



Fund Performance

Portfolio All-Time Return	-57.29%
Benchmark All-Time Return	-62.89%
All-Time Relative Outperformance	5.60%
Beginning AUM	\$10,636.09
Current AUM	\$6,452.72
Best Performer	\$GMX, +157.5%
Worst Performer	\$JEWEL, -95.78%

Fund Composition (Largest 8 Core)

Ethereum	5.67%
ENS	33.12%
BTRFLY	24.00%
GMX	20.13%
Lido DAO	16.95%
API3	9.35%
REN	6.45%
Audius	4.34%

Position Performance Q4 (Largest 8 Core)

\$ETH Return	-62.89%
\$ENS Return	-72.50%
\$BTRFLY Return	44.30%
\$GMX Return	157.50%
\$LDO Return	-63.50%
\$API3 Return	-57.14%
\$REN Return	-87.19%
\$AUDIO Return	-88.56%

Macro Statistics (10/1/22)

Total Market Capitalization	\$956 B
\$BTC Dominance	57.25%
\$BTC 1 Yr Return	-69.14%
\$ETH 1 Yr Return	-66.84%
\$BTC Q3 Return	-7.82%
\$ETH Q3 Return	4.03%
\$ETH/\$BTC	0.066

President:

Aaron Rudder – arudder@uoregon.edu

Director of Asset Management:

Ronan Broadhead – ronanb@uoregon.edu

Fund Overview & Theses

History

[The Oregon Blockchain Group \(OBG\)](#) is a community-oriented, student-led organization working to provide a broad platform for students to be empowered within their local communities since 2018. We collaborate with organizations all over the world to educate, encourage and empower student innovators, along with our broader community, through an infrastructure of distributed-ledger and Web3 technologies.

Our Crypto Fund I was launched on November 11th, 2021. The Fund's initial capital of 3.01 ETH tokens was generously provided by University of Oregon Finance Professor and OBG Advisor, Dr. Stephen McKeon. On April 15th, 2022, McKeon injected an additional 1.0 ETH into the fund. The Fund's assets are wholly owned by McKeon. Investment decisions are at the discretion of McKeon in accordance with OBG members' pitches. The Fund's assets are held in a multi-signature wallet jointly controlled by McKeon and OBG Management. Our fund quarterly reports are consistent with the University of Oregon's fiscal year, and not the calendar year.

Q4 Performance

OBG Crypto Fund I performance is measured on a relative and absolute basis. Relative performance (alpha) is calculated using ETH token performance as a benchmark. The Fund has underperformed on an absolute basis, -57.29%, and outperformed on a relative basis, +5.6%. Q4 has sustained the bear market from Q3, with a slight recovery. The onslaught of macro factors, along with unceasing bridge failures and hacks leave the crypto market squarely in the red. However, the underlying technology of Web3 gets refined after every hack, and the long-term horizon of the market and our Fund I is optimistic.

Fund Position Performance for Q4 (7/1/22 - 10/1/22)

