



Convergence

A Decentralized Governance Hedge Fund

A collective endeavour by the *c_nvergence team*

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1 Introduction

One could describe Convergence as a “decentralized governance hedge fund” as well as a “sustainable liquidity providing incentivizer”, built on top of DeFi2.0 protocols.

Like [Convex](#), which is accumulating governance rights over [Curve](#), [Convergence](#) is built to participate in various protocols governance, while optimizing their underlying yields. To fulfill this objective, different mechanisms are implemented to incentivize user’s participation to governance of both Convergence and underlying protocols.

A governance token (Convergence governance token (\$CVG)) will be implemented to ensure the functioning of the protocol, which will be, eventually, run as a DAO¹. Moreover, yields generated by Convergence, being generated either by internal or external growth, will be redistributed to stakeholders (governance participants) as dividends.

2 Protocol overview and mechanisms

The goal of Convergence is to accumulate governance over underlying protocols and incentivize user’s participation. Convergence mixes various mechanisms (gauges, staked assets tokenisation and bonding) from 3 different protocols : [Curve](#), [Convex](#) and [OlympusDAO](#).

Convergence’s initial purpose is to accumulate governance over [Tokemak](#), as we consider it as our main substrate protocol. If one considers [Convex](#) as an L2 on top of [Curve](#), Convergence should be considered as an L2 on top of [Tokemak](#) which will:

- acquire governance over [Tokemak](#) by tokenizing staked/voted \$TOKE,
- optimize rewards for [Tokemak](#)’s *liquidity providers*,
- optimize rewards for [Tokemak](#)’s *liquidity directors*.

However, Convergence’s architecture and tokenomics easily allows adding new protocols in the near future. Convergence’s DAO will vote to choose which additional protocols will be integrated. To summarize, Convergence will allow users to:

- Tokenize governance staked Assets (cvgAssets, cvgTOKE at first),
- Stake proof of deposited liquidity on [Tokemak](#) (tABC),
- Bond to acquire discounted \$CVG (stablecoin, Assets, LP),
- Be rewarded for governance participation,
- Vote to direct \$CVG inflation distribution,
- Participate to each underlying protocol governance.

¹[A DAO is a Decentralized Autonomous Organization](#)

3 Staking

3.1 tAsset

Tokemak allows users to deposit various assets and stablecoins (\$ALCX, \$FXS, \$SUSHI, \$ETH, \$USDC, \$FRAX...). Deposited assets in Tokemak will be driven through various DeFi protocols, as Tokemak functions as a decentralized market maker.

When a user deposits a given asset ABC into Tokemak, he gets a tABC as a *proof of deposited liquidity* (deposit \$ETH would get you tETH). Users are rewarded in \$TOKE to provide liquidity (Tokemak's rewards are distributed on a weekly basis).

Convergence allows users to stake those tABC. Tokemak's natives rewards, \$TOKE, associated to those tABC will be redirected to depositors, with \$CVG added on top. For example, UserA deposits 1 \$ETH into Tokemak. After deposit, UserA gets 1 tETH. UserA stakes 1 tETH on Convergence tETH staking contract. Each week, UserA is able to claim \$TOKE rewards associated to 1 tETH, plus \$CVG on top, directly on Convergence's dApp.

3.2 cvgAssets

In order to accumulate governance over various protocols, Convergence needs to own their native governance token. To do so, we follow the same path taken by Convex with \$CRV: [staked assets tokenization](#).

It is important to understand that, unlike Convex, who tokenizes locked tokens (veCRV and veFXS), Convergence aims to tokenize staked tokens (not locked) at the beginning. veToken tokenization may be discussed later on when the protocol will be live through DAO proposals.

Thus, users will be able to convert their Assets (\$TOKE) to cvgAssets (cvgTOKE) and stake them. If a user stakes a cvgAsset, he will then be able to claim Asset's natives rewards, plus \$CVG on top.

For example, UserB converts 10 \$TOKE on Convergence. He gets 10 cvgTOKE and stakes them. Each week, UserB is able to claim Tokemak's rewards associated to his initial \$TOKE deposit (10 \$TOKE), plus \$CVG on top, directly on Convergence's dApp.

It is important to note that, just like converting \$CRV to cvxCRV is irreversible, converting an Asset to cvgAsset is irreversible as well. Users may stake and unstake their cvgAsset, but not convert them back to their original Asset. However, to ensure liquidity for Convergence users, cvgAsset/Asset pools will be deployed to allow users to exit their position.

3.3 cvgTOKE

cvgTOKE stands for Convergence *staked* \$TOKE. Basically, 1 cvgTOKE is 1 tokenized staked/voted \$TOKE. Every time a user converts \$TOKE to cvgTOKE, \$TOKE is pushed to a staking treasury, which will ensure staking, voting and claiming on Tokemak.

By staking cvgTOKE, users will be able to claim Tokemak's native rewards (\$TOKE), plus \$CVG on top.

