

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 (pending)
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

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 in the process of being a registered AIFM. 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

Luxembourg

www.blockassetmanagement.com

info@blockassetmanagement.com

@blockassetmgt

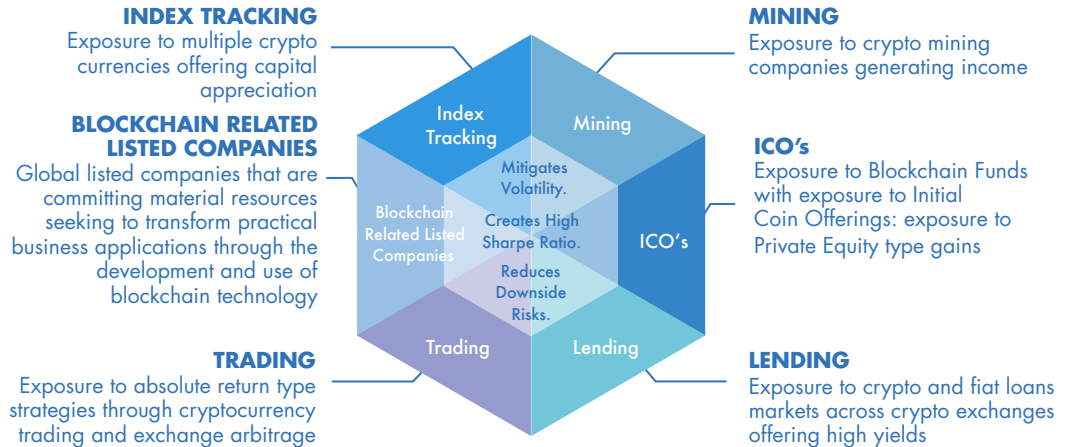
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Investment Program

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.

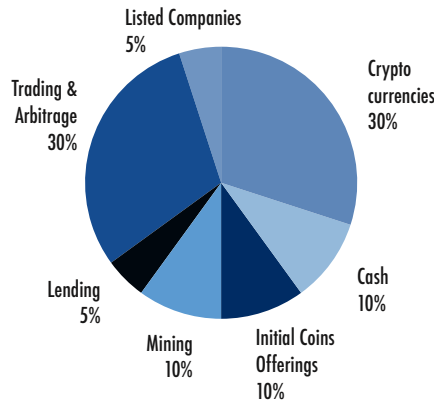
Investment Strategy

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.



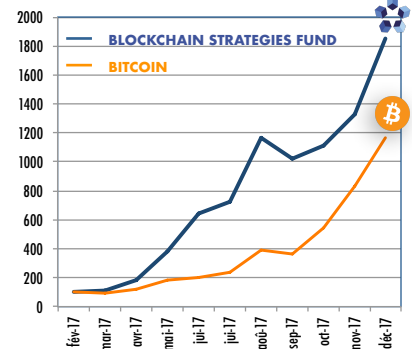
A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.

Model Portfolio



Performance

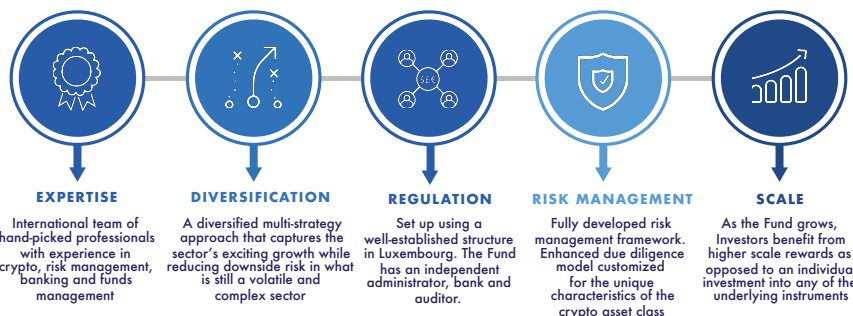
(Back-testing illustration as from 28/02/2017)



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.

