

Hey,

With the May 17th ecosystem unlock coming up, I wanted to resurface the Q4 conversation on treasury management and diversification.

In October, [@0xsword](#) proposed that the DAO a) diversify into ETH + stables b) nominate a treasury council to steer strategy c) test allocating a small percentage to liquidity and farming.

- <https://forum.apecoin.com/t/how-can-we-setup-a-treasury-management-team/7201/29>

TLDR:

The Q4 treasury proposal got a lot of traction and support but trailed off after two months of back and forth. There were some concerns around nominating a council and how that aligned with the ethos of a DAO. There were also some questions around how best to approach treasury diversification.

Current State:

The majority (>95%) of ApeCoin's treasury is in its native asset which makes the treasury balance sheet incredibly risky. Over the last year, APE has dropped 75% which in turn naturally impacted the treasury heavily. Diversifying into blue chips such as ETH, or more stables, would hedge the treasury against further market volatility or an extended bear market.

Unlocks & Treasury Mgmt:

In addition to bear market realities, token unlocks create an added layer of complexity / consideration wrt sell pressure. ApeCoin has regular unlocks slated until 2026. This past February's unlock and the lead up to that unlock resulted in significant price volatility. It might make a lot of sense to bundle the treasury diversification conversations along with ecosystem unlocks.

Going Forward:

As the bear market and market volatility continues, it's important that ApeCoin iron out the best way to approach and test out those approaches. In an ideal world, ApeCoin should have an array of strategies + tools to a) sell tokens responsibly b) diversify treasury. This holds true across treasury tokens, team tokens etc.

SIZE x APE:

SIZE is an on-chain OTC protocol — treasuries can diversify & sell tokens without slippage or market impact. [The latest blog](#) on treasury management nests well with the above.

Hindsight bias is real. A lot of treasuries and communities fall into the holding pattern of "the price is too low or price is going higher." To solve for this, we'd recommend DCA by selling monthly or quarterly. Exploring locked options to prevent market dumping would also be advised. Given other treasury approaches, would suggest moving up to

25% into stables.

- Adding blue chips into the mix to further hedge treasury, upside exposure.
- Sell on a quarterly basis versus annually.
- SIZE's vesting options to prevent immediate market dumping.
- Revisit conversation around farming + staking.

Would love to see if there's a way for APE to benefit from SIZE. Also love any thoughts or feedback.

Thanks!

Nicole + SIZE Team