



MEME DAO

DECENTRALIZED MEME ECONOMY

<https://memedao.finance>

Welcome to Meme DAO

WHITEPAPER V1.69, PHASE 1

Meme DAO is the world's first Decentralized Meme Economy; a fully immersive NFT Meta-Ecosystem and Economy. To describe using familiar parallels, imagine Reddit/Imgur/4chan with a web3 DeFi 2.0 Twist. Create, Post, Enjoy and Earn.

DAO stands for Decentralized Autonomous Organization. A DAO is an open-source blockchain protocol created, managed, and governed by its members. The DAO structure enables automated trusted transactions and value exchanges, executing permissionless action without the need for intermediaries.

Every DAO is different. Every DAO is unique. But, every true DAO shares one thing in common:

A community working together for mutual benefit.

PHASE 1

The stake, bond, and reward system, as inspired by and forked from Olympus, functions as the financial core of the DAO. Upon this foundation, our meme web3 community platform will grow, expand, and reinforce the underlying value mechanics. The site and app will bring revenues to the DAO, which will, in turn, be distributed to members via our staking platform.

Using Meme DAO, members will be able to collect, share, buy, and sell NFTs in a familiar marketplace and auction setting. Users can additionally "Post 2 Earn" their own original meme NFTs creations, and collect rewards by doing so. Our NFT platform will also feature **innovative NFT bonding**. Further utility applications and mechanics for NFTs will be implemented in the next phases of the project.

\$DANK

A Reflective Reserve Currency

Reflective, meaning that a fee is collected on top of certain transactions and distributed to the DAO and its members.

>> See the “**DAO Fees**” section for more details.

Reserve, meaning that each DANK token in circulation is forever backed 1:1 by assets stored in our treasury.

DANK is backed by the Meme DAO treasury, yet unbound by a peg. Unlike a stablecoin, where the value of the peg remains $1 = 1$, a reserve currency maintains a $1 \geq 1$ ratio. The price of DANK can trade at a premium above 1, but can never trade below 1. There is no upper limit to the price of DANK and will be determined by the free market.

- Staking rebase occurs every 69 minutes.
(85.6% more rebases than every 480 minutes!)
- DANK backing is established at $1 \text{ DANK} \geq 1 \text{ STONK}$.
1 STONK is a pool of assets that is both self-rebalancing and consistently passively increasing.
(1 STONK = 1 LP token from our balancer pool; see “Treasury Assets”)
- Assets contained in the basket that makes up STONK earn income from swap fees, yield revenues, and price variation. This ensures consistent passive income to the protocol.

In keeping with our long-term vision for Meme DAO, we build in the direction of consistent prosperity. As such, we will engage our decentralized governance appropriately to consider expanding assets for bonds and treasury investments, integrations and partnerships with other projects, startup bootstraps funded by and for the DAO, and all genuine community proposals that will be of mutual benefit to all members, and the protocol.

Treasury Assets

What's in the box!?

STONK

STONK is the LP token from our Balancer pool. Unlike most reserve currency protocols, Meme DAO uses a balancer-managed pool as the main backing asset for our treasury.

Balancer-managed pools use self-rebalancing technology that maintains the pool at predefined percentages of assets. If a single asset is deposited into the pool, the smart contract will automatically trade it for other assets so that the pool remains balanced. The pool also earns passive income from the swap fees it generates for providing liquidity on Balancer.

STONK acts as a share price for a self-managed portfolio of assets. It is an LP token, and also an ERC-20 token.

Our plans include adding synthetic yield-bearing tokens to the pool. Since those tokens are not usually directly traded on exchanges, there isn't enough liquidity on AMM for the balancer contract to be able to efficiently and affordably rebalance the pool. To fix this problem, we have decided to build such liquidity ourselves using our bonding incentive. On launch, STONK will be comprised primarily of stablecoins. As soon as the liquidity of the yield-bearing tokens grows to a sufficient level, the tokens will be added to the Balancer pool. Until then, the protocol will accept these yield-bearing tokens for bonding. This way ensures that their worth is continually boosting the treasury and increasing rewards paid to stakers.

ASSET POOLS

Stablecoins Assets

DAI

MIM

USDC

USDT

FRAX
MUSD
TUSD
MAI

Yield Bearing Assets

mooCurveEURt (EURt/DAI/USDC/USDT) (when liquidity is sufficient)

mooCurveATriCrypto3 (WBTC, WETH, USDT) (when liquidity is sufficient)

