

LFG VENTURES presents:

Made by Apes - Powered by ApeCoin™

PROPOSAL NAME:

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PROPOSAL CATEGORY:

Ecosystem Fund Allocation

You heard it last Thursday, January 18, on our show Coffee with Captain - Illa and Jeff, speaking in their personal capacity not as spokespersons of Yuga Labs said that "ApeCoin should power every single Ape that has an idea or every MBA brand that needs funding, they shouldn't have to go anywhere but ApeCoin".

This proposal is the start of that mission.

THE SNAPSHOT

We believe that the DAO needs to put our Treasury Funds to work, not sit around bleeding red - and what better way than to invest in the talented founders, builders, devs and entrepreneurs in our ecosystem. And now that we know that Made by Apes is a major focus for Yuga Labs in 2024, we believe that now is the time for the DAO to step up and support Made by Apes (and soon Made by Mocas, Moonbirds, Pudgys, etc) with a professionally managed strategic guidance and investment fund - The LFG VENTURE FUND.

- ONE: The LFG VENTURE FUND receives and manages the grant and utilizes DeFi protocols to create reasonable returns.
- TWO: LFG VENTURES conducts research, outreach, and due diligence to identify promising projects and businesses licensed by Made by Apes to help them grow, scale and succeed, reporting all progress and performance to the DAO through an automated and transparent process.
- THREE (OPTIONAL): To add a little fun to the proposal, LFG VENTURES will create, manage and execute an exciting IRL activation at ApeFest 2024 - giving powerful exposure and fuel to Made by Apes and complementing everything being done at The Bodega. Read on for more details as this will require a separate budget.

IMPORTANT NOTE:

The goal of this AIP is to be cost neutral, or breakeven with zero realized cost to the DAO.

Sure, we're asking for a 6.9m \$APE Grant, but because of our talented DeFi team this AIP is powered by the returns from the principal for all investments and expenses.

TEAM DESCRIPTION:

[@CaptainZwingli](#) [@VonFrontin](#) [@ssp1111](#) [@Amplify](#) [@dominic](#)

There are 3 roles involved in the secure and sustainable management of the fund:

PROJECT MANAGERS (3)

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Captain Zwingli: (@CaptainZwingli) Co-Host Coffee with Captain, Bored Shorts MBA Licensee - Brand Partnerships & Business Development

Captain Zwingli (Chris): With extensive experience in Brand Partnerships & Business Development, Chris, also known as Captain Zwingli, is a Co-Host of Coffee with Captain, the community voted Daily Spaces of the Year in 2023 and awarded the most consistent show in 2023 from SuperSpaces. Chris is also making waves with Bored Shorts, a MBA Licensee. His strategic insights and business acumen make him a valuable asset in fostering collaborations within the ApeCoin and Mocaverse ecosystems.

VonFrontin: (@VonFrontin) Attorney, Founder of Web3 incubator - Strategic Advisor, Marketing & Business Development

VonFrontin: An attorney by training with 20 years of experience in tech, finance, marketing and business development, currently leads strategy, marketing and business development for several large brands totaling over \$9B+ in annual sales.

An avid collector and builder in Web3 since late 2020, co-founding and running a community led Web3 incubator before its sale in 2023.

SSP: (@ssp1111) ApeComms, Accepted AIP Author, IRL Events AIPs - Community Coordination and IRL Events Activation Lead

Accepted AIP Author, Top 5 ApeCoinDAO, and ApeComms. Managed and founded several Coworking Spaces and Startup Studios, sold mobile gaming studio to king.com, IRL Events professional, responsible for luxury IRL activations at CoachellaFest for over a decade.

DEFI CUSTODIANS (2)

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Amplify: (@Amplify) DeFi Expert, ex-ApeCoinDAO Governance WG Steward, ApeComms Team Member - Treasury and Grant Fund Management Lead and MultiSig Signer

Amplify has been active in the ApeCoin DAO since its inception and BAYC since June 2021. He previously served as the first Lead Steward of the Governance Working Group. He is also the lead author of AIP-239: Working Group Guidelines, and co-author of AIP-196: BORED AIP: Bringing Order and Reliability via Ecosystem Decentralization, in addition to 4 other AIPs, all of which have passed. Amplify has over 7 years of asset management experience, being early and active in DAOs, using DeFi and collecting NFTs with ~4,000 mainnet txns at his public ENS 0xamplify.eth. A Boring Security Alumni, he has previously managed a seven-figure on-chain investment club and currently serves as a multisig-signer for ThankAPE, and the ApeCoin Marketplace.

dominic: (@dominic) DeFi protocol founding member and a Chartered Financial Analyst (CFA)

A seasoned Chartered Financial Analyst (CFA) with extensive experience in fintech innovation, wealth management, and private equity. His expertise extends to his current role as a founding member of a cutting-edge DeFi lending protocol.

