



# RIVEMONT

## PORTFOLIO MANAGER OF THE RIVEMONT CRYPTO FUND

Canada's Only Authorized Actively Managed Crypto Fund

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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.

***Rivemont is the portfolio manager responsible for the investment decisions of the Rivemont Crypto Fund.***

The Rivemont Crypto Fund, launched on December 14th, 2017, is aimed at qualified Canadian investors. It is currently the only actively managed cryptocurrency fund in Canada.

The Rivemont Crypto Fund offers the widest selection of cryptocurrencies within its portfolio composition. Rivemont can trade the following cryptocurrencies:



**Bitcoin**  
(BTC)



**Ethereum**  
(ETH)



**Litecoin**  
(LTC)



**Ripple**  
(XRP)



**Bitcoin Cash**  
(BCH)



**Ethereum Classic**  
(ETC)



**Zcash**  
(ZEC).

More will be gradually added following the regulators' approval.



## Rivemont Investments

Rivemont Investments is a Canadian-based firm founded in 2010 and duly registered with the securities commissions in British-Columbia, Alberta, Ontario and Quebec.

At Rivemont, our objective is to grow our clients' portfolios by offering performing strategies in all market conditions. As such, we offer the Rivemont Crypto Fund, which enhances the risk/return ratio of diversified portfolios.

**President and Founder :** Martin Lalonde, CFA, MBA

**Firm assets :** 55 million \$

### OUR PRODUCT OFFERING

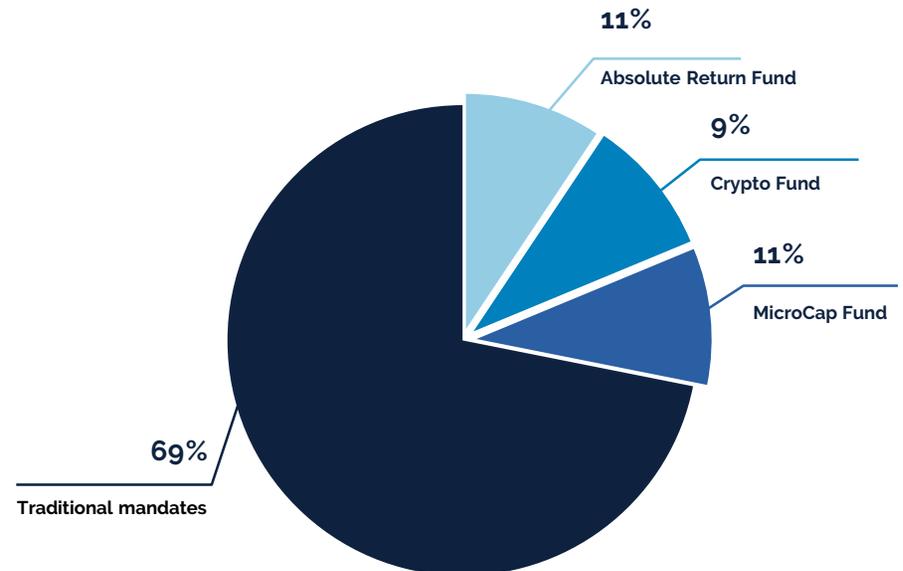
Rivemont  
Private Wealth

Rivemont Crypto  
Fund

Rivemont  
MicroCap Fund

Rivemont  
Absolute Return  
Fund

### DISTRIBUTION OF OUR MANDATES



## Our Management 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



### Jean Lamontagne

CFA  
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 also acts as portfolio manager for the Rivemont MicroCap Fund.

- ✓ Chartered Financial Analyst (CFA).
- ✓ Bachelor's degree in actuarial science from Laval University.
- ✓ Previously held the position of Vice President at Triasima Portfolio Management and occupied senior consulting roles at Towers Watson and Towers Perrin.
- ✓ . He has more than 30 years of experience in the areas of investment and retirement plans



### Louis Natier

Analyst, Investments and Administration

Louis has several responsibilities in portfolio administration and compliance. He has won some of the most prestigious academic competitions in finance in Eastern Canada, including the 2018 Jeux du commerce and the 2018 Financial Open.

