

June 2018

Market commentary

As has been the trend for 2018, June was another tough month for cryptos. Bitcoin was down almost 15% with alternative cryptos falling even further, Litecoin being hit very hard, falling 31% for example. The bear market experienced in 2018 continues and has seen Bitcoin fall 54% from its highest value year to date. Ethereum's is doing relatively better (down 38.8%) and outperforming significantly other cryptos such as Ripple and Litecoin (respectively down 76.3% and 64.2% year-to-date, source : cryptocompare).

June was mainly a continuation of May's downtrend, with new annual lows being touched for most cryptos.

Wider crypto news continues to focus on much needed regulation, particularly in the ICO space however, mid June saw the SEC, Securities and Exchange Commission, provide the market with a potentially huge boost and renewed confidence by stating officially that coins such as BTC and ETH will not be treated as securities. This could be a positive spark for July, especially for Bitcoin.

NAV 2018

(as of June 30, 2018)

NAV	Jan	Feb	Mar	Apr	May	Jun
BSF-USD	99.69	93.97	74.86	87.76	82.07	67.63
BSF-EUR	98.35	94.46	74.56	89.04	86.05	70.83

Performance

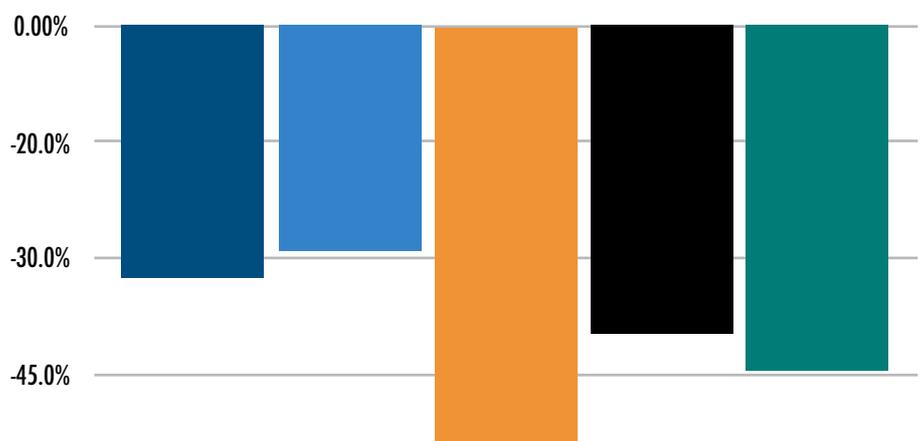
(as of June 30, 2018)

Source: BlockAssetManagement, Eurekahedge CCHI, Barclay Hedge, Crypto Compare
 Past performance is not an indicator of future performances.

	Jan	Feb	Mar	Apr	May	Jun	YTD
BSF-USD	-0.31 %	-5.74 %	-20.34 %	17.23 %	-6.48%	-17.59%	-32.37 %
BSF-EUR	-1.65 %	-3.96 %	-21.07 %	19.42 %	-3.36%	-17.69%	-29.17 %
Bitcoin	-26.16 %	1.04 %	-32.80 %	33.19 %	-18.88 %	-14.89%	-53.90 %
Eurekahedge Crypto-Currency HFI	-6.04 %	-13.11 %	-33.67 %	63.27%	-9.14%*	-14.80%	-39.72 %
Barclay Cryptocurrency Trader Index	-11.63 %	-9.21 %	-30.42 %	43.68%	-17.86%	-15.89%	-44.58 %

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**
 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)**
 ISIN USD: **LU1738364063**
 ISIN EUR: **LU1738363925**
 Bloomberg Ticker USD: **BLCSUSD LX**
 Bloomberg Ticker EUR: **BLCSEUR LX**
 Lipper ID: **68478095**



Performances YTD
 (as of June 30, 2018)

■ BSF-USD ■ BSF-EUR ■ Bitcoin ■ Eurekahedge Crypto-Currency HFI ■ Barclay Cryptocurrency Trader Index

Past performance is not an indicator of future performances.

