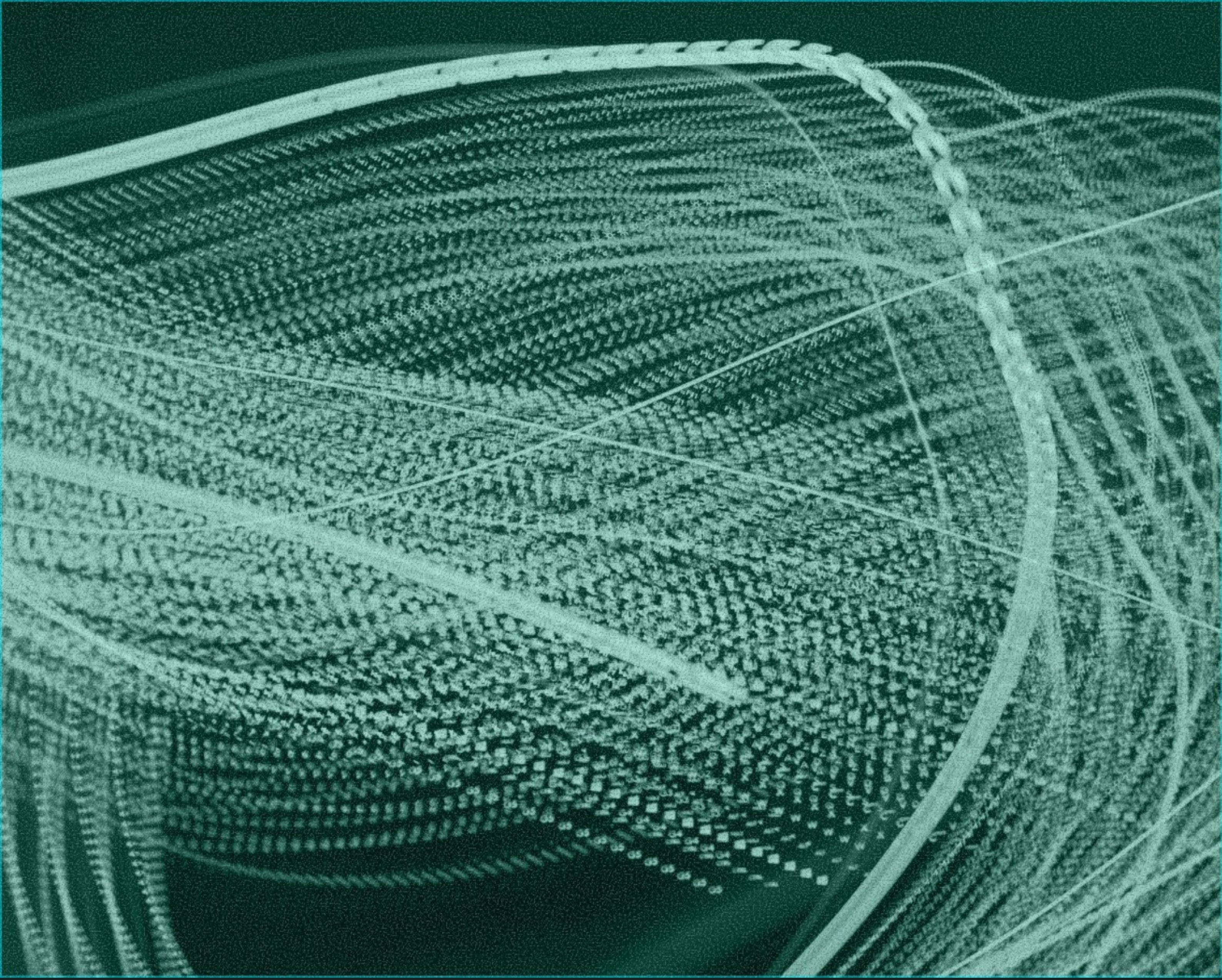


Arbitrum Treasury Management Report

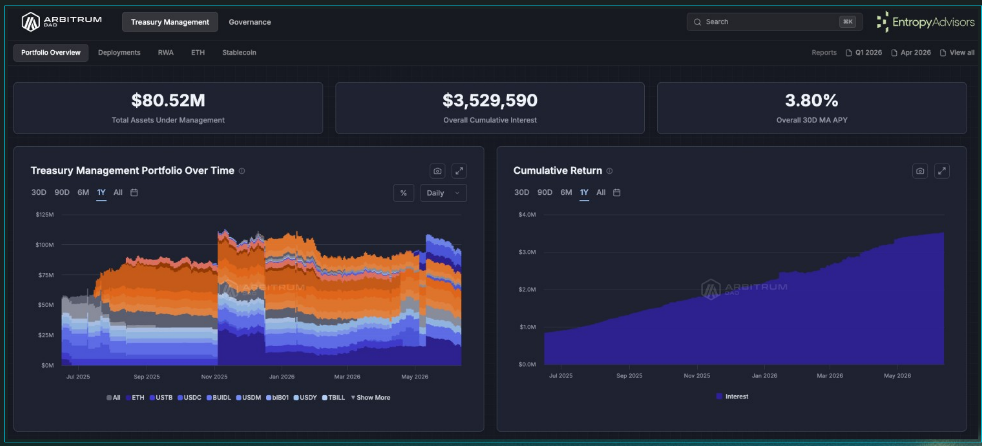
May 2026

PRESENTED BY ENTROPY ADVISORS

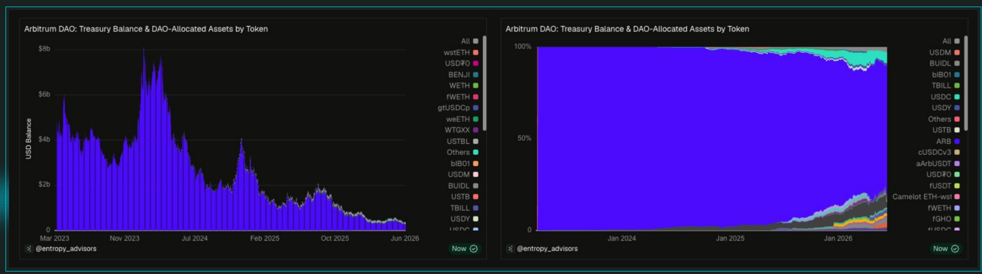
Notes & Relevant Links

ENTROPY'S TREASURY MANAGEMENT DASHBOARDS

arbdata.com – Arbitrum DAO Treasury Management



Entropy on Dune - Arbitrum DAO Treasury Balance



NOTES ON REPORT DATA

- *Data as of May 31st, 2026, unless otherwise noted*
