

Wintermute DeFi Governance Digest December 2023 | Week 3

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This week's proposals include Arbitrum looking for RWAs for the treasury

diversification, Levana suggesting to make a loan swap with Osmosis, and Aave discussing the PYUSD market for v3; as well as votes from dYdX to add a new TIA market, Curve to reimburse victims of the July exploit, and Synthetix to upgrade Perps to v3.

Proposals

Arbitrum (ARB)

Proposal:

[Arbitrum Stable Treasury Endowment Program](#)

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Summary:

The ArbitrumDAO is planning to diversify its treasury using RWAs from various on-chain protocols. This proposal could not only hedge the treasury from price movements but also create a source of sustainable yield and increase Arbitrum TVL.

Key Points:

- Earning on-chain T-bills yield become much easier since this year, and protocols started to use this instrument for treasury diversification more often.
- Currently, Arbitrum has [a treasury](#) consisting of 3.5B ARB (\$3.9B), and the need for diversification is clear.
- The exact amount of ARB from two available options (10M and 25M ARB in the case of support) will be chosen through the Snapshot and on-chain votes.
- The important moment is that this ARB allocation is an investment that can be recalled by the DAO at any time.
- After picking the investment size, the DAO will start voting for service providers who will share it.
- Five investment managers showed interest in this program: Backed Finance, Centrifuge, Mountain Protocol, Ondo Finance, and OpenEden.
- If successful, this proposal could mark the beginning of the development of the RWA sector on Arbitrum because, according to Defillama, its current TVL is sub-\$100k.

Our Take:

The lack of diversification created difficult situations for many projects that were trying to find a quick way to cut costs to survive until the next bull market. This proposal offers not only diversification but also aims to maintain TVL leadership.