Governance Vote Updates

- Vote on the on-chain proposal on [Agora](#), the [Uniswap Labs interface](#), [Tally](#), [Boardroom](#), or any other Uniswap governance interface.

- As discussed below, we are requesting $46.2M of UNI. Using a 30 day TWAP price of UNI of $4.32342, this equates to a request for 10,685,984.71 UNI

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- Simulated results of this proposal passing will be available [here](#) by navigating to the latest successful Governance Check workflow and downloading the Uniswap artifact at the bottom of the page.

Temperature Check Updates

Temp Check Snapshot [here](#)

Last Wednesday we posted in the [forum](#) to complete the initial funding of the UF. Since then we've been having really great, thorough discussions with delegates – hearing your comments, answering questions, and receiving feedback.

Based on that feedback, we are making a few changes to our proposal. These are covered in the bullets below, and updated throughout our proposal.

1. We have adjusted our request to reflect 2 years of operating and grants runway, with the 10% buffer to mitigate price risk. Our request is now $46.2M

.

- We break down how this funding will be used in the post below.

- With this runway we anticipate we will return to governance for additional funding when we have approximately 1 year of runway left, in Q4 2024/ Q1 2025.

- We will retain

the need to receive governance approval via an off-chain vote for grants larger than $2M.

1. We have also heard feedback around the governance process being followed with this proposal. In our initial proposal, we had stated that, after approval, we would [move directly to an on-chain vote](#) for our receipt of our second tranche of funding. However, we have heard a desire from the community for the UF to follow the [complete governance process](#) here. We are happy to do that, particularly considering these additional changes.

2. We will consider last week's post to be our [RFC](#).

3. This post will be our Temperature Check. The Temp Check Snapshot is [here](#).

4. Once the Temperature Check has been completed, we will kick off the final governance vote next week.

TL;DR

- Our vision is for Uniswap to be the liquidity layer of a self-sovereign Internet, a permissionless alternative to the gated, intermediary-owned exchanges of traditional finance. To get there, the UF is building and supporting a robust ecosystem to grow, improve, and sustain the Uniswap Protocol for the long term.

- Last year, Uniswap governance [approved](#) the creation and initial funding of the Uniswap Foundation. Today we are requesting the remainder of our initial funding to support our next 2 years of work ($46.2M).

- We hosted a Twitter Spaces to discuss our RFC and answer questions on Monday, October 2 (link [here](#)).

- In this post we're also providing the community with:

- A review of the UF's progress over the last year: the team we have built, the grants we have disbursed and programs we've run, and their impact.

- A look to the future: what is our vision for the UF, and what is coming next?

- A review of the UF's progress over the last year: the team we have built, the grants we have disbursed and programs we've run, and their impact.

- A look to the future: what is our vision for the UF, and what is coming next?

- We are kicking off our Temperature Check vote today, and will kick off our on-chain governance vote next week.

UF Vision

Uniswap is critical infrastructure for a self-sovereign Internet, providing the liquidity layer for a flourishing world of tokens representing governance participation, community membership, the ability to participate in protocols, "real world" assets and more. It is critical financial infrastructure - providing a permissionless, credibly neutral alternative to the NYSE or SWIFT. It is an enabler of entrepreneurship, providing a liquidity platform for builders creating protocols and applications around the world.

We founded the Uniswap Foundation because we want to ensure that Uniswap is accessible for anyone in the world to leverage as permissionless financial and technological infrastructure for a long time.

How do we make that happen? A robust, diverse, and values-aligned ecosystem.

A strong ecosystem is a competitive edge.

It expands a Protocol's accessibility, increases its resiliency, and enables it to thrive in the face of ruthless competitive and market environments. It means more product and engineering talent driving the Protocol forward, into new markets with better user experience. It means values-aligned delegates who are able to thoughtfully weigh the tradeoffs of governance proposals. It means more serendipity, collaboration, and inspiration.

Looking across the crypto landscape it's easy to see ecosystem strength as a competitive advantage. Ethereum is probably the best example. If Consensys and Ethereum's earliest contributors were still the only teams building on and for Ethereum, it is easy to see a world where almost none of us would be here. Instead, Ethereum is one of the best places to build blockchain-based protocols and applications.

The UF is building the Uniswap ecosystem.

