

Below you will find the December 2023 update on Maker's Real-World Asset exposure. Please note that for the deal-specific sections, the data is current through December month-end and January 2024's data will be included in the next RWA report, unless otherwise noted.

All MakerDAO RWA transactions are accounted for and summarized below. A few items of note:

- An error in the Fortunafi centrifuge pool redeemed Drop tokens at an artificially low price. Centrifuge has mostly remedied the issue and continues to review the situation
- Fortunafi restructured a 2mm asset (36% of the pool), extending its maturity 9 months
- An update on the Harbor Trade default is included below
- ConsolFreight received multiple paydowns representing 21% of the two restructured assets

Overview

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Maker's RWA exposure (excluding the PSMs) decreased by ~222mm this month as Clydesdale, Andromeda, and Coinbase Custody were drawn down to bolster USDC-PSM liquidity.

RWAs continue to comprise a significant portion of Maker's Stability Fees. In December, RWAs made up 48% of all Stability Fees generated by the protocol. Year to date, RWAs (including stablecoin income) have generated 63% of the total Stability Fees for Maker.

A summary of Maker's RWA exposure over time is shown in the chart below:

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Monetalis Clydesdale (RWA-007)

For all available information on the current state of Clydesdale, please see the reports provided by Monetalis, which can be found in their [Clydesdale Vault HQ forum thread](#)

The latest report from Monetalis is reflected in the above figures and has been used to update our previous months estimated fees. The December figures were adjusted to match the reported LTD fees.

BlockTower Andromeda (RWA-015)

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The Andromeda transaction reduced its t-bill holdings by \$145mm in December.

Andromeda is returning stability fees back to the DAO on a semi-monthly basis.

For additional detail on the vault, please view [the full portfolio and transaction ledger](#)

Huntingdon Valley Bank (RWA-009)

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Notice has been given to HVB to terminate future loan purchases into the trust. For more detail on this process, please see the HVB section of the [September RWA Report](#). Now that the notice period has ended, excess funds will be returned once Galaxy is onboarded as exchange agent. The Galaxy account will be online pending implementation of new instructions to Galaxy in January.

As of the end of December, there is \$1,632,589 in an escrow account waiting to be returned the protocol.

To see the data behind the above dashboard, click [here](#)

To see the full Portfolio and Concentration Report, click [here](#)

[Note: The Portfolio and Concentration Report loan balances will differ slightly from the loan balance shown in the above dashboard. The dashboard uses actual funded cashflows as reported by Ankura, while the loan-level detail is provided by HVB and reflects both Maker's funded and unfunded loan balance]

BlockTower Credit (RWA-012 & RWA-013)

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BlockTower increased its vault position by 4mm Dai in December, leaving them with an additional 24mm of excess capacity to draw from the vaults. Both vaults have been designated for structured products. BlockTower is satisfying all covenants and Steakhouse will continue to monitor the pool as assets are added.

Additional detail on BlockTower's vaults can be found in their monthly report [here](#)

6s Capital Partners (RWA-001)

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No new loan activity in December, so the current loan balance still stands at \$12.8mm. The collateral in this transaction is a portfolio of senior loans to single-tenant commercial leases construction projects.

As a reminder, the on-chain data for the 6s Capital transaction does not accurately reflect the realistic Dai balance or accrued Stability Fees of the vault. While the on-chain data continually accrues a 3% Stability Fee on the Dai in circulation, the actual borrower (6s Capital Partners) is only obligated to pay interest for the time that capital is drawn from the real-world trust (RWA Senior Lending Trust).

New Silver (RWA-002)

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The New Silver upsize and restructuring officially went live at the end of August 2023 and New Silver is now deploying additional capital from the vault.

All covenants are passing and Ankura as Trustee is verifying deal covenants prior to every new loan made by the vault.

Fortunafi (RWA-005)

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In December, a \$2mm asset was restructured with a maturity extension. This caused a temporary issue with the Centrifuge system, where the asset was carried at zero value and consequently, the price of the drop and tin token decreased. Before this issue was fixed, 912,517 of Maker's drop tokens were redeemed at a price of 96%, when the correct price should have been 116%, resulting in a loss of 185k to the drop token. Centrifuge has now mostly fixed this issue by correcting the asset previously held at zero value and increasing the value of the drop beyond its normal accrual rate to compensate for the loss. Centrifuge is actively working to prevent similar issues from arising and confirm that MakerDAO has been made whole.

Like last month, Maker's position is still beneath the minimum Tin subordination of 10%. The debt ceiling for this vault is at zero, Drop redemptions have been submitted, and there are no additional actions for Maker to take at this time.

This loan remains backed by a portfolio of Revenue Based Financing assets, in which each asset is a loan to a business (typically a small business or SaaS company), itself collateralized by a percentage of that business's gross revenues.

Fortunafi is failing a number of covenants: the co-investor ratio (now almost at zero), the YoY growth rate, and the minimum Fortunafi Tin investment (however, there are two additional affiliated entities which own Tin tokens, and if included, these would increase the ownership percentage above that covenant's threshold). As mentioned above, the minimum tin percentage is also failing.

Harbor Trade (RWA-004)

The Harbor Trade transaction still has 1.5mm Dai outstanding from the vault as of the end of September, and the workout process for the portfolio is ongoing. The DAO has reduced the debt ceiling to zero and submitted a redemption for its holdings.

The vault's three assets (totaling \$2.1mm) are in default. These defaulted assets collateralize the \$1.8mm in aggregate Drop token market value and were issued by a single consumer electronics company, which has in turn pledged its receivables as collateral.

The default began in April 2023 and Harbor Trade is currently engaged in a workout process to recover as much value as possible for the transaction. Steakhouse has been communicating regularly with Harbor Trade, who provide an update on the workout process below:

Harbor has been diligently working on a workout strategy for the past few months, combining court intervention and negotiation with the defaulted company to establish a formal payment plan. The California court has granted us a writ of attachment, providing the authority to seize assets such as bank accounts and inventory. Additionally, a default judgment has been entered in our favor. We selected California as the jurisdiction for this legal action based on our lawyer's advice

and the knowledge of inventory collateral in the state.

However, despite these legal advancements, we have encountered challenges in locating the company's inventory in California. It seems that the inventory may have been moved or sold through normal business operations. Moreover, communication from the company has been scarce since our last discussion in November, and they have not presented a clear cash flow plan to support a formal payment arrangement.

Steakhouse is working with Harbor Trade to determine next steps in pursuing the recovery.

ConsolFreight (RWA-003)

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December saw positive developments in the two assets restructured in November. One asset was fully repaid and the other received a partial paydown. This represents repayment of approximately 21% of the restructured loans.

The legal process for the defaulted loans (Hanhwa) is still ongoing. Please see the latest update from ConsolFreight [here](#). We hope to receive another update on the process in the next month.

As a reminder, on August 24th, Steakhouse and ConsolFreight [alerted](#) MakerDAO that the pools largest position, Hanhwa, was expected to default. The balance of the affected position is roughly 1.8mm out of the 2.5mm portfolio (as of October month-end). There is not currently a good estimate for expected recovery, but it is very possible the Drop token is impacted. Please note that the value of the loans in Centrifuge (and in the above dashboard) have not been written down.

MakerDAO has reduced the debt ceiling to zero as part of its offboarding of Legacy RWAs

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