PEAK
FINANCE

PROMETHEUS
TREASURY MANAGEMENT
AND ECOSYSTEM WHITEPAPER

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1. ABSTRACT

Fiat currency is a contentious issue that substantiates a primary narrative in cryptocurrencies. The current means of issuing currency typically involves no underlying collateral. Currency issuance tends to follow a top-down model. Banks, governments, and institutions have unfettered access to freshly printed fiat currency that trickles down through funding their investing activities, specifically into stocks and commodities. Cryptographic assets, particularly in DeFi, are subject to currency issuance experiments to incentivize user liquidity. Recently, DAO treasuries have emerged as protocol insurance and backup collateral for governance tokens. These treasuries behave as index funds; however, utility is often limited to niche use cases. Beyond the evolving use cases, there is no incentive to hold a governance token in unfavourable market conditions. This paper explores creating utility for governance tokens through seigniorage and diversifying the utility of DAO treasuries by providing fee-for-service assets under management (AUM) solutions.

INTRODUCTION

It is impossible to achieve an intermediate-advanced understanding of Bitcoin without understanding money. Bitcoin has inspired an exponential wave of innovation built upon the conceptual foundations of the core value propositions. Still, it is simple for users at any knowledge level to understand that there will only ever be 21 million Bitcoin. When we understand that fiat currency has an uncapped supply that gets issued at will, we can begin to see and anticipate the broader impacts. Fiat is not sound money, nor is it pristine collateral to substantiate the value of denominations outside of the US dollar.

A key element of fiat currency is a universally shared belief that it has value within an economic jurisdiction. Supply often increases faster than consumer demands. Following issuance, investors, large corporations, and governments purchase Bonds. These are said to have stable yields acquired through seigniorage that is also often more profitable due to the interest obligations of newly printed currency. If an entity has faith in a currency's value, it will buy bonds below their market value. When a fiat currency's value follows a bond investor's thesis, they realize arbitraged gains upon bond redemption.

The problem with this system is that bonds are not accessible to regular citizens.

Given the inherent economic complexity around monetary policy, many people are unaware when the fiat currency in their bank accounts is deteriorating in purchasing power. They have limited access to hedges and asset management opportunities in the face of currency devaluation. Cryptocurrencies have changed the game entirely in this manner. For quite some time, if you wanted to invest in stocks, you would need to set up an account with a bank and give commissions to a broker to facilitate trades on your behalf.

One of the promises of cryptocurrencies is that we have an opportunity to replace modern monetary policy and provide services for regular citizens to alternate between risk-on and risk-off assets.

Yield from risk-off assets like bonds is possible through seigniorage. But, what happens when participants are not well-positioned to purchase bonds that collateralize the currency's value? Without a line of defence, market forces may likely impose downward pressure on the value of an issued currency.

This signals us to consider hedging against market forces. Investors consider macroeconomic market forces to varying degrees when making investments. When the market is on a downtrend, many do not have the knowledge required to know when it is time to hedge. Primarily as the need to do so is often a requirement of macroeconomic forces that cause the market to become uncertain. War, increases in inflation, and increases in CPI are recent events that have dampened market sentiment.

To protect ourselves during these events involves exiting risk-on positions into risk-off assets. Depending on market conditions, it may be necessary to liquidate assets into stablecoins, physical assets (Gold, Silver, Precious Metals, Crude Oil, Wheat, Property, etc.), government bonds, and narrative-backed assets that can hold up under negative macroeconomic conditions (DeFi, NFTs, Metaverse, Play-2-Earns, Censorship-resistant assets, etc.).

Throughout the whitepaper, we will explore and substantiate the following value propositions:

1. Peak Finance's issuance of a currency algorithmically pegged to a native ecosystem asset ($METIS). We believe the network effect has yet to fully manifest as the network continues to build greater functionality to attract new users with novel use cases. In addition, we recognize the success and praise the ingenuity of Tomb Finance through our modified fork of their protocol. Based on Tomb's success in pegging to $FTM, we recognize the opportunity for upside in the Andromeda Ecosystem. Peak Finance will issue the $PEAK token pegged to the value of $METIS.

2. The issuance of bonds as a low-risk investment vehicle. Giving all investors access to bonds offers an opportunity for stable yields in unfavorable marketing conditions. Peak Finance is an AUM of Aeacus Capital, assets are managed in the Prometheus DAO treasury. The DAO fund will also play a role in reducing the risks associated with bond investments and algo-pegged currency deviations.

3. The issuance of the Prometheus token ($PRO) is a vote of confidence in Peak Finance and an actively managed risk-off asset and index fund. While seigniorage protocols and actively managed DAO treasuries are concepts existing in isolation, they are novel when interwoven.

Peak Finance is an AUM and the first step towards the Prometheus DAO Treasury, Aeacus Capital actively manages the DAO treasury to ensure returns from DAO investment activities and lend resilience to the Peak Finance protocol. When market forces are unfavourable, the Prometheus portfolio alters the DAO investment thesis by vacating high-risk positions into risk-off or low-risk assets and downtrading the market with professional strategies.

4. Aeacus Capital, through Prometheus DAO, will provide AUM-for-service for external DAO treasuries. There are many actively managed DAO treasuries. However, they are often niche investments. DAO Fund managers likely specialize in pursuing yields in DeFi instruments, NFT opportunities, discretionary trading strategies, long-term investment theses, portfolio hedging to risk-off. It is impossible to obtain a yield from every opportunity in existence, resulting in a lack of risk diversification. Aeacus Capital intends to provide services to existing DAO treasuries in yield generating opportunities they do not possess the skills to optimize yields.

Further, Aeacus Capital offers risk-management services for DAO treasuries to protect assets during unfavourable market conditions. External DAO treasuries may deposit an allocation of their capital into an escrowed smart contract. An API linked to the core Prometheus treasury will enable external DAOs to copy trade. The internal taxation schedule of the Prometheus treasury and escrowed smart contracts applies a 10% tax to all treasury transactions that will invariably increase the price floor of the $PRO token.

5. Aeacus Capital intends to conduct viability studies in blockchain and real-world business start-ups. DAOification of business models will disrupt the traditional economy, giving investors access to equity in businesses that would otherwise be reserved to publicly listed companies on the stock market. Aeacus Capital seeks to advocate an investment model that enables equity at a grassroots level. We argue DAOification as a solution to centralized and increasingly fragile supply chains. Aeacus Capital believes in the disruptive potential of distributed ledger technology in the long term and wishes to unlock opportunities for retail investors that would otherwise only be available for institutional investors and venture capitalists.

