

Treasury SubDAO Community Update - December 2024

karpatkey would like to present the Treasury SubDAO's first Community Update to the broader dYdX Community. The December report will encapsulate Treasury SubDAO's activities and achievements following its inception ([proposal #157](#)).

Operations Updates

- Establishment of the Treasury SubDAO as a Cayman Islands Foundation Company, named "dYdX Treasury SubDAO Foundation" ("Foundation")
- [Formation](#) of Foundation MPC wallet, comprised of three Community Signers and three karpatkey signers

Staking Program Updates

- [Establishment](#) of Staking Program, including guiding principles and validator selection criteria
- First [delegation](#) to selected validators (45M DYDX tokens across 34 validators)
- [Asset allocation](#): the Treasury SubDAO currently has ~\$58M in assets, comprising of ~45M DYDX token and ~1.01M USDC (as of January 13, 2025).
- Financial Results: ~380k USDC was generated by the Staking Program, and the remaining ~630k USDC came from Protocol revenue share.
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Treasury Operations Updates

- [In-progress] Treasury management: We are conducting due diligence on DeFi strategies for deploying USDC acquired through the staking program. Currently reviewing MegaVault, which would generate attractive returns on USDC principal while contributing to the dYdX ecosystem by increasing liquidity across its markets.
- [In-progress] Financial planning: we are working on indexing relevant financial information to support dYdX forecast and optimise expenses effectively.

Next Steps

- Conduct a quarterly review of Staking Program delegation
- Deployment of USDC into MegaVault, following the successful completion of our due diligence process. Or otherwise, evaluation of alternative DeFi strategies, followed by a proposal to the community to approve their use.
- Delivery of monthly Treasury SubDAO reports expected to start in Q1 2025, which will provide detailed and timely reports on dYdX Treasury's asset allocation and performance. On top of our traditional reporting system, the Treasury SubDAO is working to develop and set up Cosmos-specific reporting to maximise transparency and visibility of the treasury management activities.