

LidoDAO Treasury Choices

We've launched three other treasury-related proposals aiming to obtain a clear signal from LDO token holders regarding basic principles for how the DAO should manage its treasury.

1. [Should LidoDAO stake treasury ETH?](#)
2. [Should LidoDAO sell treasury ETH?](#)
3. [Should LidoDAO diversify its stablecoin holdings?](#)
4. [Should LidoDAO sell protocol surplus stETH to finance operating expenses?](#)

Context

[Should LidoDAO sell treasury ETH?](#)

- Based on the December and January [run-rates for expenses](#), we are on-track to a total run-rate of 1.3m to 1.5m USD a month

with a new budget for the period May through December due in the coming weeks.

- Since October, the protocol has been generating north of ~1000 stETH each month
- At current prices this is sufficient to cover monthly operating expenses in most scenarios
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- As we prepare for withdrawals, we can expect to see much less price pressure on the stETH/ETH exchange rate than previously expected with large market sales
- These sales could be executed through Cowswap over a longer period of time
- We had similarly contemplated a CDP strategy to lever up the effective capital structure of the protocol and, while an interesting thought experiment, likely remains in the realm of possibility not reality given the operational constraints of managing complex CDP positions through Aragon votes

Proposed execution would likely be on a staggered basis through Cowswap into whatever basket of stablecoins the DAO picks [in this vote](#).

Look forward to hearing views, alternative options and other thoughts and comments.

Final options on Snapshot execution may vary slightly.

Options

1. Sell each month whatever amount is required to cover operating expenses
2. Let the whole amount go to protocol surplus