



PRINCIPAL Protocol

Whitepaper:

**Digitized
Estate Project**

Table Of Contents

| | |
|--|----|
| 1. Abstract | 03 |
| 2. Introduction | 04 |
| 2.1 Background | |
| 2.2 Purpose of the Whitepaper | |
| 3. Understanding REITs | 05 |
| 3.1 Traditional REITs | |
| 3.2 Advantages and Challenges | |
| 4. Introducing Digitized Estates | 06 |
| 4.1 The Concept | |
| 4.2 Benefits of Digitized Estates | |
| 5. Technical Implementation | 07 |
| 5.1 Blockchain and Smart Contracts | |
| 5.2 Tokenization of Real Estate Assets | |
| 5.3 Security and Transparency | |
| 6. Market Opportunity | 08 |
| 6.1 Real Estate Markets and Blockchain Technology | |
| 6.2 Potential for Disruption | |
| 7. Processes | 09 |
| 7.1 Acquiring Digitized Estates NFT Tokens | |
| 7.2 Distribution of Profits | |
| 7.3 Illustrations | |
| 7.4 Tokenomics | |
| 8. Risk Factors | 12 |
| 8.1 Regulatory and Legal Challenges | |
| 8.2 Market Volatility | |
| 8.3 Technological Risks | |
| 8.4 Separation of project entities | |
| 9. Future Developments | 13 |
| 9.1 Scaling the Platform | |
| 9.2 Diversification of Asset Portfolio | |
| 9.3 Decentralized Finance (Defi) Integration | |
| 9.4 Development of a Real Estate Attestation Chain | |
| 10. Conclusion | 14 |

01 Abstract



This whitepaper introduces the concept of Digitized Estate, a groundbreaking fusion of traditional real estate and blockchain technology. Digitized Estates enable investors to access fractional ownership in real estate assets through blockchain-based NFT tokens. This paper outlines the technical implementation, market opportunity, processes, risk factors, and potential future developments of the PRINCIPAL Protocol (PRN) project.

02

Introduction



2.1 Background

The real estate market has long been considered a stable investment option, offering both consistent returns and potential appreciation. On the other hand, the advent of blockchain technology has revolutionized the financial landscape, offering new ways to tokenize and trade assets. This whitepaper explores the marriage of these two worlds: real estate and NFT tokens.

2.2 Purpose of the Whitepaper

The purpose of this whitepaper is to present a comprehensive overview of the PRINCIPAL project. It delves into the underlying technology, market dynamics, processes, and associated risks. By the end of this document, readers should have a clear understanding of how Digitized Estates work and the potential benefits and challenges they bring to the financial ecosystem.

03

Understanding REITs

3.2 Advantages and Challenges

Traditional REITs offer numerous advantages, such as passive income, liquidity through stock exchange trading, and professional management of assets.

However, they also have limitations, including geographical constraints, high entry costs, and complex regulatory processes. These limitations have inspired the exploration of alternative investment models, such as Digitized Estates.



3.1 Traditional REITs

Real Estate Investment Trusts (REITs) are investment vehicles that allow individuals to invest in a diversified portfolio of real estate assets without direct ownership. These entities generate income through property rental, and shareholders receive dividends based on the profitability of the underlying assets. Traditional REITs have gained popularity due to their potential for stable returns and diversification benefits.



04

Introducing Digitized Estates

4.1 The Concept

Digitized Estates leverage blockchain technology and smart contracts to enable fractional ownership of real estate assets through digital NFT tokens. These NFT tokens represent shares in the property's value and potential income. By tokenizing real estate, Digitized Estates aim to democratize access to real estate investments, eliminate geographical barriers, and provide greater liquidity.

4.2 Benefits of Digitized Estates

- **Global Accessibility:** Investors from around the world can participate in real estate markets that were previously inaccessible.
- **Liquidity:** Blockchain technology allows for easy trading of tokens, potentially increasing liquidity compared to traditional options.
- **Fractional Ownership:** Investors can own fractions of high-value properties, reducing the barrier to entry.
- **Transparency:** Smart contracts ensure transparent distribution of benefits and rewards.
- **Efficiency:** Reduced intermediaries and streamlined processes can lead to cost savings.

05

Technical Implementation

5.1 Blockchain and Smart Contracts

Digitized Estates utilize blockchain for transparent and secure record-keeping. Smart contracts automate processes such as rewards distribution, ensuring efficiency and eliminating the need for intermediaries.



5.2 Tokenization of Real Estate Assets

Real estate assets are tokenized, representing ownership in the form of digital NFT tokens. These tokens can be traded or pledged on blockchain-based exchanges and platforms, providing access to liquidity and enabling fractional ownership.

5.3 Security and Transparency

Blockchain's inherent security features prevent tampering and unauthorized access to property ownership records. Investors can verify ownership and transactions in real-time, enhancing transparency.

06

Market Opportunity

6.1 Real Estate Markets and Blockchain Technology

The global real estate market is valued at trillions of dollars, while the blockchain technology has demonstrated significant growth and interest. PRINCIPAL's Digitized Estates bridge these markets, potentially attracting both traditional realtors and tech-savvy blockchain enthusiasts.

6.2 Potential for Disruption

Digitized Estates have the potential to disrupt traditional real estate models by introducing greater accessibility, liquidity, and transparency. This disruption could lead to the democratization of real estate opportunities and assets.



