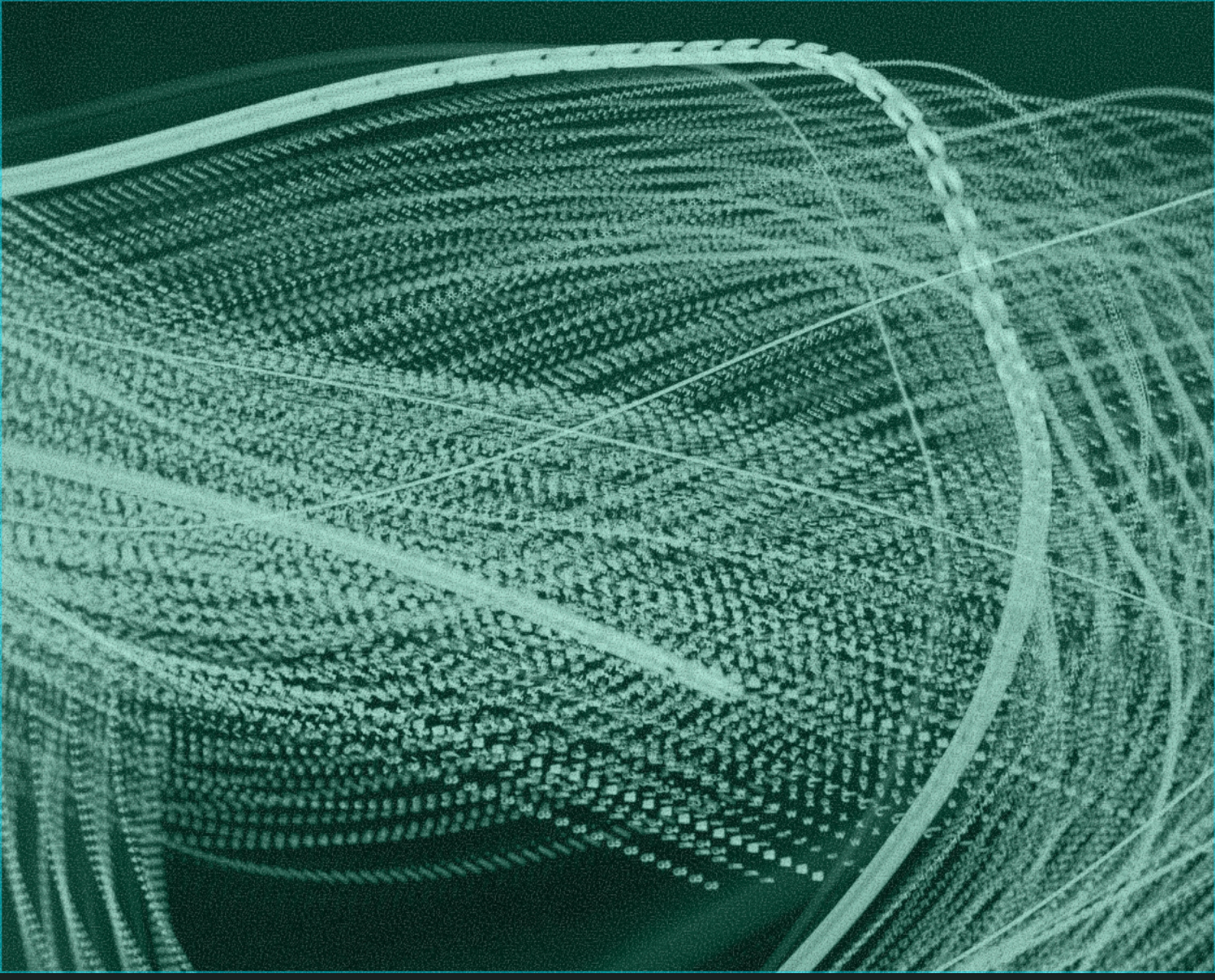


Arbitrum Treasury Management Report

July & August 2026

PRESENTED BY ENTROPY ADVISORS

EntropyAdvisors ARBITRUM

Notes & Relevant Links

ENTROPY'S TREASURY MANAGEMENT DASHBOARD

arbdata.com – Arbitrum DAO Treasury Management



NOTES ON REPORT DATA

- *Data as of August 31st, 2026, unless otherwise noted*
- *Stablecoins held on centralized exchanges and non-traceable wallets following asset liquidations have been included in the historical figures*
- *To derive numbers related to volatile assets and yield earned from their deployments, this report utilizes, from time to time, increases/decreases denominated in the underlying and combines this with beginning-of-period/end-of-period prices for these assets*
- *While the investment in USDY was made in October 2024, tokens were only minted onchain in December 2024 due to a 45-day minting window set by the provider. Historical holdings have been manually adjusted to include this position*
- *The Arbitrum Foundation also has investments in BUIDL. Due to limitations in the interest distribution mechanism, the Foundation's interest is distributed into the same wallet as the DAO's, which affects the precision of certain BUIDL-related calculations*
- *WTGXX interest is paid in the following month, but is accrued and reflected here in the month in which it has been earned*
- *This report reflects minor updates to certain calculation methodologies used in the prior reporting periods*
- *Unless otherwise mentioned, figures presented in this report exclude OpCo and the Arbitrum Foundation*