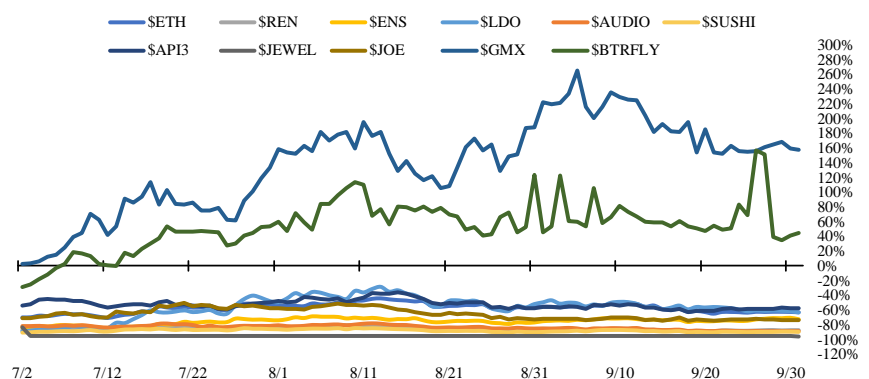
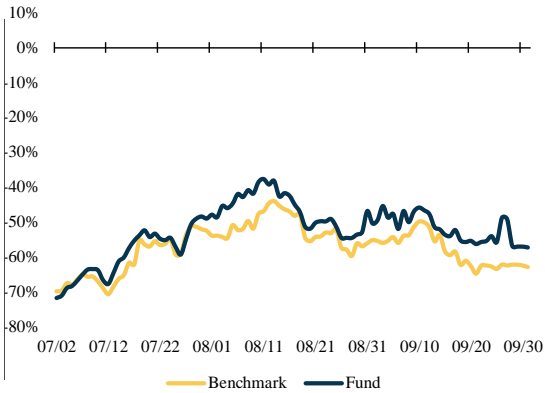
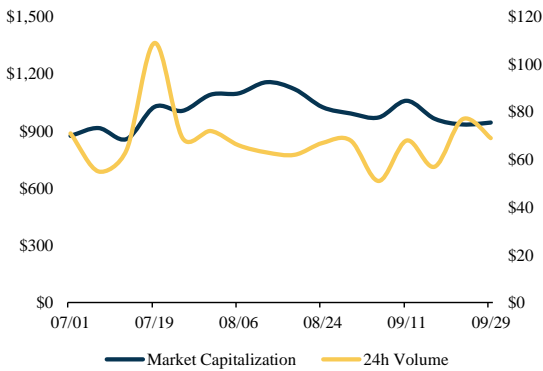


Figure 1: Fund Performance vs. Benchmark Q4



Source: Crypto Fund & Cryptowatch API

Figure 2: Total Crypto Market Cap & 24h Volume (billions) Q4



Source: CoinMarketCap



Whereas most technologies tend to automate workers on the periphery doing menial tasks, **blockchains automate away the center**. Instead of putting the taxi driver out of a job, blockchain puts Uber out of a job and lets the taxi drivers work with the customer directly.

- Vitalik Buterin



Going into Q4, our ethos for Fund I remains the same - we will seek out and support smaller capitalization projects (<\$500m) that have yet to realize their full potential. Many projects can exist in the market for months if not years before the crypto market as a whole understands their use case, and hence corrects their prior undervaluation. Therefore, an opportunity to be an early supporter of these smaller projects is available for those who can identify how DLT tech can circumvent Web2 issues. Our goal will be to identify projects that occupy a niche to which there is no mainstream Web3 incumbent.

With this said, “hopping on the bandwagon” is not our investment strategy. Rather, our decision making process will be set on a foundation of understanding the underlying mechanics of the narrative, through which the value of specific projects will become evident. Let's look at an example...

ETH L2 Scaling Solutions

Ethereum has notoriously high gas prices, and low TPS. As such, its scalability has been one of the hottest topics in crypto for the past year. However, there are many varying ways to approach providing this scalability.

Polygon

uses a Plasma-based scaling solution to off-load transactions onto its sidechain. However, this comes at a cost. It uses its own PoS consensus mechanism, with its own relatively small number of validators to confirm transactions. As of this writing, [Polygon's largest 5 validators confirm over 50%](#) of the network's blocks – which may indicate centralization risks.

Optimism

uses Optimistic Roll-ups to confirm transactions. All submissions to the chain are treated as true, unless someone disputes a transaction. While there are bonding/slashing tokenomic models present, it is far from a perfect system. Transactions are not “finalized” until up to a week after submission, to allow time for disputation. However, this technology is very easy to implement with smart contracts, and its popularity is seen by its [\\$1 billion + TVL](#).

ZK Space

uses Zero-Knowledge Roll-ups that leverage SNARKs as cryptographic proofs to help confirm transactions. ZK Space boasts an in-house DEX and NFT marketplace with 6 different types of novel “mining” techniques to align incentives and facilitate the network. Using zk-snarks leverages the security that Ethereum already provides, and is typically cheaper per transaction than other roll-up technologies. However, implementing this technology in smart contracts is still very difficult, and is not yet EVM compatible.