- ✓ Bachelor's degree in Administration, specialization in Finance from École des sciences de la gestion (ESG UQAM)
- ✓ Currently pursuing the CFA (Chartered Financial Analyst) designation

## ***External Consultant***



### **Philippe Jetté**

Main Consultant, 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.

## ***Cryptocurrencies versus Traditional Currencies***

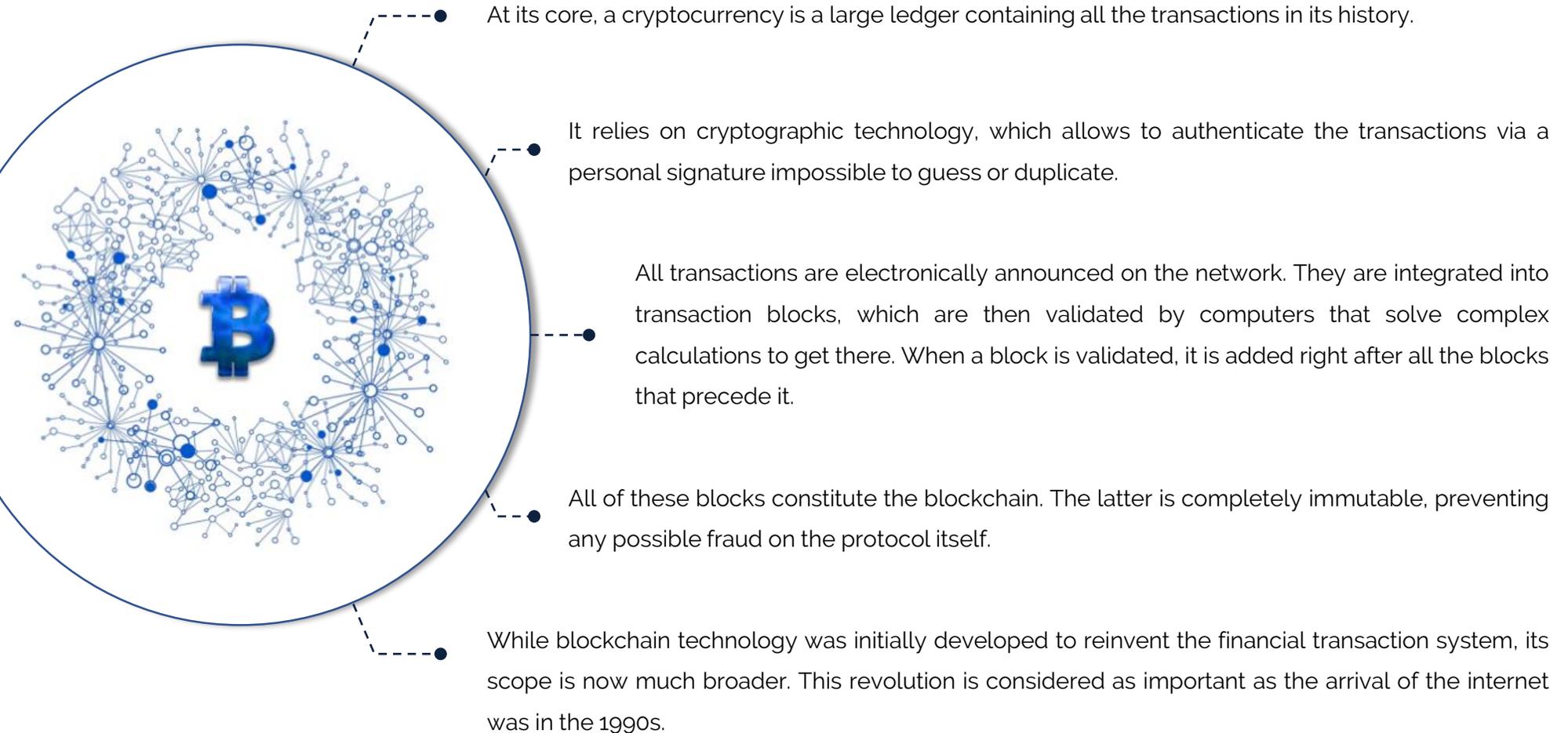
The main difference between traditional currencies (fiat money) and cryptocurrencies is the complete decentralization of the latter. Purely electronic, they do not require any banking intermediary. Its value is based on its immutability, the lack of central link risk, its limited supply, and all the computer work supporting the bitcoin network and ensuring its security.

