

Novareum Blockchain Asset Fund

JULY 2021

OBJECTIVE:

The principal investment objective of the fund is to deliver capital appreciation and maximise absolute returns by investing in a diversified portfolio of blockchain assets, such as cryptocurrencies, platform protocols, and application tokens. This will be achieved by conducting fundamental, detailed research across the rapidly growing blockchain universe in order to identify and build a diversified portfolio of blockchain assets with superior growth and return prospects.

INVESTMENT APPROACH:

The Novareum Blockchain Asset Fund aims to achieve this objective by adopting an investment approach focused on the three investment pillars of value investing, bottom-up fundamental analysis and delivering absolute investment returns.

THE FUND:

The fund is registered as an exempted company, limited by shares, under Cayman Islands law with registration number AP-374751. It is registered as a mutual fund under section 4(3) of the Cayman Mutual Funds Act and it is subject to continuing obligations and other regulations under the Cayman Mutual Funds Act.

FUND INFORMATION

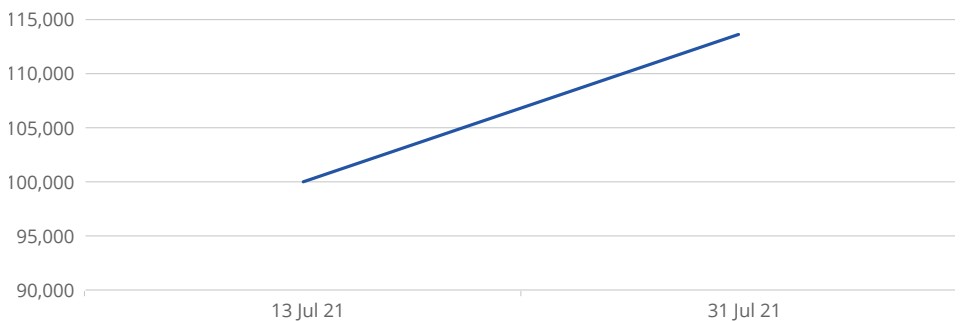
Fund Type	Limited Company
Pricing	Monthly
Investment Manager	AK Jensen Investment Management Limited
Sub Manager	AK Jensen Norway AS
Fund Manager	Gavin Blessing
Subscription Notice	3 business days preceding
Redemption Notice	30 business days
Storage Provider	BitGo Trust Company Inc
Administrator	APEX Fund Services (Malta) Limited
Auditor	Richey May & Co.
Inception Date	13 Jul 21
Gross Exposure	100.5%

DISCLAIMER

The figures shown above refer to the past and past performance is not a reliable indicator of future results. The return may increase or decrease as a result of currency fluctuations. Crypto assets are fairly recent and are at a developmental stage with variation in its regulation in different jurisdictions. Investors should be cautious of the risks associated with crypto assets including (without limitation) volatility, total capital loss, and lack of regulation over certain market participants. The Fund is registered with the Cayman Islands Monetary Authority as a mutual fund under section 4(3) of the Cayman Mutual Funds Law. Shares in the Fund are only available for investors satisfying the applicable Professional Investor criteria set out in the Fund's Offering Documents which are available from clients@akj.com. This document does not constitute an offer or solicitation for investment. The shares of the Fund shall not be offered or sold, directly or indirectly, in a jurisdiction where the offer or sale of the shares is not permitted or authorised or to any person who is not permitted to acquire or hold shares in the Fund under the laws or regulations of such jurisdiction. Shares will not be offered to the general public in any jurisdiction.

PERFORMANCE

GROWTH SINCE INCEPTION OF \$100,000 INVESTED IN SHARE CLASS A



FUND PERFORMANCE

	Month	3 months	YTD	Since inception
Novareum Blockchain Asset Fund (Share Class A)	13.6%	N/A	13.6%	13.6%
Novareum Blockchain Asset Fund (Share Class B)	14.5%	N/A	14.5%	14.5%
Bitcoin	26.5%	N/A	26.5%	26.5%
S&P 500	0.2%	N/A	0.2%	0.2%

TRACK RECORD NOVAREUM BLOCKCHAIN ASSET FUND

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Share Class A							13.6%						13.6%
Share Class B							14.5%						14.5%

SHARE CLASS INFORMATION

	Share Class A	Share Class B
Minimum Investment	USD 100,000	USD 1,000,000
Management Fee	1.50%	1.00%
Performance Fee	15.00%	10.00%
Currency	USD	USD
ISIN	KYG6674A1022	KYG6674A1105
Bloomberg Ticker	NBAFLCA KY	NBAFLCB KY
NAV	113.63	114.46

Welcome to our inaugural Novareum monthly fund letter. Every month, we aim to communicate our thoughts on the latest trends and events within the blockchain universe with our investors in a brief yet thoughtful and insightful way.

As we survey the broader investment landscape and search for the best risk-reward opportunities available, it is hard to look beyond what is happening in the blockchain and cryptocurrency universe. The growth opportunities thrown up by the harnessing of blockchain technology by some of the brightest and ambitious individuals on the planet.

We are hugely excited about the growth potential of this asset class. We are convinced that with time, and as our lives become ever more digitalised, Crypto assets will become a super asset class to rank alongside Bonds, Equities and Commodities. Therefore, we created the Novareum Blockchain Asset Fund to give us a window into and an ability to invest in opportunities created by this new revolutionary technology as consumers and businesses rapidly adopt it over the coming years.

