

# Blockchain Diversified Fund of Funds

**FDC** Advisory

*“Consistent capital growth  
with strong capital preservation.”*

# Objectives

To provide investors with a risk-managed exposure to the emerging blockchain economy via a 'fund of funds' structure. The Fund is targeting a return of at least 25% per annum over the medium term, while managing risk through diversification and active asset allocation. Volatility is expected to be significantly lower than that of the CCI30 Index and the major digital-assets.

## Our Beliefs

- ▶ Consistent capital growth is a key objective for investors;
- ▶ Capital preservation is as important as capital gain;
- ▶ Diversification and active management can substantially mitigate the risk of capital loss in a volatile market; and
- ▶ Superior research, supported by deep technical expertise and disciplined portfolio management, can deliver strong risk-adjusted returns.

## Our Investment Approach

A well-diversified fund of funds approach is the most robust basis for generating and preserving wealth in the emerging blockchain economy. We seek active managers that specialise in investment in digital assets and blockchain infrastructure technologies. A portfolio of outstanding managers and a focus on absolute returns can lower investment risk and enhance returns.

The FDC Portal Fund portfolio has two distinct investment streams with the following objectives:

- ▶ To achieve consistent returns throughout the market cycle through an allocation to systematic momentum and arbitrage trading strategies; and
- ▶ To gain exposure to potential high return opportunities over the longer term through an allocation to managers investing in blockchain infrastructure development.

## Investment Process

Our investment team works very closely with blockchain industry experts in identifying investment opportunities, as well as developing new investment insights and ideas.

We conduct research into the capabilities of the underlying fund managers through both qualitative and quantitative analysis. Our focus is on:

- ▶ People: Technical and investment expertise;
- ▶ Process: Discipline, durability and risk management;
- ▶ Governance: Regulatory, systems, asset security; and
- ▶ Performance: Real return, consistency.

## Quick Facts

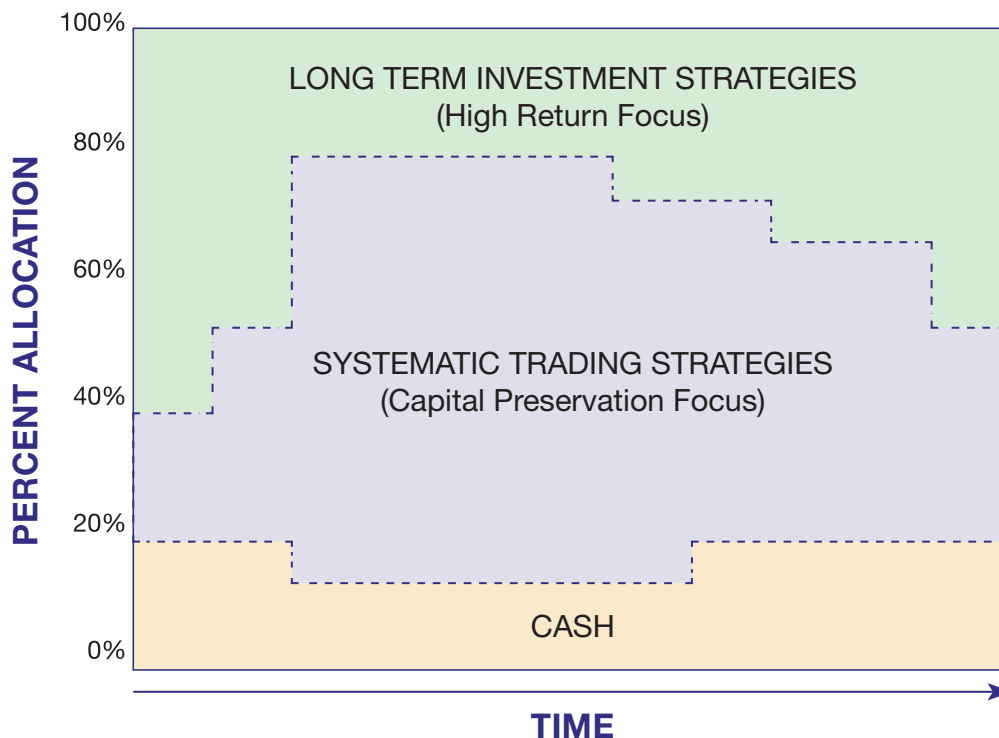
Fund Name	FDC Portal Fund
Fund Domicile	Cayman Islands
Fund Type	Fund of funds – open ended
Investment Manager	First Degree Global Asset Management Pte Ltd
Investment Advisor	FDC Advisory Limited (HK)
Asset Class	Blockchain infrastructure and digital-asset trading
Product Structure	Registered mutual fund (Cayman Islands)
Investment Horizon	5 - 7 years
Benchmark	Absolute return focus
Launch Date	July 2019
Currency	USD
Financial Year End	June 30
Minimum Investment	US\$100,000 initial US\$50,000 additional
Minimum Holding	\$100,000
Lock-up-period	12 months
Redemptions	Quarterly, with 45 days notice
Management Fees	2% p.a. of NAV appreciation calculated and paid monthly in arrears
Performance Fees	20% p.a. of NAV, calculated and paid quarterly in arrears
Administrator	Circle Investment Support Services (Cayman) Limited
Auditor	Cohen & Co

## Planned Investment Outcomes

- ▶ Low risk access to a new market with enormous potential
- ▶ We aim to generate gains irrespective of the direction of digital currency prices
- ▶ A target 25% p.a. return over the medium term, uncorrelated to the returns from traditional asset classes
- ▶ We aim to preserve capital in down markets
- ▶ We target reasonable liquidity and access to capital.