2. WHAT IS SEIGNIORAGE?

Traditional Definition of Seigniorage (Wikipedia, with citations):

"Seigniorage /ˈseɪnjərɪdʒ/, also spelled seignorage or seigneurage (from the Old French seigneuriage, "right of the lord (seigneur) to mint money"), is the difference between the value of money and the cost to produce and distribute it. The term can be applied in two ways:

• Seigniorage derived from specie (metal coins) is a tax added to the total cost of a coin (metal content and production costs) that a customer of the mint had to pay and which was sent to the sovereign of the political region.

• Seigniorage derived from notes is more indirect; it is the difference between interest earned on securities acquired in exchange for banknotes and the cost of producing and distributing the notes.

"Monetary seigniorage" is where sovereign-issued securities are exchanged for newly-printed banknotes by a central bank, allowing the sovereign to "borrow" without needing to immediately repay. Monetary seigniorage is sovereign revenue obtained through routine debt monetization, including expansion of the money supply during GDP growth, and meeting yearly inflation targets.

Seigniorage can be a convenient source of revenue for a government. By providing the government with increased purchasing power at the expense of public purchasing power, it imposes what is metaphorically known as an inflation tax on the public."

ALGO-PEGGED TOKENS

Decentralized Seigniorage: Investors purchase a token and stake them for a share of an algorithmically pegged (algo-pegged) currency. Token emissions occur during a supply expansion, and the algo-pegged currency must be worth more than the currency's value that it matches for emissions to continue. In other words, the algo-pegged token must maintain a pegged value greater than 1:1 of the target asset for emissions to increase. When peg drops below 1:1, the cost to produce currency decreases, and bonds are issued. Bonds are purchased with an algo-pegged currency when the currency falls below the peg. These bonds are available for redemption once the peg is greater than the 1:1.05 value of the target asset. The average person does not benefit from seigniorage yields that occur through the traditional monetary mechanics. Decentralized algo-pegged currencies give the average person access to yields previously the purview of governments and institutions.

SHARE ISSUANCE

To bootstrap liquidity, investors require incentives. Investors receive a share token by supplying an algo-pegged token with the target currency as a liquidity pair. These share tokens are the only way to receive freshly minted currency during expansion. When investors can manage their activities by compounding currency issuance into share tokens above peg and retaining algo-pegged currencies to purchase bonds below peg, a seigniorage protocol can realize stability and longevity. When a seigniorage protocol is above peg, there is a clear incentive for share stakers to realize profits to bring the algo-peg currency back to an optimal pegging with the target asset.

BOND ISSUANCE

When the issuance of an algo-pegged currency leads to investors selling their harvests, the value may fall below peg to the target asset. If this occurs, emissions from staking share tokens cease, and bonds become available for purchase on the market. Bonds can only be purchased with the algo-pegged currency, and the design removes excess algo-pegged tokens from supply by burning them in exchange for bonds. Only when the peg is back above 1:1 can bonds be redeemed at a premium in exchange for an algo-pegged token.

ALGO-PEGGED TOKEN ISSUANCE

There are several moving parts to a token maintaining an algo-peg to a target asset. Should the value of the algo-peg be greater than 1:1 of the target asset, an increasing supply of the algo-pegged token enters the market. Given that the algo-pegged asset's value depends on the target asset when we see price appreciation in the target asset, the algo-pegged asset will follow suit. The peg is at risk when the target asset is down-trending significantly. Presumably, this is the result of investors selling out of the pegged asset to risk-off the target asset they are entitled to redeem from their supplied liquidity. However, this presents an opportunity to obtain bonds that put deflationary pressure on supply to restore an algo-peg. Once enough bonds have been purchased with the algo-pegged asset, the price finds its way back above peg, where the algo-pegged tokens are redeemed from treasury at a premium.

TIME-WEIGHTED AVERAGE PRICE (TWAP)

"Time-weighted Average Price (TWAP) is a well-known trading algorithm based on the weighted average price and defined by time criterion."

In simplest terms, utilizing a TWAP mitigates any attempts at price manipulation to disrupt a peg. TWAP allows the pegged price to be calculated from an averaged price over time instead of the closing price at the end of a TWAP period.

CASE STUDY: TERRA LUNA (SHARE TOKEN) AND $UST (ALGO-PEGGED STABLECOIN ISSUANCE)

$LUNA is the native token for the Terra Luna ecosystem. Please refer to the fundamental analysis for an in-depth overview of Terra Luna. $LUNA is the primary collateral for the Terra Luna ecosystem. Not only is it utilized in supplying liquidity to optimize yields from financial instruments on the network, but it plays a crucial role in seigniorage. $UST is a decentralized token algo-pegged to the value of the US Dollar, with other decentralized stable coins pegged to the value of several other fiat denominations.

There are various mechanics employed to maintain this peg. When below, $LUNA mints to purchase $UST, driving the price back up to peg by removing $UST from circulating supply. When above peg, $UST is sold for $LUNA that gets burned from circulating supply. There is a clear incentive to risk-off into $UST and hold $LUNA during a market downturn. The typical trend is that fearful investors will flee to stable coins. As more people risk-off into $UST, this drives up the price. Once the price deviates from the peg due to investors seeking risk-off assets, this also applies some buy pressure to the $LUNA token.

PROTOCOL MECHANICS

The viability of an algo-pegged token requires a protocol with built-in mechanisms to moderate bond issuance, currency issuance, expansion and contraction epochs, and share issuance.

EXPANSION AND CONTRACTION EPOCHS

Expansion and contraction epochs are contingent upon the supply of algo-pegged tokens. Epochs are a pre-defined time that extracts an average price of the algo-pegged asset.

If the price is below peg, the requirement is for the algo-pegged asset to be removed from the supply. Artificial scarcity has a price-appreciative effect, and this occurs during contraction epochs. The protocol will issue bonds for later redemption at a premium when the peg stabilizes.

If the price is above peg, the share token has value in accessing newly issued algo-peg tokens. An increased supply has a peg-depreciative effect, known as an expansion epoch. As freshly minted tokens enter supply, share stakers are likely, in varying degrees, to sell these tokens. Mainly when there is a clear positive arbitrage to be made between redeeming more of the target asset at a premium in exchange for the algo-pegged tokens.

TAXATION STRUCTURES - DEBT EPOCHS

A protocol will often go into debt epochs to maintain an algo-peg. These typically occur when a transition occurs from a contraction epoch to an expansion epoch. Most of the newly issued algo-pegged currency is stored in the DAO treasury during this time. The function of this is if the peg were to drop below one, the protocol could purchase bonds to drive the peg back above 1.

CURRENCY REGULATION THROUGH BOND AND SHARE ISSUANCE

So far, we have touched on the function of bonds and shares at a high level. The characteristic of bonds is that they are only issued when the peg is below 1, which gives momentum for the protocol to restore the peg. Bonds are not available to be speculated on the open market and are available for purchase in a closed market. Bond issuance does not occur when the algo-peg is equal to or above 1.