Just from briefly examining the differences between these three ETH L2 scaling solutions, we see that each would require a unique rationale upon which to make an investment decision. Blindly investing in “scaling solutions”, for example, is not our strategy. Rather, fully understanding the mechanics of the underlying narrative and assets is our strategy for Fund I.

We are excited for what next quarter brings - we expect lunar opportunity for Fund I, and the Oregon Blockchain Group!

- Aaron Rudder, President



Figure 3: ETH Network Tx Fees (ETH)

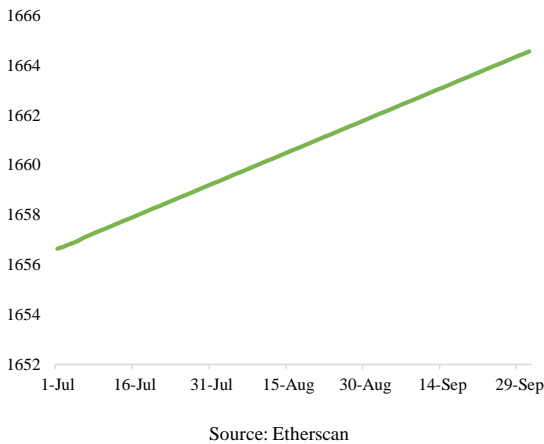


Figure 4: Ethereum Network Hashrate (GH/s)

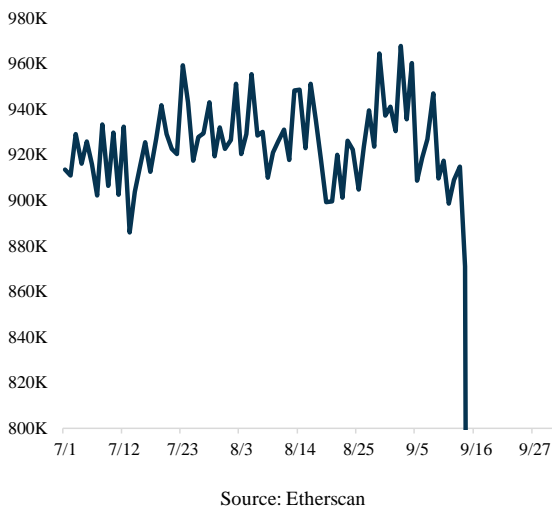
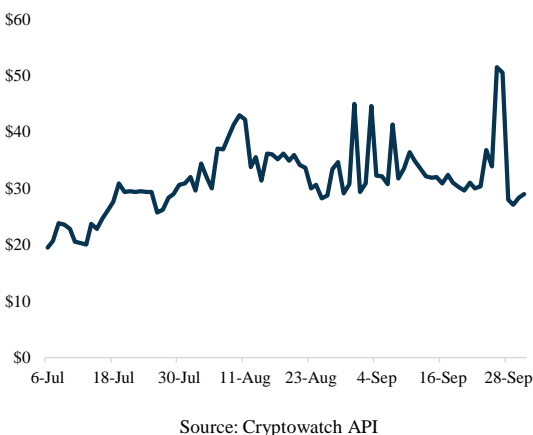


Figure 5: BTRFLY Token Price



Ethereum (Fund Benchmark)

Overview/Performance

We are Merged! Ethereum is now a POS (Proof of Stake) blockchain & second largest cryptocurrency. The chain is home to digital money, global payments, and applications. Ethereum is at the forefront of a fully decentralized system for public goods, digital money, and applications. It has since become a community run decentralized application focused on the public good and sustainability. Over Q4 ETH appreciated 21% (\$1066 to \$1299) and thus setting the benchmark for our fund.

Catalysts

The Ethereum Merge took place on 7/15 creating a monumental moment for the industry as a whole. The Merge went on without any major problems causing an uptick in excitement and price for the quarter. As the first step to roll out ETH 2.0 the merge did little to combat or reduce gas fees causing a stagnation in the price of ETH with no crazy run in terms of price. Now as the ethereum foundation continues to roll out ETH 2.0 they will set their sites on sharding implementations for more upgrades to the chain.

Outlook

The Ethereum merge was a successful upgrade bringing down Ethereum energy consumption by around 99.5% and making ETH a green chain. Post merge the Ethereum network has maintained its functions and has continued to be a deflationary asset.