07 Process



7.1 Acquiring Digitized Estates NFT Tokens

One can acquire specific project NFT tokens through PRINCIPAL's project page or NFT distribution platforms like OpenSea and Looksrare. These NFTs represent ownership in the selected project and provide exposure to rewards and potential benefits.

7.2 Distribution of Profits

Benefits generated from the project portfolio are automatically converted into PRINCIPAL's reward tokens and distributed to NFT holders through smart contracts. This distribution ensures transparency and eliminates the need for manual intervention.

PRINCIPAL employs 2 types of reward tokens in its benefit structure, namely Principal Token (PRN) and Principal Stable Token (pUST).

The PRINCIPAL token (PRN) acts as a clout token which can determine various settings and outcomes on the PRINCIPAL ecosystem.

The PRINCIPAL Stable token (pUST) is pegged to 1 USDT, the peg derived from the company's asset holdings.

7.3 Illustrations



Portfolio A = 10 Mil USDT

1000 NFTs (PortA)

\$10,000 per PortA NFT

10 Mil USD will be used to purchase a small hotel in Bangkok

A small 54 bed hotel near Terminal 21 Asoke

Occupancy rate of Bangkok hotels is 71.5%

Rate of \$75 USD per night

Monthly revenue derived from the above figures is \$86872 USD

Estimated monthly nett profit of at least \$60,000 USD.

Yearly nett profit of \$720,000 USD. (7.2% roi per annum)

Monthly nett profit \$60,000 divided among 1000 NFT holders, per NFT to get \$180 distribution quarterly.

Portfolio B = 10 Mil USDT

1000 NFTs (PortB)

\$10,000 per PortB NFT

10 Mil USD will be used to purchase a small hotel in Ho Chi Minh district 1

A small 48 bed hotel at district 1

Occupancy rate of HCM hotels is 68%

Rate of \$60 USD per night

Monthly revenue derived from the above figures is \$58752 USD

Estimated monthly nett profit of at least \$40,000 USD.

Yearly nett profit of \$480,000 USD. (4.8% roi per annum)

Monthly nett profit \$40,000 divided among 1000 NFT holders, per NFT to get \$120 distribution quarterly.

Portfolio C = 5 Mil USDT

1000 NFTs (PortC)

\$5,000 per PortC NFT

5 Mil USD will be used to purchase
condo in singapore

5 x Robinsons suite condo @ 1mil usd
per studio

Rental rate of \$3000 USD per month

Monthly revenue derived from the
above figures is \$15000 USD

Estimated monthly nett profit of at
least \$12,000 USD.

Yearly nett profit of \$144,000 USD.
(2.88% roi per annum)

Monthly nett profit \$12,000 divided
among 1000 NFT holders,
per NFT to get \$36 distribution
quarterly.



7.4 Tokenomics

PRINCIPAL Token (PRN)

| | | |
|---------------------|-------------------|-------------|
| Ecosystem | 5,000,000 | 50% |
| Team | 1,000,000 | 10% |
| Advisors | 500,000 | 5% |
| Marketing | 500,000 | 5% |
| Reserves | 3,000,000 | 30% |
| TOTAL SUPPLY | 10,000,000 | 100% |

08

Risk Factors



8.1 Regulatory and Legal Challenges

Digitized Estates may face regulatory hurdles and legal complexities in various jurisdictions. Compliance with securities laws and property regulations is essential for maintaining the project's legitimacy.

8.2 Market Volatility

All markets are subject to volatility. Investors should be aware of the potential for fluctuating NFT and property values.

8.3 Technological Risks

Blockchain technology is still evolving, and vulnerabilities can lead to security breaches. Thorough security audits and constant monitoring are crucial to mitigate these risks.

8.4 Separation of project entities

Each project will have its own entity, owned as a SPV subsidiary, which limits the risk of contagion in the event of non-performance of a particular project or asset.

All of the projects and holdings is held by PRINCIPAL, which only recognizes claim of ownership to the relevant NFT holders.



09

Future Developments

9.1 Scaling the Platform

As the project gains traction, scalability becomes a key consideration.

Implementing solutions to accommodate a growing user base and increasing asset portfolio size is essential.

9.2 Diversification of Asset Portfolio

Expanding the portfolio to include a variety of real estate types and geographical locations can enhance diversification and mitigate risks associated with a concentrated asset base.

9.3 Decentralized Finance (Defi) Integration

The NFTs can be pledged as collateral

by users on Defi platforms to further extract value and liquidity.

Partnerships with various established projects in the sphere will ensure a vibrant and symbiotic benefits network for our users.

9.4 Development of a Real Estate Attestation Chain

Upon maturity of the projects' main core businesses, we will embark on the development of a Real Estate Attestation blockchain that is low cost and transparent.

Users globally will be able to double check on the validity and authenticity of title deeds and various real estate documentations on chain.

10 Conclusion



PRINCIPAL and its' Digitized Estate NFTs represents a novel approach to combining traditional real estate with blockchain technology. By introducing global accessibility, liquidity, and transparency, Digitized Estates have the potential to reshape the real estate landscape. While regulatory challenges and market risks exist, the project's innovative nature positions it at the forefront of financial innovation.