

SIP-11 Treasury Diversification Opportunity

Summary

This proposal is an exciting opportunity for the future of Slingshot DAO to faster develop the DAO ecosystem and grow the community further to continue to build more community ideas for years to come.

Recently, multiple parties have been in contact with the DAO who are interested in supporting the DAO by purchasing \$SLING tokens from the treasury.

This is both a great compliment to the efforts of the community and a good opportunity for the DAO to diversify its treasury and secure liquid resources for the future.

This proposal looks to approve an initiative for the DAO to facilitate negotiations and agree to terms with all interested parties, to secure Slingshot DAO's future.

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Sponsorship

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Proposal Type

Initiative proposal

Community Incentive & Rationale

The DAO to-date has successfully greenlit many community game ideas for development, alongside grants and initiatives to continue developing the Slingshot ecosystem and community growth.

In the last 12 months together the DAO has grown by over 15000% (total members who have signed in to the dApp), developed many improvements to the dApp (including full Web2 support) and has published its first game on the Roblox platform (Go! Kart All-Stars).

As a testament to this community, the DAO has received interest from various third parties who believe in Slingshot DAO's mission and are keen to contribute resources to the DAO in exchange for \$SLING tokens.

This proposal puts forward the following considerations for treasury diversification:

Supply

The DAO should target 400,000,000 \$SLING tokens, or less, from the treasury to exchange.
As an upper limit, at most 800,000,000 \$SLING tokens from the treasury should be negotiated to be exchanged.

Target Acquisition

The DAO should target to receive a minimum of \$6,000,000 USD in exchange.

Token Locks

Token locks must be negotiated for all parties acquiring \$SLING. This is essential to mitigating the risks listed below.

Legal / AML Requirements

The DAO should carefully consider and comply with AML and legal requirements for such activity.

Destination

100% of funds acquired by the DAO should be transferred to the DAO treasury. Thereafter the community can freely propose and vote on the use of funds.

The Problem

- The DAO requires additional liquid funds to fund development and grow the ecosystem.
- Most ideas voted on by the DAO are still in production and unable to be monetized.#

The Opportunity

More resources will allow:

- Many more community ideas to be developed.
- Continue community growth efforts to bring many more people to Slingshot DAO.
- Continue the ecosystem development that include developing new features in the dApp, improving engagement, retention and growth.

Potential Risks

Risks if this proposal doesn't pass

- The DAO depletes its existing liquid resources and becomes unable to fund community ideas and proposals.
- Community growth slows or retracts.
- Ecosystem development slows.

Risks if this proposal passes

- The theoretical maximum of 800,000,000 tokens to be exchanged represents a significant amount of token supply. (16% of total supply.)
- The preferred amount of 400,000,000 tokens to be exchanged represents 8% of total supply.
- The exchange of large amounts of tokens could cause a monopoly on governance votes unless appropriate locks, safeguards and/or voting power limits are considered and implemented. (See 'Further Considerations' section below.)

Key Terms

Slingshot DAO

A decentralized autonomous organisation, that is governed by the holders of \$SLING token.

SlingShot dApp

Slingshot DAO's web app is used to submit and vote on ideas to be built. <https://slingshotdao.com/>

Specifications

Actions

1. Negotiate and administer the exchange of up to 800,000,000 (target 400,000,000) \$SLING tokens from the Slingshot DAO treasury to interested third parties for a target minimum of \$6,000,000 USD.
2. Negotiate appropriate locks and terms for acquiring parties.
3. Be sure to consider and comply with AML and legal requirements for such activity.

Measurements of Success & Desirable Outcomes

1. The successful diversification of \$SLING from the Slingshot DAO treasury into more liquid and stable assets.
2. Appropriate lock-terms and conditions for acquiring parties to encourage participation in and health of the Slingshot DAO community.

Impact on Working Groups

1. Coordination will be required between the Treasury department in dealing with both \$SLING as well as incoming assets.

Economic Impact

1. Up to a maximum of 800,000,000 \$SLING exchanged with third parties from the DAO treasury.
2. Target of at least \$6,000,000 USD in liquid assets received to the DAO treasury.

Further Considerations

1. Acquiring parties could be retroactively included in the 40% capped voting limit explained here: <https://medium.com/slingshot-dao/community-first-approach-capped-vc-voting-power-ebfdc1185052>
2. After negotiations have completed, any unused \$SLING tokens should be returned to the DAO treasury for allocation elsewhere.