- *Stablecoins held on centralized exchanges and non-traceable wallets following ARB 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*
- *The GMX GLV Vault position is assumed to constantly consist of a 50/50 allocation between WETH and USDC*

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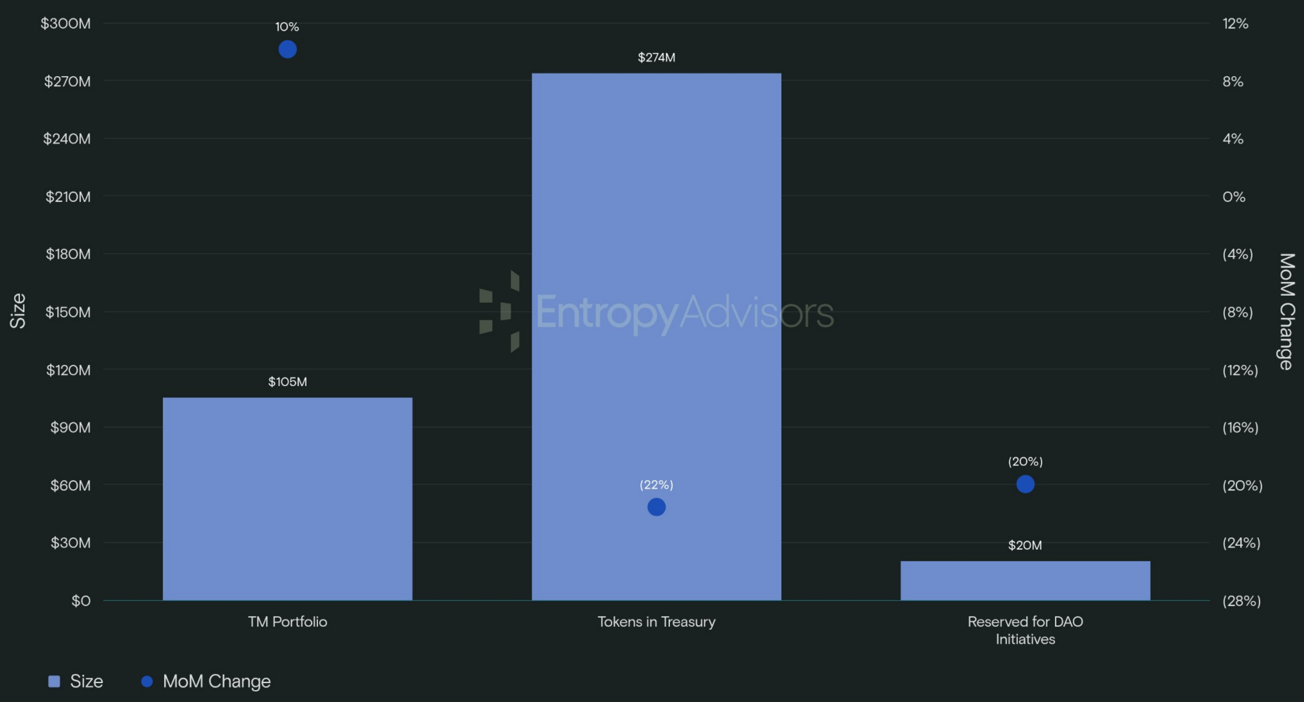
1. DAO Treasury Management

1.1 Portfolio Overview

Portfolio Size	Volatile Asset Price Change	Yield Earned & DeFi Returns
$105M	($4M)	$129K
+10% MoM Change	Previous Month: $3M	(59%) MoM Change