Share tokens are constantly emitted on a protocol, regardless of the state of the algo-peg. There are several advantages for investors. Firstly, algo-peg emissions above peg are often compounded into the share token to increase the investors' share of currency issuance. Secondly, share tokens are often a vote of confidence in the protocol and a means for investors to manage their risk. Should the protocol require liquidity for the algo-peg token, investors may sell a portion of their share token to obtain the algo-peg token that can be changed into bonds for later redemption. En masse, this is not a sustainable mechanic to maintain an algo-peg. Finally, with the added utility of the share token, it is hypothesized that investors will likely retain the share token to reap the benefits from other revenue streams used to push the price. The revenue from such activities gives resilience to the share token in the face of selling pressure in the market.

OHM AND STRONG BLOCK FORKS

Olympus DAO ($OHM) and Strong Blocks ($STRONG) are concepts that may fall under the umbrella of "DeFi 2.0.". These deviations from the "DeFi 1.0" model involve investors providing liquidity to receive a shared allocation of pre-mined assets.

$OHM gives investors a share of treasury revenue realized through the sale of bonds that cannot be redeemed for a set period, in this case, two weeks. The capital raised from the sale of bonds goes directly into the $OHM treasury, which is utilized to buy back the $OHM token. Treasury inflows outpace emissions by design. For this reason, staking $OHM gives a considerable Annualized Percentage Rate (APR) return to investors. However, the utilization of the treasury appears limited by design to sustaining the protocol and implementing a price floor for the $OHM token. There are many $OHM forks, most of which quickly find that bond issuance is in a negative ROI territory, making such an activity unviable from an investor's perspective to supply the treasury. For more information, please refer to Olympus DAO FAQs and Docs.

$STRONG follows a similar model. However, investors are instead required to purchase nodes that generate a sizeable return. Nodes can only be purchased with the $STRONG token. New users entering node staking invariably drive the price of $STRONG, and those receiving $STRONG rewards are likely to compound their earnings into purchasing more nodes. The result is $STRONG being removed from circulation. However, the issue with this model is that it rewards early investors off the back of new node owners entering the market. Should participants decide to no longer compound their earnings and no new liquidity enters the protocol, concerns about sustainability and ongoing viability may arise. There have been many forks of $STRONG across different chains, and many have failed to sustain price appreciation in what investors often refer to as a "soft rug-pull". For more information, please refer to Strong Block FAQs.

TOMB FINANCE AND DAO TREASURY

Our view is that TOMB Finance is a "DeFi 2.0" concept that almost resembles "DeFi 3.0." through the utilization of the DAO treasury to intervene with the protocol. When market conditions become unfavourable, the $TOMB token may lose peg to $FTM and enter a contraction epoch.

A moment must be given to praise TOMB Finance for implementing a seigniorage model that is accessible to regular investors and challenges the standards of monetary policy. When peg goes below 1, the TOMB treasury is purchasing $TBONDS with $TOMB reserves. Bonds are held until the peg is back above 1.05, whereby positive deviation from the peg leads to a greater redemption of $TOMB when exchanged for $TBONDS.

When peg transitions from a contraction epoch to an expansion epoch, the treasury is replenished with $TOMB required to pay the debt from $TBOND redemptions.

Once the debt epoch concludes, and the peg is above 1.05, emissions of $TOMB resume. For more information on the mechanics of TOMB Finance, please refer to Tomb Docs.

DECENTRALIZED CAPITAL FUNDS

Recently, the emergence of decentralized asset management treasuries has added fervour to running definitions of DeFi. Some have referred to these asset management models as DeFi 3.0. The design of these protocols involves the sale of a DAO token. The proceeds from initial sales form the starting capital of a treasury. Revenue generated from the utilization of the treasury often purchases the DAO governance token native to its treasury. By purchasing the DAO token with income accrued from treasury activities, it is removed from circulation and burned to increase the floor price of the DAO token.

USE CASES FOR DAO TREASURIES

The discovery of new use cases for DAO treasuries is ongoing, and the concept is capturing the attention of those that value decentralization, sustainability, and equality of opportunity.

PROTOCOL INSURANCE

When treasury assets generate revenue outside of the DAO, it accumulates a war chest used at the discretion of DAO signatories or fulfillment of community proposals. When invested in the DAO, sustainability and price appreciation are mutually desirable for all relevant parties.

REPLACING TRADITIONAL BUSINESS STRUCTURES ("DAOIFICATION")

DAOification is a fascinating phenomenon in the real-world economy, unbeknown to many cryptocurrency investors, with coverage on the concept only now emerging. Businesses recognize the frustration of investors around the opaqueness of investment activities. Shareholders in a business or company are subject to proposals put forward by in-house corporates. While they have a vote, they have limited creative control in the submission of proposals to dictate a future direction for the organization.

DAOification is exciting and disrupts human organization at every possible level. You can have a direct stake in a small business that you care about or frequent as a customer for the first time. As a customer and an investor, purchases through a DAOified business strengthen their investments' resilience.

FUNDING FOR START-UPS AND SEED INVESTMENTS

DAOs enable an entirely novel and direct way to seek start-up funds. In exchange for a token that gives investors a share in a treasury activity, they provide the starting capital for a business or investment fund.

Revenue received by the DAO treasury in the beginning phases can supply its liquidity. The depth of a liquidity pool determines the potential trade volume and market capitalization of a DAO token. Furthermore, businesses that embrace DAOification can operate in isolated, permissioned, and closed markets. Effectively, their token value can become somewhat isolated to broader market forces, depending upon the asset used to collateralize the token. On the flipside, DAOified businesses can choose to market and seek funding from all over the world.

Raising funds through token sales that form the basis of a treasury gives start-up projects the financial resources required to pursue their business goals. Seed investments often need initial starting capital to develop their products and remunerate contributors. Depending on the business's strategy, they can also fund marketing to increase awareness of their product.

IDLE ASSET UTILIZATION IN YIELD GENERATING INSTRUMENTS

Revenue generating treasury assets has formed the basis of the transition toward "DeFi 3.0.". Treasuries very often have underutilized or unutilized assets. There has been a paradigm shift toward raising funds for a DAO treasury utilized in yield generating instruments. Typically, these instruments are of the "DeFi 1.0." variety.

Staking idle treasury stablecoins in Aave for a steady low-risk return is one example that can extend to higher-risk investments in "DeFi 2.0.", products such as $OHM and $STRONG. This concept emerged from the perceived complexities of the average investor not being educated enough to manage the risks and pursue nuanced opportunities in DeFi. The alternative solution to this narrative of 'complexity being a barrier to entry is to have users purchase a token that will appreciate from a treasury that allocates its revenue to their native DAO token. This concept has evolved along with the additional products and features emerging on DeFi protocols. Many managed DeFi protocols continue to experiment with added elements of risk.