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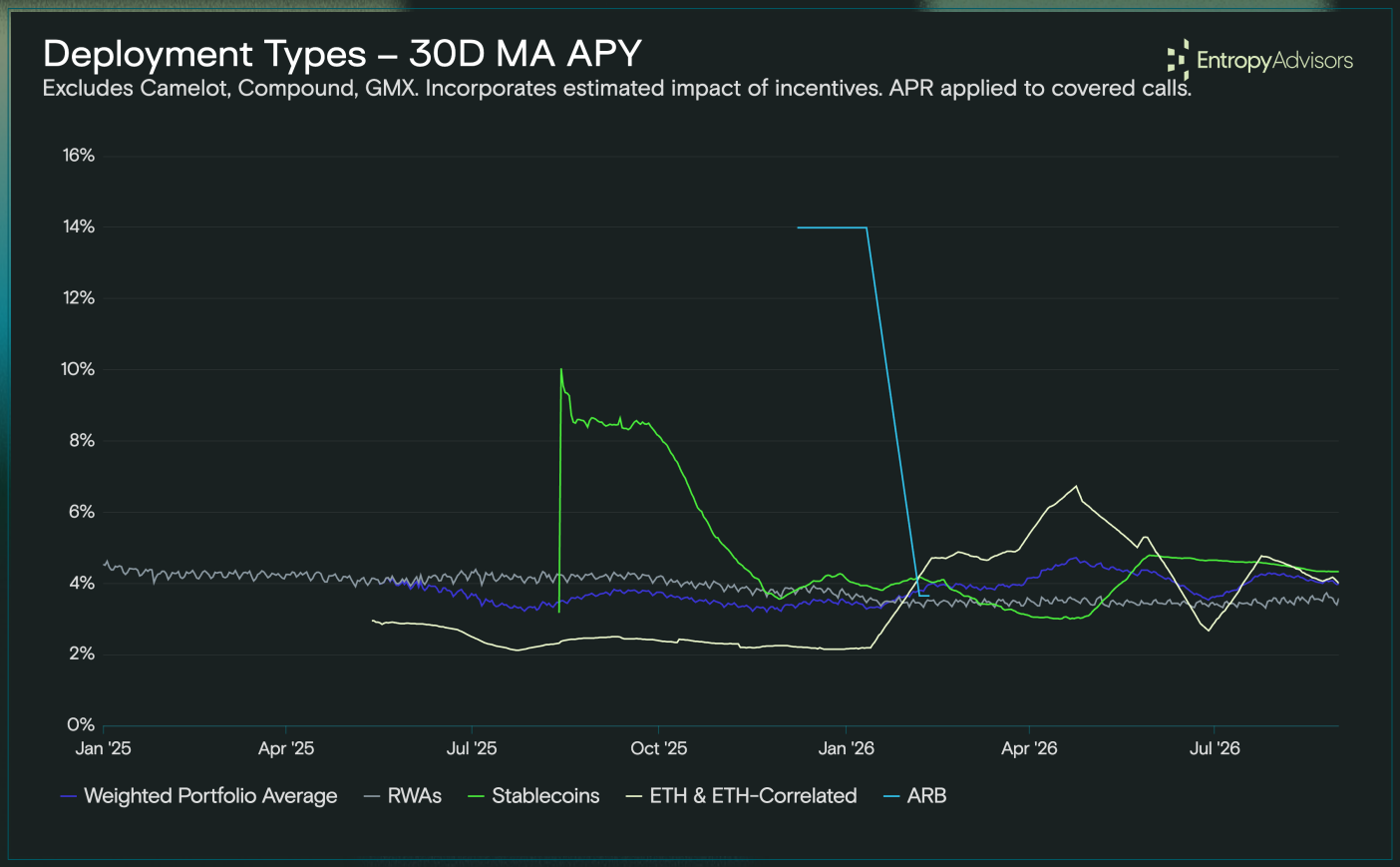
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1. DAO Treasury Management

1.1 Portfolio Overview

Portfolio Size	Volatile Asset Price Change	Yield Earned & DeFi Returns
$103M	$19M	$653K
+8% Jun-Aug Change	Previous 2M: ($14M)	+73% 2M-on-2M Change





1.2 Risk Limits

RISK LIMIT	LIQUID STAKING	tMMFs	MULTI-STRATEGY VAULTS	ASSET-BACKED PRIVATE CREDIT	OTC LENDING, CRYPTO COLLATERAL	LIDO	ether.fi	MAPLE FINANCE	USD.AI	SPARK
Max per Protocol Cap (35%)	N/A	N/A	N/A	N/A	N/A	10.8%	39.3%	5.7%	8.8%	11.7%
Max per Strategy Cap (45%)	50.1%	22.5%	11.7%	8.8%	5.7%	N/A	N/A	N/A	N/A	N/A
Max % of Protocol TVL Cap (20%)	N/A	N/A	N/A	N/A	N/A	0.0%	0.9%	0.1%	1.9%	0.2%

At the end of August, the TM portfolio comprised 50% of ETH, falling 10% below the maximum acceptable weight as defined in the IPS. Under normal operating conditions, 50% of the portfolio can be withdrawn within 24 hours, and 100% of the portfolio can be withdrawn within 7 days. As such, all liquidity constraints were satisfied. While liquid staking and the TM portfolio's exposure to ether.fi were above the standard IPS-defined risk limits, both satisfy the conditions based on the carveouts made with respect to ETH staking as well as opportune strategic deals.