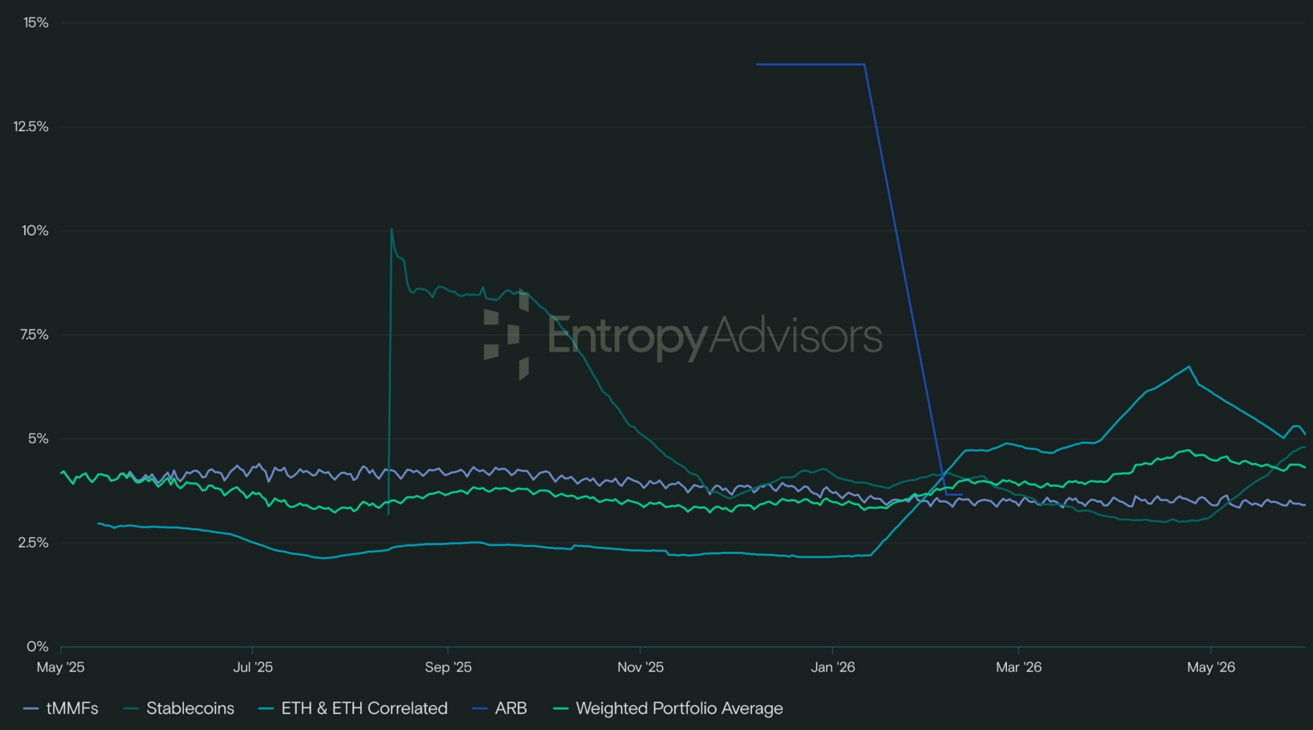
The DAO's Total Holdings

May '26 (Excludes funds held by the AF, OpCo, & AGV, as well as funds held offchain)



Deployment Types — 30D MA APY

Note: Excludes Camelot, Compound, and GMX. Incorporates an estimated impact of incentives. An APR has been applied to covered calls.



