

BLOCKCHAIN STRATEGIES FUND

www.blockassetmanagement.com

NAV	Aug 2019
USD Class	67.69
EUR Class	75.04

August 2019

Market commentary

August experienced further pull-back after a wave of profit-taking in July. Bitcoin outperformed most crypto currencies with a single digit drop of 4.6%, however, like in July, other cryptos took a hit. Ethereum fell 21.3%, Ripple 19.2% and Litecoin 34.9%. [source: cryptocompare]. Current data show the EurekaHedge Crypto Currency Hedge Fund Index (representing crypto hedge funds' performance) falling by 11.8% for the month of August too (www.eurekaHedge.com as at 27/09/19).

Bitcoin remained essentially range-bound during August, fluctuating within the 9,500 / 10,500 corridor after an impressive rally during the first half of the year. Market participants are expecting a BTC ETF approval by the SEC to be the next catalyst for further progress.

Intercontinental Exchange's (ICE) Bakkt platform commenced trading Bitcoin settled futures on 22nd September, a positive development for further institutional investors' participation, though its unlikely this will result in a sudden surge in Bitcoin price. In Europe, September also saw Santander, the Spanish banking giant, launching the first ever end-to-end bond on the ethereum blockchain. Other interesting developments were reports from Wells Fargo that they would launch a USD-pegged stablecoin for Internal Settlements and the coming listing of a Telegram crypto currency through Coinbase (after Libra's project announcement by Facebook). All those initiatives point to further adoption of the blockchain technology going forward.

On the macro front, we see increasing geopolitical risks and a prolonged trend towards low or even negative government yields at a time when asset valuations on stocks are way above historical averages, reducing as a result investors' expected returns to almost zero. In this context and given the small size of the crypto market (even compared to gold & silver commodity markets), the crypto asset class stands as the obvious candidate, in our opinion, to provide both diversification benefits and significant upside potential for investors.

Portfolio commentary

Blockchain Strategies Fund's performance in August showed a minor drop of -0.7% in the USD class and a positive return of +0.4% in the EUR share class. This diverging effect was due to the FX development USD/EUR during the period. As a result, the Fund's cumulated performance in 2019 (as of end of August) stands now at +55.1% and 60.7% (USD & EUR share classes). The Fund clearly outperformed all major cryptos and its benchmark during the month, with a 11.1% outperformance vs the Eureka Crypto Currency Hedge Fund Index (the index was down 11.8% for August).

While a market pull-back was to be expected at some point, we do not see any reason to change our current investment strategy, a diversified approach but positioned for a bull market. In addition to long exposure through tracking our trading/arbitrage funds continue to perform and generate Alpha. We continue to invest in institutional grade managers with expert teams and a proven record in selecting early stage Venture Capital investments with high exit returns.

The reality is that most investors have remained on the side-lines, missing the early stages of the crypto bull market a few years ago, but interest is there. For example, popularity of Bitcoin in China consistently rose in 2019. As a result, any recovery from current levels might create buying pressure and lift prices higher.

Since launch, the Fund has outperformed the EurekaHedge Crypto Currency Hedge Fund Index by 27.2%. More importantly, performance was achieved with roughly half the volatility experienced by the index (36% volatility for the fund vs 65% volatility for the index). Max drawdown was also lower (-58% for the Fund vs -74% for the index).

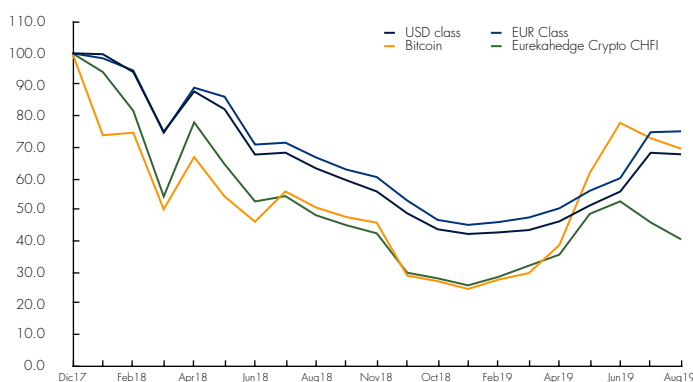
Performance

(as of August 31, 2019)

Past performance is not an indicator of future performances.

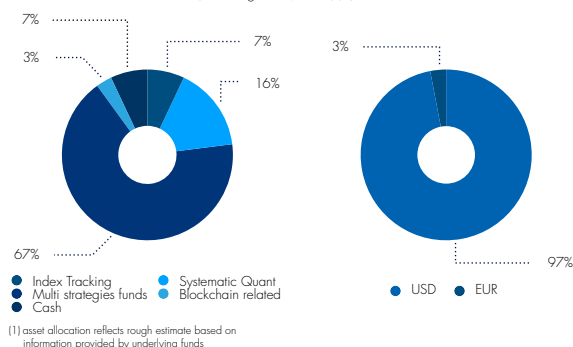
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Since Inception
BSF USD (Class A)	-0.31%	-5.74%	-20.34%	17.23%	-6.48%	-17.59%	0.81%	-7.36%	-5.91%	-6.18%	-12.45%	-10.59%	-56.35%	-56.35%
BSF EUR (Class B)	-1.65%	-3.96%	-21.07%	19.42%	-3.36%	-17.69%	0.79%	-6.54%	-5.94%	-3.70%	-12.54%	-11.63%	-53.29%	-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	-6.04%	-13.11%	-33.67%	43.80%	-17.20%	-18.39%	3.11%	-11.22%	-6.63%	-5.73%	-29.83%	-5.26%	-71.81%	-71.81%
2019														
BSF USD (Class A)	-3.33%	1.22%	1.73%	6.42%	10.99%	8.67%	22.23%	-0.70%					55.07%	-32.31%
BSF EUR (Class B)	-3.38%	1.88%	3.24%	6.19%	11.11%	7.23%	24.46%	0.39%					60.65%	-24.96%
Bitcoin (BTC)	-8.92%	12.02%	7.57%	30.10%	59.81%	25.94%	-6.31%	-4.61%					156.83%	-30.51%
*EurekaHedge Crypto CHFI	-8.60%	10.56%	12.58%	10.96%	36.69%	8.23%	-12.81%	-11.76%					43.61%	-59.52%

