Fold

Privacy-Preserving DeFi Security Agent
Competitive Analysis & Product Assessment
Colosseum Agent Hackathon | February 2026

1. Competition Landscape

The Colosseum Agent Hackathon has 20 total projects with 12 submitted. Fold competes in the DeFi Security / Privacy intersection. Below are the top projects by community votes:

Project	Votes	Category	Threat Level
ClaudeCraft	1,531	Gaming / AI agents in Minecraft	None
SIDEX	586	AI trading agent for futures	None
DeFi Risk Guardian	551	DeFi position monitoring	Direct
Proof of Work	455	Activity logging infra	None
SOLPRISM	381	Verifiable AI reasoning on-chain	None
Clodds	313	AI trading terminal	None
ZNAP	222	Social network for AI agents	None
Makora	149	Privacy DeFi agent (ZK)	Direct
Fold (Ours)	0	Privacy DeFi monitoring (MPC)	--

2. Closest Competitors

Makora (149 votes) -Most Similar

Claims "first privacy-preserving DeFi agent on Solana." Uses ZK proofs (Groth16/Circom) for stealth addresses and shielded transfers. Has 3 Anchor programs, Jupiter swaps, Marinade staking, Telegram bot, and CLI.

Key difference: Makora's agent SEES your portfolio to make decisions, then hides the TRANSACTIONS with ZK. Fold's agent NEVER sees your portfolio -the computation itself is encrypted via MPC. Fundamentally different privacy models.

DeFi Risk Guardian (551 votes) -Same Problem, No Privacy

Monitors Solana lending positions across Kamino, MarginFi, and Solend. Computes LTV and health factor, classifies risk, simulates mitigations. Fully autonomous, no frontend.

Key difference: Zero privacy. Reads all positions in plaintext. High community engagement but no technical novelty around privacy.

LiqX (GitHub project, not in hackathon)

Cross-chain DeFi liquidation prevention using 4 specialized AI agents. Covers Ethereum and Solana. No privacy features -uses reasoning engines on plaintext position data.

3. What's Genuinely Novel About Fold

- **Unique angle:** The specific intersection of MPC + DeFi monitoring is new.
- **First mover:** Nobody has shipped "the monitoring agent can't see your data" as a product.
- **Market gap:** Existing solutions (DeBank, Zapper, DeFi Saver, LiqX) all require full plaintext access.
- **Crypto ethos:** Strong alignment with "don't trust, verify" extending to monitoring tools.
- **Technical:** Fold is the ONLY project in the hackathon using Arcium MPC.

4. Honest Problems

Problem 1: On-chain data is already public

On Solana, anyone can look at any wallet's positions on-chain. Fold hides data from the SERVICE OPERATOR, not from the blockchain. A sophisticated judge or investor will notice this gap. The privacy model needs to be framed correctly: "protects aggregated portfolio intelligence from the monitoring service."

Problem 2: Self-hosted bots are simpler

A privacy-conscious user could run their own monitoring bot locally -no MPC needed. The privacy problem only exists when OUTSOURCING monitoring to a third party. This limits the addressable market to users who want monitoring-as-a-service but don't trust the service.

Problem 3: Protection already exists without privacy

Drift has built-in cross-margin liquidation refinements. Kamino handled a flash crash with $0 bad debt. Protocols are building protection natively. The "protection" half of Fold's value prop faces strong incumbents.

Problem 4: MPC adds latency and cost

MPC is mature for key management and simple computations but adds overhead. For monitoring checks every 30 seconds, the latency and compute cost of MPC may be hard to justify vs. plaintext alternatives.

5. Where Fold Has Real Product-Market Fit

Institutional / DAO Treasury Monitoring

This is the strongest use case. A DAO doesn't want a third-party monitoring service knowing their full treasury composition -that's competitive intelligence. Investment funds don't want positions visible to their monitoring provider. MPC monitoring solves a genuine problem here.

Privacy-as-Infrastructure Trend

Industry trends (iExec, COTI, Penumbra) point to privacy becoming invisible infrastructure in 2026. Fold is early to this trend. Confidential DeFi -dark pools, encrypted order books, private lending -is an emerging category where MPC monitoring fits naturally.

Agent-to-Agent Economy

As autonomous agents manage more DeFi capital, they'll need to monitor each other's positions without revealing

strategy. MPC monitoring becomes critical when your "user" is another agent that doesn't want to leak alpha.

6. Hackathon Assessment

Strengths

- Technically differentiated -only project using Arcium MPC
- Real deployed Anchor program + MPC circuits on Solana devnet
- Compelling narrative: "the agent that protects your money can't see it"
- Clear problem/solution fit with strong crypto-native positioning
- Complete UI with 7 polished screens

Weaknesses

- Zero community votes (visibility/engagement gap)
- Devnet circuit uploads incomplete (need SOL)
- No demo video yet
- No live deployed frontend

Winning Strategy

- Get the demo video up ASAP -show the live Activity page with encryption flow
- Engage on Colosseum forum to get visibility and votes
- Finish devnet deployment when SOL faucets reset
- Frame the pitch around institutional/DAO use cases in the submission update

7. Verdict

For the hackathon: STRONG. Technically differentiated, uses Arcium in a non-trivial way, tells a compelling story. The closest competitor (Makora) uses ZK for transaction privacy, which is fundamentally different from MPC for computation privacy.

As a real product: NEEDS REFINEMENT. The pitch should focus on institutional/DAO use cases where privacy from the service provider genuinely matters. The on-chain transparency issue must be addressed head-on. The long-term vision of privacy-as-infrastructure for an agent economy is compelling but needs the right framing to land.

Sources

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- Colosseum Agent Hackathon Projects -colosseum.com/agent-hackathon/projects