenrock and \$Grimstone holders while safeguarding the token's long-term value proposition. This commitment to sustainability and stakeholder value sets RoyalDAO apart as a truly innovative project within the DeFi landscape.

Note: This whole chapter only represent extrinsic source of yield. For better understanding the intrinsic source of yield, learn more at "[RoyalDAO Dual Reward System](#)".





Key Differences Between SST & Tokenized Commodity Token

SST	Tokenized Commodity Token
Utility token	Utility token
Based on USD value	Based on unit ownership basis
Value of underlying assets are constant	Value of underlying assets are volatile
Non-bio product	Bio & non-bio product
No decay	Degrade/decay overtime
Store in professionally managed secured vault	Store in silo or warehouse
Redemption is convenience	Redemption might be challenging except for trade or institutional level redemption
Extremely liquid	Very liquid
Low counter party risk	Medium counter party risk
High flexibility for use case generation	Limited flexibility for use case generation
Publicly verifiable via Chainlink's PoR tech	Publicly verifiable functionality will complex and challenging setup with multiple software and IoT devices
Diversified risk on USD value	Diversified risk to unique asset fractional ownership
100% solvency	Solvency will be based on reputation and ethic of issuer or might be time sensitive
Uncapped upward exposure	Limited to real-world community spot market price
Non-zero guarantee	Depend on commodity, storage & maintenance condition
Stable & ever rising floor price	Volatile as IRL commodity price swing
Immune to macroeconomic factors & geopolitics issues	Expose to macroeconomic factors & geopolitics issues
Appreciation alongside with inflation	Hedge against inflation
Automatic maintenance is possible	Need intensive & costly active maintenance for underlying assets
Can be convert into stablecoin	Can or cannot convert into stablecoin

Yield bearing asset	Challenging to make as yield bearing asset without inflation of supply or dilution of value
Consider as high yield stable asset whereas face value is always appreciated	Consider as tradeable or speculative asset

Zero Knowledge Proofs: Protecting Your Privacy While Proving Authenticity

Imagine you want to enter a club with a strict dress code. The bouncer needs to verify you're wearing the right attire, but you don't want to reveal your entire outfit to everyone in line. That's the essence of Zero Knowledge Proof (ZKPs)!

What is a Zero Knowledge Proof?

ZKPs are a cryptographic technique that allows you to prove you possess certain information without actually revealing the information itself. It's like showing the bouncer a special tag that proves you meet the dress code, without needing to flash your whole outfit.

How ZKPs Work (Simplified):

1. **Challenger and Prover:** There are two parties involved: a challenger (who wants to be convinced) and a prover (who has the information).
2. **The Challenge:** The challenger throws a random "challenge" at the prover.
3. **The Proof:** The prover uses their knowledge and some clever math to create a "proof" that responds to the challenge. This proof doesn't reveal the actual information itself.
4. **Verification:** The challenger verifies the proof using the same math. If the proof is valid, it confirms the prover has the information without ever seeing it directly.

Why is it Important?

In the real world, proving something often means revealing details. To verify your age, you might show your ID, revealing your name, address, and birthday. ZKPs offer a more secure approach:

- **Privacy Protection:** You only disclose the minimum information needed for verification. In our club analogy, the bouncer only learns you meet the dress code, not your entire style.
- **Security:** ZKPs are based on complex math, making it extremely difficult to forge proofs or steal information.

RoyalDAO and ZKPs: Securely Proving RWA Ownership

RoyalDAO uses ZKPs to prove ownership of real-world assets (RWAs) like rubies and jades. Here's how it works:

1. **Proof Generation:** RoyalDAO uses ZKPs to create a cryptographic proof that authentic rubies and jades exist and are ready to be claimed. This proof acts like the bouncer's tag, confirming you meet the dress code (ownership) without revealing the details of the gems themselves.
2. **Verification:** Investors can verify the ZKP proof, ensuring the claimed RWAs are real and available. This verification process is similar to the bouncer checking your tag's authenticity.

Why Avoid Banks? Reducing Counterparty Risk

Traditionally, proving ownership might involve relying on banks or other institutions. However, RoyalDAO leverages ZKPs to avoid these middlemen for several reasons:

- **Confiscation Risk:** Banks or governments could potentially seize assets held in their custody. ZKPs eliminate this risk by keeping ownership verification independent of any central authority.
- **Freezing Risk:** Banks or institutions might freeze access to your assets, limiting your ability to use them. ZKPs empower you with more control over your RWAs.
- **Misleading Information:** There's a risk of errors or manipulation within traditional record-keeping systems.

