Stellar

Q3 2023

Stellar Development Foundation
Quarter-in-Review

October 2023

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EXECUTIVE SUMMARY

The Stellar Development Foundation has made significant
progress on its roadmap as we near the end of the 2023:

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Build Trust

→ Read the following pages to see what SDF has accomplished this past quarter
against these building blocks.

EXECUTIVE SUMMARY

Make Innovation Easy and Scalable

Soroban inches ever closer to launching on Mainnet, with the smart contracts platform now live on Testnet and the validator vote for the Protocol 20 upgrade approaching early 2024.

Soroban is built with security in mind. To further augment the platform and its cutting-edge formal verification capabilities, SDF and industry-leading security firm Certora have announced security support for Soroban.

Soroban is the first WASM-powered platform to be supported by Certora, traditionally associated with the Ethereum Virtual Machine (EVM). Developers will now be able to use Certora's software to ensure the reliability and security of their smart contracts.

"One of the lessons learned from our experience in DeFi is that tools and auditing come too late in the development process. This oversight increases software costs and leads to bugs being detected only after vulnerabilities have been exploited. Certora's tools can help developers write specifications before the code is complete to ensure safe, reliable applications.

We are excited to join the Soroban ecosystem."

– Mooly Sagiv, CEO of Certora

EXECUTIVE SUMMARY

Make Innovation Easy and Scalable

Tools and solutions leveraging the Stellar network received significant upgrades.

➔ The Anchor Platform, designed to simplify integration to the Stellar network, added a second 'standard' for on and off-ramping. This enhancement makes it easier for businesses to connect to the Stellar blockchain and offer their services through various digital wallets.

➔ The Stellar Asset Sandbox, a testing ground for exploring asset tokenization on the Stellar network, also received new features courtesy of Cheesecake Labs. These include role-based access control, expanded token management, treasury management, and custodial solutions. It will also support Soroban, enabling users to test DeFi applications powered by smart contracts on the Soroban testnet.

Wallets are now easier than ever to build on the Stellar network..

➔ Fintech companies can now integrate the Wallet SDK to build network-enabled wallets without requiring in-depth blockchain expertise.

The Stellar Disbursement Platform (SDP) continues to expand:

➔ SDP is now open-source, with multiple wallet apps making use of the platform.

➔ SDP also welcomed its first third-party host, Zodia Custody. Third-party hosts enable organizations that don't want to support the technical requirements of the SDP to use the Platform to quickly send bulk disbursements to thousands of recipients at once.

EXECUTIVE SUMMARY

Win Over Builders

Big ecosystem players continue to combine their offerings with the strengths of the Stellar network.

Circle's EURC stablecoin is now live on the Stellar network. Like USDC, EURC is a fiat-backed stablecoin and always redeemable 1:1 for euro under a full-reserve model. At launch, the Stellar network is the third chain on which EURC is now available.

The integration of EURC on the Stellar network is already being used by ecosystem companies today. Ripio, a leading crypto company in Latin America that is now expanding to Spain, is the first to add EURC on Stellar to their wallet app, enabling Euros deposit and withdrawal.

MoneyGram International is seeing +20% growth in transaction volume with MoneyGram Access QoQ, and seeks to grow it even further with its Marketing Awards Program.

It also announced plans to **launch their own non-custodial digital wallet on the Stellar network**. The wallet, which will officially debut in Q1 2024, will enable consumers around the world to leverage stablecoin technology to seamlessly move from fiat to digital currency, to fiat again — all with the same global brand they trust.

EXECUTIVE SUMMARY

Win Over Builders

Soroban's road to Mainnet continues, and the Developer Relations team has been tirelessly working to ensure adoption of the smart contracts platform continues to increase.

If the validator vote passes and Mainnet launch is approved, all the building blocks for Soroban will be in place to create any and all projects developers and entrepreneurs can imagine.

And that was evident at Meridian: over 40 Soroban projects demoed. More attended, connected, discussed, asked questions, and gave feedback on Soroban itself.

In addition to all the projects that are currently building on Soroban, developers continue to join the ecosystem:

➔ To support developer onboarding to Soroban, we created Sorobanland, a guide to developer programs and resources, and have grown the written content, video resources, and other developer tooling.

➔ In the past quarter, membership in the Stellar Developer Discord, a channel dedicated to technical discussions about Stellar and Soroban, has increased +40%, and the number of developers contributing to open-source repos has increased by almost 50%.