ADVISORY BOARD & MULTI SIG SIGNERS (7)

- Feld: ([@Feld](#)) BoringSecurityDAO
- NFTBark: Published Author, CoHost Coffee with Captain, Community - Starbucks Odyssey
- Papii: Head of Web3 @ Quirkies, Business Advisor
- Outer Lumen: Data Viz Designer, UI/UX Specialist, ex-YugaLabs
- Drucritt ([@drucritt](#)) Startup advisory, startup tech products & financial modeling
- Loxley: CEO, RugRadio, previous Venture Fund Manager
- Pieter: ([@pieter](#)) Founder, Bored Brewing, previous advisor to Startup Accelerators

ABSTRACT:

The landscape of Web3 is evolving rapidly, and the recent indications by the Special Council that the DAO is able to receive revenues have ignited a spark within the ApeCoin community. Whether in the form of revenues or assets, this opens up exciting avenues for strategic initiatives. The Made by Apes - Powered by ApeCoin™ initiative is born out of this opportunity with the keen understanding that the DAO possesses the potential to become a catalyst for growth within the web3 ecosystem.

The primary motivation is to expedite the process of fueling promising projects and businesses licensed under the Made by Apes (and soon Made by Mocas, Moonbirds, Pudgys, etc). By creating an on-chain investment platform, we aim to streamline funding processes, accelerate approvals, and infuse projects with the necessary resources to thrive. This initiative is not merely about financial support; it's about creating a symbiotic relationship where the DAO's funds contribute to the growth of lifestyle brands and innovative ventures while bringing back tangible value in the form of collaborative connections and possibly future RevShare and equity.

As the DAO ventures into the realm of becoming an active investor, this initiative aligns with our commitment to community-driven success. It ensures that the ApeCoin DAO is not just a passive holder of assets but an active participant in shaping the future of the projects that share the DAO's Guiding Values. Furthermore, this initiative strengthens the bonds with our collaborative communities, fostering a spirit of cooperation and mutual growth within the web3 ecosystem.

Additionally, leveraging our DeFi Team's expertise, the initiative seeks to create a sustainable fund via audited and permissionless protocols like Aave, UniSwap, MYSO, Pendle. This innovative DeFi management approach aims for a zero

cost proposal for the DAO.

IDENTIFYING, VETTING, AND ENGAGING PROJECTS:

The initiative will systematically source, identify, and vet promising projects and businesses within the Made by Apes, partner collaborative communities and our own ApeCoin DAO ecosystem. This process involves:

- **Sourcing:** Actively seeking potential projects through community engagement, social platforms, and direct outreach. This may take the shape of an open Shark-Tank style pitching format in the future, but in the beginning will be an outreach process until we determine a streamlined operation.
- **Identifying:** Utilizing objective criteria to evaluate the feasibility, innovation, and alignment with ApeCoin values along with pinpointing excellent founders and entrepreneurs.
- **Vetting:** Conducting thorough due diligence, including but not limited to legal, financial, and operational aspects, to ensure the viability and authenticity of the projects.
- **Community Engagement:** Presenting vetted projects to the communities for feedback, discussion, and transparency.

BENEFITS TO THE APECOIN ECOSYSTEM:

1. Building a DeFi Infrastructure for a Venture Fund on Web3 Protocols:

The Made by Apes - Powered by ApeCoin™ initiative paves the way for the establishment of a professionally managed venture fund within the Web3 ecosystem. It sets the standard for how Multi-Sigs can efficiently allocate funds to promising projects and businesses.

1. Revenue Participation Leading to a Sustainable Business Model:

By primarily engaging in ongoing RevShare agreements (and later Simple Agreements for Future Equity) with licensed projects and businesses, the initiative aims to create a sustainable business model. This benefits the DAO by aiming to be a zero-cost initiative.

1. Onboarding More Founders, Builders, Developers, and Entrepreneurs:

The streamlined funding process and proactive outreach will attract a diverse array of founders, builders, developers, and entrepreneurs to the ApeCoin DAO. This influx of talent and creativity will contribute to the growth of the DAO through diverse AIPs, propagation across various verticals and increased ApeCoin success stories (hello, Marketing & Comms).

1. Creating Stronger Ties with Collaborative Communities:

Collaboration is key in the Web3 space. By expanding our focus to include collaborative communities like Made by Apes, Made by Mocas, and others, we strengthen our connections within the broader ecosystem.

1. Propagating Positive DAO Success Stories:

Through Twitter Spaces, social platforms, and traditional media and PR outlets, we will actively help share success stories and achievements of projects funded by the initiative. These narratives will serve as beacons of inspiration and showcase the impact and potential of the ApeCoin DAO to a wider audience both within the Web3 and broader Web2 ecosystems.

1. A wild IRL activation, pitch competition, at ApeFest 2024

KEY TERMS:

- **Multi-Sig Investment Pool:**

The treasury-managed fund held for investing in promising projects and businesses licensed under the Made by Apes protocol.

- **SAFE:**

Simple Agreement for Future Equity a founder-friendly note

- **Project Managers:**

Team responsible for the coordination, communication and collaboration with the Made by Apes Licensees and the IRL Activation at ApeFest 2024

- **DeFi Custodians:**

Team responsible for the performance and sustainability of the grant

- Advisory Board and Multi-Sig Signers:

Trusted community members responsible for the strategic guidance of the fund and the safeguarding of the Gnosis Safe where 4 of 7 signers will always be required

PLATFORMS & TECHNOLOGIES:

Uniswap:

Uniswap is a suite of smart contracts utilizing idle liquidity to facilitate token swaps without the need for a traditional order book. It allows users to trade, or add liquidity to different token pairs on Ethereum.