1.3 Notable Events During July & August

1.96K ETH
Withdrawn from GMX to meet the Arbitrum Foundation's funding request

220 ETH
Staked as wstETH through Lido

1.74K ETH
Transferred to the Arbitrum Foundation

$16M tMMFs
Transferred to the Arbitrum Foundation in the form of BUIDL, USTBL, and USDY

7M USDC
Received from the AGV

1.74M USDC
Withdrawn from the Gauntlet USDC Core Vault on Morpho

8.78M USDC
Deployed into Spark's sUSDC

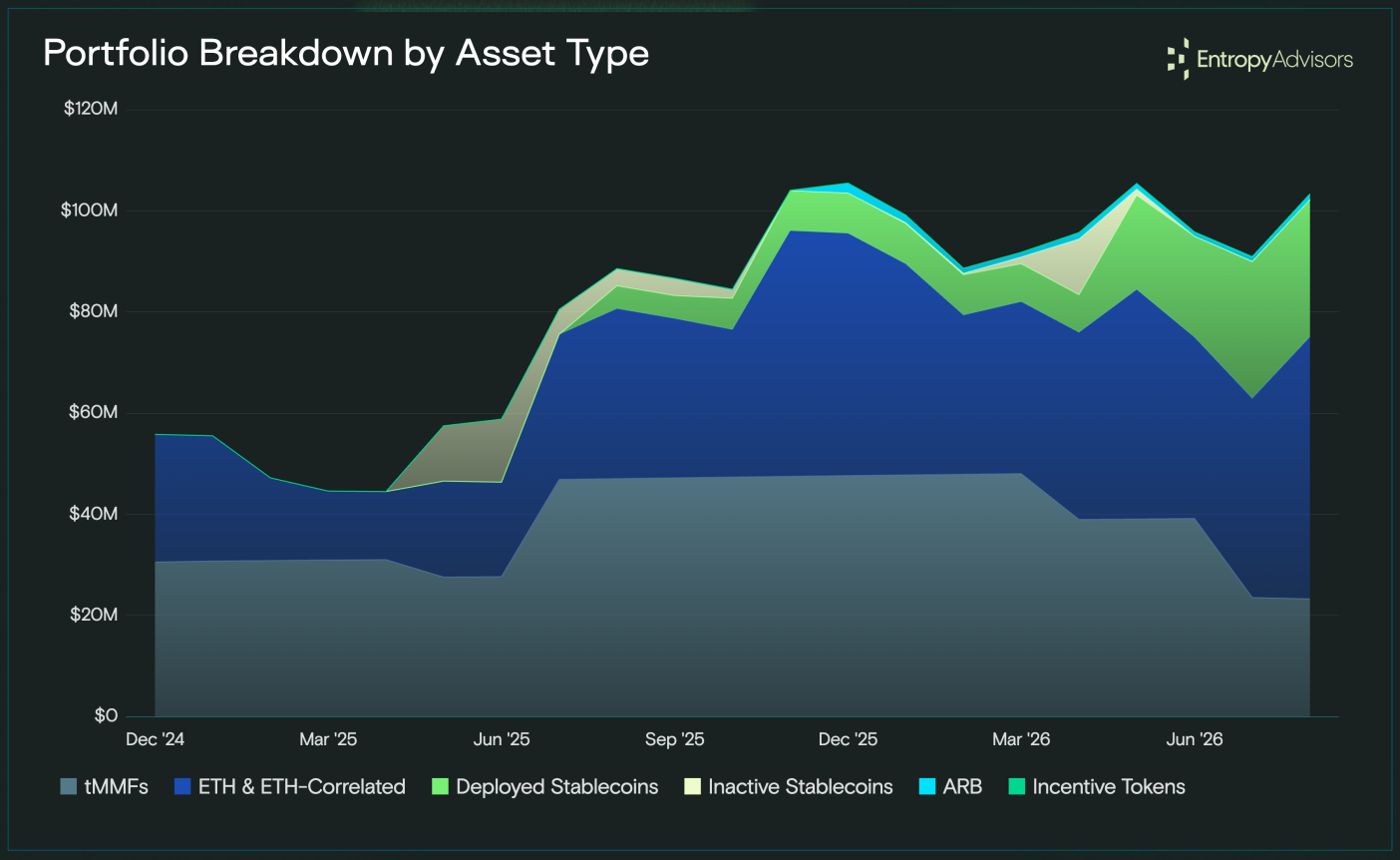
6.75K ETH
Notional in sold covered calls expired in the money

0.23 stETH
Collected through the Lido Rewards-Share Program, covering the Q2 '26 period

