Stellar
Development
Foundation

Q4 2022

Stellar Development Foundation Quarter in Review

January 2023
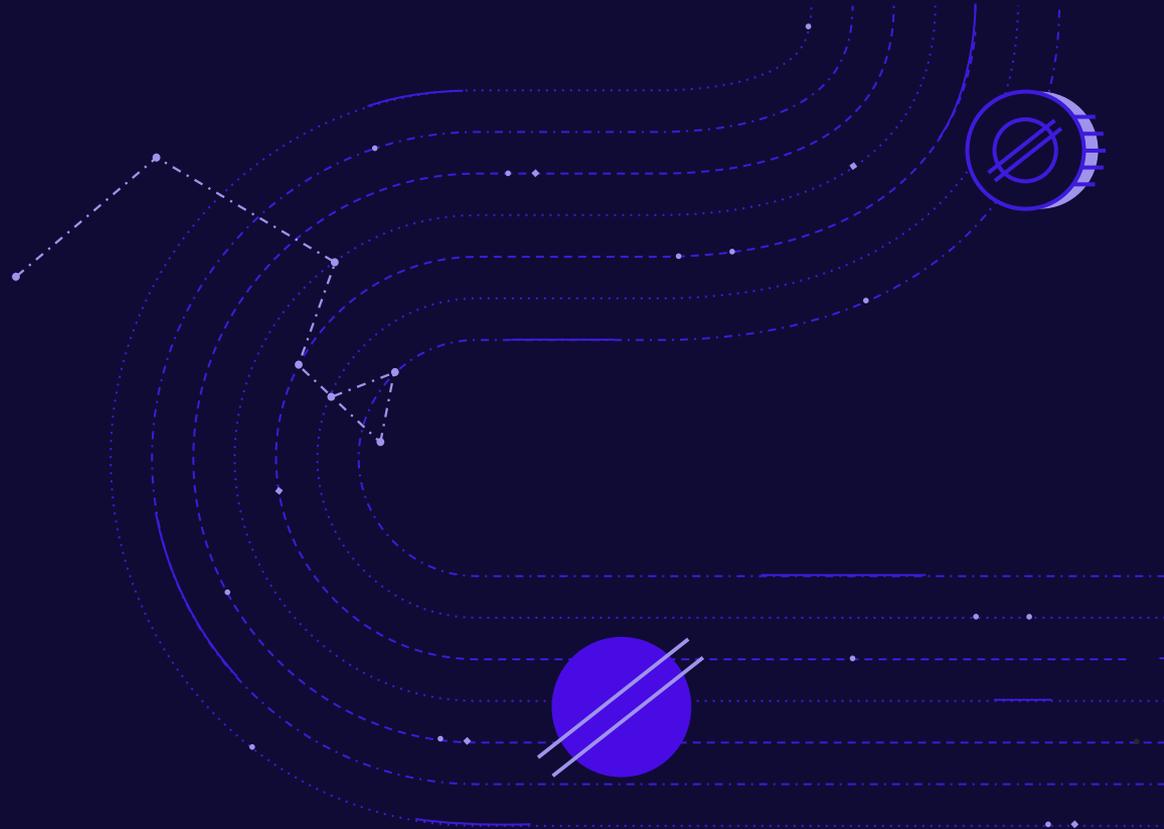
Table of Contents

Stellar
Development
Foundation

Q4 2022

01 Executive Summary

The Story of 2022

Enterprise Fund Investments

$23.5M

Launch of MoneyGram Access

Soroban

A new smart contracts standard live on Futurenet

Stellar Aid Assist
Launched

30→60

Anchors on the Stellar network

Stellar Development Foundation

Executive Summary

2022 has wrapped up, and the Stellar Development Foundation made significant strides on its [roadmap](#):

01

Increase scalability and network innovation

02

**Activate more network participation**

03

Demand and promote inclusion

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

→

Executive Summary

INCREASE SCALABILITY & NETWORK INNOVATION

Smart contracts continued to be a high priority for SDF, with Soroban launching on Futurenet in early Q4. Designed as a batteries-included experience built to scale, Soroban allows Rust developers to access Stellar's financial rails.

This new innovation casts the net wide open when it comes to use cases: truly community-owned savings banks, community crowd funding and ownership for micro public works projects, tools which not only bring financial access to people without it, but also give them control and ownership of those tools as well.

Efforts to increase adoption on Soroban took place, with several initiatives launched in tandem with a **$100M adoption fund**. Sorobanathon: First Light, an incentive program designed to encourage tinkering and content creation, closed on December 15th and received more than its target goal of 50 submissions. Artists were encouraged to submit

In addition to Sorobanathon, Stellar Quest Live Series 5 took place, solely focused on Soroban quests. This series garnered record-breaking participation, with over 2k new developers joining the Quester community.
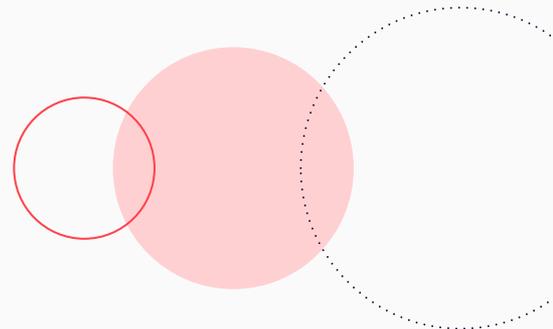
Executive Summary

INCREASE SCALABILITY & NETWORK INNOVATION

In June, MoneyGram, in collaboration with SDF, rolled out MoneyGram Access – a first-of-its-kind global on/off-ramp service for digital wallets to increase the utility of digital assets by creating a bridge between cash and cryptocurrencies.

