

Service Provider: [@karpatkey](#) and [@TokenLogic](#)

Duration: 6 months from 29/12/2023 to 18/06/2024

karpatkey Stream: 220k GHO

TokenLogic Stream: 180k GHO

Total Cost: 400k GHO

Summary

This publication outlines the contributions of [@karpatkey](#) & [@TokenLogic](#) to the Aave DAO during Phase I of the service provider engagement.

Motivation

With Phase I coming to an end, this publication highlights the contributions of both karpatkey and TokenLogic, while demonstrating our commitment to advancing the DAO's goals and ensuring transparency within the Aave community

Upon reviewing this post, the reader can evaluate the combined impact of the Phase I knowing a Phase II proposal will be shared on the forum in the near future.

Overview

The Aave DAO in December 2023 voted to engage karpatkey and TokenLogic to provide the following services to the Aave DAO:

- Treasury Management;
- Strategic Assets' Liquidity; and
- Safety Module.

Governance Proposals

- [\[TEMP CHECK\] Financial Services Proposal: karpatkey & TokenLogic](#)
- [\[ARFC\] TokenLogic & karpatkey Service Provider Partnership](#)
- [\[AIP\] TokenLogic & karpatkey Service Provider Partnership](#)

Treasury Management

Develop the Architecture for Managing Aave's Assets

Continuing with Aave's preference for creating role-based permissions to enable service providers to streamline operations, the [Aave Finance Steward Role](#) was developed to significantly reduce governance overhead.

The Finance Steward role combined with the [Aave Swapper](#) and [Bridging](#) contracts will enable the DAO to perform the following without an AIP:

- Manage Composition Assets held in Treasury;
- Transfer Assets between Networks;
- Creates Allowances & Streams; and,
- Migrate Assets from v2 to v3 instances of Aave Protocol.

Later instances of the protocol v4, will automate the task of rebalancing the asset composition within DAO treasury in a more Trustless manner. v4 represents the opportunity to bring primary asset management features into the core of the protocol.

Governance Proposal

[\[ARFC\] Aave Finance Steward](#)

Financial Security

Financial planning has been another focus area, ensuring Aave DAO is able to meet its obligations and count with certain fund availability. The below mentions some of the key achievements from Phase I:

- Bridged funds from Polygon, Arbitrum, and Optimism to Ethereum;
- Migrated funds on Polygon, Ethereum, and Avalanche from v2 markets to the respective v3 deployments;
- Facilitate funding of Security Bounties, Merit, Frontier, ALC, AGD and GSMs;
- Rebalance Asset Holdings to reflect the DAO needs
- Commence Sun-setting USDC.e
- Continue Sun-setting Polygon, Avalanche, and Ethereum v2 deployments
- Support the implementation of Merit and Frontier programs led by the [@ACI](#) team
- Support enabling teams to distribute rewards on Aave v3
- Provide [Monthly Treasury Reports](#)
- Provide detailed insights into the DAO's [Revenue and Runway](#)
- [Script to identify unclaimed fees](#) with AaveParaswapFeeClaimer

across all chains.

Several v2 markets and USDC.e are being actively managed to encourage users to migrate to the more capital efficient v3 deployment or into the native USDC asset.

Governance Proposal

- [\[ARFC\] Increase Bridged USDC Reserve Factor Across All Deployments](#)
- [\[ARFC\] May Funding Update](#)
- [\[ARFC\] Increase Bridged USDC Reserve Factor Across All Deployments](#)
- [\[ARFC\] Ethereum v2 Reserve Factor Adjustment](#)
- [\[ARFC\] Avalanche v2 Reserve Factor Adjustment](#)
- [\[ARFC\] Polygon v2 Borrow Rate Adjustments](#)
- [\[ARFC\] April Finance Update](#)
- [\[ARFC\] Fund USDC & USDT GSM](#)
- [\[ARFC\] Funding Update](#)
- [\[ARFC\] Treasury Management - GSM Funding & RWA Strategy Preparations](#)
- [\[ARFC\] Set ARB Emission Admin to Aave DAO](#)
- [\[ARFC\] Set osETH & SWISE Emission Admin to StakeWise](#)
- [\[ARFC\] Set ARB Emission Admin to Gauntlet](#)
- [\[ARFC\] Set OP Emission Admin](#)
- [\[ARFC\] Set ETHx and SD Emission Admin to Stader Labs](#)
- [\[AIP\] April Finance Update Part B](#)
- [\[AIP\] Reserve Factor Upgrades](#)
- [\[AIP\] April Finance Update](#)
- [\[AIP\] Reserve Factor Upgrades](#)
- [\[AIP\] Polygon V2 Reserve Factor Updates & Interest Rate Increases](#)