- Dhru Patel, Director Technology

BTRFLY

Overview/Performance

The Redacted Cartel is a metagovernance layer—offering a suite of products to return value back to BTRFLY holders. Hidden Hand is a generalized bribe marketplace, connecting bribers and holders of ve-Tokens in a one stop shop. HH will soon enable permissionless markets enabling anyone to create a bribe marketplace around their token. The \$BTRFLY token is up 44% to date.

Outlook

HH will soon enable permissionless markets enabling anyone to create a bribe marketplace around their token. The cartel added two new HH marketplaces this quarter, Idle and Saddle Finance, bringing them to a total of 8 markets. vLAURA bribe volumes on HH continue to stay constant, with LSD giants (RocketPool and Lido) both offering some bribes for their Balancer pools.

Outlook

Redacted will be involved in the BeraChain ecosystem in some way, but the exact specifications around how they will be involved remains unclear. There is some speculation that they will be facilitating some sort of bribing mechanisms for MEV but again—just speculation. Sami went on a podcast and talked about Dapps that are extracting value out of the consensus layer and will be able to have more “staying power”.

- Ronan Broadhead, Director of Asset Management



Figure 6: GMX Daily Profit & Loss (Hundred Thousands)

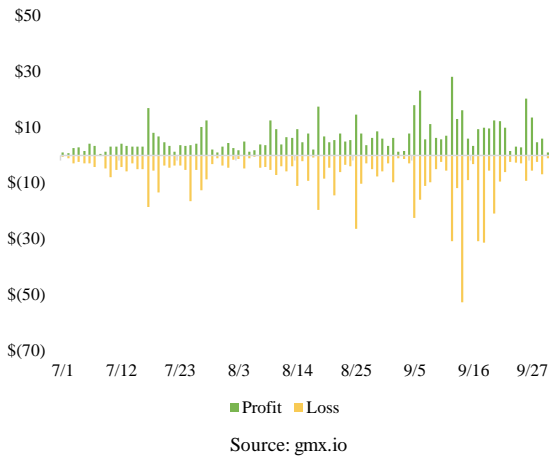


Figure 7: GMX Daily User Actions Value (Thousands)

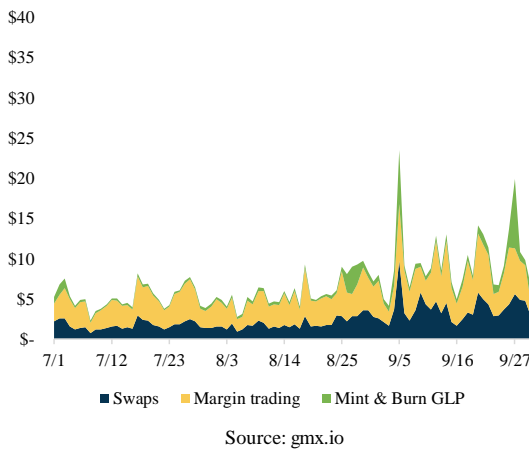
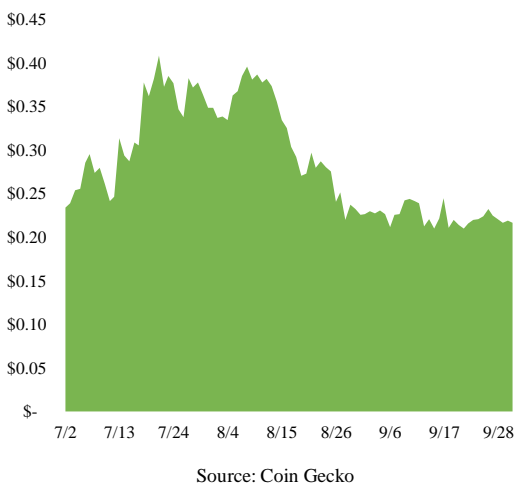


Figure 8: Trader Joe Token Price



GMX

Overview/Performance

GMX is a decentralized (crypto) spot and perpetual exchange that allows up to 30x leverage on trades. And uniquely, there is no KYC requirement. GMX is available on AVAX and ETH (on Arbitrum L2). Without the need for traditional liquidity pools, GMX only has one pool called the GLP pool with its own token \$GLP. This token works as an index fund of high-quality assets that also pays depositors through fees generated by traders. To date, GMX is up over 157%, which is our biggest portfolio gain.

