

RIVEMONT



## Rivemont Crypto Fund

*To take advantage of the rise of cryptocurrencies*

Future investment results will differ from past results. The units of the Fund are available under the National Instrument 45-106 Prospectus and Registration Exemptions and are therefore only available to accredited investors. This document does not constitute a recommendation nor an investment advice and is presented for information purposes only.

December, 2017



## Launch of the Rivemont Crypto Fund

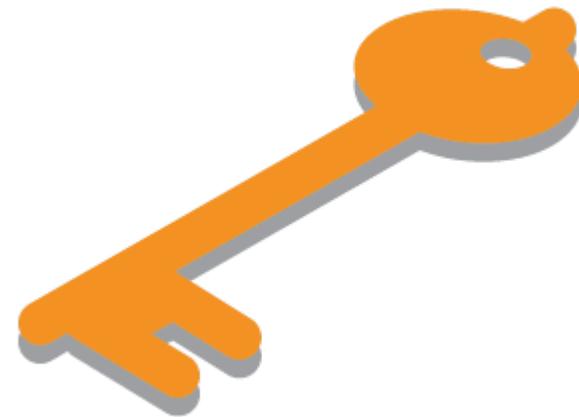
Rivemont has received, on December 8, 2017, the authorization from the Quebec authorities (AMF) and the Ontario authorities (OSC) to launch the Rivemont Crypto Fund. We are currently accepting investments.

## Cryptocurrencies versus Traditional Currencies

The main difference between traditional currencies (fiat money) and cryptocurrencies is the complete decentralization of the latter. Purely electronic, they do not require any banking intermediary.

The main features of cryptocurrencies are as follows :

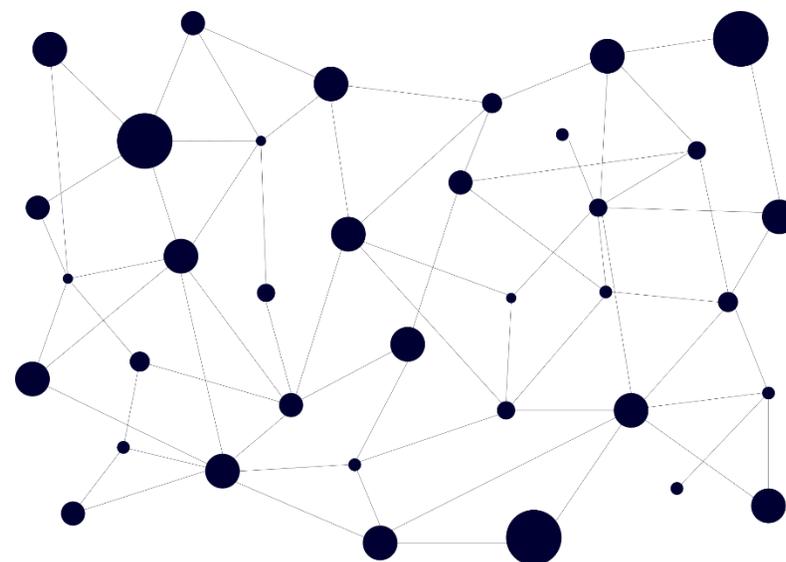
- Completely decentralized. Not issued by a central authority.
- Virtually instantaneous transfers.
- Very low transaction fees in comparison to traditional bank transfers.
- All transactions are fully public and easily identifiable.
- They are nevertheless anonymous, since they use a cryptographic address rather than your own identity.





## What is a cryptocurrency? And a *Blockchain*?

- At its core, a cryptocurrency is a large ledger containing all the transactions in its history.
- It relies on cryptographic technology, which allows to authenticate the transactions via a personal signature impossible to guess or duplicate.
- All transactions are electronically announced on the network. They are integrated into transaction blocks, which are then validated by computers that solve complex calculations to get there. When a block is validated, it is added right after all the blocks that precede it.
- All of these blocks constitute the Blockchain. The latter is completely immutable, preventing any possible fraud on the protocol itself.
- While blockchain technology was initially developed to reinvent the financial transaction system, its scope is now much broader. This revolution is considered as important as the arrival of the internet was in the 1990s.