➔ To support developer education, video workshops and tutorials on building smart contracts and dApps were produced, reaching a total of 20k+ views.

➔ The Soroban Dapps Challenge, a dapp development course, has also gone live and gaining traction.

EXECUTIVE SUMMARY

Win Over Builders

→ The Stellar Community Fund continues to focus on building out the Soroban minimum viable ecosystem. SCF conducted Rounds 17-19, over 160+ submissions were received encompassing use cases including oracles, lending protocols, integrations, marketplaces and more.

→ 90% of projects represented in the Minimum Viable Ecosystem were accomplished.

→ More than $4M worth of XLM was awarded to nearly 60 projects.

The Stellar Community Fund continues to demonstrate the power of open-source – that anyone can bring their idea to life on the Stellar network.

EXECUTIVE SUMMARY

Focus on Utility to Build Trust

Q3 2023 was monumental when it came to marketing. The brand refresh unveiled a complete new look and feel across Stellar's digital presence, which the Marketing & Communications teams activated across the website, social campaigns, and content including a brand film to capture the ethos of the network and its ecosystem.

The refreshed messaging better aligns with SDF's mission – that Stellar is focused on blockchain's real world utility. With the new tagline "Where Blockchain Meets the Real World" and updated visuals and feel to reflect the vibrancy of the Stellar ecosystem and the people they serve, this marks a new era for Stellar.

The flurry of activity led to positive engagement across the board, both anecdotally and in terms of metrics. The new site itself saw a +100% increase in visits and clicks.

Multiple assets supported the launch of the brand refresh, including:

➔ Landing Page: https://stellar.org/realworld
➔ Video: Idris and Denelle's Conversation
➔ Video: Stellar. Where Blockchain Meets The Real World
➔ Video: Down to Earth: A Brand to Match Our Mission

EXECUTIVE SUMMARY

Focus on Utility to Build Trust

SDF actively rolled out the new branding, bringing attention to real-world use cases across in-person events. It all culminated on September 26-28 in Spain, where SDF held Meridian 2023.

SDF sponsored Token2049 in Singapore and Mainnet in New York, where Denelle made an appearance and spoke to how the Stellar network delivers real-world utility across a number of use cases.

At the end of September, SDF and the Stellar ecosystem gathered in Madrid, Spain for Meridian 2023. The theme of the event, "Unlocking Human Potential," set the stage for a series of electrifying talks and discussions. Developers, founders, entrepreneurs, policymakers, and other leaders from decentralized and traditional finance all convened to discuss unlocking access in innovative ways through blockchain technology.

Attendees left the conference eager to empower people to meet their potential in real, tangible ways.

EXECUTIVE SUMMARY

Focus on Utility to Build Trust

Financial inclusion is a journey that starts with access to financial services.

The policy team continues to work around the clock to spread awareness amongst policymakers and regulators that blockchain is a solution that helps unlock that first step.

SDF was appointed to the CFTC's Global Market Advisory Committee to join members of the blockchain and financial services industries to help guide the Commission on issues that affect the integrity and competitiveness of U.S. markets and U.S. firms engaged in global business.

SDF also engaged in new research on financial inclusion. Developed by PwC US with input from SDF, a new whitepaper and framework, titled "**Enhancing the social handprint of financial service providers: Using blockchain to foster financial inclusion**," offers important insights into how to measure the impact of digital financial services on increasing financial access and inclusion. Additionally, it digs into some of the blockchain-based solutions making a difference today – with data points to prove it.

STELLAR IN THE NEWS

General SDF News Coverage Updates

WIRED   SEPTEMBER 27, 2023

Idris Elba Is Ready to Talk About Crypto

→ [Circle's Euro-Pegged Stablecoin Is Now Available on Stellar Network](#) | Coindesk

→ [Stellar, PwC publish 'framework' to judge emerging market blockchain projects](#) | Cointelegraph

→ [MoneyGram to launch noncustodial crypto wallets by Q1 2024](#) | Cointelegraph

VIRTUAL AND LIVE

General Event Updates

WebX Asia

MoneyGram Access Marketing Awards Program for Wallets & Fintechs Webinar

Federal Reserve Bank of Philadelphia Fintech Conference

Token2049

Mainnet

Meridian 2023

Sorobanathon: Road to Mainnet

02.