1.2 Notable Events During the Month

$2.8M
Deployed into syrupUSDC

$8.1M
Deployed into USDai

$1.9M
Deployed into sUSDC

$150K
Stablecoins added to the portfolio from the DAO treasury

3.6K ETH & 2.4K WETH
Added to the portfolio from the DAO treasury

$1.3M
Idle stablecoins received from the D.A.O. grants initiative

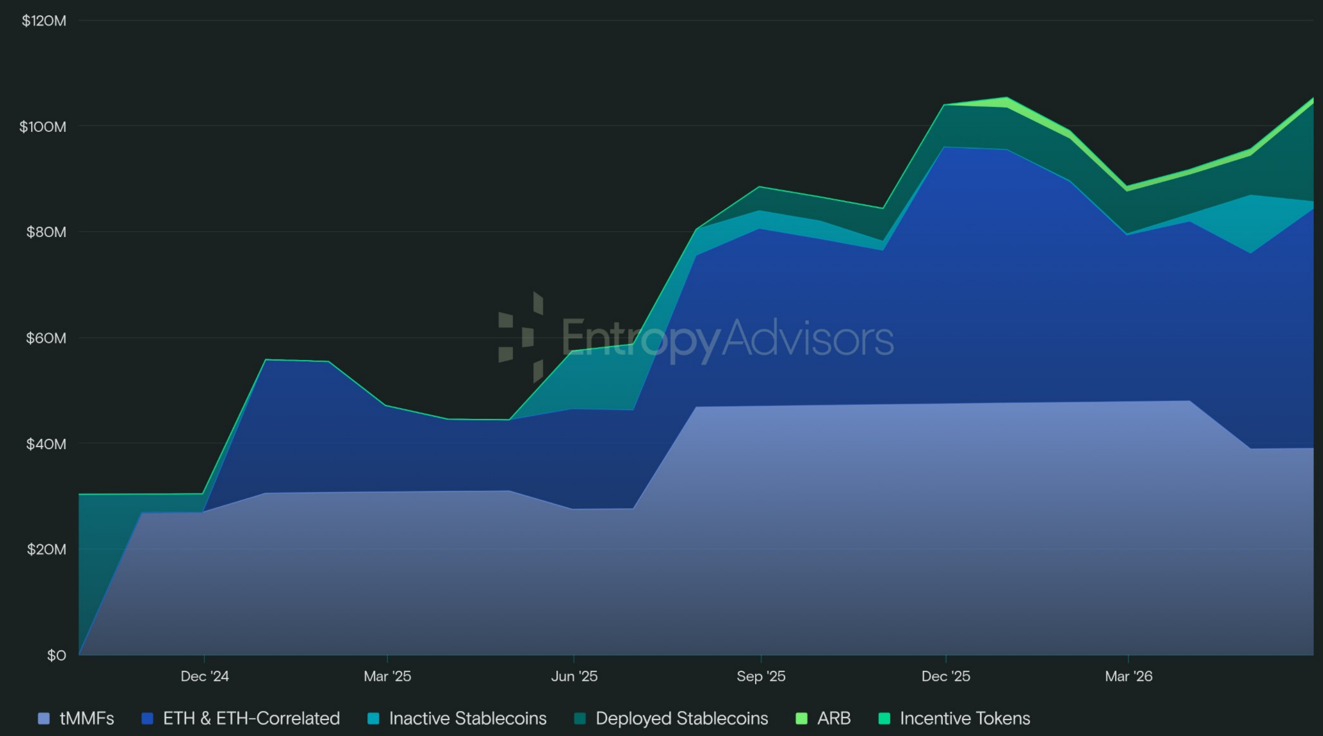
12.75K ETH
Approved by the OAT to be converted into eETH

2. Treasury Management Assets & Strategies

2.1 Overview of the Month

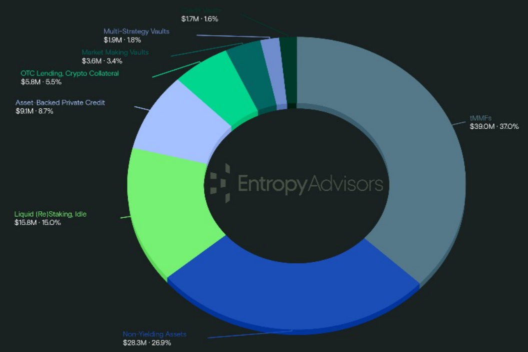
The price of ETH decreased by ~11% over the month, leading to a ~$3.7M loss in the value of the DAO's ETH and ETH-correlated positions. ~$14M of new capital was added to the aggregate portfolio, increasing the total holdings from ~$96M to ~$105M. Monthly interest & DeFi returns decreased by ~60% MoM, mostly driven by the temporary pausing of the covered calls initiative as well as negative MM vault performance. As of May end, the portfolio comprised ~43% ETH & ETH-correlated assets, ~37% tMMFs, ~19% stablecoins, ~3bps incentive tokens, and ~1% ARB.

Portfolio Breakdown by Asset Type



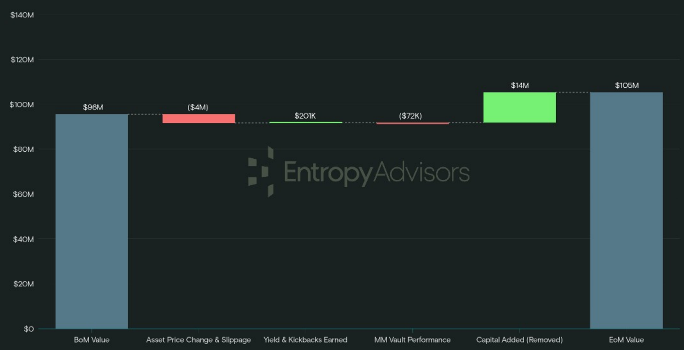
Portfolio Breakdown by Deployment Type

May '26



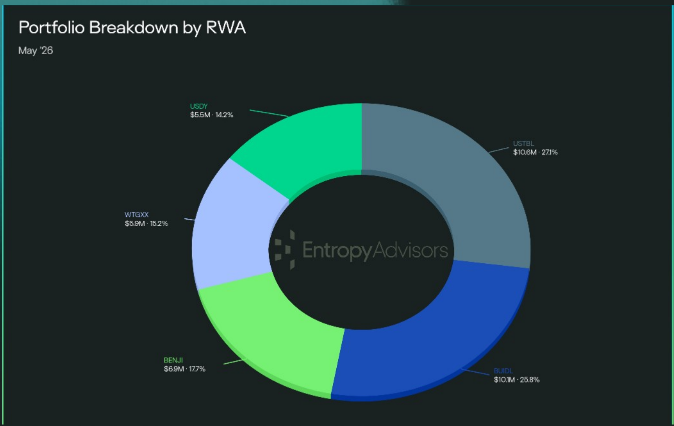
Change in Portfolio Value

May '26



2.2 tMMFs

No major changes to the tMMF section of the portfolio took place during the month. The DAO's tMMF holdings produced ~$103K in interest over the month of May.