Blue Chip Crypto Assets

WBTC - Wrapped Bitcoin

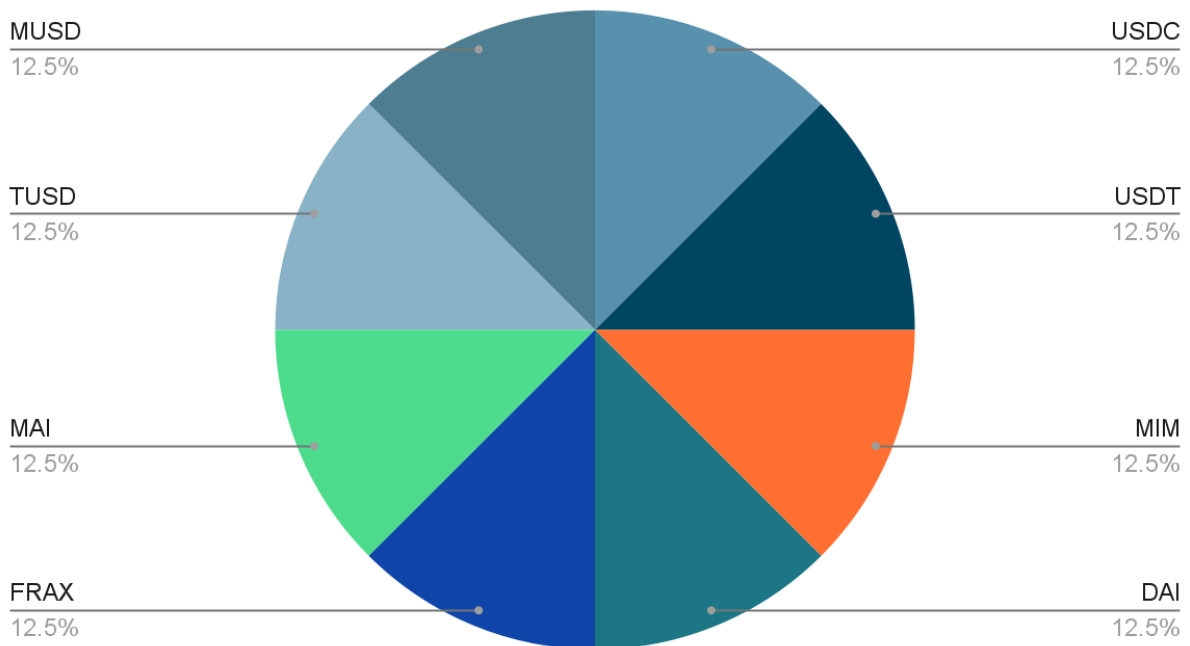
WETH - Wrapped Ethereum

WMATIC - Wrapped Matic

CRV - Curve DAO

After launch, the assets will be kept in the following proportions:

LP token breakdown



We will add, remove, or change any assets contained in the STONK LP, per the best interest of Meme DAO. Major changes will be voted on through DAO governance.

How it Works :

How can Meme DAO reward an APY so high? How does the reserve works?

**In the following lines, if the use of the term "STONK" becomes confusing; replace it with "\$1". It works the same way, but the value of STONK fluctuates because of the assets it contains.*

Each DANK token is backed by 1 STONK in our treasury (see "Treasury Assets").

Initially, MIM will be our treasury asset. After launch, the funds will be transformed to STONK in our treasury liquidity pool. The self-balancing function of the pool will convert the MIM to other tokens according to the ratios configured.

Tokens cannot be minted or burned by anyone except the protocol.

IN BRIEF:

When DANK trades below ↓ 1 STONK, the protocol buys back and burns DANK.

When DANK trades above ↑ 1 STONK, the protocol mints and distributes DANK.

The treasury must hold 1 STONK for each DANK every time it is bought or sold to make a profit. This means that the protocol receives more than 1 STONK per sale, and spends less than 1 STONK per purchase. The fact that the protocol holds STONK for each token allows us to say with certainty that DANK will not trade below its intrinsic value in the long term.

Investment decisions can then be made with defined risk. 1 STONK is the guaranteed long-term price floor of DANK. Because of this, the protocol can (and will) indefinitely buy below 1 STONK until no sellers remain, even if the supply is reduced to 0. In this particular example, such an event would greatly reward holders, as those who did not sell end up with a chunk of every token burned!

DANK's initial profit distribution

90% to stakers

10% to the DAO wallets (these allocations will change if necessary, as decided by DAO governance).

All rewards are paid in MEMEs (staked DANK).

The system, as designed, maintains a stable intrinsic value and reduces the incentive role of appreciation in favor of accumulation.

Staking & Rebasing

Where the money grows

The Meme DAO protocol distributes tokens by sending them to the staking contract without requesting a commensurate amount of MEMEs in return. This intentional imbalance increases the ratio of DANK staked to MEMEs outstanding, and results in a rebase to correct the difference.

Example:

On a given day, there are 100k DANK staked and 100k MEMEs outstanding. The protocol generated a \$5K profit on this day, which it uses to mint and back 5k DANK. It sends the newly minted DANK to the staking contract, at which point there are now 105k DANK staked and 100k MEMEs outstanding. MEMEs supply needs to increase by 5k, or 5%, to right the misbalance. The contract thus corrects by rebasing MEMEs by 5%, increasing MEMEs supply, and shifting the ratio back into harmony.

Rebases occur retroactively. The end of epoch 100 triggers a rebase of profits from epoch 99. This delay allows one to see what they'll get if they stake, what rewards they're missing if they choose to unstake.

1 epoch in Meme DAO is 69 minutes.

Staking is how we distribute profits equitably to all protocol participants. Through MEMEs, everyone receives the same percentage profit per epoch. Rebasing in this way allows us to compound yield with no need to harvest, or do anything at all, except hold.

Bonding

Rewards and discounts for supplying liquidity

Bonding is the process of trading an asset or LP share to the protocol for DANK. The protocol quotes an amount of DANK and a vesting period for the trade. When one creates a bond, they are selling their asset or LP share to the protocol in exchange for discounted DANK. The protocol compensates you with more DANK than you would get at market prices with a brief vesting period.

MEMEs is the protocol's profit accruing token. Bonders earn DANK (not MEMEs), and thus stakers earn 100% of protocol profits.

Why Do I Want to Bond?

Bonding allows one to buy DANK at a discounted cost basis. In return for selling your asset or LP, the protocol will sell you DANK prices well below the current fair market value.

