

UNLOCK PROTOCOL DAO

Budget Proposal

Q3 / Q4 2026

Operational & Treasury Management
Sustainability-Focused Operational Model

Prepared by: DAO Contributors
May 2026

1. Executive Summary

This proposal outlines the operational and treasury management budget for Unlock Protocol DAO during Q3 and Q4 of 2026. The DAO is transitioning into a sustainability-focused operational model with reduced expenses, lower UP emissions, and stronger treasury preservation strategies.

\$63.6K Total Treasury <i>USD Equivalent</i>	5.2 mo Stablecoin Runway <i>USDC reserves</i>	~53 mo Full Runway <i>~4 years (incl. UP)</i>	\$7,242 Total Q3/Q4 Budget <i>USD 6-month spend</i>
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2. Marketing Strategy

The marketing strategy for Q3/Q4 2026 focuses on expanding the Unlock Protocol's ecosystem presence through targeted campaigns, content amplification, strategic partnerships, and community incentive programs. The budget is denominated primarily in UP tokens, with a targeted ETH-to-USDC conversion to fund content contribution rewards.

8.56M UP Total UP Budget ≈ \$6,277 USD	0.5 ETH ETH Conversion ≈ \$1,500 USD (pending)	5 Initiatives <i>Campaigns & programs</i>	1 item Q3 Deferral <i>Content Creation model</i>
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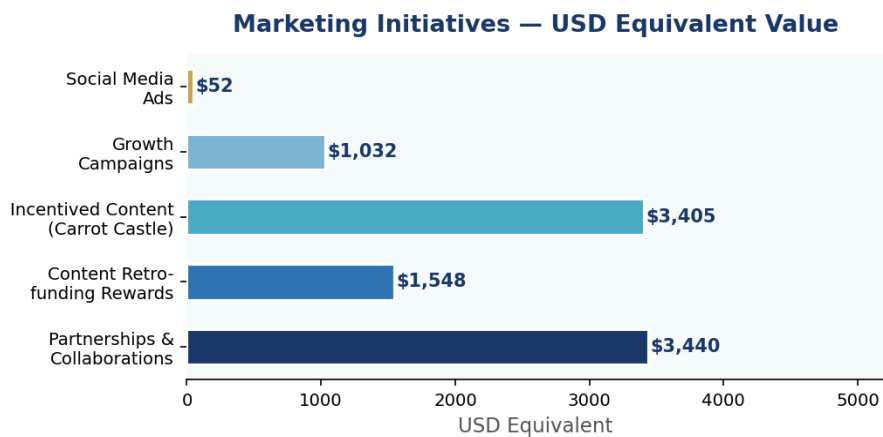
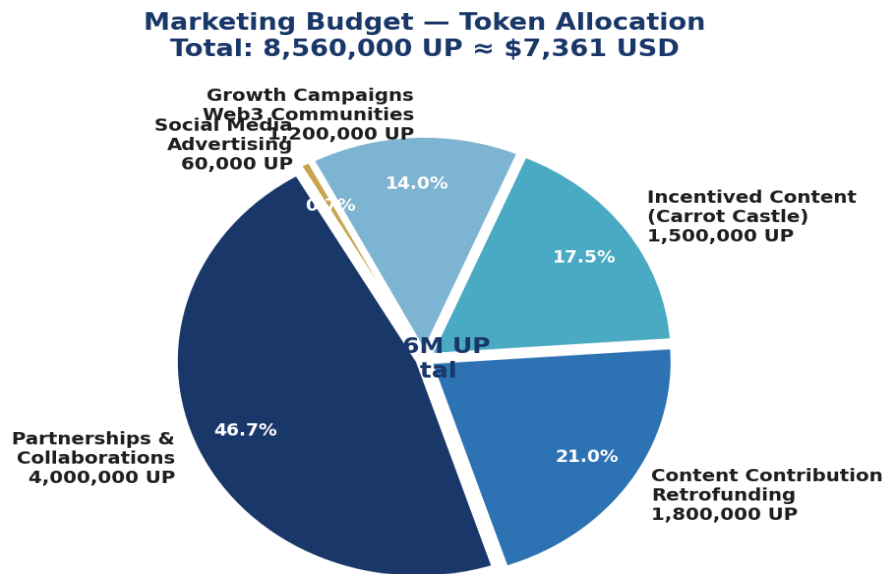
⚠️ Q3 Deferral Note: The Content Creation initiative (Incentived / Carrot Castle model) is deferred to Q3. This includes the conversion of 0.5 ETH (~\$1,500) to USDC for incentivized content contribution rewards. This deferral allows time for proper incentive model design and community alignment.