This live solution can help connect the 1.4 billion people currently living in the cash economy to the world of digital assets. It applies to all sorts of use cases, like a gig platform that allows users in remote areas to accept payment in USDC and pick up cash at their local MoneyGram location.

In fact, without MoneyGram Access, there would be no Stellar Aid Assist – a tool enabling aid organizations to deliver urgently-needed cash assistance quickly, affordably, and transparently in the hands of recipients.

This is such a critical development in bringing real-world utility to blockchain, as it is a live solution serving those who need access to financial services the most. Major aid organizations are using this tool, powered by the Stellar Disbursement Platform. Stellar Aid Assist is laying the groundwork for future financial innovation for cash assistance and donation programs within blockchain.
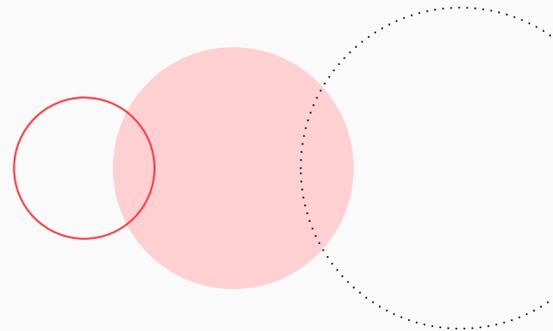
Executive Summary

INCREASE SCALABILITY & NETWORK INNOVATION

Anchors continue to serve as the backbone of the Stellar network, further expanding the reach of digital assets across the globe. Not only have the number of anchors on Stellar doubled, from 30 to 60, but it's easier than ever to become an anchor.

The Stellar Anchor Platform is an out-of-the-box solution that simplifies your Stellar integration, reducing development time and cost while making a company's services available to a global network of wallets and applications in just one integration.

Validators also voted to pass one Protocol Upgrade this year – Protocol 19 to introduce new transaction preconditions and a new type of signer, technical changes that make it easier to build payment channels, bridges to other blockchains, and key recovery solutions on Stellar.

Protocol upgrades are essential to ensuring that Stellar is robust enough to support an increasing number of use cases and activity as the ecosystem grows.
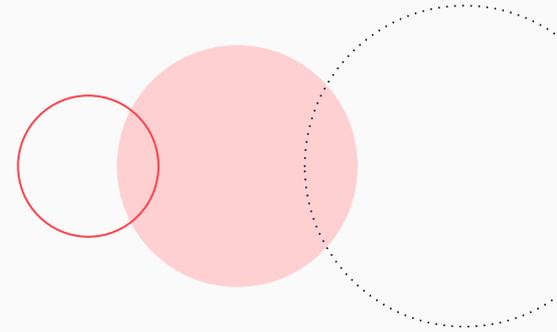
Executive Summary

ACTIVATE NETWORK PARTICIPATION

As all the exciting developments and activity on Stellar came to fruition, SDF wanted to celebrate the network's victories, big and small, in a bold and strategic way. SDF's marketing made a big splash by:

- ➜ Establishing three new thought leadership series, headed by Denelle Dixon (CEO & Executive Director), Tomer Weller (VP of Tech Strategy), and Justin Rice (VP of Ecosystem) respectively: block by block, Tech Talks with Tomer, and the Soft Fork Bulletin.
- ➜ Significantly increasing content output with over 100 blog posts and expanding our non-written assets including brand videos (The Digital Economy is for Everyone and Stellar + MoneyGram Access™ are particular favorites) and animated explainers.

- ➜ Distributing more than $1M in marketing grants to ecosystem companies.
- ➜ Releasing 5 case studies focusing on ecosystem partners Wyre, GetPaid, Fonbnk, Félix, Bitso, and Arf.
- ➜ Sponsoring and driving activation at major conferences like SXSW, Paris Blockchain Week, Consensus, Converge, and Money 20/20;
- ➜ And launching a full-blown campaign promoting Stellar Aid Assist, including taking a full-page ad in the New York Times on December 15, 2022.

Executive Summary

ACTIVATE NETWORK PARTICIPATION

In Q4, SDF planned for its annual marquee event, **Meridian 2022**, which took place in Rome, Italy from October 11 to 13.

Meridian 2022 was an interactive conference featuring industry thought leaders, developers, policymakers, and regulators alongside Stellar community and ecosystem members, academics, and journalists. Among these pioneers, executives from companies including MoneyGram, Circle, and Wyre were on hand to discuss real-world use cases of blockchain technology.

Keynote speakers included Alexis Ohanian (Founder of Seven Seven Six), Caroline D. Pham (U.S. CTFC Commissioner), and more.

The theme for Meridian 2022 was the "Urgency of Doing," inspired by a quote from Leonardo da Vinci. His wisdom proved to be prescient as SDF and the Stellar ecosystem and community all gathered together, considering a future fraught with problems that need to be solved sooner than later.

Perhaps it was the energy of finally seeing everyone all gathered under one roof or it was the stimulating conversations happening on stage, in private meeting rooms, or by the espresso bar, but one thing seemed clear – people left Meridian 2022 motivated to take action.

