

### May 2018

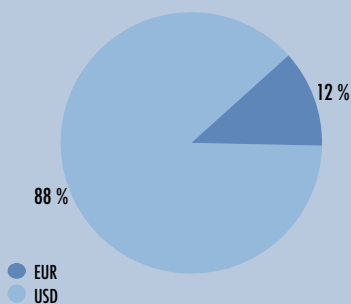
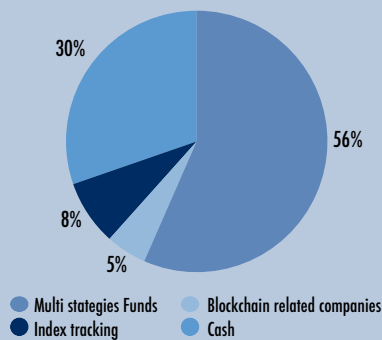
#### Key Fund Facts

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: **BLCUSD LX**  
 Bloomberg Ticker EUR: **BLCSEUR LX**  
 Lipper ID: **68478095**

#### NAV 2018 (as of May 31, 2018)

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

#### Portfolio (as of May 31, 2018)



#### Market commentary

Cryptocurrencies failed to sustain last month's advance, with Bitcoin falling 18.9%, Ethereum 13.9%, Litecoin 20.2% and Ripple 26.5% (source: cryptocompare). As a result, Bitcoin is down 45.8% year-to-date (source: cryptocompare), a sizeable but not unusual decline.

The regulatory news-flow put a cap on investors' optimism, with the US Justice Department reporting the opening of a criminal investigation related to bitcoin price manipulation from traders (fake orders) as per a Bloomberg report (24/05).

Overall, April's recovery appears to have been a failed bull move. Failure to break on the upside key 10,000 points psychological level for Bitcoin led to a sharp market reversal and further weakness on the back of renewed regulatory concerns. Technically and price wise, we are back to a consolidation period, when markets need to confirm a base before a new sustainable advance can take place.

Ironically enough, investors' faith in the long term prospects of crypto assets has abated at the very moment when key initiatives are taken to offer solutions allowing institutional investors to finally enter the crypto asset class. For example, Coinbase has announced that they will offer custodial services for institutional investors, providing secure crypto storage and third party auditing verification.

#### Performance

(as of May 31, 2018)

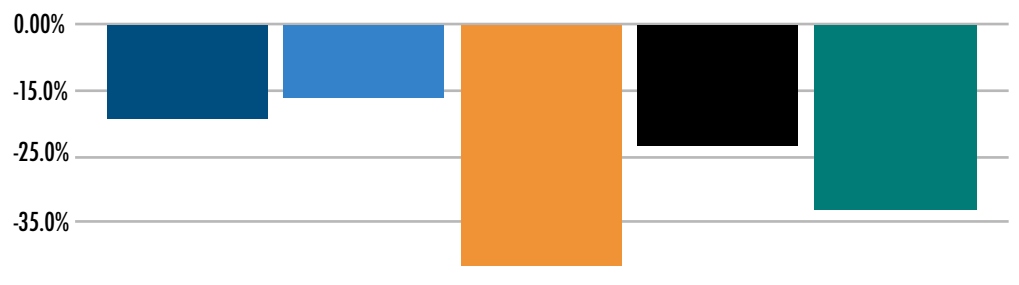
Source: BlockAssetManagement, Eurekahedge CCHI, Barclay Hedge, Crypto Compare  
Past performance is not an indicator of future performances.

	Jan'18	Feb'18	Mar'18	Apr'18	May'18	YTD
BSF-USD	-0.31 %	-5.74 %	-20.34 %	17.23 %	-6.48%	<b>-17.93 %</b>
BSF-EUR	-1.65 %	-3.96 %	-21.07 %	19.42 %	-3.36%	<b>-13.95 %</b>
Bitcoin	-26.16 %	1.04 %	-32.80 %	33.19 %	-18.88 %	<b>-45.83 %</b>
Eurekahedge Crypto-Currency HFI	-6.04 %	-13.11 %	-33.67 %	63.27%	-20.76%*	<b>-29.94 %</b>
Barclay Cryptocurrency Trader Index	-11.63 %	-9.21 %	-30.42 %	44.63%	-19.45%**	<b>-34.96 %</b>

\* Eurekahedge Crypto-Currency Hedge Fund Index : estimated performance based on 80% of funds which have reported May 2018 returns as at 27 June 2018.

\*\* Barclay Cryptocurrency Traders Index : estimated performance for April 2018 calculated with reported data from 28 funds, estimated performance for May 2018 calculated with reported data from 26 funds as at 27 June 2018.

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



Performances YTD  
(as of May 31, 2018)

Past performance is not an indicator of future performances.

#### Portfolio commentary

The Blockchain Strategies Fund could not entirely avoid the sell-off across all crypto assets during the month. As a result, the fund was down respectively 6.5% and 3.4% for its USD and EUR unit classes in May. However, the fund managed to significantly outperform Bitcoin, the Eurekahedge Crypto-Currency Hedge Fund Index and the Barclay Cryptocurrency Trader Index.

The Blockchain Strategies Fund's outperformance was mainly driven by the overweighting of trading & arbitrage strategies vs replication strategies. Our fund selection was able to generate a high alpha while the higher cash position provided a buffer.