Converting \$TOKE to cvgTOKE is irreversible. Users may stake and unstake their cvgTOKE but not convert them back to \$TOKE. However, to ensure liquidity for Convergence users, a cvgTOKE/\$TOKE pool will be deployed to allow users to unstake and exit their cvgTOKE position.

On Tokemak, rewards are computed and distributed on a weekly basis (called *Cycle*). When a user stakes/votes \$TOKE during Cycle N , he will begin to earn rewards during Cycle $N + 1$. Rewards earned during Cycle $N + 1$ will be available to claim at the beginning of Cycle $N + 2$.

In order to ensure a fair \$TOKE distribution to all cvgTOKE stakers, Convergence will keep track of Tokemak's Cycles. Thus, if a user stakes cvgTOKE during Cycle N , he will be able to claim rewards at the beginning of Cycle $N + 2$.

All \$TOKE deposited into Convergence will be stake/vote into Tokemak few hours before Tokemak's Cycle end. Rewards will be claimable after every new Tokemak's Cycle beginning.

4 Locking and gauges

For a better understanding of the following sections, the reader is advised to read

1. [the gauge explanation](#) at Curve;
2. [the gauge weights explanation](#) at Curve;
3. [the vote locking explanation](#) at Curve.

Locking \$CVG will allow users to vote for gauge weights, participate in governance and claim shares of treasury yields. When a user locks \$CVG, this lock is tokenized as an NFT. This NFT is associated with an amount of veCVG and ysCVG, and therefore allows anyone who holds it to vote and to claim governance rewards during Treasury Distribution Event (TDE). When a lock is created, the user needs to chose the percentage of \$CVG that will be allocated to vote escrow \$CVG (veCVG), as well as the percentage of \$CVG that will be allocated to yields share \$CVG (ysCVG) (for example, if one locks 1 000 \$CVG and chooses a 50/50 ratio, 500 \$CVG will be used to compute veCVG amount, and 500 \$CVG will be used to compute ysCVG amount). Users can choose to allocate full \$CVG amont to both veCVG or ysCVG only. Users will be able to trade those NFTs on the open market. Unlike Curve, a lock may be extended in amount (amount of \$CVG locked) but not in duration. Maximum locking time is 96 cvgCycles (approx. 1,8 years). When a lock expires, the user can burn the NFT and redeem \$CVG.

4.1 Gauges

Each Convergence staking pool (tABC and cvgAsset) will be paired to a gauge.

Each gauge has a weight. This weight determines how much of the weekly \$CVG inflation will be received by a given staking pool.

Unlike Curve's gauges, user's shares of staking pools will not be determined by gauges, but directly by each staking pool contract.

Gauges types will be implemented, in case the DAO decides to give different types to gauges later on. At the beginning, all gauges will have the same type.

Staking pools \$CVG distribution will be done according to gauges' weight on a weekly basis, and will be synchronized on Convergence's Cycles (cvgCycle). The amount of \$CVG a given staking pool will receive is a function of the corresponding given gauge weight (sum of total weight deployed in this gauge) and the total weight across all gauges. For example, users deployed 20% of total voting weight into cvgTOKE's gauge by the end of a given cvgCycle. cvgTOKE staking pool will then receive 20% of weekly cvgCycle's \$CVG inflation. Those

\$CVG will then be redistributed to cvgTOKE stakers according to their shares of cvgTOKE's staking pool.

4.2 veCVG

veCVG stands for *voting escrow* \$CVG, and represents a voting power called *weight*. veCVG is a fork of veCRV with few differences. veCVG amount is associated to a token ID rather than a user's address and balances updates are stalled on Convergence's weekly cycle (cvgCycle)

The amount of veCVG a user will receive by locking \$CVG depends on how long \$CVG are locked (as well as the dedicated \$CVG amount for veCVG as mentioned previously). The longer a user locks \$CVG, the more veCVG his NFT will receive.

For example,

1. UserA vote lock 1 000 \$CVG for 96 cvgCycles: he will receive 1 000 veCVG;
2. UserB vote lock 1 000 \$CVG for 48 cvgCycles: he will receive 500 veCVG.

veCVG amount gradually decreases as escrowed tokens approach lock expiration. veCVG holders will be able to deploy their weight in the gauges they want in order to direct \$CVG inflation. Unlike Curve, vote locking will provide no boost, as treasury yields will be redistributed to NFT holders as an incentive (*govern to earn*). NFT holders will also be allowed to participate in both Convergence governance and underlying protocols governance. \$CVG lockers will be able to vote for

- CIP (Convergence Improvement Proposals),
- TIP (Tokemak Improvement Proposals),
- Votes deployment in Tokemak's reactors.

Regarding underlying protocols governance, if a vote passes on Convergence, Convergence will then deploy full voting power on the corresponding underlying protocol. All underlying protocols *Improvement Proposals* will be followed on Convergence. All users that own at least 1 000 veCVG will be able to submit CIP to the Convergence's DAO. Delegating veCVG weight will be implemented.

