

# Blockchain Strategies Fund (BSF)

World's First Blockchain & Digital Assets Fund of Funds

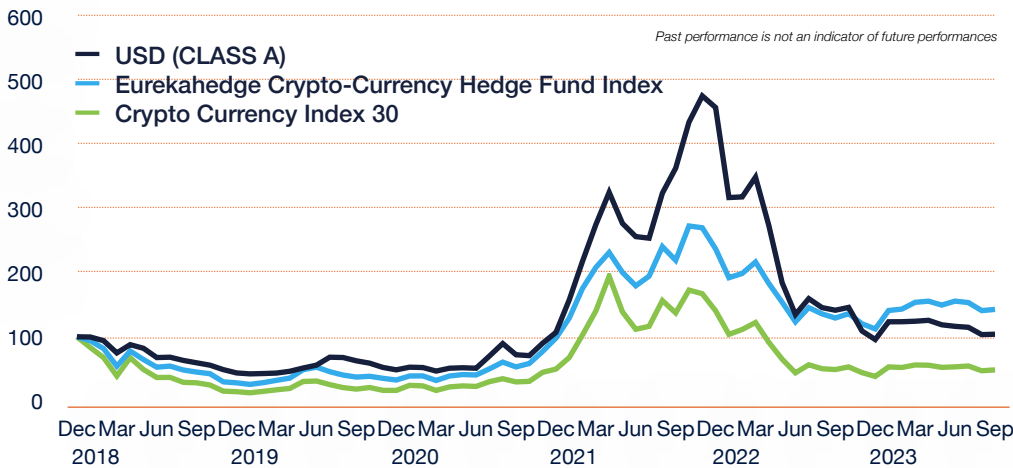
NAV  
USD 104.03

## FUND OBJECTIVE

Blockchain Strategies Fund (BSF) is a specialist blockchain and digital assets focused Fund of Funds, providing investors participation to the digital asset investment class with a diversified approach. The Fund focuses on reducing unnecessary risk and volatility via institutional-grade due diligence (selecting the “best-in-class” fund managers) and investing across four identified core strategies. The Fund is actively managed, with allocation and weighting reviewed monthly.

## MONTHLY PERFORMANCE (CLASS A)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	25.19%	0.06%	0.64%	1.17%	-5.58%	-2.04%	-1.26%	-9.95%	0.61%				5.53%
2022	-30.68%	0.31%	9.71%	-21.63%	-32.61%	-26.90%	18.39%	-8.77%	-2.81%	3.13%	-25.22%	-9.62%	-78.45%
2021	47.49%	38.30%	26.57%	17.93%	-14.90%	-7.42%	-0.95%	27.64%	12.05%	19.78%	9.39%	-3.81%	328.25%
2020	8.49%	-1.05%	-10.60%	9.62%	1.37%	-1.45%	37.27%	27.88%	-19.54%	-1.89%	27.34%	18.75%	120.25%
2019	-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%
2018	-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%



## STATISTICS (As of September 2023) Class A

3 Months Rolling	-10.54%
6 Months Rolling	-16.29%
9 Months Rolling	5.53%
12 Months Rolling	-26.44%
Annualised Return	0.69%
Return Since Inception	4.03%

## RISK / RETURN Class A

Annualised Standard Deviation	55.90%
Downside Deviation	30.71%
Upside Deviation	43.77%
Maximum Drawdown	-79.27%
Best Monthly Return	47.49%
Worst Monthly Return	-32.61%

## PORTFOLIO COMMENTARY

In September, Blockchain Strategies Fund (BSF) gained +0.61% and +1.75% in USD and EUR respectively. BSF's performance YTD is now respectively +5.53% and +6.51% for its initial USD and Euro share classes.

For the month, 2/3 of our funds had a positive performance. Best return (+6.8%) was achieved by a fundamental long trading fund with a strong focus on 'altcoins' who had overweighted exposure to Solana (SOL) and several DeFi protocols that rallied nicely.

The worst fund return (-1.2%) was from a trend following quantitative fund. The low volatility, range-bound market environment continues to be challenging for systematic/quantitative strategies. This should change as we exit the current trading-range environment and can therefore expect more persistence going forward.

Funds with a long-only fundamental trading strategy had mixed results, ranging from -1% to +6.8%, delivering a generally positive performance, albeit most were below Bitcoins (BTC) monthly gain of approx. +3.9%. The main reason was Ethereum's (ETH) underperformance vs. BTC and the underperformance of the main altcoins (top 20) vs. BTC as well.