Catalysts

With all of this growth, it's important to not forget that GMX is still young. They are updating their AMM to GMX x4 which gives pool creators and projects full control over the functions of customized pools. This customization will act as an incentive for users looking for specific functionality in pools.

Outlook

With such distinguishing traits from other AMMs, GMX seems to be in the perfect position to capitalize on new users flocking to DeFi next bull cycle. As for the spot side of GMX, we see a lot of potential as well. GMX has one of the best AMM on the market, proof of this is the trade aggregators which chose GMX on average 35% of the time. This makes GMX the most AMM out of the entire market.

- Royce MacArthur, Assistant Asset Manager

Trader JOE

Overview/Performance

Trader Joe is a decentralized trading hub on the Avalanche blockchain. The hub has 4 main platforms: Trader Joe - an AMM for token swaps, Banker Joe - a market for borrowing and lending, Rocket Joe - a platform for new projects to raise liquidity, and Joepegs - a marketplace for launching and trading NFTs. The \$JOE token has underperformed our benchmark by 10% to date.

Catalysts

Opensea recently launched support for Avalanche NFTs, possibly taking attention away from Trader Joe's NFT marketplace joepegs in the short term. Over the long term we expect this to be healthy in driving adoption of the Avalanche blockchain, which will eventually come back to Joepegs. Trader Joe's also recently revamped AMM is now on testnet, with a positive outlook.

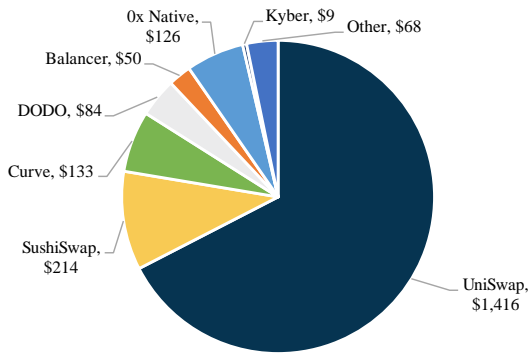
Outlook

The mainnet launch of Aptos and other next gen blockchains will continue to detract attention away from Avalanche, negatively affecting Trader Joe. Despite the L1 market already being oversaturated, and blockspace demand at an all time low, Trader Joe could rebound with the upcoming interoperability update for Avalanche subnets.

- Joe Andersen, Director of Education

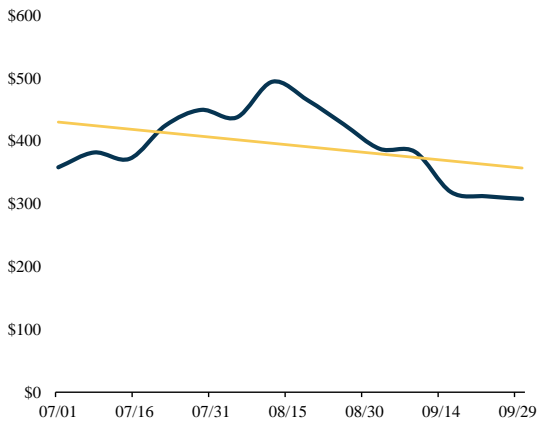


Figure 9: Daily Volume by Major DEXs (Millions)