How are we doing that exactly?

1. Growing core Protocol metrics, specifically driving net new order flow to strengthen the Protocol flywheel.

2. Over the next year, this looks like the development of a robust hooks development platform which broadens the pipeline of developers onto Uniswap and diversifies the kinds of things Uniswap is able to do.

3. In the long term, this is 100ks+ of hook and application developers speaking to different use cases (crypto-native to RWA, building new financial primitives) and users globally, all while being able to generate a return for themselves.

4. Building a pipeline for innovation on the Protocol, with the goal of enhancing the experience of swappers and LPs.

5. Over the next year, this means launching the TL;DR Fellowship and Conference, and creating working groups to apply cutting-edge research across MEV and other relevant areas directly to Uniswap.

6. In the long term, this means Uniswap is the default home for the world's top crypto/DeFi researchers and academics to build POCs and iterate upon mechanisms to improve the experience of key DeFi stakeholders.

7. Aligning incentives for stakeholders with long-term interests of the Protocol, turning Uniswap into a cockroach.

8. Over the short term, this means two things: the development of realistic mechanisms to effectively capture Protocol value created and distribute it to stakeholders, and bringing stakeholders together to build trust and context IRL.

9. In the long term, this means the alignment of long-term interests of core stakeholder teams with the Protocol to weather future volatility and competition.

This approach will serve to increase Uniswap's moat over time while ensuring it can adapt as tides change.

Below, we discuss what we've done so far, and how we plan to accomplish our goals in the future. Thank you for your support, as always. We wouldn't be here without you. We're grateful to have the opportunity to work with you in the coming years.

Update: One Year In

Below, we provide a summary of what the UF Grants program and our team directly has accomplished over the last year.

Grants

Growth

- Launch of Oku Trade alongside Oku API: a pro-trader interface accompanied by an API providing comprehensive real-time historical data across pools, swaps, positions, and more. Oku Analytics, which will offer truly-real-time data across all chains it supports, will be launching soon.

- Since launching in July, Oku Trade has had 3k unique wallet connections, and 56k unique site visitors.

- Two projects, Unispark and UniChat, have launched on top of the Oku API thus far.

- Oku also plays a key role in Uniswap Protocol's multi-chain expansion. By the end of the year they plan to support 10 chains. This includes chains like Boba and Moonbeam which otherwise would not have interface support.

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- Partnership with Gauntlet: UF's year-long engagement with Gauntlet is focused on R&D into approaches to optimize incentive programs and fee design. We highlight some of their most interesting work here. They are building a Dynamic Incentive Optimization engine for community use to be released later this year.

- Hackathon sponsorship: We've partnered with ETHGlobal, Binance, and Arrakis to sponsor 3 hackathons (and 1 Hookathon) which have brought 150+ new projects and 200+ new developers into the ecosystem.

- Launch of the Developer Ambassadors Program: Our Ambassadors have started a podcast and deployed UniChat, a tool which leverages the Oku API and OpenAI to allow users to search Uniswap data using plain text.

- Enhancements to Uniswap v3 SDK - Koray and Florian are enhancing the SDK for a broader swath of developers and use cases, and making the code for liquidity management easier to use. They are on track to finish their work in November 2023.

- Support for new tools and research for Liquidity Providers, including the development of Chaos Labs Strategy Simulator and the Messari LP Portal, as well as research on Advanced LP Strategies for Uniswap v3 conducted by Atis Elsts and Vasily Tolstikov.

- Uniswap v3 Development Course: a free, open-source Uniswap v3 Development Course that serves as a fundamental guide for developers, attracting 12,000 monthly visitors…

Innovation

- Launch of TL;DR Research Institute: a first of its kind DeFi-focused Research Institute led by a council of Defi's leading researchers. The Institute will fund grants to and provide mentorship for fellows studying MEV, mechanism design, ZK, and more, and result in a DeFi Research Conference in the Spring. For its first fellowship, starting in October 2023, TL;DR received 107 applications from around the world.

- Industry-leading research on Cross-chain MEV – which has led in turn to a specification for a Proof of Concept (POC) MEV protection hook

- Novel research and implementations across a number of areas, including Lanturn (Measuring Economic Security of Smart Contracts through Adaptive Learning), Chaos Labs TWAP Market Risk application, Axiom's Checkpoint-free TWAP oracles, and research on Pricing Nontoxic Orderflow.

