## **Simple Summary**

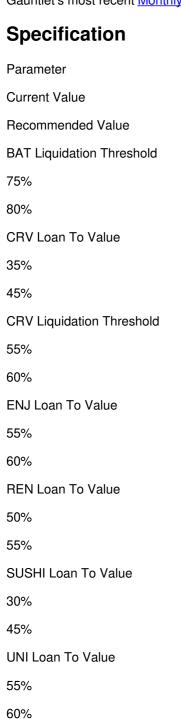
A proposal to adjust nine (9) total risk parameters across eight (8) Aave V2 assets including LTV, Liquidation Threshold, and Liquidation Bonus.

#### **Abstract**

This proposal is a batch update of three risk parameters to align with the the Moderate risk level chosen by the Aave community. These parameter updates are a continuation of Gauntlet's regular parameter recommendations, the latest being AIP-40: Risk Parameter Updates 2021-10-07.

#### **Motivation**

This set of parameter updates seeks to maintain the overall risk tolerance of the protocol while making risk trade-offs between specific assets. For more detail on Gauntlet's first two months of recommendations and their impact, please see Gauntlet's most recent Monthly Risk Report.



WBTC Liquidation Bonus

7.5%

6.5%
YFI Liquidation Bonus
8%
7.5%
See below volatility and exchange volume data from 10/07 to 10/14 that were important drivers for the updated paramete recommendations.
Symbol
10-14 Volatility
10-07 Volatility
Volatility Change
Weekly Average Daily Volume Change (%)
BAT
0.929440262
1.26231086
-0.332870598
-5.5534425
CRV
1.680964856
2.06913145
-0.388166594
-20.9446652
ENJ
1.165823176
1.684204979
-0.518381803
-27.1658359
REN
1.826713874
2.073377777
-0.246663903
-49.2642672
SUSHI
1.521203501
1.831060432
-0.309856931
-17.0524519
UNI

1.328292578

- 1.625790476
- -0.297497898
- -45.1124435

**WBTC** 

0.694701853

0.83363382

-0.138931967

50.5601238

YFI

- 1.038356955
- 1.240436029
- -0.202079074
- 81.6590629

### **Risk Dashboard**

The community should use Gauntlet's <u>Risk Dashboard</u> to better understand the updated parameter suggestions and general market risk in Aave V2.

# **Next Steps**

- Initiate a Snapshot immediately since the community has already weighed in on changes of this nature recently.
- Targeting an AIP on 2021-10-18th