2.2.1 Position-Level Allocations (May '26)

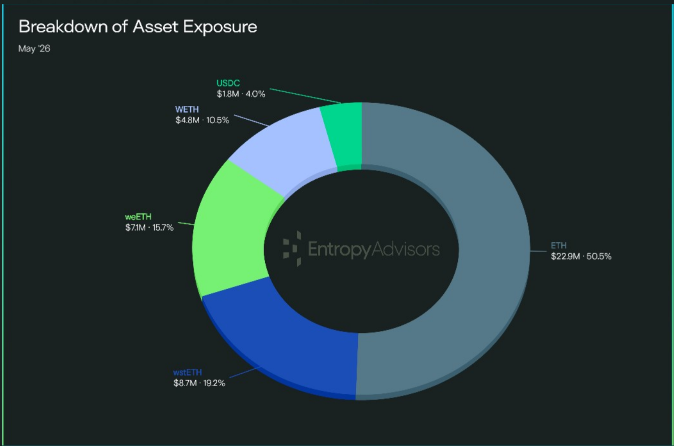
ASSET	ISSUER	PRINCIPAL	PRINCIPAL & ACCRUED INTEREST	MTD INTEREST	30D MA APY	ACCRUED INTEREST
BUIDL	BlackRock	$9,500,609	$10,074,136	$20,532	3.19%	$573,527
BENJI	Franklin Templeton	$6,691,332	$6,909,534	$20,354	3.55%	$218,202
WTGXX	WisdomTree	$5,735,428	$5,913,174	$17,031	3.45%	$177,746
USDY	Ondo Finance	$5,194,875	$5,541,583	$16,394	3.55%	$346,708
USTBL	Spiko	$10,303,987	$10,556,501	$28,199	3.40%	$252,513
TOTAL	–	$37,426,231	$38,994,927	$102,511	3.40%	$1,568,696

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

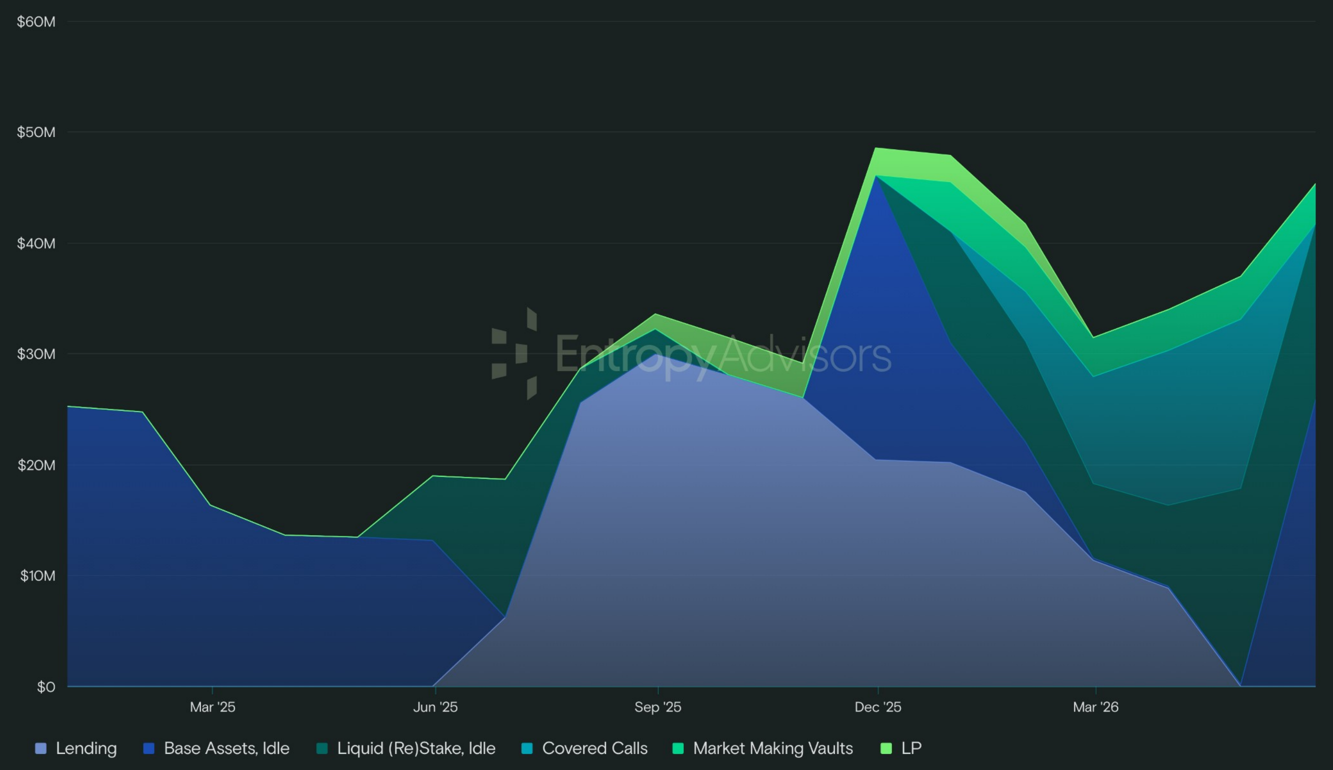
2.3 ETH & ETH-Correlated Assets

~3.6K and ~2.4K of ETH and WETH, respectively, were added to the TM portfolio from the DAO treasury in May. Due to a suboptimal volatility environment, the covered calls strategy on ETH was put on hold, but will be restarted immediately as conditions improve.

