

August 2018

Market commentary

Continued outperformance of Bitcoin in August, in a generally tough market environment.

Bitcoin retreated 9.1% in August while all other crypto currencies had double-digit losses. Ethereum lost 34.8%, Ripple 23.0% and Litecoin 21.2%. This leads us to a year-to-date return of -49.3% for Bitcoin, -62.0% for Ethereum, -72.6% for Litecoin and -83.1% for Ripple as of end of August. (source: cryptocompare).

Technically speaking, we are continuing to see mixed signals, with failed attempts to rally beyond short-term technical resistance levels in most crypto's but also reactions from "the bulls" around the strong 6000/6500pts support area for Bitcoin, the crypto benchmark.

While uncertainty remains high in terms of price action, the use and introduction of new crypto products & services remains a hot topic for most financial institutions. For instance, Goldman Sachs hinted at providing crypto currency services in the future. The activity on crypto exchanges has not abated either, a sign that there is still a lot of interest for crypto investment opportunities. People living in countries such as Argentina and Turkey will not disagree, as crypto currencies offer their only viable alternative to protect their savings against the sharp debasement of local currencies and a potential banking crisis.

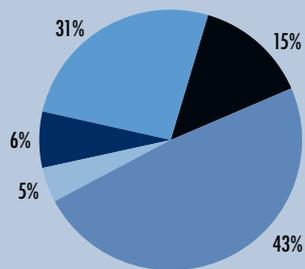
NAV August

(as of August 31, 2018)

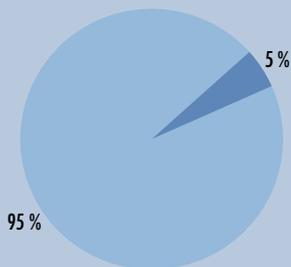
NAV	August
BSF-USD	63.16
BSF-EUR	66.72

Portfolio

(as of August 31, 2018)



- Multi strategies Funds
- Blockchain related companies
- Index tracking
- Cash
- Systematic Quant



- EUR
- USD

Portfolio commentary

While positioned defensively, Blockchain Strategies Fund could not fully escape the decline in prices across all crypto assets this month. As a result, the Fund was down 7.4% in August. The Fund's updated year-to-date performance stands at -36.9% and -33.3% for its USD and EUR unit classes as of end of August.

Whilst a negative performance is always disappointing, the Funds' performance so far this year places Blockchain Strategies Fund amongst the top performing crypto focused funds, beating the average crypto fund manager by a sizeable margin too (the Eurekahedge Crypto Currency hedge index and Barclay Cryptocurrency trader index are down 51.1% and 48.0% as of end of August - based on data available as at September 27th). In fact, the Fund continues to outperform all major crypto currencies in 2018.

When considering the 83% drop incurred by Ripple year-to-date, one cannot help thinking that diversification remains a key element of crypto investing, just as for other asset classes.

In terms of investment strategy, the Blockchain Strategies Fund increased temporarily its cash exposure (to 30%). Index tracking continues to be very underweighted (and will remain so for the foreseeable future - no rebalancing for now). At portfolio level, the new systematic short-term quant strategy focused on Bitcoin was a wise addition: the strategy achieved positive returns since inception and August was no exception. Blockchain related listed companies also did rather well, posting a marginal positive return. Finally, our multi-strategy funds portfolio had mixed results, two of our funds taking a hit due to their ethereum & generally higher alternative coin/ICO exposure, others doing great, outperforming the market as we expected them to do.

Performance

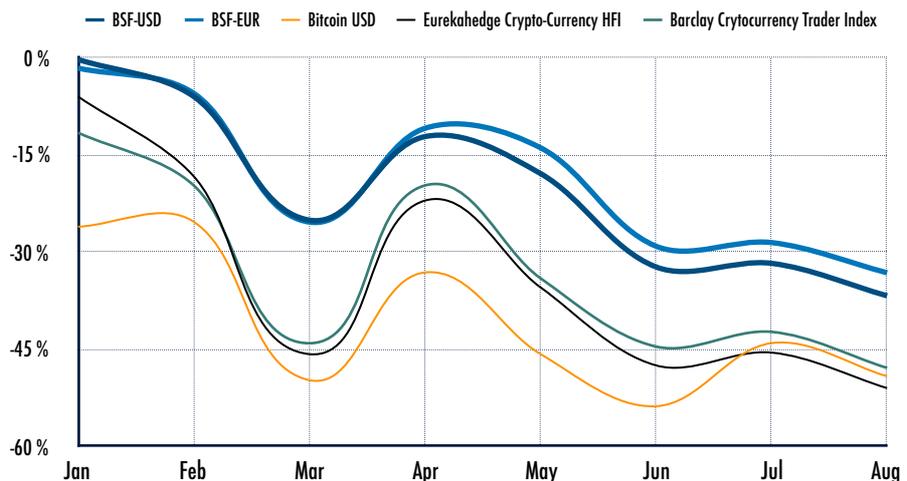
(as of August 31, 2018)

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	YTD
BSF-USD	-0.31 %	-5.74 %	-20.34 %	17.23 %	-6.48%	-17.59%	0.81%	-7.36%	-36.84 %
BSF-EUR	-1.65 %	-3.96 %	-21.07 %	19.42 %	-3.36%	-17.69%	0.79%	-6.54%	-33.28 %
Bitcoin USD	-26.16 %	1.04 %	-32.80 %	33.19 %	-18.88 %	-14.89%	21.14%	-9.16%	-49.27 %
Eurekahedge Crypto-Currency HFI	-6.04 %	-13.11 %	-33.67 %	43.80%	-17.20%	-18.71%	3.37%	-10.12%*	-51.11 %
Barclay Cryptocurrency Trader Index	-11.63 %	-9.21 %	-30.42 %	43.68%	-17.86%	-16.04%	4.10%	-9.68%**	-47.99 %

* Eurekahedge Crypto-Currency Hedge Fund Index : estimated performance based on 64.71% of funds which have reported August 2018 returns as at 27 September 2018.

