

NAV	Feb 2019
USD Class	42.71
EUR Class	45.98

February 2019

Market commentary

February 2019 showed a positive return, reversing January's negative performance. Bitcoin rallied 12.0%, Ethereum 27.5% and Litecoin 45.7%, while Ripple stayed comparatively flat (1.4%) (source: cryptocompare).

February results leads Bitcoin to a cumulated positive year-to-date return (as of end-of-February) of +2%. The Eurekahedge Crypto Currency Hedge Fund Index, representing crypto hedge funds' performance, also almost recovered January's losses, with a cumulated year-to-date return of -0.2%.

As we adhered to in last month's market commentary, there are a number of important crypto events/milestones scheduled for the coming months (BAKKT, Fidelity Crypto Services & Bitcoin ETF submissions/reviews) which we believe will have a positive impact on the market and also lead to institutional investors entering the space.

This is a view shared by Dan Morehead, CEO of Pantera who appeared on a recent episode of 'Unconfirmed' with Forbes journalist Laura Shin. Dan stated "people have been talking for years about the impending institutional wave of money coming into the market and I think we now have the required conditions for that to happen. Institutional investors require a custodian that's well-known and regulated. We haven't had that in the past. Even though there are some great exchanges out there and some great custodians, we really haven't had a global name that it would take to get institutional investors in. But now you have firms like ICE's BAKKT and Fidelity launching institutional grade custody over the next few months. That'll help bring institutions in."

Finally, on February 18th Bloomberg reported that Cambridge Associates, a leading pension and endowment consultant advising on almost USD400 billion, has started to recommend that their clients consider the digital asset space for long-term investment. Cambridge published a report surveying the different ways of digital investing. In the report, Cambridge analysts noted that "despite the challenges, we believe that it is worthwhile for Investors to begin exploring this area today with an eye towards the longterm".

Portfolio commentary

Blockchain Strategies Fund's USD and EUR unit class increased in February by respectively 1.2% and 1.9%. As a result, the Fund's cumulated performance in 2019 (as of end of February) stands now at -2.2% and -1.6% for its USD and EUR unit classes. The Fund has underperformed its peers in 2019 but outperformance compared to the Eurekahedge as a benchmark since inception remains robust (+14.8% as from 01.01.18 till 28.02.19).

Our portfolio strategy remained defensive during February, which is why we lagged behind the market. We were underweighted on participation strategies which did well during the month, and our cash holding of course creating a drag but will soon be invested. While February gains were clearly constructive, we would like to see a bit more follow-through, possibly adding exposure on pull-backs that might offer attractive entry points. Longer term, current market whipsaws are irrelevant to our investment approach, which focuses on providing exposure to the crypto asset class while smoothing volatility and market drawdowns. We are also confident that we might not be too far from a new bull market and it is also possible that the low of the bear mark might have actually already been experienced!

Our portfolio strategy will remain defensive in the short-term but our next move is expected to be a more offensive one so as to increase our participation to crypto markets. For now, we will keep roughly half of the portfolio invested in multi-strategy funds focusing on alpha generation, a quarter being invested on systematic strategies focusing on absolute returns and the remaining part being invested in a tracker offering exposure to companies with exposure to blockchain and Cash. Those decisions continue to be in line with the risk management strategy that has been implemented during the last semester of 2018.

Overall, we believe that our portfolio of investments is still well positioned to continue generating alpha to our investors. The current cyclical bear market currently stands at drawdown levels consistent with previous market bottoms, therefore offering, in our opinion, interesting long-term entry points for investors willing to build exposure on the crypto asset class.

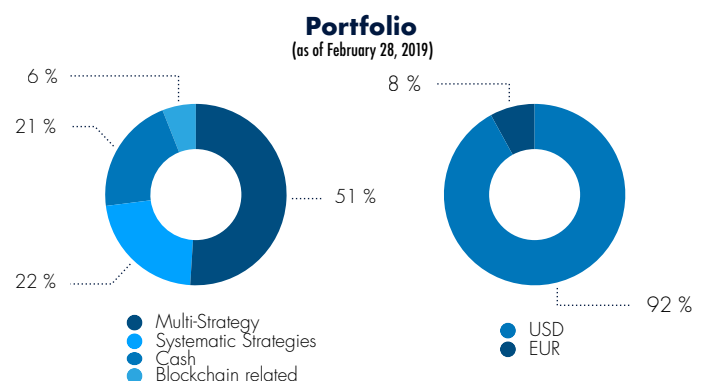
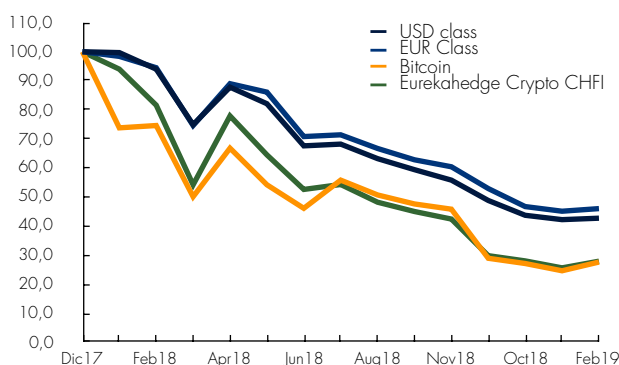
Performance

(as of February 28, 2019)

Past performance is not an indicator of future performances.