A typical approach is for a DAO treasury to utilize idle assets by allocating them according to risk. High-risk DeFi plays that offer greater returns may use a smaller portion of the treasury, whereas low-risk DeFi plays may receive a greater allocation of idle assets.

DEMOCRATIZING ACCESS TO ALGO-TRADING INSTRUMENTS

When investors begin participating in decentralized exchanges (DEXs) and financial instruments, they often encounter the presence of algorithmic-trading (algo-trading) bots. Based on the nature of liquidity in decentralized environments, many arbitrage opportunities occur not only across blockchains but across different liquidity pool Masterchef contracts. For example, you could purchase $BNB for $500USD on Pancakeswap (PCS), but notice $BNB may be for sale on 1Inch for $520 USD. This price difference would incentivize investors to purchase for less on PCS to sell for more on 1Inch. Profits made from these price differences across marketplaces are known as arbitrage. Arbitrage is often executed manually, but if you happen to have access to an arbitrage bot, you can automate arbitrage trades across liquidity pools before an average investor can manually capitulate on the opportunity.

Furthermore, bots have evolved into novel functions, such as 'snipe-launch bots' that can front-run investors upon the launch of a token on a given blockchain. These bots are often heavily funded and trade on behalf of "whales".

Recognizing the inequity in this phenomenon and that algo-trade bots are not going away, what would happen if you democratized an algo-trade bot's utility?

DAO Treasuries can level the playing field by utilizing algo-trade bots as profits go straight back to investors in the form of token buybacks. Typically, market dominance is reserved for whales, and DAOs distribute this power among a collective of average investors.

PORTFOLIO MANAGEMENT: CORE HOLDINGS AND RISK-OFF HEDGES

DAOs are sovereign entities with their own collective set of values, and some treasuries will build a portfolio that reflects these shared values. If the DAO values decentralization, it may invest in assets such as Ethereum and Bitcoin. If the DAO believes that DeFi will take off, they may diversify the treasury into various DeFi protocol assets. If the DAO believes in NFTs, they may build an investment thesis around a particular class or type of NFT.

But what happens when there is a market-wide correction? The treasury needs to risk-off assets and down-trade the market to maintain the DAOs equity. Decentralized investment funds are just beginning to emerge with the primary goal of growing the value of the treasury with non-native and stable assets. If properly managed, the DAO treasury will reduce risk before a 20%+ market-wide correction.

These risk-off hedges may include bonds, physical assets (gold, precious metals, real estate, etc), and stablecoins.

DAO TREASURY AS AN INDEX FUND

A compelling use case for a DAO is as an index fund. As mentioned above, some DAOs are often characterized by shared values amongst their constituents. An excellent example of an index fund powered by a DAO treasury is Merit Circle ($MC). For more information, please refer to the fundamental analysis on Merit Circle.

4. THE CASE FOR SEIGNIORAGE AND ACTIVELY MANAGED DAO TREASURIES

As established throughout, seigniorage perpetuates an internal incentive structure through the interplay of the currency issued, the availability of bond tokens when peg drops below 1, and receiving algo-pegged currency by staking share tokens when peg goes above 1. DAO treasuries exist in seigniorage models as a second line of defense to maintain the stability of the peg.

DAO treasuries outside of a seigniorage system seek to maximize their treasuries' utility. The value proposition is clear. Suppose you are not comfortable trading your assets and risk minimization strategies. In that case, there is great appeal in having exposure to a well-managed fund through holding a DAO token.

While seigniorage protocols do utilize a treasury, they are often underutilized. The ones seeking to employ their treasury often lack diversity in their investment thesis. It is reasonable to expect those who can build a DeFi protocol are familiar with opportunities outside of their products. Still, there is often negligible diversification into assets outside of the realms of the team's expertise.

Throughout the remainder of this paper, we make a case for creating multi-utility share tokens that underpin seigniorage ecosystems by printing new algo-pegged currency into circulation and reaping the benefits of a diversified and highly utilized treasure. We propose that a DAO treasury plays a significant role in insulating algo-pegged tokens AND reaping additional benefits for investors through an actively managed treasury.

$METIS AND ANDROMEDA MAINNET

$METIS is the native token for the Andromeda Ecosystem. Please refer to the in-depth fundamental analysis on $METIS for more information.

There is much to be said for Metis. However, we will briefly touch on Decentralized Autonomous Companies/Corporations (DACs) and Polis middleware technology.

DACs are an evolution of a DAO. Vitalik Buterin published an article on DAOs and DACs back in 2014 where the concept of DAOs was nothing more than ideation.

DACs involve releasing DAOs with permissioned and permissionless layers. Effectively, the administrative processes within a traditional business, such as payroll, scheduling, HR management, task assignment, invoicing, etc., can all be built into a DAC. Sensitive information can be stored and made only accessible to contributors that have permission to access that data.

Middleware technology is an underrated feature of Metis that will be able to bridge fiat and crypto into the Andromeda ecosystem seamlessly. Furthermore, they boast IPFS storage capabilities that enable decentralized data storage for businesses operating as a DAC.

TOMB FINANCE CASE STUDY

The inner workings and mechanics of Tomb Finance are well detailed in documents. Although, It is pertinent to understand the 'why' behind Tomb.

Specifically, why did they decide to peg $TOMB to $FTM, the native token for the Fantom ecosystem? When Tomb launched in June 2020, the price of $FTM was around $0.30 USD. Since then, the cost of $FTM has hit an all-time high of $3.46 USD, which is around an 11x increase.

Tomb Finance believed, and likely still do, that $FTM is heavily undervalued. They were one of the first protocols to create awareness in the Fantom Ecosystem, and they recognized significant room for upside as the Fantom ecosystem continues to grow. Tomb placed a bet that the Fantom ecosystem would adopt a network effect. It appears they were right to peg their token and, by extension their fate, to the $FTM token.

They also have taken initiatives to give utility to $TOMB as collateral for their FTMPad that launches new products into the Fantom ecosystem.

STIMULATING THE ANDROMEDA ECOSYSTEM

Andromeda mainnet has been live not much longer than 1 month (at the time of writing). $METIS has less than half a billion-market cap. When we look toward the performance of the Fantom ecosystem, we start to see some similarities. At the time of $FTMs meteoric rise of layer-1 blockchains aligned with the primary narrative.

Since these layer-1s have been battle-tested and improvements to scalability are still required, the need for layer-2s is becoming increasingly apparent. Layer-2s embody the scalability narrative, and in an era of adoption, scalability will enable the masses to participate.