# Dynamic Asset Allocation

The Investment Manager will dynamically tilt the portfolio over time to those strategies that it believes best capture the prevailing opportunities for alpha and to best manage market risk.



## Fund Features

Access to best-of-breed global fund managers specialising in blockchain-related technologies.

An institutional grade investment research and portfolio management process.

Well diversified by type of investment strategy and geography.

A highly experienced investment team with deep knowledge of the blockchain ecosystem.

Access to a portfolio of 5 -10 specialist managers employing different strategies, blended to achieve a more consistent return.

The Fund will not be leveraged. (Note: some of the underlying managers may use leverage to implement their investment strategy.)

Quarterly liquidity after initial lock up period.

Robust risk management:

- ▶ Low manager specific risk
- ▶ Zero direct blockchain and cryptocurrency investments
- ▶ Zero exposure to derivatives (other than for currency hedging (if appropriate))
- ▶ Maximum 20% in any single investment, at time of investment
- ▶ Maximum 33% in any single strategy, at time of investment
- ▶ Maximum 33% of any single manager

# Team

## **Patrick Bennett, CIO, Chair Investment Committee - Sydney Australia**

Over two decades in financial services, specialising in investment research and portfolio management. Previously investment analyst at HSBC James Capel; Head of Research at ASSIRT; Head of Research at Colonial First State Wealth Management responsible for around \$37 billion in FUA and Head of Research for Shadforth Financial Group, with \$13 billion in FUA.

## **Nitin Gaur, CTO, Investment Committee - Austin Texas USA**

Over two decades experience in the design and development of enterprise infrastructures and applications, including solutions for Fortune 500 companies in over 20 countries. Director of IBM's Blockchain Labs, responsible for instituting IBM's organizational understanding around blockchain and industry specific applications.

## **Deryck Graham, Chairman, CEO - Perth Australia**

Over 30 years' experience building and listing companies on the Australian Securities Exchange and 19 years' experience as a public company director. He co-founded QHL, Australia's largest composite aerospace defence contractor with \$800m in contracts, launched, JV'ed and sold Eagle Aircraft which now forms Malaysia's billion-dollar aviation industry and developed one of the world's first social media platforms.

## **Mathew Spoke – Investment Committee – Toronto Canada**

Accomplished Blockchain professional, Founder and MD of AION Network, Founder and Director of the Blockchain Technology Coalition of Canada, Director of Enterprise Ethereum Alliance and past fintech advisor to Ontario Securities Commission.

## **Michael Casey, Investment Committee - New York USA**

A special advisor at the MIT Media Lab. He is Chairman of the Advisory Board for CoinDesk, the leading news, information and events provider for the digital asset and blockchain community. Before joining MIT, he was a columnist at The Wall Street Journal and Dow Jones, where he spent 18 years covering global economics and finance. Michael has authored six books the last of which, The Truth Machine, is the largest selling book on the blockchain space.

## **Stephen Fisher – Investment Committee - Singapore**

Stephen has 25years' experience as an investment professional including as Head of Global Fixed Income Product – Asia Pacific at JPMorgan Asset Management. He also held roles with J.P Morgan Investment Management in New York and Australia, including Australian Head of Capital Markets Research and Asia Pacific Regional Head of Capital Markets Research.

# Service Providers

## Investment Manager

First Degree Global Asset Management Pte Ltd was established in Singapore in 2011. It manages all aspects of investment management, investment strategy, execution, legal structuring of the vehicles, risk management and compliance. The management team individuals have 25+ years each in fund management or legal and banking with firms such as JP Morgan Asset Management and Jardine Fleming Investment Management.

## Investment Adviser

FDC Advisory Ltd (HK) has assembled a team with extensive fund management experience, deep understanding of blockchain technology and connections within this rapidly growing economy. With combined diverse professional experience of over 120 years, the team brings an institutional grade investment capability and deep insight to this extraordinary new industry.

## Legal Counsel

Carey Olsen is a leading offshore law firm advising financial institutions, corporations and private clients from a network of nine international offices with 220 lawyers and 400 employees. They practice in law on Cayman Islands, BVI Guernsey and Jersey law. [www.careyolsen.com](http://www.careyolsen.com)

## Administrator

Circle Investment Support Services (Cayman) Limited are a leading independent fund administrator who work with clients to manager onshore and offshore funds across a wide range of traditional and alternative asset classes. They have over 100 staff with \$10bn of assets under administration. [www.circlepartners.com](http://www.circlepartners.com)

## Auditor

Cohen & Co is a global accounting firm with over 100 professionals providing in-depth expertise related to digital assets making it one of the leading cryptocurrency audit practices worldwide. They have well over 100 cryptocurrency funds under management and work closely with more than 30 international fund administrators.

## Disclaimer

*This information sheet has been prepared by FDC Advisory Limited ("FDC") for general information purposes only, and should not be treated as invitation to subscribe for shares in FDC Portal Fund ("Fund"), or in any other vehicle. Applications for subscription for shares in the Fund may only be made on the terms set out in the Confidential Offering Memorandum for the Fund, a copy of which may be obtained from First Degree Global Asset Management Pte. Ltd., the Manager of the Fund. Prospective investors should consult their own professional advisers before making an investment in the Fund, or in any other investment vehicle. FDC believes that the information contained herein is accurate at the date of publication, but gives no warranty in relation to such information and no liability in respect of any errors or omissions (including any third party liability) is accepted by FDC or its affiliates.*