Executive Summary

ACTIVATE NETWORK PARTICIPATION

To activate greater network participation, SDF engaged heavily on multiple fronts when it came to policy advocacy. Highlights this past quarter include:

➔ In the US, SDF continued to provided its input and expertise on a wide range of topics, including:
   ◆ Responding to the US Treasury's request for comment (RFC) pursuant to the President's Executive Order on Ensuring Responsible Development of Digital Assets (EO);
   ◆ And testifying before the US Senate Committee on Agriculture, Nutrition, and Forestry regarding digital assets legislation.

➔ Internationally, much of SDF's work doubled down on CBDCs, releasing a whitepaper highlighting the benefits of issuing a CBDC on an open network and participating in several pilots in Brazil and Indonesia.
➔ SDF also engaged with EU and UK policymakers and regulators on the implementation of the final text of the EU Markets in Crypto-Assets Regulation and the Transfer of Funds Regulation – the most comprehensive pieces of regulation the industry has seen to date.

Executive Summary

DEMAND AND PROMOTE INCLUSION

The final building block necessitates that SDF demand and promote inclusion – how SDF can leverage research, our mandate, and network effects to achieve its mission of greater equitable access to the global financial system.

This year, SDF prioritized building on Stellar, spearheading a number of exciting technical developments to build out the toolkit that developers and companies can employ in addition to providing the attention and resources needed at both the enterprise and grassroots level.

Launched back in 2020, **the Enterprise Fund** continues to make strides in diversifying our reach and growing the Stellar ecosystem. This year, the Enterprise Fund invested in 6 companies and a total of **$25.025 M**, including **$5.025 M** dedicated to accelerators focused on startups building in key markets such as Africa and Latin America. The Matching Fund, the Enterprise Fund's latest investment track, supports more early stage companies (pre-Series B) interested in building on Stellar, allocating **$1.2 M** across three companies – Stax, Stablecorp, and Afriex – this year.

Executive Summary

DEMAND AND PROMOTE INCLUSION

The Stellar ecosystem is nothing without its enthusiastic and vibrant community. SDF sought to pour energy and resources into further enhancing existing programs and jumpstarting new ones.

→ The Developer Relations team spent 2022 further expanding **Stellar Quest**, building out Stellar Quest Learn and Stellar Quest Live.

→ **Stellar Quest Learn** is a self-guided course consisting of three levels and various side quests that walk the user through classic Stellar operations. Players can now earn NFT badges for every completed challenge and small XLM rewards for every completed level.

→ On the other end, **Stellar Quest Live** is a series of live events where developers compete in real-time to complete challenges for XLM rewards and commemorative NFT badges. This is the bread and butter of Stellar Quest and where SDF sees most new folks join the community. The fifth one took place, all about encouraging developers to experiment with Soroban.

Executive Summary

DEMAND AND PROMOTE INCLUSION

→ The Stellar Community Fund continues its hot streak in 2022, receiving **304 applications** worldwide across Round 10 & 11, encompassing use cases including remittances, wallet applications, marketplaces, and more.

→ The program awarded close to **$2.4M worth of XLM** to **36 winners**, serving as the catalyst for businesses and developers building on Stellar to turn their concepts into tangible products and services.

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

STELLAR IN THE NEWS

General SDF News Coverage Updates

COINTELEGRAPH   DECEMBER 16, 2022

Stellar partners with UNHCR to give Ukrainian refugees cash via USDC

↗

➔ New Stellar Anchor Platform Bridges Businesses to the Blockchain and to a Global Network of Wallets and Exchanges | PR Newswire

➔ Smart-Contract Platform Soroban Receives $100M to Build on Stellar Network | CoinDesk

➔ Web3 leader Denelle Dixon on regulation | Morning Brew

➔ Crypto isn't as transparent as it claims | Protocol

➔ Can Stablecoins Revolutionize Foreign Aid? The UN Thinks So. | Blockworks

➔ Real conversations about blockchain sustainability require better data | Financial Columnist

➔ Mercado Bitcoin launches its own stablecoin on the Stellar blockchain | CoinTelegraph

➔ UN to send displaced Ukrainians USDC to convert into local currencies | Fortune

1.5k
total media mentions

3.4B
total media impressions

Stellar Development Foundation

GENERAL EVENT UPDATES

Virtual and Live

[The Future of Cryptocurrency Regulation](#) →

[Meridian 2022](#) →

[TechCrunch Disrupt](#) →

[Money20/20 Private Breakfast](#) →

[Stellar Community Fund #11](#) →

[Stellar Development Foundation Quarter in Review: Q3 2022](#) →

[Stanford Future of Digital Currency Initiative Annual Meeting](#) →

[HandsonWeb3 hosted by Paradigm](#) →

[Crypto Leader's Symposium](#) →

[OECD Symposium on Digitalisation and Finance in Asia](#) →

02
Network Stats

To measure and assess growth of the network over time, SDF has established a select group of metrics to track throughout 2022 and compare year-over-year to their 2021 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.

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Total Accounts

7,433,412

Q4 2022

6,505,795

Q4 2021

+14.3%

Total accounts grew by **14.26% YoY**, surpassing 7 million accounts in the last quarter of 2022.

Q4 2022

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Total Payments

72,600,158

Q4 2021

-39%

The number of total payments decreased by 39.02% YoY, with 44.2 million payments made in Q4 2022 compared to 72.6 million in Q4 2021.

However, despite the number of payments decreasing, the on-network transaction volume of relevant assets grew by 11.9% YoY (seen on slide 22 & 23).

44,268,643

Q4 2022

Q4 2022

Average Daily DEX Volume (XLM) ↘

-89.6%

Average daily volume on Stellar's decentralized exchange (DEX) hovered above **13 million XLM** per day.