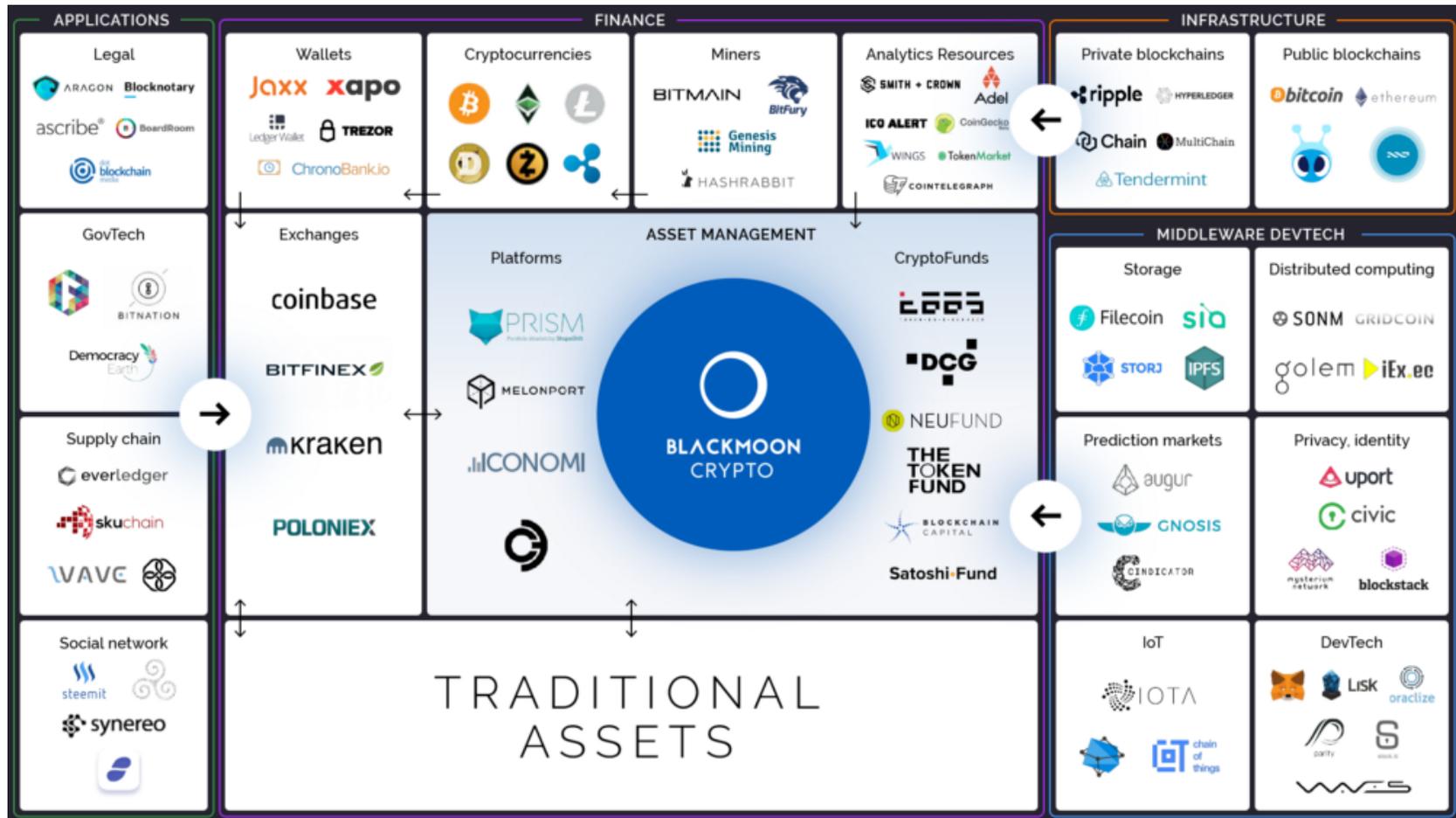
## The *Blockchain* Technology – A new paradigm