NETWORK STATS

To measure and assess growth of the network over time, SDF has established a select group of metrics to track throughout 2023 and compare year-over-year to their 2023 equivalents: total accounts, total payments, average daily decentralized exchange (DEX) volume, and total operations processed.

These metrics serve as indicators of general usage of the network.

Total Accounts ⬆

+12.3%

Total accounts grew by 12.3% YoY, surpassing 7.4 million accounts in the third quarter of 2023.

6,790,573

Q3 2022

7,626,419

Q3 2023

Total Payments ↑

+19.1%

The number of total payments increased by 19.06% YoY, with 76.7 million payments made in Q3 2023 compared to 64.4 million in Q3 2022.

76,721,886

Q3 2023

64,440,696

Q3 2022

Average Daily DEX Volume (XLM) ⬇

-48.2%

Average daily volume on Stellar's decentralized exchange (DEX) hovered above 12 million XLM per day.

24,086,786

Q3 2022

12,475,479

Q3 2023

Total Operations ⬇

-25.6%

Total operations processed on the network saw a slight decrease this quarter compared to last year, netting at 719k in Q3 2023.

966,025,103

Q3 2022

719,042,947

Q3 2023

Relevant Assets

The following metrics look at relevant assets, which serve as indicators of how the network is being used. Usage of relevant assets answers the question of how well Stellar is moving towards connecting global financial systems. SDF defines a relevant asset as an asset tethered to a real financial instrument.

→ When SDF measured the number of relevant assets in Q3 of 2022, the total number of these assets stood at 79, with transaction volume for the quarter amounting to $133 million.

→ As of Q3 2023, the total number of relevant assets stayed the same YoY at **79**. In addition, despite the number of payments decreasing, the on-network transaction volume of relevant assets grew by **233.2% YoY**.

Relevant Assets

+233.2%

Relevant Asset Transaction Volume

$133,432,199

Q3 2022

$444,619,825

Q3 2023

1x

Growth Of Relevant
Assets YOY

3.3x

Growth Of Relevant Asset
Transaction Volume YOY

79

Relevant Assets

Decentralization Update

Given the important role decentralization plays in the health and success of the network, SDF will continue to include the total number of nodes and validator nodes, as well as the average ledger close times completed by the network, in its quarterly reports through 2023.

107
TOTAL
NODES

23
TIER 1
VALIDATOR
NODES

5.853s

Average Ledger Close Time

The decentralization of the network is consistent with last fiscal year — accounting for the same number of Tier 1 validator nodes and an increase in total nodes. Average ledger close time clocked under 6 seconds.

03.

MAKE INNOVATION EASY & SCALABLE

GENERAL ENGINEERING & PLATFORM UPDATES

SDF's engineering team delivered updated tools, documentation, and infrastructure to support future releases. Among other things, they have:

→ **Horizon** work this quarter was mostly in support of the Soroban smart contracting effort. The team also supported changing the interface of transaction submission, in removing the internal submission queues in both Stellar Core and Horizon, which ultimately bettered the user experience.

→ **Hubble** also focused on supporting Soroban with the deployment of a Protocol 20 compatible testnet dataset. The team continued increasing the visibility of Hubble through public docs, a blog post and Meridian conference participation.

→ Developed a framework across multiple axes and an initial plan for **decentralization**, starting with Tier 1 nodes to reach Nakamoto Coefficient 6 from 3 by YE 2024.

Soroban

Now live on Testnet

➔ Gearing up for the validator vote for <u>Protocol 20</u>, the Stellar network has successfully brought Soroban over to Testnet.

➔ This upgrade significantly improved the developer experience when it came to dapps, and tech debt incurred by Soroban's rapid development was paid off. This includes fixing bugs, making adjustments to state archival and incorporating user feedback.

➔ Soroban is also now <u>feature complete</u> after ten preview releases built out in the open. The feedback from the Soroban ecosystem has been invaluable, allowing Soroban to be truly tailored to the developer experience.

➔ Industry-leading security firm Certora has announced security support for Soroban. Developers will now be able to use Certora's software to ensure the reliability and security of their smart contracts.

PRODUCT UPDATES: AID & DISBURSEMENTS

Upon the open-sourcing of the Stellar Disbursement Platform, organizations have begun leveraging its capabilities for both aid and non-aid use cases.