2.1 Budget Breakdown by Initiative

Concept	Proposal	Amount (UP)	USD Value	Notes
Social Media Advertising				
	TikTok Ads X (Twitter) LinkedIn	60,000 UP	\$44.00	<i>Paid ads across 3 platforms</i>
Content Creation				
	New model to amplify protocol reach. Five key content pillars with incentive model for member participation. ⚠️ Convert ETH → USDC via Incentived (Carrot Castle)	1,500,000 UP + 0.5 ETH	\$1,100 + \$1,500 ETH	→ Move to Q3 <i>ETH conversion pending</i>
Partnerships & Collaborations				
	Strategic partnerships with Web3 projects and DAOs to expand ecosystem reach.	4,000,000 UP	\$2,933	
Content Contribution Retrofunding Rewards				
	Retroactive rewards for community members who contributed content and supported protocol growth.	1,800,000 UP	\$1,320	
Growth-Focused Campaigns across Web3				
	Targeted campaigns across Web3 communities to drive awareness, adoption, and integrations.	1,200,000 UP	\$880	
TOTAL	5 Marketing Initiatives	8,560,000 UP	~\$7,777	<i>Incl. 0.5 ETH</i>

2.2 Token Allocation & USD Equivalent

The charts below show how marketing resources are distributed across initiatives and their relative USD-equivalent value (UP @ \$0.0007333).



2.3 Initiative Descriptions

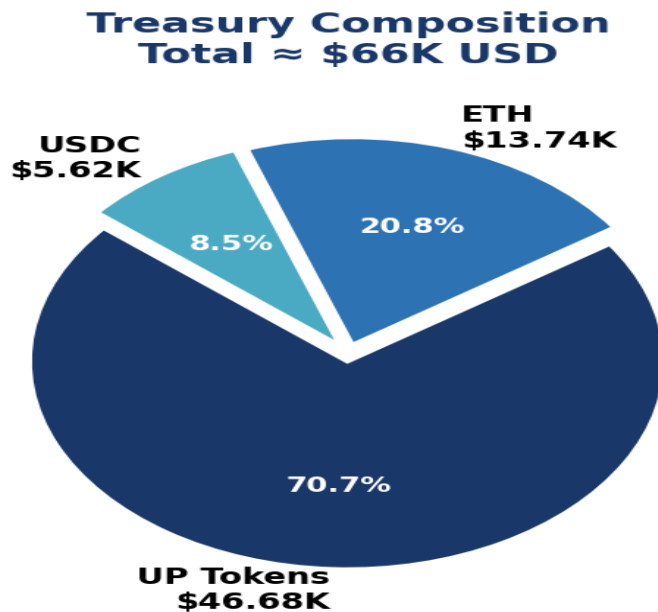
- Partnerships & Collaborations (4,000,000 UP / \$2,933): Strategic Web3 partnerships to accelerate integrations and co-marketing opportunities — the largest single allocation.
- Content Contribution Retrofunding Rewards (1,800,000 UP / \$1,320): Retroactive rewards for community contributors who have produced content promoting Unlock Protocol.
- Incentived Content / Carrot Castle (1,500,000 UP + 0.5 ETH — deferred to Q3): Five-pillar content amplification model with structured member incentives. ETH conversion (~\$1,500) funds reward pools upon Q3 execution.
- Growth-Focused Campaigns across Web3 (1,200,000 UP / \$880): Targeted campaigns across Discord, Telegram, governance forums, and Web3 media to drive awareness and developer adoption.

- Social Media Advertising (60,000 UP / \$44.00): Paid ads across TikTok, X (Twitter), and LinkedIn reaching both crypto-native and mainstream audiences.

Total Marketing Budget Q3/Q4 2026**8,560,000 UP + 0.5 ETH***Estimated total: ~\$7,777 USD | UP @ \$0.0007333 | ETH @ \$3,000*

3. Treasury Analysis

The current DAO treasury holds assets totaling approximately \$63,600 USD. The portfolio remains highly concentrated in UP tokens, which represents both a long-term opportunity and a near-term liquidity risk.