4.3 ysCVG

ysCVG stands for *yield shares* \$CVG. Each time a lock is created, a corresponding amount of ysCVG is associated to the NFT. ysCVG allow users to claim their shares on treasury profits when TDEs occurs.

The amount of ysCVG a user will receive by locking \$CVG depends on how long \$CVG are locked (as well as the dedicated \$CVG amount for ysCVG as mentioned previously). The longer a user locks \$CVG, the more ysCVG his NFT will receive. For example:

1. UserA locks 1 000 \$CVG for 96 cvgCycles: he will receive 1 000 ysCVG;
2. UserB locks 1 000 \$CVG for 48 cvgCycles: he will receive 500 ysCVG.

When a user creates a lock during a tdeCycle N (1 tdeCycle is equal to 12 cvgCycle), the amount of ysCVG is adjusted to how many cvgCycle the lock will last within the current tdeCycle N . Full ysCVG amount will be updated at the beginning of tdeCycle $N + 1$.

For example:

- UserC locks 1 000 \$CVG for 48 cvgCycle during tdeCycle N , cvgCycle 6. His full amount of ysCVG (available at tdeCycle $N + 1$) is equal to

$$1\ 000 \times \frac{48}{96} = 500$$

For tdeCycle N , his ysCVG amount is equal to

$$500 \times \frac{6}{12} = 250$$

Full ysCVG amount remains the same until the end of the lock. Governance rewards distribution will be done according to users shares of ysCVG.

5 Tokenomics

The total supply of \$CVG is 150,000,000 tokens.

5.1 Token breakdown

The breakdown of token allocation is given in figure 1 below.

5.2 Staking and Governance Rewards

Staking and governance rewards distribution is calculated as follows.

The target token number at time t is $NtS_{(t)} = \left[\frac{t}{T} \right]^{\frac{4}{5}} \times N$ with

1. $t \in [1, T]$ where $T = 416$, that is 8 years with an iteration every week,

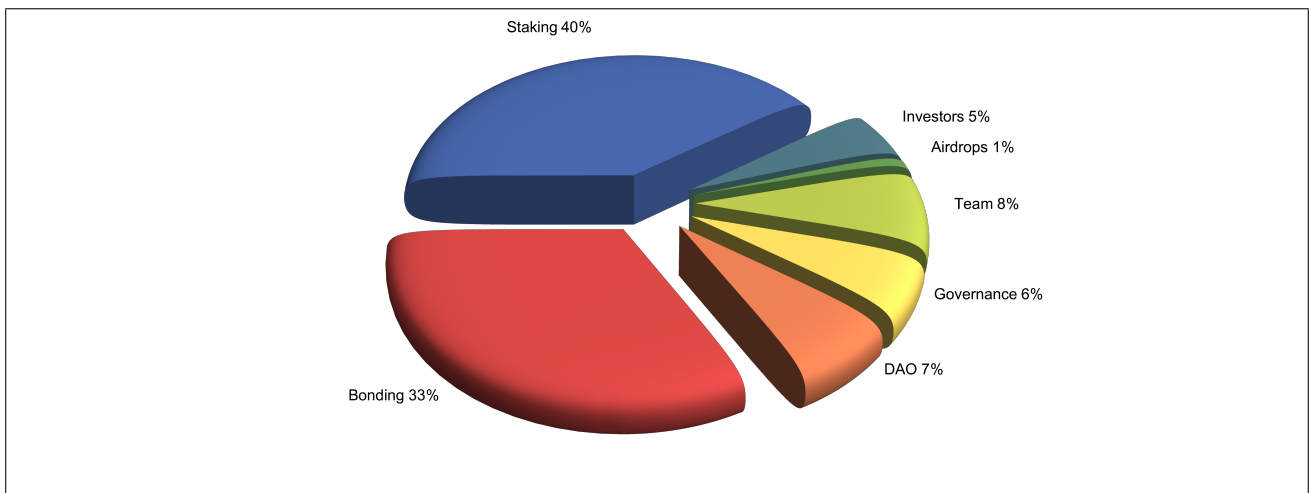


Figure 1: Token allocation.

2. N is the total amount of tokens to be distributed.

Figure 2 gives the release of staking (resp. governance) rewards, 40% (resp. 6%) of the total of 150M tokens. These amounts to a total of 60 000 000 (resp. 9 000 000) tokens for staking (resp. governance) rewards .

