

title: [TEMP CHECK] TokenLogic Proposal

author: [@TokenLogic](#)

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Summary

This publication presents the Aave Community the opportunity to onboard TokenLogic as a service provider. TokenLogic shall focus on Aave DAO finances and support GHO adoption.

Introduction

Members of the TokenLogic team have been contributing to Aave Protocol since mid 2020. More recently, the team has been expanding in preparation to better support our three focus areas:

- Treasury Management
- Safety Module modelling
- GHO Adoption

TokenLogic is a developer focused team with a proven track record dating back to March 2023 when the delegation platform was announced. During this time we have delivered the following:

- 5 AIPs, 6 payloads, several GHO related BIPs
- [GHO liquidity pools analysis](#)
- Coordinated [7.7%](#) veBAL support for GHO's launch
- Stood up an analytics platform
- Launch of [GHO Analytics frontend](#)

The team is growing and we onboarded an accounting team to start developing a Aave Financial Reporting (genesis to date) frontend, launch date mid/late Q4 2023.

Current & Future Areas of Focus

The below provides a high level overview of our key focus areas:

- Treasury Management
- Improving the risk adjusted return of DAO's assets
- Aave v2 to v3 migrations
- Swap long tail assets to ETH / stable coins
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- Improving capital efficiency
- Convert wMATIC to MaticX & stMATIC
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- Managing strategic assets
- Upgrades to Strategic Asset Manager v1 functionality as required
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- Modelling asset purchase / bribe

- Participate in Quest/Bribe v acquiring asset
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- Engage, collaborate and support community lead initiatives
- Example: How best to optimise CRV holding
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- Oversee Protocol Owned Liquidity (POL) deployment
- If DAO elects to provide POL, ensure Boost is directed to holding to optimise returns and maintain the strategy through claiming and swapping/locking rewards.
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- Design and create a contract for managing DAO's POL
- Perform swaps, claim incentives, transfer assets etc...
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- Claim Aave Protocol revenue fees at the end of each month
- This bot is currently operated by Llama
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- GHO Liquidity / Incentives Management
- Create Liquidity Management Committee / Budget
- Provide modelling to support Committee decision making
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- Liquidity Incentive Optimisation Analysis (Strategic Assets)
- Target pool sizes & APRs
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- Explore synergies with Safety Module diversification
- Potential to include GHO liquidity pools
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- Financial Reporting
- Runway forecast
- Specifically tracking asset balance and drawdown rates to show when other assets require being swapped to fund the DAO
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- Budget and resource allocation
- Work with ACI and others to develop a DAO budget
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- Transparent accurate, third party reviewed, accessible financial statements

- Launch a financial statement frontend mid/late Q4 2023
- Cover Ethereum, Polygon (PoS), Arbitrum, Optimism and Avalanche initially and expand over time.
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- Revenue per Reserve v time charts
- Daily or Hourly data showing revenue being generated per Reserve on each Aave v2 and v3 iteration
- Users will be able to select an asset and see total revenue nominated in the underlying or select an instance of Aave and a specific asset.
- Data will be displayed graphically with some ability to interact with the charts
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- Supporting GHO Adoption

- Collaborate with other teams to support GHO adoption
- Promote utility and velocity
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- Continual development of GHO Analytics frontend
- Promote adoption through DeFi integrations
- Examples include working with teams to build real yield strategies, structured products and list GHO as collateral
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- Safety Module Improvements
- Model the SM performance during shortfall events
- Create a frontend that show historical performance for swapping certain amounts of each asset instantly (not dutch auction) via an aggregator
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- Model / forecast emission budget
- AAVE emissions are finite, GHO is better
- Capital efficiency could be improved through adoption of quests and/or acquiring assets that control the emission schedule of another protocol
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- Capital efficiency could be improved through adoption of quests and/or acquiring assets that control the emission schedule of another protocol
- Advocate for diversification and reducing the reward budget
- Introduction of stable coins, ETH and other assets to reduce reliance on AAVE during shortfall events
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- Collaborate with others to refine to enhance the SM's effectiveness at providing a backstop for Aave Protocol
- BGD to implement on-chain upgrades
- Model liquidity pool assets to be added to SM
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Each of the areas detailed above is interwoven and has a material affect on the DAO's financial status. TokenLogic is committed to working with other DAO contributors collaboratively and constructively to better the Aave Protocol.

To support the initiatives above, we have created an analytics platform. The GHO dashboard is our first analytics initiative. Beyond GHO, we plan on using the analytics platform to provide the DAO with near live revenue data stream for each asset reserve on supported networks. We seek to always incorporate community feedback and build out any requests from the community.

Our team is very well connected across defi and we intend to support Aave and GHO where ever we can. To this end, we are already working with several teams looking to integrate GHO and have been working with [@0xbilli](#) at AGD with targeted spending initiatives.

To ensure continuation of active work scopes, TokenLogic will continue to manage the migration of users on Polygon v2 to v3. This includes either fortnightly or monthly parameter adjustments. We encourage another service provider to pick up the Avalanche v2 migration. However, if required, we are happy to support provided it doesn't impact our key focus areas which we will be measure against.