Our Beta Passive exposure delivered a negative return due to the diversification outside of BTC. We have been gradually increasing our exposure to BTC and will continue to do so as we approach BTC's next halving (in May 2024) and expectation of possible positive impact due to spot ETF approval.

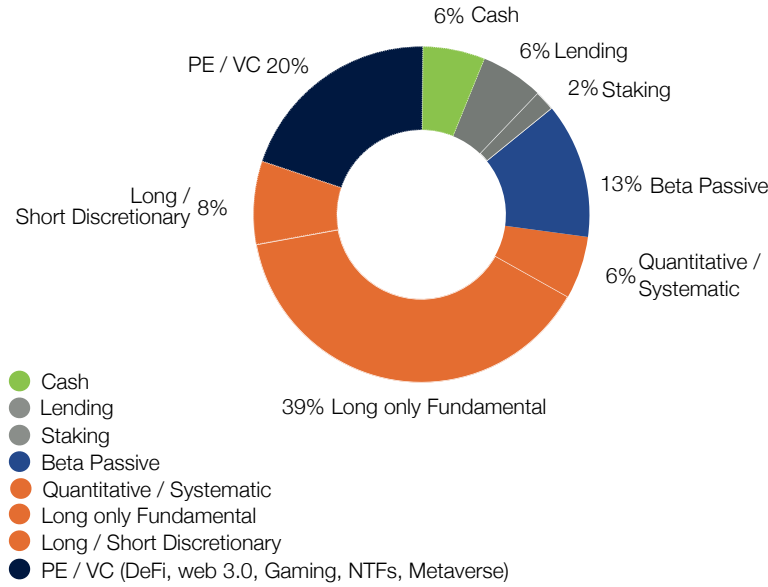
We want to keep a strong recovery profile as we transition towards the upswing of the cycle. Consequently, we have reduced exposure to fixed income strategies and deployed cash to increase our exposure to BTC and early-stage and participation strategies.

We are aware that most investors patience has been tested in this market environment, and some may have given up and realized losses by exiting the market. We believe that such investors will soon regret their decisions as the market turns positive. More often than not, patience in the market is rewarded.

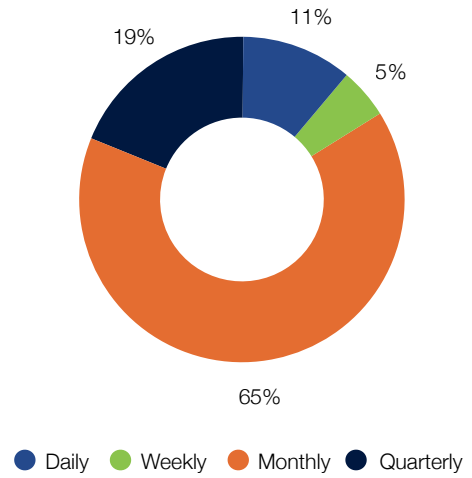
We cannot predict the timing nor macroeconomic events or regulations influencing the continuous adoption of digital assets. But we are convinced that the diversification of BSF and the current allocation on a recovery play will allow investors to participate greatly in the upcoming market development.