126,182,601.07
Q4 2021

24,050,977
Q4 2022

13,102,120.00
Q4 2022

Q4 2022

Total Operations

↗

+63.8%

Total operations processed on the network continues to be one of the largest growth areas, surpassing 1 billion in Q4 2022 (**+63.75% YoY**), a first in the network's history.

1,065,976,265

Q4 2022

650,992,667

Q4 2021

21

Q4 2022

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 Q4 of 2021, the total number of these assets stood at 88, with transaction volume for the quarter amounting to $232 million. As of Q4 2022, the total number of relevant assets has decreased YoY to **79** due to strengthening the reporting criteria determining what counts as a relevant asset. In addition, despite the number of payments decreasing, the on-network transaction volume of relevant assets grew by **11.9% YoY**.

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Relevant Assets

RELEVANT ASSET TRANSACTION VOLUME

+11.9%

Q4 2021	$267,310,284
Q4 2022	$299,108,050

GROWTH OF RELEVANT ASSETS YOY

GROWTH OF RELEVANT ASSET TRANSACTION VOLUME YOY

-0.1x   1.1x

RELEVANT ASSETS

88 → 79

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 2022.

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.

AVERAGE LEDGER CLOSE TIME
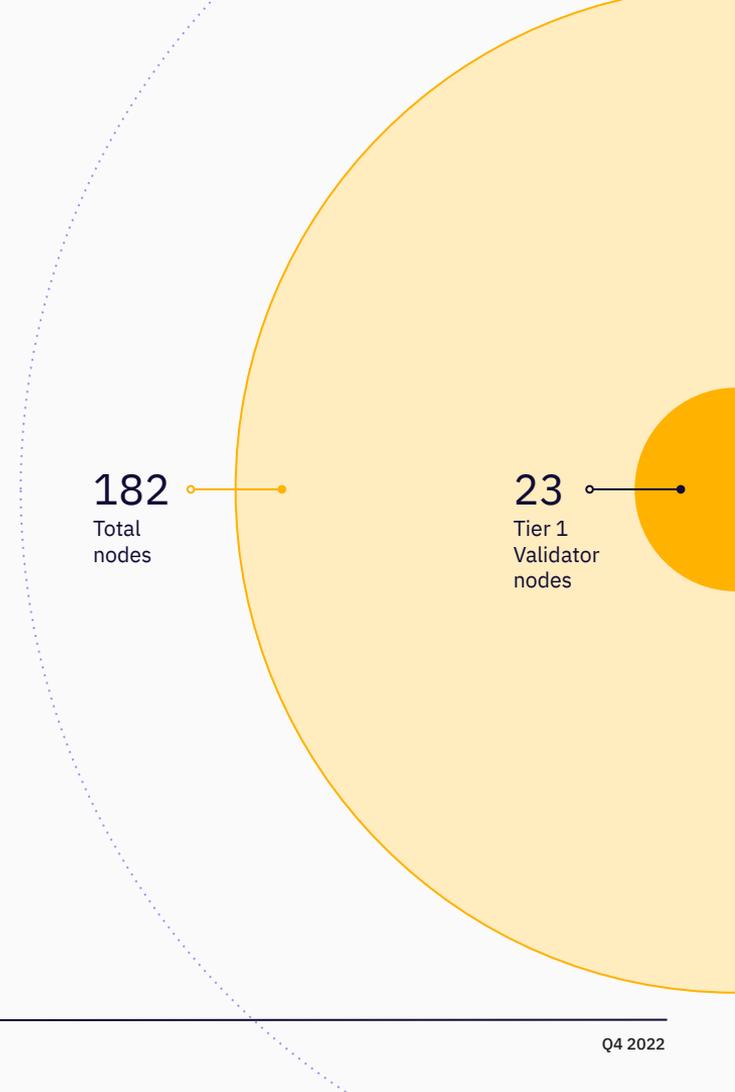
5.820s

182
Total
nodes

23
Tier 1
Validator
nodes

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Automated Market Maker (AMM) Update

In FY21, AMM functionality was introduced to Stellar, enabling participants to create and deposit into liquidity pools on the network. SDF tracks these metrics in order to gauge performance and utility of this feature: **1. Unique Pool Providers, 2. Pool Count, and 3. Liquidity (Total Value Locked).**

AMM VOLUME ($)

UNIQUE POOL PROVIDERS

10,311

POOL COUNT

6,084
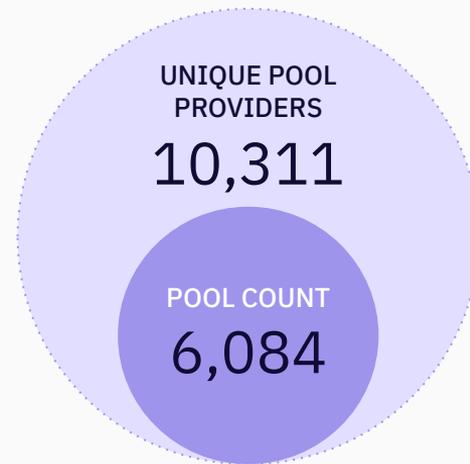
LIQUIDITY (TOTAL VALUE LOCKED)

$39.7M

03 Network Development & Updates

General Engineering & Platform Updates

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

→

Completed initial development of the Stellar Disbursement Platform (SDP), the tool that powers Stellar Aid Assist

Supported the launch of Stellar Aid Assist pilots for two leading humanitarian organizations in Ukraine

Released new features for Freighter, including experimental support for Soroban, checks that protect users from malicious assets, and other user interface improvements

Developed the beta version of a new Android Wallet SDK, this SDK will make the development of Stellar applications faster and easier and SDF is currently piloting it with select partners to validate and collect feedback prior to the public release.