The OAT approved a suggestion to deploy 12.75K of idle ETH into ether.fi as eETH. The first round of staking was performed by the Arbitrum Foundation in mid June, and the process is expected to finalize by the end of the month, decreasing the idly held ETH/WETH toward zero. Due to a market-wide liquid staking redemption wave in late April and early May that was driven by the KelpDAO exploit as well as ether.fi's prioritization for quick redemptions, weETH slightly underperformed the ETH return benchmark based on the 30D MA APY at the end of May. With redemption conditions normalizing, weETH has now returned to outperforming the benchmark rate.



Breakdown of Strategies

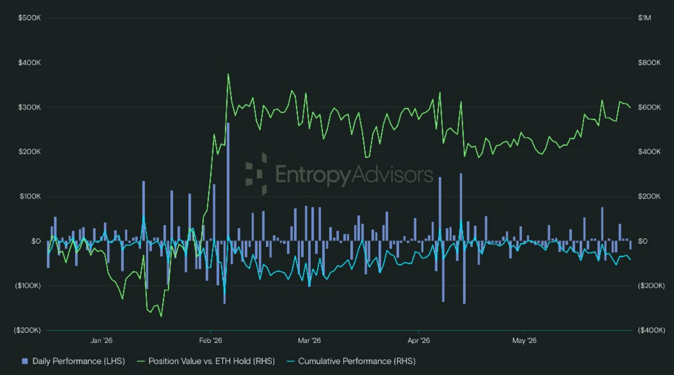


Relative Yield Performance of Active Positions

May '26 (Note: the weighted average excludes positions that weren't active at the end of the month. Data also excludes the GMX GLV vault)

GMX GLV Vault (WETH-USDC) Performance

Performance comprises fees earned, exposure to trader PnL, & rebalancing actions, while excluding the impact of ETH price movements



2.3.1 Position-Level Allocations (May '26)

TYPE	UNDERLYING	PROTOCOL	BOM VALUE	PRICE CHANGE & SLIPPAGE	POSITION INCREASED (DECREASED)	MTD YIELD	EOM VALUE	%-SHARE
Liquid Staking	ETH	Lido	$9,708,945	($1,026,364)	$0	$18,115	$8,700,696	19.2%
Liquid Restaking	ETH	ether.fi	$7,956,119	($836,049)	$0	$14,071	$7,134,141	15.7%
MM Vault	ETH & USDC	GMX	$3,874,480	($180,627)	$0	($71,888)	$3,621,964	8.0%
Covered Calls	ETH	OTC	$15,245,324	($1,632,341)	($13,612,983)	$0	$0	0.0%
Idle ETH/WETH	—	—	$189,321	($20,271)	$25,713,167	$0	$25,882,217	57.1%
TOTAL	—	—	$36,974,189	($3,695,652)	$12,100,184	($39,703)	$45,339,018	100.0%