HIGHLIGHTS

→ SDF is committed to transparency and openness and open-sourced the Stellar Disbursement Platform (SDP) so that anyone in the world can benefit from this technology.

→ SDP continues to benefit people in need around the world. New organizations sent payments through SDPs, including to marginalized populations that depend on the discretion of receiving funds in a digital wallet. Early adopters have started to scale their use of SDP because of their high confidence in the tool as part of their standard operations.

→ Initial conversations have begun on non-aid use cases (e.g. marketplaces, creator payouts, etc.).

KEY OUTPUTS

→ Open-sourced the SDP

→ 4 Stellar wallets now SDP-compatible (Beans, Boss Money, Vibrant, Decaf)

→ Zodia Custody announced as first SDP host

→ New SDP landing page, developer documentation, and API reference

→ **Media**: Beans and Boss Money announcement, Denelle's Mainnet and NASDAQ video, "Why Do Crypto and Digital Assets Matter?" session at GBBC's UN General Assembly forum, CoinDesk interview with SDF and Zodia Custody

PRODUCT UPDATES: VIBRANT

Vibrant

With the combination of new product features such as the referral program launch and influencer marketing campaigns, Vibrant had remarkable growth this quarter.

HIGHLIGHTS

→ By employing grassroot marketing strategies to further educate users about blockchain and its real world applications, the Vibrant team was able to:

○ Collaborate with influencers to provide more interactive/engaging contents to users.

○ Conduct AMAs for audience engagement.

○ Generate informative blog content to build foundational knowledge.

→ The Vibrant team also used user engagement rewards/tactics to drive more first time users experiences in blockchain via interactive referral systems, Quest features to reward in-app activity and foster positive user experiences, and top-tier customer support to built user trust and loyalty.

KEY OUTPUTS

→ **MAU Growth**: Targeted 50%, achieved 134%

→ **Transaction Volume Growth:** Targeted 30%, reached 218%

→ **Transaction Count Growth**: Targeted 30%, hit 102%.

PRODUCT UPDATES: ANCHOR PLATFORM

The Stellar Anchor Platform's capabilities continue to improve, enabling businesses to leverage prepackaged software to reduce the development time and financial investment of building on the Stellar network.

HIGHLIGHTS

→ **Support for Fireblocks** enables the Anchor Platform to handle the sending and receiving of assets issued on the Stellar network via the Fireblocks API. Businesses now don't need to implement this functionality themselves.

→ **SEP-6 Support** will add support for the Stellar Ecosystem Protocols SEP-0006 which is a standard way for anchors and wallets to interact on behalf of users. This improves user experience by allowing wallets and other clients to interact with anchors directly without the user needing to leave the wallet to go to the anchor's site

→ SDF implemented **the RPC API** to streamline and standardize transaction state transitions for businesses using the Anchor Platform, enabling them to efficiently update transactions, adhere to SEP protocols without in-depth knowledge, and reduce engineering efforts

KEY OUTPUTS

→ Support for **SEP-6** integrated in the Anchor Platform by end of October

→ **Anchor Platform 2.3** released (Fireblocks support and RPC API)

04.

WIN OVER BUILDERS

SOROBAN ADOPTION

The Soroban ecosystem is alive and kicking: there are 100 projects in the public directory right now, and more are getting added every day.

If the validator vote for the Protocol 20 upgrade goes through and Soroban launches on Mainnet, all the building blocks will be in place to create any and all projects devs and entrepreneurs can imagine.

And that was evident at Meridian: **over 40 Soroban projects** demoed, and more attended, connected, participated in conversation, asked questions, and gave feedback.

One highlight: the end-to-end Beans-to-Blend demo that showed what it might look like for a user in Malawi to cash into Beans via Moneygram, and in one click, deposit USDC on the Stellar network into a Blend lending pool which gives them the opportunity to earn interest.

In addition to all the projects that are currently building on Soroban, SDF continues to onboard developers more generally into the ecosystem: tinkerers, tool builders, web3 mavens, the blockchain curious.

To support developer onboarding to Soroban, SDF created Sorobanland, a guide to developer programs and resources, and have grown its written content, video resources, and other developer tooling with the addition of...

In the past 3 months, membership in the Stellar Developer Discord, a channel dedicated to technical discussions about Stellar and Soroban, has increased more than 40%, and the number of developers contributing to open-source repos has increased almost 50%.

