

### September 2018

#### Market commentary

Ripple experienced a huge rebound this month (+73.7%). This huge rebound was triggered by Ripple's CEO's announcement that RippleNet, the international payment and remittance service, would expand globally. On the other hand, crypto asset prices were generally lower during the month, Ethereum continuing to underperform Bitcoin, with a 17.4% monthly drop (compare to a more subdued 6.1% decline for Bitcoin) (source: cryptocompare).

Volatility also trended lower, with Bitcoin's 30-day volatility decreasing from 7.9% (December 2017) to 2.58% (September 2018) (source: coindesk, bitvol). Technically speaking, we are continuing to see mixed signals, with failed attempts to rally beyond short-term technical resistance levels in most cryptos but also reactions from "the bulls" around the strong \$6000/6500 support area for Bitcoin, the crypto benchmark. This leads us to a year-to-date return of -52.4% for Bitcoin, -68.6% for Ethereum, -73.0% for Litecoin and -70.6% for Ripple, as of end of September. (source: cryptocompare).

There have however been 2 major positive market developments this month. Firstly the multi-billion dollar endowments of Yale, Harvard, MIT and Stanford Universities announced substantial investments in crypto assets. Secondly, the world's fourth-largest asset manager, Fidelity Investments, announced that they would start offering trade execution & custody services for their institutional clients. As one of the top asset managers worldwide, this decision is a strong endorsement of the sector that now puts crypto currencies investing on the agenda of any institutional investor.

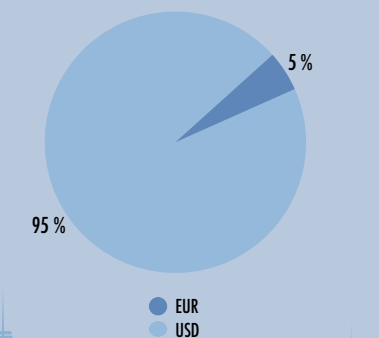
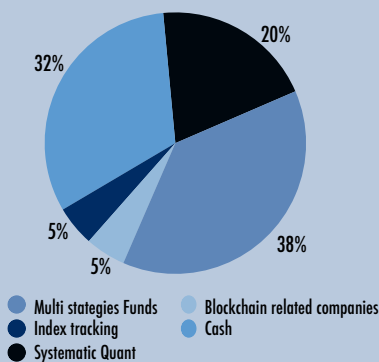
#### NAV September

(as of September 30, 2018)

NAV	September
<b>BSF-USD</b>	<b>59.43</b>
<b>BSF-EUR</b>	<b>62.76</b>

#### Portfolio

(as of September 30, 2018)



#### Portfolio commentary

Blockchain Strategies Fund declined 5.9% in September, a performance in line with the general evolution of crypto markets during the month. The Fund's updated year-to-date performance stands at -40.6% and -37.2% for its USD and EUR unit classes as of end of September.

The Funds' performance so far this year continues to place 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 54.7% and 49.4% as of end of September - based on data available as at October 27th). In fact, the Fund has outperformed all major crypto currencies in 2018.

When considering that both Litecoin & Ripple have fallen more than 70% 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 continued to hold temporarily a higher-than-usual cash exposure (around 30%). It is likely that cash will be put at work over the next few weeks given several technical and fundamental positive developments that we are currently seeing in the market. With regards to the allocation to sub-strategies, the allocation to Index tracking and ICOs remained significantly underweighted, with the focus being maintained on the multi-strategies funds portfolio. Finally, we increased in September the allocation to systematic short-term quant strategies focused on Bitcoin, as the strategy has done very well so far (focusing on absolute returns).

#### Performance

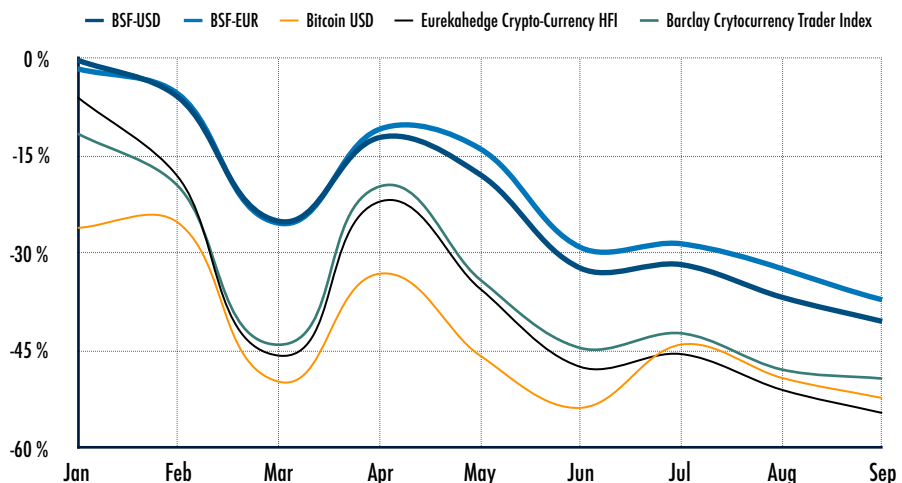
(as of September 30, 2018)