February 2018

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NAV 2018

(as of February 28, 2018)

NAV	Jan	Feb
BSF-USD	99.69	93.97
BSF-EUR	98.35	94.46

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Market commentary

February proved to be another volatile month for the blockchain/Crypto asset class. Bitcoin experienced a 32% drawdown before recovering and closing the month in positive territory. The overall picture was also mixed: some crypto currencies dropped significantly (Ethereum -23.4%, Ripple -22.3%) while others achieved strong gains (Litecoin, + 24.1%).

Market sentiment continued to be largely driven by regulatory news. The Head of the SEC stated that the SEC is looking to apply security laws to cryptocurrency exchanges and tokens/coins. As the performance of Ethereum last year was largely driven by the surge in ICOs, built around the Ethereum smart contract, it created concerns that the current ICO market expansion would come to an end (as a result of these new requirements to register tokens with the SEC).

Another technical factor was ICO driven selling in the markets. A reduced liquidity pool made it indeed more difficult for newly created tokens to be sold without weighing on prices, which added to the short-term downside pressure. We expect this factor to be temporary.

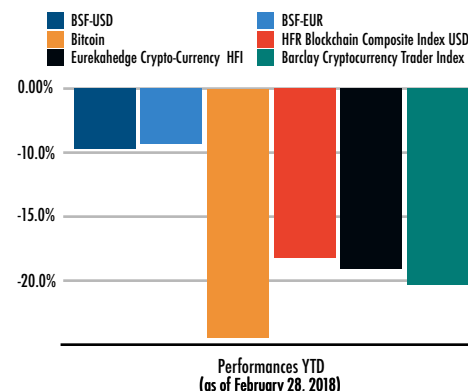
Overall, market trend continued to be negative during the month. The HFR Blockchain Composite Index points to a 13.2% loss for crypto fund managers in February (down 17.1% YTD).

Performance

(as of February 28, 2018)

	Jan	Feb	YTD
BSF-USD	-0.31 %	-5.74 %	-6.03 %
BSF-EUR	-1.65 %	-3.96 %	-5.54 %
Bitcoin	-26.16 %	1.04 %	-25.39 %
HFR Blockchain Composite Index USD	-4.55 %	-13.19 %	-17.14 %
Eurekahedge Crypto-Currency HFI	-6.04 %	-13.11 %	-18.36 %
Barclay Cryptocurrency Trader Index	-11.63 %	-9.21 %	-19.77 %

Source: BlockAssetManagement, Hedgefundresearch, Eurekahedge, Barclay Hedge, Crypto Compare



Portfolio commentary

On a positive note, the recent selling creates a fantastic opportunity for investors to gain exposure to blockchain assets at much more attractive entry points.

In this context, the Blockchain Strategies Fund's performance was robust, with a decline limited to 5.7% for the USD unit classes and 4% for the EUR unit classes in February. While we cannot rejoice incurring a negative return for the month, we take comfort from the fact that the Fund achieved a significant outperformance against most crypto currencies and single strategies fund managers. This outperformance was driven by our fund selection, which over weighted active strategies as opposed to passive exposure to the crypto markets. Cash exposure was also kept at a higher level, close to 20% of the fund's assets, which clearly helped in this environment.

In the short term, we expect the investment strategy to continue overweighting flexible active trading strategies because they tend to be more successful during periods of higher volatility. We are also considering new niche strategies that would allow us to harvest market's volatility. We are also looking into funds focusing on ICO markets, which offer enhanced risk diversification with Private Equity like returns.

Finally, we will keep an active & flexible stance, increasing cash levels if market trend turns even more negative. However, we do not expect the current shift of investors' sentiment to last as blockchain technology continues to gain momentum, creating substantial opportunities further down the road. We are looking forward to seizing those new opportunities to continue building our portfolio of investments with the right balance between expected returns and portfolio risk.

Portfolio

(as of February 28, 2018)