Blockchain technology has the potential to have an impact on our society as wide as the birth of the internet. If one already knows its advantages as a currency, many other industries are likely to be the subject of a revolution linked to the blockchain in the decade to come:



- Online security
- Global voting systems
- Car sales and rental
- Networking
- Gaming industry
- Online music industry
- Sharing economy
- Online market exchanges
- Real estate market
- Insurance industry
- Health system data
- Supply chain transactions
- Cloud data storage
- Energy management
- Loyalty programs
- Government payment systems
- Firearms registry
- Notarial contracts, including wills
- Charitable donations integrity
- Human resources management
- And many more!

# The Blockchain Technology – A new paradigm



Source: <https://medium.com/blackmoon-crypto/the-crypto-finance-ecosystem>



## The *Blockchain* Technology – The beginning of a new revolution

*"Bitcoin is a remarkable cryptographic achievement and the ability to create something that is not duplicable in the digital world has enormous value."*

**Eric Schmidt, CEO of Google**

*"It's a significant innovation that could transform the financial system more generally."*

**The Bank of England**

*"You can't stop things like Bitcoin. It will be everywhere and the world will have to readjust. World governments will have to readjust."*

**John McAfee, Founder of McAfee**

*"Innovations in network technology and cryptography could change the speed and mechanics of moving money."*

**Goldman Sachs**

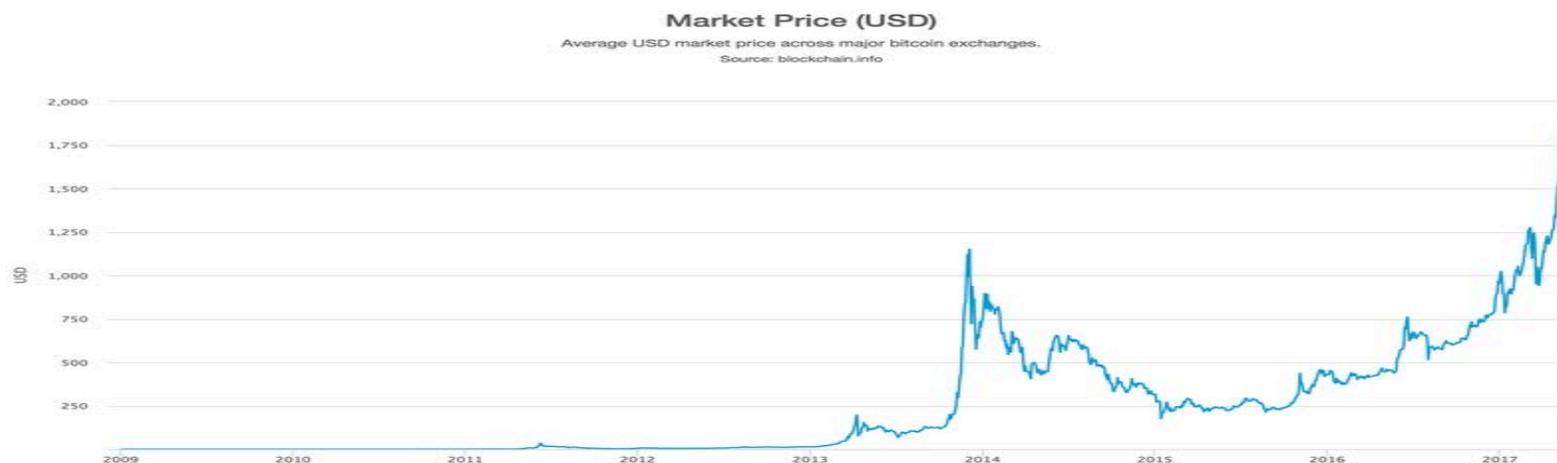


## The *Bitcoin*

The most popular cryptocurrency is undoubtedly the Bitcoin.

Here are some relevant information about the Bitcoin.

- Founded in 2009 by a mysterious programmer nicknamed Satoshi Nakamoto.
- Capitalization of CAD \$350 billion.
- Spectacular growth. CAD \$100 invested on January 1st, 2011 is worth CAD \$ 7.5 million today.
- A Bitcoin is worth approximately ten ounces of gold.



