

BLOCKCHAIN STRATEGIES FUND

www.blockassetmanagement.com

December 2019

Market commentary

Crypto prices trended downwards throughout December. Bitcoin outperformed again other cryptos with a moderate 5% drop, compared with Ethereum, Litecoin and Ripple losing respectively 15%, 12.9% and 14.8% for the same period. (source: Cryptocompare). The EurekaHedge Crypto Currency Hedge Fund Index (representing crypto hedge funds' performance) declined 7.5% for the month (source: www.eurekaHedge.com)

While the last quarter of the year was not very inspiring, the year 2019 proved to be overall a recovery year.

Bitcoin was a clear winner, roughly doubling in 2019 (+92%, source: cryptocompare). Litecoin scored a healthy 37.2% gain. However, Ethereum and Ripple gave away their initial 2019 gains and ended the year with a 2.9% and 45.9% drop. Most institutional flows focused on Bitcoin in 2019, a technical factor which pushed Bitcoin much higher.

Bitcoin was the best performing asset worldwide. As a comparison, Gold and the S&P 500 scored respectively a 18% and 28% return.

2019 was an unprecedented year for the crypto space. Some of the biggest institutions confirmed their interest in investing in the sector and the blockchain technology, with JP Morgan and Facebook, to name a few, announcing major initiatives to add a cryptocurrency to their core business operations.

Portfolio commentary

Blockchain Strategies Fund's USD and EUR share classes declined respectively 7.1% and 8.5% in December. As a result, the Fund ended the year with a +11.1% and +17.8% gain (USD & EUR share classes).

The fund's performance last month was in line with the general market environment. The Fund's exposure on PE/VC and its diversification outside Bitcoin were the main factors behind a slight underperformance. As a result of the short-term declining trend on cryptos, replicating strategies (delta one) were sold so as to increase the weight allocated to arbitrage & multi strategies. Cash was increased too.

The good news: since launch, the Fund outperformed the EurekaHedge Crypto Currency Hedge Fund Index by 16%. The Fund also managed to reduce risk (no assets stolen!) and outperform its peers with roughly half the volatility experienced by the index (34% volatility for the fund vs 60% volatility for the index).

While recent performance has been lacklustre, it might be a good time to recall that the recovery potential of the crypto asset class remains compelling. 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 / sideways trading 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.

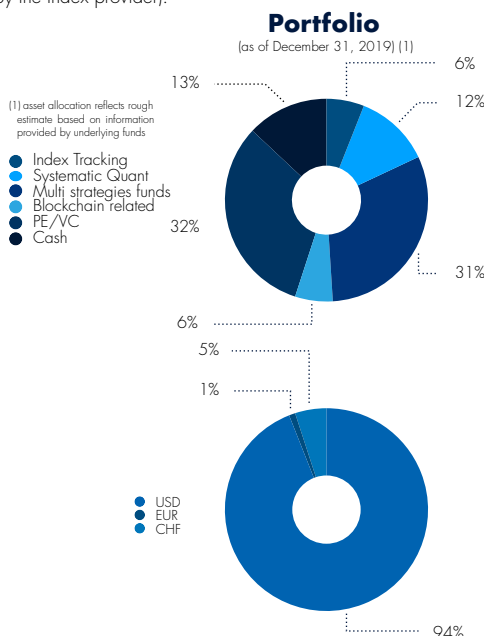
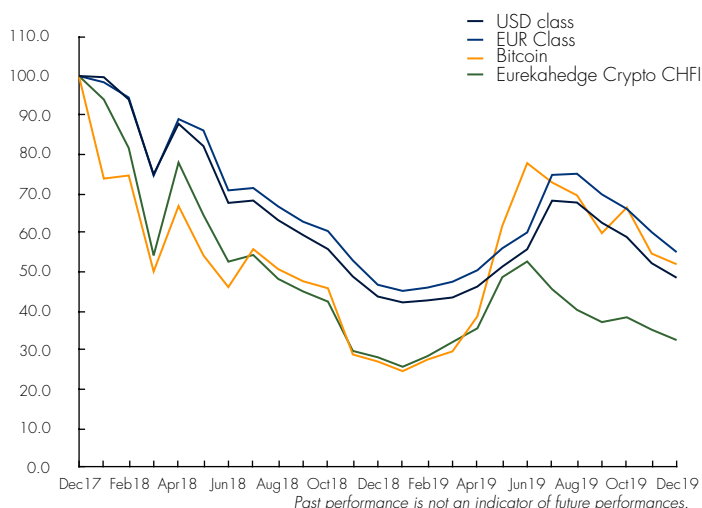
Performance