**PORTFOLIO ALLOCATION**

Current Portfolio allocation by Sub-Strategies

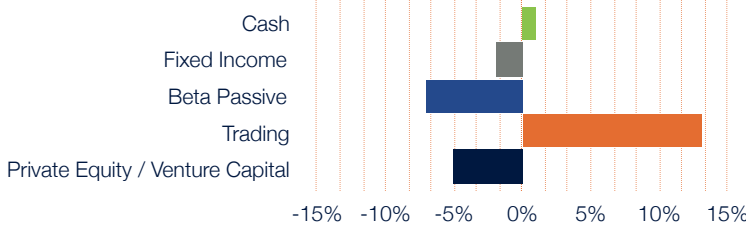


Liquidity of underlying funds

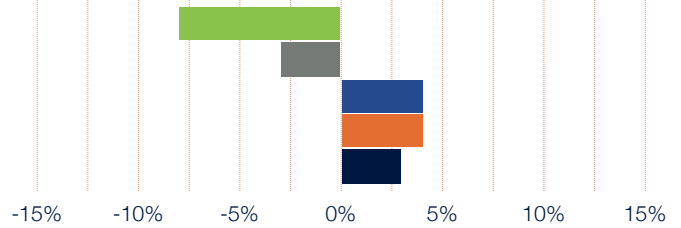


**TACTICAL ASSET ALLOCATION**

Current Tactical Asset Allocation



Change in Asset Allocation YTD



**TOP 10 HOLDINGS**

Rank & Core	Manager Location	AuM (M)	Investment strategy
1 ●●●	Australia	>50	Conviction positions within large cap protocol assets but flexibility retained to capitalize selectively on high-quality small caps.
2 ●●●	USA	>1000	Venture capital-style investing with public market liquidity : early-stage portfolio of digital assets(the most promising protocols).
3 ●●●	Switzerland	>100	Active management with a flexible allocation to a diversified basket of security tokens.
4 ●●●	USA	>1000	Diversified portfolio of strategic, early-stage digital assets utilized by promising technology platforms and protocols.
5 ●●●	USA	>100	Actively managed exposure to bitcoin and other digital currencies, aiming at taking advantage of volatility to increase returns rather than passively benchmark.
6 ●●●	USA	<50	Seeks to achieve a positive monthly return by implementing lending strategies within the crypto space.
7 ●●●	Malta	<50	Long-only systematic trading fund with an automated trend-following strategy (Top 100 universe).
8 ●●●	USA	>1000	Multi-Strategy fund investing in liquid and private markets through 10 different Portfolio Managers.
9 ●●●	Switzerland	<50	Seeks to invest in a physically backed diversified crypto currency portfolio while optimizing overall risk by applying advanced quantitative methods.
10 ●●●	Australia	>100	Seeks to invest in crypto assets that are powering a new financial infrastructure.

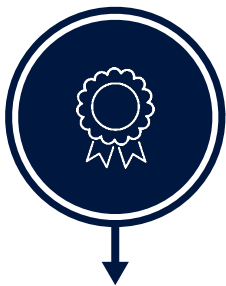
## KEY FUND FACTS

Name: Blockchain Strategies Fund SCSp  
 AIFM: Block Asset Management S.à r.l.  
 Fund type: Open-ended  
 Registration: CSSF Luxembourg  
 Subscription: Monthly (cut-off 20th)  
 Redemption: Monthly (30 days notice; cut-off 20th)

Fund Admin.: Banque de Patrimoines Privés, Luxembourg  
 Bank: Banque de Patrimoines Privés, Luxembourg  
 Auditor: Mazars, Luxembourg  
 Legal Advisor: Eversheds Sutherland, Luxembourg  
 Swiss Representative: OpenFunds  
 Settlement: Allfunds / Clearstream / Euroclear

Class	CCY	ISIN	Minimum Investment	Mgmt. Fee	Perf. Fee	Hurdle Rate	High Watermark
Class A	USD	LU1738364063	USD 10,000	2.50%	25.00%	2.5% / Quarter	n.a.
Class B	EUR	LU1738363925	EUR 10,000	2.50%	25.00%	2.5% / Quarter	n.a.
Class C	USD	LU2521015862	USD 100,000	2.00%	20.00%	n.a.	Yes
Class D	EUR	LU2587354049	EUR 100,000	2.00%	20.00%	n.a.	Yes
Class I	USD	LU2521015946	USD 500,000	1.50%	15.00%	n.a.	Yes
Class J	EUR	LU2587354122	EUR 500,000	1.50%	15.00%	n.a.	Yes

## YOUR SPECIALIST ASSET MANAGER



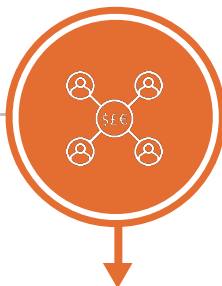
### EXPERTISE

International team of hand-picked professionals with experience in crypto, risk management, banking and funds management



### DIVERSIFICATION

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



### GOVERNANCE

Set up using a well-established structure in Luxembourg. The Fund has an independent administrator, bank and auditor and is registered with the CSSF



### RISK MANAGEMENT

Fully developed risk management framework. Enhanced due diligence model customized for the unique characteristics of the crypto asset class



### SCALE

As the Fund grows, Investors benefit from higher scale rewards as opposed to an individual investment into any of the underlying instruments

## EXECUTIVE BOARD BLOCK ASSET MANAGEMENT

**Manuel E. De Luque Muntaner**  
 Founder & CEO

**Kevin Ballard**  
 Co-Founder & CCO

**Juan Carlos Serrano**  
 Partner & COO

**Daniel Vegue Domínguez**  
 Partner & CSO

**Yannis Georgandelis**  
 Partner & CIO

## DISCLAIMER

This document does not constitute an offer of investment advisory services by Block Asset Management S.à 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 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.

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](http://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