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Inception
BSF USD (Class A)	-0.31%	-5.74%	-20.34%	17.23%	-6.48%	-17.59%	0.81%	-7.36%	-5.91%	-6.18%	-12.45%	-10.59%	-56.35%	-56.35%
BSF EUR (Class B)	-1.65%	-3.96%	-21.07%	19.42%	-3.36%	-17.69%	0.79%	-6.54%	-5.94%	-3.70%	-12.54%	-11.63%	-53.29%	-53.29%
Bitcoin (BTC)	-26.16%	1.04%	-32.80%	33.19%	-18.88%	-14.89%	21.14%	-9.16%	-6.15%	-3.83%	-36.78%	-6.54%	-72.94%	-72.94%
Eurekahedge Crypto CHFI	-6.04%	-13.11%	-33.67%	43.80%	-17.20%	-18.39%	3.11%	-11.22%	-6.63%	-3.86%	-39.83%	-5.41%	-71.86%	-72.05%
2019														
BSF USD (Class A)	-3,33 %	1,22 %											-2,15 %	-57,29 %
BSF EUR (Class B)	-3,38 %	1,88 %											-1,56 %	-54,02 %
Bitcoin (BTC)	-8,92 %	12,02 %											2,03 %	-72,40 %
Eurekahedge Crypto CHFI	-8,47 %	*9,07%											-0,17 %	-72,09 %

*Eurekahedge Crypto-Currency Hedge Fund Index: based on 72.73% of funds which have reported February 2019 returns as at 28 March 2019 (please note that performance indication for previously reported months might change, when all funds submit their monthly performance figures, to complete 100% of the index).

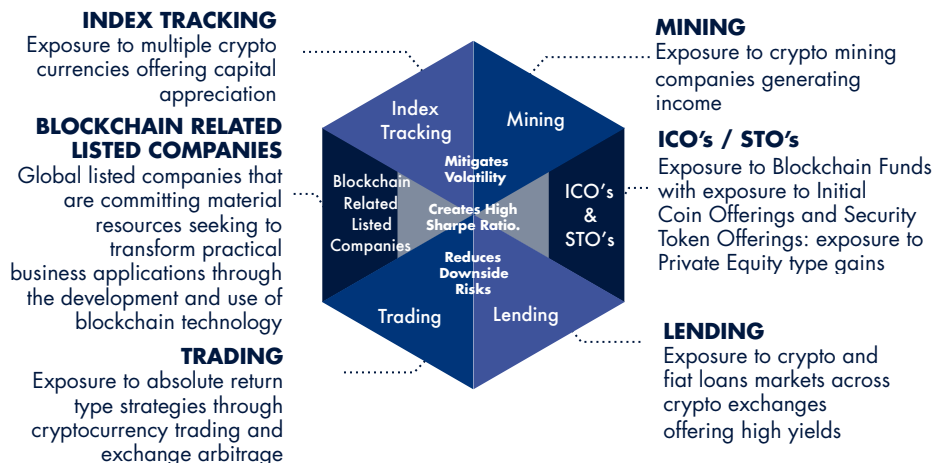


Investment Program

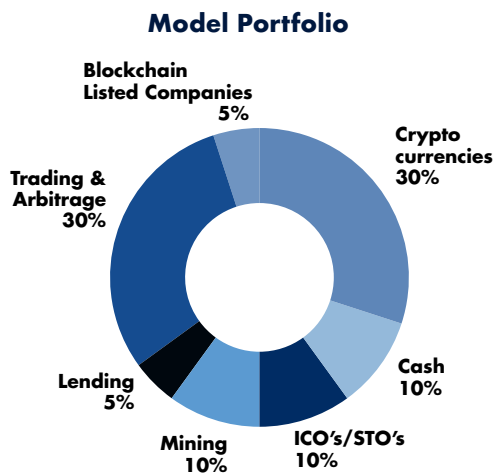
Blockchain Strategies Fund (BSF) is the world's first fund of funds focusing on blockchain technology investment opportunities such as Funds focusing on all aspects of digital currencies and listed companies using blockchain technology. The Fund has been designed to offer investors full access to the world's newest and fastest growing asset class with the benefits of sound risk management and portfolio diversification to reduce volatility.

Investment Strategy

By combining exposure to multiple cryptocurrencies together with Trading, Mining, Lending, Private Equity (ICO) and Blockchain related listed companies' strategies, the Fund aims to create better risk/return profile by reducing volatility.