To support developer education, video workshops and tutorials on building smart contracts and dApps were produced, reaching a total of 21,721 views.

STELLAR COMMUNITY FUND

This quarter, SCF focused on providing consistent and frequent opportunities for developers and startups to obtain funding for their projects built with the Stellar network and Soroban.

Rounds #17-19 were completed this past quarter, with over 160 submissions received.

90% of projects represented in the Minimum Viable Ecosystem accomplished.

More than $4M worth of XLM was awarded to nearly 60 projects.
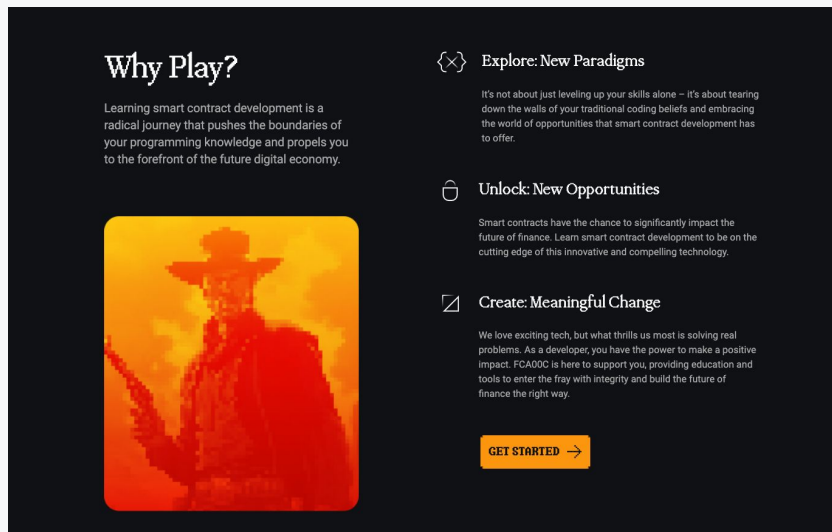
DEVELOPER ACTIVATION

Stellar is home to a motivated community of startups, developers, and enthusiasts working together to build the future of finance. This quarter, SDF continued to grow, engage, and support that community through focused education and outreach, hackathons, and grant programs.

SOROBANATHON

→ SDF launched Sorobounty Spectacular, a dapp content bounty for Soroban that provided the structure for devs to build dapps and create published written and video tutorials.

→ SDF also hosted a virtual hackathon called Sorobanathon: Road to Mainnet.

DEVELOPER EDUCATION

→ Soroban modules have been incorporated on educational platform, EasyA. This alliance aims to usher in early-stage thinkers and integrate them into the Soroban ecosystem.

→ A total of 4,265 developers successfully completed at least one Soroban module via EasyA. 3,604 developers completed all six modules.

→ SDF also partnered with MLH to introduce Soroban to developers at 50 different collegiate hackathons.

DEVELOPER ACTIVATION

Stellar is home to a motivated community of startups, developers, and enthusiasts working together to build the future of finance. This quarter, SDF continued to grow, engage, and support that community through focused education and outreach, hackathons, and grant programs.

RPCIEGE

→ RPCiege: Siege 4 went live with three new skirmishes! This latest iteration focused on events, contract upgradeability, and predictability as a concept.

→ 1,580 new badges were issued across 165 unique accounts.

FAST, CHEAP, AND OUT OF CONTROL (FCA00C)

→ The new FCA00C site went live, with more Rust and Soroban-oriented resources than ever.

TIER 1 ASSETS

Circle launches the EURC stablecoin on the Stellar network

With the launch of Euro Coin (EURC) on the Stellar network, businesses and developers can leverage a global digital euro that comes with the speed, low cost, and reliability of the Stellar network.

EURC on Stellar, a digital representation of the euro, the second most globally traded currency, will empower builders to deliver real-world utility, enabling use cases like remittances, real-time payments, fiat and crypto on and off-ramps, foreign exchange, and more.

CREATING GREATER ACCESS

Fostering development for easy-to-use, accessible, and cost-competitive on and off-ramps globally and apps that use them.

New anchors are providing valuable connectivity to the ecosystem, which in turn is attracting wallets and their users to Stellar, as evidenced by the new wallets that have joined the network in the last quarter and increased transaction volume through MoneyGram Access.