*Historical price of Bitcoin*



## *Altcoins*

There are hundreds of parallel cryptocurrencies with high potential:

- The global capitalization of cryptocurrencies exceeds CAD \$550 billion.
- Ethereum recorded a growth of more than 5,700% in 2017 and Neo has one of more than 24,000%.
- They propose a revolution to many industries. We are only at the dawn of their implementation. Unrivalled performance potential.
- A return completely independent of traditional market trends.



## Rivemont Crypto Fund – What's in it?

- Initially, the fund will invest in Bitcoin futures traded on the CBOE and the CME markets.
- The next step will be to add Bitcoin and Ethereum directly.
- The third step, conditional on the prior approval of the authorities, will be the addition of cryptocurrencies in the top 10 in terms of their capitalization of the entire market, such as the Ripple or the Litecoin (target early 2018).
- Finally, when the industry will offer institutional and security solutions, our medium-term goal is to include in the fund:
  - Several emergent altcoins with strong fundamental bases (NEO, DASH, OMG, XMR, BAT ...).
  - Possibility of investing in ICOs (Initial Coin Offering), a procedure similar to IPOs on the stock market.
  - Investment in tokens, i.e. cryptocurrencies that do not target the financial market.
  - Possibility of arbitrage to take advantage of the spreads between the different brokers used.





## Rivemont Crypto Fund – Management Philosophy

The objective of the Fund is to target cryptocurrencies with strong fundamentals with high yield potential. Combining fundamental analysis with a trend following approach, the Fund aims to generate a return higher than the increase in the overall market capitalization of cryptocurrencies.

- A rigorous **fundamental analysis** focusing on cryptocurrencies providing innovative solutions to various industries and which have been developed and are managed by seasoned teams.
- A proven **trend following approach** to limit investor risk without sacrificing yield potential.





## Rivemont Crypto Fund – Fundamental Analysis\*

The Rivemont Crypto Fund focuses on projects with strong fundamental qualities. We are looking for projects with the following characteristics:

- Renowned founders.
- Team of seasoned developers.
- Bringing a tangible solution to an industry problem.
- Clear timetable.
- Sufficient funding.
- Which are trading on enough platforms to ensure their growth and sufficient liquidity.
- Which are ahead of their competitors, if they have any.
- Which have an effective communication team. It's important to remember that virtual currencies rely heavily on their decentralized development community.



\* Initially, the fund will use Bitcoin futures traded on the CBOE and the CME exchanges, among others.

## Rivemont Crypto Fund – Trend Following Analysis

If the choice of cryptocurrencies is initially based on a fundamental analysis, the timing of buying or selling a cryptocurrency is based on a trend following approach, very unique to Rivemont.

- A trend following approach does not attempt to predict the future. On the contrary, this strategy demands that a clear trend emerges before taking a position.
- This approach reduces the exposure for investors. Thus, a position at a loss is quickly liquidated in favor of a position with a more defined trend.
- This approach nevertheless allows to benefit from long bullish period since a cryptocurrency will be kept in the Fund as long as its trend is not broken.



*“If you want to know everything about the market, go to the beach. Push and pull your hands with the waves. Some are bigger waves, some are smaller. But if you try to push the wave out when it’s coming in, it’ll never happen. The market is always right”*

Ed Seykota – Famous trend following trader.



## Rivemont Crypto Fund – Its Benefits

- A completely unique type of investment, uncorrelated to traditional asset classes.
- Diversification against market uncertainty.
- Extremely high return potential, unparalleled on the stock market.
- Volatility is inversely proportional to the massive adoption of the technology, with no effect at this time on the returns of cryptocurrency investments.
- A simplified way to invest in the emerging market of cryptocurrencies with the expertise of seasoned analysts in the field.





## Rivemont Crypto Fund – The Investors

The Rivemont Crypto Fund is for investors:

- Looking for an investment with high return potential.
- In search of diversification and opportunities uncorrelated to traditional markets.
- That are risk-tolerant and able to withstand short-term volatility in return of a significantly higher performance over the medium and long term.
- Having a long investment horizon and not having a short-term need to liquidate their position in the Fund.