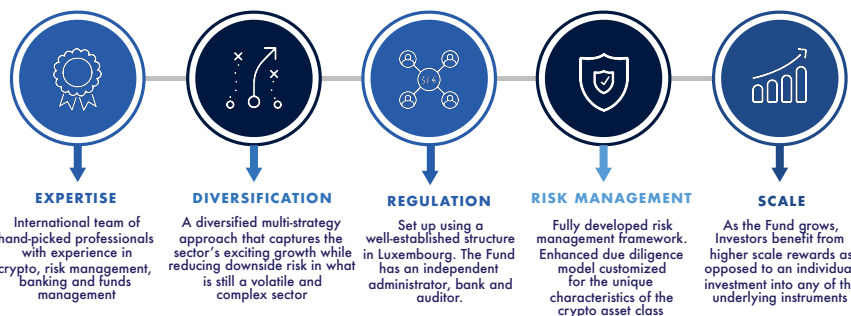


A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.



Your Specialist Asset Manager

The Fund bridges the gap between fiat and crypto asset classes by applying risk management techniques and customizing them to the crypto emerging asset class.



Disclaimer

This document does not constitute an offer of investment advisory services by Block Asset Management S.a.r.l. nor does it constitute an offering of limited partnership interests in the Fund; any such offering will be made solely pursuant to the Funds private placement memorandum. An investment in the fund is suitable only for qualified investors that fully understand the risks of such investment and only in jurisdictions in which such an offer is lawful. Interests in the Fund are speculative and involve a high degree of risk. You should be aware that you could lose all, or a substantial amount, of your investment in the Fund. Cryptocurrencies can be extremely volatile and subject to rapid fluctuations in price, positively or negatively. Investment in one or more crypto-currencies may not be suitable for even a relatively experienced and affluent investor and independent financial advice should be sought where applicable.

The domicile of the Fund is Luxembourg. The Representative of the Fund in Switzerland is OpenFunds Investment Services AG, with its registered office at Seefeldstrasse 35, CH-8008 Zurich, Tel +41 44 500 31 08, www.open-funds.ch. The Paying Agent in Switzerland is Società Bancaria Ticinese SA, Piazza Collegiata 3, 6501 Bellinzona (Tel: +41 (0) 91 821 51 21, http://www.bancaria.ch/). The distribution of Units of the Fund in Switzerland must be made exclusively to Qualified Investors. The place of performance and jurisdiction for the Units of the Fund distributed in Switzerland is at the registered office of the Representative. Publications to Swiss investors in respect of the Interests in the Fund are effected on the electronic platform www.fundinfo.com.

Key Fund Facts

Fund Name: **Blockchain Strategies Fund**
Fund Manager: **Block Asset Management**
Admin.: **Banque de Patrimoines Privés**
Bank: **Banque de Patrimoines Privés**
Auditor: **Mazars Luxembourg**
Legal: **Eversheds Sutherland**
Swiss Representative: **OpenFunds**
Dealing / Liquidity: **Monthly**
Currencies: **USD / EUR**
Registration: **CSSF Luxembourg**
Fund type: **Open ended**
Incorporation: **Luxembourg**
Management Fee: **2.5%**
Performance Fee: **25% (10% Hurdle)**
Redemption Fee: **5% (in first 12 months)**
Eligibility: **Qualified Investors**
ISIN USD: **LU1738364063**
ISIN EUR: **LU1738363925**
Bloomberg Ticker USD: **BLCSUSD LX**
Bloomberg Ticker EUR: **BLCEUR LX**

Key Benefits

- ▶ Blockchain Strategies Fund offers a diverse and broad access to the blockchain technology and crypto currencies. The Block Asset Management team includes experts with over 100 years combined experience in the fund & asset management industry (Credit Suisse, Citibank, Societe General, UBS, Barclays & Lloyds).
- ▶ The Fund bridges the gap between fiat and crypto asset classes by applying proven risk management techniques and customizing them to the emerging crypto asset class. Via the Fund, investors gain diversified exposure to this dynamic new asset class by way of the funds unique six-prong investment approach.
- ▶ Maximum drawdowns can be reduced applying active Risk Management to a diversified portfolio of underlying Funds/cryptocurrencies thus creating a smoother investment journey (less volatility).
- ▶ Blockchain Strategies Fund has strict fund concentration, strategy allocation and liquidity rules limiting maximum exposure single manager, single fund, single exchange & single currency.
- ▶ Block Asset Management is registered as AIFM with the CSSF in Luxembourg. The Fund has an independent Administrator, Custodian & Auditor. The Funds legal advisor is Eversheds Sutherland.
- ▶ Whilst the Funds is still within its first year of trading the underlying funds do have an established track record ranging from 1 to 3 years. The combined AUM of the underlying funds is over \$1 bn.

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Daniel Vegue Domínguez
Partner & Chief Strategy Officer
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Antonio Llabrés
Partner & CMO
Juan Carlos Serrano
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