Soroban

Now live on Futurenet

- Since its launch on Futurenet in early Q4, Soroban underwent three major preview releases, primarily focusing on building interoperability with assets issued on Stellar.
- Q4 releases provide:
  - **Contract Events**: The ability to subscribe to contract events by topic, so applications can asynchronously update.
  - **Simulate Transaction**: This update provides a way to "preflight" transactions before actual submission to get more accurate fees and footprint
- Docs and examples are updated on a regular basis. Soroban currently includes an environment, an SDK, and a CLI.

SOROBAN.STELLAR.ORG

What's Happened So Far...

What Comes Next...

Q1 2022
Decision to build
smart contracts

Q4 2022
Soroban Preview
Releases #1 & #2

Q1 2023
Soroban Incentive
Programs

More Futurenets

Q2 2022
WASM & Rust

Q4 2022
Meridian:
Live Futurenet

$100M Soroban
 Adoption Fund

Sorobanathon:
First Light

Q2 2023
Mainnet

Anchor Platform

Connecting to Stellar made simple
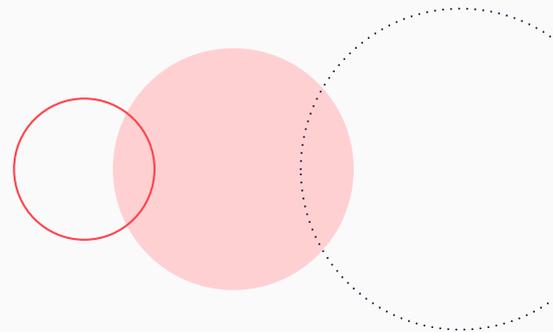
The Anchor Platform aims to help increase adoption by increasing the growth of the Stellar anchor network, both in terms of the number of anchors and number of integrations with those anchors.

The platform makes building anchor services and connecting payment networks simple by providing configurable packaged software that lets integration partners focus on their business logic.

It also provides partners the Stellar blockchain and SEP payment protocols (SEP-1, 10, 12, 24, 31, 38) integration.

The first version of the Anchor Platform has launched and is available for use. It is currently in final testing with 2 new Stellar anchors who participated in the early access program.

Network Improvements

Stellar Core & Horizon

STELLAR CORE

- ✓ In parallel to the development of Soroban, stellar-core v19.5.0 and v19.6.0 were released. The focus on non-protocol releases is on stability and scalability improvements.

- ✓ Notable changes include improvements in the peer-to-peer code (as part of "pull mode") to better utilize bandwidth (for higher tps or larger transactions as needed by Soroban) and a new experimental storage backend for the ledger state that will be gradually rolled out over the next few releases that both improve performance and reduce the overall memory footprint of core.

HORIZON

- ✓ Performance improvements for claimable balance, account by asset, trade history queries

DATA PLATFORM (HUBBLE)

- ✓ 2.0 migration code complete and live. Hubble 2.0 enables faster data updates (from 24 hrs to 15 min) and enhanced data models.

- ✓ Finishing final testing (along with a reference partner, who is leveraging Hubble 2.0 for their compliance, tracking use cases for Stellar issued assets).

Vibrant 2.0 Launch

Q4 has been a very productive quarter for the Vibrant team. The team continued to focus on optimizing and adding new features to the app, while at the same time launching new marketing campaigns to drive additional user growth.

HIGHLIGHTS

- ✓ In terms of growth, Vibrant saw a **376%** increase quarter over quarter on user installs and also a **64%** increase in user's overall asset balances in the same period.

- ✓ Launched Aid version of Vibrant and disbursed **100K USDC** to aid recipients in Ukraine

- ✓ As Vibrant moves into 2023, the team will start ramping up resources to focus on remittances and foreign worker wage payments as additional use cases. SDF is excited for the new markets and use cases expansion and will share more on the details on these in the upcoming quarters, stay tuned!

UPCOMING FEATURES

- ➔ Send to Phone - allowing users to send their USDC or Stellar lumens balance to anyone's phone number and the receiver will be able to claim the funds anytime.

- ➔ Debit card purchases for USDC and Stellar lumens

- ➔ Launched Quests and re-launched Referrals to improve retention and engagement with the app

- ➔ Additional chatbot and FAQ content

- ➔ UI/UX updates to improve the onboarding flow

- ➔ Opened up Vibrant in 13 new countries for beta testing.

04 Ecosystem & Partners

ECOSYSTEM HIGHLIGHT

Stellar Aid Assist Launches, Proving Blockchain's Real-world Utility

In late Q4, SDF launched Stellar Aid Assist, a unique system for organizations to be able to disburse aid via USDC directly into Vibrant wallets, and then to have recipients be able to cash out that USDC in Moneygram locations.

→ At launch, UNHCR and IRC used the Stellar Disbursement Platform to distribute funds into some of the most vulnerable in Ukraine.

→ Critically, Ukrainians were able to use Moneygram "direct-to-deposit" feature to deposit funds directly into their bank accounts, without having to go to a physical location.

→ These launches validated Aid Assist's main benefits: instant, transparent, and low-cost payments in hard currency with complete portability when crossing-borders.

→ The launch also emphasized SDF's focus on solving real-world problems using blockchain, even in the face of skeptics in the press in the wake of the FTX scandal.