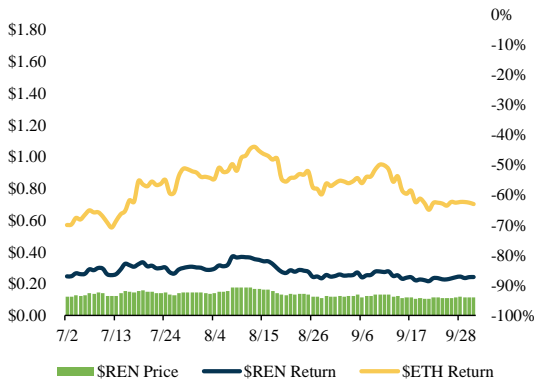
Source: Dune Analytics

Figure 10 : SushiSwap TVL (millions) Q4



Source: Defi Pulse

Figure 11: \$AUDIO Price & Return vs. \$ETH



Source: Crypto Fund & Cryptowatch API

SushiSwap

Overview / Performance

SushiSwap is an AMM built atop the Ethereum blockchain. Sushi supports a wide array of DeFi services, and was one of the first successful vampire attacks in DeFi. In recent months, there's been some shake-up in their core development team, along with a slew of rumors and accusations directed at their core team. Our Sushi position is down 89% to date.

Catalysts

GoldenChain, headed up by Avi Felman announced their position in \$Sushi on October 5th. GoldenChain is a part of the larger asset manager GoldenTree, with ~\$50B in AUM. In the Sushi forum, GoldenChain announced their position and stated that they want to take an active role in the growth and development of the product. Sushi is a perfect example of what a decentralized app should look like; even with multiple changes in leadership over the past 24 months, Sushi continues to operate normally.

Outlook

We are excited to see GoldenChain take an active role in Sushi, revamping their tokenomics and optimizing their cross-chains strategy are structural changes to the protocol which we believe to be very positive tailwinds. Lastly, Sushi's multi-chain presence is bodes well for its protocol should the multi-chain thesis prove true in the long-term of Web3.

- Ronan Broadhead, Director of Asset Management

RenVM

Overview / Performance

Ren is a decentralized protocol that facilitates blockchain interoperability. Ren allows users to bridge a wide-array of assets across its supported blockchains, facilitating cross-chain DeFi without barriers. The protocol is continuing to layout its roadmap for the year ahead as it transitions into its own layer-1 network. It has been another harsh quarter for Ren, underperforming ETH by 24%. Ongoing inflation concerns and other macroeconomic factors have continued to prompt a market-wide selloff in risk-on assets, with cryptocurrency markets taking an extended hit.

Catalysts

In August, Ren 2.0 was officially announced. The second iteration of Ren will be fully decentralized off the bat. This means that anyone with enough \$REN tokens will be able to run a validator to help secure the network. Ren will run atop its own sovereign blockchain and will support generic application logic.

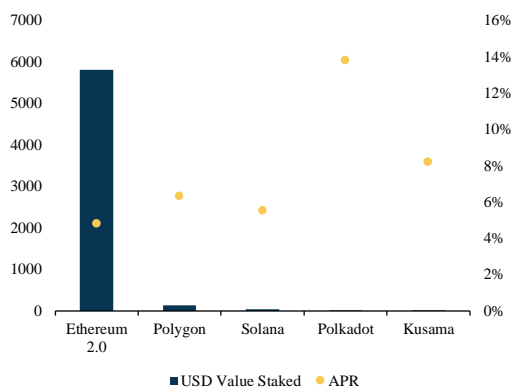
Outlook

Despite the grim economic outlook and mass-capitulation of tokens across the DeFi sector, the Ren team has continued to put their head down to build-build-build. Though the token has severely underperformed our benchmark in the past (few) quarters, the upcoming release of Ren 2.0 should be a powerful catalyst for the months ahead, providing tokenholders greater utility.

- Royce MacArthur, Assistant Fund Manager

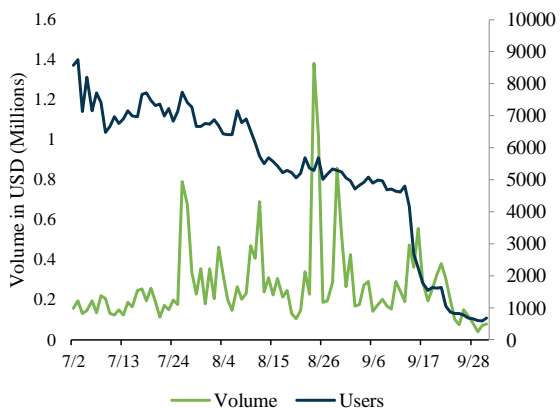


Figure 12: USD Value Staked & APR on Lido Networks (millions)



