



First Block Capital

Why Distributed Ledger Technology (DLT) matters to investors

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First Block Capital

First Block Capital Inc. registration as an investment fund manager and an exempt market dealer was approved in order to operate a bitcoin investment fund. FBC was founded by global entrepreneurs committed to providing investment exposure to the emerging digital currency asset class based on DLT/Blockchain technology.

Our mission: Develop, originate and manage the first and best crypto/Blockchain investment products in Canada.

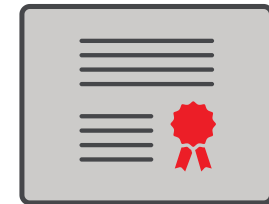
Our vision:



Exposure to a new digital
currency asset class



Access to a diversified portfolio
building block and natural hedge



Ownership of a non-correlated asset
class through an investment vehicle

A World Economic Forum survey found 58% of executives anticipate 10% of global GDP to “be stored on the blockchain before 2025.”

(WEF, “Deep Shift Technology: Tipping Points and Societal Impact”, September 2015)

2018 to be the year in which “certain products go viral” and “new providers/models emerge”

(Credit Suisse, “Blockchain 2.0”, January 11, 2018)

Blockchain could be a \$7 billion market and a major boost to Amazon, Microsoft, analyst says



Kate Rooney

CNBC 2 October 2018



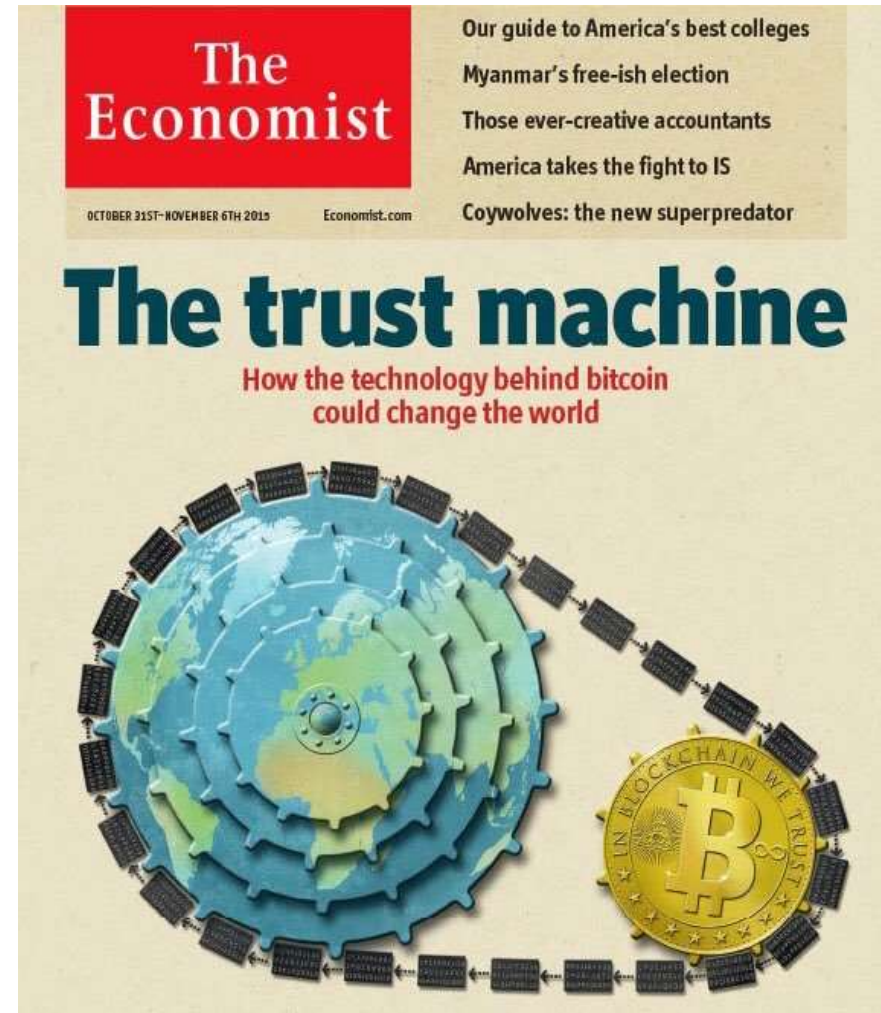
The firm's analysts identified nine companies that stand to benefit from eventual mainstream adoption of blockchain, including Amazon, Microsoft and Oracle.