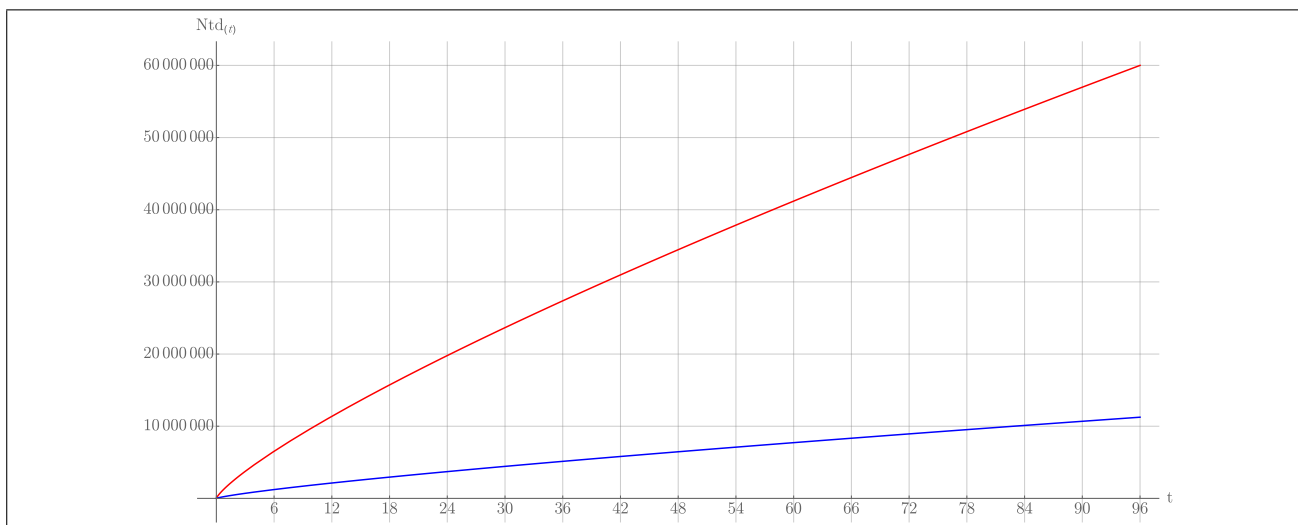


Figure 2: Governance rewards (in blue) and staking rewards (in red) distribution, $NtS(t)$, over 8 years (96 months).

5.3 Bonds

In 2021, OlympusDAO introduced both concepts of *bonds*² and of *protocol owned liquidity* (POL). Convergence uses 33% of \$CVG total supply to sell bonds, incentivizing users to provide liquidity while allowing the protocol to own it's own liquidity and to build a treasury. However, \$CVG is not a *decentralized reserve currency*. \$CVG does have a maximum supply, and treasury will not serve any purpose of backing or *risk free value*. As a result, Convergence's treasury should not be considered as any form of guarantee for \$CVG's price.

5.4 DAO Treasury

7% of total \$CVG supply will be allocated to the DAO treasury (multisig). Those \$CVG will be used to deploy initial liquidity, and for future community incentives (airdrops, bug bounty, bribing if the DAO decides to vote lock some of them, *etc*).

5.5 Team

8% of total \$CVG supply will be allocated to Convergence's team. Those tokens will be vested linearly for 1.5 year.

5.6 Investors

3% of total \$CVG supply will be allocated to investors (VC's and Discord's Whitelists). Different vesting models will be applied. Vesting schedules will be displayed later on.

²A description of OlympusDAO's bonds can be found [here](#) and the basics of it's treasury management [here](#).

5.7 Airdrop

1% of total \$CVG supply will be allocated to \$TOKE stakers. Airdrop scheme will be displayed later on.

5.8 Global Inflation Overview

Figure 3 describes the token release over 8 years. Investors have cliffs and are vested based on their allocation type. For example, *basic Whitelist* allocations have no cliff, a 50% drop at launch³ and 3 months vesting while *Team* allocation has no cliff, no drop at launch and 18 months vesting. All investors will have their tokens airdropped on a bi-monthly period.

The specifics of the token release are

- staking and governance rewards follow the definition given in section 5.2;
- bonding follows the definition given in section 6.1;
- all DAO's token are released at launch;
- 25% of Airdrops' tokens are released at launch and then are linearly released over one year;
- Investors and Team vesting/cliff schedules are all different based on their allocation type and briefly described above.