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	Sep	YTD
<b>BSF-USD</b>	-0.31 %	-5.74 %	-20.34 %	17.23 %	-6.48 %	-17.59 %	0.81 %	-7.36 %	-5.91 %	<b>-40.57 %</b>
<b>BSF-EUR</b>	-1.65 %	-3.96 %	-21.07 %	19.42 %	-3.36 %	-17.69 %	0.79 %	-6.54 %	-5.94 %	<b>-37.24 %</b>
<b>Bitcoin USD</b>	-26.16 %	1.04 %	-32.80 %	33.19 %	-18.88 %	-14.89 %	21.14 %	-9.16 %	-6.15 %	<b>-52.38 %</b>
<b>Eurekahedge Crypto-Currency HFI</b>	-6.04 %	-13.11 %	-33.67 %	43.80 %	-17.20 %	-18.71 %	3.37 %	-10.12 %	-5.95%*	<b>-54.69 %</b>
<b>Barclay Cryptocurrency Trader Index</b>	-11.63 %	-9.21 %	-30.42 %	43.68 %	-17.86 %	-16.04 %	4.10 %	-9.68 %	-4.08%**	<b>-49.39 %</b>

\* Eurekahedge Crypto-Currency Hedge Fund Index : estimated performance based on 83,33% of funds which have reported September 2018 returns as at 27 October 2018.

\*\* Barclay Cryptocurrency Traders Index : estimated performance for August 2018 calculated with reported data from 27 funds, estimated performance for September 2018 calculated with reported data from 23 funds as at 27 October 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)  
**Eligibility:** Qualified Investors  
**Target Fund size (cap):** \$100m  
**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 Liabrés**  
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

**Peter Kambolin**

CEO Systematic Alpha Advisor 2018 Copyright Block Asset Management

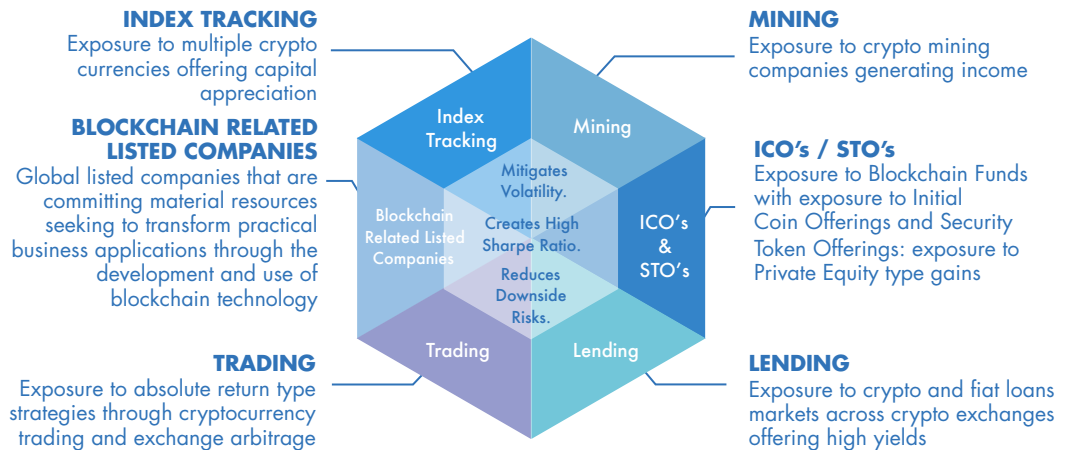


### Investment Program

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.

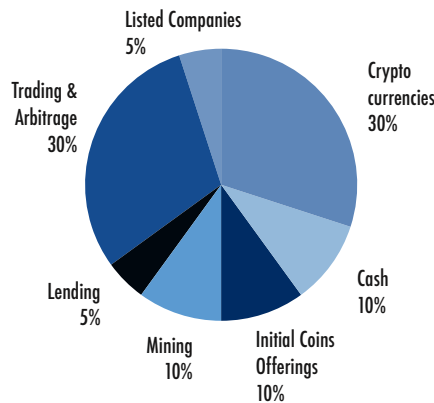
### Investment Strategy

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.



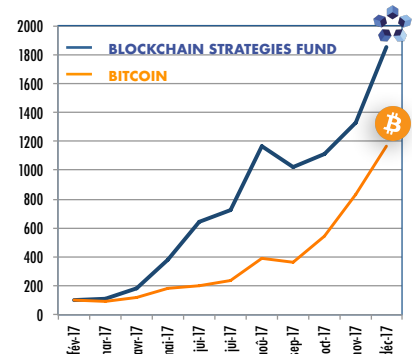
### A MULTI STRATEGY DIVERSIFYING INTO VARIOUS MARKETS, MANAGERS AND BLOCKCHAIN INVESTMENT STYLES.

#### Model Portfolio



#### 2017 Performance

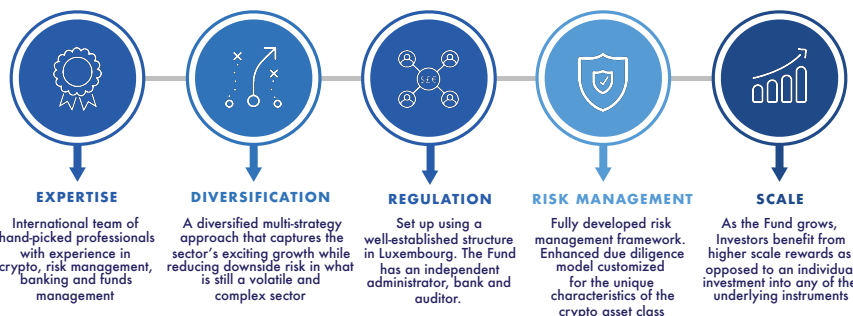
(Back-testing illustration as from Dec 2017)



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.