

## Resource Model for the UX Network

UX uses a staking contract for resource users to access the underlying utilities. The contract is accessed by 2 network staking tokens that correspond to the resources as follows:

CPU or NET: UTX  
 RAM: UTXRAM

The total system resources are allocated proportionately to the tokens. That is to say that every token has a fixed allocation of resources pro-rata to the total token allocation. There is no "Leeway", fractional reserve or effects from other token holders' usage that changes the allocation where:

X% of UTX tokens grants the token holder X% of CPU/ NET resources

This creates stability and removes friction for resource users.

### Two Utility Tokens

RAM as a resource is not analogous to CPU or NET. The use of one token to cover all resources can lead to sub-optimal network usage and friction for users. The UTXRAM tokens are used to access the RAM contract through staking for proportionate allocation of RAM. Similarly, UTX tokens are staked for proportionate access to CPU or NET resources.

### Token Supply

As of launch date 1<sup>st</sup> September 2020:

Token	Total Issuance	Maximum Supply
UTX	1,795,000,000	2,500,000,000
UTXRAM	8,388,608	NA

### UTXRAM

The starting RAM allocation for the UX Network is 8 GB and therefore each UTXRAM token corresponds to 1 kB of RAM. This relationship is fixed.

An algorithm based on User growth and usage is in place to expand RAM to meet demands on the system. In addition, Block Producers may make discrete expansions.

As RAM expands beyond the initial allocation, new UTXRAM Tokens are created to maintain the fixed relationship per 1 Kb of RAM.

The distribution of new UTXRAM tokens is split evenly between Block Producers and UTX Token Utility as described below

## UTX

UTX holders can access their proportionate quota of either CPU or NET, calculated and reset daily.

The UTX token has an inflation curve that responds to the usage of the two resources and is designed to increase with usage whilst decreasing over time.

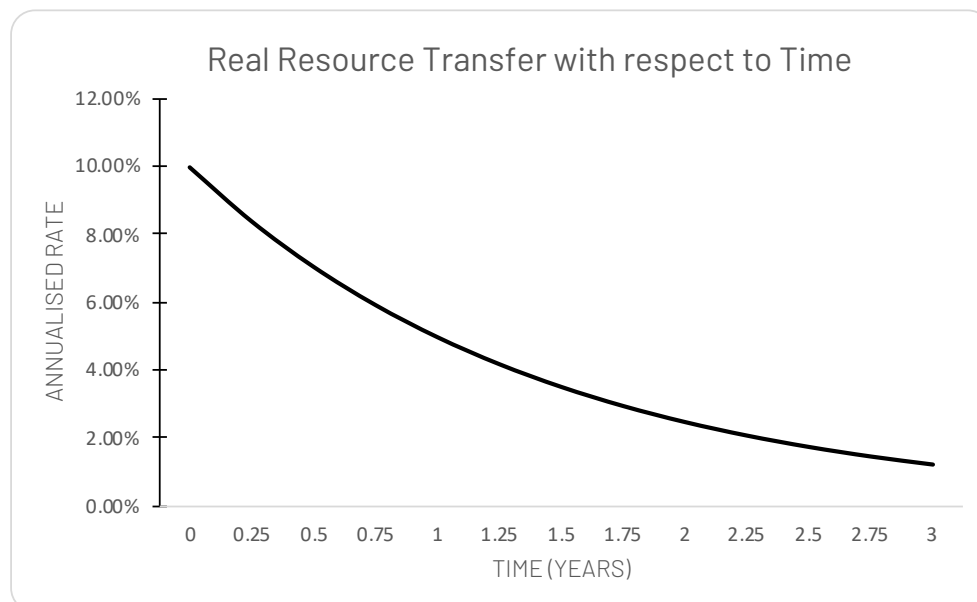
In the case of the UX Network, inflation of the UTX Token is simply a reallocation of resources from non-users to users until the token cap is reached. This should not be confused with monetary tools or negative economic outcomes.

