

BLOCKCHAIN STRATEGIES FUND

www.blockassetmanagement.com

May 2019

Market commentary

May 2019 was the fourth consecutive month of positive returns within the Crypto Market! Significant rates of increase were experienced across most major crypto currencies; Bitcoin rallied 59.8%, Ethereum 76.5% and Litecoin 62.6% and Ripple had its best month this year so far, with 26.4% (source: Cryptocompare).

This leads to a cumulated return of 128.2% for Bitcoin, 117.4% for Ethereum, 305.4% for LiteCoin and 10.4% for Ripple. The Eurekahedge Crypto Currency Hedge Fund Index, representing crypto hedge funds' performance stands at 74.5% return year-to-date, underperforming Bitcoin (as to be expected in a market rally).

While retail investors have remained on the sidelines following 2018's bear market, institutional investors have been in the driving seat this year, with May showing a sharp increase in CME Bitcoin futures average daily volume (13,606 contracts), compared to last March (3,579 contracts). Institutional investors, often considered as the "smart money", took notice of the change in market conditions earlier this year, confirming the gradual increase in their long-term participation trend in the crypto asset class.

On the macro front, major central banks are still well engaged in QE policies with no clear roadmap as to how they could unwind their exposure. The ECM might provide additional stimulus to support the euro economy. In this environment, alternative investments such as Precious Metals and Crypto assets can provide a partial hedge against future inflation or unexpected market events.

Just like precious metals, crypto assets offer a hedge against depreciating currencies, however, crypto assets have an additional superior advantage, they also provide investors with liquidity. Crypto assets can be used to purchase real goods & services or provide an almost instant transfer of money. Finally, the crypto assets' trend has been positive in the long run (due to crypto assets adoption), while Gold has been essentially range-bound and underperformed traditional asset classes in real terms.

Last month, we said that "the Q1 rally has legs...the ongoing V-shaped recovery has increased significantly the odds that the bear market low is actually in". May just followed this roadmap, suggesting now that the next milestone is a retracement to key \$10,000 for Bitcoin.

Portfolio commentary

Blockchain Strategies Fund's USD and EUR share class increased in May by +11.0% and +11.1% respectively. As a result, the Fund's cumulated performance in 2019 (as of end of May) stands at +17.6% and 19.9% for its USD and EUR share classes. The funds diversified strategy translates to lower volatility. We have therefore not been able to keep pace with the major cryptocurrencies this month. However our objective is to reduce volatility and mitigate risk through diversification, something we achieved in 2018 when the Fund outperformed the Eurekahedge Crypto HFI by 16.27%. and Bitcoin by a substantial 19.65%. The Eurekahedge Crypto HFI Benchmark is fully invested in crypto currencies which explains May's strong performance (+38.9%), but since inception, Blockchain Strategies Fund remains within range of +/- 2%.

We reduced our cash exposure so as to position our portfolio for a developing bull market. We continue focusing our efforts on increasing the "alpha" generated by our fund selection, while keep volatility under control.

While year-to-date gains seem impressive, crypto markets remain at drawdown levels offering interesting long-term entry points for investors willing to build exposure on the crypto asset class.

Our research has shown that adding crypto assets to a portfolio enhances the long term expected return. The additional risk incurred is managed through systematic rebalancing of positions to avoid the impact of excessive concentration following periods of sharp movements in price.

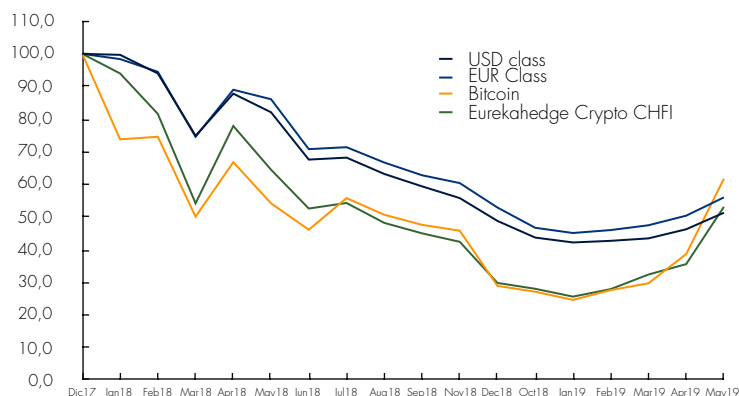
Performance

(as of May 31, 2019)

Past performance is not an indicator of future performances.