Myso:

Myso is a DeFi platform that specializes in fixed-rate lending and borrowing services. It allows users to lock in fixed interest rates for their loans or deposits, providing a level of predictability and stability.

Pendle:

Pendle Finance is a DeFi platform that enables the tokenization and trading of future yield. It allows users to lock in future yield upfront and trade these future yield tokens, offering innovative ways to hedge against interest rate volatility and optimize yield strategies in the DeFi space.

Aave:

Aave is a money market protocol that enables users to lend and borrow a wide range of cryptocurrencies in a trustless environment.

STEPS TO IMPLEMENT & TIMELINE:

Implementation Period:

March 1 - December 31, 2024

Expected Term:

Indefinite

Execution Phases:

Feb/March: Development of the LFG VENTURES process and funding infrastructure and initial collaborations with Made by Apes.

- The fund would establish a legal entity in the Marshall Islands as a DAO LLC with the Program Managers and DeFi Custodians serving as employees of the LLC.
- Funds would be managed via the offshore entity and would adhere to all legally required tax laws in that jurisdiction. The financial performance of the fund would be reviewed with the Advisory Board on a quarterly basis, as would any changes to operating procedures or policies.
- [@VonFrontin](#) (licensed attorney) would be in charge of establishing and maintaining the fund compliance plan with the support of outside council.
- We would not plan on raising additional capital outside of the grant from the ApeCoin DAO.

April 1 - December 31: Monthly execution of identifying, vetting, Investing and showcasing investment opportunities, community reporting and transparent performance tracking.

- The Fund would hold monthly Spaces following each investment decision round to announce the projects/companies that received funding. It would also provide written communication of these decisions. Community members would be able to ask questions/provide feedback in the ApeCoin DAO forum.
- The Marshall Islands DAO LLC would not collect management or performance fees. Rather, the MIDAO LLC would simply pay their employees within their ability to do so without disrupting operations.
- The funds would be placed in the custody and control of the offshore entity. [@Amplify](#) and [@dominic](#) would be given access to the funds to deploy DeFi strategies. As yield is created, the Program Managers would establish budgets for operations (e.g. fees to maintain entity, legal fees as needed, marketing, etc) and investment. Investment proposals would be brought to the Advisory Board on a monthly basis for review.
- Only surplus funds would be invested and the fund would ensure all committed investment funds reside in low risk assets (e.g. USDC) to ensure they can be fully dispensed to the funded companies.

- The Advisory Board would have full control over the Fund's investment decisions through a simple majority vote.
- Advisory Board and team members may be removed following a simple process: Any removal of an advisory board member would require a majority vote from the remaining Advisory Board members. Similarly, any replacement member would need to be voted on by the same methodology. In the event of a tie vote, the Project Managers would cast the tie breaking vote, decided by a simple majority within that group.
- In addition to the DeFi strategy investments the fund would utilize to generate yield, additional investments in companies would be considered that align to the following criteria:
 - Are officially licensed via the Made By Apes process
 - Have a credible path to profitability within 2 years from investment
 - Advance the Web3 ecosystem (e.g. via use of Web3 IP, advancing technical protocols, expanding use cases for ApeCoin, etc)
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 - We anticipate aligning with industry standard investment periods, optimizing for medium to long-term growth.
 - Professional accountants would be utilized to ensure all tax obligations are met.

Reporting and Transparency:

- Monthly reporting on investments, performance, and progress.
- Transparent tracking of funds and their sources through audited DeFi protocols.

OVERALL COST:

The Made by Apes - Powered by ApeCoin™ initiative requests a Principal Grant of 6,900,420 \$APE to be transferred to a Multi-Sig to the LFG VENTURE FUND.

Investment Focus

The Made by Apes - Powered by ApeCoin™ initiative recognizes the diversity of opportunities within the web3 ecosystem. We understand that our investments may span a range of categories, including lifestyle businesses, technology, software, and protocol projects. Our primary goal is to support and kickstart founders, builders, and entrepreneurs within our collaborative communities while maintaining a sustainable approach.

Investment Fund Matrix:

Principal: 6,900,420 \$APE

Expected Yield: 15-20%

Monthly Investment: Approximately 99,000 \$APE

Fund Allocation (Monthly):

Investment Pool:

The monthly investments will be allocated to fund promising projects and businesses licensed under the Made by Apes brand.

Operating Expenses:

The operating expenses for the initiative, including administration and management, will be covered by the yield generated from the principal amount. This aims to minimize the direct cost to the DAO.

Please note that this matrix provides a high-level overview, and the actual fund management strategy may involve more detailed financial planning and monitoring to achieve the desired objectives and sustainability of the initiative. We would not accept custody of the grant until the successful establishment of an incorporated offshore entity, and would like the AIP to find resolution through the AIP process before incorporating. We are very happy for the Foundation to withhold funding indefinitely until our offshore entity is incorporated.