The calculation of inflation, or this reallocation, is a function of

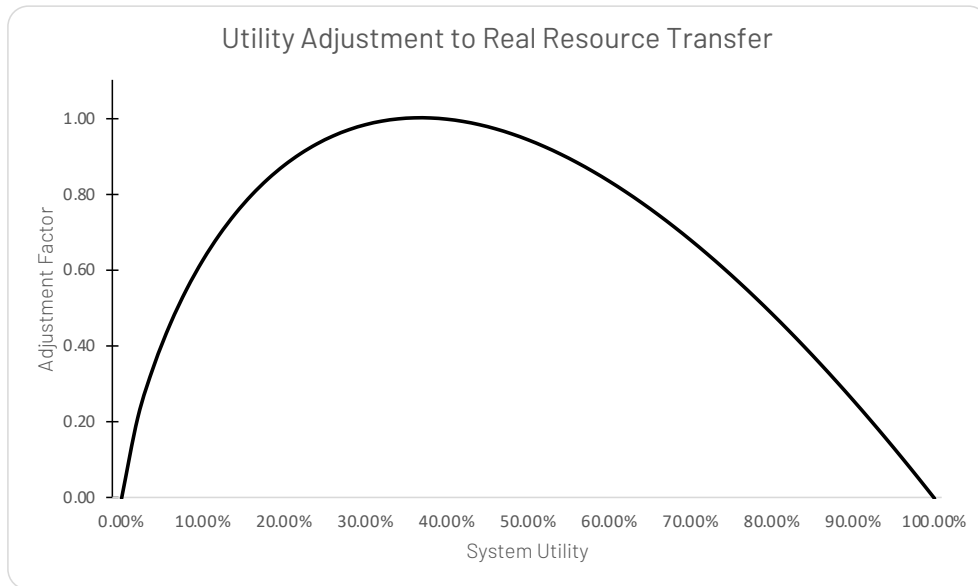
- Time from launch
- System Utility

At the heart of the calculation is a base parameter of Resource Transfer in real terms, which is then converted to nominal pricing to generate an inflation rate. Real Resource Transfer decreases over time.