Prior Work

This section, we will focus on what TokenLogic has delivered to Aave DAO:

- [TokenLogic Delegate Platform](#)
- Asset Listings
- [\[ARFC\] Add FRAX to Aave V3 Ethereum](#)
- [\[AIP\] Add FRAX Ethereum Aave v3](#)
- [\[ARFC\] Add FRAX Arbitrum Aave v3](#)

- [\[AIP\] Add ARB to Aave V3 Arbitrum Pool](#)
- [\[ARFC\] Add FRAX to Aave V3 Ethereum](#)
- [\[AIP\] Add FRAX Ethereum Aave v3](#)
- [\[ARFC\] Add FRAX Arbitrum Aave v3](#)
- [\[AIP\] Add ARB to Aave V3 Arbitrum Pool](#)
- GHO Liquidity
- [\[TEMP CHECK\] GHO Liquidity Pools](#)
- [\[ARFC\] GHO Liquidity Pools: Primary Pools Initial Strategy](#)
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- GHO Analytics Dashboard
- <https://aave.tokenlogic.com.au/>
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- GHO Yield Strategy
- Supported Sommelier

with development of real yield strategies that manage GHO liquidity across several DEXs. Current at audit stage.

- Worked with Beefy Finance

to launch several farming strategies that utilise Balancer GHO liquidity pools

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- Sunsetting Polygon v2 - Via [Butter Incentivized Delegate Campaign](#)
- [\[TEMP CHECK\] Polygon v2 to v3 Liquidity Migration](#)
- [\[ARFC\] Polygon v2 - Parameter Update](#)
- [\[AIP\] Polygon v2 - Parameter Update](#)
- [\[AIP\] Reserve Factor Updates - Polygon Aave v2](#)
- [\[TEMP CHECK\] Polygon v2 to v3 Liquidity Migration](#)
- [\[ARFC\] Polygon v2 - Parameter Update](#)
- [\[AIP\] Polygon v2 - Parameter Update](#)
- [\[AIP\] Reserve Factor Updates - Polygon Aave v2](#)
- Supply Cap Increase
- [\[ARFC\] Supply Cap - stMATIC Polygon](#)
- [\[AIP\] Supply Cap Update - stMATIC Polygon v3](#)
- [\[ARFC\] Supply Cap - stMATIC Polygon](#)

- [\[AIP\] Supply Cap Update - stMATIC Polygon v3](#)
- Polygon v2 Treasury to v3 Migration
- [\[Payload\] Treasury Management - Polygon v2 to v3 Migration](#)
- [\[AIP\] Treasury Management - Polygon v2 to v3 Migration](#)
- [\[Payload\] Treasury Management - Polygon v2 to v3 Migration](#)
- [\[AIP\] Treasury Management - Polygon v2 to v3 Migration](#)
- Avalanche v2 Treasury to v3 Migration
- [\[TEMP CHECK\] Treasury Management - Avalanche v2 to v3 Migration](#)
- [\[ARFC\] Treasury Management - Avalanche v2 to v3 Migration](#)
- [\[TEMP CHECK\] Treasury Management - Avalanche v2 to v3 Migration](#)
- [\[ARFC\] Treasury Management - Avalanche v2 to v3 Migration](#)

There are also several gauge proposals presented on the Balancer governance forum and even BPT asset listing proposals on Sturdy Finance that support GHO's launch and depositing funds into Aave v3 respectively.

Delivering the above work has enabled TokenLogic to grow the team beyond [@MatthewGraham](#) and [@DeFiJesus](#), to include [@DydyMoon](#), [@scottincrypto](#), [@agentmak](#) and TBA (soon). With several developers, strategists and accountants apart the team, we are mostly manned up and ready to take on a more involved service provider scope.

Budget

We are requesting a total budget of 350,000 USD for an initial 6 month period to support our initiatives.

This budget will contribute to covering operational expenses, including tools, subscriptions, and infrastructure plus the resources required to deliver our work.

The payment terms are as shown below:

Upfront Transfer: 210,000

0 GHO

Stream: 140,000

350,000 GHO

This is a 60/40

0/100 split of upfront/streamed.

Address: `eth:0x3e4A9f478C0c13A15137Fc81e9d8269F127b4B40`

Similar to ACI, TokenLogic is to be included in the [Gas Rebate](#) program that reimburses on-chain voting, calling revenue contracts and deployment costs.

TokenLogic commits to not receiving any funds from other entities for creating proposals and publishing AIPs on Aave Protocol.

Defining Success

The below provides an overview of how the DAO can assess TokenLogic's performance:

- Migrate Aave DAO funds from v2 to v3
- Create Liquidity Committee with funding
- Optimise GHO liquidity incentives
- Strategic Assets are being actively used

- Runway funding sustained (>6 months of the correct assets)
- Convert Treasury assets to LSTs
- Launch financial statement frontend
- Continual flow of new GHO Dashboard features

As DAOs are dynamic, when more urgent priorities emerge TokenLogic will support and proactively work with other service providers to act in Aave's best interest.

Next Steps

If the [TEMP CHECK] is successful and the community supports our proposal, we will move forward with a formal [ARFC] submission to governance.

We are committed to maintaining transparency throughout the process and providing regular updates the community on our progress.

We thank everyone for considering our proposal and appreciate your support. We look forward to working together and driving success to the Aave Protocol.

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