

We wanted to provide a quick update on [AIP-331](#) to onboard Aave's treasury to Centrifuge Prime.

The motivation for this proposal is to strengthen the staying power of the DAO treasury to withstand adverse market conditions and meet operational requirements. The treasury assets under the DAO underperformed the general crypto market 2x since the beginning of 2022 up until February, while also taking on more volatility. The annualized volatility in this time frame with the current makeup of the treasury is above 60%. This highlights the need for taking steps to ensure the treasury can consistently serve its liabilities in all market conditions. We believe the RWA market is the right tool to provide that diversification.

The legal docs took quite a bit of time to get diligent feedback due to the holidays and lengthy discussions with community members. We are happy to share that the legal docs have been agreed upon. The [on-chain vote](#) to activate the A-C Prime Foundation is now live.

[Leeward Management Limited](#) was selected as the foundation company secretary. Leeward Management Limited is a leading fiduciary and governance services provider in the Cayman Islands. The service company is well positioned to fulfill work on behalf of a DAO as it is specialized in dealing with Digital Assets, specifically RWA structured products.

AIP-331 was executed by the Skyward team. As a point of clarification: This is only an AIP to approve the legal structure to set up the A-C Prime Foundation. Once set up, the KYC process between the foundation director and Anemoy will take a week or less. From there the investment transaction will take place as a separate AIP, in conjunction with the Aave Treasury team to coordinate best timing.

While DeFi markets continue to be dynamic, we believe it is important Aave begins establishing RWA infrastructure. Ultimately, like many others, we believe a GHO facilitator is the end goal, but GHO is not mature enough yet to support such a facilitator. It's also important to note that this legal infrastructure will be required for the facilitator. For this reason, we chose this approach to start with a small allocation from the Treasury, while putting Aave in the best position to support a future RWA facilitator.

Lastly, I wanted to introduce myself [@GraysonAlto](#). I recently joined Centrifuge as a BD Analyst working with DeFi protocols. I work closely with [@khan](#) as whom most are familiar with. I look forward to working with the DAO in supporting the path towards diversifying into RWAs.