

ASSET AND REALLOCATION STANDARDS

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Author: Monetalis

Approved in Vote: [link] DRAFT NOT FOR APPROVAL YET

Actor Commitment to PPG:

- Monetalis, adherence as Arranger acting according to Maker Scope Frameworks and agreement with James Asset (PTC) Limited
- Trustee, adherence according to approved MakerDAO Resolution for JAT1, JAT2 and JAT3.

Scope:

This set out the standards for assets and reallocation signals for Clydesdale and Coinbase Custody.

Changes:

Any changes to these standards will be made in this document and versioned and requested to be approved via Governance Poll.

1. CLYDESDALE ASSET

The funds of the Clydesdale (JAT2) structure may only, exclude expenses, purchase the following securities according to the following strategy, and the purchases will, in sum, constitute the Clydesdale Asset:

- US Treasuries only with maturity within 6 months
- Purchased such that 12, roughly, equal sized bi-weekly maturities are accomplished over a 6 months period.

These purchases must only be executed by Sygnum Bank under an Execution Mandate with the Clydesdale structure.

2. YIELD PAYMENT & REINVESTMENT OF CLYDESDALE ASSET

Upon each US Treasury position ("step") matures, the standard is to reinvest the initial investment amount into the 1. determined asset strategy and pay any surplus (determined as matured amount minus initial investment amount) minus any expenses to the Surplus Wallet as defined in PPG TRANSACTION, ACCOUNT & AUTHORISATION STANDARDS... This transaction must be automated and defined within the Execution Mandate.

Deviation from this reinvestment standard requires a Signal posted, at least, 2 business days ahead of a maturing US Treasury position to Signal a different action.

This Signal and required actions are defined in 3.

3. CLYDESDALE ASSET REALLOCATION SIGNAL AND ACTIONS

Two business days ahead of a maturing US Treasury position, the Clydesdale Structure's size in the overall allocation of Asset within MakerDAO must be assessed (the Assessment) and, if a reallocation is found necessary according to the following rules, a Signal to do so must be posted by Viridian immediately.

To perform the Assessment, a current Max Vault Debt (MVD) allowed for Clydesdale according to MIP104: Stability Scope Bounded Mutable Alignment Artifact must be established. This is based upon:

- The Clydesdale Asset is evaluated as ALM Tier 2 Collateral (7.1.1.2)
- The allocation max towards Clydesdale/Monetalis is 50% of Legal Recourse Assets

- A confirmed list of Legacy Collateral for deduction

This MDC is now compared with the actual, current, utilised vault debt for Clydesdale (UVD) (as reported on Makerburn)

The potential Signals are defined as follows and with the following required actions by the Trustee on the Clydesdale Asset

Comparison Result

Signal

Clydesdale Asset Action

$UVD < MVD$ and $MVD - UVD > 100M$

Draw from Vault equal to $MDC - UDC - 50M$

Reinvest matured amount and send excess after cost to Surplus Wallet - and await further funds.

$UVD > MVD$ and $UVD - MVD < 100M$

Return Matured Amount to Vault

Return the matured amount to Vault Wallet and send excess after costs to Surplus Wallet

$UVD > MVD$ and $UVD - MVD > 100M$

Liquidate Assets equal to $UDC - MDC + 50M$

Return the matured amount to Principal Vault Wallet and send excess after costs to Surplus Wallet. Immediately sell further US Treasuries ahead of their maturity such that total proceeds of the matured amount plus proceeds of the sold US treasuries equal $UDC - MDC + 50M$ and return these funds to the Principal Vault Wallet.

For ease, this linked tool, performs the above calculation and evaluation on a real-time basis and establishes a signal for the Trustee to follow and rely on [LINK TBD OF CALCULATOR]

4. COINBASE CUSTODY ASSET

The funds of Coinbase Custody (JAT3) must at all times be allocated towards six equal sized Cold Storage Custodial Wallets (CSCW) of Coinbase such that each CSCW remains below a value of 100M USDC.

5. COINBASE CUSTODY REWARDS PAYMENT

On a monthly basis Coinbase deposits a rewards payment and this amount must immediately be remitted to the relevant Surplus/Yield Wallet as defined in PPG TRANSACTION, ACCOUNT & AUTHORISATION STANDARDS.

6. COINBASE CUSTODY REALLOCATION SIGNAL AND ACTIONS

Based upon the following rules and calculations, the Trustee may send funds from Coinbase Custody to the relevant Principal Wallet and vice versa.

- If the USDC amount in the PSM plus the USDC amounts in the G-UNI pools are equal to and less than USDC 300M, then an amount of USDC must be remitted immediately from the Coinbase Custody Assets to the Principal Wallet such that $PSM + G-UNI$ pools, after adding the remitted amount, sum to USDC 400M USDC.
- If the USDC amount in the PSM plus the USDC amounts in the G-UNI pools are more than USDC 500M, then an amount of USDC may be drawn from the Maker Vault into the Coinbase Custody Asset such that remaining PSM plus the G-UNI pool amounts equal 400M USDC.
- The above actions are executed within the relevant constraints of the Maker Vault, which today is set to 500M USDC.

For ease, this linked tool, maintained by Monetalis, performs the above calculation and evaluation on a real-time basis and establishes a signal for the Trustee to follow and rely on [LINK TBD OF CALCULATOR]

7. MONETALIS STATEMENT OF CONFORMITY

Monetalis must post a Statement of Conformity, when Monetalis has ascertained these PPG's are conformed to by the Clydesdale Structure.