We believe Andromeda Mainnet and the $METIS token will play a significant role in capitalizing on the Layer-2 narrative and creating a demand for the products and functionalities pending integration into the network. As these functions become available, the incentives for investors to participate in the Andromeda Mainnet increase.

When we look toward the most successful layer-2, Polygon achieved a market cap just shy of $20B. We can see that layer-2s has received some attention. Currently, no other layer-2 can hold a candle to Polygon's TVL and network activity. When we look at optimistic rollups such as Arbitrum, they now have over $2.5B of total value locked (TVL). Andromeda has 1/10th of Arbitrums TVL, around $246M. The upside to $METIS is remarkably apparent given on just about every metric; Andromeda outperforms Arbitrum.

We propose utilizing our DAO treasury to invest in new projects entering the Andromeda Mainnet to position the treasury to capture the upside of the network effect.

*Note, the document was written on the 10th of January 2022, figures may not be accurate.

DECENTRALIZED CAPITAL FUND UTILITY

As discussed, there are numerous strategies to utilize a DAO treasury, many of which do not exist or are relative unknowns. Here we wish to briefly discuss an existing DAO treasury management fund and the limitations of their utility.

They also have taken initiatives to give utility to $TOMB as collateral for their FTMPad that launches new products into the Fantom ecosystem.

MULTI-CHAIN CAPITAL CASE STUDY

Multi-Chain Capital ($MCC) is a simple concept. Investors purchase $MCC and pay taxes on buying and selling. A portion of each sale goes into the treasury as a non-native asset. These assets are staked in yield-generating instruments across a variety of blockchains. The profits are then used to buy back the $MCC token and burn it. This mechanic places perpetual buy pressure on the token. Several other DAO treasury models specialize in asset classes like NFTs, P2Es, seed investments, and yield generating instruments.

LIMITATIONS IN UTILITY

As discussed, contributors or those responsible for managing a DAO treasury may have a particular skill set in capitalizing on investment opportunities outside of the DAO. If you are a developer who has made money from flipping NFTs, you would likely utilize or take profit on NFTs to replenish and grow the DAO treasury. If you are a developer with a wealth of experience in DeFi protocols, you will seek yield generating instruments. If you are a day trader or swing trader, you may actively trade the DAO treasury and feed profits back to DAO token holders.

While being able to invest with those that may be considered professionals, on balance, this inevitably leads to missed opportunities. As trends and asset classes continue to be born into existence, you need contributors that can manage the DAO treasury so that these novel opportunities and emerging use cases are not missed.

5. AEACUS CAPITAL MANAGEMENT

Aeacus Capital Management will operate a DAO treasury (Prometheus) model governed by the $PRO token that integrates and considers all discussed until this point.

VALUE PROPOSITION

Exposure to profits from Prometheus is contingent upon holding the $PRO token. When gains are realized through various DAO investment activities, the proceeds increase the buying power of the treasury and reward holders through token buyback and burns.

AUM-AS-A-SERVICE FOR EXISTING DAO TREASURIES

As mentioned, a variety of DAO treasuries are emerging, each with its investment niches. Aeacus Capital, through the Prometheus treasury, will operate a cost of assets-under-management (AUM) service for external DAO treasuries. On behalf of DAO treasury clients, Aeacus capital allocates capital into a diverse set of investment activities. These activities may be outside the realm of expertise for the average investors with a stake in the DAO treasury. To protect the value of their assets, they may elect to allocate a portion of their treasury to assimilate with Aeacus Capital's AUM strategies. External DAO treasuries are not charged up front, and instead, the internal taxation mechanics of the Prometheus treasury is applied to all transactions performed on their behalf.

For example, a DAO treasury may give 100,000 $USDC for Aeacus Capital to manage. For each trade performed or yield harvested, a 10% fee is applied. That fee purchases the $PRO token. It is either burned from existence, utilized in Peak Finance liquidity mining, or employed to satisfy an approved proposal within the DAO.

RISK DIVERSIFICATION AND HEDGING

What is missing from existing DAO treasuries is active risk management. During a market-wide correction, treasuries may simply HODL their assets through the downturns. That is a missed opportunity to hedge the value of their investments and strengthen their positions upon confirmation of a trend reversal. Prometheus utilizes several hedging instruments to protect the treasury and, by extension, $PRO investors from price depreciation characteristic of market-wide corrections. Risk management strategies may include exiting depreciating positions into stablecoins and risk-off commodities (gold, crude oil, stocks, precious metals, real estate, real-world assets, etc.).

6. PEAK FINANCE - AEACUS CAPITAL'S FIRST CLIENT

Peak Finance is the first AUM of the Prometheus Treasury operated by Aeacus Capital. We have discussed a great deal of seigniorage to this point, and for a good reason. $PEAK will be algo-pegged to the value of $METIS. When $METIS succeeds, so do we.

We have taken this further by replacing Tomb Finance's $TSHARE token with $PRO. There are a few added benefits to this approach.

• Holding $PRO gives you exclusive access to newly minted $PEAK when algo-peg is above 1.05.

• Holding $PRO gives you indirect exposure to AUM actively managed and hedged when required. You are incentivized to keep $PRO during a market correction as the AUM portfolio takes risk-off.

• $PRO will have utility in future ventures and projects. Partnership AUMs, DAOification of traditional business models, and cost-of-AUM services will strengthen the resilience of the token.

Ultimately, Peak Finance is a modified fork of Tomb Finance. Many Tomb Forks deploy on EVM-compatible blockchains such as Binance Smart Chain and Avalanche. The problem with these forks is pegging to assets that already have a high market cap. For this reason, there is limited upside to investing in an algo-pegged token such as $BNB or $AVAX since they had already experienced tremendous growth when Layer-1 blockchain narratives were the leading market trend.

ACTIVE TREASURY MANAGEMENT

Aeacus Capital has onboarded asset managers with specialized investment niches to manage the Prometheus Treasury. Based on an overarching investment thesis, these contributors utilize allocations to seek yields for the Prometheus treasury. When the macro overpowers the investment landscape, analysts will advise risk-off strategies and prepare the treasury to execute hedging when conditions are met that confirm a downtrend. When Metaverses and NFTs go for another run, niche specialists will advise where to allocate capital to capture the upside. A DeFi strategist will determine which yield generating financial instruments to stake in. In the future, DAO activities will be moderated in permissioned environments where community members can submit strategic proposals for utilizing the treasury. The implementation and outcomes of these strategies will not be disclosed until the next monthly treasury report is published to prevent front-running.