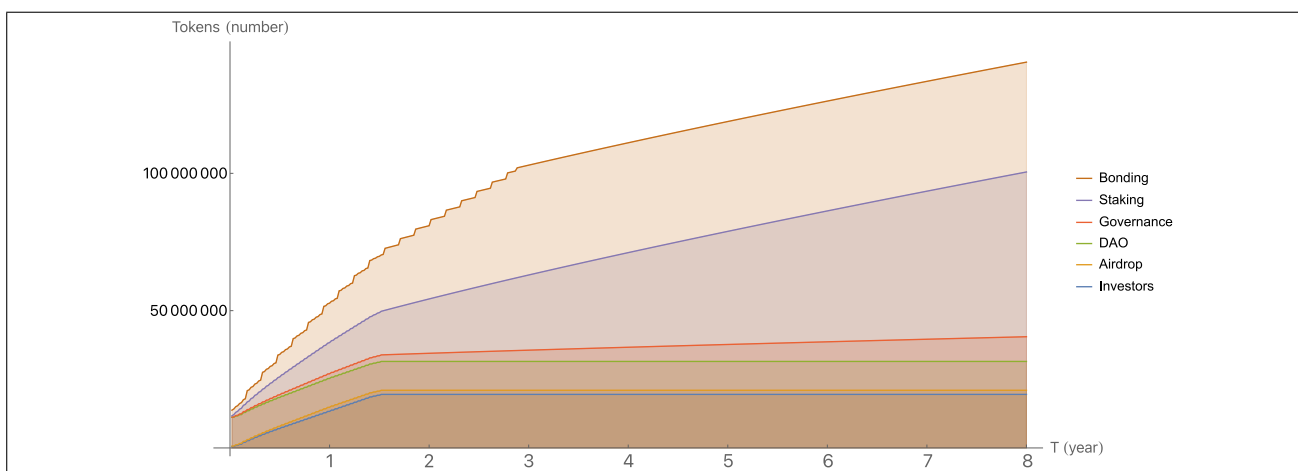


Figure 3: Tokens inflation over 8 years.

6 Bonds

6.1 Bonding Framework

Convergence will sell 33% of total \$CVG supply (49 500 000 \$CVG) through bonds to acquire:

- Stable coins (\$DAI, \$FRAX...);
- Assets (\$wBTC, \$wETH, \$CRV, \$CVX...);

³The *drop at launch* takes place, if a cliff period exists, after the expired cliff period.

- Liquidity (CVG/DAI, cvgTOKE/TOKE).

In order to control \$CVG's inflation resulting from bonds, *bonding rounds* will be set. A bonding round will last two months, and 2 051 282 \$CVG will be available to sell during that time. If all \$CVG are sold before the end of a given bonding round N , users will be able to bond again at the beginning of bonding round $N + 1$. *Bonds program* is planned to last 3 years, and to sell a maximum amount of 40 000 000 \$CVG. 9 500 000 \$CVG will remain unplanned in the bonds program, as a strategic elastic reserve. This reserve will allow Convergence to deploy bonds anytime, preventing the protocol from being out of availables bonds when \$CVG's price action is favorable.

Bonding round distribution (amount of \$CVG sold for each stable coin, Asset or LP token) will be set before the beginning of each bonding round. Multiple scenarios will be established for bonding round $N + 1$, at the beginning of bonding round N . The DAO will decide which scenario will be chosen (except for bonding round 1).

Convergence's bonding model is slightly different from Olympus's one. All bonds will have a vesting term (between 3 and 10 days), as well as a maximum ROI, and a minimum ROI (10% to 0,5% range). Bonds prices will be calculated thanks to an ad-hoc on-chain oracle that gets bonded assets's prices over deepest pools (V2 & V3).

To deploy initial liquidity, \$CVG will be paired with FraxBP on Curve. Instead of deploying LP bonds, Convergence will use it's stablecoin holdings to buy back \$CVG from the open market, to then push liquidity when needed (the liquidity framework is currently being constructed). Full liquidity deployment strategy will be displayed later on.

To acquire cvgAsset/Asset liquidity, LP bonds will actually be simple Asset's bonds. When needed, 50% of the "liquidity dedicated" amount for a given Asset will be manually converted to cvgAsset, and pushed into the cvgAsset/Asset liquidity pool, along with the same amount of underlying Asset (in a 50% - 50% ratio). Such a behaviour allows Convergence to deploy cvgAsset/Asset liquidity while providing users the ability to bond a single Asset instead of LP tokens. cvgAsset/Asset pools will be deployed as stable pools (1:1) on DEXs (Curve and Balancer).

6.2 Bonding ROI

We define the *Return On Investment* as $Roi_{(t)}$, function of $(NtB_{(t)}, Ntr_{(t)})$ where $Ntr_{(t)}$ is the amount of tokens distributed, and $NtB_{(t)}$ is defined as

$$NtB_{(t)} = \sqrt{\frac{t}{T}} \times N$$

where T is the duration of a bonding round (and equal to 112, that is 8 weeks with a timestep of 12h), N is the total amount of tokens released during the bonding round (equal to 2 051 282 tokens) and t is the time (ranging over $[1; 112]$). $Roi_{(t)}$ is defined such that

$$\text{If } \frac{Ntr_{(t)}}{NtB_{(t)}} \in \begin{cases} [0\%, 25\%[& \rightarrow Roi_{(t)} = \max(Roi) \\ [25\%, 50\%[& \rightarrow Roi_{(t)} = \max(Roi) - 0.5\% \\ [50\%, 75\%[& \rightarrow Roi_{(t)} = \max(Roi) - 1\% \\ [75\%, 100\%[& \rightarrow Roi_{(t)} = \max(Roi) - 1.5\% \\ \vdots & \\ [((\max(Roi) - \min(Roi)) \times 4 \times 25)\%, \infty[& \rightarrow Roi_{(t)} = \min(Roi) \end{cases}$$

The ROI is an important metric for the protocol as it defines the discount applied to new \$CVG buyers via bonding which is the only direct sale method. Therefore, it directly impacts the demand/supply of the \$CVG governance token.

