

We at Kraken would like to thank all thirteen teams that participated in the challenge to optimize a \$1 million, 5-year bitcoin-ether portfolio. We enjoyed reviewing the variety of approaches taken across proposals. The videos and papers have already generated organic conversation among viewers that will help encourage beginners to learn more about the value of digital assets.

We'd like to stress that we did not assess proposals based on whether they represented bitcoin-dominant or ether-dominant portfolios. We are an agnostic exchange which means that we do not prefer a certain digital asset over another. We evaluated proposals, including both the paper and the video from each team, based on other key qualities (e.g., apparent depth of understanding of the subject matter, accuracy in their representations, ability to clearly convey their findings and conclusions in an engaging way, etc.)

With that said, we chose these three winning teams that just so happen to have bitcoin-dominant portfolios:

1st place -- Tulane
2nd place -- Ryerson
3rd place -- BYU

We were surprised that our objective assessment didn't yield winners with ether-dominant portfolios, however, the explanation as to why the three winners all happen to have bitcoin-dominant portfolios is actually quite simple. First of all, only 3/13 proposals were ether-dominant. Secondly, the three teams that scored the highest (e.g., Tulane, Ryerson and BYU) did such a solid job overall in terms of their research approach, as well as their video presentations that it was clear they deserved to win, whether they represented a diverse set of portfolio distributions collectively as a group or not.

In terms of areas for improvement for all teams, quantitative avenues that could have been explored further are: Pearson Correlation, Granger Causality Test, magnitude of wins/losses in Monte Carlo simulations, value of risk-adjusted returns vs. absolute returns when the asset is hard to leverage, etc.

Qualitatively, we acknowledge that it's difficult to find current and true qualitative information on digital assets. The industry is very complex and quickly evolving and given the time limitations, all teams did a relatively good job. We see that there is a real advantage to the investor who is actively following developments – perhaps even more so than in other industries as these assets trade 24/7/365.

In conclusion, we're very happy to have had the opportunity to witness some of the great brainpower that's out there coming through these MBA programs. We hope that the participants enjoyed evaluating two new assets that will undoubtedly be part of a very large class of digital assets in the future.