Dynamics of a Bond

The protocol quotes bond prices based on the protocol's risk-free value (RFV). The Bond Premium is a protocol-governed policy tool that controls the premium charged for bonds. A lower premium means a higher discount and a higher incentive to bond.

$$\text{Executing Price} = \text{RFV} / \text{Premium} \{ \text{Premium} \geq 1 \}$$

The premium is determined by the total debt of the system and a scaling variable. This ties the price of bonds to the number of bonds outstanding; the fewer bonds outstanding, the lower the premium and the higher the discount.

$$\begin{aligned} \text{Premium} &= 1 + (\text{Debt Ratio} * \text{BCV}) \\ \text{Debt Ratio} &= \text{Bonds Outstanding} / \text{DANK Supply} \end{aligned}$$

The risk-free value of the LP share for the protocol is the point at which the pool is balanced (1 DANK = 1 STONK). Since the protocol must protect the backing of

DANK, this is the lowest price that it can accept; worst case, it can back every 2 DANK bonded by 1 STONK and 1 DANK. Above this equilibrium, there is an excess of STONK. Below this equilibrium, there is an excess of DANK. Either can be used, and there will always be enough of both.

$$\text{Risk-Free Value} = (\text{LP} / \text{Total LP}) * 2\text{sqrt}(\text{Constant Product})$$

This means a bonder is (generally) selling their asset or LP for below market value. This is balanced by the protocol bonding DANK at below market value.

Linear Scale

The exponential increase in the value of bonded DANK relative to the value of the LP is expected to create an ever-increasing demand for bonds as fair market price rises. This dynamic is extremely favorable for holders, and the health of the protocol; as price increases, and the protocol sells in response, liquidity increases. Bonders can make this trade, despite time risk, because their breakeven point has been reduced. The higher the price is, the greater that buffer becomes.

BONDING ASSETS

At Launch:

Stablecoins

MIM

LP tokens

DANK/MIM LP

More bonding pairs will be added shortly after launch, such as:

DANK-WMATIC-LP (DANK-WFTM LP)

DANK-WETH-LP

mooCurveATriCrypto3-MIM-LP

mooCurveEURt-MIM-LP

and more...

Phase 2 bonding options will include an innovative NFT bonding mechanic.

Details will be released as we approach the launch of our Phase 2 NFT platform.

DAO Fees

Rewarding holders and preventing rebase jumpers

A fee of 4.20% is applied on each STAKE transaction.

A fee of 6.9% is applied on each UNSTAKE transaction.

The fees are gradually refunded/exempted on every rebase.

ALL FEES ARE REFUNDED AND/OR EXEMPTED if one remains staked in the protocol for 111 days (69 days + 42 days).

After 69 days, your unstake fee would be 0%. If one were to exit on the first rebase, on the first day of staking, the unstake fee will be 6.9%. The fee gradually reduces to 0% over 69 days. At each rebase, the fee goes down. This can be monitored from the app dashboard.

From day 69 to 111, your stake fee is refunded, rebase by rebase. Each day after day 69, one is refunded ~2.381% of the stake fee per day. By day 111, your 4,20% fee is fully refunded.

The fees are applied individually on each stake / unstake transaction. If one stakes multiple times, each transaction will have its own fees with its own countdown timer. For example, if one stakes 100 DANK on Day 1, and then stakes an additional 200 DANK on day 10, the 69-Day Countdown for the second transaction begins on Day 10. The 69-Day Countdown for the original 100 DANK stake transaction does not reset and continues to count down from its origin.

As implemented, the fee will aid in preventing rebase jumpers and short-term speculators that leach funds from the protocol. It will help stabilize the value of DANK, benefitting all holders and community members. If levied, fees enable the DAO to further grow the treasury, liquidity, and community wallets. Reward Diamond Hands, disregard the weak-minded.

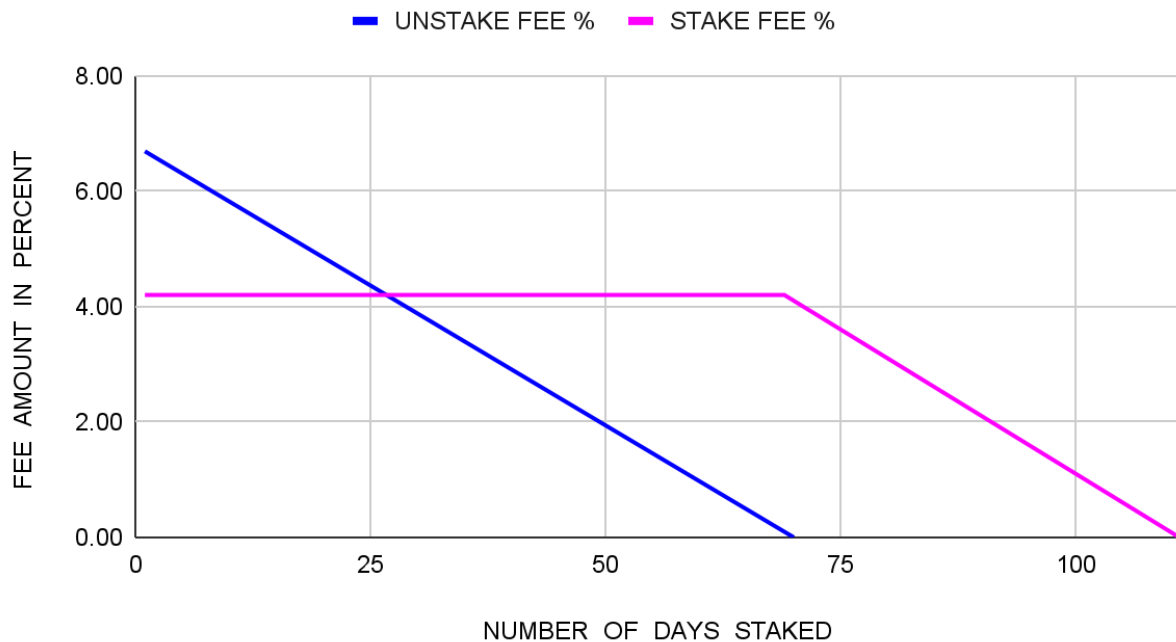
Break that down for me, Kemosabe

The entry (stake) fee is sent to a holding contract after being collected. As a user unstakes, their personalized refund amount is calculated. If the refund is less than 100% of the entry fee (because the user unstaked before 111 days elapsing),