In terms of investment strategy and portfolio positioning, the Blockchain Strategies Fund will continue to overweight trading & arbitrage strategies in the foreseeable future. We will add next month a new strategy focusing on ICOs & blockchain projects as the drop in crypto asset markets has created interesting opportunities in this market segment. Replication & index tracking strategies will continue to be significantly underweighted, absence of positive long term trend.

Finally, we recognize that short-term technicals remain challenging and that investors' sentiment has turned sour after a sharp decline in crypto asset prices in 2018. However, from a contrarian perspective, we also find the risk / reward ratio more attractive now, with Bitcoin being down 62% from its all-time-high (source: cryptocompare) and major crypto participants getting up to speed to offer a suitable market infrastructure for institutional investors willing to build exposure on the crypto asset class.

### 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:** BLCUSD LX  
**Bloomberg Ticker EUR:** BLCSEUR LX  
**Lipper ID:** 68478095

### 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 & Iloyds).
- ▶ 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.

### 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**  
COO & Head of Risk Management

**Daniel Vegue**  
Partner

**Antonio Llabrés**  
Partner

**Maria De Juan**  
Digital Marketing & Research

**Pierre Ivorra**  
Advisor

**Emiliano Cordoba**  
Of Counsel



30, boulevard Royal  
L-2449 Luxembourg

www.blockassetmanagement.com

info@blockassetmanagement.com

@blockassetmgt

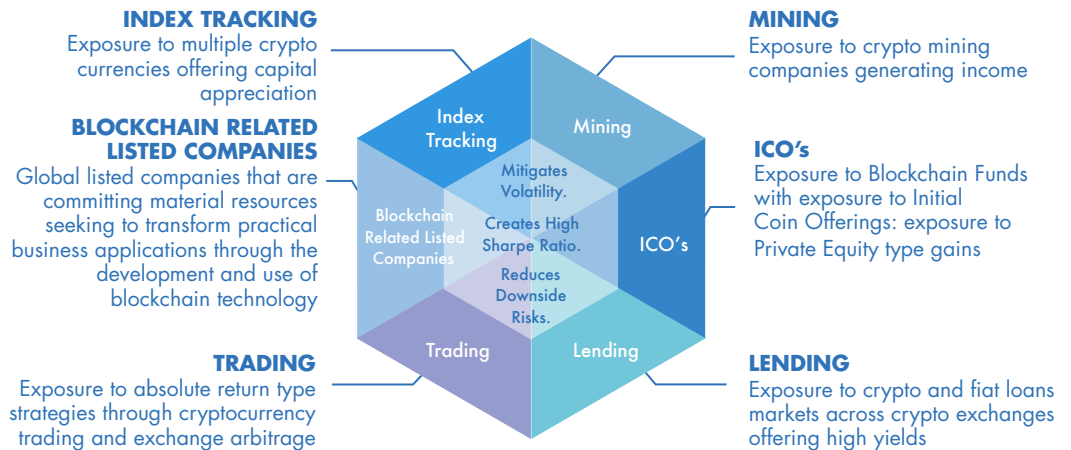
2018 Copyright Block Asset Management

### 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.

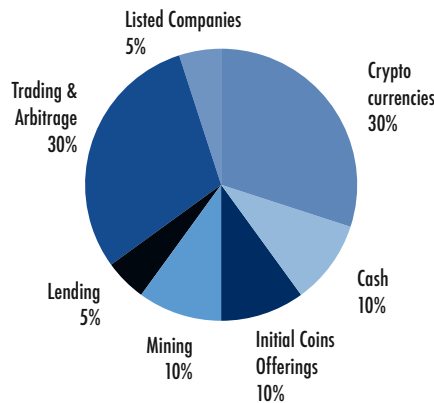
### Investment Strategy

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.



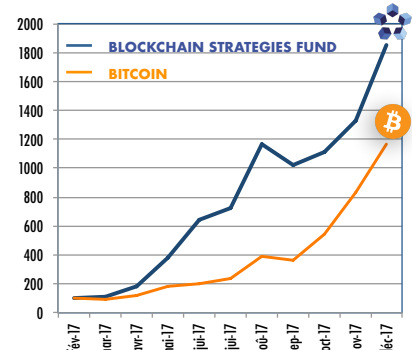
### A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.

#### Model Portfolio



#### 2017 Performance

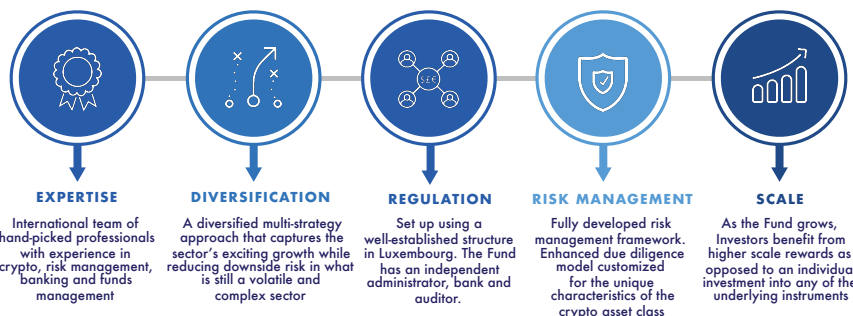
(Back-testing illustration as from Dec 2017)



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.