



# Blockchain Assets

## Blockchain Early Opportunities Fund

31 December 2017 - Investor Report

# Contents

- Fund performance and quarterly highlights
- Asset allocation
- Asset summary
- Asset Spotlight
- Technical Spotlight - Casper Project
- Staying up-to-date

# Fund Performance and Quarterly Highlights

At the start of 2017 the total market value of all Cryptoassets was USD 17.7b, they close the year at circa USD 606b, a staggering 3,323% growth.

The growth has not however been in a straight line, the hourly price swings for these assets is usually in two digits and over a 24 hour period it is not unusual to see swings of 30%-40%. We are still very much in the experiment/development phase of the blockchain ecosystem and while we expect the ecosystem, in the fullness of time to be worth trillions, it will also remain highly volatile for a while yet.

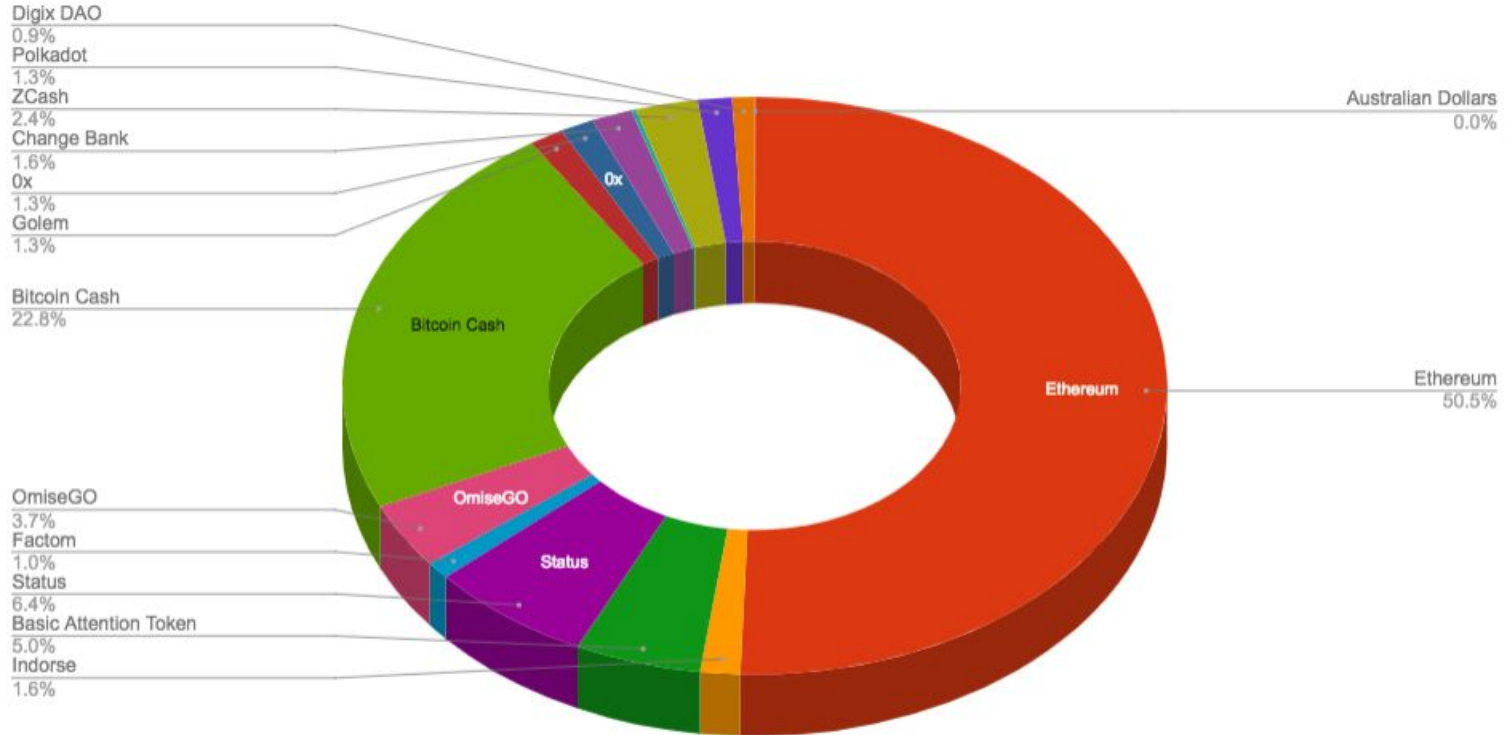
We will be looking for ways of protecting our Fund on the downside early in 2018.

We hold in our Fund what we believe to be the safest and most valuable assets in this very high risk sector, we believe our unrealised gains to date are solid and that there is still significant upside to all our holdings. In 2018 we are (bravely) predicting that Bitcoin Cash and Ethereum will overtake Bitcoin as the top Cryptocurrencies.