ZKPs provide a more secure and transparent verification process.

- **Other Risks:** There are other potential issues like bureaucracy and delays.

Benefits for Investors

By using ZKPs, RoyalDAO offers investors several advantages:

- **Enhanced Security:** ZKPs minimize the risk of theft or unauthorized access to RWA ownership information.
- **Increased Transparency:** Investors can independently verify the authenticity and existence of RWAs backing the project.
- **Reduced Counterparty Risk:** ZKPs remove the need to rely on potentially risky third-party institutions for verification.

In essence, ZKPs allow RoyalDAO to strike a balance between privacy and security. Investors gain confidence in the project's RWA backing while RoyalDAO safeguards sensitive information.

In our case, that very ZKP we are going to apply is called Proof of Reserve (PoR) system which is pioneered and introduced by Chainlink.

RoyalDAO's Continuous Value Appreciation Model (CAVM): A Win-Win for Investors

RoyalDAO introduces a groundbreaking market system called the Continuous Value Appreciation Model (CAVM) designed to benefit both investors and the project itself. Here's how it works:

Traditional Market Challenges:

- **Unpredictable Price Swings:** Open markets, like Decentralized Exchanges (DEXs), can experience sharp price fluctuations due to the interaction of buyers, sellers, and Manipulation parties – we referred to as the "3-Body Problem" of crypto industry.
- **Zero-Sum Game:** In traditional markets, one party's gain typically comes at another's loss.

The CAVM Solution:

1. **Directed Buying and Selling:** CAVM encourages buying SSTs on open markets (DEXs) to stimulate price appreciation.

2. **Incentivized OTC Sales:** RoyalDAO partners with OTC (Over-The-Counter) marketplaces to offer attractive benefits for selling SSTs on these platforms. This incentivizes investors to sell through OTC channels, creating a win-win situation.

Benefits of CAVM:

- **Reduced Price Impact:** By directing buying pressure to DEXs, CAVM helps mitigate the unpredictable price swings often seen in open markets.
- **Non-Zero-Sum Game:** The CAVM incentivizes both buying and selling, creating a scenario where everyone can potentially benefit. Investors who buy on DEXs contribute to price appreciation, while those who sell on OTC markets receive attractive rewards.
- **Open Market Sell Tax Disincentive:** The high sell tax (up to 30% for \$OST version of SST) on open markets discourages selling there, further encouraging participation in the OTC markets.

Addressing OTC Liquidity Concerns:

RoyalDAO acknowledges the potential for limited liquidity on the OTC buy side. To address this, they offer:

- **Dual-Market SSTs:** Investors can choose between two versions of the SST: an open market version and an OTC market version.
- **Flexible Locking and Minting:** Investors can lock their base SSTs and freely mint whichever market version (\$OMT or \$OST) they prefer based on their needs.

Maintaining Value and Security:

- **RWA Backing:** Regardless of the market version, all SSTs are fully backed by the intrinsic value of rubies and jades, ensuring a minimum floor price.
- **Organic Appreciation:** The inherent value of rubies and jades tends to appreciate over time, further boosting the value of SSTs.
- **Right of Redemption:** Investors retain the right to redeem their SSTs for the underlying RWA value, regardless of the market version they hold.

In essence, CAVM offers a unique approach to market dynamics. By creating incentives for specific buy and sell behaviors, RoyalDAO fosters a system where investors and the project can

collectively benefit from price appreciation and a thriving ecosystem.

Expanding the Utility of Your Investment: RoyalDAO's SST Primary Derivatives

RoyalDAO's innovative approach extends beyond the core SST token. We offer a diverse selection of derivative tokens built upon the foundation of SST, providing investors with a range of options to suit their investment goals and risk tolerance.