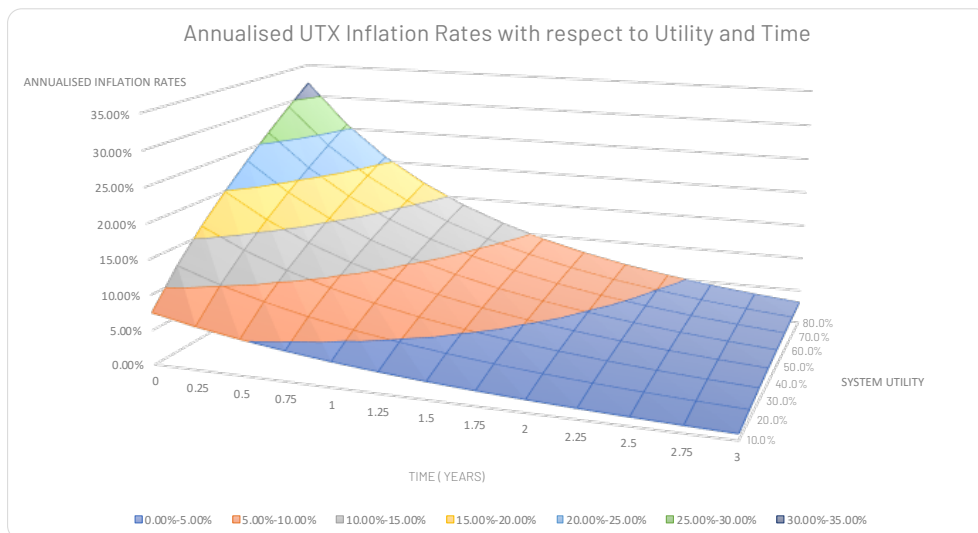
### Time from launch



## System Utility

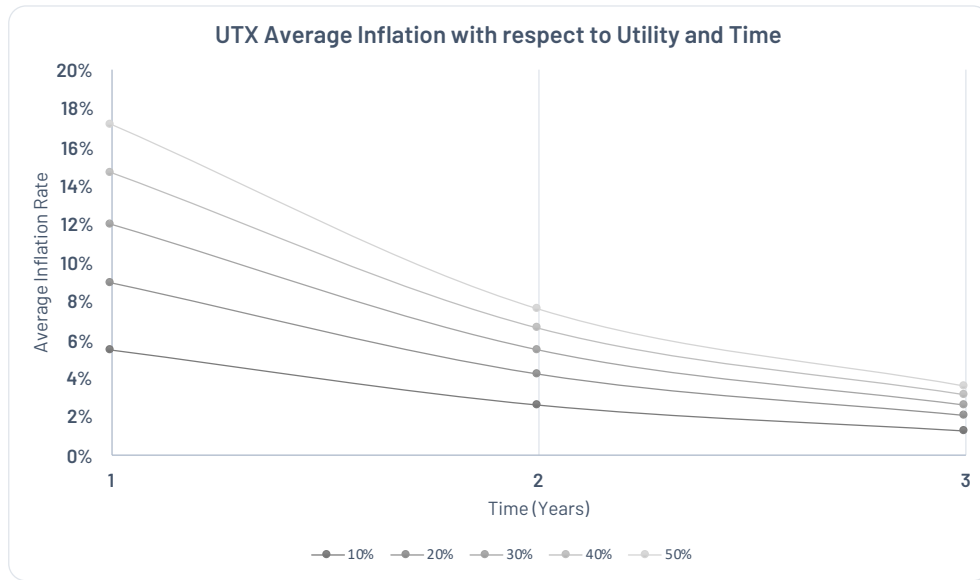


## Inflation Surface



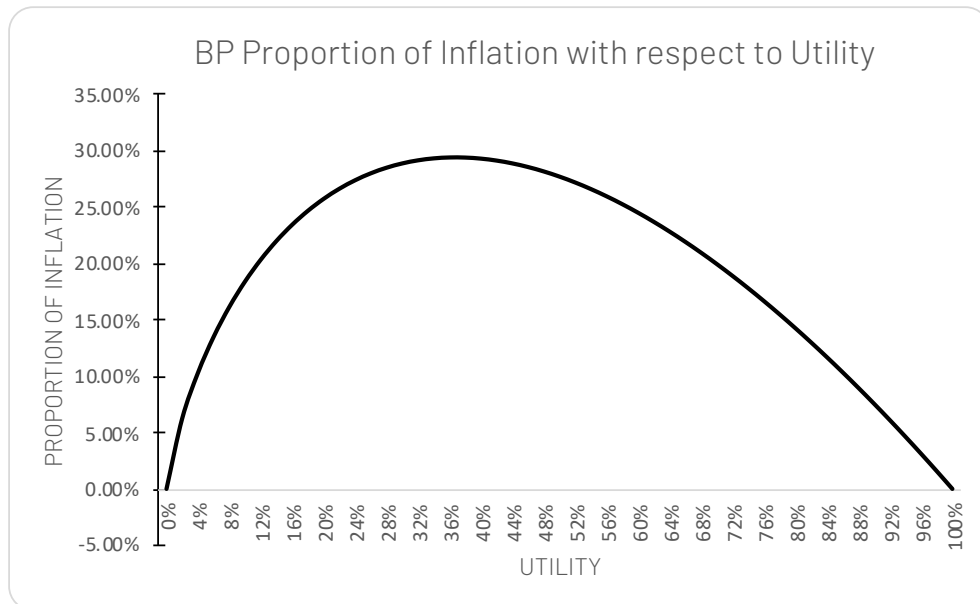
Exponential averaging is applied to System Utility data to calculate the Utility rate. Inflation is calculated and applied every 24 hours at midnight UTC.

### Expected Inflation Rates



### Block Producers

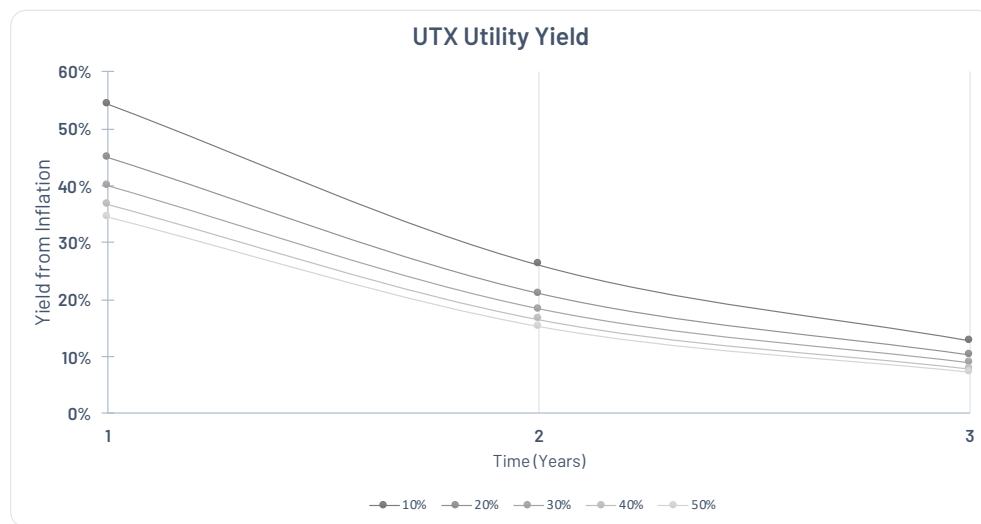
Block Producers receive a variable proportion of inflation as a function of Utility



### Inflation Distribution

Inflation is distributed to accounts using CPU resources in proportion to their usage. Accounts that are using NET resources do not receive inflation and their allocation is paid to Block Producers.

Utility Yield will exceed inflation until capacity utilisation is 100%



### Fixed Token Cap and Inflation Maturity

UTX Inflation will end at the earliest occurrence of the following:

- (1) UTX supply reaches 2.5 Billion
- (2) The third anniversary following the commencement of the Resource Model

## Summary of Inflation

Cohort	UTX	UTXRAM	Effects
<b>CPU Utility</b>	Distribution	Distribution	<p>Increased resources in real terms until System Utility = 100%</p> <p>UTXRAM Distribution recognises correlation of resource utilities</p>
<b>NET Utility</b>	No Distribution	No Distribution	Decreased resources in real terms (Unchanged in nominal terms)
<b>Block Producers</b>	Distribution	Distribution	<p>Resources incentivising a vertical business model.</p> <p>UTXRAM is a larger relative distribution representing the non-linear cost of RAM expansion and incentivisation for User growth</p>
<b>Non-User</b>	No Distribution	No Distribution	Decreased resources in real terms (Unchanged in nominal terms)

Token holders who do not use the resources receive no benefits. They are able to mitigate this position in part through resource management applications such as UtilityX<sup>®</sup> which provides dynamic resource liquidity. This optimises the Network further by allowing Utility to be fluid without the movement of tokens themselves.

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