the difference is sent to the split DAO wallets. The stake fee of 4.20% is applied to the original value amount of DANK staked on day 0. Refunds you receive will match this amount, minus fees.

The exit (unstake) fee is sent directly to the split wallets when triggered by an unstake event before 69 days staked.

STAKING AND UNSTAKING FEES EXEMPTED OR REFUNDED OVER TIME



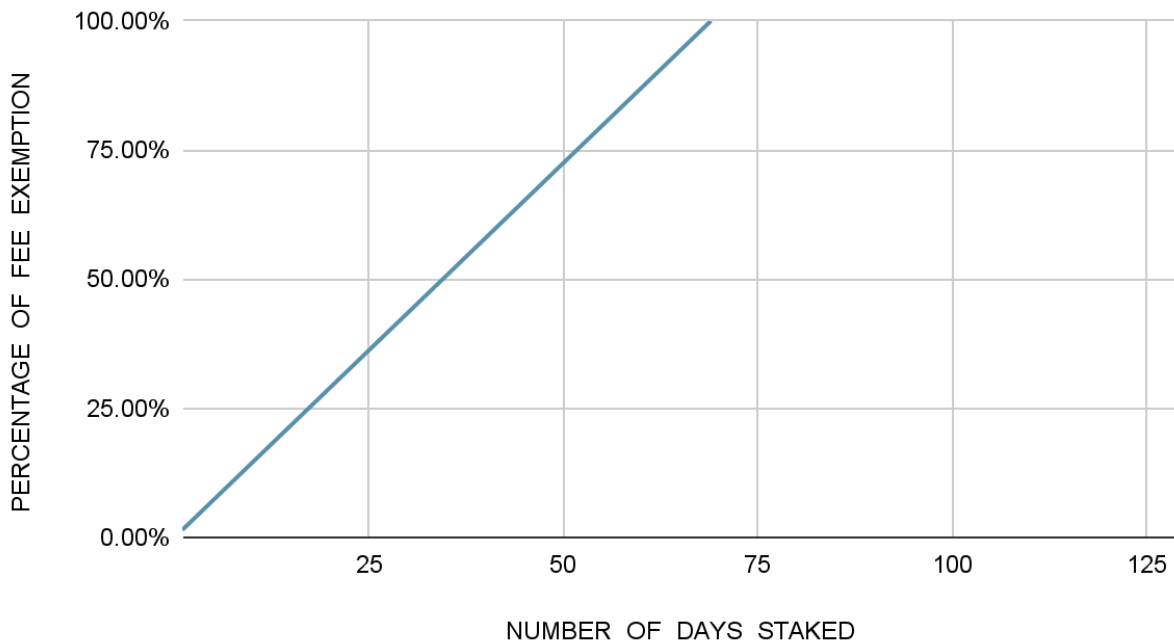
As this chart shows, if a user were to unstake all tokens on Day 25, they would pay an unstake fee of 4.36% instead of 6.69%. They would not receive any refund on the staking fee of 4.2%, as they did not remain long enough to claim the refund.

If a user were to unstake all tokens on Day 80, they would pay a 0% unstake fee. After the refund, the actual stake fee paid is 3.1% instead of 4.2%. This user receives a 1.1% refund of the initial staked amount.

The stake fee is refunded over the course of 42 days (from day 69 to 111). Each day after day 42, you receive ~2.381% of your staking fee back per day. After day 111, 100% of your staking fee is fully refunded.

The unstake fee is reduced gradually over the first 69 days of staking. Each day, the unstake fee reduces by ~1.449%. On day 0, 0% of the fee is exempted, and the unstake fee is 6.69%. After 69 days, the unstake fee is 100% exempted and fully reduced to 0.

UNSTAKE FEE EXEMPTION



An Elaborate Example:

Pepe stakes 100 DANK. It is now Day 0, and the stake timer has begun for this first transaction. The stake fee is 4.2%. 4.2 DANK are taken and sent to the fee holding contract.

After 10 days (Day 10), Pepe decides to stake an additional 100 DANK. The stake fee is 4.2%. 4.2 DANK are taken and sent to the holding contract.

After 10 more days (Day 20), Pepe, empowered by DANK and enlightened by MEMEs, stakes once more, this time for an additional 200 DANK. The stake fee is 4.2%. 8.4 DANK are taken and sent to the holding contract.

