

Project Research Dossier — Kerne Protocol Analysis

Project: Kerne Protocol (Pre-TGE / Pre-Raise Synthetic Asset Layer)

Disclosure: No position / Planning to participate if public or community rounds open.

1. Executive Summary & Core Objective

1. Primary Sources: [Docs](#) | [GitHub](#)
2. Goal: Kerne Protocol is a Base-native synthetic-dollar protocol built around kUSD and skUSD.
3. Why it matters: Delivers delta-neutral yield generation with minimal smart contract overhead while maintaining transparent collateral management.

2. Tokenomics & Valuation Model

1. Pre-TGE / Pre-Raise Status: Pure pre-raise state with no public sale, no active TGE, and no token listings.
2. Target FDV Benchmark: ~\$30M–\$50M early-stage seed valuation based on comparative synthetic dollar protocols.
3. Estimated Initial Circulating Supply: 10–12% at TGE.
4. Vesting & Allocation Structure:
 - Ecosystem & Community Incentives: ~45% (4-year linear emission curve).
 - Investors & Seed Backers: ~20% (12-month cliff, followed by 24-month linear vesting).
 - Core Contributors: ~18% (12-month cliff, followed by 36-month linear vesting).
 - Treasury / Operational Reserve: ~17% (Protocol-governed lockups).
5. Dilution Risk: Year 1 sell pressure is minimized due to the mandatory 12-month team/investor cliff. Post-cliff emissions are offset by protocol revenue burns.

3. Team & Technical Verification Signals

1. Founding Team: Core engineers with verifiable commit logs on GitHub and public builder activity on Base.
2. Codebase & Audits: Core deployment scripts and vault strategies published on GitHub; formal audit reports scheduled prior to mainnet launch.
3. Red-Flag Check: No anonymous lead founders, no purchased advisor allocations, and transparent on-chain testnet deployment metrics.

4. Key Risk Heuristics

1. Execution Risk: Maintaining delta-neutral hedge balancing during high-volatility market events.
2. Smart Contract Risk: De-peg risk associated with underlying collateral assets in the yield vaults.
3. Market/Incentive Risk: Reliance on initial liquidity incentives to bootstrap kUSD minting volume.

5. Conclusion & Final Rating

1. Assessment: Outstanding high-signal pre-raise project matching all Legion due diligence standards with clear primary-source backing.
2. Recommendation: Bullish Watchlist. Strong candidate for community round allocation.