### **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?



## *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!** ●

## *Why investing in cryptocurrencies?*

- A revolutionary technology that is just entering the adoption phase. It is no longer a question of whether it will be implemented in many industries, but rather when, how, and with which protocol.
- Institutional and traditional investor money is just starting to get in the market. It is so complex for the average person to buy cryptocurrencies. Soon, it won't be the case anymore.
- Overall capitalization of \$303 billion US as of August 7<sup>th</sup>, 2019. The growth potential is huge. In comparison, gold's capitalization is \$7.1 trillion US, \$21.8 trillion US for the S&P 500 and \$1 trillion US for Apple alone.
- A non-correlation that could, in the opinion of many analysts, become an inverse correlation to traditional investments. A perfect hedge in a balanced portfolio.
- Without a doubt, the most promising asset class for the risky part of a diversified portfolio.



## First and foremost, bitcoin

The most popular and known cryptocurrency is without a doubt bitcoin. This currency is not a blockchain among many others, but the currency that has created this brand new revolutionary technology.



Here are some relevant information about the Bitcoin:

- Founded in 2009 by a mysterious programmer nicknamed Satoshi Nakamoto.
- Capitalization of \$208 billion US as of August 7<sup>th</sup> 2019.

Zoom 1m 3m 6m YTD 1y **All**



## ***Bitcoin, the New Digital Gold***

As the bitcoin evolves, it is increasingly compared to gold, the historic safe haven par excellence. Like gold, bitcoin has key features to be considered as currency, such as:



If its acceptance, another primordial function of money, does not depend on trust in the authority that a central bank represents, it is rather the immutability of the network, the scarcity of the asset and the decentralized computer work removing any compromising central link that gives the bitcoin its implicit value.

## ***Bitcoin, Common Currency or Safe Haven?***

If the creator of bitcoin first tried to develop a common currency, the asset is gradually developing an inverse correlation with the stock markets.

In addition, while bitcoin has long been considered one of the riskiest assets due to its volatility, it is nevertheless increasingly being used as a safe haven against the uncertainties of traditional markets. While it would have long been the first asset liquidated in the event of a crisis, we are witnessing more and more the opposite phenomenon, the crypto-asset offering an opportunity for uncorrelated or inversely correlated returns to the stock markets.

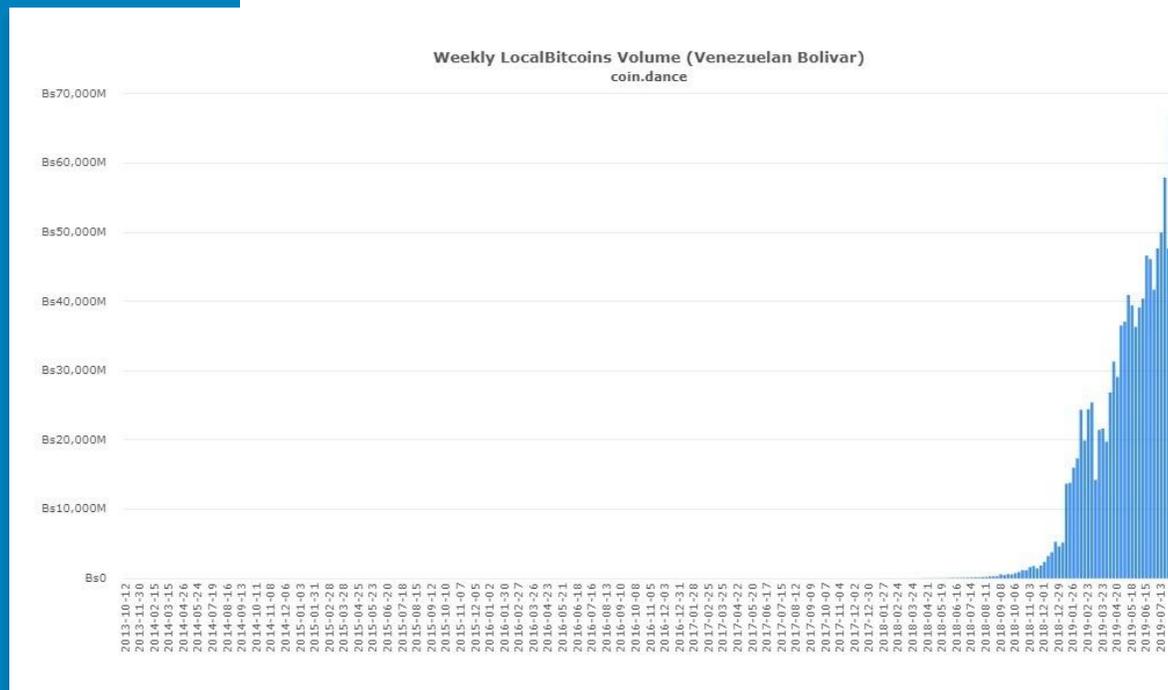
Bitcoin, by its unique nature, could therefore have these two joint characteristics. With the development of the Lightning network, which increases transactional capacity, bitcoin could be a safe haven that is commonly used for payments, thereby gradually reducing its volatility, without reducing its return potential.