** Barclay Cryptocurrency Traders Index : estimated performance for July 2018 calculated with reported data from 29 funds, estimated performance for August 2018 calculated with reported data from 19 funds as at 27 September 2018.



Past performance is not an indicator of future performances.

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 & 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 years. The combined AUM of the underlying funds is over \$1bn.
- ▶ 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 \$1bn.

Executive Board Block AM

Manuel E. De Luque Muntaner
Founder & CEO
Kevin Ballard
CCO & Head Investor Relations
Yannis Georgandelis
Advisor
Daniel Vegue Domínguez
Partner & Strategic Advisor
Antonio Llabrés
Partner

Advisory Board Block AM

Manuel E. De Luque Muntaner
Founder & CEO Block AM
Ryan Radloff
CEO Coinshares
Blockchain/Crypto Advisor

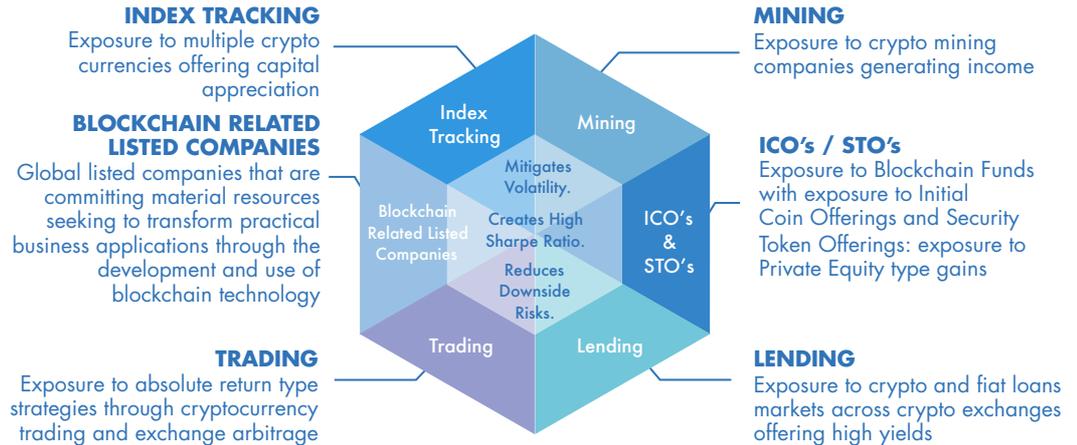
Marco Abele
Founder & CEO Tend Swiss
Blockchain & ICO Advisor

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.

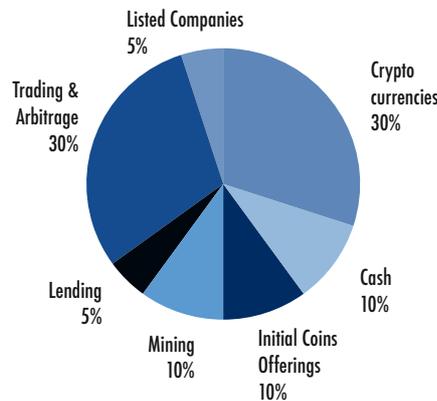
Investment Strategy

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.



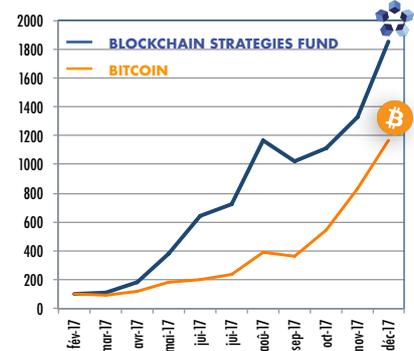
A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.

Model Portfolio



2017 Performance

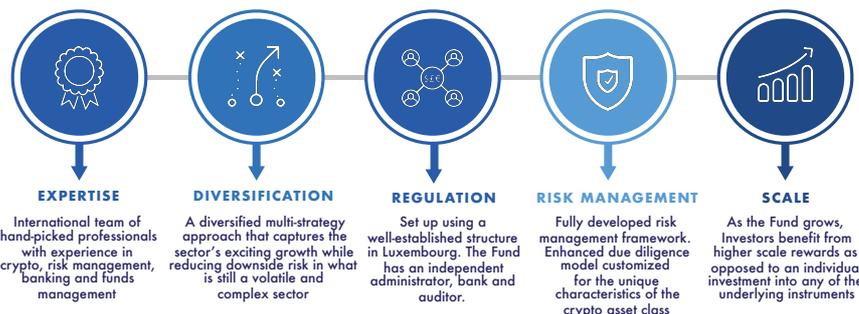
(Back-testing illustration as from Dec 2017)



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.