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We are excited to share the Uniswap Treasury Working Group (UTWG) report, an in-depth examination of the Uniswap DAO's treasury and how it may be prudently perceived and mobilized. This report is the culmination of five months of research, stakeholder engagement, and strategic modeling to address the challenges and opportunities facing one of the largest DAO treasuries in the ecosystem.

We believe that the DeFi community will find the details of this report valuable in helping it frame how DAOs can systematically approach treasury management. Uniswap itself is utilized as the spotlight case study. However, many of the highlighted principles and methodologies can be applied to other protocols as well.

In line with the vision of the DAO's various stakeholders, we focused on two "north star" objectives: growth and sustainability. Note that this forum post is primarily meant to inform the DAO about where to access the report—it is hosted on the Notion link below. Reflections and comments regarding the report are welcome under this present forum post.

## [Access the Full Report Here](#)

Since the report is lengthy, we've prepared a GPT to quickly answer your questions. [Access the GPT for the report here.](#)

### Executive Summary

In correspondence with our findings, we provide a series of suggestions to the Uniswap DAO as to how its treasury can be mobilized, should the decision to mobilize be taken. In short, we recommend:

1. Forming an oversight committee

to gather and consolidate the various forms of reporting and key performance indicators (KPIs) from the various bodies and programs that operate as part of the DAO—and to prepare regular (e.g. annually, if not quarterly or monthly), aggregated reports of the DAO's treasury activities.

1. Adopting an accounting framework

that properly reflects and discounts the value of unissued UNI tokens held in the DAO's treasury, as well as the inflows and outflows associated with the utilization of the DAO's UNI tokens.

1. Focusing any mobilization efforts on two "north star" objectives

, which best align the interests and goals of the DAO's various stakeholders, while offering a realistic path to realizing them. The two objectives are:

- Growth:

the DAO should allocate its treasury resources to propel the continual adoption of Uniswap and deliver value to relevant stakeholders in the process; and

- Sustainability:

the DAO should be a self-sustaining entity, able to cover its future costs in perpetuity.

1. Adopting a formal asset allocation framework to aid in the evaluation of strategic and tactical allocations of treasury assets, to both facilitate the DAO's objectives and generate non-operating income to sustain its operations.

2. Producing an investment policy statement

to outline the agreed roles, principles, and guidelines that will be utilized in the management of the treasury and execution of its strategy.

1. Allocating assets to a Stability Fund

, to provide the necessary stable assets to handle the DAO's operational needs and manage its exposure to risk assets.

1. Allocating assets to strategic initiatives as part of native token management

, such as protocol-owned liquidity and UNI-based incentives for the protocol, to both improve the experience for holders and

users of the UNI token and facilitate the DAO's own treasury management activities.

1. Appointing dedicated treasury managers

to execute the investment policy statement and assume general responsibility for aiding the DAO in its pursuit of the stated North Star objectives.

1. Designing and implementing an effective selection process

for any treasury managers, with clear scoping, ample opportunity for competitive proposals, and a rigorous framework for selection based on clearly-identifiable expectations.

1. Devising the roles and permissions of treasury managers

carefully to balance the DAO's conflicting needs for decentralization and operational efficiency. Our research suggests that a fairly equal balance of these two factors is needed to maximize the utility of the arrangement for both the DAO and the treasury managers.

1. Evaluating and implementing a range of mitigation strategies

to address the ever-present principal-agent problem, and minimize the extent to which the interests of the DAO and its treasury managers are able to deviate from one another.

1. Taking inspiration and insight from the broad range of historical examples

of DAO treasury management arrangements, to avoid obvious pitfalls and make informed decisions about key design choices in any Uniswap treasury management arrangements.

The mobilization of the Uniswap treasury is a crucial matter for the DAO's governance—and one that is not yet explicitly decided. Before any mobilization can occur, several governance phases must first take place to establish a clear mandate for mobilization, determine the preferred methods of execution, and designate the responsible parties to carry them out. That notwithstanding, this report proceeds on the premise of mobilization being agreed, given that a majority vote of the DAO supported research to that end. However, nothing in this report should be treated as a foregone conclusion, acting instead as guiding research for the DAO to make more informed decisions.

To preserve the integrity and usefulness of this report for research purposes, it intentionally omits specific details of any execution plan, including intermediate steps toward execution, timelines, or proposed allocations of treasury assets. Legal considerations are also not expounded on in this report and should be addressed prior to executing the mentioned mobilization strategies.

## Brief Summary of Two Recommendations

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\*Effective asset management is best conducted by contracting experienced treasury managers via an RFP process. Please carefully review the [principal-agent considerations in the report](#).

## Looking Ahead

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We look forward to hearing your thoughts and engaging in meaningful discussions on shaping the future of Uniswap's treasury.