After 30 more days (Day 50), Pepe decides to unstake 300 DANK. The corresponding fees are associated with the timestamp of each stake event, and break down as follows:

- The first 100 DANK were staked for 50 days. Pepe pays an unstake fee of ~1.939%, instead of the full 6.69%. 1.939 DANK are taken and distributed to the appropriate DAO wallets. 0% of the stake fee is refunded because Pepe unstaked before day 69. 4.2 DANK are transferred from the holding contract and distributed to the appropriate DAO wallets.
- The next 100 DANK were staked for 40 days. Pepe pays an unstake fee of ~2.909% instead of 6.69%. 2.909 DANK are taken and distributed to the appropriate DAO wallets. 0% of the stake fee is refunded because Pepe unstaked before day 69. The 4.2 DANK are transferred from the holding contract and distributed to the appropriate DAO wallets.
- The next 100 DANK were staked for 30 days. Pepe pays an unstake fee of ~3.878% instead of 6.69%. 3.878 DANK are taken and distributed to the appropriate DAO wallets. 0% of the stake fee is refunded because Pepe unstaked before day 69. The 4.2 DANK are transferred from the contract wallet and distributed to the appropriate DAO wallets.

After 45 more days (Day 95), Pepe decides to unstake the final 100 DANK. This transaction was staked for 75 days. Pepe pays a 0% unstake fee. 16.667% of the 4.2% stake fee is refunded ($4.2 \times 0.16667 = \sim 0.7$). 0.7 DANK are transferred from the holding contract to Pepe's balance. The difference is distributed to the appropriate DAO wallets.

For simplicity, the above example is assuming that the APY% is 0% and that no new DANK tokens were distributed in rebases. This of course won't be the case in application. The 100 DANK staked at day 0 would now be more than 100 DANK at day 50 because of the rebases. The unstake fee will be applied proportionally to the rebased amount.

The 4.2% staking tax kept in the holding contract is staked so that it can also grow with the rest of DANK in the protocol, as it would be unfair to users to refund the staking tax based on your original un-rebased amount. To illustrate, imagine you originally stake 100 DANK and were taxed 4.2. That staked DANK increased 10x in supply via rebases while staked in the protocol. You would now have a balance of 968 MEMEs. The stake tax will also have benefited from this

10x increase, so the amount of the refund would be 420 DANK instead of 4.2 DANK. The unstake tax is applied to the final rebased amount.

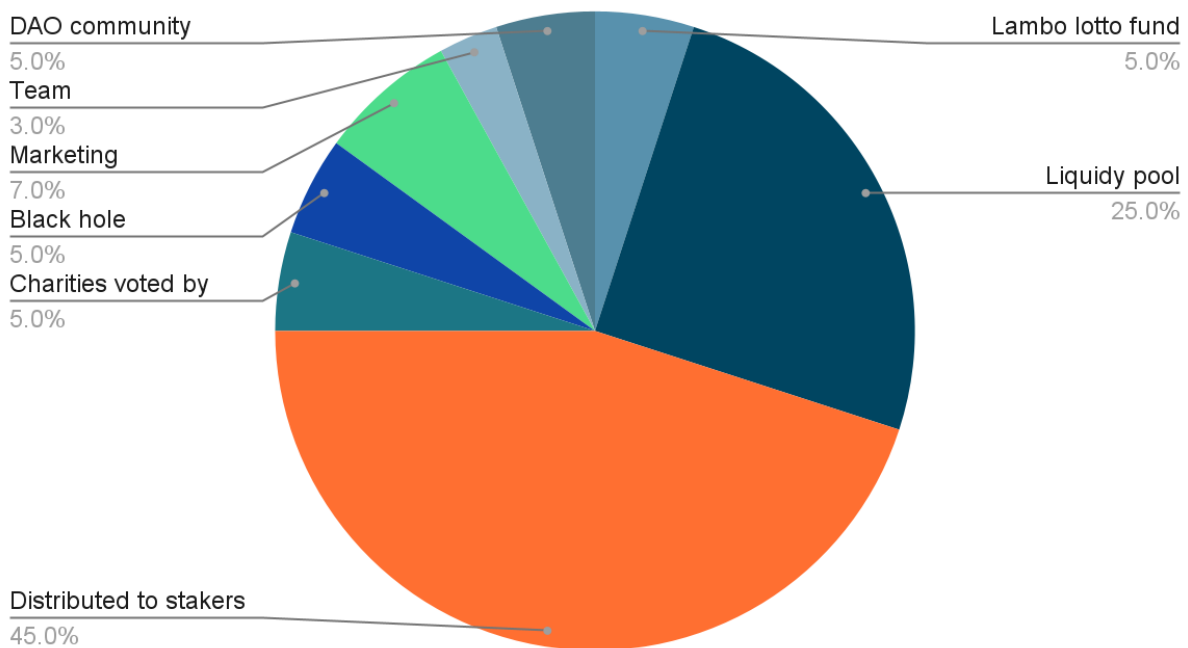
To reiterate, all taxes are fully refunded/exempted if you remain staked for 111 days total. After 69 days the unstake fee is fully exempt. After 42 more days the stake fee is fully refunded. Refunds/exemptions occur gradually per rebase.

DAO Wallets

The heart of the dream

As explained previously, taxes collected from stake transactions are sent to a holding contract until the user unstakes. Upon unstaking, the DANK in the holding contract is used to refund the staking fee depending on the staking duration. The difference is then sent from the holding contract to the DAO wallets. Fees collected on unstake transactions are sent directly to the DAO wallets to be split as well. DAO wallets will have their balances kept in MEMEs (staked DANK), to follow the growth of the protocol and avoid dilution. The only exceptions are the blackhole and distribution wallets, as described below.

STACKING / UNSTAKING TRANSACTION FEES SPLIT



Liquidity (25%)

Funds will be periodically added into the liquidity pool(s) to facilitate AMM trading, and prevent large price disturbances in either direction. DANK/MIM on SushiSwap will be prioritized over other pools.

Marketing (7%):

Funds contained herein will be used to promote Meme DAO in the form of advertising, marketing stunts, community promotions, and more. These funds will bring more visibility to the project, and add value for all holders.