BMO Capital Markets Launches First-of-its-Kind Blockchain Pilot to Mirror Canadian Dollar Fixed Income Issuance Transaction with Ontario Teachers'



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Understanding DLT/Blockchain



What is DLT/Blockchain?

DLT is a digitized, decentralized network ledger of transactions. Blockchain is an example of DLT. The term DLT is used for permissioned networks used by business, while Blockchain is used for public networks used for cryptocurrencies like Bitcoin. Both allow market participants to keep track of verified transactions without the need for centralized recordkeeping, and both gather and order transaction data into blocks, and then chain them together securely and immutably using cryptography.

A Digital Record

Blockchain is a record of transactions, like a traditional ledger. These transactions can be any movement of money, goods or secure data.



Decentralized

Verification comes from the consensus of multiple users.



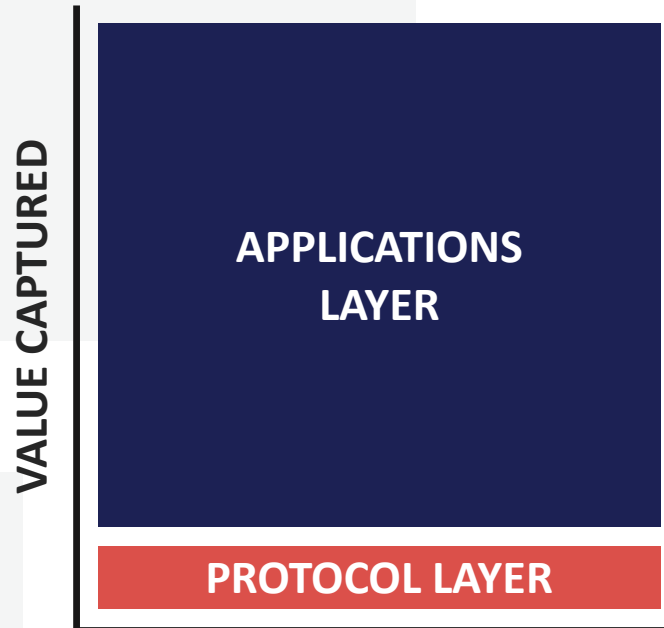
Secure

Blockchain is designed to store information in a way that makes it virtually impossible to add, remove or change data without being detected by other users.

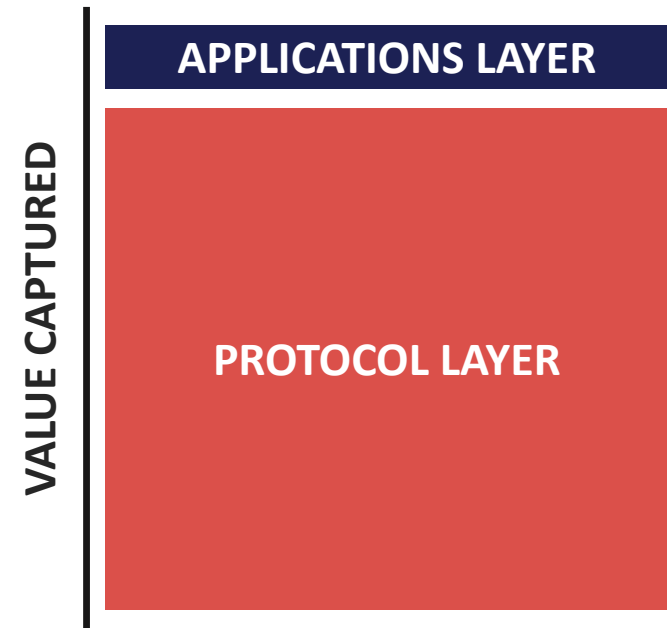


Fat Protocols – Internet of Value

The Web



DLT/Blockchain Technology



Blockchain in context: “Foundational” vs “Disruptive”

*“Blockchain is not a “disruptive” technology, which can attack a traditional business model with a lower-cost solution and overtake incumbent firms quickly. Blockchain is a **foundational technology**: It has the potential to create new foundations for our economic and social systems.”*

[Harvard Business Review, “The truth about blockchain”](#)

Blockchain/DLT – Business benefits



Transaction time
from days to near
instantaneous



Overheads and
cost intermediaries



Tampering, fraud,
and cyber crime

Source: Claudio Di Salvo, MBA (Claudio@iata.org)

Use cases: DLT/Blockchain at work

SONY

Current digital rights management (DRM) solutions that aim for interoperability may not be very reliable and rely on one unique point of failure. A blockchain-based system could manage rights to various types of content or other data, such as movies, television, video, music, audio, games, scientific data, medical data, etc.