The Two Main Branches of SST Derivatives:

1. **Volatile Series:** These derivatives cater to investors seeking exposure to the potential price appreciation of SST.
 - **OTC Version SST (\$OST):** Designed for long-term investors who prioritize capital preservation and stable returns.
 - **Benefits:**
 - **Low Risk & Stable Rewards:** \$OST offers a mechanism for earning consistent yields without significant price volatility.
 - **Ideal for Long-Term Holders:** \$OST caters to investors who believe in the long-term potential of RoyalDAO and the SST but prefer a less volatile investment experience.
 - **Large Investor Friendly:** \$OST provides a suitable option for bigger investors seeking exposure to RoyalDAO's ecosystem while minimizing short-term price fluctuations.
 - **Open Market Version SST (\$OMT):** Targets investors comfortable with short-term price movements and the potential for higher returns.
 - **Benefits:**
 - **Risk & Reward:** \$OMT allows investors to capitalize on potential short-term price gains within the open market.

- **Short-Term Exposure:** \$OMT is ideal for investors who want to participate in the short-term market movements of SST.
- **Market Makers:** \$OMT provides an attractive option for market makers who actively trade SST to maintain market liquidity.

Stable Series: Stability Meets Flexibility

The Stable Series introduces three unique stablecoin types, each with varying risk profiles and collateralization strategies:

1. **Premium Collateralized Stablecoin (Open Interest Friendly):**
 - **Collateral:** Fully backed by the current market value of the underlying SST. (i.e. If SST = \$10 USD market price, mint 10 \$pUSDg)
 - **Focus:** Offers a balance between stability and potential for growth based on the market value of SST.
2. **Floor Collateralized Stablecoin (General Use cases):**
 - **Collateral:** Fully backed by the guaranteed floor price of the SST, which is derived from the intrinsic value of the rubies and jades. (i.e. If SST = \$10 USD market price but guaranteed floor price is \$2 USD, mint 2 \$fUSDg)
 - **Focus:** Prioritizes maximum stability, offering a safe haven for investors seeking a reliable hedge against market volatility.
3. **Under-Premium Collateralized Stablecoin (Best for Collateralization):**
 - **Collateral:** Overcollateralized by 20% – for every \$1 worth of SST, you can mint \$0.80 worth of this stablecoin \$uUSDg.
 - **Focus:** Provides additional stability and extra layer of liquidation protection for investors willing to lock in a safe value for their SST's current market price rather than guaranteed floor price for better scalability.

The Advantages of Diverse Derivatives:

These primary derivatives offer investors a multitude of choices, allowing them to tailor their investments to their individual risk tolerance and financial goals. By eliminating the need for third-party intervention, RoyalDAO empowers investors with maximum flexibility and utility within the RoyalDAO ecosystem.

- **Flexibility:** Investors can choose the derivative that best aligns with their risk tolerance and investment goals.
- **Maximized Use Cases:** The variety of derivatives expands the utility of SST, allowing investors to participate in the ecosystem in multiple ways.
- **Unleashing the Value of SST:** These derivatives unlock the full potential of SST, offering investors a spectrum of options to maximize their returns.

By providing a comprehensive suite of derivatives, RoyalDAO empowers investors to take an active role in shaping their investment experience within the ecosystem.