Lambo Lotto (5%)

LAMBODROP! This wallet accumulates funds until it reaches a value of ~400,000\$ (valuated in DANK). Each time this amount is reached, a random staker is selected by draft. Funds are then vested for this lucky user and slowly released over a period to be detailed in our Phase 2 publications. The Lambo Lotto then resets. The LAMBODROP contract will accumulate DANK in the prize pool until the release of Phase 2. Upon Phase 2 release, all the funds accumulated in the LAMBODROP pool will be divided by the number of Lamborghinis it is worth and rewarded to the same number of randomly selected stakers.

*Ex: \$4,000,000 worth of DANK in the pool, 1 lambo = \$400,000,
\$4,000,000/~\$400,000 = 10 to be drawn for 10 stakers. Stakers receive prize in
DANK.*

As stated above, ALL LAMBODROP PRIZE FUNDS WILL UNDERGO A VESTING PERIOD to protect all users and the protocol from dramatic price swings.

Charity (5%)

Charity choice and fund allocation will be voted upon through DAO governance. All funds will be donated accordingly.

Black Hole (5%)

Default blockchain burn address. Funds sent here are gone forever, or "burned". Sending tokens to the black hole address takes them out of circulation, reducing the circulating supply, and putting upward pressure on price action.

Distribution/Reflection (45%)

Funds in this wallet are redistributed to stakers via the staking contract. Rewards are distributed proportionally on every rebase.

Team wallet (3%)

Development, maintenance costs, hosting fees, technical expenses, audits. Funds herein will allow the team to continue building, innovating, and growing.

Tokens

The bread and butter

We are extremely proud to note that no VCs are involved in Meme DAO. 100% of funding is from the community!

DANK

- The One and Only. Our primary platform token.

MEMEs

- Staked DANK = MEMEs. When staked in the contract, DANK is converted to MEMEs. When unstaked, they are converted back to DANK. 1 DANK will always be equal to 1 MEMEs.

aDANK

- Alpha token for our platform WL presale, and Liquidity Bootstrap on CopperLaunch.

pDANK

- Pre-DANK. Only tradable for DANK for a price of (1 pDANK +1 STONK) for 1 DANK. The maximum amount that can be minted at once cannot exceed the pDANK percentage of the total supply.

(ref. <https://olympusdao.medium.com/what-is-poh-16b2c38a6cd6>)

Similar to the precursor tokens offered by OHM and Klima, the pDANK tokens minted WILL NOT be claimed immediately. These tokens may never be claimed.

Roadmap

Pre-Launch

- ☆ aDANK Whitelist Presale (420 Allotments)
- ☆ aDANK Copperlaunch Public LBP
- ☆ Launch! \$DANK Liquidity Pool and Trading Live

Post-Launch

- ★ Staking Platform. Staking and rewards live.
- ★ Memes NFTs! Begin initial sales of Unique & Exclusive NFTs.
- ★ Web3 Meme Economy. Create, Post, Enjoy and Earn.
- ★ Meme DAO Mobile App & DeFi Wallet. Development for iOS and Android.
- ★ Revenue Expansion. New DeFi Products, Merch Store, and More.
- ★ Startup Investment & Partner Integrations.
- ★ GameFi. Immersive Open-World P2E Game. Enter the Memeverse.
- ★ Multichain.

FAQ

Is DANK a stablecoin?

No. DANK is not a stablecoin. DANK is a reserve currency backed by other decentralized assets, unbound by a peg.

What is Magic Internet Money (MIM)?

Magic Internet Money (MIM) is a stablecoin backed by interest-bearing tokens, issued by abracadabra.money!



Discover more about MIM [here](#).

What is STONK ?

STONK is the ERC-20 LP token received when funds are deposited in the Balancer managed pool. It represents a basket of assets, all with their intrinsic value of their own. The price of STONK is a share price for the assets it holds in its portfolio. More details about STONK can be found in the “Treasury Assets” section of this Whitepaper.

How is DANK backed, not pegged?

Each DANK is backed by 1 STONK, not pegged to it. Because the treasury backs every DANK with at least 1 STONK, the protocol will buyback and burn DANK when it trades below 1 STONK. This naturally increases the DANK market price back to at least 1 STONK. DANK can always trade at a premium above 1 STONK. There is no upper limit imposed by the protocol.

How does it all work?

Meme DAO consists of a protocol-managed treasury, protocol-owned liquidity, bonding mechanisms, and high staking rewards designed to control supply expansion. Bonding generates profit for the protocol, which the treasury uses to mint DANK and distribute to stakers. With LP bonding, the protocol accumulates liquidity to ensure platform stability. The protocol generates additional profit via DAO taxes, Balancer pool fees, and investments voted upon by the DAO.

What is Balancer?

Balancer Finance is a non-custodial portfolio manager and liquidity provider platform. Balancer Pools are automated market makers with certain key properties that cause them to function as self-balancing weighted portfolios and price sensors.

Balancer Smart Pool Key Concepts

- **Core Pool:** A Balancer Pool contract object is the base pool that holds tokens as accounted for in the Balance Vault. Core Pool is effectively a primary issuance market. Core Pools are tokenized in ERC-20 format, representing units of the underlying portfolio. Tokenization of Core Pools effectively makes them Exchange Traded Portfolios (ETPs) as the tokenized pool can be listed and traded on a secondary market.

