

PROPOSAL NAME:

HIGH PRIORITY: First treasury diversification sale - community decides.

TEAM DESCRIPTION:

Furious:

DAO believer since March 2022.

Twitter & Discord:

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PROPOSAL DESCRIPTION: (VERY ROUGH FIRST DRAFT.)

This AIP proposes a simple plan to achieve our first treasury diversification sale; ensuring our treasury is financially robust; enabling operations, initiatives and growth to continue.

Question is not whether treasury diversification should happen, but simply how many tokens are to be allocated, into which asset(s), and the timeline.

This AIP will be finalised using the community's input. So let's propose, adjust, argue and reach consensus asap.

Facts that need to be added:

- The treasury is held 100% in our native token \$ape.
- To establish a "true" treasury balance locked tokens should not be included, meaning we can attribute a dollar value of close to ZERO for apecoin DAO's treasury.
- Approved AIP grants & operational costs have seen a treasury of 470m \$ape reduced to around 130m \$ape in less than two and a half years (340m \$ape spent or allocated to date).
- All remaining \$ape yet to be spent or allocated is realised through token unlocks. (Basically the \$ape we have left = locked \$ape.)
- We have no reserves this means our operational timeline is linked to (or probably better defined as determined by), highly volatile market conditions.
- Runway cannot be assured or determined as the treasury is completely reliant on \$ape's market price.
- The treasury has generated revenues to date (inflows) of \$5,000 dollars.
- The current situation is to spend and allocate \$ape until there's nothing left - with no plans to ensure the long-term sustainability of the DAO & the treasury.
- Community approved grant AIPs from JAN-AUG '24 totalled \$18.5million USD & 112million \$ape.

Nonsense that needs to be added:

- Selling treasury tokens will impact the market price of \$ape.
- Treasury diversification is a complex subject, which only "experts" are qualified to talk on.
- \$ape is going to \$50 dollars.
- No need to worry Webslinger are managing our treasury - it's their responsibility.
- Only viable if we can do OTC sales vs market selling.
- It'll all be fine - trust me bro.

Initial thoughts/ideas:

10% of the remaining treasury to be stabled into USDC.

Set a minimum of 10m \$ape - expecting 13m \$ape (as estimates are we have 130/140m \$ape net).

The sale will be achieved via a mixture of OTC and market selling.

The price target for conversion will be set at a minimum of 1 \$ape = \$1 USDC.

Above sentence determines that our first treasury diversification sale would commence when apecoin reaches a market sale

price greater than \$1 dollar.

Determine usage terms within this AIP or future AIPs?

#### BENEFIT TO APECOIN ECOSYSTEM:

1. Dampen total portfolio volatility.
2. Offset future operational expenses.
3. Increase the resiliency of the DAO during periods of market disruption.
4. Encourages future diversification into a variety of tokens and blue-chips.
5. Will continue to add.

#### DEFINITIONS:

##### DAO Treasury diversification:

A risk mitigation strategy focusing on creating stable treasury reserves by reducing exposure to more risky assets such as DAO native tokens which are less resistant to market volatility.

##### USDC Stablecoin:

USDC is an asset backed stablecoin whose value is pegged to the U.S. Dollar; every USDC token in circulation is backed by \$1 USD in cash or cash equivalents.

##### \$ape:

Our native governance token launched March '22; has since lost 97% of its value.

#### STEPS TO IMPLEMENT:

Populate more as final drafts are compiled.

#### REPORTING EXPECTATIONS:

Populate more as final drafts are compiled.

#### OVERALL COST:

Total amount requested from the ApeCoin Ecosystem Fund = 0 \$ape