

Hi Aave fam !

This ARC follows the discussion of the one about "Put the treasury to work" [ARC : Put the treasury to work](#)

The Aave treasury has now passed 1.5M\$, and it's time to start earning interests on it, and for that, a good option between yield and security is curve, beside bringing some synergies between Aave and Curve.

Here is a breakdown of the situation of the treasury (made on March 30th so numbers won't be fully accurate) :

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image

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](https://europe1.discourse-cdn.com/business20/uploads/aave/original/1X/6a7ce831f1f92d266908c0fa331802fe0947a3e5.png)

As explained in the previous ARC, the Aave governance needs CRV to:

- Boost the rewards on the pools that we will use for the strategy
- To vote on gauge weights which can increase the weight of the Aave/sAave pools and other pools that could be created
- To vote on proposals
- To collect Curve trading fees

In order to maximize the boost, we need as many veCRV as possible, and we can obtain 1 veCRV by locking 1 CRV for 4 years in the Curve DAO.

Once every tokens will be transferred on the reserve factor address, my proposition would be to use all the small balances to buy CRV and lock it to obtain veCRV. Using altcoins to buy CRV would only be done once to start the strategy, we could hold the ones we receive after that.

As I write this, 1 CRV is worth 3.30\$, so using those assets allow the treasury to buy 67763 CRV.

The fact that we don't have a lot of CRV means that we have to split into several pools to increase the max \$/veCRV, which must be as high as possible to reach max boost.

I tried with a few pools and ended up with the following ones :

With 67763 CRV, and using the pools listed above, we're able to boost the treasury.

Most of the treasury is on Aave and sAave pool, Eth/sETH and Wbtc/Ren btc, but to reach the maximum boost on the entire treasury, we need to deposit a little on other pools too.

With the current numbers, the treasury would increase by 56% in a year (earning around 688k only with the Curve pools earnings), but locking CRV for 4 years also earn trading fees collected in 3Pool tokens, that we could distribute to stakers every month or 6 month, the main variable here being the gas.

3Pool tokens earned is currently around 9% of the value of CRV lock and with the current amount of CRV, this would bring around 15k\$.

However, this is not over: Having veCRV makes the address eligible to earn an EPS airdrop on BSC from Ellipsis (Curve fork) every week during the next 50 weeks.

Currently, 69k veCRV would bring around 2800 EPS/Week (every airdrop is vested for 3 months but can be claimed with a 50% penalty tax) and with a token at 7\$, that would still make around 490k\$ a year.

Moreover, EPS can be staked (and locked) to receive more EPS and trading fees in BUSD.

Of course all of these numbers will and have probably already changed, it's also to help understand the strategy, but here is a small review of what can be done in a year:

I did not took into account the tokens received by the reserve factor for the AMM market, EPS staking, and Ellipsis trading fees (that we could also distribute) and there is no compounding with these numbers, but we could compound the rewards, and we should probably do it, mainly with the CRV to increase the max capacity to boost.

For now, the protocol is generating around 20k\$/day and by the end of the year, the income from CRV farming could be much higher.

I also started a discussion on Curve's forum to approve Aave DAO on the Smart Wallet Whitelist that would allow Aave to deposit on Curve pools.

Should we use that strategy ?

- Yes
- No

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voters