2. Treasury Management Assets & Strategies

2.1 Overview of July & August

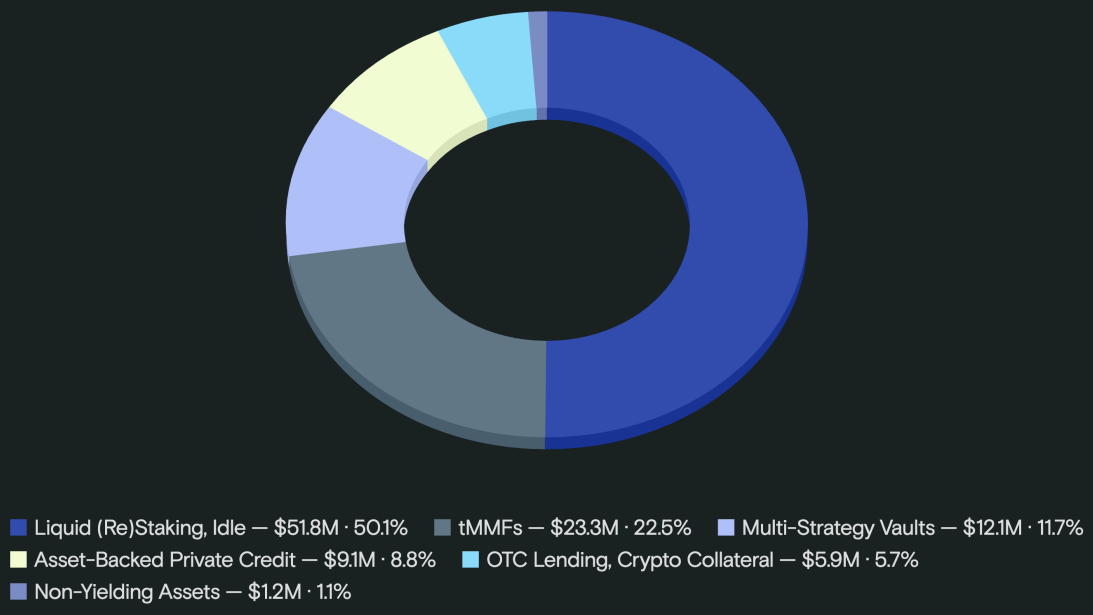
The price of ETH increased by ~57% over July and August, leading to a ~$19M gain in the value of the DAO's ETH and ETH-correlated positions. $7M of new capital was added to the aggregate portfolio from the AGV, while 1.74K ETH and ~$16M worth of tMMFs were transferred to the AF. Overall, total holdings increased from ~$96M to ~$103M over the period. 2M-on-2M interest & DeFi returns increased by ~73%. As of August end, the portfolio comprised ~50% ETH & ETH-correlated assets, ~23% tMMFs, ~26% stablecoins, ~20bps incentive tokens, and ~87bps ARB. The portfolio composition changed in early September as 6.75K ETH notional in short calls expired ITM, with the DAO receiving ~$15.2M in stablecoins in return.



Portfolio Breakdown by Deployment Type

Aug '26

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Change in Portfolio Value

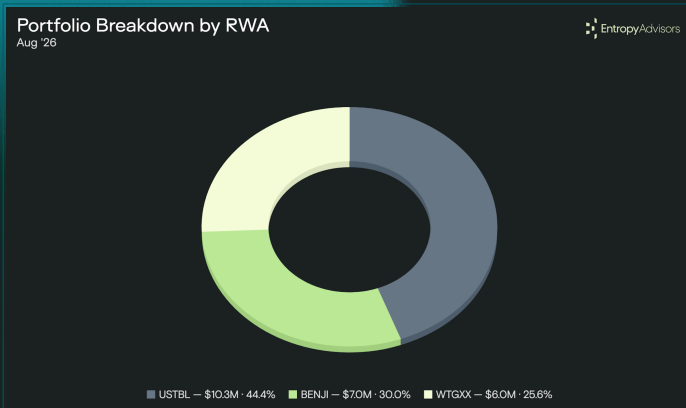
Jul – Aug '26

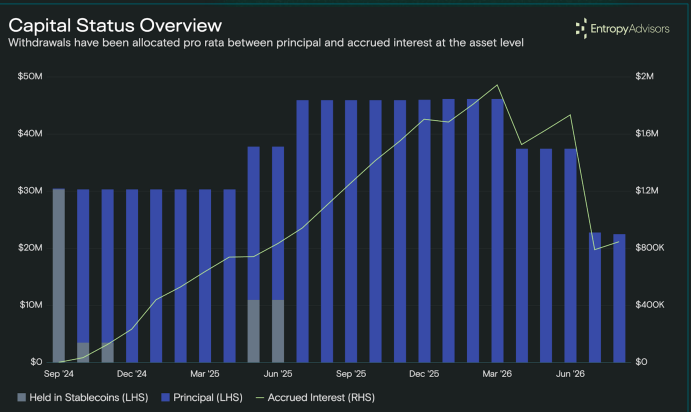
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2.2 tMMFs

The DAO's BUIDL and USDY positions, worth ~$15.7M, were transferred to the Arbitrum Foundation, together with ~$330K worth of USTBL, as part of the passed onchain proposal for continued funding for the AF. The DAO's tMMF holdings produced ~$150K in interest over July and August.