In exciting news:

➜   MoneyGram International announced plans to launch their own non-custodial digital wallet on the Stellar network.
➜   Meaningfully expanded developer tooling by adding SEP-6 coverage to the Anchor Platform
➜   5 new wallets launched on the Stellar network: Ejara, Bitmama, WhiteBit with MGI Access, YellowCard and Lemon Cash with general Stellar network functionality
➜   4 new on and off-ramp partners went live: Banxa, Kado, TripleA, and Alfred Pay.

GENERAL FUNDING UPDATES

Q3 Enterprise Fund Investments

Back in 2020, SDF committed a $3 million investment in Latin American startup Settle Network, with $2 million to start and the rest invested when certain conditions were met. This year, Settle fulfilled the remaining conditions and the remaining amount was distributed.

Enterprise Investment of

$1 M

GENERAL FUNDING UPDATES

Q3 Matching Fund Investments

The Matching Fund made an investment into Credora, a startup building lending infrastructure and systematic credit ratings for private credit markets. This investment serves a double bottom line:

1) Driving transaction and settlement volumes on Stellar payment rails through its credit marketplace
2) Integrating with Soroban once live, allowing devs to develop their Soroban-native dapps using Credora's on-chain, dynamic credit scoring and risk monitoring solution.

Matching Investment of

$500K

05.

FOCUS ON UTILITY TO BUILD TRUST

DISCOVER THE NEW STELLAR

Where blockchain meets the real world.

The SDF Marketing and Communications team unveiled a whole new look & feel for the Stellar brand, bringing to the forefront the real-world utility of the network and vibrancy of the ecosystem.

The direction of this brand refresh resulted in:

→ Completely revamping the look & feel of how Stellar shows up digitally, with a new website with far more powerful functionality than before.

→ Announcing a brand ambassadorship with Idris Elba, UN Goodwill Ambassador and actor.

→ Rolling out the new branding at Meridian 2023, in addition to third-party conferences like Mainnet and Token2049, to great reception.

BRINGING STELLAR DOWN TO EARTH

A brand to match the mission.

The new brand underscores what the Stellar network and ecosystem are all about: solving real problems that real people face daily.

In order to shine the light on the changemakers pushing the envelope, building solutions to improve people's lives, and doing the empowering work to create change, the brand focuses on **helpful design.**

Humble, but not invisible, everything SDF designs, writes, and creates should reflect that helpfulness, too. This includes the illustration style, color palette, and even navigating the [new website](#).

WHAT REAL PARTNERSHIP LOOKS LIKE

Why SDF decided to partner with Idris Elba, UN Goodwill Ambassador and actor.

His personal story and ethos align perfectly with SDF's mission: creating equitable access to opportunity.

Through Idris's work as a UN Goodwill Ambassador, his advocacy for the Ghanaian film industry, and numerous other endeavors focused on creating systems that allow people to succeed and thrive, SDF is excited to see where this partnership leads.

Watch his conversation with Denelle here.

GENERAL MARKETING UPDATES

Meridian 2023 | September 26-28

At the end of the quarter, the Stellar Development Foundation (SDF) and the Stellar ecosystem gathered in Spain for the annual Stellar conference. The theme of the event, "Unlocking Human Potential," set the stage for a series of electrifying talks and announcements.

Developers, founders, entrepreneurs, policymakers, and other leaders from decentralized and traditional finance all convened to discuss unlocking access in innovative ways through blockchain technology. Attendees left the conference eager to empower people to meet their potential in real, tangible ways.

Catch up on the recap here.

MERIDIAN 2023 HIGHLIGHTS

Attendees from

50+

countries

100+
speakers

71
sessions

Topics covered DeFi, humanitarian aid, regulation, digital assets, wallets, tooling, and more across

3 STAGES

+83.4%

Engagement across social channels

September 21-23, 2023

→ Denelle Dixon (CEO, SDF) participated in a fireside chat with Ryan Selkis (CEO, Messari) to share the progress SDF and the Stellar network have made in delivering real-world utility across a number of use cases.

→ Denelle also participated in an interview with Nasdaq's TradeTalks to discuss the need for stablecoin regulatory guidelines and blockchain's transformational ability to reshape global payments and remittances.

USING BLOCKCHAIN TO FOSTER FINANCIAL INCLUSION

Financial inclusion is a journey that starts with access to financial services. Blockchain is a solution that helps unlock that first step — and now there is new research that helps quantify its impact.

