

Below you will find the February 2024 update on Maker's Real-World Asset exposure. Please note that for the deal-specific sections, the data is current through February month-end and March's data will be included in the next RWA report, unless otherwise noted.

All MakerDAO RWA transactions are accounted for and summarized below. One item of note:

- Centrifuge has determined that the best resolution for the technical issues with Fortunafi's Tinlake pool is to direct Fortunafi to return future payments directly to the vault's Urn, circumventing the existing system. More detail is provided below.

Overview

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Maker's RWA exposure (excluding the PSMs) decreased slightly by ~8mm this month. Clydesdale and Andromeda were reduced to increase Coinbase Custody and bolster protocol liquidity.

RWAs continue to comprise a significant portion of Maker's Stability Fees. In February, RWAs made up 39% of all Stability Fees generated by the protocol. Year to date in 2024, RWAs (including stablecoin income) generated 32% of the total Stability Fees for Maker.

A summary of Maker's RWA exposure over time is shown in the chart below:

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Monetalis Clydesdale (RWA-007)

For all available information on the current state of Clydesdale, please see the reports provided by Monetalis, which can be found in their [Clydesdale Vault HQ forum thread](#)

The information in the table at the top of this report is taken from our Clydesdale Dune dashboard, which can be found [here](#).

BlockTower Andromeda (RWA-015)

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The Andromeda transaction reduced its t-bill holdings by \$257mm in February.

Andromeda is returning Stability Fees back to the DAO on a semi-monthly basis.

For additional detail on the vault, please view [the full portfolio and transaction ledger](#)

Huntingdon Valley Bank (RWA-009)

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Notice has been given to HVB to terminate future loan purchases into the trust. For more detail on this process, please see the HVB section of the [September RWA Report](#). The notice period has ended, and we are working with WSFS to send back excess available cash in the trust. The trust agreements did not initially contemplate a partial return of capital, so an amendment to the trust agreement has been posted to the forums and is awaiting inclusion in an upcoming executive spell.

As of the end of February, there is \$1,991,850 in an escrow account waiting to be returned the protocol, in addition to the return of principal.

To see the data behind the above dashboard, click [here](#)

To see the full Portfolio and Concentration Report, click [here](#)

[Note: The Portfolio and Concentration Report loan balances will differ slightly from the loan balance shown in the above dashboard. The dashboard uses actual funded cashflows as reported by Ankura, while the loan-level detail is provided by HVB and reflects both Maker's funded and unfunded loan balance]

BlockTower Credit (RWA-012 & RWA-013)

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BlockTower increased its vault position by 5mm Dai in February, leaving them with an additional 18mm of excess capacity to draw from the vaults. Both vaults have been designated for structured products. BlockTower is satisfying all covenants and Steakhouse will continue to monitor the pool as assets are added.

Additional detail on BlockTower's vaults can be found in their monthly report [here](#)

6s Capital Partners (RWA-001)

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No new loan activity in February, so the current loan balance still stands at \$12.9mm. The collateral in this transaction is a portfolio of senior loans to single-tenant commercial leases construction projects.

As a reminder, the on-chain data for the 6s Capital transaction does not accurately reflect the realistic Dai balance or accrued Stability Fees of the vault. While the on-chain data continually accrues a 3% Stability Fee on the Dai in circulation, the actual borrower (6s Capital Partners) is only obligated to pay interest for the time that capital is drawn from the real-world trust (RWA Senior Lending Trust).

New Silver (RWA-002)

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The New Silver upsize and restructuring officially went live at the end of August 2023 and New Silver continues to deploy additional capital from the vault.

All covenants are passing and Ankura as Trustee is verifying deal covenants prior to every new loan made by the vault.

Fortunafi (RWA-005)

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While there haven't been any material changes with the underlying transaction, Centrifuge continues to work on technical issues discussed in [the December 2023 report](#). In March, however, the idle funds in the redemption reserve were returned to MakerDAO, resulting in an 873k Dai repayment.

As the original technical issues with Tinline have not been resolved, funds from matured assets (now approximately 694k) are being held off-chain by Fortunafi and will be returned directly to the vault's Urn once Centrifuge performs a reconciliation. Steakhouse will review Centrifuge's analysis to ensure funds are appropriately allocated.

Like last month, Maker's position is still beneath the minimum Tin subordination of 10%. The debt ceiling for this vault is at zero, Drop redemptions have been submitted, and there are no additional actions for Maker to take at this time.

This loan remains backed by a portfolio of Revenue Based Financing assets, in which each asset is a loan to a business (typically a small business or SaaS company), itself collateralized by a percentage of that business's gross revenues.

Fortunafi is failing a number of covenants: the co-investor ratio (now almost at zero), the YoY growth rate, and the minimum Fortunafi Tin investment (however, there are two additional affiliated entities which own Tin tokens, and if included, these would increase the ownership percentage above that covenant's threshold). As mentioned above, the minimum tin percentage is also failing.

Harbor Trade (RWA-004)

The Harbor Trade transaction still has 1.5mm Dai outstanding from the vault as of the end of September, and the workout process for the portfolio is ongoing. The DAO has reduced the debt ceiling to zero and submitted a redemption for its holdings.

The vault's three assets (totaling \$2.1mm) are in default. These defaulted assets collateralize the \$1.8mm in aggregate Drop token market value and were issued by a single consumer electronics company, which has in turn pledged its receivables as collateral.

The default began in April 2023 and Harbor Trade is currently engaged in a workout process to recover as much value as possible for the transaction. Steakhouse has been communicating regularly with Harbor Trade, who provided an update on the workout process in early January:

Harbor has been diligently working on a workout strategy for the past few months, combining court intervention and negotiation with the defaulted company to establish a formal payment plan. The California court has granted us a writ of attachment, providing the authority to seize assets such as bank accounts and inventory. Additionally, a default judgment has been entered in our favor. We selected California as the jurisdiction for this legal action based on our lawyer's advice and the knowledge of inventory collateral in the state.

However, despite these legal advancements, we have encountered challenges in locating the company's inventory in

California. It seems that the inventory may have been moved or sold through normal business operations. Moreover, communication from the company has been scarce since our last discussion in November, and they have not presented a clear cash flow plan to support a formal payment arrangement.

Steakhouse continues to work with Harbor Trade, Harbor Trade's lawyers, and our own counsel to proceed with next steps in the recovery.

ConsolFreight (RWA-003)

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The ConsolFreight portfolio currently consists of delinquent and defaulted assets. Since last month, one of the delinquent assets (\$17k) has been repaid in full. One delinquent asset remains with a balance of \$194k.

The legal process for the defaulted loans (Hanhwa) is still ongoing. Please see the latest update from ConsolFreight [here](#).

As a reminder, on August 24th, Steakhouse and ConsolFreight [alerted](#) MakerDAO that the pools largest position, Hanhwa, was expected to default. The balance of the affected position is roughly 1.8mm out of the 2.5mm portfolio (as of October 2023 month-end). There is not currently a good estimate for expected recovery, but it is very possible the Drop token is impacted. Please note that the value of the loans in Centrifuge (and in the above dashboard) have not been written down.

MakerDAO has reduced the debt ceiling to zero as part of its offboarding of Legacy RWAs

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