

TMC-1: Pipeline to sell stETH at regular intervals for DAI

Strategy

Set up a process to secure 12mos of stablecoin working capital each time the available stablecoin balance reaches 3mos remaining, based on the average monthly stablecoin disbursements over the past 3mos

Objective

Set thresholds and EasyTrack motions to seamlessly transform surplus stETH into stablecoins (DAI) to secure enough stablecoin working capital to support ongoing needs without overindexing on stables in the treasury

Intended on-chain action

1. Deploy an EasyTrack contract, triggerable by the TMC multisig, to sell specified amounts of stETH for DAI, subject to quarterly, modifiable, limits;

1a. Execution can be triggered in staggered batches of transactions to prevent slippage and front running

Impact on treasury liquidity

Will transform stETH holdings to DAI for use in grants and funding, execution will be done directly from stETH to DAI without withdrawals

Execution complexity

Selling stETH for DAI through Aragon will require interactions with venues such as Cowswap, which may be complicated to execute in practice

Maintenance complexity and overhead

Minor, may require maintenance and updates of the limits from time to time

Summary of possible risks

- Tail event risks on DAI will impact the ability of the protocol to continue funding maintenance grants

→ we recommend the TMC continue investigating potential stablecoin allocations and research the benefits and drawbacks of various stablecoins

Summary of potential benefits

- Ability to update and maintain stablecoin runway from the surplus generated by the protocol

Compliance with Treasury Management Principles

Yes

Proposer

Steakhouse

Agreement

Pending from TMC poll

Perform

Steakhouse

Input

Pending from community

On-chain execution stage

Proposal

Other notes

- [Query to see the months of runway based on stablecoins only](#)
- [Query to see the months of runway based on stablecoins and stETH in the surplus](#)

- The amount of stETH to sell will be calculated based on the prevailing stETH price at the time, the TMC will not try to 'time the market' but just execute an algorithm to raise greater than or equal to 9mos of runway each time the stablecoin balance is less than or equal to 2mos of runway
- This motion does not affect the ability of the DAO to employ other strategies or Aragon votes directly to raise stablecoins

Poll for Treasury Management Committee Members

End date 04-Aug-2023

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- Approve
- Reject

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voters