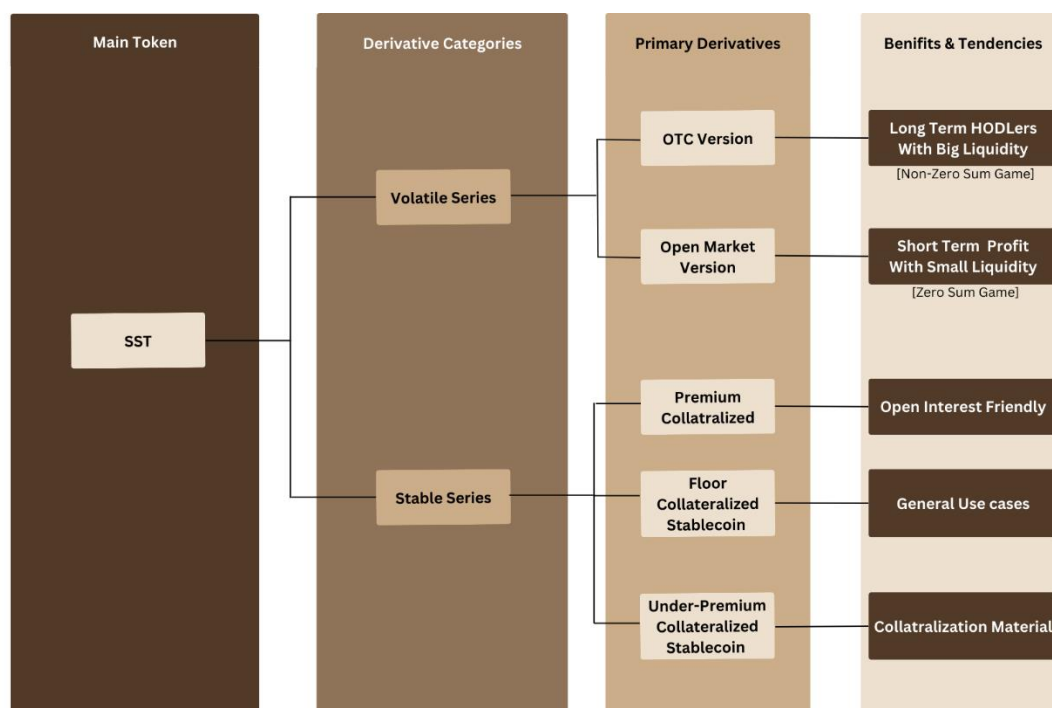


Diagram of RoyalDAO's Primary Derivatives and their Features

RoyalDAO Dual Reward System: A Mathematical Framework

Introduction:

RoyalDAO presents a novel yield generation system for its Semi-Stable Tokens (SSTs) backed by real-world assets (RWAs) – rubies and jades. These RWAs, while inherently valuable, do not generate traditional yields like interest or dividends. To

address this, RoyalDAO implements a dual reward system leveraging:

1. **Value Appreciation Events (Event 1):** This captures the intrinsic appreciation of rubies and jades over time.
2. **Principle Inflation Protection Event (Event 2):** This compensates for inflation in the USD, the primary trading currency for these RWAs.

Assumptions:

- **Virtual Asset Under Management (vAUM):** The total USD value of the RWA reserves held in the vault (denoted by V_t).
- **Floor Price:** The minimum guaranteed value per SST (denoted by F_p).
- **Staking Requirement:** Only staked SSTs qualify for yield distribution (denoted by S_t).
- **Inflation Rate:** The annual inflation rate for the USD (denoted by i_y).

Mathematical Modeling:

Event 1: Value Appreciation

- **Yearly Appreciation:** The annual value appreciation of the RWA reserves is denoted by A_y (in USD). We can express this as a percentage of the vAUM at the beginning of the year: $A_y = \alpha V_t$, where α is the appreciation rate (0.1 for 10% annual appreciation).
- **Additional SST Minted:** Based on the floor price, RoyalDAO mints new SSTs to reflect the value appreciation: $Me_1 = F_p A_y$.

Event 2: Principle Inflation Protection Event

Total Post-Appreciation vAUM: This is the sum of the initial vAUM and the value generated from appreciation: $V_{t+1} = V_t + A_y$.

- **Inflationary Impact on vAUM:** The inflationary effect is captured by multiplying the post-appreciation vAUM by the inflation rate: $I_y = V_{t+1} \cdot i_y$.
- **Additional SST Minted for Inflation:** To compensate for inflation, new SSTs are minted based on the inflationary impact: $Me_2 = F_p I_y$.

Total Additional SST Minted (Yield):

The total yield for a given year is the sum of the SSTs minted from both events: $M_t = Me_1 + Me_2$.

Yield Distribution:

Only staked SSTs participate in yield distribution. The proportion of the total yield allocated to each staked SST is:

$$\{\text{Yield per Staked SST}\} = \{M_t\}\{S_t\}$$

Example:

- $\$V_t = \1 Billion (USD)
- $\$F_p = \2 (USD)
- $\alpha=0.1$ (10% appreciation)
- $i_y=0.058$ (5.8% inflation)
- $\$S_t = \$500 \text{ Million (USD worth of staked SSTs)}$

Event 1:

- $\$A_y = \$100 \text{ Million (USD)}$
- $\$M_{\{e1\}} = 50 \text{ Million SSTs}$

Event 2:

- $\$V_{\{ta\}} = \$1.1 \text{ Billion (USD)}$
- $\$I_y = \$63.8 \text{ Million (USD)}$
- $\$M_{\{e2\}} = 31.9 \text{ Million SSTs}$

Total Yield:

- $\$M_t = 81.9 \text{ Million SSTs}$

Yield per Staked SST:

- $= (81.9 \text{ Million SSTs}) / (\$500 \text{ Million USD})$
- $= 0.1638 \text{ SST per 1 USD worth of staked SST}$

Staking Eligibility:

- Only SST holders who participate in staking vaults for a minimum of two years are entitled to receive these yield distributions. Non-staking holders are not included.