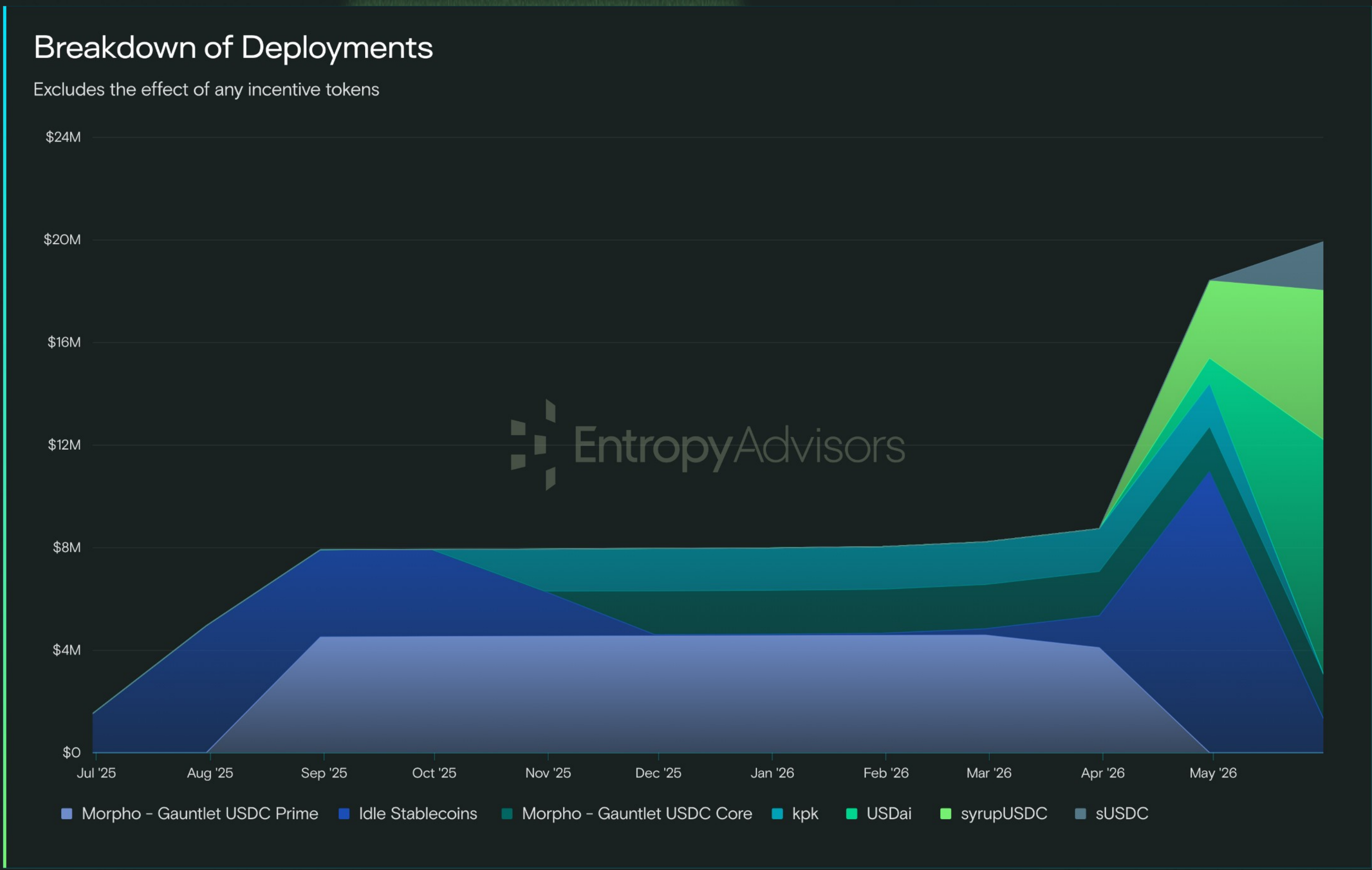
Note: Excludes effect of any incentive tokens received. Yield includes kickbacks and represents vault performance for GMX

2.4 Stablecoin Positions

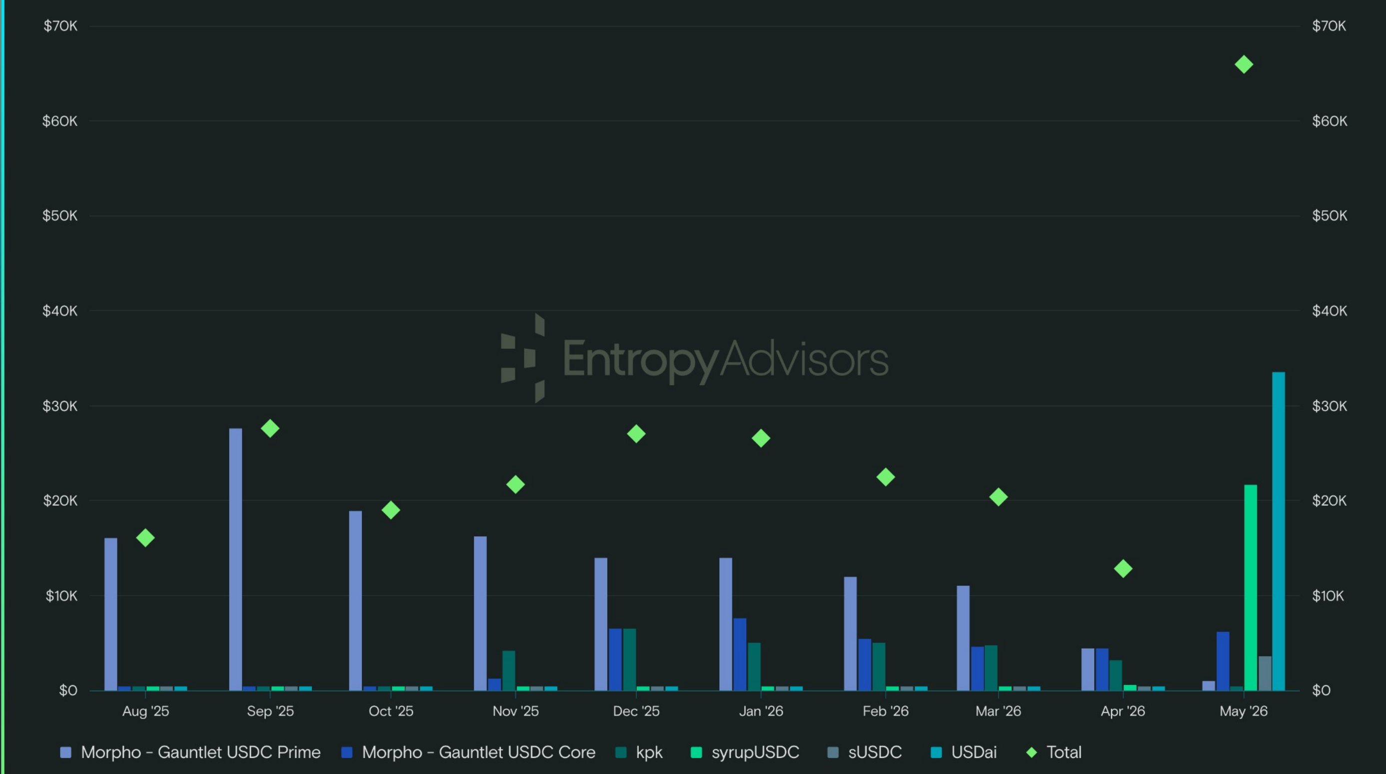
The stablecoin section of the TM portfolio grew over the month as a result of capital consolidation from two sources. ~$1.3M of idle stablecoins were moved over from the D.A.O. grants initiative, while ~$150K was transferred directly from the DAO's treasury.