PROTOCOL INSURANCE THROUGH CURRENCY, BOND, AND SHARE ACQUISITION

The revenue-generating capabilities of the Prometheus treasury strengthen the second line of defense for maintaining seigniorage on Peak Finance. Prometheus treasury will actively stake allocations of the $PRO token to generate $PEAK yields that will only be utilized to acquire bonds ($PONDS) to stabilize $PEAK's algo-peg. $PRO is the share token for Peak Finance; however, it has value outside of the Peak ecosystem. There are reasons for share token holders to retain their $PRO rather than adopt strategies that may be harmful to the sustainability of the Peak protocol.

PROTOCOL INSURANCE THROUGH CURRENCY, BOND, AND SHARE ACQUISITION

We have touched on several use cases for the Prometheus treasury throughout, in short order, the DAO treasury will be permitted to engage in, but not limited to:

• AUM-as-a-service for DAO treasuries (Low to high risk): DAOs may assign an allocation of their treasury to be utilized in the Prometheus Treasury at the discretion of Aeacus Capital. Fees are not paid upfront, rather, realized profits are subject to the internal tax mechanics of the Prometheus treasury.

• Algo-bot trading (High Risk): A small allocation of Prometheus treasury will be utilized in algo-bots with functions including but not limited to:
   • Swing trading strategies.
   • Market-making functions.
   • Arbitrage opportunities across liquidity pools.
   • "Snipe Bots", a gambit to front-run existing bots often funded by whales.
   • Limit order functionality in constant product maker liquidity pools.

• Management of core portfolio holdings (low to high risk). Capital allocated according to risk.
• Seed investments sales and venture capital opportunities. Teams and projects will be examined before the DAO invests.
• Day trading and swing trading strategies. Low to medium capital allocation.
• Peak Ecosystem Asset Management – investments made to $PEAK maintains stable peg to $METIS
• Yield generating instruments (low to high risk). Idle assets, particularly stablecoins, will be staked for stable profits. Prometheus may undertake high-risk DeFi opportunities with proportionate capital allocations.
• NFT Treasury – recognizing the evolving utility of NFTs, Prometheus will gain exposure to metaverses and play-to-earn assets.
• DAOification of traditional business models. Identifying conventional business models that can sustain profit are reconfigured into a DAO governance structure with their business token collateralized by $METIS, $PRO, and $PEAK.

All profits from DAO activities are first returned to the treasury, and proceeds from the DAOs internal tax structure is used to purchase $PRO intermittently to prevent front-running.

BOOTSTRAPPING $PRO LIQUIDITY AND EXPANDING UTILITY

While there are indeed elements of risk in having $PRO as the share token for Peak Finance, on balance, the benefits outweigh the risks.

To receive emissions of $PEAK, investors must stake their $PRO tokens in the 'Summit' (boardroom). But before they can receive emissions, they must either purchase $PRO, or farm $PRO by supplying paired liquidity later in the life of the protocol

Our primary LP pairs are $PEAK-$METIS and $PRO-$METIS that will be available at 'Base Camp'. Liquidity pools will be hosted on Tethys. Emissions from supplying liquidity will last a minimum of 1 year. An extension or additional incentives may be available to ensure liquidity remains constant.

In addition, it is the prerogative of the DAO treasury to ensure liquidity is adequate. $PRO-$PEAK and $PEAK-METIS may be supplied into liquidity at the discretion of Aeacus Capital.

7. $PRO TOKEN: INVESTOR STRATEGIES AND POSSIBLE OUTCOMES

By design, the $PRO token exposes investors to a curated asset portfolio that is actively managed to hedge against the market risks.

PROTOCOL STATUS

Peak Finance has three primary states that dictate what options are available to investors at any given point in time. Investor strategies depend upon the protocol's condition determined by the following factors.

MARKET CONDITIONS

During an uptrend, risks to Peak Finance and Prometheus treasury are minimal. New liquidity entering an ecosystem tends to bring elements of temporary stability. $PRO stakers will likely print $PEAK during this time and diversify their take profit strategies according to their risk profile.

During a downtrend, Peak Finance and Prometheus treasury risks are indeed more profound, as is the case with all DAO treasury arrangements. The primary point of difference is during this time, Aeacus Capital will actively seek to risk-off assets, down-trade the market, and manage reentry into favorable positions 'when a bottom is in'. Hedging into stable coins and commodities is likely but is not a given during this period. During significant exit liquidity events, particular asset classes may still often outperform the market.

$PEAK TWAP IS GREATER THAN 1.05. $PEAK PRINTER ON. EXPANSION EPOCH

When TWAP of the $PEAK peg is greater than 1.05, the value of $METIS, the $PEAK printer gets switched on for $PRO stakers. During this time, investors have several strategies they can implement. An optimal process for ensuring sustainability would involve $PRO stakers printing $PEAK to sell half into $METIS. From here, investors can LP stake the remaining $PEAK with acquired $METIS to increase the depth of the liquidity pool and receive emissions of $PRO.

$PEAK TWAP IS LESS THAN 1.05, BUT GREATER THAN 1. $PEAK PRINTER OFF. DEBT EPOCH

When TWAP of the $PEAK peg is between 1 and 1.05, the $PEAK printer gets switched off for $PRO stakers, but emissions continue for the treasury. All $PEAK acquired during this time will be made available for future bond redemption.

$PEAK TWAP IS LESS THAN 1. $PONDS (BOND) ISSUANCE. CONTRACTION EPOCH

When TWAP of the $PEAK peg is less than 1, the $PEAK printer gets turned off, and bonds ($PONDS) are available for purchase. $PONDS can only be obtained with $PEAK in a closed market with a fixed 1:1 ratio. For example, if the peg of $PEAK drops to 0.90, the value of $METIS, investors can purchase $PEAK at a discount and use it to obtain $PONDS. These $PEAK get burned from circulation. Once the peg is back above 1.05, investors may realize a 15% gain of $PEAK upon Bond redemption. The longer bonds are held, and the further the peg goes above 1.05, the more $PEAK received from redemption.

GAME THEORY

$PRO will have utility beyond $TSHARE and the numerous forked projects. The utility is realized through exposure to an actively managed portfolio that ensures stability and increases the floor price of $PRO. Bonds are a low-risk yield opportunity, and $PRO stakers that accumulate $PEAK without aggressively cashing out of the ecosystem are at a particular advantage through the acquisition and redemption of $PONDS.

There is plenty of incentive to stake $PRO to print $PEAK, and the risks present themselves when the protocol goes below the peg. If we use Tomb Finance as a reference point, it is common for users to take their $TOMB emissions to purchase $TSHARE. However, $TSHARE loses its utility with $TOMB going below peg. When this occurs, investors that do not have enough $TOMB to purchase $TBONDS will likely sell some of their $TSHARE. Regardless of these activities, printed $TOMB is often used to buy $TSHARE while above peg, and the seigniorage proceeds from Bond redemptions may also purchase $TSHARE.