## A Deflationary Currency

The most obvious risk facing traditional currencies is a badly managed or corrupt central bank, which can lead to hyperinflation. To this end, bitcoin is the perfect refuge, being a deflationary currency.

Venezuela is experiencing such a period of hyperinflation. For the week ending August 3<sup>rd</sup>, 2019, the amount of Venezuelan Bolivars exchanged for bitcoins rose to 67 billion. Here is a chart from the *coin.dance* website that shows this transition from fiat currency to bitcoin in Venezuela to avoid a decline in net wealth.



## ***A Known, Fixed offer, and Halving***

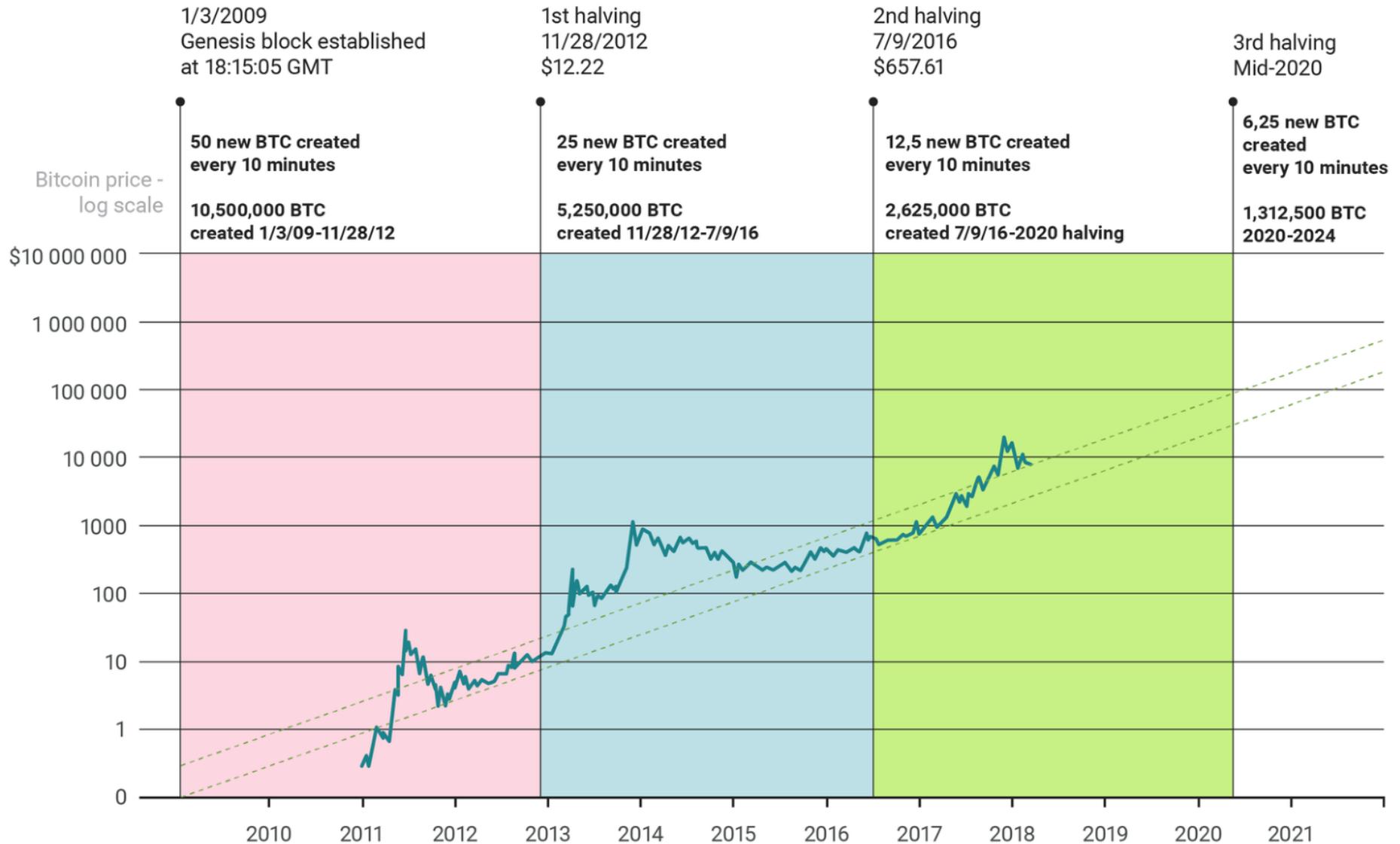
Never more than 21 million bitcoins will be created. 85% of them have been created as of August 2019. It will take 120 years for the remaining 15% to be created. And of this latent offer, 90% of it will be discovered by 2024.