If blockchain technology is the new platform for enabling contracts and payments to be settled directly between counterparties, obviating the need for traditional centralised intermediaries such as banks or large corporate institutions, then cryptocurrencies and tokens are the new mechanisms that

will be used to pay for or derive benefit from the processing power of these new platforms. Moreover, given Blockchain's ability to radically improve business processes, for example, through database management and settlement efficiencies, we believe blockchain technology will eventually lead to nothing short of a complete revolution for all digital marketplaces that we use today.

Think about this. This means that services as common as ordering a taxi, booking a hotel room, streaming a video or song and making a bet can be made over the Blockchain on a decentralised basis using tokens or cryptocurrency to pay for the service. As it is decentralised, there is now no centralised trusted intermediary taking its margin. Hence, the service is cheaper, probably faster, and every bit as good, if not better, as the traditional incumbent service it is competing against. Investing in these projects gives us exposure to this revolutionary technology and often at a very early stage in the lifecycle of these new projects.

PERFORMANCE

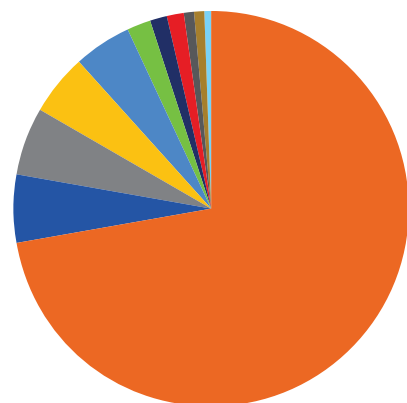
The fund has started well even though the crypto market was still weak in the days after our inception date. Hence our initial deployment of fund capital was cautious, but we accelerated our deployment process once we believed the market showed signs of consolidation and possible breakout to the upside. As July ended, we were fully invested.

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TOP TEN HOLDINGS

	\$ of Gross Assets
Bitcoin	39.4%
Ether	22.4%
Polkadot	8.5%
Solana	5.7%
Matic	5.6%
VeChain	4.8%
Chainlink	4.0%
Cardano	3.0%
AKJ Token	2.2%
Polymath	1.4%
TOTAL	97.0%

SECTOR BREAKDOWN



Blockchain Infrastructure	73.3%
Payment Solutions	5.7%
Blockchain Services	5.6%
Decentralised Finance	4.9%
Supply Chain & Logistics	4.8%
Centralised Finance	2.2%
Security Token Solutions	1.4%
Cash	1.2%
Sports Entertainment	1.0%
Stablecoins	0.7%
Media & Publishing	0.5%

NOVAREUM TEAM

FUND MANAGER - GAVIN BLESSING



Gavin Blessing is a qualified Chartered Accountant and Chartered Financial Analyst with over 25 years experience in financial markets, mainly in corporate bond portfolio management and research analysis. Gavin worked at Goldman Sachs Asset Management in London for more than ten years and has led the fixed income team at ICM for the last nine years, where funds under management have seen strong excess returns. Together with AKJ, Gavin launched the Novareum Fund to apply these same professional fund management skills to the burgeoning yet nascent asset class of Cryptocurrencies.

INVESTMENT ANALYST - BEN HANNIGAN



In his role as a blockchain investment analyst, Ben brings to bear his skills as a computer programmer and data analyst with his abilities as a traditional investment analyst on the highly successful Pentagon High Conviction Bond Fund. Ben has worked in previous investment roles with ICM Limited and Davy Stockbrokers, and has a broad range of experience with big data from his time as a data analyst in KPMG. Ben Hannigan is a Chartered Accountant, Chartered Financial Analyst and has a Professional Diploma in Data Analytics from UCD.

CONTACT US

For further information about the fund, please email the fund manager at blessing@akj.com.

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OUTLOOK

We remain very bullish on the long-term growth potential of the blockchain sector and, therefore, the price appreciation of crypto assets in general. We believe in the use case of Bitcoin as a long-term store of value, but at the same time, we see and understand the vast potential of many other blockchain and application tokens, commonly referred to as Altcoins, available for investment. In short, we believe many of these other opportunities are likely to outperform the return on Bitcoin over time and particularly during specific periods in the market cycle. When we anticipate a period where Altcoins are likely to outperform Bitcoin, we will rotate from one to the other and do the opposite when the cycle turns.

We believe we are still currently in a cycle where Altcoins are likely to outperform Bitcoin. Hence, we will be reducing our weighting in Bitcoin and moving into other altcoin projects. One of the primary recipients of these flows will be the ethereum platform coin, where the outlook for further price appreciation is robust. Ethereum, a virtual, decentralised, programmable computer network, can be used to run complex computer programs and smart contracts supporting global business services and

can be paid for using the ethereum coin, creating a strong and growing demand for the coin. It is the single largest programmable smart contract platform in the universe today. We suggest it is the decentralised, virtual equivalent of Amazon Web Services, the largest cloud and data centre company today. Recent initiatives are culminating in a scenario where the net supply of Ethereum is falling precisely at the same time as the demand for Ethereum is increasing. Demand is rising as more users demand it to pay for 'gas' fees on the network or to use it to pay for other services or derive utility from other applications running on the network. This is a solid recipe for future price appreciation.

In general, we remain bullish on the crypto sector and believe we continue to be in a bull market cycle. After a period of price consolidation in early to mid-summer, we are now heading higher again, supported by a stronger fundamental and technical picture. Moreover, as measured by Google searches, the hype around Blockchain has died down from earlier in the year and yet in the last few weeks, demand, and hence prices, are marching firmly higher again. This all augurs very well for more gains in the coming months.