Walmart 

Walmart is getting suppliers to put food on a Blockchain, which it says will reduce waste, as well as improve contamination management and transparency. Blockchain enabled WMT to reduce tracking time of produce in its system from 7 days to 2.2 seconds.

 **MAERSK**

TradeLens is an open and neutral industry platform underpinned by blockchain technology, supported by major industry players. The platform promotes a more efficient, predictable and secure exchange of information in order to foster greater collaboration and trust across the global supply chain.

Opportunities: Upending the *status quo*

Range of Industries DLT/Blockchain can affect across the Public Sector

Financial Services	Private Sector	Public Sector	Cross-Industry
Capital Markets & Securities Servicing	Healthcare	Voting Systems	Financial Management & Accounting
Wholesale Payments	TMT	Taxes	Smart Contracts, Property & Leasing
Retail Payments	Distributed Energy & Smart Grid	Smart Cities	Cybersecurity
Trade Finance & Transaction Banking	Real Estate	Record & Identity Management	Shareholder Voting
Insurance	Logistics		Internet of Things
Anti-Money Laundering	Aerospace		Big Data & Data Storage
Regulatory			Proof of Ownership – Legal & Artistic applications

Source: Euroclear, Everis Next, Moody's Oliver Wyman, FBC, Canaccord Genuity

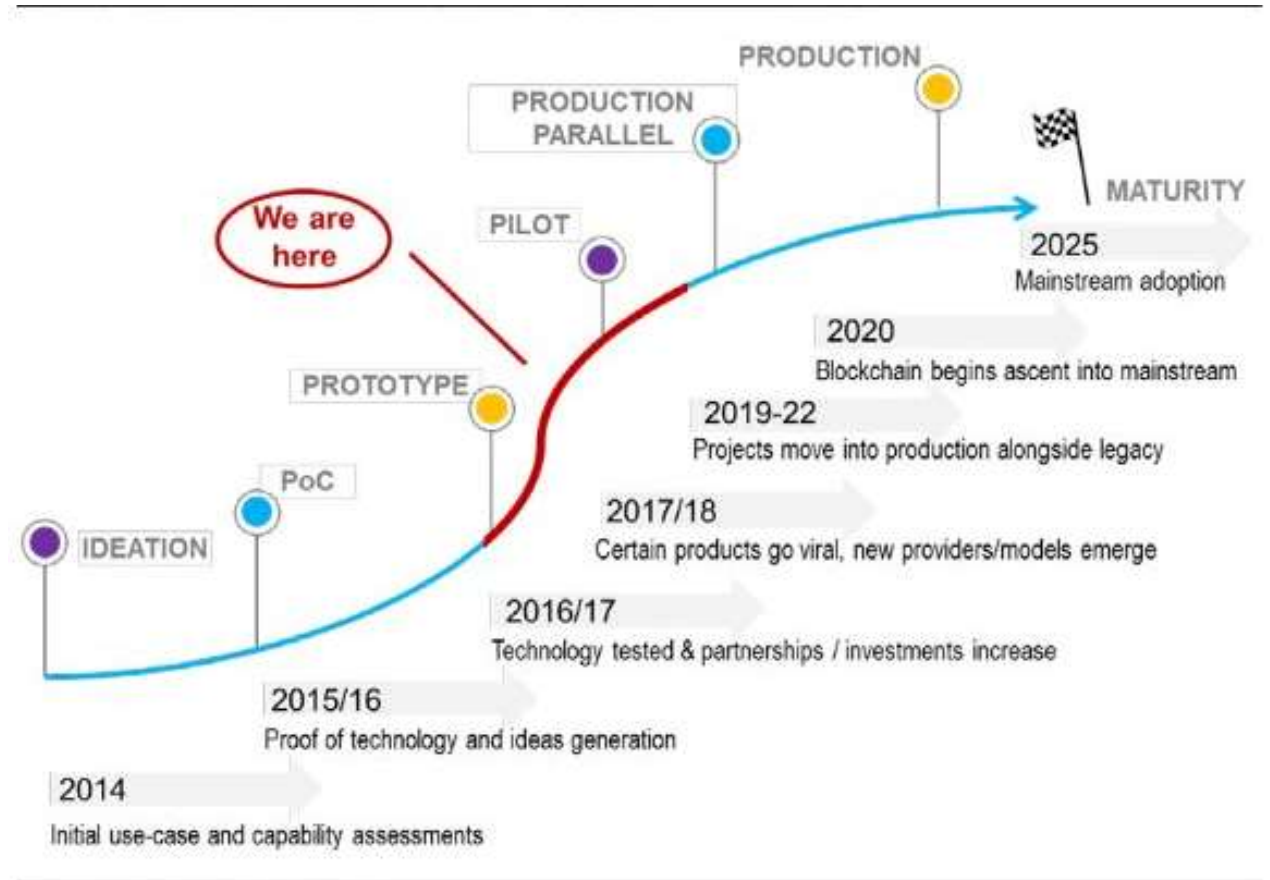
DLT/Blockchain: Adoption, maturity, economic opportunity

