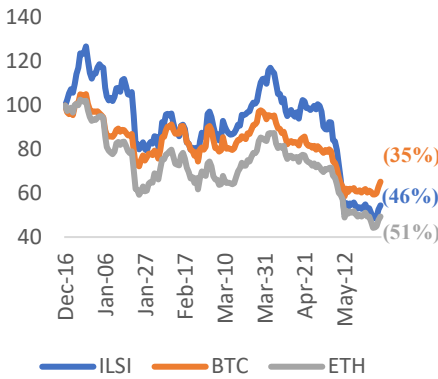


Performance at May 31, 2022	1 month	YTD	Since Inception
ILSI	(40%)	(52%)	(46%)
BTC	(17%)	(33%)	(35%)
ETH	(29%)	(47%)	(51%)

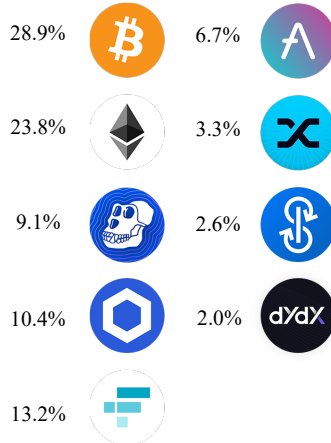
Performance Since Inception⁽¹⁾



Notes: (1) Calculated using prices from Dune Analytics via coinpaprika API. ILSI value derived from the prices of each component along with the index weightings; (2) Excludes Wrapped LUNAC.

Portfolio Breakdown⁽²⁾

(as of May 31, 2022)



About Stakeborg

Stakeborg is a leading crypto hub focused on increasing the adoption of blockchain and crypto at all levels through education, community building, media and consulting activities. Stakeborg has been active in the DAO industry by establishing the Stakeborg DAO community. Fees related to Stakeborg-sponsored indexes are regularly transferred to the DAO treasury.

Investment Thesis

Invest Like Stakeborg Index is a construct which seeks to provide investors macro and diversified exposure to the main narratives that stand out as opportunities in the crypto space. The key categories that have been considered are the following: Bitcoin, Ethereum, Oracles / Web 3.0, Layer 1 infrastructure / smart contract platforms, Decentralized Finance, exchange tokens and NFTs / GameFi / Metaverse.

Name	Invest Like Stakeborg Index
Ticker	ILSI
Exchanges	TokenSets, SushiSwap
Methodology	Adjusted market capitalisation-weighting
Rebalancing period	Interval-based (3 months)
Expense ratio	0.95% (transferred to StakeborgDAO)

More details on: <https://docs.stakeborgdao.com/products/ilsi>

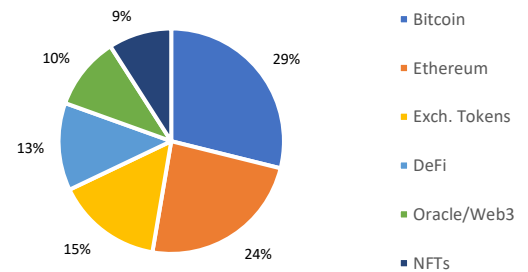
Macroenvironment Overview

Market sentiment in May was influenced by lockdowns in China, the war in Ukraine and central banks' policy tightening. Additionally, CBs are becoming more conscious of rising growth risks. The FED has increased the benchmark rate by 50bps, in line with market expectations. The market is now pricing another two sequential 50bps hikes in June and July as inflation remains elevated at 8.3% y/y. Labour markets continued to tighten across both US and Europe. US yields have found a clearing level, with the USD influenced by a more hawkish rhetoric from ECB and expectations for next month's CPI figure.

BTC evolution was influenced by the tough backdrop for risk markets and the collapse of the Terra ecosystem. Demand at around and sub \$30k was robust enough to handle the liquidation of more than 80k bitcoin by Luna Foundation Guard in its attempt to protect the UST peg. 7-day average bitcoin spot volume stabilized towards the end of May at normal levels seen in 2022, around \$4-\$5bn.

Bitcoin digital asset funds tracked by ByteTree had 856,183 BTC in AuM on May 31, a net increase of 9,508 BTC to their holdings.

Key Narratives Breakdown (as of May 31, 2022)



Portfolio Assets Updates

Bitcoin: Bitcoin dominance rose throughout the month as altcoins provided a higher beta exposure to falling crypto prices. Tentative signs of decoupling vs. equity markets as 30D and 60D correlations have trended lower towards the end of the month. Macro investors have been de-risking their portfolios and will start to have less influence over BTC price.

Ethereum: The Merge timeline is advancing, with the first public testnet (Ropsten) due to merge on June 8, followed by the other two public testnets: Goerli and Sepolia. Ethereum digital asset funds tracked by ByteTree had 4,430,544 ETH in AuM on May 31, a net increase of 19,516 ETH to their holdings.

Terra: The Terra ecosystem imploded. What started with off-chain and on-chain de-pegs of UST, continued with heavy outflows of UST as Anchor suffered billions of withdrawals. Aided by a general market downtrend and it resulted in a death spiral, leaving LUNA's supply in the order of billions. Post-event, we transitioned out of the exposure and the methodology was updated to deal with similar events.

Aave: Experienced sharp decrease in protocol revenue over the past 30 days (c.-50%). The developers of Aave have launched Lens Protocol, a network for building decentralized social media, on Polygon.

Synthetix: Announced the introduction of additional futures markets and updated exchange fee system.

Chainlink: c.65 projects adopted Chainlink services across 7 different chains in May.

dYdX: dYdX expanded its product offering by introducing new markets (Tezos, Tron and ICP perpetual contracts) and launched its iOS mobile app (200k people signed up for the beta).

APE: A number of governance proposals have been discussed and voted upon, including the appointment of Guy Oseary, an experienced talent and brand manager.

FTX: FTX expanded into stock trading, with the new feature being available to a limited number of US users at first. In May, FTX has surpassed Coinbase in BTC trade volume for the first time.

Yearn Finance: Key details provided re: the upcoming v3 launch which will include junior tranches, be written in Solidity, incorporate the ERC-4626 standard or be gas optimized.

Disclaimer

The material contained or referred to herein: (a) Is not (and is not intended to be) an offer to buy or sell (or a solicitation of an offer to buy or sell) digital assets, nor does it constitute investment, legal, tax or other advice; and (b) has been obtained, derived or is otherwise based upon sources which are believed to be reliable. However, no guarantee can be (or is) provided in relation to the accuracy or completeness of the same. To the extent permissible at law, Stakeborg does not accept: (i) any liability arising from the use, misuse or non-use of the material contained or referred to herein; or (ii) responsibility for any financial loss incurred as a result of a decision to invest in one or more digital assets.

Key Risks

Crypto assets are a highly volatile asset class. Your capital is at risk. The value of crypto assets can go down as well as up and you can lose your entire investment.

Past performance is not an indication of future performance.

Exchange rate fluctuations may affect the value of investments.