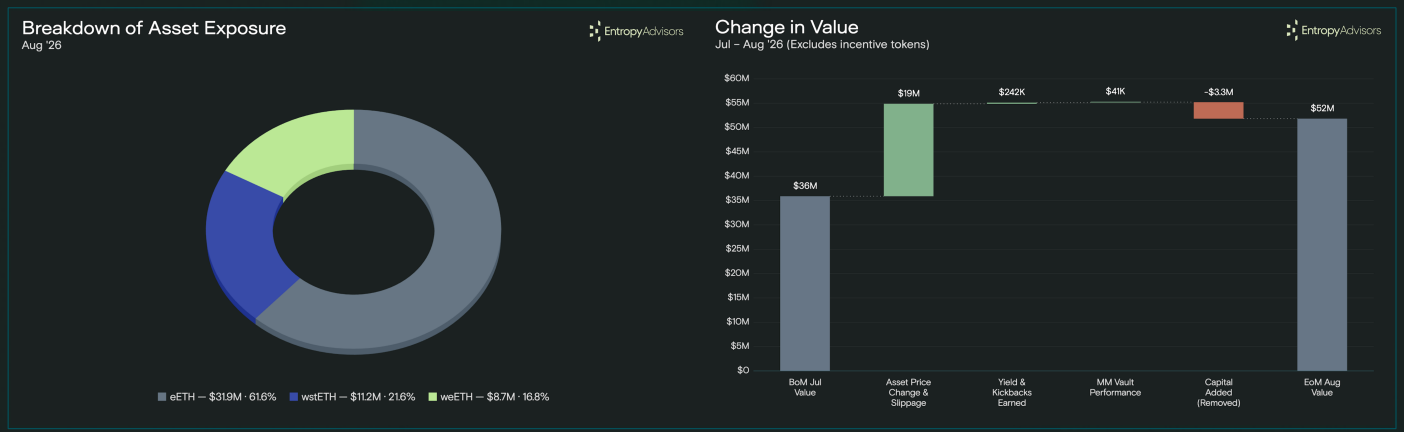
2.2.1 Position-Level Allocations (July & August '26)

ASSET	ISSUER	PRINCIPAL	PRINCIPAL & ACCRUED INTEREST	JUL & AUG INTEREST	30D MA APY	ACCRUED INTEREST
BUIDL	BlackRock	$0	$0	$5,597	N/A	$0
BENJI	Franklin Templeton	$6,691,332	$6,971,227	$41,829	3.61%	$279,895
WTGXX	WisdomTree	$5,735,428	$5,964,677	$34,873	3.51%	$229,249
USDY	Ondo Finance	$0	$0	$6,909	N/A	$0
USTBL	Spiko	$9,982,616	$10,318,354	$63,304	3.68%	$335,739
TOTAL	—	$22,409,376	$23,254,258	$152,513	3.62%	$844,883

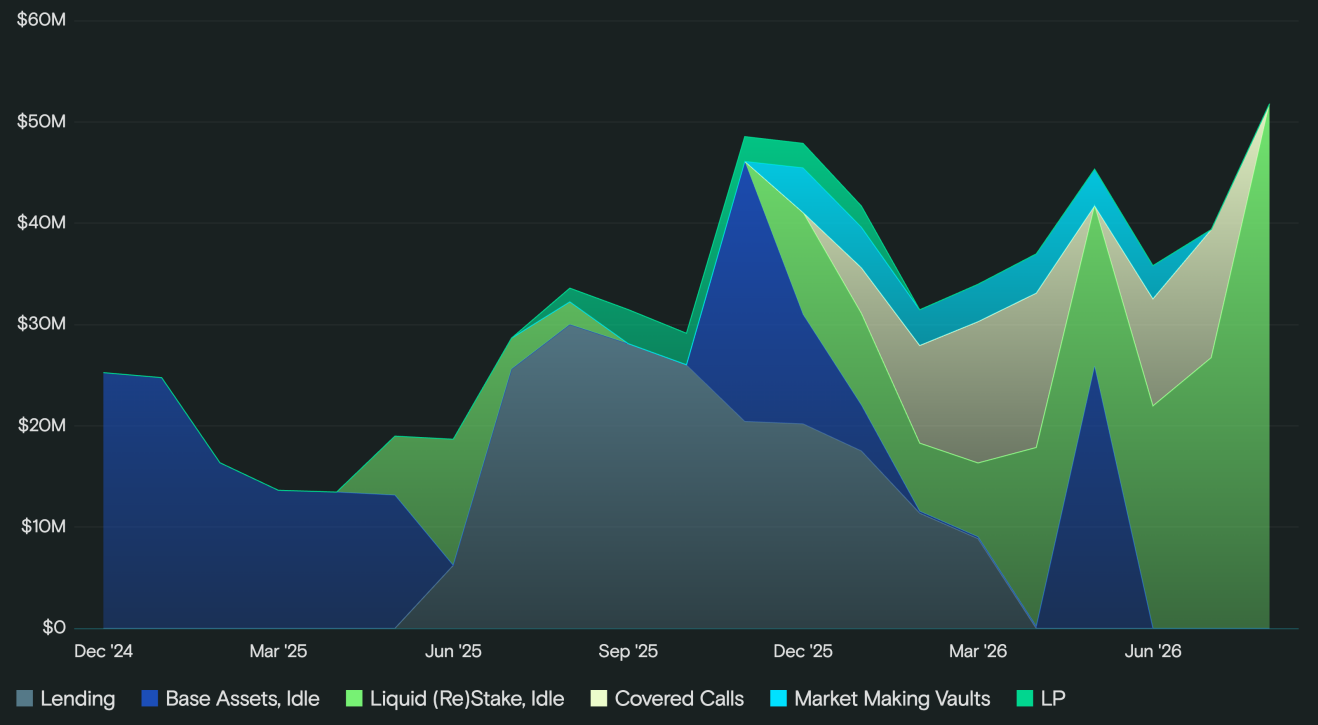
Note: withdrawals have been allocated pro rata between principal and accrued interest at the asset level

2.3 ETH & ETH-Correlated Assets

1.96K ETH was withdrawn from GMX to honor the passed funding proposal for the AF, with 1.74K ETH having been transferred to the AAE. The leftover ETH was staked through Lido as wstETH. 6.75K ETH notional in sold covered calls expired ITM, with the DAO receiving ~$15.2M in return. The stablecoins were deposited into Spark's sUSDC as a placeholder position, given reallocations requiring instant liquidity are expected in the short term. Note that fund movements took place in early September, so the reduction in ETH isn't yet reflected in this report's data. The DAO collected 0.23 stETH through the Lido Rewards-Share Program, covering the Q2 '26 period.