Applicable at each moment of the bonding round a function has been established by the *Convergence policy team* in order to vary the ROI gradually in a predefined interval [X% ; Y%] according to

1. the theoretical demand called $NtB(t)$ and,
2. real demand called $Ntr(t)$.

The theoretical demand follows a functions that captures the expected trend.

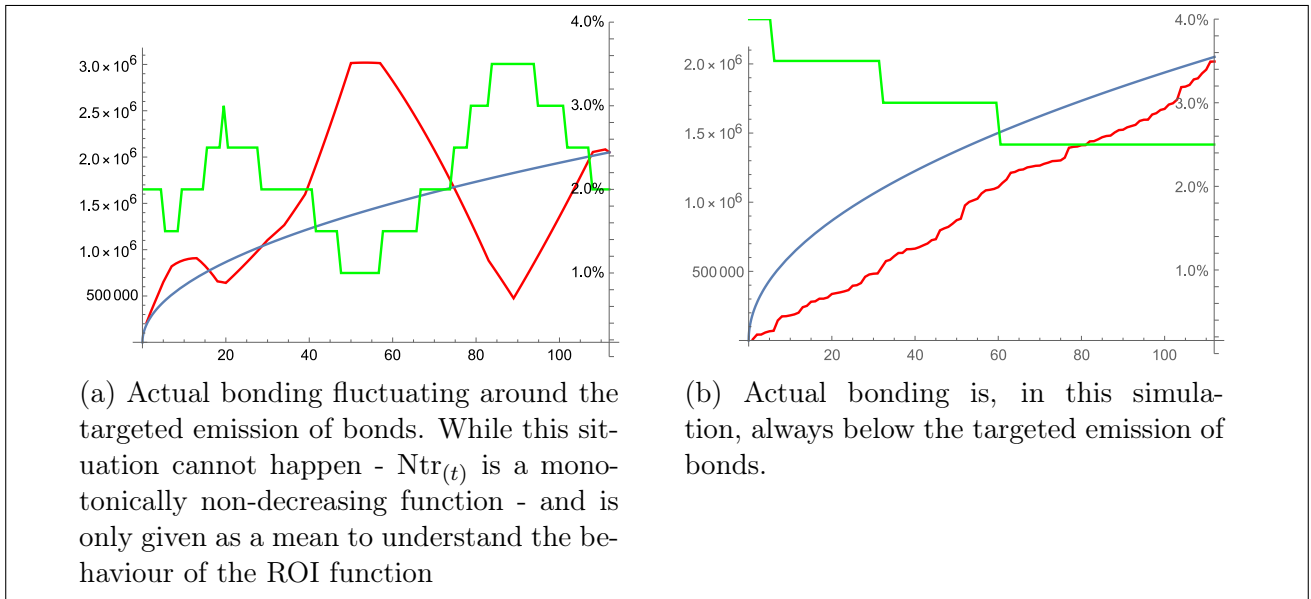


Figure 4: Two ROI simulation over 8 weeks and a timestep of 12h where the blue curve is the theoretical distribution $NtB(t)$, the red curve is a simulated targeted distribution $Ntr(t)$ and the calculated ROI is the green curve.

More precisely, the ROI increases and tends towards the upper bound ROI if during the bonding round the number of \$CVG elapsed ($Ntr(t)$) is lower than the theoretical points ($NtB(t)$) and decreases progressively towards zero when $Ntr(t)$ is higher than the $NtB(t)$. Two simulations over a timeframe of 8 weeks and a timestep of 12h of the ROI, with the ROI in the range [4%; 0.5%] are given in figure 4.

7 Treasury

Treasury and POL will be used by Convergence to generate yields under various forms, in order to pay off users, as an incentive for governance participation (Govern to Earn). Every three months, 80% of treasury yields will be distributed to NFT holders, proportionally to their share of total ysCVG supply. This event is named *treasury distribution event* (TDE).

As mentioned, Convergence will use bonds to grow a treasury composed of various stablecoins, Assets and LP. During the first bonding round, Convergence will sell the following bonds:

- Stablecoins: \$DAI - \$FRAX;

- Assets: \$wBTC - \$wETH - \$CRV - \$CVX - \$FXS;
- LP: CVG/DAI - \$TOKE.

Stablecoin, asset and LP will produce yields:

- Stablecoin farming (Curve/Convex loop, Yearn.finance...);
- Assets farming (Curve/Convex loop, Badger...);
- Assets converting and staking (\$CRV → cvxCrv / \$FXS → cvxFXS);
- Asset locking (\$CVX → vlCVX / \$TOKE → staked/voted);
- LP fees.

