

According to [Rune Christensen: Endgame for MakerDAO | Real Confusion episode #1 - YouTube](#) the official Endgame plan of how to provide value to MKR/NewGovToken holders is to use system profits to buy MKR/NewGovToken-Dai/NewStable LP tokens forever. The problem is that USD and therefore Dai/NewStable is a depreciating asset, using all system profits to buy LP will do some combination of making MKR/NewGovToken depreciate with Dai/NewStable or having it be constantly bought out of the LP pool and sold back into the market.

I see 3 alternatives

1. Go back to the old buy-and-burn model: I won't say more about this as the Dao has already decided to move away from this option.
2. Buy Eth-MKR/NewGovToken LP instead: This solves the problem as Eth is not a depreciating asset.
3. Distribute profits to MKR/NewGovTokens in the governance contract: One of the reasons Maker DAO governance has been so bad in the past is if you were to deposit your MKR into the governance contract you cannot earn interest on it or use it as collateral. This is a disincentive to participate in governance because you are giving up yield to do so. To offset this just give the depositors all/some of the system profits.

Also, it is worth saying I am in favour of the DAO owning MKR-DAI LP because it reduces MEV when the DAO buys/sells MKR, just not more than ~0.5% of MKR in that pool.