

Our original spreadsheet for AllocatorDAO Allocations under the current Scope Frameworks used [here](#) has been nicely updated, upgraded and posted by Spring [here](#). We think it stands now as a good general reference point for all AllocatorDAOs and suggest interested community members to use it as such.

We will here in this post elaborate on the process of reallocation in practice for Clydesdale/MIP65 - this process was put in effect in the following instructions and agreements - made public in this [post](#).

1. instruction set No 9 for JAT2 and JAT1 in terms of what the Trustee must do
2. Reporting requirements to Monetalis on a biweekly basis set out in Schedule 2 of the Reporting Agreement for JAT2 (and JAT2).

The Biweekly Reallocation Process

In very brief, it works like this: on a biweekly basis, a US treasuries ladder step matures and the proceeds (original investment amount - 62.5M - plus net yield/excess) are deposited into JAT2's Accounts. At the end of each of these biweekly US treasury ladder step maturity moments, the Trustee must choose between a few options for what to do now:

- pay original investment amount back to Maker or reinvest
- pay net yield/excess back to Maker or reinvest
- ask for further funds from the vault (given DC of vault not yet hit)
- ask for further treasuries - or even JAT1 ETF products - to be liquidated and pay back to Maker?

Which action to choose is essentially a product of the "allocation maths" of the Scope Frame that has been crystalized into the above allocation spreadsheet shared.

Therefore Monetalis, on a biweekly basis, recalculates the spreadsheet and match up with the relevant numbers for Clydesdale/MIP65 - and posts the results in the FIVE forum.

Signals and Calculations

The main number we need to recalculate in the spreadsheet biweekly is the Max DC Potential for Viridian (which is C20 in the spreadsheet) as MIP65/Clydesdale is a pure Tier 1 exposure - we call that Viridian Max DC (VMDC). And then compare it with the Value of the Trust Asset (VTA) of JAT1 plus JAT2 (i.e. the market value of the Treasury ishares in JAT1 and the US Treasury ladder in JAT2). From comparing these we have then set up the following action rules (from the Monetalis reporting agreement Schedule 2) for the Trustee:

[
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](//makerdao-forum-backup.s3.dualstack.us-east-1.amazonaws.com/original/3X/4/f/4fa18be0c1d3188c5bc19861bf0265c3aa561691.png)

If Viridian DC State is "Roll-over ladder and Vault Draw Request", the following "Vault Draw Request" is calculated and posted :

$$\text{Vault Draw Request} = \max(\min(\text{VMDC} - \text{VTA} - 50\text{M}, \text{MIP65/Clydesdale DC} - \text{VTA}), 0)$$

If Viridian DC State is "Return to Vault and Liquidation Request", the following "Liquidation Request" is calculated and posted :

$$\text{Liquidation Request} = \text{VTA} - \text{VMDC} + 50\text{M}$$

These signals then determines actions to be taken by the Trustee (as per instruction set 9):

Signal

Required Action by Trustee

Roll-over Ladder

Matured US Treasury original investment amount for ladder step (62.5M) reinvested and net yield/excess paid to surplus buffer in USDC

Roll-over Ladder and Vault draw Request

Matured US Treasury original investment amount for ladder step (62.5M) reinvested and net yield/excess paid to surplus buffer in USDC and an amount equal to the calculated Vault draw request is expected to be deposited by the Vault Operator for investment across the US Treasury ladder.

Return to Vault

Matured US Treasury original investment amount for ladder step (62.5M) returned to vault and net yield/excess paid to surplus buffer in USDC

Return to Vault and Liquidation Request

Matured US Treasury original investment amount for ladder step (62.5M) returned to vault and net yield/excess paid to surplus buffer in USDC and an amount equal to the Liquidation Request amount is liquidated by the trustee and the amount returned in USDC to the Vault.

Note that we use a margin of 50M to 100M generally on these reallocations as per the above calculations to ensure the reallocation doesn't happen in all biweekly assessments.

To illustrate here's an example signal post, which will start being posted over the coming weeks as the US treasury ladder starts experiencing maturing steps.

Example Post

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VIRIDIAN REALLOCATION SIGNAL

WEEK OF XX

Variables

This Week's determinations

Viridian Trust Asset

1,000M

Viridian Max DC

1,200M

Viridian DC State

Roll-over Ladder & Vault Draw Request

Vault Draw Request

150M

Liquidation Request

0M

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