June 2018

Portfolio commentary

The Blockchain Strategies Fund was down respectively 17.6% and 17.7% for its USD in EUR share classes in June. This translates into a year-to-date performance of -32.4% and -29.2%, to be compared with a -44.6% return for the Barclay Cryptocurrency trader index and a -39.8% return for the Eureka hedge cryptocurrency hedgefund index (see performance table).

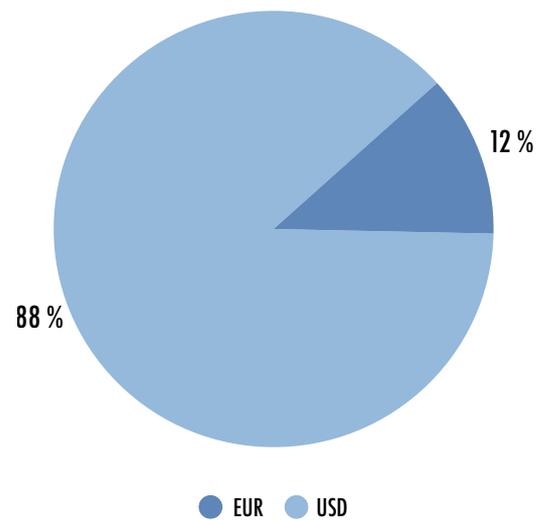
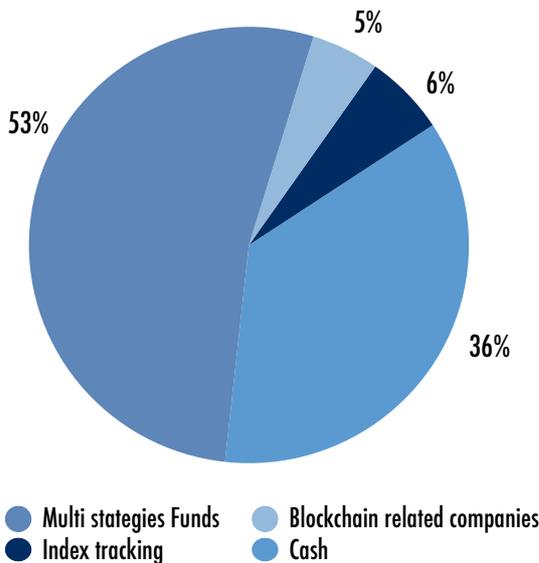
Lack of volatility and uniformity of declines across all crypto asset classes offered no safe haven to hide during the month so active managers had limited opportunities to generate short term alpha.

Overall, as at mid year point, Blockchain Strategies Fund managed to outperform Bitcoin by 21.5% (USD unit) and the cryptocurrency trader index by 12.2% in 2018 (YTD). This shows that the Fund was able to create value in adverse conditions and remains well placed to generate positive returns when the cycle turns positive again.

Cash level was tactically raised close to month end to protect the fund against further losses. This high cash position was then reduced in early July to rebalance the fund's portfolio with a focus on active trading strategies (vs participation strategies and ICOs, which are significantly underweighted).

Portfolio

(as of June 30, 2018)



Team

A team of seasoned professionals with experience in crypto, risk management, banking and investment funds.

Manuel E. De Luque Muntaner
 Founder & CEO

Kevin Ballard
 CCO & Head Investor Relations

Ryan Radloff
 Blockchain/Crypto Advisor

Yannis Georgandelis
 Advisor

Daniel Vegue
 Partner

Antonio Llabrés
 Partner

Maria De Juan
 Digital Marketing & Research

Pierre Ivorra
 Advisor

Emiliano Cordoba
 Of Counsel



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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, Bank & Auditor. The Funds legal advisor is Eversheds Sutherland.
- ▶ Whilst the Fund of Funds is a new launch and has no current track record the underlying funds do have an established track record ranging from 3 years to 7 months. The combined AUM of the underlying funds is over \$1bn.