Model Significance:

- This mathematical framework demonstrates how RoyalDAO's Dual Reward System transforms illiquid, non-interest-bearing assets into investable instruments with the potential for dual yield generation. This innovation enhances the attractiveness of the RoyalDAO ecosystem for investors seeking both capital appreciation and a hedge against inflation.

Assumptions

- **Staking Rate:** 20% of total SSTs are staked (St).

Example:

- $\$V_t = \1 Billion (USD)
- $\$F_p = \2 (USD)
- $\alpha = 0.1 \text{ (10\% appreciation)}$
- $i_y = 0.058 \text{ (5.8\% inflation)}$
- $\$S_t = \$200 \text{ Million (USD worth of staked SSTs) (20\% of \$1 Billion)}$

Calculations:**Event 1: Value Appreciation**

- $\$A_y = \$100 \text{ Million (USD)}$
- $\$M_{\{e1\}} = 50 \text{ Million SSTs}$

Event 2: Principle Inflation Protection Event

- $\$V_{\{ta\}} = \$1.1 \text{ Billion (USD)}$
- $\$I_y = \$63.8 \text{ Million (USD)}$
- $\$M_{\{e2\}} = 31.9 \text{ Million SSTs}$

Total Yield:

- $\$M_t = 81.9 \text{ Million SSTs}$

Yield per Staked SST:

- $= (81.9 \text{ Million SSTs}) / (\$200 \text{ Million USD})$
- $= 0.4095 \text{ SST per USD worth of staked SST}$

Staking Eligibility:

Only SST holders who participate in staking vaults for a minimum of two years are entitled to receive these yield distributions. Non-staking holders are not included.

Interpretation:

With a 20% staking rate, the yield per staked SST significantly increases to 0.4095 SST per USD. This means that each 1 dollar invested in staked SSTs would yield almost 41% in additional SSTs over a year.

With a 20% staking rate, the yield per staked SST significantly increases to 0.4095 SST per USD. This means that for every 1 dollar worth of SST staked, the staker would receive an

additional 0.4095 SST as a reward. This is more than double the yield per staked SST in the previous example where the staking rate was 50%.

Reasoning:

The total yield remains the same, but the pool of eligible recipients (staked SSTs) is smaller. This results in a larger share of the yield being distributed to each staked SST, thus increasing the yield per staked SST. This is where RoyalDAO's primary derivatives come into play, fulfilling major roles for long-term holders seeking greater returns.

With a lower staking rate of 20%, the same total yield (81.9 Million SSTs) is distributed among a smaller pool of staked SSTs. This significantly increases the yield per staked SST compared to the previous example with a 50% staking rate.

In this scenario, each 1 USD worth of staked SSTs would receive 0.4095 SSTs as a reward. This demonstrates the potential for higher rewards when fewer SSTs are staked, as the yield is concentrated among a smaller group of participants.

Example:

If an investor stakes \$10,000 worth of SST, they would receive approximately 4,095 SSTs as a yield (0.4095 SST per USD * \$10,000). You may manifest your reward with following table-

Staking Rate	Staked SSTs (USD)	Yield per Staked SST	Total Yield (SSTs)	Your Yield (SSTs)
20%	\$200 Million	0.4095	81.9 Million	40.95
60%	\$600 Million	0.1365	81.9 Million	13.65
70%	\$700 Million	0.1170	81.9 Million	11.70
80%	\$800 Million	0.1024	81.9 Million	10.24
90%	\$900 Million	0.0909	81.9 Million	9.09
100%	\$1 Billion	0.0819	81.9 Million	8.19

Key Takeaways:

- **Higher Yield per Staked SST:** The lower staking rate leads to a higher reward for those who choose to stake their SSTs.
- **Incentivized Staking:** This model encourages participation in staking vaults due to the increased potential returns.
- **Increased Value for Stakers:** Early adopters and long-term stakers benefits significantly from this model.