Asset	Holdings	USD Value	% of Treasury
UP Tokens	52.74M UP	\$38,674	60.8%
ETH	6.43 ETH	\$13,740	30.3%
USDC	5,630 USDC	\$5,620	8.9%
TOTAL	—	\$63,594	100%

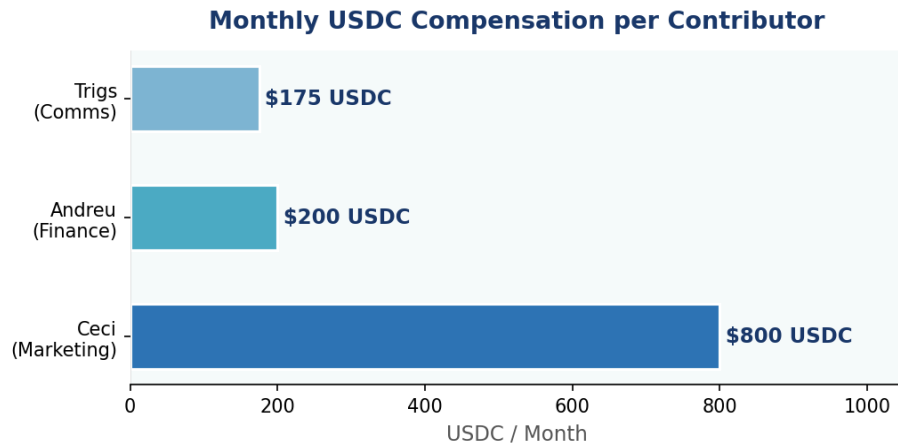
4. Strategic Priorities for Q3/Q4 2026

The following six pillars guide operational and treasury decision-making for the next two quarters:

- **Treasury Sustainability:** Preserve and gradually diversify treasury assets to reduce UP concentration risk.
- **Governance Continuity:** Maintain reliable proposal participation and DAO voting infrastructure.
- **Contributor Retention:** Retain core contributors through competitive but lean compensation structures.
- **Community Coordination:** Foster engagement across community channels and ecosystem touchpoints.
- **Financial Efficiency:** Minimize operational overhead while maximizing contributor output.
- **Stablecoin Reserve Protection:** Protect USDC reserves by managing conversion timing and expenditure cadence.

5. Core Contributor Budget

Monthly compensation for Q3/Q4 2026 has been structured to minimize stablecoin outflows while retaining essential DAO contributors.



Contributor & Role	USDC / Month	UP / Month	Total Est.
Trigs — DAO Communications Steward	175 USDC	—	175 USDC
Ceci — Marketing & Communication Steward	700 USDC	30,000 UP	≈ 722 USDC
Andreu — Financial & Resources Role	200 USDC	150,000 UP	≈ 310 USDC

Notes: UP compensation is valued at approximately \$0.0007333 per UP. Estimated total monthly spend: ~\$1,207 USD.