* EurekaHedge Crypto-Currency Hedge Fund Index : Based on 50.00% of funds which have reported August 2019 returns as at 26 September 2019 (please note that those figures are estimates and will be revised when all funds have reported their performance, and published by the Index provider).



Portfolio

(as of August 31, 2019) (1)



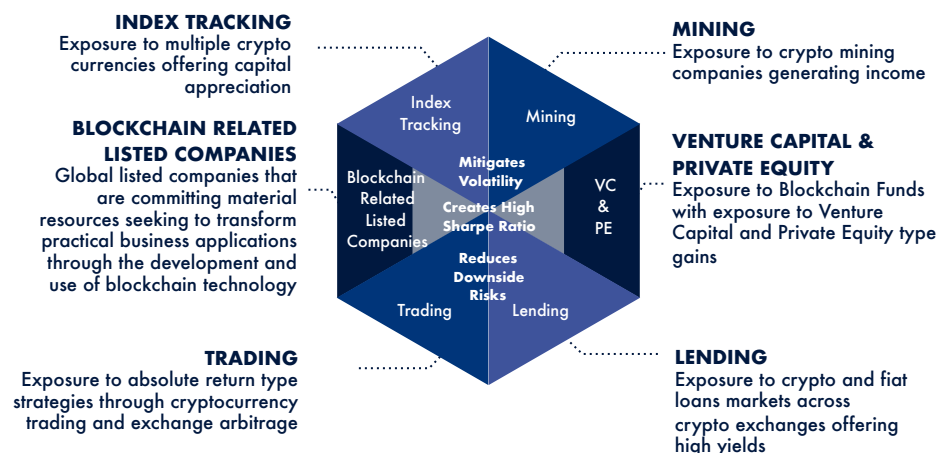
(1) asset allocation reflects rough estimate based on information provided by underlying funds

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.

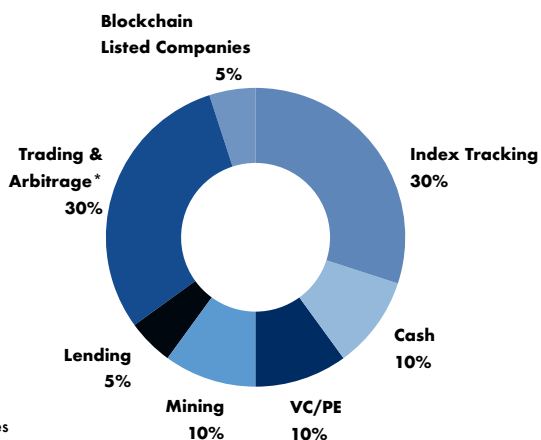
Investment Strategy

A diversified multi-strategy approach that captures the sector's development while reducing downside risk in what is still a volatile and complex sector.



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

Model Portfolio



*Including systematic strategies

Key Fund Facts

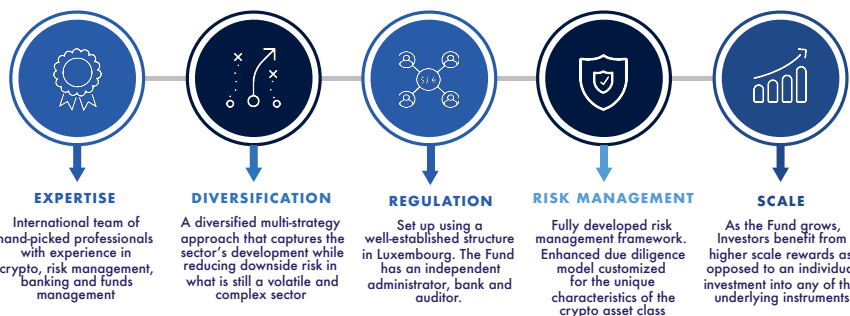
Fund Name: **Blockchain Strategies Fund**
 Fund Manager: **Block Asset Management**
 Admin.: **Banque de Patrimoines Privés**
 Bank: **Banque de Patrimoines Privés**
 Auditor: **Mazars Luxembourg**
 Legal: **Eversheds Sutherland**
 Swiss Representative: **OpenFunds**
 Dealing / Liquidity: **Monthly**
 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 fund's 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.

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.



Executive Board Block AM

Manuel E. De Luque Muntaner
Founder & CEO

Kevin Ballard
Co-Founder & CCO

Daniel Vegue Domínguez
Partner & Chief Strategy Officer

Yannis Georgandelis
Advisor

Antonio Llabrés
Partner & CMO

Juan Carlos Serrano
Partner & COO

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.bancaria.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.