BOND ($PONDS) REDEMPTION AND $PEAK ISSUANCE STRATEGIES

As mentioned above, $PONDS primary function is to remove excess $PEAK from circulation. There are sustainable strategies whereby investors can realize profits by printing $PEAK and leveraging bonds when the peg is lost.

Keeping a reserve of $PEAK available, or purchasing from the market, allows the investor and Prometheus treasury to obtain $PONDS at a rate below the $PEAK peg. Once peg has been reestablished and is greater than 1.05, they can compound their previous $PEAK printing activities by $PEAK redemption from $PONDS.

$PRO AS A HEDGE AGAINST MARKET CONDITIONS

Aeacus Capital is a responsible asset manager that ensures Peak Finance can sustain seigniorage operations. However, Aeacus Capital is also outward-looking. Suppose the market conditions are unfavorable for higher-risk investments, as seen by the seemingly countless market-wide corrections. In that case, Prometheus treasury will shift non-native holdings to risk-off assets and $PRO. Once the market stabilizes and at the discretion of Aeacus Capital, previously closed positions may be reopened. Some risk-off treasury assets may also be used to apply to buy pressure to $PRO. These hedging activities will not be disclosed until the monthly treasury report is published to prevent front-running.

$PRO AS AN INDEX FUND FOR ACTIVELY MANAGED DAO TREASURIES

One of the most exciting unique selling propositions of Aeacus Capital is achieving mutual exposure to DAO Treasury assets. While Prometheus treasury may, at Aeacus Capital's discretion, invest into external DAO treasury tokens for exposure to their portfolios, DAO treasuries can also allocate their capital for Aeacus Capital to manage on their behalf. This AUM-as-service model and Prometheus portfolio investing into these DAO treasuries effectively lay the groundwork for $PRO to operate as an index fund for DAO treasuries. A bet on $PRO is a bet on the success of DAO Treasuries going into the future.

8. PROMETHEUS ROADMAP AND FUTURE DIRECTION

PEAK FINANCE DEVELOPMENT

Peak Finance will be the first product to be deployed. Peak Finance is a modified fork of Tomb Finance at the highest level. This seigniorage mechanic would not be available if not for Tomb. However, we wish to pay homage by not simply copying and pasting an existing concept but by building new use cases on top. We believe an actively managed DAO treasury and the additional utility of Peak Finance's Share token, Prometheus ($PRO), can achieve this.

Upon deployment of Peak, the team and community will constantly re-align on future developments for the Peak Finance protocol. While Aeacus Capital will manage the DAO at genesis, the intention is to increase involvement of the community in making investment decisions as we progress toward greater decentralization. $PEAK will have tremendous value as a collateral asset throughout the Andromeda ecosystem, and we seek to sponsor and invest in new projects deployed on Andromeda over time. The value of $PEAK may also be utilized in future for creating synthetic assets, collateralizing newly launched projects, and various multi-chain opportunities to deploy $PEAK that vicariously gives new users exposure to $METIS.

Developments include, but are not limited to:

• Deployment of seigniorage protocol.
• Implementation of a Peak Finance treasury that will migrate into the custody of Aeacus Capital.
• Establish a DAO for community members and the team to communicate and seek alignment on protocol proposals.

Expanding utility of $PEAK and $PRO through:

• Multi-chain implementations.
• Launchpad currency to obtain new projects.
• Cross-chain liquidity aggregation.
• Exposure to DAO treasuries external to Peak Finance and Prometheus.

PROMETHEUS TREASURY AND AUM-AS-A-SERVICE FUNCTIONALITY

Prometheus treasury will control its assets in a permissioned environment. Select team members or elected contributors will utilize the treasury to execute a strategy. 'Transfer From' and 'Transfer To' functions will be disabled for non-smart contract addresses, except for assets that flow to and from the Peak Finance ecosystem that will be whitelisted and made known to the community. These restrictions ensure that treasury capital never leaves the ecosystem by transferring to an unauthorized wallet. The treasury can only interact with smart contracts, including sub-daos. In addition, funds can be transferred from the DAO treasury to another wallet address through a multi-sig authorization of an approved proposal. All movements of treasury assets will be 100% traceable on-chain.

AUM-as-a-service will operate through a smart contract proxy. In other words, Prometheus never takes direct custody of another DAO treasuries assets. Instead, they deposit their allocated amount into a smart contract with an API plugged into the Prometheus DAO treasury. In the simplest of terms, these escrow smart contracts will enable optional copy-trading in proportion to their total allocation. The inclusion of external DAO treasury funds does not alter the strategies executed by the Prometheus Treasury.

Pending developments to implement this system are as follows and are not limited to:

• Establishing the Prometheus Treasury in a permissioned environment for selected personnel to utilize their allocations as determined by Prometheus's discretion will require multi-sig authorization from doxed team members. In the future, $PRO DAO members can contribute to forming a consensus on strategy and execution.
• Escrow smart contracts to enable external DAO treasuries to allocate capital for Prometheus to manage on their behalf.

COMMUNITY STRATEGIC PROPOSALS IN PERMISSIONED (CLOSED) AND PERMISSIONLESS (OPEN) ENVIRONMENTS

When projects are starting up, they invariably require some degree of oversight and centralization. If there is no vision or leadership, there is no direction for the DAO. As Prometheus develops over time and establishes a sizeable treasury, the community will have a stronger voice in the future direction of the DAO.

Pending developments to implement this system are as follows and are not limited to:

• Permissioned proposal environments. Doxed and vetted community members that share Prometheus's desire for excellence will have the ability to submit proposals in a closed environment. The environment is "closed" insofar as it is not a public forum, only whitelisted community members can participate in these environments to discuss investment opportunities. The immediate team and other nominated community members can debate the proposal here.

• Permissionless proposal environments. Suppose the proposal does not contain sensitive subject matter (such as trading and investment strategies that may result in front-running by malicious actors). In that case, it will be put forward to the general community where forums are permissioned for $PRO token holders.

DAC INTEGRATION OF OPERATIONS, ADMINISTRATION, AND TASK MANAGEMENT

One of the most significant appeals of $PRO and $PEAK tying their fate to $METIS is the novel technologies they are deploying within the Andromeda ecosystem. The development of a Prometheus DAC is contingent upon the further ecosystem developments that expand functionality.

Pending developments to implement this system are as follows and are not limited to:

• MetisDAO enhanced DAC functionality for the Andromeda Mainnet.
• Aeacus Capital manages all administrative, operational, and business expenses through the Prometheus DAC, and community members will be able to see these expenses in real-time.
• Task management capabilities and sourcing community contributors to fulfill a service or function.