Governance & Community

- Uniswap Agora and the Uniswap Delegate Race - over 65 new delegates made new profiles (to compare, only 35 delegates have posted statement to the governance forum in the last 3 years)

- Uniswap Cross-chain Bridge Report - A team of 8 produced a comprehensive analysis into the cross-chain requirements for Uniswap's cross-chain governance use case, and an accompanying assessment of 9 bridges.

UF Team

First, we want to provide an overview of our team:

Devin Walsh, Executive Director & UF Co-Founder

Ken Ng, Applied Research & UF Co-Founder

Elika Mahdavi, COO

[Raphaela Sapire](#), Head of Growth

[Tyllen Bicakcic](#), Head of Developer Relations

[Erin Koen](#), Head of Governance

[Federico Landini](#), Grants Manager

We're also grateful to work with a number of contributors who are making an outsized impact.

[Ben Basche](#), Hooks Strategy

[Bethany Crystal](#), Grants Strategy

[YJ](#), Grants Committee

[Leander Capuozzo](#), Brand Experience

Juliet Chung, Grants Administration

Below I want to summarize some of the work our team has done outside of grants:

Growth & Innovation

- Interviews with dozens of builders within the Uniswap ecosystem to develop a strategy to create and support a strong Hooks ecosystem for v4. Thus far we've also kicked off and are moderating an active Hook Dojo Telegram chat for 150+ hook developers, have hosted a [Hookathon](#) at ETHcc, [Tacklebox Talks](#) at ETHNYC, and are building v4 [documentation](#), with the community's support.

- Building the [TL;DR Research Council](#), and designing the Fellowship based on their unique insights. Over the coming months, our team will coordinate and run the first TL;DR Conference.

- Our team has coordinated and ran multiple hackathons, providing hands-on support to 100s of hackers.

Governance

- Organizing the Delegate Race with Agora and our first [Blessing](#), a governance-focused event for delegates to build knowledge, context, and community.

- Assist in the governance process from writing forum posts, to educating delegates and rallying votes, to writing the code, sometimes debugging the code, and validating the proposal outcome.

- In our original proposal, we [requested](#) that Uniswap Governance delegate 2.5M UNI to the UF so that we could re-delegate to community members without enough UNI to submit a governance proposal. Since then we have delegated UNI to several individuals (or used it ourselves) to post the following proposals:

- [Bharat.eth](#), [Fix the Cross Chain Messaging Bridge on Arbitrum](#)

- [0XPlasma.eth](#), [Deploy Uniswap V3 on BNB Chain](#)

- [Jack Melnick](#), [Deploy Uniswap V3 on Polygon zkEVM](#)

- [Eek637.eth](#), [Create v3deployments.uniswap.eth subdomain and populate its text fields](#)

- [GFXLabs.eth](#), [Deploy Uniswap V3 on Linea](#)

- [Jesse Sawa](#), [Migrate the Celo Uniswap V3 Factory Contract owner from Optics to Wormhole](#)

Regulatory

- The Uniswap Foundation submitted a [comment letter](#) to the SEC's proposed amendments to Exchange Act 3b-16.

Looking ahead

We will continue to take a targeted approach to growing the Uniswap ecosystem, investing our capital and resources to fund and support projects and teams who will drive growth and strengthening of the ecosystem.

Below we cover several initiatives currently in flight, and upcoming over the next few months.

Through the end of 2023, we plan to:

- Develop the Hooks ecosystem.

We'll award grants to multiple teams to build a v4 SDK, develop hook best practices, educational resources, security standards, and libraries. We will fund high leverage hooks, including MEV mitigation hooks and hooks which increase LP profitability and experience. We're also looking to accelerate the hook discovery and routing stack; create a hook launch playbook, and more. (Some of these grants may come in 2024). We're also sponsoring more hackathons with hooks-related educational events for ETH Istanbul/Devconnect.

- Launch the TL;DR Fellowship in October 2023.

- Continue IRL Delegate events and build more digital ways to connect.

We will host a second Blessing event at ETH Istanbul/Devconnect, and are working towards creating more ways for delegates to connect and educate themselves.