Developed by PwC US with input from SDF, this whitepaper and framework, titled "**Enhancing the social handprint of financial service providers: Using blockchain to foster financial inclusion**," offers important insights into how to measure the impact of digital financial services on increasing financial access and inclusion. Additionally, it digs into some of the blockchain-based solutions making a difference today – with data points to prove it.

Download the report & framework here.

Quarterly Report

DOMESTIC & INTERNATIONAL POLICY HIGHLIGHTS

Both domestically and internationally, SDF continues to engage with key policymakers, non-governmental organizations, central banks, and leading interest groups to shape digital asset policy across the globe.

ENGAGING WITH POLICYMAKERS

→ SDF was appointed to CFTC's Global Market Advisory Committee (GMAC). SDF's inclusion in the Committee marks another important moment for blockchain. It further acknowledges that the future of U.S. markets and the blockchain/crypto industry are connected.

→ Candace Kelly, Chief Legal Officer, spoke at the Atlantic Council's Transatlantic Forum on GeoEconomics in addition to participating in Eurofi.

RESEARCH & RESPONSES

→ In addition, the Policy team continued to make progress on data collection initiatives to understand the total cost of sending cross-border payments using digital currencies and on financial inclusion research.

→ The Policy team submitted a response to a consultation on regulatory approaches to DeFi from France's securities regulator and submitted a response to the Bank of England's consultation on offline payment solutions.

06.

MANDATE & DISTRIBUTION

MANDATE & DISTRIBUTION

Overview

SDF is a non-profit organization whose mission is to create equitable access to the global financial system. SDF has no shareholders, no dividends, and no profit motive. The Foundation is funded by some of the lumens generated by the Stellar protocol at inception. Today, SDF holds roughly 22 billion lumens, and all of those lumens will eventually be used to enhance and promote Stellar.

Live accounting of the addresses with those lumens and funds are available on SDF's mandate page. SDF details exactly which ledger addresses hold those funds and exactly how those funds will contribute to Stellar's success. Anyone can observe progress towards SDF's stated goals, more or less in real time. The next slides cover a summary of how lumens were allocated in Q3 of 2023.

MANDATE & DISTRIBUTION

Lumen Distribution | July 2023 - September 2023[1]

Mandate Category	Wallet	Amount	Uses
Direct Development	Various	589,810,780	SDF Operations, Employee Grants
Ecosystem Support	Currency Support	6,864,257	Ripio, Settle Network, JST
	Developer Support	56,065,003	SCF, Vendor Payments, Infrastructure Grants, Script3, PWC Advisory, Ohio State University, VMWare, Delft University, University of California, Regents University of California
User Acquisition	Enterprise Fund	20,634,486	Settle, Techstars, Credora, ABED Venture Fund
	Marketing Support	1,126,255	Cointelegraph, Beans App, CoinMENA
Use-Case Investment	In-app Distribution	0	
	New Products	50,203,703	MoneyGram International Inc.

[1] From time to time, SDF makes payments in dollars, and then later moves lumens from the relevant wallet into a Direct Development wallet. The amount of lumens is calculated using the price of lumens on the day of the dollar payment. This table compiles lumen distributions accrued in the quarter, even if the actual transfer occurred after the end of the quarter.

MANDATE & DISTRIBUTION

SDF Account Balances as of Oct 1, 2023

Mandate Category	Wallet	Amount
Direct Development	Direct Development	4,978,877,179
	Jan 1 2023 Escrow	0
	Jan 1 2023 Escrow	0
	Jan 1 2023 Escrow	0
	Direct Development Hot Wallets[2]	283,720,902
Ecosystem Support	Developer Support	692,010,101
	Developer Support Hot Wallet	16,870,943
	Currency Support	871,852,600
Use-Case Investment	New Products	1,672,766,538
	Enterprise Fund	7,486,365,385
Use-Case Acquisition	In-app Distribution	3,906,599,180
	In-app Distribution (Hot)	44,003,149
	Marketing Support	1,978,610,016

[2] SDF maintains multiple hot wallets, which in this chart are aggregated by category. A complete list of SDF accounts can be found on Stellar Expert (https://stellar.expert/directory?tag[]=sdf) or on the SDF Mandate Page (https://www.stellar.org/foundation/mandate).

NEXT REPORT: Q4 IN JAN 2024

stellar.org