- [\[AIP\] Reserve Factor Updates](#)
- [\[AIP\] Reserve Factor Updates](#)
- [\[AIP\] Reserve Factor Updates](#)
- [\[AIP\] Funding Update \(Part B\)](#)
- [\[AIP\] GHO Stewards + Borrow Rate Update](#)
- [\[AIP\] Ethereum v2 Reserve Factor Adjustment](#)
- [\[AIP\] Reserve Factor Updates \(March 13, 2024\)](#)
- [\[AIP\] Aave Liquidity Committee Funding](#)
- [\[AIP\] Ethereum v2 Reserve Factor Adjustment](#)
- [\[AIP\] Amend Safety Module Emissions](#)
- [\[AIP\] Funding Update](#)
- [\[AIP\] Assign Emission Admin - Ethereum, Arbitrum and Optimism](#)
- [\[AIP\] Reserve Factor Updates \(February 29, 2024\)](#)
- [\[AIP\] Treasury Management - GSM Funding & RWA Strategy Preparations \(Part 2\)](#)
- [\[AIP\] Reserve Factor Updates \(February 15, 2024\)](#)
- [\[AIP\] Reserve Factor Updates \(Jan 31, 2024\)\)](#)
- [\[AIP\] Treasury Management - GSM Funding & RWA Strategy Preparations \(Part 1\), Frontier Staking as a Service](#)
- [\[AIP\] Reserve Factor Updates \(Jan 15, 2024\)](#)
- [\[AIP\] Aave Funding Updates \(part 2\)](#)
- [\[AIP\] Polygon V2 Reserve Factor Updates](#)

Strategic Assets' Liquidity

One of the main aspects of the Aave Financial Service Providers' mandate has been to improve the value proposition of GHO and its ecosystem. The primary focus areas are highlighted below:

- Improve the price;
- Reduce price volatility;
- Improve Swapping UX by reducing price impact;
- Support creating utility.

Over the last 6 months, stability and peg of GHO's price have improved, the GSM has been funded and we have witnessed significant growth with supply exceeding [85M](#). The success of GHO is a team effort, with the [Merit Program](#) and [stkGHO](#) being monumental to helping achieve and retain the peg. For insights into the historical performance of GHO, check out the [Aave Portal](#).

The following contains some of our contributions to the success of GHO:

- DEX Liquidity in collaboration with ALC;
- Balancer
- Coordinating funds into [GHO/USDC/USDT](#) Pool;
- Gyroscope
- Jointly designed the [GHO/USDC ECLP](#) and [GHO/GYD ECLP](#) Pool;
- Gyroscope
- Revised [USDC/GHO ECLP pool design to be added Safety Module](#)

