

Aera Pilot Proposal

Updated as of block [19319337](#) at 2/27/2024, 8:58:23 AM ET

- ID: 187
- Proposer: [0x7B3c54e17d618CC94daDFe7671c1e2F50C4Ecc33](#)
- Start Block: 18379271 (10/18/2023, 3:18:11 PM ET)
- End Block: 18398981 (10/21/2023, 9:28:35 AM ET)
- Targets: [0x3D6eEf6A92b15361697698695334E98C5db91D6b](#) ;
[0xc7252FA289128597631eeca427cBDe6e14559D33](#) ;
[0x3a9eb5a963099eBA6745B81245D5b3680d74c8f6](#) ;
[0x6C8c6b02E7b2BE14d4fA6022Dfd6d75921D90E4E](#) ;
[0x0D8775F648430679A709E98d2b0Cb6250d2887EF](#) ;
[0xB3319f5D18Bc0D84dD1b4825Dcde5d5f7266d407](#) ;
[0xE41d2489571d322189246DaFA5ebDe1F4699F498](#) ;
[0x3D6eEf6A92b15361697698695334E98C5db91D6b](#) ;
[0x3D6eEf6A92b15361697698695334E98C5db91D6b](#)

Forum Post

Forum post is present here: [Forum Post](#)

Table of contents

- [Proposal Text](#)
- [Checks](#)
 - [Checks Compound Proposal Details](#)  [Passed](#)

Proposal Text

Aera Pilot Proposal

Simple summary

A proposal from Aera to initiate a free \$500k pilot to diversify out of ZRX and BAT reserves (from Compound V2 ETH) and then hold the proceeds in a Volatility targeted portfolio.

The vault will do the following:

- Sell out of ZRX and BAT over time using onchain execution venues which minimizes onchain slippage
 - The initial allocation will be 80% ZRX and 20% BAT, this allocation was chosen due to onchain liquidity conditions.
- The proceeds of which will be then managed in a Volatility targeted vault consisting of wstETH and USDC.
 - The target will be 15% portfolio volatility of the wstETH and USDC holdings

Key features

- This is a non custodial vault, where the Compound Governor Bravo Timelock is the owner of the vault (and thus governance votes can initiate withdraw/deposit requests at any time)
- Gauntlet will be the vault guardian for this vault

For more details see the forum post [here](#).

Motivation

The Compound v2 market on Ethereum has accumulated over \$45m of reserves, including USD stablecoins, WBTC, ETH, BAT, and 0x, among others. These reserves are static and do not help the DAO future proof its reserve needs particularly because there is higher than necessary exposure to long tail assets such as BAT and 0x. With the launch of Aera, there is now a purpose-built solution that simplifies and automates much of this optimization.

A few key benefits for Compound:

- Aera helps to minimize bureaucracy. The DAO doesn't need to plan strategies, but rather just pick assets.
- The Aera protocol regularly rebalances Compound's portfolio based on market conditions.
- Aera is non-custodial - the DAO is in control of its assets.

[Full proposal and forum discussion](#)

Specification




This proposal will

1. acceptOwnership of the Aera vault, Hooks module, and Asset Registry
2. _reduceReserves on both ZRX and BAT V2 reserves
3. approve spending on these tokens to allow them to be deposited to the Aera vault
4. deposit into the Aera vault
5. resume the Aera vault, allowing the guardian to start rebalancing

Checks

Checks Compound Proposal Details Passed

Info:

- 1- Accept ownership of [AeraVaultV2](#).
- 2- Accept ownership of [AeraVaultAssetRegistry](#).
- 3- Accept ownership of [AeraVaultHooks](#).
- 4- Reduce reserves of [cBAT](#) by 555,555 [BAT](#). Remaining total reserves would be 29,890,561,370,158,248.5700118
- 5-  Approve 555,555 [BAT](#) tokens to [0x3D6eEf6A92b15361697698695334E98C5db91D6b](#)
- 6- Reduce reserves of [cZRX](#) by 1,694,915 [ZRX](#). Remaining total reserves would be 1,044,110,812,327,367.20778666
- 7-  Approve 1,694,915 [ZRX](#) tokens to [0x3D6eEf6A92b15361697698695334E98C5db91D6b](#)
- 8-  Deposit 555,555 [BAT](#), 1,694,915 [ZRX](#) into [AeraVaultV2](#).
- 9- Resume the [AeraVaultV2](#), allowing the guardian to start rebalancing.