Full treasury deployment strategy will be displayed later on. As Convergence's treasury will serve no purpose of backing or RFV, every stablecoins, Assets and LP will be put at work, in order to maximize ysCVG holders rewards. A percentage (yet to be defined) of stablecoin will be allocated to strategic DAO investments, in order to generate capital gains. Strategic Assets will be chosen through DAO fundamental analysis. Convergence treasury will then DCA⁴ into chosen Assets.

Every three months, when TDE takes place, 80% of all Convergence treasury's yields will be redistributed to ysCVG holders, proportionally to each user's share of total ysCVG supply. Users will then be able to claim multiple tokens as rewards (\$CVG, \$wBTC, \$wETH, \$CVX, \$3Crv, \$cvxCrv, \$TOKE...).

In order to maximize rewards for ysCVG holders, Convergence's policy team will manually harvest every staking/farming/LP rewards, on a bi-monthly basis. Harvested rewards will then be put at work as well. In order to properly distribute due rewards to ysCVG holders, Convergence will keep track of the amount of every stablecoin/Asset/LP that has been bonded. When TDE occurs, the amount of distributed rewards will be as follows:

$$\text{TotalRewardsDistributed} = \left[(\text{all Convergence treasury}) - (\text{all bonded tokens}) \right] \times 0.8$$

Since Convergence will hold staked/voted \$TOKE, and other tokens that own voting power (such as vlCVX for example), Convergence's treasury will also allocate a percentage of these tokens for bribes, in order to generate additional gains for \$CVG lockers. \$TOKE bribes rewards will be swapped to \$TOKE and redistributed to ysCVG holders. A percentage of those \$TOKE will be converted to cvgTOKE, in order to optimize cvgTOKE stakers rewards.

8 Rewards Distribution

In order to ensure a fair \$CVG distribution to stakers, Convergence will also enable cvgCycle. cvgCycles may not be synchronized with Tokemak's Cycles.

TDE Cycles (called *tdeCycle*) will be enabled. Each tdeCycle will last 3 months (1 tdeCycle is equal to 12 cvgCycle).

⁴Dollar Cost Averaging.

8.1 \$TOKE Rewards

Staking rewards (tAsset and cvgTOKE) will be distributed weekly. As previously mentioned, since Tokemak rewards are claimable weekly, so will be \$TOKE rewards on Convergence.

Thus, \$TOKE rewards for tAsset and cvgTOKE stakers will be claimable on Convergence, shortly after the beginning of each Cycle. \$TOKE rewards will be distributed to users according to their shares of staking pools, according to figure 5 where

$$\mathcal{R}_{0_{\text{user}}} = \frac{\text{cvgTOKE balance}}{X \text{ cvgTOKE staked}} \times \mathcal{R}_0$$

and

$$\mathcal{R}_{1_{\text{user}}} = \frac{\text{cvgTOKE balance}}{X + Y \text{ cvgTOKE staked}} \times \mathcal{R}_1$$

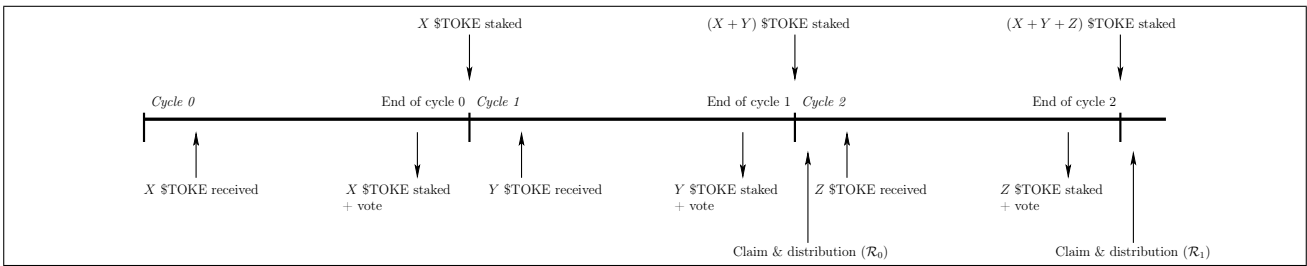


Figure 5: TOKE rewards for cvgToke stakers.

If a user unstakes tAsset or cvgTOKE before the end of a given Cycle N , he will then not be able to claim Cycle N \$TOKE rewards (at the beginning of Cycle $N + 1$).

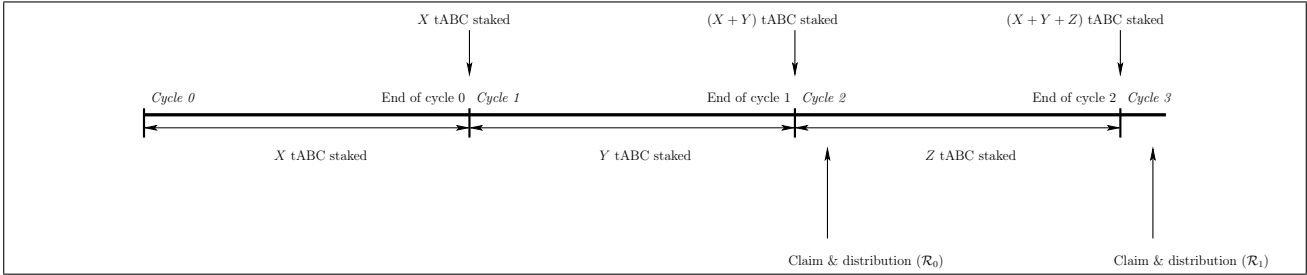


Figure 6: TOKE rewards for tABC stakers.