RoyalDAO's Fee Structure and Management Incentives: A Mathematical Framework and Rationale

Fee Structure and Performance-Based Compensation

RoyalDAO's management fee structure is designed to ensure alignment between investor interests and the management team's goals. Here's a breakdown of the key aspects:

Management Fee Structure:

- **Annual Fee:** $F = 2\% * Y_t$
 - F : Total Annual Management Fee
 - Y_t : Total Annual Yield for Stakers (as defined in previous chapter)
 - 2%: Predefined Management Fee Rate

Fee Application: This fee is solely dedicated to covering the expenses associated with real-world asset (RWA) maintenance and management. This includes:

- RWA storage and security costs
- Insurance premiums
- Routine maintenance and upkeep
- Legal and audit fees
- Expert appraisals and valuations
- Operational expenses directly related to RWA management
- Trust related cost and on-going expenditures

Explicit Exclusions: The 2% fee **does not** allocate for development costs or ecosystem-related expenses.

Fee Deduction Method:

The management fee is not deducted directly from the investor's principal holding (unlike the traditional 2/20 model). Instead, it is levied on the **performance-based rewards**, specifically:

- **Reward Base:** Y_t (Total Annual Yield for Stakers)

Reasoning:

- This approach aligns team incentives with investor returns. The management team only earns fees if the project generates rewards for stakers.
- It avoids penalizing investors upfront with fees, similar to a **performance fee** structure.

Example:

Building upon the example from the previous chapter:

- **Y_t (Total Annual Yield for Stakers):** \$164.8 Million
- **Management Fee (F):** $F = 2\% * \$164.8 \text{ Million} = \3.296 Million

Performance-Based Incentive and Liquidity Motivation:

This fee structure incentivizes the RoyalDAO team to prioritize SST liquidity and market appreciation for several reasons:

1. **Reward Dependence on Management:** The management fee is directly tied to the **management** of the Dual Reward System. If the system fails to make SST liquid enough (due to difficulties to convert into USD as primarily intended to be which is not dumping), the management fee shrinks.
2. **"Skin in the Game":** Since the fee is based on rewards, not directly deducted from investor holdings, the management team's compensation is directly linked to investor returns. This creates a strong alignment of interests. Which is distinct from traditional 2+20 fees of PE firm and hedge funds.
3. **Liquidity as a Necessity:** The system relies on investor participation in staking to generate yield. For withdrawals and reward conversions to occur smoothly, **high SST liquidity** is essential. Without a liquid market, the management fee itself becomes difficult to realize.
4. **Market Appreciation as a Performance Metric:** The difference between the SST floor price and market price is considered a **performance metric**. By actively working to improve the ecosystem and partner with other institutions, the management team can drive up the market price, increasing both investor returns and their own compensation.
- 5.

Combined Impact:

This dual fee structure creates a "**carrot and stick**" mechanism, aligning the interests of the RoyalDAO team with those of investors.

- **Underperformance Penalty:** Failure to achieve market liquidity and price appreciation for SSTs results in less performance incentive for the team.
- **Overperformance Reward:** Success in these areas leads to a higher PI, financially rewarding the team for their efforts.

Investor Benefits:

- **Transparency:** The fee structure is clear and directly tied to the project's performance.
- **Alignment of Interests:** The RoyalDAO team is incentivized to focus on maximizing investor returns through SST liquidity and appreciation.

Liquidity and Market Value Appreciation:

Investor Protection Mechanism:

- **Reward Distribution:** SST rewards are distributed based on the **floor price**, not the current market price. This protects investors from potential price fluctuations.
- **Market Price Exit Strategy:** Investors can choose to convert their floor-price rewards into the prevailing market price, essentially capturing any appreciation that has occurred.

Formula for Reward per SST:

- **Reward per SST:** $R_s = Y_t / N_s$
 - R_s : Reward per SST (in market price)
 - Y_t : Total Annual Yield for Stakers (in floor price)
 - N_s : Total Number of Staked SSTs

Management Team Incentive:

- **Spread as Performance Fee:** The difference between the floor price and market price acts as a **performance fee** for the management team.
 - They are incentivized to drive liquidity and increase the market price of SSTs to capture a larger spread.

Partnership and Use Case Development:

- RoyalDAO will actively partner with other protocols and financial institutions to enhance SST liquidity and adoption.
- Introducing new and attractive use cases for SSTs will further increase their market value.

Model Significance:

This incentive structure creates a "**carrot and stick**" mechanism:

- **Underperformance Penalty:** If the team fails to improve liquidity, their fees are diminished.