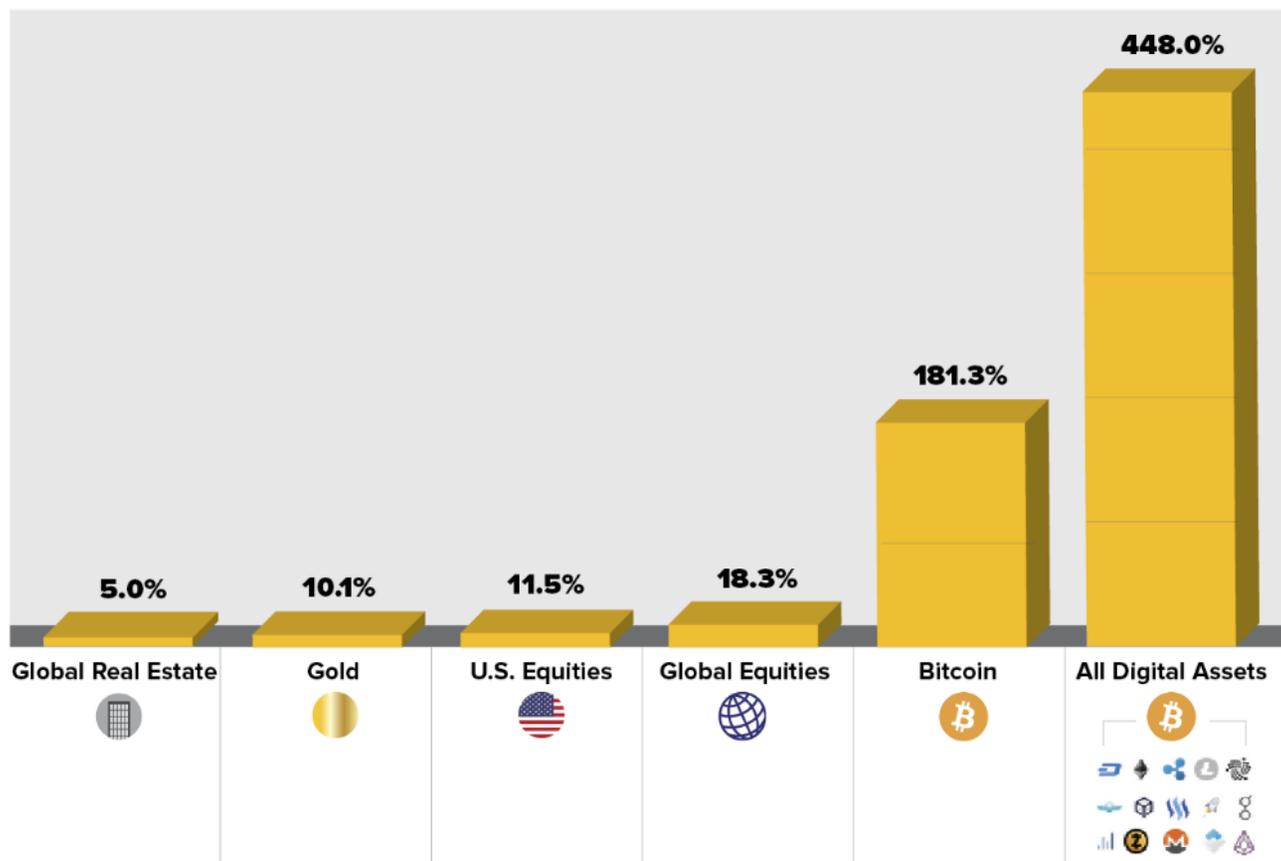


Example of volatility in the cryptocurrencies market – Monero (XMR) June 1st to September 1st 2017



