

Background:

There are approximately 181 M UNI in circulation now. Here are some main ways that UNI holders treated their assets:

- Deposit in money market protocols (Compound etc.)
- LP on DEXes (Uniswap, Sushiswap etc.)
- Trade on CEXes
- Delegated UNI
- Undelegated UNI

While you deposit your UNI in Compound or LP pools, you will make some profit with different APY based on different level of risk.

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](https://global.discourse-cdn.com/business6/uploads/uniswap1/original/2X/5/56ac522c377fb2b488029c4ca806f2003cada01e.png)

notice: The amount of “Delegated UNI” included the votes delegate from the teams and investors.

If you just hold UNI in your wallets, you will take the risk of price drop and have no profit other than the price rise.

Solution:

Distribute UNI to the delegated UNI holders

by a 4% APY profit

, calculated on UNI.

Pros:

- Incentive UNI holders to hold their UNI as a governance token and participate in the community autonomous governance.
- Make UNI a little bit more valuable before transaction fees are distributed to the UNI holders.

Cons:

- Could be just an interim solution before transaction fees are distributed.

Next step:

Fully discuss this idea with all you guys, and make sure it's available to be coded.

Link to snapshot: <https://snapshot.page/#/uniswap/proposal/QmYbfYYXiAmLwTLanYT7pnVtSjFK5YNMyCQP6gyLNtzaTk>

Link to any additional reading:

List of UNI holders : <https://etherscan.io/token/0x1f9840a85d5af5bf1d1762f925bdaddc4201f984#balances>

Amounts of delegated UNI: <https://explore.duneanalytics.com/queries/10201/source#20277>