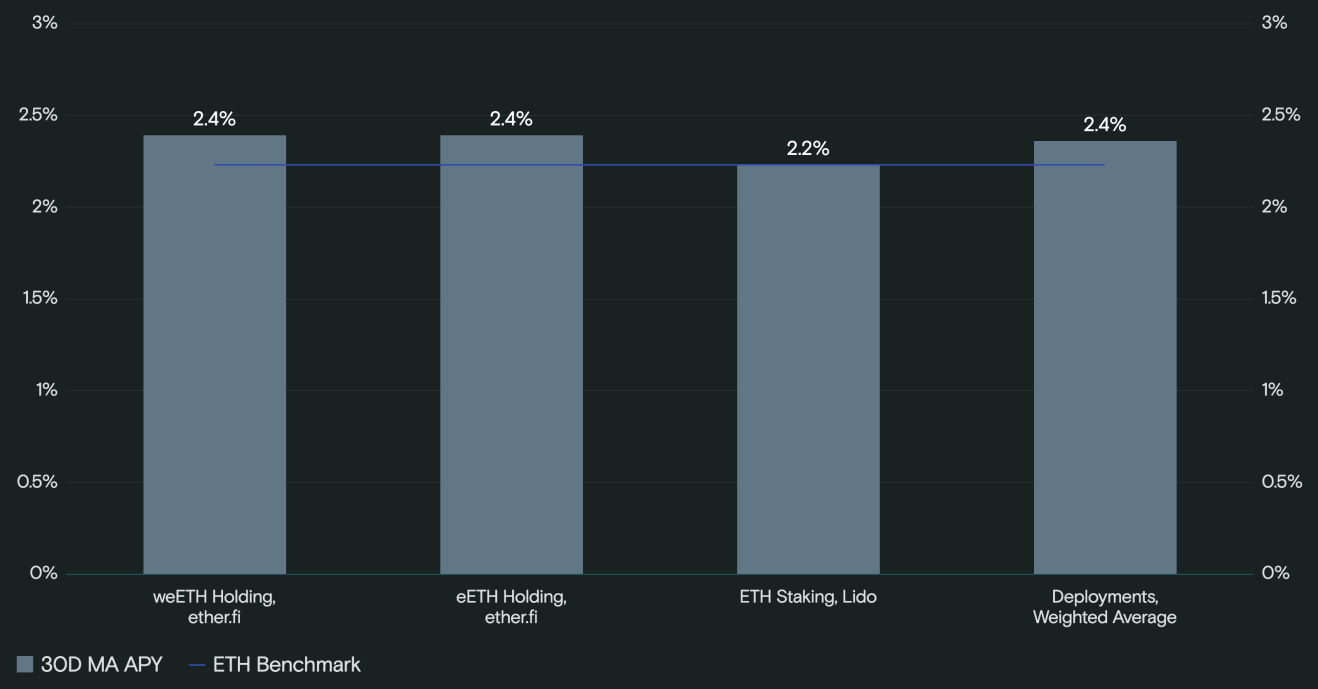


Breakdown of Strategies



Relative Yield Performance of Active Positions

Aug '26 (Note: excludes positions not active EoM)