- Smart Pool: A contract that owns and controls a Core Pool. Not all Core Pools are controlled by Smart Pools, only those that are tuned to perform certain functions or follow a certain thesis. A smart contract controlled pool can fully emulate a finalized Core Pool, while also allowing complex logic to readjust balances, weights, and fees. Such a construct is used to create an ETP to reflect and support a basket of assets. Hereby, a Balancer Smart Pool ETP represents a spot market exposure to a physical basket of assets that reflect the constituents and weights of the basket methodology.
- BPT: Balancer Pool Tokens. Pools in Balancer are ERC-20 tokens known as BPTs, which represent proportional ownership of the pool's assets. When users add assets, they receive BPTs proportional to the assets they are adding to the pool. When listed, these tokens can be traded on a secondary market.

What is a yield-bearing token?










A yield-bearing token harvests value and/or rewards via an underlying DeFi investment strategy or protocol. The strategies often include swapping and moving tokens across multiple DeFi projects to capture opportunities and compound growth.

What is the deal with (🐸, 🐸) and (+🍰, 🍰)?





(🐸, 🐸) is a [game theory](#) concept that illustrates the best course of action rational actors may take for everyone's mutual benefit. Currently, there are three actions a user can take:

- *Staking*
- *Bonding*
- *Selling*

Staking and bonding are both beneficial to the protocol, while selling is detrimental. Staking and selling will also cause a price move, while bonding does not (we consider buying DANK from the market as a prerequisite of staking, thus causing a price move). If both actions are beneficial, the actor who moves price also gets half of the benefit (+🍰). If both actions are contradictory, the bad actor who moves price gets half of the benefit (+🍰), while the good actor who moves price gets half of the downside (X). If both actions are detrimental, which implies both actors are selling, they both get the worst possible outcome for all (X)!

	STAKE	BOND	SELL
STAKE			X, 
BOND			X, 
SELL			

Thus, given two actors, all scenarios of what they could do and the effect on the protocol are shown here:

- If we both stake (, ), this is the best possible outcome for both of us and the protocol (both users receive Pepe's blessing).
- If one of us stakes and the other one bonds, it is also great because staking takes DANK off the market and puts it into the protocol, while bonding provides liquidity and STONK for the treasury.
- When one of us sells, it diminishes the efforts of the other one who stakes or bonds.
- When we both sell, it creates the worst outcome for both of us and the protocol (, ).

Why is PCV important?

As the protocol controls the funds in its treasury, DANK can only be minted or burned by the protocol. This also guarantees that the protocol can always back 1 DANK with 1 STONK. You can easily define the risk of your investment because you can be confident that the protocol will indefinitely buy DANK below 1 STONK with the treasury assets until no one is left to sell. You can't trust the FED, but you can always trust the code.

As the protocol accumulates more PCV, more runway is guaranteed for the stakers. This means the stakers can be confident that the current staking APY can be sustained for a longer-term because more funds are available in the treasury.

Why is POL important?

Meme DAO aims to own most of its liquidity thanks to its bond mechanism. Protocol Owned Liquidity has several benefits:

- The DAO does not have to pay out high farming rewards to incentivize liquidity providers (a.k.a renting liquidity).
The DAO can guarantee the market that liquidity is always there to facilitate sell or buy transactions.
- By being the largest Liquidity Provider, Meme DAO earns most of its LP fees. This is another source of income to the treasury.
- All POL can be used to back DANK. The LP tokens are marked down to their risk-free value for this purpose.

What is a rebase?

Rebase is a mechanism by which your staked DANK balance increases automatically. When new DANK is minted by the protocol, a large portion goes to stakers. Because stakers only see staked DANK (MEMEs) balance instead of DANK, the protocol utilizes the rebase mechanism to increase the staked DANK balance so that 1 staked DANK (MEMEs) is always redeemable for 1 DANK.

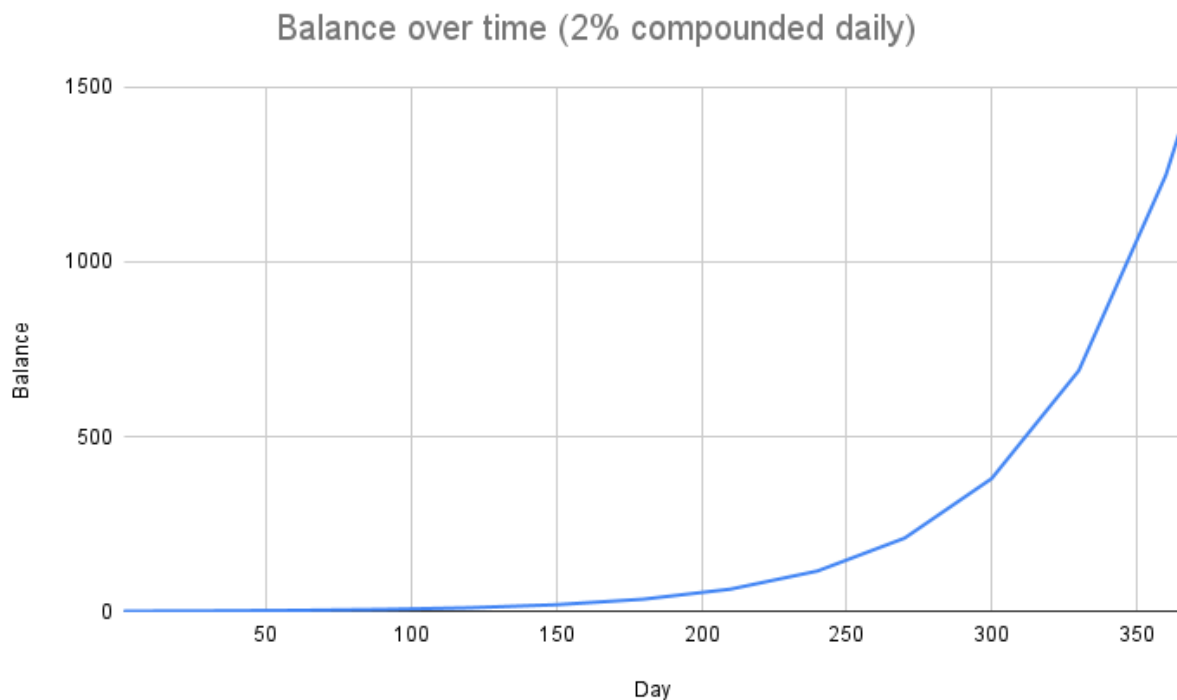
What is reward yield?