This phenomenon is due to the halving of the number of bitcoins created for each four-year period. Right now, 12.5 bitcoins are created for an average block period of ten minutes. This rate will decrease to 6.25 in May 2020 for the same block period.

This fully-known, fixed and predictable offer is putting upward pressure on prices. It goes without saying that at equal demand, the halving of supply pushes the bitcoin value upwards. We witnessed this momentum with every previous halving as shown by the graph on the next page which was prepared in the spring of 2018 by *Insider PRO*. We can see that the price prediction corridor for the years that followed the halvings were fairly well respected.



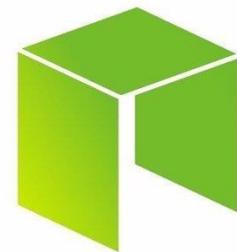
## Bitcoin Price History at Previous Halvings



## *Altcoins*

There are hundreds of parallel cryptocurrencies with high potential:

- The global capitalization of cryptocurrencies is \$305 billion US as of August 7th, 2019.
- Ethereum recorded a growth of more than 5,700% in 2017, Neo more than 24,000% and Ripple 39,000%.
- They propose a revolution to many industries. We are only at the dawn of their implementation.
- The Rivemont Crypto Fund can take advantage of price trends in these Altcoins to maximize investor returns.



## Rivemont Crypto Fund

Launched on December  
14th, 2017

This is one of three Rivemont alternative funds, alongside the Rivemont Absolute Return Fund and the Rivemont MicroCap Fund. Rivemont also offers traditional private wealth strategies.

