

Hello Uni governance,

The successful governance proposal that funded the DeFi Education Fund (DEF) sent \$UNI to a multisignature wallet (DEF.eth) that the DEF's seven steering committee members control. To enhance the UNI community's control of the assets, the proposal directed the committee to implement Tally's open-source product Safeguard (then called Failsafe) when it is ready.

Safeguard would give UNI governance the ability to (i) stop any multisig transaction from taking place, and (ii) request funds sitting in the multisig to be sent back to the Community Treasury. These features would not only enhance the governance community's oversight of the funds but also significantly bolster the security of the multisig against unauthorized transactions and other risks. Safeguard's code is currently being audited, and Tally is in the process of building an interface for the product.

In the meantime, the committee proposes to transfer the DEF's assets from its multisig wallet to a dedicated custodial wallet that can be viewed on-chain. Holding the DEF's assets at a centralized custodian presents less risk than holding them in a seven person multisig without a product like Safeguard implemented. Because the custodial wallet and its transactions will still be viewable on-chain, moving the Fund's reserve to a centralized custodian is a win-win at this time. We will continue to pre-announce and explain withdrawals from the custodial account. When moving assets to the centralized custodian, the DEF will incur a fee based on the dollar value of the assets, which is expected to be in the range of 25-50 basis points per year.

We seek the community's advice and thoughts on this proposal and eventually intend to initiate a snapshot vote with more details based on the discussion.

-Miller