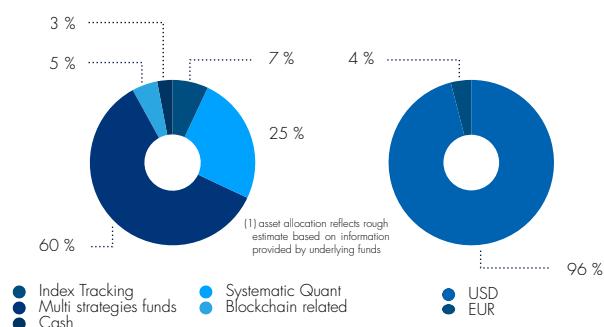
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Inception
BSF USD (Class A)	-0.31%	-5.74%	-20.34%	17.23%	-6.48%	-17.59%	0.81%	-7.36%	-5.91%	-6.18%	-12.45%	-10.59%	-56.35%	-56.35%
BSF EUR (Class B)	-1.65%	-3.96%	-21.07%	19.42%	-3.36%	-17.69%	0.79%	-6.54%	-5.94%	-3.70%	-12.54%	-11.63%	-53.29%	-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	-1.51%	-14.93%	-28.40%	41.80%	-18.40%	-19.24%	3.19%	-12.58%	-5.50%	-6.02%	-28.12%	-5.70%	-69.56%	-69.56%
2019														
BSF USD (Class A)	-3.33%	1.22%	1.73%	6.42%	10.99%								17.57%	-48.68%
BSF EUR (Class B)	-3.38%	1.88%	3.24%	6.19%	11.11%								19.91%	-43.99%
Bitcoin (BTC)	-8.92%	12.02%	7.57%	30.10%	59.81%								128.18%	-38.26%
*Eurekahedge Crypto CHFI	-7.80%	10.26%	11.93%	10.40%	38.89%								74.48%	-46.89%

* Eurekahedge Crypto-Currency Hedge Fund Index : Based on 71.43% of funds which have reported May 2019 returns as at 5 July 2019 (please note that those figures are estimates and will be revised when all funds have reported their performance).



Portfolio

(as of May 31, 2019) (1)

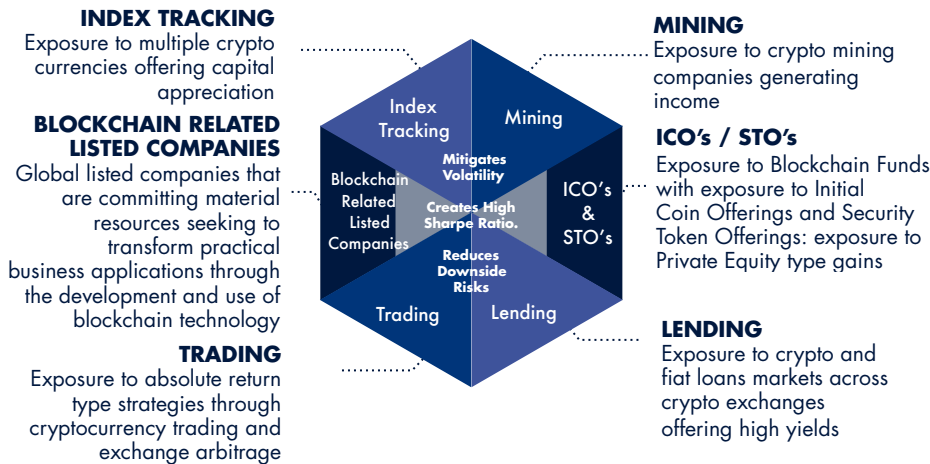


Investment Program

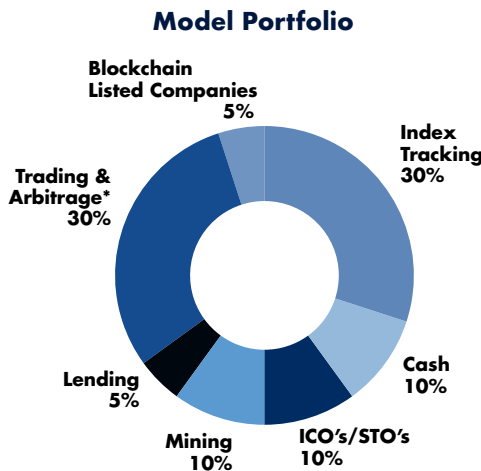
Blockchain Strategies Fund (BSF) is the world's first fund of funds focusing on blockchain technology investment opportunities such as Funds focusing on all aspects of digital currencies and listed companies using blockchain technology. The Fund has been designed to offer investors full access to the 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.



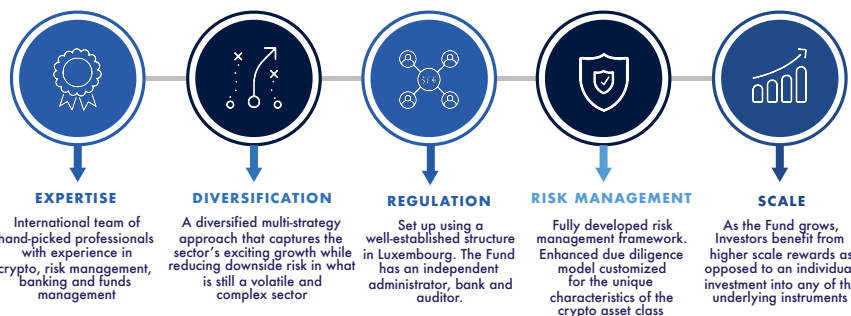
A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.



*Including systematic strategies

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.banca.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.

Executive Board Block AM

Manuel E. De Luque Muntaner
 Founder & CEO
Kevin Ballard
 CCO & Head Investor Relations
Daniel Vegue Domínguez
 Partner & Chief Strategy Officer
Yannis Georgandelis
 Advisor
Antonio Llabrés
 Partner & CMO
Juan Carlos Serrano
 COO

Advisory Board Block AM

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 Founder & CEO Block AM
Ryan Radloff
 CEO Coinshares
 Blockchain/Crypto Advisor
Marco Abele
 Founder & CEO Tend Swiss
 Blockchain & ICO Advisor
Peter Kambolin
 CEO Systematic Alpha Advisor