(as of December 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%	-7.62%	-5.84%	-11.35%	-7.09%	11.11%	-51.50%
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%	-8.46%	17.83%	-44.96%
Bitcoin (BTC)	-8.92%	12.02%	7.57%	30.10%	59.81%	25.94%	-6.35%	-4.51%	-13.88%	10.92%	-17.72%	-4.97%	91.96%	-48.06%
*EurekaHedge Crypto CHFI	-8.60%	10.56%	12.58%	10.96%	36.69%	8.23%	-13.43%	-11.58%	-7.75%	3.31%	-8.26%	-7.53%	15.57%	-67.43%

* EurekaHedge Crypto-Currency Hedge Fund Index : Based on 100% of funds which have reported December 2019 returns as at 28 February 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).

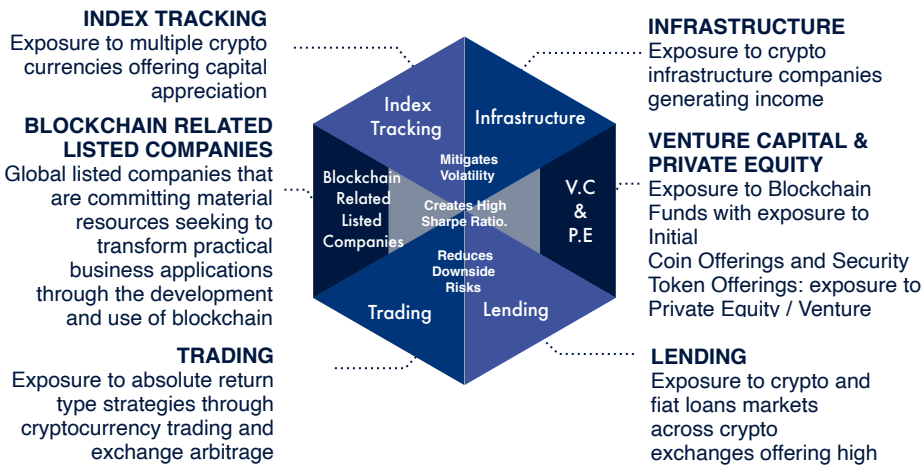


Investment Program

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.

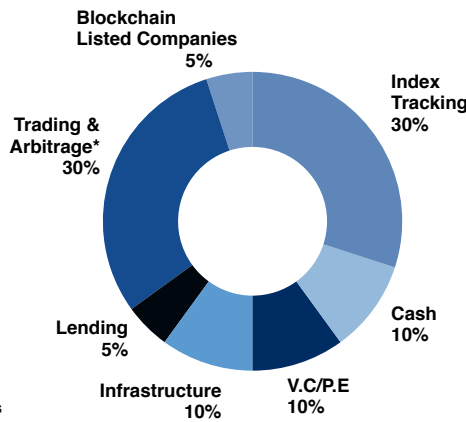
Investment Strategy

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.

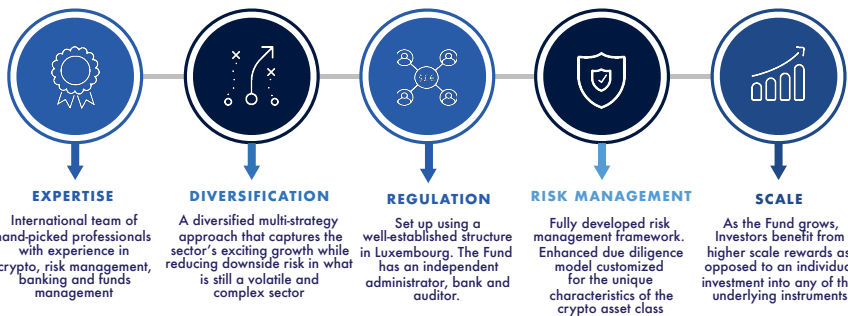
Model Portfolio



*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