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# 1 Simulating Vision Tokenomics for Determining Efficiency

Described below is an experiment conducted through a dynamical systems model using the radCAD software. It encodes the behaviors described in the Vision tokenomics paper. The main goal of the experiment is to theoretically model the efficiency of security measures that arise from Vision's tokenomics, namely the proof of storage and proof of identity uniqueness mechanisms.

This experiment is conducted in two parts, each measuring efficiency through different metrics of these two security mechanisms, respectively. The implementation of this experiment is available in full here.

It should be noted that the absolute numbers presented in the results of running this model are for illustrative purposes only, and are only indicative of general trends, at best.

#### 1.1 File System Model

The file system model encodes the staking, slashing, and market behaviors of Vision's file storage mechanism. It measures "efficiency" through three main metrics: resistance, resiliance, and reactivity. Resistance describes the ability of the system to withstand and discourage attacks by malicious actors, and is measured by the rate of "stealing," or agreeing to serve a file for a period of time, and purposely or unintentionally (e.g., due to hard drive failure) neglecting to do so. Resilience describes the ability of the system to retain users, and grow in adverse conditions (e.g., where a high number of actors are attempting to "game" the system, or when very little storage is to go around due to physical constraints). Reactivity describes the ability of the system to scale with increased demand, in such a way that the most users are fulfilled at the lowest possible cost, and is measured through demanded capacity vs provided capacity.

### 1.1.1 Methodology

The file system model makes several assumptions about external factors that influence the decision-making of its users. These include:

Grants per Block (VIS) Grant portion (%) Average contract length User Spawn Rate Idea Spawn Rate The rate at which Vision DAO doles out grants of VIS to users.

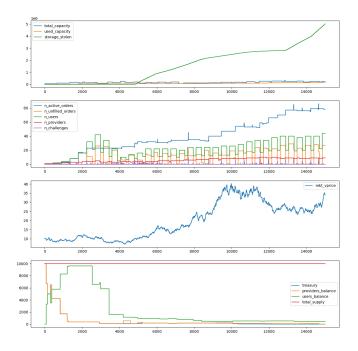
The percentage of its balance that Vision DAO is willing to give out as gra How long users' storage contracts with Vision providers tend to be. A norm How often new users join the Vision network, described relative to the num How often Vision users come up with Ideas that they want serviced via the

And several others described more extensively in the source code repository. Most importantly, the experiment assumes that the price of VIS oscillates completely randomly, and that only one initial user occupies the network: the Vision DAO itself. It also assumes that Vision DAO has an initial amount of storage space that it can provide unconditionally to its first users.

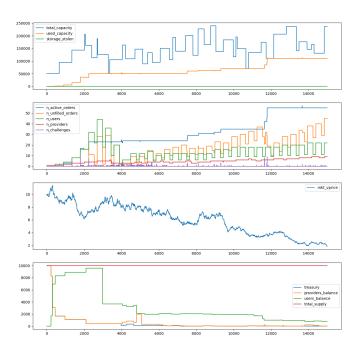
## 1.1.2 Findings

#### 1. Resistance

In experimentation, we we found that the single largest distinguishing factor for ensuring that users' data were being stored during contracts they took on was the **collateralization rate**. The **collateralization rate** is defined by the Vision proof of storage protocol, and sets a minimum percentage  $(\rho)$  of the market value  $(\mu)$  of a storage contract that a provider must stake to accept it.



Displayed above where  $\rho=0$ , without any measures to ensure that users' files are intact, file storage providers are free to accept as many orders as they want, without paying for the underlying storage space. We consider this a form of theft, measured by, "storage stolen." Without these measures, virtuall all storage space is stolen.



Comparatively, where  $\rho=1$  as displayed above, meaning 100% of the market value of a contract must be staked by the provider, storage stolen is virtually zero.

#### 2. Resilience and Reactivity

Although it presents an effective mechanism for detering attacks, Vision's tokenomics proof of storage model does little to influence the rate at which providers of storage enter the network. Rather, in our testing, it appears to be the case that the responsiveness of the supply of storage on Vision due to an increase in demand (e.g., due to new users) is explained primarily by external factors. Namely, an increase in the supply of storage on Vision was correlated with an increase in the efficiency of currency markets supplying VIS itself to outside parties hoping to provide storage on Vision.