

BLOCKCHAIN STRATEGIES FUND

www.blockassetmanagement.com

November 2019

Market commentary

A month to forget. Crypto prices steadily declined throughout the month. Bitcoin and Ethereum declined 17.7% and 17% respectively and Ripple declined further, with a 23.6% drop (source: cryptocompare).

Initial estimates point to the EurekaHedge Cryptocurrency Hedge Fund Index (representing crypto hedge funds' performance) declining 9% for the month but it is likely that the current estimate will be revised lower (www.eurekaHedge.com as at 07/01/20, with 78% of funds having reported for the period).

There was no obvious reason why crypto assets experienced a set-back in November, except maybe the fact that technical sellers added to initial marginal sales, reinforcing a sideways to downwards trend that has been experienced for a few months now.

On the positive side, adoption of crypto assets keeps growing! A recent report from StateOfCrypto.io provided some interesting numbers that point to a positive development of the asset class. Indeed, roughly 10% of Americans already own Bitcoin, a number which doubled in a year and one fifth of institutional investors have one way or another exposure to the crypto asset class.

Portfolio commentary

Blockchain Strategies Fund's USD and EUR share classes declined -11.4% and 9.0% respectively in November. The Fund managed to outperform significantly most crypto assets during the month. The Fund's cumulated performance in 2019 (as of end of November) stands now at + 19.6% and 28.7% (USD & EUR share classes).

The fund's performance last month was linked to a generally negative market environment offering few opportunities to escape the trend. While the Fund's exposure on PE/VC could have been costly, the Fund's diversification provided a cushion. The Fund also managed to generate a strong alpha in this strategy, with one of the funds in portfolio posting a double-digit positive return. The Fund's positioning on systematic quant strategies proved beneficial too as one fund's proprietary trading system managed to lock profits during periods of short-term trend persistence. Overall, those factors helped the Fund smooth volatility and minimize the monthly draw-down.

Since launch, the Fund outperformed the EurekaHedge Cryptocurrency HFI by 17.4%. The Fund also managed to reduce risk (no assets stolen!) and outperform its peers with roughly half the volatility experienced by the index (35% volatility for the fund vs 61% for the index).

While recent performance has been uninspiring, it might be a good time to recall that the recovery potential of the crypto asset class remains compelling. Bitcoin's market is currently worth USD 130 billion, which represents less than 1% of the S&P 500! On a longer term horizon (several quarters), the current cycle continues to develop in line with previous long term bull cycles. The current period of consolidation is expected to pave the way for a new wave upwards, that will then lead crypto assets back to the previous highs and beyond. Therefore, current levels offer attractive long-term entry points for investors willing to build exposure on the crypto asset class, in our opinion.

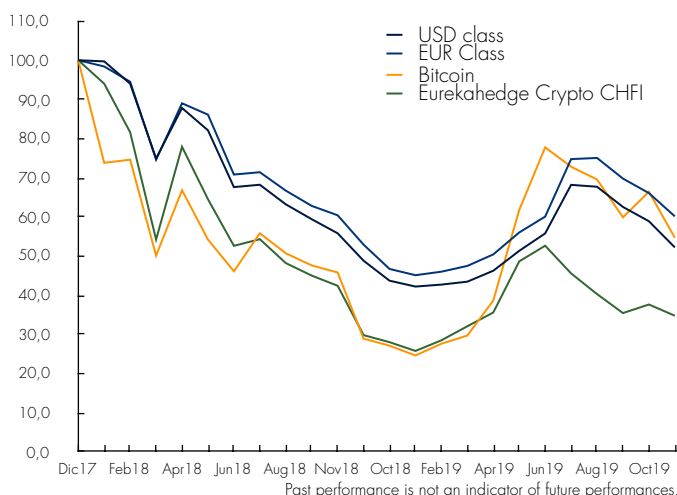
Performance

(as of November 30, 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%	-7.62%	-5.84%	-11.35%		19.59%	-47.80%
BSF EUR (Class B)	-3.38%	1.88%	3.24%	6.19%	11.11%	7.23%	24.46%	0.39%	-7.02%	-5.30%	-8.99%		28.73%	-39.87%
Bitcoin (BTC)	-8.92%	12.02%	7.57%	30.10%	59.81%	25.94%	-6.35%	-4.51%	-13.88%	10.92%	-17.72%		102.00%	-45.35%
*EurekaHedge Crypto CHFI	-8.60%	10.56%	12.58%	10.96%	36.69%	8.23%	-13.43%	-11.58%	-7.75%	2.75%	-9.00%		23.30%	-65.25%

* EurekaHedge Crypto-Currency Hedge Fund Index : Based on 78.26% of funds which have reported November 2019 returns as at 7 January 2020 (please note that those figures are estimates and will be revised when all funds have reported their performance, and published by the Index provider).