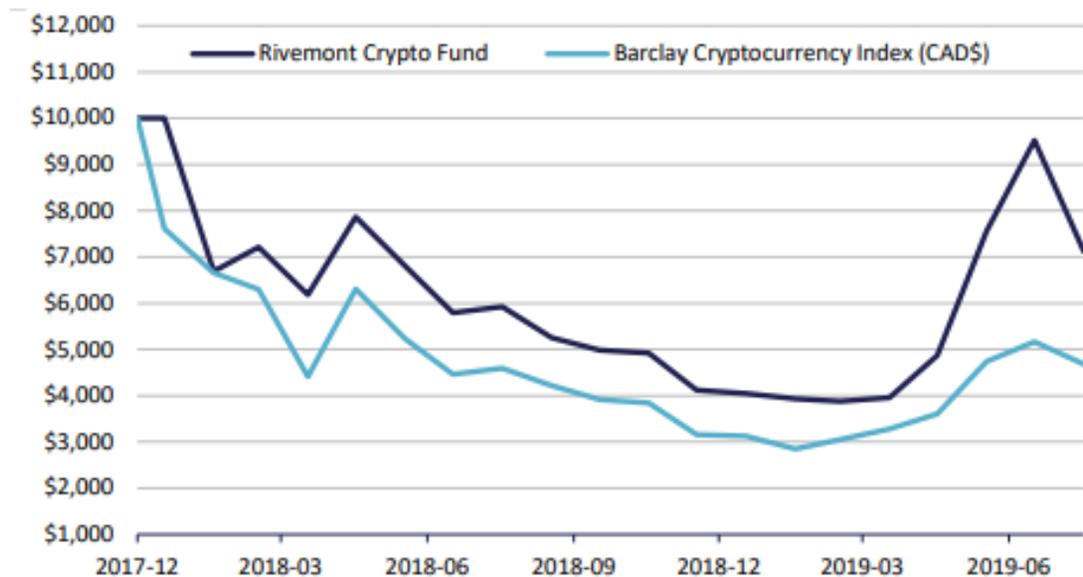
Rivemont is registered as a portfolio manager with the Autorité des marchés financiers (AMF), the Ontario Securities Commission (OSC), the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC).

The objective of the Fund, in addition to obviously allow exposure to the emerging market of cryptocurrencies among investors, is above all to generate a higher return than the growth of the global capitalization of cryptocurrencies. We also seek to outperform indices developed for cryptocurrency funds, including the *Barclay Cryptocurrency Index*.



## Successful Returns

Despite the fact that the fund was launched at the beginning of a major price correction in the cryptocurrency markets, the performance objective has been met. The graph shows the performance as at June 30, 2019 compared to the *Barclay Cryptocurrency Index*.



The most recent returns can be viewed [by clicking here](#).

### Performance net of all fees (%)

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual / YTD	
													Rivemont	Barclay
<b>2017</b>												0.0	0.0	-23.8
<b>2018</b>	-33.1	7.7	-14.3	27.3	-13.5	-14.9	2.2	-11.2	-5.1	-1.4	-16.1	-1.8	-59.5	-58.9
<b>2019</b>	-2.9	-1.4	2.0	23.1	55.2	25.9	-25.2						75.8	49.7
<b>Annualized return since inception:</b>													<b>-18.9</b>	<b>-37.3</b>

## *Why use the Rivemont Crypto Fund to Invest in Cryptocurrencies?*

- The only actively managed fund of cryptocurrencies in Canada.
- Canadian fund with the widest selection of cryptocurrencies within its portfolio composition.
- Eligible for RRSP and TFSA investments.
- Take advantage of the cryptocurrencies performance without compromising the security element and without the personal ownership of assets risk.
- Access to cash. No investment lock-up.
- A team at the forefront of the industry solutions. We are actively working to continually expand our investment opportunities to maximize our investors' potential return.
- No minimum or maximum allocation for each cryptocurrency. Ability to quickly protect against drops by converting to fiat money.



## *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 have an effective communication team. It's important to remember that virtual currencies rely heavily on their decentralized development community.



## 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 broke



*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 – Other Benefits***

1

Diversification against market uncertainty.

2

High return potential, unparalleled to the stock market.

3

Volatility is inversely proportional to the massive adoption of the technology, with no effect so far on the returns of crypto assets.

4

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 return potential over the medium and long term.
- Having a long investment horizon and no short-term needs to liquidate their position in the Fund.

Rivemont is registered with the AMF (Quebec), OSC (Ontario), ASC (Alberta) and BCSC (British-Colombia).

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

- The Rivemont Crypto Fund is currently the Canadian fund with access to the widest selection of cryptocurrencies. We can currently invest in:



**Bitcoin**  
(BTC)



**Ethereum**  
(ETH)



**Litecoin**  
(LTC)



**Ripple**  
(XRP)



**Bitcoin Cash**  
(BCH)



**Ethereum Classic**  
(ETC)



**Zcash**  
(ZEC).

- Looking forward, when the industry will develop further to offer institutional solutions, our medium-term goal is to include in the fund:
  - ✓ Several emerging altcoins with strong fundamental bases.
  - ✓ Possibility of arbitrage to take advantage of the spreads between the different brokers used.