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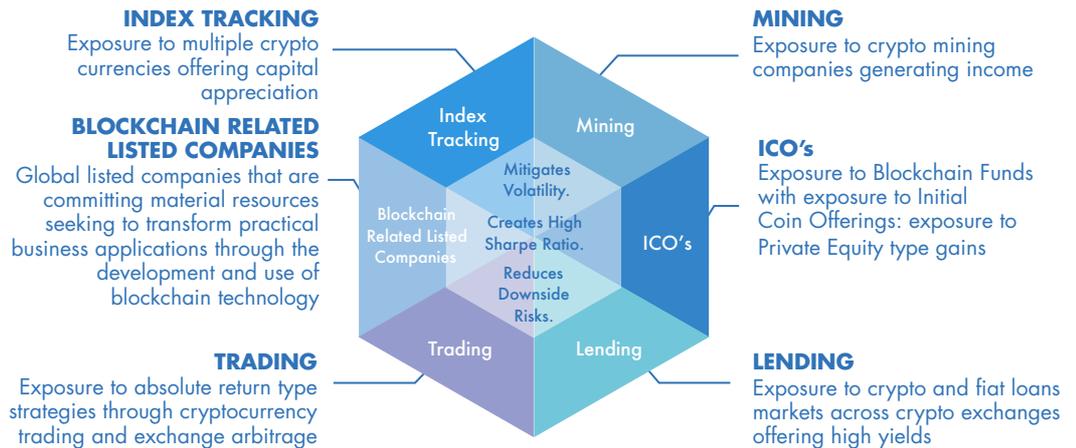
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Investment Program

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.

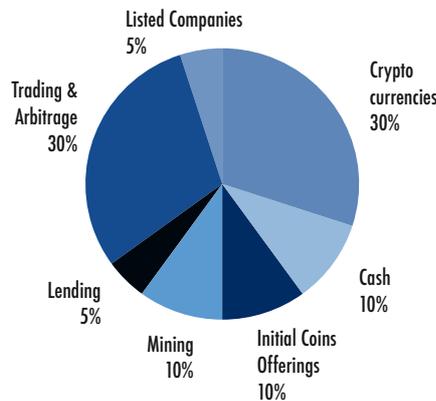
Investment Strategy

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.



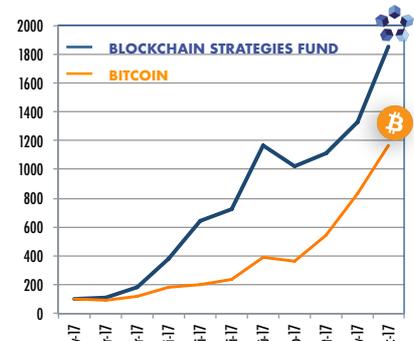
A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.

Model Portfolio



2017 Performance

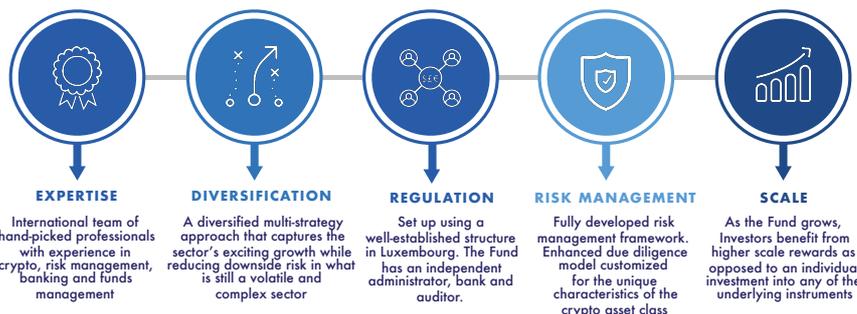
(Back-testing illustration as from Dec 2017)



Source: Block Asset Management Sàrl

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. Crypto-currencies 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.