Convergence smart contract's claim function for both tAsset and staked \$TOKE will be triggered manually by Convergence's policy team after the end of each Cycle. tAsset rewards will be distributed according to figure 6 where

$$\mathcal{R}_{0_{\text{user}}} = \frac{\text{tABC balance}}{X \text{ tABC staked}} \times \mathcal{R}_0$$

and

$$\mathcal{R}_{1_{\text{user}}} = \frac{\text{tABC balance}}{X + Y \text{ tABC staked}} \times \mathcal{R}_1$$

8.2 \$CVG Rewards

Staking rewards (tAsset and cvgTOKE) will be distributed weekly, according to gauges weight and users shares of staking pools.

If a user stakes tAsset or cvgTOKE during cvgCycle N , he will then be able to claim \$CVG rewards at the end of cvgCycle $N + 1$ (beginning of cvgCycle $N + 2$). If a user unstakes tAsset or cvgTOKE before the end of a given cvgCycle N , he will then not be able to claim cvgCycle N \$CVG rewards (at the beginning of cvgCycle $N + 1$). \$CVG rewards will be distributed according to figure 7 where

$$\mathcal{R}_{0_{\text{user}}} = \frac{\text{tABC/cvgAsset balance}}{X \text{ tABC/cvgAsset staked}} \times \mathcal{R}_0$$

and

$$\mathcal{R}_{1_{\text{user}}} = \frac{\text{tABC/cvgAsset balance}}{X + Y \text{ tABC/cvgAsset staked}} \times \mathcal{R}_1$$

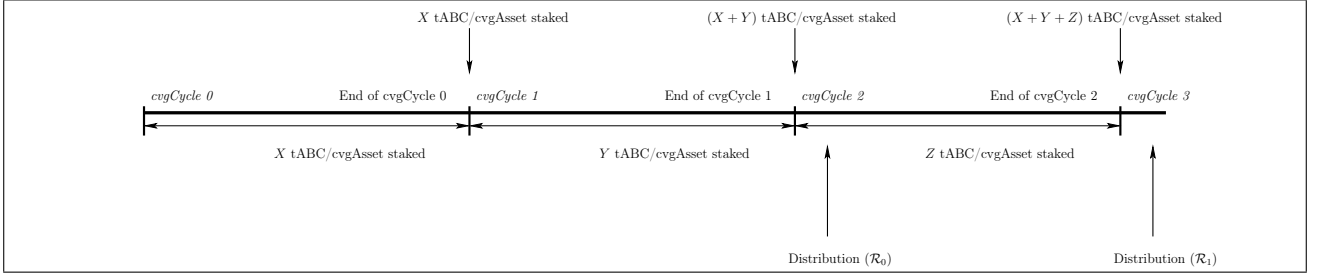


Figure 7: \$CVG stakers rewards.

8.3 TDE Rewards

Governance rewards (TDE) will be claimable every 3 months. Each NFT holder will be able to claim rewards, according to his ysCVG share, as well as the time he stayed locked during a given tdeCycle, according to figure 8 where

$$\mathcal{R}_{1_{\text{user}}} = \frac{\text{ysCVG balance}}{\text{all ysCVG}} \times \mathcal{R}_1 \times 0.8$$

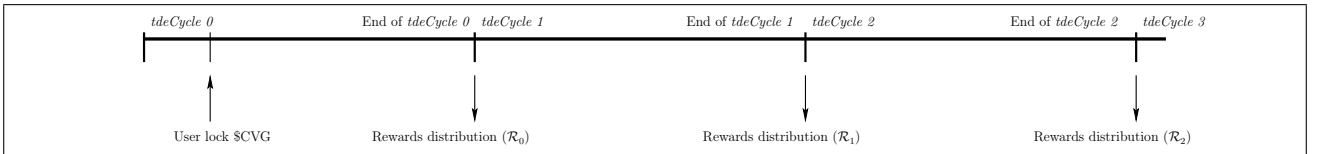


Figure 8: ysCVG rewards distribution.

9 Glossary

Acronyms

\$CVG Convergence governance token.

cvgCycle Convergence's weekly cycle.

TDE Treasury Distribution Event.

tdeCycle treasury distribution event cycle (approx. 3 months, 12 cvgCycle).

veCVG vote escrow \$CVG.

ysCVG yields share \$CVG.