Several deployments also took place over the month: ~$2.8M into syrupUSDC, ~$8.1M into USDai, and ~$1.9M into sUSDC. At the end of the month, ~$1.3M worth of stablecoins remained idle. The capital was used to upsize the sUSDC position in early June.

As a result of the aforementioned reallocations, the 30D MA APY on the DAO's stablecoin holdings increased by ~170bps to ~4.7% in May.

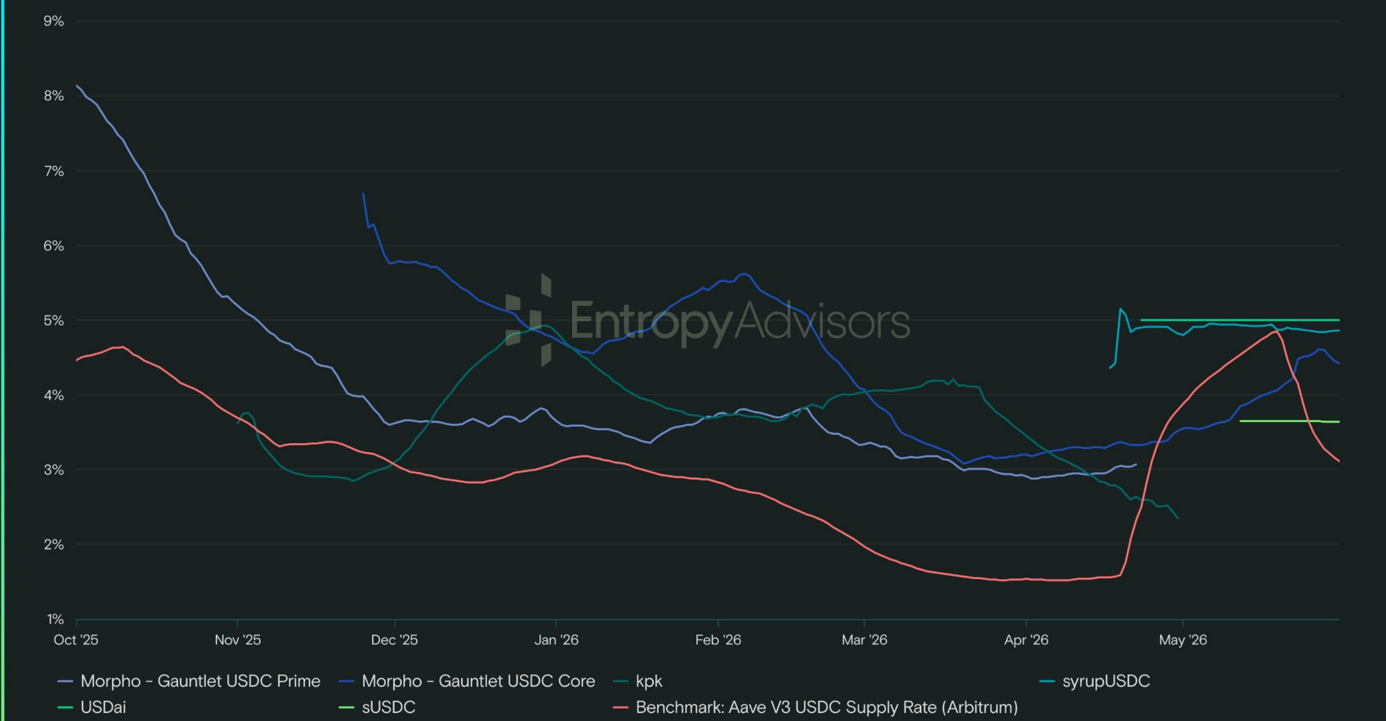


Stablecoin Deployments — Monthly Interest & Incentives



30D MA Net APY

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



2.5 Incentive Tokens & Active ARB Positions

The DAO has begun accumulating incentive tokens in the form of CHIP as part of an ecosystem growth initiative together with USD.AI. The ARB covered calls pilot program remains on hold, given the market conditions over the previous months and unfavorable price movements across crypto more generally. No ARB has been called throughout the pilot program's lifecycle.

3. Disclaimers

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