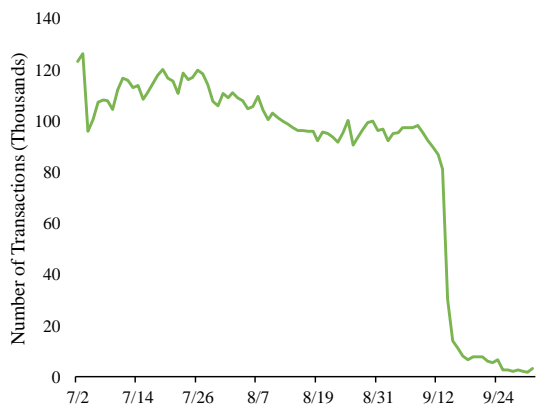
Source: Lido DAO

Figure 13: DFK Volume vs Users



Source: DappRadar

Figure 14: DFK Transaction Count Over Time



Source: DappRadar

Lido DAO

Overview / Performance

Lido is a liquid staking solution, and is most known for its Ethereum 2.0 use case and interchain liquidity capabilities. Clients can use Lido to stake their ETH while also participating in on-chain activities such as lending. The LDO token appreciated 279%, beating our benchmark by 258% for the quarter. The ABS position is down 64%.

Catalysts

Lido's TVL increased this quarter most likely due to the successful Ethereum merge and excitement for the up-coming ETH 2.0. During Q4 the lido community set its sights on re-organizing its LEGO treasury wallet in order to support public good products. The community voted on a new token distribution of 40% LDO Token and 60% Dai. From the previous price and TVL decline last quarter the community also voted that they will not be self-limiting their stake.

Outlook

Lido this quarter had a great recovery from its previous low, we see great coordination between the Lido community to diversify their resources and manage their stake for the protocol. We are optimistic towards the growth of Lido as a community and player in the space, however it is shown that their ties with ETH 2.0's success could lead a bumpy ride for the platform's success.

- Dhru Patel, Director of Technology

DeFi Kingdoms

Overview / Performance

DeFi Kingdoms is a cross-chain, play-to-earn MMORPG built on the Harmony blockchain and available on the Avalanche subnet, DFK. The finance side of the game is focused around liquidity pools, staking, and a DEX, while the MMO aspect focuses on unique, utility-driven NFTs, such as land, equipment, and heroes. On March 13th, 2022, the Oregon Blockchain Group purchased 75.88 JEWEL and entered the JEWEL-One liquidity pool.

Catalysts

Some of the catalysts looking forward include the introduction of new utility-based NFTs, more land gameplay, and the ability to engage in PVP combat with other users on the DeFi Kingdoms platform. The continued work of fleshing DeFi Kingdoms out to be a more robust gaming experience, as opposed to a gamified DEX, has led to much support from the community.

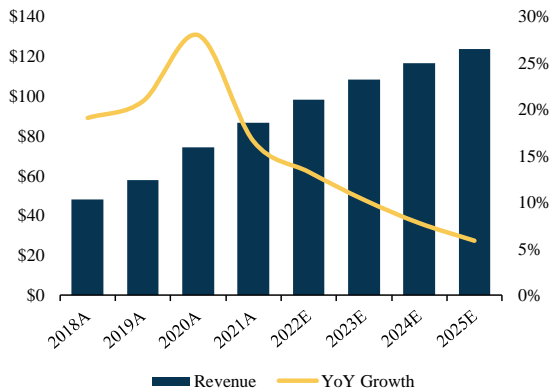
Outlook

Given the recent depreciation in value of the DFK JEWEL, there is concern moving forward with DeFi Kingdoms in the portfolio. While the team has been able to deliver on promises within their specified time-frame, it is unclear if their market niche is large enough to justify a continued position. We will be reviewing our Jewel Position for the next Fund update.