Reward yield is the percentage by which your staked DANK balance increases on the next epoch. It is also known as *rebase rate*. You can find this number on the Meme DAO app staking page.

What is APY?

APY stands for annual percentage yield. It measures the real rate of return on your principal by taking into account the effects of compounding interest. In the case of Meme DAO, your staked DANK represents your principal, and the compound interest is added periodically on every epoch (69 minutes) thanks to the rebase mechanism.

One interesting and critical fact to remember about APY is that your balance will grow, not linearly, but exponentially over time! Assuming a daily compound interest of 2%, if you start with a balance of 1 DANK on day 1, after a year, your balance will grow to about 1377.



A lot of people do not make the distinction between APY and APR;

- APY includes compounding interests and is the full ROI% you will make if you do not touch the funds and let them compound for a full year.
- APR does not compound. Your interests are paid separately from your investment.

How is APY calculated?

APY is calculated from the reward yield (a.k.a rebase rate) using the following equation:

$$APY = (1 + \text{rewardYield})^{(365 * (1440 / 69))}$$

It raises to the power of $(365 \times ((1440/69)))$ because a rebase happens every 69 minutes. Consider there are 365 days in a year, 1440 minutes per day, this would give a rebase frequency of $(365 \times ((1440/69))) = 7617.3913\sim$

Reward yield is determined by the following equation:

$$\text{rewardYield} = \text{DANKdistributed} / \text{DANKtotalStaked}$$

The number of DANK distributed to the staking contract is calculated from the DANK total supply using the following equation:

$$\text{DANKdistributed} = \text{DANKtotalSupply} \times \text{rewardRate}$$

Why does the price of DANK become irrelevant long-term?

As illustrated above, your DANK balance will grow exponentially over time thanks to the power of compounding interest. Let's say you buy a DANK for \$400 now and the market decides that in 1 year time, the intrinsic value of DANK will be \$2. Assuming a daily compound interest rate of 2%, your balance would grow to about 1377 DANK by the end of the year, which is worth around \$2754. That is a cool \$2354 profit! By now, you should understand that you are paying a premium for DANK now in exchange for a long-term benefit. Thus, you should have a long time horizon to allow your DANK balance to grow exponentially and make this a worthwhile, lucrative investment.

What will be DANK intrinsic value in the future?

crystalball.gif

Nobody can answer this question without a time machine. However, the intrinsic value can be determined by treasury performance. For example, if the treasury could guarantee to back every DANK with 100 STONK, the intrinsic value will be 100 STONK. It can also be decided by the future DAO. For example, if the DAO decides to raise the price floor of DANK, its intrinsic value will rise accordingly.

How does the protocol manage to maintain the high staking APY?

Let's say the protocol targets an APY of 100,000%. This would translate to a rebase rate of about 0.6328%, or a daily growth of about 2%. Please refer to the equation above to learn how APY is calculated from the rebase rate.

If there are 100,000 DANK tokens staked right now, the protocol would need to mint an additional 2000 DANK to achieve this daily growth. This is achievable if the protocol can bring in at least 2000 STONK daily from bond sales. If the protocol fails to achieve this, the APY of 100,000% cannot be guaranteed.

Do I have to unstake and stake DANK on every epoch to get my rebase rewards?

No. Once you have staked DANK with Meme DAO, your staked DANK (MEMEs) balance will auto-compound on every epoch. That increase in balance represents your rebase rewards.

How do I track my rebase rewards?

You can track rebase rewards by calculating the increase in your staked DANK balance.

1. Note and record the Current Index value on the staking page when you first stake your DANK. Let's call this the Start Index.
2. After staking for some time, check the Current Index value again. Let's call this the End Index.
3. By dividing the End Index by Start Index, you would get the ratio by which your staked DANK balance has increased. $\text{Ratio} = \text{endIndex} / \text{startIndex}$.

Should I hold DANK, MEMEs, or STONK?

MEMEs! MEMEs are staked DANK. Hold MEMEs to capture the protocol value growth. Holding only unstaked DANK will result in diluting your market value share at every rebase. When staked, you capture the new distributed growth from the protocol.

Holding STONK is a solid strategy if you want to invest in our basket of yield-bearing assets. You gain exposure to multiple investment strategies by holding a single ERC-20 token.

Is the treasury protected with a multi-sig wallet?

Yes! Meme DAO treasury is secured with a Gnosis multi-signature wallet.

Is the code audited?

Yes, the forked code used by Meme DAO has been thoroughly audited. Meme DAO plans to undergo additional independent audits after launch for added security.

Is the team anonymous?

The Über Dank team has a scheduled KYC audit with AssureDeFi, which will be available for review prior to presale and launch. This can be confirmed through the report on their site, and the unique KYC NFT minted for MemeDAO.