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2018 to be the year in which “certain products go viral” and “new providers/models emerge”

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Source: Accenture, Credit Suisse estimates

DLT/Blockchain – Short Educational Videos

IBM Cloud Blockchain TV Commercial, 'The Blockchain Built for Business'

<https://www.ispot.tv/ad/wHsQ/ibm-cloud-blockchain-the-blockchain-built-for-business-tomato>

Walmart's food safety solution using IBM Food Trust built on the IBM Blockchain Platform

<https://youtu.be/SV0KXBxSoio>

IBM Food Safety:

<https://youtu.be/EY0Ld8Hp8Y>

Blockchain: What's In It For The Manufacturing Industry?

<https://youtu.be/wcqyJpll3xg>

Blockchain Car Lease Demo

<https://youtu.be/IgNfoQQ5Reg>

Blockchain: What's In It For The Retail and Consumer Packaged Goods Industries?

<https://youtu.be/OB1IVnDhU2Y>

Third Annual Blockchain Summit on Sir Richard Branson's Necker Island - July 2017.

Key global influencers in technology, civil society, non-profits and business turn ideas into action about using Blockchain technology to make the world a better, more livable place for all

<https://youtu.be/195ivBnXbVY>

<https://www.youtube.com/watch?v=uP-aaes0vvo>

How to Invest: FBCN ETF on NEO Exchange

Why Consider FBCN?

- Size of the Blockchain opportunity prediction is substantial. "10% of global gross domestic product (GDP) to be stored on blockchain technology by 2027"*
- Active professional management of a "medium risk" diversified global equity portfolio.
- A core long term thematic holding to benefit from exposure to this foundational technology.
- Ease of access. Lower cost, diversified and liquid actively managed ETF make it easy for investors to gain exposure.

Investment Objective

The investment objective of the ETF is to achieve capital appreciation by investing, directly or indirectly, primarily in equity securities of companies located anywhere in the world that develop, invest in, use and/or supply Distributed Ledger Technology, such as Blockchain.

Fund Details

Inception	September 10, 2018
Ticker (CAD)	FBCN
CUSIP	32108607
Ticker (USD)	FBCN.U
Primary Listing	NEO Exchange
# of Holdings	34
Sub Advisor	StoneCastle Investment
Fund Category	Global Equity
Risk Rating	Medium
Benchmark	MSCI World (CAD)
Management Fee	65 bps**
Registered Plan Eligibility	Yes

TOP 10 Holdings (As of 11/30/2018)

Holding	Country	Sector	% Weight
Cash			17.9
Xilinx	USA	Information Technology	3.0
Verizon	USA	Utilities	3.0
Intercontinental Exchange	USA	Financials	2.8
CME Group	USA	Financials	2.8
American Express	USA	Financials	2.7
Live Nation	USA	Consumer Discretionary	2.7
Wal-Mart	USA	Consumer Discretionary	2.7
Thomson Reuters	Canada	Information Technology	2.7
Genpact	USA	Information Technology	2.6

ETF Highlights

- FBCN is a medium risk way to gain exposure
- Look for good DLT companies that are also good investments
- “Alpha Tilt” thesis goal is outperform world equity benchmark over full market cycle
- Can add up to 25% in pure Blockchain stocks when fundamentals justify
- Want to be the best actively managed Global Equity ETF in Canada
- Experienced active portfolio manager



Thank You

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