Abstract

Two or three sentences that summarize the proposal.

- As DAOs become more mature there is a need to start operating as a business which can sustain economic growth and provide value back to the DAO and community.

- Successful companies invest and effectively deploy capital from the corporate treasury. Likewise, community run Decentralized Autonomous Organizations (DAOs) share a similar imperative.

- DAOs that put in place a treasury management strategy early will reap the benefits in the future and mitigate risks of low funding or bankruptcy.

- Diversifying the treasury ensures APE DAO can reduce volatility of holding 100% ApeCoin. Diversifying into stETH specifically will help to achieve long term capital appreciation and minimize risk in order to support growth and development of the APE Ecosystem.

Motivation

A statement on why the APE Community should implement the proposal.

- APE Dao should diversify it's treasury from holding 100% ApeCoin to converting approximately 20% of ApeCoin equating to 26,000,000 ApeCoin of it's available treasury in stEth. Reducing the volatility of holding one coin in it's treasury.

- By holding stEth as a treasury asset, APE DAO will start earning yield on their treasury providing immediate income that can be used for operational expenses or invested back into the DAO and/or community.

- Creates sustainable and predictable income for the DAO.

- stETH has deep liquidity and network of integrations for additional treasury management strategies.

- Encourages decentralization of the Ethereum network with minimal additional effort.

- Educates NFT users about the fundamentals and power of decentralized finance.

Rationale

An explanation of how the proposal aligns with the APE Community's mission and guiding values.

- Holding stETH aligns directly with growing and developing the APE ecosystem by earning yield on Eth in the treasury. APE DAO can utilize yield to help pay for expenses and infrastructure to support the DAO.

Key Terms (optional)

Definitions of any terms within the proposal that are unique to the proposal, new to the APE Community, and/or industry-specific.

- stETH = Staked ETH on Lido Finance

Specifications

A detailed breakdown of how to convert APE to stETH

Since APE DAO holds 100% ApeCoin in treasury we need to convert ApeCoin to stETH with minimal impact to the price of APE. There are two recommendations to make this conversion happen with the least impact on APE price:

1. Utilize an OTC Market Maker, i.e. Wintermute or Jump Trading. A professional Market Maker will know the economics behind this conversion and most likely provide the best rate and least impact on ApeCoin.

2. Spread the conversion of ApeCoin->stETH across 3 months. Similar to how the Covid Relief fund sold SHIB after Vitalik donated 50 Trillion tokens or ~$1 billion. That would look like:

3. Month 1 30% ApeCoin sold

4. Month 2 50% ApeCoin sold

5. Month 3 20% ApeCoin sold

6. Month 1 30% ApeCoin sold

7. Month 2 50% ApeCoin sold

8. Month 3 20% ApeCoin sold

updates.cryptorelief.in

What happened to the $SHIB donation made by Vitalik?

Vitalik Buterin, Co-Founder of Ethereum, donated 50 Trillion $SHIB tokens to India Crypto Covid Relief.

Steps to Implement

| The steps to implement the proposal, including associated costs, manpower, and other resources for each step where applicable.

- Go to stake.lido.fi and stake ETH
- Or work with Lido BD for more white glove treatment (no cost)

About Lido Finance

Information about the protocol Eth would be staked on.

- Lido is liquid staking provider that allows users to stake Eth tokens through Lido Finance, helping secure the Ethereum network, and receive a yield bearing derivative token called stEth that can further be used in defi protocols.
- Lido is the second largest defi protocol and largest liquid staking service provider in the web 3 space with ~18 bil total value locked across multiple chains (Ethereum, Solana, Polygon, etc)
- Largest liquid pool in DeFi - $5BN for stETH/ETH
- Stable peg price of ETH/stETH

Timeline

Relevant timing details, including but not limited to start date, milestones, and completion dates.

- There is no lock up period. ETH can be staked at any time and stETH can be swapped to USDC or ETH at any time.

Overall Cost

The total cost to implement the proposal.

- There is no cost to the DAO for staking ETH with Lido

Case Study

- Nounsdao stakes 1500 eth with Lido
- A16Z stakes with Lido