## Rivemont Crypto Fund – What's in it – bitcoin (BTC)

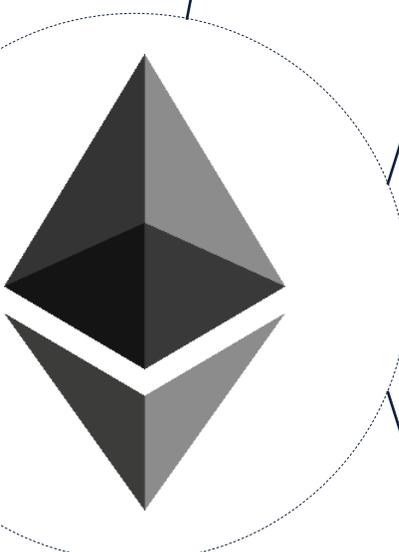
There will never be more than 21 million Bitcoins in circulation, somewhere in 2140. Current float is close to 18 million, with several million estimated lost. Demand is rising rapidly while supply is limited and fixed.

The new bitcoins emissions (halving) will be reduced from 12.5 bitcoins / blocks to 6.25 bitcoins / block in 2020. This phenomenon occurs every 4 years.

The standard cryptocurrency on the market. It is difficult to integrate the market or trade without buying / selling bitcoins. Market dominance with capitalisation representing over 65% of total capitalisation of cryptocurrencies as of August 21st, 2019.

Current development of the Lightning network, allowing to greatly decongest the network by allowing transactions on off-channel levels, increasing the blockchain transaction capacity.

## Rivemont Crypto Fund – What's in it – ethereum (ETH)

The Ethereum logo, a stylized diamond shape with a white 'E' in the center, is enclosed in a dashed circle. Five lines with dots at the end connect this circle to five separate text blocks on the right side of the page.

A decentralized super computer that allows the management of such decentralized applications (dapps) in the form of smart contracts. A smart contract is simply a contract that runs automatically without intermediary when the programmed conditions are met.

Ethereum is a platform on which any company can build its decentralized solution. It affects several industries. The use of the network requires a fuel called ETH. It's ETH that's trading on the markets.

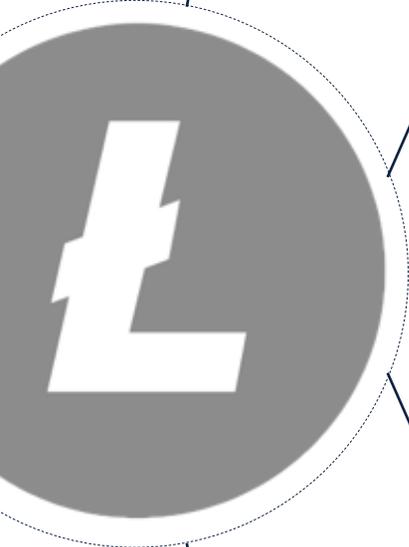
Cryptocurrencies (tokens) are also created within the Ethereum network. They are called ERC-20 tokens.

Great leader as cryptocurrency platform in the industry. 1378 applications are currently built on the network. Transactions on the Ethereum network count for more than 50% of all transactions, all cryptocurrencies combined.

Many major partners via the Enterprise Ethereum Alliance, including AMD, CISCO, JP Morgan, MasterCard, Microsoft, Pfizer, Samsung, Scotiabank, Shell and Toyota.

## ***Rivemont Crypto Fund – What's in it – litecoin (LTC)***

A Bitcoin fork created in 2011 by Charlie Lee. This is a very similar protocol but uses a different cryptographic algorithm (script instead of SHA-256). Blocks are discovered four times faster than for Bitcoin. The total circulation is and will always be four times larger than the Bitcoin one.



A fast and proven network allowing easy micro-transactions, unlike Bitcoin at the moment. Transactions are much less expensive. The network is also often used as a development network for Bitcoin innovations.

LTC is for BTC what silver is for gold. Because of its long history, virtually all merchants accepting BTC payments also accept LTC payments. This currency is also virtually offered on all exchanges.