This quarter our technical spotlight is on project Casper. The success or failure of Casper will have very significant impact on Ethereum and the whole ecosystem we expect positive news on the Casper to emerge in 2018.

As at 31 December 2017 Assets Under Management were \$3,459,592 and the Unit Price was \$2.13 (up 113% from inception on 1 July 2017).

**Blockchain Early Opportunities Fund - 31 December 2017 - AUM = \$ 3,459,592 - Unit Price \$2.1356**



# Asset Summary

Icon	Ticker	Name	One Liner
	ETH	Ethereum	Protocol layer blockchain enabling smart contracts and decentralized applications
	IND	Indorse	Professional networking on the blockchain, disrupter to LinkedIn
	BAT	Basic Attention Token	Online digital marketing disrupting Google and Facebook etc.
	SNT	Status	Interactive social media platform disrupting Wechat and other mobile social apps.
	FCT	Factom	Verification of documents on the blockchain, medical records, mortgage records etc.
	OMG	Omise Go	Mainstream digital wallet providing peer to peer exchange of crypto and fiat, plus payment channels enabling mass adoption of crypto.
	BCH	Bitcoin Cash	Digital cash for 6 billion people
	GNT	Golem	Peer to peer computer power sharing - Air BnB for computer power
	ZRX	0x	Decentralized peer to peer exchange for ERC20 tokens
	CAG	Change Bank	The world first digital blockchain bank
	KNC	Kyber Networks	Peer to peer exchange and conversion of digital assets
	ZEC	ZCash	Privacy coin - private cash transfers
	POK	Polkadot	Protocol layer blockchain interoperability and communications
	DGD	Digix DAO	Distributed Autonomous Organisation supporting Digital Gold (Digix) gold backed coins

# Asset Spotlight - Factom



We were initially attracted to Factom because of the investment in the project by the Bill and Melinda Gates Foundation. After researching the project for ourselves we quickly saw the attraction.

We spoke at length with the Chief Scientist of Factom, Brian Deery, at the Devcon3 conference in Cancun in November. We set out below our summary of the project and why we would like to increase our exposure to this project.

## *Summary*

The Factom project provides a platform for any type of record to be permanently placed onto the a blockchain. So for example, mortgage records, medical records, supply chain documents, research papers, songs, films, artworks and anything else imaginable.

Each record is referred to as an Entry and each Entry has to be paid for using Entry Credits.

Entry Credits can only be obtained by converting Factoids at the fixed rate of 1 FCT = 0.001 Entry Credit. The FCT themselves are purchased (using fiat or crypto) from Federated Servers (who are responsible for writing the Entry to the Bitcoin blockchain and get paid in FCT for so doing) or via an exchange.

In this way the **FCT is both a 'ticket to ride' token and a form of commodity** as it is utilised in payment for the storage of records. Once spent the Entry Tokens (converted FCT's) are burnt.

The value of a Factom token can be calculated by reference to the number of transactions processed and they will go up in value the more that are processed.

At present our Fund has \$33k worth of FCT, up 119% from purchase price. We are aiming to add to our holding in FCT over the next two quarters.

# Technical Spotlight - Casper (Ethereum Proof of Stake Consensus Model)

Currently the main method for validating transactions on most blockchains is called Proof of Work (PoW). This method is energy intensive and really not sustainable on a mass scale unless we find a cheap and environmentally friendly way of producing energy.

The Ethereum project intends to move to a Proof of Stake (PoS) model and the sub-project for this change is called Casper. In PoS holders of Ether will be able to Stake their Ether in return for a return (interest?). The staked Ether is held in a form of bond/escrow by Validators who are rewarded for validating transactions on the blockchain.

The main person behind this project is Vlad Zamfir, he is worth following on Twitter if you are so inclined.

Leaving aside the technical complexities of this change to PoS (see [here](#) for a technical paper on Casper), this change means that, when combined with Sharding, Whisper and Swarm (other Ethereum sub-projects) VisaCard scale will be achievable without the huge energy consumption requirements of PoW consensus.

This is one reason we feel that Ethereum has the most potential to achieve the full promise of blockchain technology. We will update you all on developments as this project and others reach milestones.

# Staying Up To Date

We have had good feedback on our Vimeo updates. These are made in-house for no cost, we aim to keep these informal, under 5 mins and unscripted.

<https://vimeo.com/blockchainassets>

One of our investor relations projects is to develop a real time valuation spreadsheet that investors can access via their smartphone. When this is ready we will prepare a short 'how to' video to help you access.





Ian Love  
Founder  
Ian@bca.fund  
+61 (0) 450 900 151

Blockchain Assets Pty Ltd  
Suite 5, 95 Hay Street  
Subiaco WA 6009

[www.bca.fund](http://www.bca.fund)



Calvin Ngo  
Founder  
Calvin@bca.fund  
+61 (0) 402 442 460

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