- Lay the groundwork for some of the big programs we're excited to launch in 2024.

Into 2024 and beyond, we want to offer insight into how we're thinking about achieving our big goals.

1. In the realm of growth, we're building an ecosystem of 100ks+ of hook and application developers speaking to different use cases and users globally.

This includes:

- Driving adoption of v4 as we continue to build the hooks platform.

Supporting liquidity migration to v4, the addition of net new liquidity and volume through novel hook development, continuing to fund hook developer content and tooling, and sponsor hookathons.

- Broadening our pipeline of contributing teams through partnerships and multi-milestone grants with industry-leading organizations.

This might include curriculum development and hackathons to upskill new devs, or web3 onboarding for web2 engineers.

- Expanding our grantee support system

through more dedicated grantee relationship management and marketing support.

- Creating a studio

to incubate early founders building novel interfaces and applications.

1. In the realm of innovation, we're building a pipeline for the world's top crypto/DeFi researchers to build POCs and iterate upon mechanisms to improve the experience of key DeFi stakeholders on Uniswap.

2. Launching the TL;DR Conference in Q2 2024

and continuing to support the Institute's growth.

- Building working groups of researchers and engineers

to ideate upon and build novel POCs to mitigate some of the protocol's most pressing challenges and expand the protocol surface area, for instance redistribution of MEV profits and on-chain RFQ systems.

1. In the realm of governance, we're working towards an alignment of interests between stakeholders and the Protocol, turning Uniswap into a cockroach.

2. Continuing to support digital and IRL governance platforms

and events to support delegates in building community and context.

- Supporting initiatives to create and distribute Protocol value to stakeholders

with community-led teams designing and implementing new ways to accrue and capture value for the Protocol, as well as mechanisms for value distribution.

Request Breakdown

We are requesting $46.2M

in funds today.

This funding will last provide the UF with 2 years of runway. In total, $28.33M will go towards grants, and $13.6M ($11.4M and 508k UNI) will be spent on operations over this timeframe. We have added a 10% buffer to mitigate price volatility. On the day we post the governance proposal, we will request our funds in UNI, using 30-day-TWAP to convert our request.

Financials

Historical

Grants

- Over the last year, the UF awarded $4.8M in grants across 5 categories, with the majority of grants being awarded to the Protocol Growth and R&D categories. We awarded our largest grant of $1.6M, to Oku Trade & API, shortly after UF launch. In our most recent quarter, we slowed down grant-making after the Uniswap v4 announcement. We shifted focus from making grants to Uniswap v3-focused projects to building our GTM and funding strategy for v4.

- Note that in addition to the $4.8M in grants commitments by the UF, the UF also inherited $886k of active UGP grants, which the UF disbursed over the last year. Total grants commitments including both UF and UGP grants totaled ~$5.7M.

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Operations

- Over the last year, we spent $3.15M on operations. This is on target with the$3.24M we predicted we would require for our first year of Operations in our initial proposal, with the following caveats:

- We note that the $289K cost of theUniswap Cross-chain Bridge Assessment Process, the outputs of which were published to the public, was covered by our Ops budget due to the urgent nature of this work in Q1 and Q2 2023.

- Our first employees hit their cliffs for UNI vesting in July. We disburse vesting on a quarterly basis, so the first disbursement will occur on October 1st.

- We note that the $289K cost of theUniswap Cross-chain Bridge Assessment Process, the outputs of which were published to the public, was covered by our Ops budget due to the urgent nature of this work in Q1 and Q2 2023.

- Our first employees hit their cliffs for UNI vesting in July. We disburse vesting on a quarterly basis, so the first disbursement will occur on October 1st.

- Our largest expenses were Payroll and Legal costs. Over the last year our Legal fees included costs to setup and receive our 501(c)(4) status; costs of defense in the Risley class action lawsuit; advisory work for team on how to effectively operate in an unstable regulatory environment; and advisory work to guide the UF's work in supporting the Uniswap community, for example in our work to provide education and guidance related to the protocol fee switch.

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Forecast

Grants

With the addition of funds, the UF will have $30M

outstanding in grants capital remaining to disburse.

- We plan to disburse $10-$15M per year, with the amount disbursed per year increasing over time. We note that we are allocating a portion of the Innovation budget (up to $9M) towards designing and testing novel incentive mechanisms. We note this because it's likely these funds will be disbursed all at once in an MVP of a program.