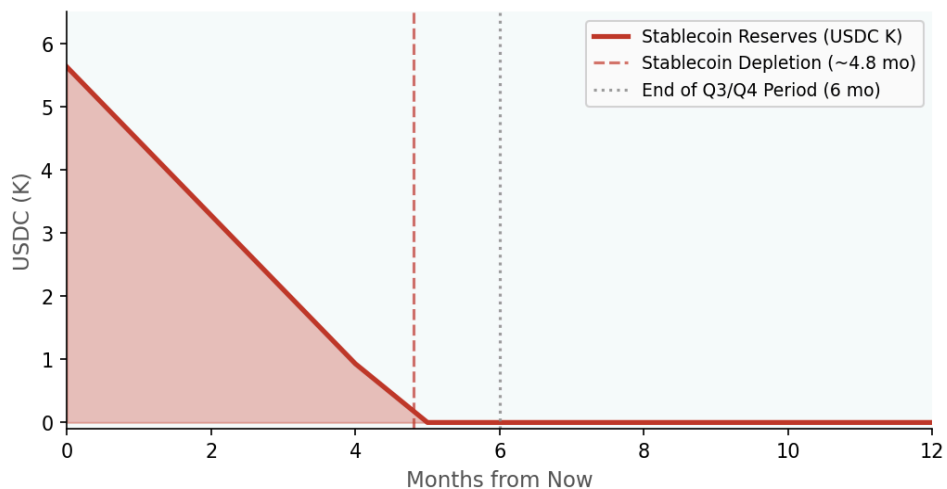
6. Monthly Budget Analysis & Summary

Budget Item	Amount
Monthly Stablecoin Burn	~1,075 USDC/month
Monthly UP Emissions	230,000 UP/month
Estimated Monthly Total	~\$1,207 USD/month
6-Month Stablecoin Budget	~6,450 USDC
6-Month UP Compensation	~1,080,000 UP
Total Q3/Q4 2026 Budget	~\$7,242 USD

7. Runway Estimation

Based on current treasury holdings and projected burn rates, the DAO maintains a healthy overall runway, though stablecoin liquidity deserves close attention.

Stablecoin Runway Projection



Metric	Estimate
Stablecoin Runway (USDC only)	~5.2 months
Full Runway (incl. UP & ETH)	~53 months (~4.4 years)
Monthly Burn Rate	~\$1,207 USD/month

8. Treasury Management Strategy

To address stablecoin constraints and reduce systemic risk, the DAO will adopt the following treasury management measures:

- Gradually convert portions of UP into USDC to extend stablecoin runway beyond the current 5.2-month horizon.
- Reduce dependency on volatile assets by maintaining a target USDC floor equivalent to at least 3 months of operational expenses.
- Maintain lean contributor structures and avoid non-essential new hires or service engagements.
- Prioritize operational efficiency by reviewing all discretionary expenditures on a monthly basis.
- Evaluate stablecoin conversion timing based on UP market conditions to maximize proceeds.

9. Key Performance Indicators (KPIs)

The following metrics will be tracked throughout Q3 and Q4 2026:

KPI	Target / Notes
Governance Proposal Participation	Minimum quorum achieved on all major proposals
Community Engagement Metrics	Monthly active participation tracked across channels
Treasury Preservation	Total treasury value maintained or increased vs. Q3 start
Stablecoin Reserve Management	USDC floor maintained at ≥ 3 months burn rate
Ecosystem Partnerships & Integrations	At least 2 new ecosystem touchpoints per quarter

10. Risk Management

The following risks have been identified with defined mitigation strategies:

Risk	Impact	Mitigation
Treasury concentration in UP	High — 60.8% of treasury in UP	Gradual conversion to USDC
Stablecoin liquidity limitation	Medium — only 5.2 months coverage	Conservative budgeting + diversification
Broader market volatility	Medium — impacts UP token value	Reduced discretionary spending

11. Conclusion

This proposal represents a substantial reduction in operational spending compared to previous cycles. By focusing on sustainability, treasury resilience, and long-term DAO continuity, the core contributor team aims to:

- Deliver essential governance and community services with minimal overhead.
- Preserve and gradually diversify the DAO treasury to reduce concentration risk.
- Build a foundation for future growth without overextending current resources.
- Maintain contributor motivation and DAO operational health through Q3 and Q4 2026.

Combined Budget Summary

The table below consolidates all spending across both the Core Contributor and Marketing budgets for the Q3/Q4 2026 period:

Budget Category	USDC (6 mo)	UP (6 mo)	USD Equivalent
Core Contributor Budget <i>Trigs, Ceci, Andreu — 3 contributors</i>	6,450 USDC	1,080,000 UP	~\$7,242
Marketing Strategy <i>5 initiatives incl. 0.5 ETH conversion</i>	—	8,560,000 UP + 0.5 ETH	~\$7,777
<i>Subtotal (excl. ETH conversion)</i>	6,450 USDC	9,640,000 UP	~\$13,519
GRAND TOTAL Q3/Q4 2026 <i>Marketing + Core Contributors</i>	6,450 USDC	9,640,000 UP + 0.5 ETH	~\$15,019

Total Budget Required — Q3/Q4 2026
Marketing + Core Contributors

~\$15,019 USD

6,450 USDC + 9,640,000 UP + 0.5 ETH
UP @ \$0.0007333 | ETH @ \$3,000 | 6-month period