Stellar Aid Assist
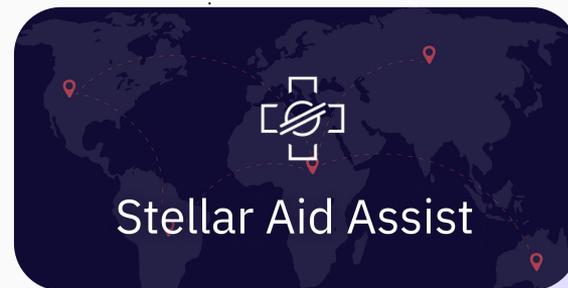
PARTNER SPOTLIGHT

GMO Trust brings GYEN and ZUSD stablecoins to Stellar

In November, **GMO Trust** brought the world's first regulated yen-backed stablecoin (**GYEN**), and the U.S. dollar-backed stablecoin (**ZUSD**) to Stellar. Users will be able to transact seamlessly and cost-effectively across the established and proven Stellar network, leveraging GYEN and ZUSD for near-instant, borderless transactions.

➔ The regulated stablecoins GYEN and ZUSD are fully backed by 1:1 fiat reserves of JPY and USD respectively. Such reserves are audited publicly on a monthly basis by an independent, accredited accounting firm.

➔ GMO Trust is supervised by NYDFS and has been granted a charter in New York.

➔ GMO Trust will offer a no-cost swap between the Ethereum and Stellar versions of these stablecoins. Customers can now purchase and redeem Stellar GYEN and ZUSD directly from GMO Trust's platform at a 1:1 ratio. Fireblocks is the first technology provider to add support for custody of Stellar GYEN and ZUSD for institutions.

GENERAL FUNDING UPDATES

Q4 Enterprise Fund Investments

ACCELERATOR INVESTMENT OF

$1.5M

In Q4, SDF committed to a **$1.5M Accelerator Fund investment** in a Caribbean-based technology incubator and accelerator whose mission is to address global development and governance challenges by leveraging blockchain technology.

SDF possesses considerable mission alignment with this group, which have yet to announce their fund publicly yet, and looks forward to sharing more once they do.

Stellar Community Fund

Enabling developers, startups, and companies building on Stellar to receive support and funding based on input from the Stellar community.

THE STELLAR COMMUNITY FUND IN THIS 11TH ROUND:

On November 1–4, **29 selected teams** participated in the virtual Stellar Startup Bootcamp on the SCF Discord.

47 of the 50 selected teams presented their projects live during the Candidate Pitches on **November 8 & 9** on the SCF Discord.

A panel of **45 judges**, in addition to the wider ecosystem, voted to award **21 teams** their requested budgets. A grand total of over **13M XLM** was awarded.

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.

STELLAR QUEST LIVE: SOROBAN

→ After a year-long hiatus, Stellar Quest Live Series 5 went live, featuring all-new Soroban-focused challenges.

→ SQ garnered record-breaking #s, including: 2.3k unique accounts, 6k badges claimed, 1M total XLM distributed, 550k API requests per week, and +2k members on SQ Discord

SOROBANATHON: FIRST LIGHT

→ At Meridian, SDF announced the $100M Soroban Adoption Fund.

→ As part of the Adoption Fund, Sorobanathon: First Light ran and concluded on December 15. Concluded on December 15

→ The program received 59 technical submissions from 27 unique individuals, giving away a total of 93,600 XLM

05 Visibility & Engagement

GENERAL MARKETING UPDATES

Bringing awareness to real-world solutions built on blockchain

The SDF Marketing and Communications team leveraged a wide range of opportunities to drive awareness and engagement with Stellar.

The SDF Marketing and Communications team finished out 2022 with a massively productive quarter. The Foundation's marketing efforts have never been stronger and more impactful, having:

→ Executed an incredibly successful Meridian conference in Rome
→ Executed an impactful Built on Stellar social media campaign
→ Orchestrated a successful launch announcement of Stellar Aid Assist
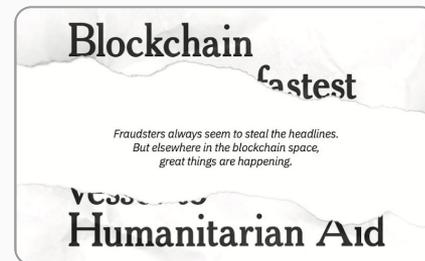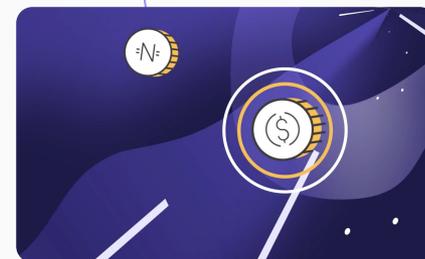
GENERAL MARKETING UPDATES