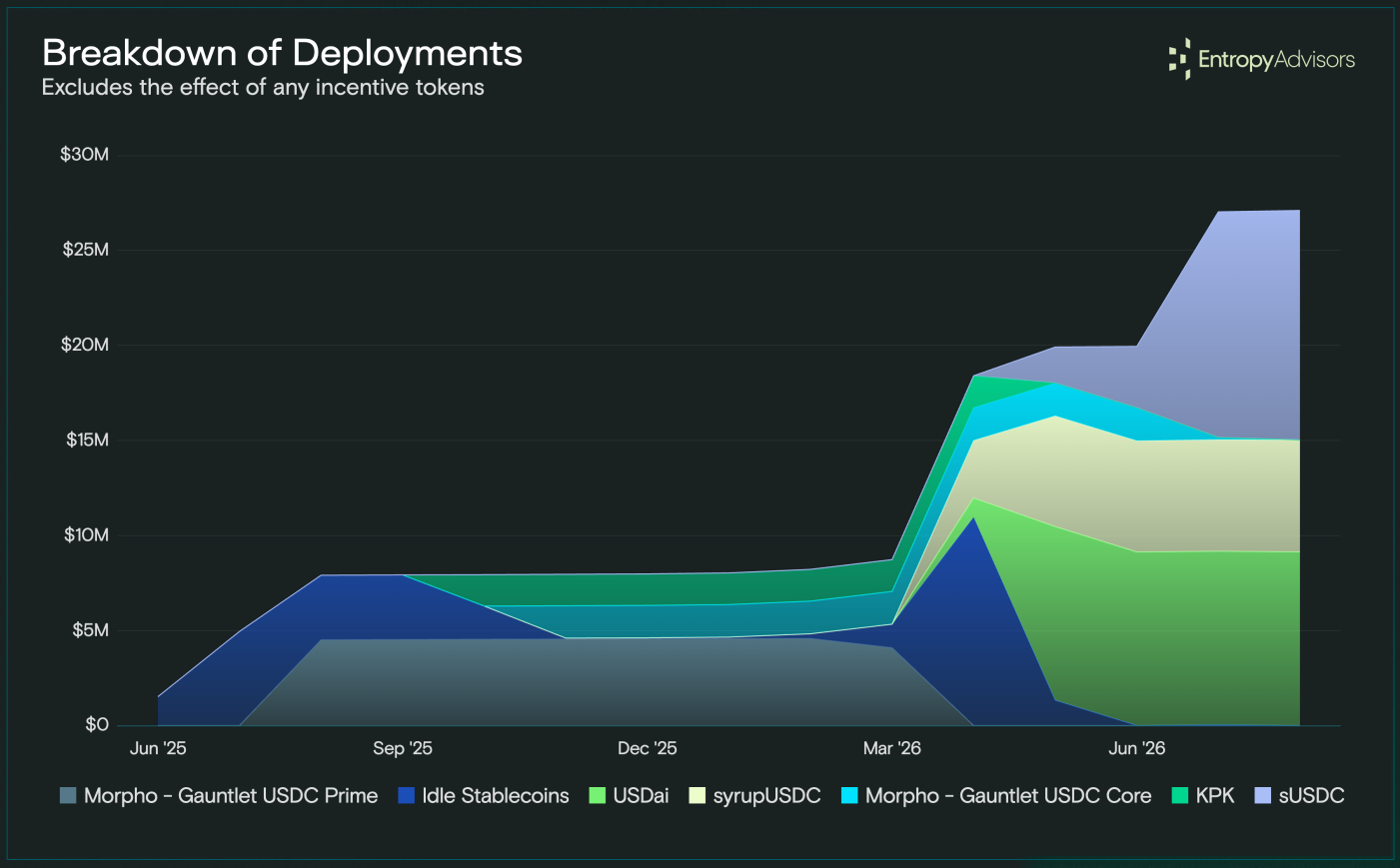
2.3.1 Position-Level Allocations (July & August '26)

TYPE	UNDERLYING	PROTOCOL	BOM JUL VALUE	JUL & AUG PRICE CHANGE & SLIPPAGE	POSITION INCREASED (DECREASED)	JUL & AUG YIELD	EOM AUG VALUE	%-SHARE
Liquid Staking	ETH	Lido	$6,819,304	$3,898,455	$414,925	$37,412	$11,170,096	21.6%
Liquid Staking	ETH	ether.fi	$15,136,445	$8,642,662	$16,758,016	$88,105	$40,625,228	78.4%
MM Vault	ETH & USDC	GMX	$3,276,333	$374,081	($3,691,286)	$40,872	$0	0.0%
Covered Calls	ETH	OTC	$10,575,072	$6,126,998	($16,819,036)	$116,966	$0	0.0%
Idle ETH/WETH	—	—	$1,112	$706	$660	$0	$2,477	0.0%
TOTAL	—	—	$35,808,267	$19,042,901	($3,336,722)	$283,355	$51,797,801	100.0%

Note: Excludes effect of any incentive tokens received. Yield includes kickbacks and represents vault performance for GMX