- **Overperformance Reward:** Success in driving appreciation and liquidity translates to higher fees (Performance reward). This design fosters a **win-win scenario** where the RoyalDAO team's success is directly tied to investor profitability. The mathematical framework provides a clear picture of fee calculations and the underlying rationale behind the incentive design. This transparency ensures investor confidence and aligns everyone's interests for the long-term growth of the RoyalDAO ecosystem.

Here is the precise mathematical formula that links the RoyalDAO team's rewards are directly tied with the profitability of SST holders

Performance Reward

Definitions:

- Floor Price of SST (P_f): \$2
- Market Price of SST (P_m): \$3 (case 1) or \$2 (case 2)
- Total Yield in USD (Y): \$163.8 million
- Management Fee Rate (α): 2% = 0.02

Calculations:

1. Number of SST Tokens Awarded as Yield (N_{sst}):

$$N_{sst} = Y / P_f$$

$$N_{sst} = 163,800,000 / 2 = 81,900,000 \text{ SST}$$

2. Management Fee in USD (M):

$$M = \alpha * Y$$

$$M = 0.02 * 163,800,000 = 3,276,000 \text{ USD}$$

3. Management Fee in SST Tokens (M_{sst}):

$$M_{sst} = M / P_m$$

$$\text{Case 1: Market Price } (P_m) = \$3$$

- **Management Fee in SST Tokens:**

$$M_{sst} = 3,276,000 / 3 = 1,092,000 \text{ SST}$$

- **Additional Performance Reward:**

$$\text{Additional Reward per SST} = P_m - P_f$$

$$\text{Additional Reward per SST} = 3 - 2 = 1 \text{ USD}$$

- **Total Additional Performance Reward:**

$$\text{Total Additional Performance Reward} = M_{\text{sst}} * (P_m - P_f)$$

$$\text{Total Additional Performance Reward} = 1,092,000 * 1 = 1,092,000 \text{ USD}$$

Case 2: Market Price (P_m) = \$2

- **Management Fee in SST Tokens:**

$$M_{\text{sst}} = 3,276,000 / 2 = 1,638,000 \text{ SST}$$

- **Additional Performance Reward:**

$$\text{Additional Reward per SST} = P_m - P_f$$

$$\text{Additional Reward per SST} = 2 - 2 = 0 \text{ USD}$$

- **Total Additional Performance Reward:**

$$\text{Total Additional Performance Reward} = M_{\text{sst}} * (P_m - P_f)$$

$$\text{Total Additional Performance Reward} = 1,638,000 * 0 = 0 \text{ USD}$$

Summary:

- Market Price ($P_m = 3 \text{ USD}$):
 - Management Fee in SST: 1,092,000 SST
 - Additional Performance Reward: 1,092,000 USD
- Market Price ($P_m = 2 \text{ USD}$):
 - Management Fee in SST: 1,638,000 SST
 - Additional Performance Reward: 0 USD

This calculation shows that when the market price of SST is \$3, the RoyalDAO team receives an additional \$1,092,000 in performance rewards, which directly ties their financial success to the performance and liquidity of the SST tokens. If the market price remains at \$2, there is no additional performance

reward, emphasizing the importance of the team's efforts to increase the market value of SST.

RoyalDAO Disclaimer

Important Disclaimers:

- **Utility Tokens, Not Securities:** RoyalDAO issues utility tokens (SSTs) representing fractional ownership of real-world assets (RWAs) - rubies and jades. These SSTs are not classified as securities.
- **No Stablecoin Issuance:** RoyalDAO does not mint or control the issuance of any stablecoins. The minting and burning of stablecoins occur within the broader blockchain ecosystem, independent of RoyalDAO's control.
- **Geographic and Regulatory Considerations:** RoyalDAO is not based in the United States and does not serve sanctioned regions, including the USA. We do not hold USD as our reserve assets.
- **Transparency in Reserve Assets:** Our RWAs consist solely of rubies and jades, not USD. We are transparent about the nature of our reserves and avoid any association with USD holdings.
- **Decentralized Stablecoin Minting:** Unlike to Tether and Circle, RoyalDAO does not control the minting or burning of stablecoins within the ecosystem. These actions are undertaken by participants within the blockchain itself.
- **No Profit from Minting/Burning:** RoyalDAO does not profit from the minting or burning of stablecoins within the ecosystem.
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- **Conduct Your Own Research:** We strongly encourage all potential backers to conduct thorough research before

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