Meridian 2022
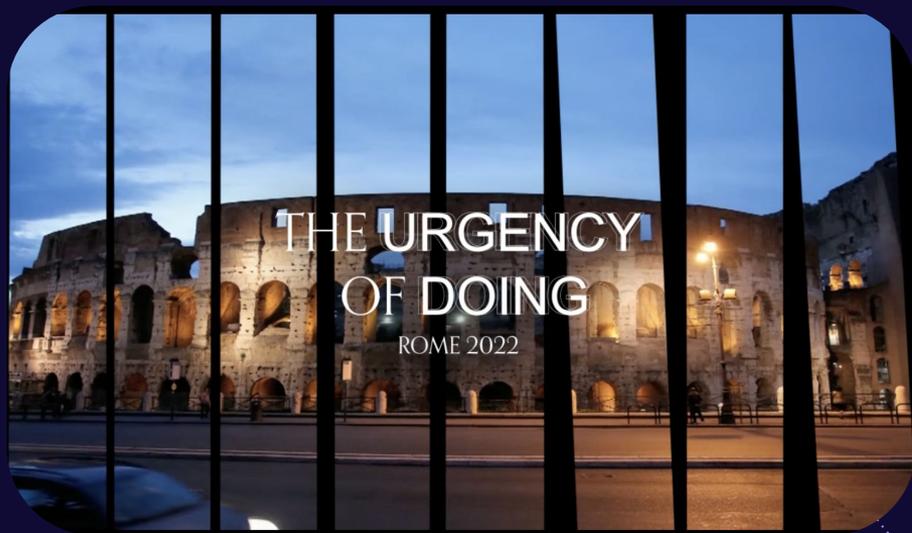
Inspired by a quote from Leonardo da Vinci referencing "The Urgency of Doing," SDF's annual conference **Meridian 2022** took place in Rome, Italy from October 11 to 13.

The event featured industry thought leaders, developers, policymakers, and regulators alongside Stellar community and ecosystem members, academics, and journalists.

Meridian 2022 was such a special gathering and reminder of what so many brilliant, collective minds can accomplish towards a common cause with the right technology and shared sense of purpose.

Launch of Stellar Aid Assist

December 15, 2022

→ The SDF Marketing & Communications team orchestrated an integrated campaign, including:

- ◆ A full-page ad in the New York Times and the Financial Times
- ◆ Digital and social media
- ◆ Email
- ◆ And press outlets including Fortune, Cointelegraph, Blockworks, and Decrypt

Stellar Development Foundation

GENERAL MARKETING UPDATES

Brand new thought leadership from SDF's executive team

It was a significant quarter for amplifying the voices of SDF executives as they continued to produce content and speak at external engagements throughout Q4.

→

CEO Denelle Dixon's podcast block by block came out with two more episodes highlighting influential voices in the industry, including: Marieke Flament, CEO of the NEAR Foundation, and Anthony Scaramucci, Founder of Skybridge.

Chief of Staff and VP of Communications Lauren Thorbjornsen participated in the OECD Symposium on Digitalisation and Finance in Asia, speaking to the need for better greater accountability when it comes to tracking the environmental impact of blockchain and crypto.

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# Additional Marketing Highlights

2 **new case studies:**
Felix & Bitso
Arf

22
blog posts

11 press releases
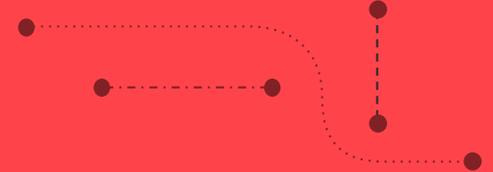
1.8M
New users to stellar.org

+111%
Increase to web traffic due to marketing initiatives vs. Q3

GENERAL MARKETING UPDATES
Additional Highlights
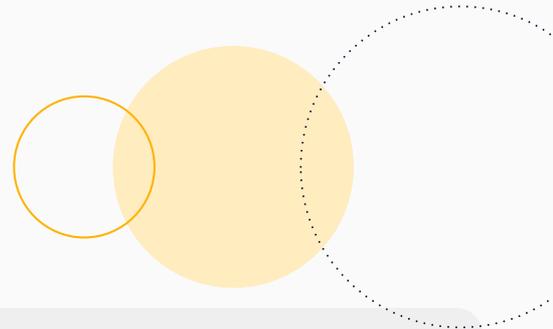
➔ SDF's initiatives in Q4 helped provide a lift of 111% in users to the platform compared to Q3. With 1.8M new users coming to the site, SDF helped educate and build awareness for SDF's real-world applications; The Aid Assist launch helped bring over 197k users to the platform. Some developing regions including Brazil, India and Puerto Rico saw triple-figure growth in traffic, which is a great indicator that SDF is reaching the unbanked community.

➔ SDF put out 11 press releases total, including: GMO-Z.com Trust Company Announces GYEN and ZUSD Stablecoins to Launch on the Stellar Network and Merkle Science joins forces with Stellar Development Foundation to Enhance Web3 Risk Mitigation and Compliance Capabilities.

➔ The team's effort building rich content in education and case studies resulted in a 12% quarterly increase in page views/users; This engagement demonstrates SDF is driving trends to provide more utility to educate the community.

➔ SDF launched 2 new case study of companies building on Stellar – Félix + Bitso and Arf.

➔ SDF published 22 blog posts, including: Pioneering the Future of Aid Delivery, The Stellar Anchor Platform: Connecting to Stellar Made Simple, and The Story of 2022.

➔ SDF announced that Plaid's Head of Financial Access Ginger Baker had been appointed to its Board of Directors.

CASE STUDY UPDATE

How Arf gives money-service businesses access to new markets & liquidity via Stellar

SDF released one new video case study illustrating the use case of cross-border payments and treasury operations on Stellar.

Watch now: stellar.org/case-studies/arf

October 23-26, 2022

→ Denelle Dixon (CEO, SDF) took the stage to discuss if digital assets and crypto will render remittances obsolete. She highlighted how blockchain is already playing a role in remittances, pointing out the momentum behind stablecoins in gaining user trust vs. more volatile cryptocurrencies.