ONBOARDING COMMUNITY TRUSTED AND REPUTABLE MEMBERS TO PARTICIPATE IN MANAGING DAO TREASURY

It is not difficult to argue that the cryptographic asset market is still maturing, and Blockchain technology is moving faster than anyone can fathom. As a result, market participants often have zero or an antiquated understanding of fundamentals. Peak Finance and Aeacus Capital value true decentralization. But to get there, we first need to run a tight ship. As our community grows alongside us, we can begin to delegate responsibilities to doxed contributors.

Pending developments to achieve decentralization are as follows and are not limited to:

• Refining investment and trading strategies, developing in-house policies that specify a criterion whereby Prometheus invests into risks-on assets or divests into risk-off assets.
• Policies that determine the weight of capital allocations to various treasury utilization strategies.
• Onboarding and assessment of contributors for suitability.

DAOIFICATION OF TRADITIONAL BUSINESS MODELS AND CONVERTING REVENUE-GENERATING BUSINESSES

Aeacus Capital and Peak Finance both believe that decentralization and DAOification is the next step in the evolution of human organizations.

Future developments may include the following processes:

• Solicitation from business start-up seeking funding and integration into a DAO-based business structure.

• Seek out existing businesses that have demonstrated profitability and assist them in transitioning into a DAO model. Aeacus Capital will seek to have these businesses as AUMs for the treasury.

• Viability study of community proposals to launch businesses native to the Prometheus Ecosystem that leverage $PRO, $PEAK, and/or $METIS as primary collateral.

9. PROMETHEUS AND PEAK FINANCE: TOKENOMICS, EMISSIONS, AND TAX SCHEDULES

TOKENOMICS

Tokenomics and emission schedules $PEAK, $PRO, and $PONDs is an adoption of $TOMB finance tokenomics.

$PRO TOKENOMICS

• $PRO holders have voting rights for Peak Finance and Prometheus DAOs.

• Maximum total supply of 7,000,000 tokens.

  • DAO Allocation: 1,100,000 $PRO vested linearly over 12 months.

  • Team Allocation: 500,000 $PRO vested linearly over 12 months.

  • The remaining 5,400,000 $PRO and additional tokens obtained through TX taxes may incentivize $PEAK-$METIS and $PRO-$METIS stakers for a minimum of 12 months. The rewards period may be subject to extension or alteration.

$PONDS (BONDS) TOKENOMICS

• Supply contracts by the amount of $PEAK required to be removed from circulation to restore $PEAK TWAP above peg.

• No expiration on redemption. DAO treasury must have sufficient $PEAK reserves for $PONDs redemption.

$PEAK TOKENOMICS

• $PEAK is designed to peg to the value of $METIS.

• Supply is uncapped and adjusted through contraction and expansion epochs.

EMISSION SCHEDULE

$PRO EMISSIONS

$PRO Emissions available and released linearly over 12 months:
• $PEAK-$METIS LP: 3,550,000 Shares
• $PRO-$PEAK LP: 1,850,000 Shares

$PONDS EMISSIONS

$PONDS are available for purchase when $PEAK falls below the 1 METIS peg. If $PEAK's TWAP is between 1.00 and 1.01, neither $PONDS nor $PEAK will be issued.

e.g. if $PEAK's TWAP < 1, exchange $PEAK for $PONDS will be in a 1:1 ratio.

$PONDS are available for redemption when $PEAK goes above the 1 $METIS peg.

To encourage the redemption of $PONDS for $PEAK when PEAK TWAP > 1.1 and incentivize users to redeem at a higher price, $PONDS redemption will be more profitable with a higher $PEAK TWAP value, of which $PONDS to $PEAK ratio will be 1:R, where R can be calculated in the formula as shown below:

$$R = 1 + [(PEAK(TWAP \ price) - 1) * coeff)]$$

Where coeff = 0.7

$PEAK EMISSIONS

During expansion epoch:

• 80% $PEAK goes to $PRO stakers in 'The Summit'.
• 15% goes to the Peak Finance Sub-Treasury (AUM of Prometheus Treasury, managed by Aeacus Capital).
• 5% goes to development, contributor remuneration, and marketing fund.
• Epoch Expansion: If there are outstanding Bonds to be redeemed, 65% of minted $PEAK goes to treasury until it meets the required amount to allow full redemption of $PONDS.
• Contraction Epoch: When $PEAK TWAP peg is below 1.01, no $PEAK will print.

TAXATION SCHEDULE

There will be conditional taxation when buying or selling $PRO to build the initial capital for the Prometheus treasury and Peak Finance sub-treasury. There will be conditional taxation when purchasing or selling $PRO.

$PRO TAXATION SCHEDULE

10% Fee for all $PRO buy and sell transactions. These tax structures may be temporary and conditional. Once Prometheus Treasury obtains $1B AUM, taxes on transactions may be removed if the DAO approves that proposal.

However, whenever $PEAK is below a peg of 1, $PRO buy/sell taxes will apply regardless of AUM TVL, all of which will purchase $PONDS to drive $PEAK back to peg.

• When investors purchase $PRO, they pay 10% above market value. These fees are collected in $METIS.
• When investors sell $PRO, they receive 10% below market value from selling. These fees are collected in $METIS.

SELLERS:

• 4% of METIS used to buy back and burn $PRO.
• 6% of METIS is allocated to the DAO treasury.

BUYERS:

• 4% of METIS used to buy back and burn $PRO.
• Half of the 6% of the remaining $METIS gets sold into $USDC. Both assets get sent to the DAO treasury.

INTERNAL PROMETHEUS TREASURY TAXATION

Taxes will be applied internally to the DAO treasury and external sub-DAOs. $PRO tokens obtained through internal taxation are subject to DAO proposals, either team submissions or trusted community member submissions.

• 10% tax on all realized profits from DAO activities used to buyback $PRO.
• 10% tax on all harvests from yield generating assets used to buyback $PRO.
• 10% from all seed investment instances where profit is realized buys back $PRO.

10. DISCLAIMER

This whitepaper is a discovery document constructed on the 10th of January, 2022, that outlines the intentions of Aeacus Capital toward the future development of Peak Finance and the Prometheus Treasury.

Specific details of the structural implementation of Peak Finance and Prometheus DAO development may be omitted from the discovery document to protect vital intellectual property to ensure greater outcomes for investors.

Proposed developments may be subject to change that will be clearly communicated to the community through written or verbal communication. Future roadmaps will be made available to the community What is contained within is for educational and intentional purposes only. Aeacus Capital's intentions are clearly stated, however, development may take a trajectory not outlined within this document and will not be disclosed until when future developments are imminent.

Further, observations on investment behaviors within this document do not constitute financial or investment advice.

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PEAK FINANCE

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