- We've recalibrated our grants categories and allocation budgets to focus on Grantee stakeholder groups.

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Projected Team Growth

Over the next year, we plan to grow our Growth & Research, Grants, and Technology teams in order to realize our goals. Specifically, we plan to:

- Hire 2 individuals in Growth & Research to support our ongoing efforts, and to grow our expertise in the R&D efforts we are funding.

- Hire 2 individuals on our Grants Team, including a Grants Lead.

- Hire 2 individuals on our Technology team, one to support ongoing Product development grants and one to support Developer Relations.

- Hire an Executive Assistant to support our teams' internal operations.

- In FY2025, we anticipate hiring up to 2 additional team members.

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Operations

- For the next two years, including funds on hand, we will have $13.6M and 961,364 UNI remaining to spend on Ops moving forward ($17.9M total at current UNI prices) through Q4 2025.

- Because we are now planning for the next 2 years, we are adding an additional $1M in buffer to cover unexpected legal costs.

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Additional Notes

Over the last year, the UF has spent $3.15M on ops and $5.4M in grants. We offer a few comments on these amounts below:

- Over the last quarter, we slowed down grant-making activities purposefully in order to build a strategy for grant-making for v4. We expect grants to double or triple to $10-$15M in grants committed per year. Over the next year, our annual operational spend is projected to increase by only ~20%. Over time as we scale we expect the ratio of grants-to-ops spend to continue to increase.

- That being said we also want to note the multitude of activities that our team takes on outside of vanilla grant-making. Many of our team members spend their time incubating and coordinating novel grant-making programs, like the TL;DR Research Institute. And, approximately 50% of our teams' time over the last year was focused outside of grant-making, including on event/hackathon coordination, hands-on support, marketing & comms, and legal/regulatory work.

The UF will retain the need to receive governance approval via an off-chain vote for grants larger than $2M. For that vote, we will use the terms set for the Temperature Check – a 5-day Snapshot poll with 10M quorum.

Tranche 1 Review

Last year in our Tranche 1 of funding, we requested 2,547,002 UNI with the goal of receiving $20M. However the price of

UNI decreased over the 11 days between our request and when it hit our wallet, decreasing the UNI's value to $17.3M.

- We priced this at the 30-day TWAP of $8.14 on the day we kicked off the governance vote August 17 2022. At this price, 2,547,002 UNI equates to $20M.

- When we received the funds on August 25, the UNI price had fallen 13.7% to $7.05, meaning that $17.3M worth of UNI hit our multi-sig. We use this number, $17.3M, to calculate the remainder of capital owed to the UF.

Treasury Diversification

Our Treasury Diversification policy is designed to prioritize capital preservation and risk mitigation. We also maintain a portion of our assets in UNI to offer as part of a compensation package to our employees, to align interests with that of the Uniswap ecosystem.

Funds will be split between Operations and Grants. Below we detail our methodology for diversifying our assets within these two categories.

For Operational funds, we will:

1. Set aside UNI tokens to be used in employee compensation packages.

2. Maintain 6 months runway in cash in an FDIC-insured bank account.

3. Invest the remainder of our funds in a low-risk yield bearing asset.

For Grants funds, we will:

1. Maintain a portion of funds in stablecoins.

2. Maintain 6 months of anticipated grants funding in an FDIC-insured bank account.

3. Invest the remainder of our funds in a low-risk yield bearing asset.

This plan aligns our financial strategy with our core objectives, minimizing risk from market volatility to safeguard the foundation's operations and grant-making commitments.

Next Steps

We are kicking off our Temperature Check vote today - you can vote [here](). This vote will last for 5 days. We will kick off our on-chain governance vote next week.

Appendix

To get a more comprehensive review on our work thus far, take a look at the blog posts we've written over the last year:

- [UF Update to the Community - 7 Months In]()

- [Strengthening Uniswap Governance]().

- To review the complete list of grants we have disbursed, check out our [Wave 1](), [Wave 2](), and [Wave 3]() write-ups.

Thank you to Jesse Walden, Hart Lambur, Alexis Gauba, and Julia Rosenberg for their support as advisors and multi-sig signers over the last year.