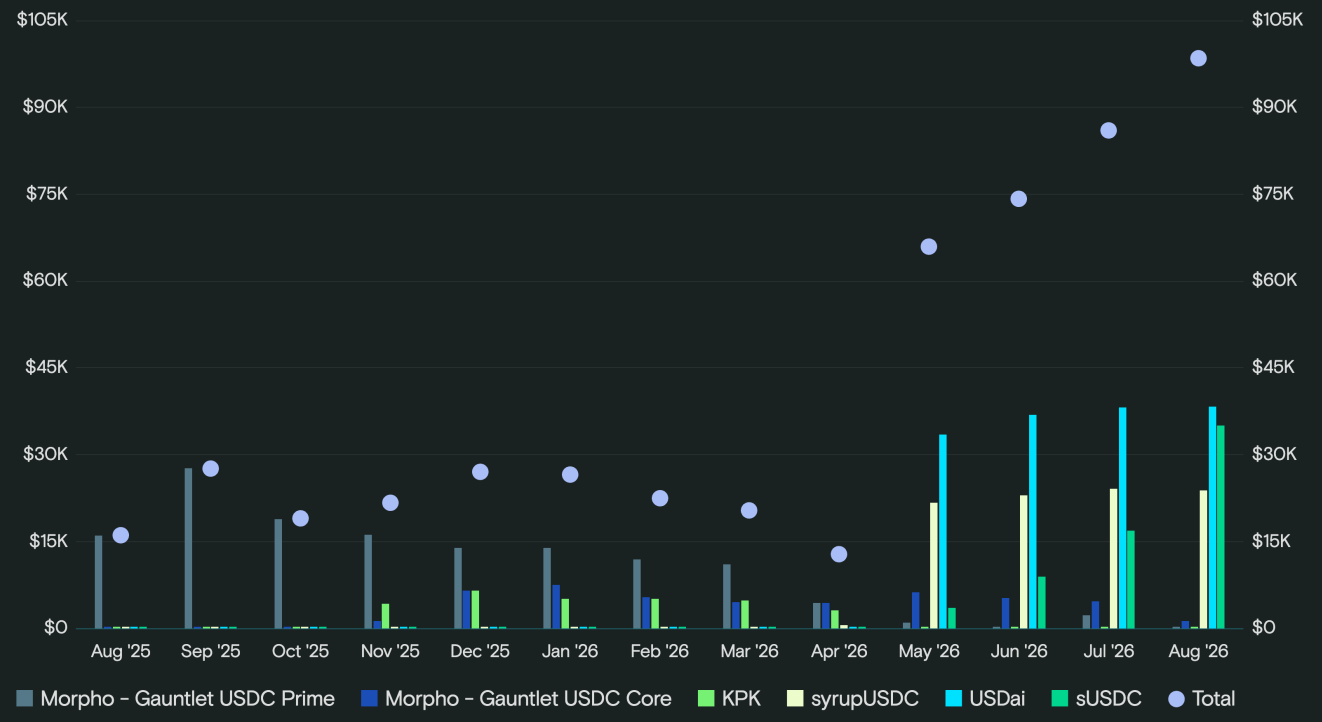
2.4 Stablecoin Positions

The stablecoin section of the TM portfolio grew over July & August as a result of a capital injection, with 7M USDC transferred over from the AGV. 1.74M USDC was withdrawn from the Gauntlet USDC Core vault on Morpho. All of the proceeds were deposited into Spark's sUSDC in preparation for reallocations that are expected to take place in the short term. Even as the placeholder position grew as a % of the TM portfolio's stablecoin holdings, the holdings outperformed the benchmark by ~190bps at EoM August.



Stablecoin Deployments – Monthly Interest & Incentives

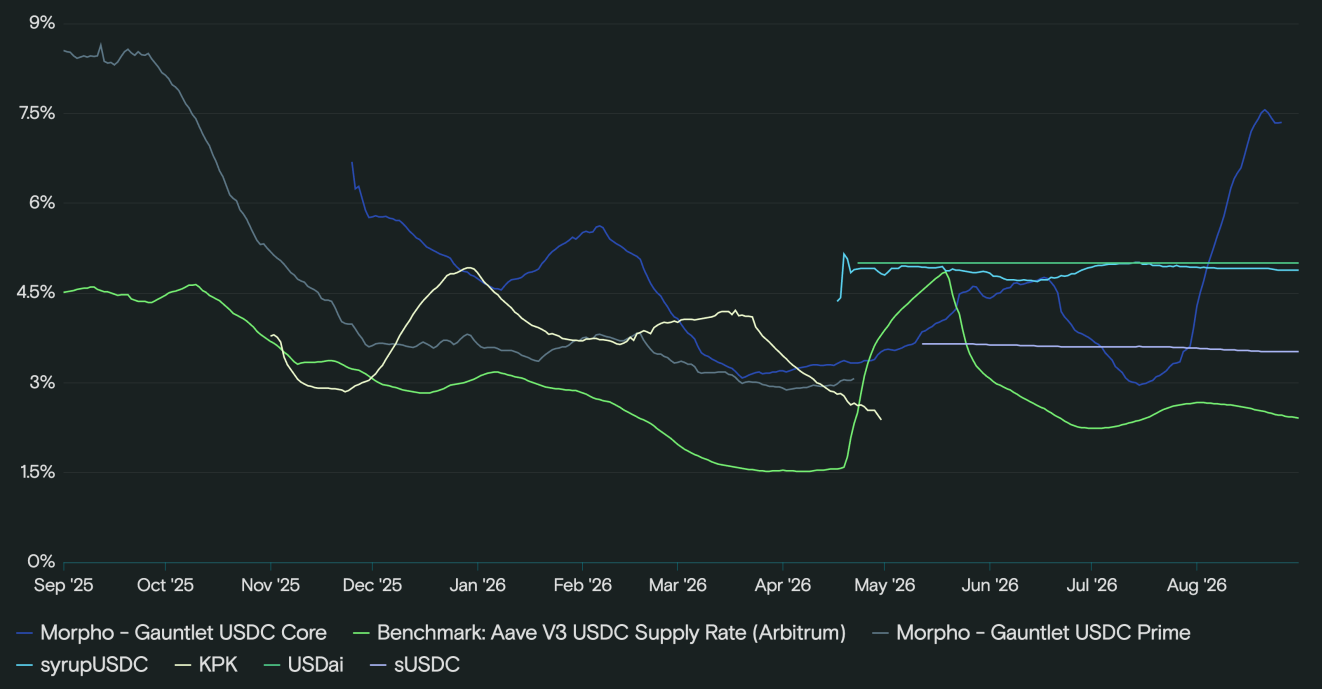
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30D MA Net APY

KPK APY includes an estimation of daily incentives, based on a snapshot of accrued tokens and their daily prices

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2.5 Incentive Tokens & Active ARB Positions

Over July and August, the DAO continued accumulating incentive tokens in the form of CHIP as part of an ecosystem growth initiative with USD.AI. The ARB covered calls pilot program remained on hold, given the market conditions over the majority of the period. No ARB has been called throughout the program's lifecycle.

3. Disclaimers

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