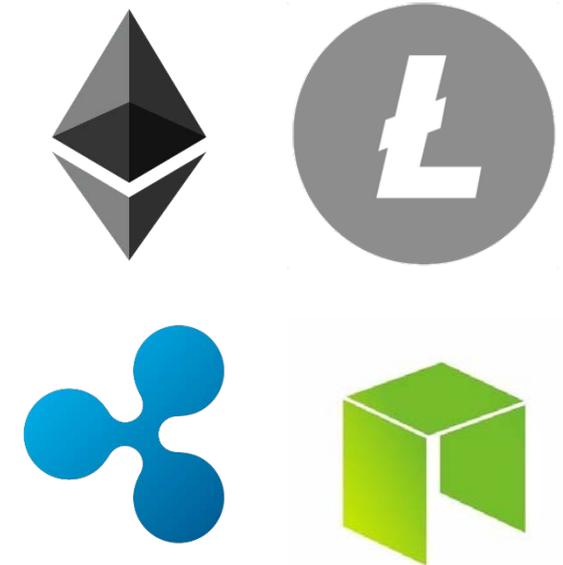
## Performance of the different asset classes

### 2017 YTD RETURNS



Returns as at July 31, 2017 - Source: [www.philstockworld.com](http://www.philstockworld.com)

## Performance of *Altcoins* in 2017





## Our Team



### Martin Lalonde

MBA, CFA  
President and portfolio  
manager

Martin is responsible for the management of the investment strategies of the firm. He has many years of experience in the financial markets and held the position of Senior analyst, investment and mergers and acquisitions for a major Canadian organization.

- Master's degree in Business Administration (MBA) from the University of Ottawa.
- Specialization in international trade at l'École supérieure de commerce of Reims, in France.
- Chartered Financial Analyst (CFA).
- Member of Leaders Club of the Gatineau Chamber of Commerce
- Member of the "*Table d'action en entrepreneuriat*" for the Outaouais region.
- Financial commentator and hosts a weekly chronicle at 104.7 FM.



### Jean Lamontagne

CFA, FCIA  
Vice President, Business  
Development and Client Servicing

Jean is mainly responsible for promoting the strategies of the firm with private clients, brokers, consultants and financial planners. He has more than 30 years of experience in the areas of investment and retirement plans.

- Bachelor's degree in actuarial science from Laval University.
- Chartered Financial Analyst (CFA).
- Fellow of the Canadian Institute of Actuaries.
- Previously held the position of Vice President at Triasima Portfolio Management and occupied senior consulting roles at Towers Watson and Towers Perrin.
- President of the Board of the "*Fondation du Grand séminaire de Montréal*".



### Philippe Jette

Senior Analyst, Rivemont  
Crypto Fund

Philippe is responsible for the analysis of the cryptocurrencies for the Rivemont Crypto Fund. Passionate about emerging technologies, Mr. Jetté has closely followed the development of the blockchain technology and has an in-depth understanding of its many advantages, both as a currency and on the various industries that can be reinvented thanks to this revolution.

- Active on the cryptocurrency market since 2013.
- Compelling returns.
- Advanced expertise in fundamental analysis of cryptocurrencies.



Thank you!



# Appendix A Stakeholders

Administrator	SGGG Fund Services
Registrar	SGGG Fund Services
Principal exchanges	CME, CBOE, Gemini Trust, Xapo
Auditor	KPMG
Legal Documents	Fasken Martineau
Trustee	TMX Trust

## Appendix B Structure

<b>Structure</b>	Mutual Fund Trust
<b>Units</b>	Private placements, accredited investors only
<b>Investment Fund Manager</b>	Majestic Asset Management
<b>Investment Advisor</b>	Rivemont Investments Inc.
<b>Eligible for RRSP and TFSA</b>	Yes
<b>Valuation/subscriptions/redemptions</b>	Weekly/weekly/Monthly
<b>High Water Mark</b>	Yes

## Appendix C Management Fees

Annual Rate	CLASS A [MAJ710]	CLASS B [MAJ714]	CLASS F [MAJ711]
Fixed fee	2.0%	1.5 %	1.0%
Performance fee	20%	20%	20%
High water mark	Yes	Yes	Yes

- Class I is also available for the investors that wish to pay fees outside the fund.