- Maverick
- Deploy GHO/USDC Pools and several [Boosted Positions](#) with various ranges, bin size and fee configurations;
- Curve
- [GHO/WBTC/wstETH](#) and [GHO/crvUSD](#);
- fxProtocol
- [GHO/fxUSD](#) with support from founding team;
- Cowswap
- Coordinated the integration of USDC and USDT GSMs;
- Paraswap
- Coordinated the integration of NG Pools on Curve;
- Voting
- Submitted vIAURA and sdCRV votes that provide inflation schedule derived yield on Balancer, Aura, Curve, and Convex to GHO liquidity pools;
- Balancer
- Coordinating funds into [GHO/USDC/USDT](#) Pool;
- Gyroscope
- Jointly designed the [GHO/USDC ECLP](#) and [GHO/GYD ECLP](#) Pool;
- Gyroscope
- Revised [USDC/GHO ECLP pool design to be added Safety Module](#);
- Maverick
- Deploy GHO/USDC Pools and several [Boosted Positions](#) with various ranges, bin size and fee configurations;
- Curve
- [GHO/WBTC/wstETH](#) and [GHO/crvUSD](#);
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- Coordinated the integration of USDC and USDT GSMs;
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- Coordinated the integration of NG Pools on Curve;
- Voting
- Submitted vIAURA and sdCRV votes that provide inflation schedule derived yield on Balancer, Aura, Curve, and Convex to GHO liquidity pools;
- Utility in collaboration with ALC;
- Gearbox
- [GHO as collateral](#) with GEAR rewards;
- Notional Finance
- [Deposit Asset](#), [Fixed Rate Lending](#) and [Leverage Farming](#);
- Opal Finance

- [USDC Omnipool](#) depositing into GHO/USDT/USDC;
- Spectra Finance
- [stkGHO Integration](#);
- Gearbox
- [GHO as collateral](#) with GEAR rewards;
- Notional Finance
- [Deposit Asset](#), [Fixed Rate Lending](#) and [Leverage Farming](#);
- Opal Finance
- [USDC Omnipool](#) depositing into GHO/USDT/USDC;
- Spectra Finance
- [stkGHO Integration](#);
- Support [GHO Stewards](#);
- Signers to implement [Borrow Cap](#), Fees and [Interest Rates](#) changes;
- Signers to implement [Borrow Cap](#), Fees and [Interest Rates](#) changes;
- Provide a User Interface for the [USDC and USDT GSMs](#);
- Dashboard showing GHO's [price oracle from prominent DEX liquidity pools](#); and,
- [Dune Dashboard](#) on multiple metrics about GHO.

Governance Proposal

- [\[ARFC\] GHO Stewards - Adjustments GHO Borrow Cap](#)
- [\[ARFC\] GHO Stewards - Adjustments GHO Borrow Rate](#)
- [\[ARFC\] Set ARB Emission Admin to Aave DAO](#)
- [\[ARFC\] GHO Stewards - Increase GHO Borrow Rate to 10%](#)
- [\[ARFC\] GHO Stewards + Borrow Rate Update](#)
- [\[ARFC\] Aave Liquidity Committee Funding](#)
- [\[ARFC\] Treasury Management - Transfer AURA to GLC SAFE](#)
- [\[ARFC\] Aave Liquidity Committee Funding Phase III](#)

Safety Module

During Phase I, AAVE emissions across the various SM categories were redistributed in favor of stkGHO to help GHO recover the peg.

More recently, a proposal was approved that supports transitioning from AAVE to GHO rewards for the stkGHO category and further diversification of the SM with the introduction of GHO/USDC ECLP whilst also helping sustain GHO liquidity.

With [@bgdlabs](#) soon upgrading the SM to enable multiple token emissions, the transition from AAVE to GHO rewards on the stkGHO category will be implemented by [@bgdlabs](#) as part of the broader upgrade.

Adding the GHO/USDC ECLP position to the SM is currently under technical review by the [@bgdlabs](#) team. Upon completing the review of all associated contracts, the new category with GHO rewards will be submitted to AIP for implementation.

Governance Proposal

- [\[ARFC\] Amend Safety Module Emissions](#)
- [\[ARFC\] Safety Module stkGHO - Rewards Adjustment](#)

- [\[ARFC\] Safety Module - Create GHO/USDC E-CLP Category](#)
- [\[AIP\] stkGHO Incentives](#)

Next Steps

Thank you for taking the time to read the post. We look forward to addressing any questions below in the comments and sharing our Phase II Service Provider proposal in due course.

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