

title: [ARFC] Treasury Management - GHO Funding

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Summary

This publication seeks to acquire GHO from secondary markets to support the Aave DAO's short-term funding needs.

Motivation

The objective of this publication is to further transition Aave DAO's expenses towards being nominated in GHO. The below highlights some potential use cases for GHO:

- 870,000 over 6 months [Aave Grants Continuation Proposal](#)
- Another 300,000 GHO if AAVE is replaced with GHO
- Another 300,000 GHO if AAVE is replaced with GHO
- 75,000 GHO over 3 months [Expansion of "Orbit"](#)
- 406,000 GHO over 3 months [GHO Liquidity Committee](#)
- TBA Future ACI Funding Request (Renewal mid-October)

Although the GHO Liquidity Committee is funded via its own AIP, its inclusion here indicates the magnitude of the potential ongoing spend. The current ACI funding proposal is 250,000 aUSDT, which serves only as a budgetary estimate. Similarly, the 406,000 over the back 3 months of a 6-month lookahead is used as a budgetary estimate.

The spend identified above over the next 6 months is 1.676M GHO, or 1.976M GHO if AAVE is replaced with GHO within AGD proposal.

There is also the potential [420,000 GHO](#) being acquired by swapping B-80BAL-20wETH to GHO via the Aave Swap Contract.

There is also the potential for additional expenses to emerge, such as a renewal proposal from Gauntlet during late Q4 2023. An additional proposal will be presented closer to the time to accommodate any new GHO nominated expenses.

This publication proposes converting 1.6M of stable coins held in the Ethereum Treasury to GHO. This will complement the existing realized GHO revenue. The GHO is to be held in the Treasury where existing service providers receive payment from.

At the time of writing, swapping to acquire GHO will generate positive slippage, and the entire swap can be performed without causing GHO to trade above the \$1 peg. The Aave DAO can then distribute GHO amongst the community using a price of \$1.

Specification

Using the Aave Swap Contract, convert the following asset holdings to GHO:

- 49,900 aDAI v2
- 69,800 aBUSD v2
- 75,800 aTUSD v2
- 381,700 aBUSD v1
- 400,000 aEthDAI v3
- 622,800 aUSDT v2

The GHO will be transferred to the [Aave Ethereum Treasury](#).

Disclosure

TokenLogic receives no payment from Aave DAO or any external source for the creation of this proposal. TokenLogic is a delegate within the Aave ecosystem.

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