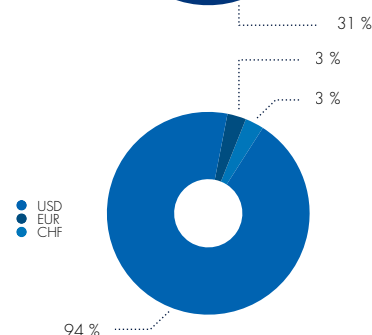
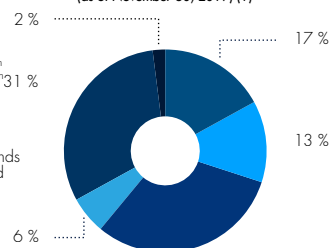


Portfolio

(as of November 30, 2019) (1)

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

- Index Tracking
- Systematic Quant
- Multi strategies funds
- Blockchain related
- PE/VC
- Cash

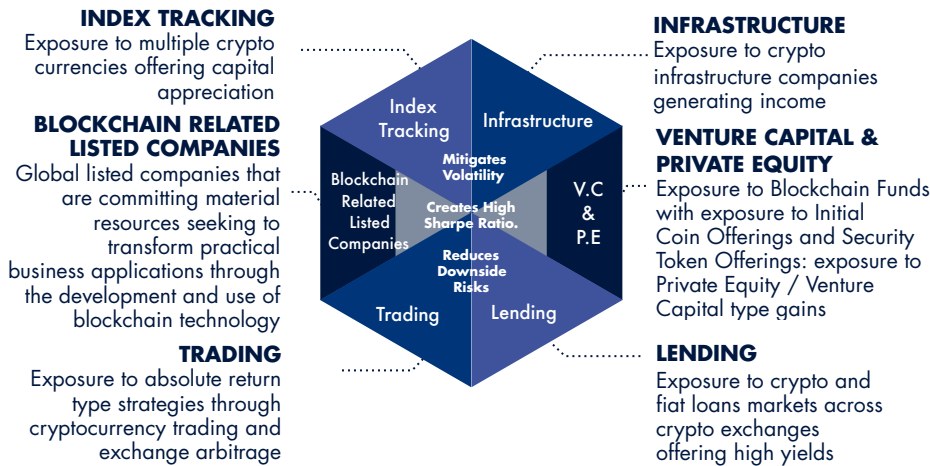


Investment Program

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.

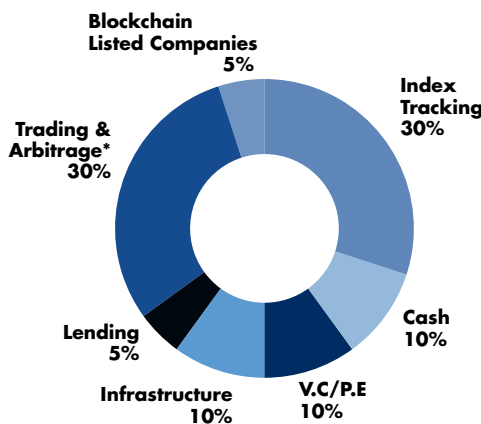
Investment Strategy

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.

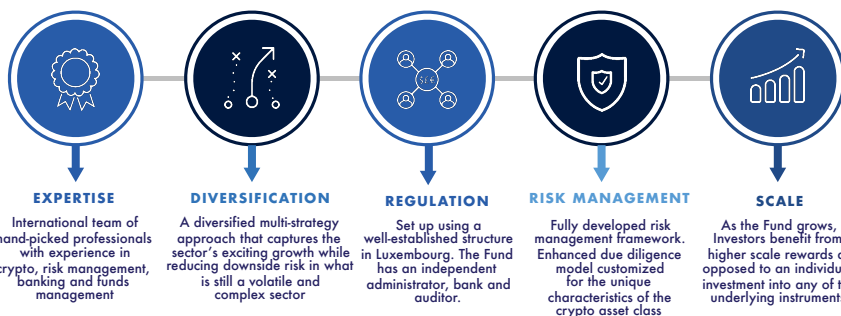
Model Portfolio



*Including systematic strategies

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.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.

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.

Executive Board Block AM

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