- Jordan Combs, Director of Finance



Figure 15: Music Streaming Industry Revenue (Billions)



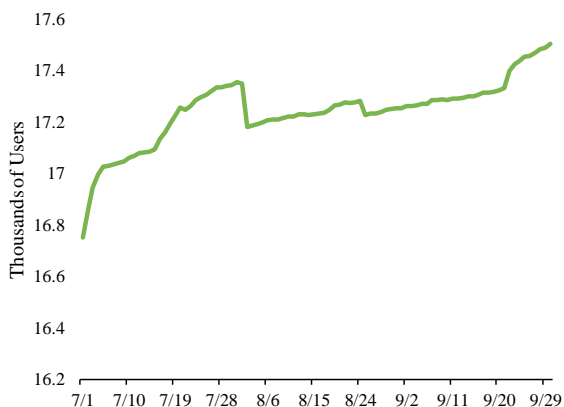
Source: Statista

Figure 16: Net Change in API3 Stake Over Time



Source: Dune Analytics

Figure 17: Unique API3 Token Holders Over Time



Source: Dune Analytics

Audius

Overview / Performance

Audius is a Web3 native music streaming platform whose mission is to give compensation back to artists, help artists cater to their communities in a new, token enabled capacity, and to align the incentives between artist and consumer. This is accomplished by distributing 90% of an artists revenue directly to them, integrating social token functionality, and enabling artists to run their own content node in the network. This quarter, the \$AUDIO token depreciated 7%.

Catalysts

This quarter, Audius has focused on social media outreach. It has consistently done Twitter based initiatives and events (blogs, remix competition, giveaways, etc.), and been steadily onboarding new artists and users to the platform. It also has support for both Ethereum and Solana, and is quickly integrating music NFTs into their platform (songs, stems, remixes, etc.). A malicious proposal was passed via its DAO structure, and took \$1.08 million worth of AUDIO tokens from the protocol. The issue has since been fixed, but such weaknesses cannot be present when the masses onboard.

Outlook

If Audius can survive the bear market, then it could be poised to onboard a new generation of artists and consumers looking to more fully monetize their own content and online presence.

- Aaron Rudder, President

API3

Overview / Performance

API3 connects standard Web 2 APIs to the blockchain ecosystem via transparent 1st party oracles which provide numerous benefits over the incumbent 3rd parties. This is accomplished by their “Airmode” technology and tokenomically efficient DAO structure. The OBG purchased and staked 256.82 API3 tokens on 1/27/22, at a price of \$3.85 each. This quarter, the API3 token is down 88%, underperforming our Ethereum benchmark by 25%.

Catalysts

During this downturn, API3 has consolidated their team to its core members to save costs and protect their long-term viability. They have focused on educating the community on how to use their technology, especially with respect to university groups.

Outlook

Our original investment thesis has not changed – if anything we have gained more conviction. Education is the key to long term growth, and API3 sees that. With their educational initiatives in both the US and LatAm, API3 is laying the foundation for mass adoption, and to compete with the incumbents like Chainlink and Band.

- Chris Garcia, Director of Operations



Figure 18: Number of NFT Collections by Volume

4,269

NFT Collections with 100+ ETH Volume

450

NFT Collections with 5,000+ ETH Volume

Source: Dune Analytics

GAMA NFTs

Overview / Performance

Gama is a novel NFT-based project created by the Web3 platform Cyber Manufacturing Co.. Gama boasts a plethora of segments to its project including: high quality comics and storytelling, a beautiful built out proprietary gamified metaverse for NFT holders, digital identities, merchandise, IRL and virtual community events, plans to launch a crypto-mining satellite to power a carbon negative token and others. Gama closed a \$6 million pre-Series A funding round with many notable VC's. The Gama team is constituted by industry experts from Marvel, Lucas Films, and various tech giants.

Catalysts

This quarter, Gama has made immense strides in its development of: interoperability (other NFT collections' avatars being integrated to their MV), community growth, and interactive experiences. The GSS is also now available for Mac users, which has increased their addressable market significantly.

Outlook

The Gama team is consistently and quietly working hard to deliver on the promises they have made. Their expanded product line and deliberate roadmap continues to give us confidence that they will explode onto the scene in the next bull cycle.

- Aaron Rudder, President



Onward and Upward, to the moon! #WAGMI

- Oregon Blockchain Group