→ Denelle also hosted a private breakfast session with Alex Holmes, CEO of MoneyGram International, to discuss the power of cash-to-crypto on/off ramps and the role that sustainability plays when it comes to scaling payments at large.

Stellar Development Foundation

Domestic 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

➔ During the quarter, SDF engaged with policymakers in Washington, DC through briefings, meetings, and conferences.

➔ SDF led briefings for congressional staff on Stellar Aid Assist and fallout from FTX, while speaking on a panel for AEI's Future of Cryptocurrency Regulation event.

➔ In addition, SDF participated in the Blockchain Association's inaugural Policy Summit and Paradigm's Hands on Web 3 event, where SDF highlighted consumer-facing blockchain applications.

WHITE HOUSE AND CAPITOL PARTICIPATION

➔ On Capitol Hill and with the administration, SDF met with key officials and their staffs to demonstrate the value of the blockchain technologies for consumers, emphasizing the need for legislation to provide guardrails and clarity.

International Policy Highlights

Globally, the policy team continues building SDF's reputation as an industry leader in advancing financial inclusion through real-world use cases, and advocating for sound regulation.

MAKING INROADS ON STABLECOINS

→ In November 2022, SDF participated in the Crypto Leader's Symposium in London and spoke on stablecoin regulation.

→ The policy team worked with ecosystem partners on pilots to collect data on the total cost to consumers of using stablecoins for cross-border payments, and continued its collaboration with Anclap and FinClusive to launch a solution that facilitates cross-border payments from the United States to Colombia.

→ The policy team also worked with Tempo in order to provide disaggregated data of active payment corridors to UNCDF.

SPREADING THE WORD ON STELLAR AID ASSIST

→ In Q4, the policy team supported the development of Stellar Aid Assist through robust dialogue with aid organizations and ecosystem partners.

International Policy Highlights

THOUGHT LEADERSHIP ON PRACTICAL APPLICATIONS

→ The policy team drove thought leadership on practical applications of blockchain technology in Q4.

→ The policy team joined the Wilson Center's Digital Assets Forum, the Center for a New American Security's Crypto and National Security Task Force, and the World Economic Forum's Crypto Sustainability Coalition.

→ The policy team accelerated its engagement with policymakers in the European Union to support the implementation of MiCA.

LEVERAGING DIGITAL ASSETS

→ The policy team engaged the European Central Bank on programmable payments using a digital Euro, and continues to support SDF's participation in the Lift Challenge held by the Central Bank of Brazil.

06 Mandate & Distribution

MANDATE & DISTRIBUTION

Overview
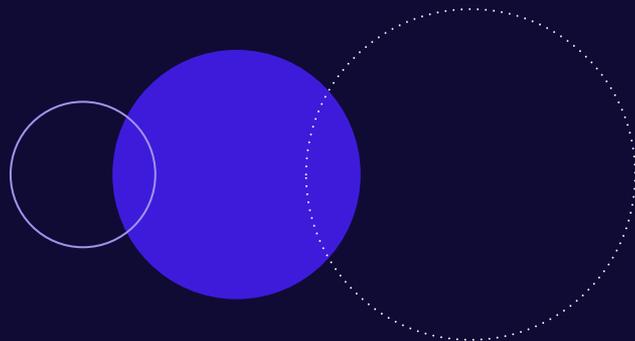
SDF is a non-profit organization whose mission is to create equitable access to the global financial system. SDF has no shareholders, no dividends, and no profit motive. The Foundation is funded by some of the lumens generated by the Stellar protocol at inception. Today, SDF holds roughly 30 billion 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 two slides cover a summary of how lumens were allocated in Q4 of 2022.

Mandate & Distribution

Lumen Distribution

Table 1. Lumen Distribution October 2022 - December 2022   This table summarizes SDF's use of lumens in the quarter.

MANDATE CATEGORY	WALLET	AMOUNT	USES
Direct Development	Various	**377,406,242**	SDF Operations, Employee Grants
Ecosystem Support	Currency Support	**33,707,999**	Zero Hash, Dreamlopers, Settle Network, Cubist, GMO Trust, XanPool, Wirex Grant, Shift, Settle, Script3, JST Systems, Fin3 Technologies
	Developer Support	**33,169,093**	Sorobanathon, SCF, Infrastructure Grants, Anchor Grant, Vendor Payments, Ramping, Cheesecake Labs
User Acquisition	Enterprise Fund	**8,945,344**	Abed Venture Fund LP, DFS Lab
	Marketing Support	**4,418,568**	Ultra Stellar, Leaf Global, ChronosPay, Elsa Care, Novatti
Use-Case Investment	In-App Distribution	**0**	
	New Products	**56,051,278**	MoneyGram International Inc.

Mandate & Distribution

Ending Balance in SDF's Wallets

Table 2. SDF Account Balances as of January 1, 2023   This table reflects the ending balances in SDF's wallets as of January 1, 2023.

Direct Development	Direct Development	3,130,001,656
	Jan 1 2022 Escrow	0
	Jan 1 2022 Escrow	0
	Jan 1 2023 Escrow	3,000,000,003
	Direct Development Hot Wallets	359,010,985
Ecosystem Support	Developer Support	847,503,981
	Developer Support Hot Wallets	11,611,960
	Currency Support	897,238,970
Use-Case Investment	New Products	1,856,307,755
	Enterprise Fund	7,549,672,507
User Acquisition	In-App Distribution	3,906,599,179
	In-App Distribution (Hot)	44,003,149
	Marketing Support	1,982,022,558

Next report: Q1
in April 2023

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