Despite several similarities, its capitalization is equal to approximately 2.6% of the Bitcoin one as of August 7<sup>th</sup>, 2019. LTH has a stronger growth potential than the global capitalization of cryptocurrencies.

## ***Rivemont Crypto Fund – What's in it – bitcoin cash (BCH)***



## Rivemont Crypto Fund – What's in it – ripple (XRP)

Ripple (XRP), unlike all other projects presented, is a centralized and managed one, by the company Ripple. It is a payment protocol developed for the global banking system. Offers an innovative solution to the old "SWIFT" system.

Many major global partnerships. Already used by different institutions including Santander, UniCredit and UBS. In test phase with Western Union.

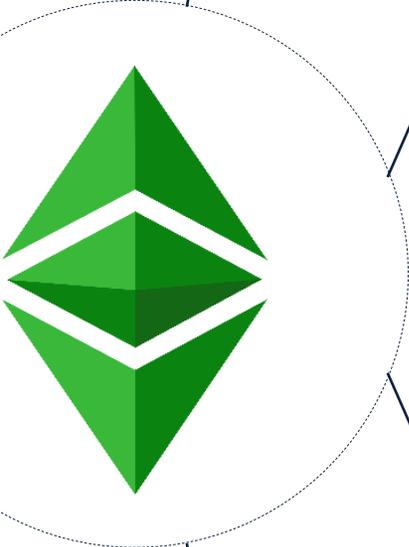
Ripple adoption and their private network  $\neq$  public network adoption and the XRP currency. The private network facilitates transactions, while the XRP (xrapid) public network aims to facilitate access to local currency liquidity, as well as to reduce the need for such liquidity by banks.

3rd in global capitalization. Cryptocurrency recognized and adopted, at a similar level than Litecoin. The protocol centralization can represent a relevant hedge versus entirely decentralized cryptocurrencies.

## ***Rivemont Crypto Fund – What's in it – ethereum classic***

Ethereum Classic represents the original Ethereum project, while Ethereum is actually a fork of Ethereum Classic.

This fork was proposed and accepted by a large majority of the ETH community in response to a fraud on the decentralized application The DAO on June 17, 2016, where 3 million ETH were stolen.



In order to reverse this fraud that had drained the funds available for development, a proposed fork received 85% of the miners support. ETC was born. The 15% remaining, believing that this goes against the blockchain philosophy, keep following the main chain, called Ethereum Classic.

Ethereum Classic represents an opportunity for diversification in the portfolio, which can allow secondary positions in trends that would be specific to this cryptocurrency.

The development of this chain continues, although it is much more limited than on the Ethereum chain. Any project can nevertheless choose this channel to develop, which would open the door to a substantial increase in value if a major player decided to take that direction.

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

Zcash (ZEC) was founded in 2016 as an emerging project of the Zerocoin protocol (founded in 2013, which proposed itself as an addition to the existing Bitcoin network). Unlike Bitcoin which offers only one type of transaction where all transactions can be identified, ZEC seeks to provide an additional level of confidentiality. ZEC offers transparent transactions identical to the bitcoin network (public addresses starting with the letter t), but also transactions using the zeroknowledge proof protocol, called zk-SNARKs (public addresses starting with the letter z).



Zcash is the 25th most popular cryptocurrency in terms of its overall capitalization. As of August 7th, 2019, it is \$422 million US. With an issuance similar to bitcoin and a cap of 21 million units, each Zcash trades around \$62 USD as of August 7th, 2019.

Zcash is a fully decentralized cryptocurrency, in the sense that Zcash does not control the tokens distribution, nor its mining. In this sense, it respects the fundamental principles of a cryptocurrency. Its protocol has not been flawed and its technological development is active. Its founder, Zooko Wilcox, has 20 years of experience in IT security and decentralized and cryptographic systems.

# Appendix A

## Stakeholders

Administrator

SGGG Fund Services

Registrar

SGGG Fund Services

Principal exchanges

Available on request

Auditor

KPMG

Legal Documents

Fasken Martineau

Trustee

TMX Trust

# Appendix B

## Structure

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

RIVEMONT

THANK YOU !

