



BLOCKCHAIN  
MOMENTUM, L.P.

**BLOCKCHAIN MOMENTUM, L.P.**  
**BC MOMENTUM MANAGEMENT, LLC**  
**General Partner**  
**9465 Counselors Row, Ste. 200**  
**Indianapolis, Indiana 46240**  
**(317) 331-6927**

## **EXECUTIVE SUMMARY**

<b>Minimum Investment:</b>	<b>\$100,000</b>
<b>General Partner:</b>	<b>BC MOMENTUM MANAGEMENT, LLC</b>
<b>Investment Advisor:</b>	<b>ETF MOMENTUM INVESTING, LLC</b>
<b>Incentive Allocation:</b>	<b>20% with High Water Mark</b>
<b>Management Fee:</b>	<b>2.00%</b>
<b>Withdrawal:</b>	<b>90-Day Lockup, Quarterly Withdrawals with 30 Day Notice</b>

This is a summary of certain provisions of the Private Offering Memorandum of **BLOCKCHAIN MOMENTUM, L.P.** (the “Partnership”) and is intended only for reference. It is neither complete nor exact and is qualified in its entirety by reference to the more detailed information appearing in the Private Offering Memorandum and in the Agreement of Limited Partnership.

Capital contributions received on or before the first business day of the month will be effective as of the first business day of the month in which said capital contribution is received. Capital contributions received after the first business day of the month will be effective the first business day of the month following the month in which said capital contribution is received. Deposits in cryptocurrencies will be accepted at the discretion of the General Partner and must be made only on the first day of the calendar month, before 2 p.m. Eastern Standard Time and will become effective immediately for that month.

### **Abstract**

Blockchain technology is an emerging field of computer science that utilizes digital networks and cryptography to improve efficiency in e-commerce and digital record keeping. The technology has also empowered the creation of a new class of investable assets called “cryptocurrencies”. The General Partner believes that blockchain technology and cryptocurrency investments could potentially provide the Partnership with significant investment returns if worldwide adoption of the technologies continues at their current pace.

The General Partner believes that the correct way to allocate capital to these opportunities is through purpose built, quantitative algorithms designed to function effectively within the unique investment profiles of these emerging opportunities. Because capital appreciation and capital preservation are key elements of the Partnership’s investment objective, the General Partner has selected ETF Momentum Investing, LLC, an Indiana based Registered Investment Advisor, to manage the day-to-day operations of the Partnership’s portfolio.

As the Investment Advisor, ETF Momentum Investing, LLC utilizes multiple rules-based momentum trading strategies to quantitatively manage cryptocurrencies and blockchain related equities on behalf of the Partnership. The Investment Advisor and the General Partner believe that utilizing a rules-based, quantitative investment program to manage the Partnership’s portfolio will result in less frequent losses, lower volatility and better overall performance when compared to a passive investment into similar assets.

## **Investment Objectives**

The primary objective of the Partnership is capital appreciation through the buying and selling of cryptocurrencies and “blockchain technology” related equities. The secondary investment objective of the Partnership is capital preservation.

## **Investment Advisor**

The General Partner has selected ETF Momentum Investing, LLC, an Indiana based Registered Investment Advisor to serve as the Partnership’s “Investment Advisor”. The Investment Advisor exercises discretionary authority over the Partnership’s trading activity and is responsible for the day-to-day management of the Partnership’s portfolio. The General Partner has chosen the Investment Advisor because of the Investment Advisor’s successful record building rules-based investment portfolios and their demonstrated proficiency trading and safeguarding digital assets. The selection of the Investment Advisor by the General Partner also considered the Investment Advisor’s focus on downside protection, excellent client communications and full-time adherence to a “Fiduciary Standard” that requires the Investment Advisor to always put the Partnership’s best interests first.

## **Investment Strategy**

In pursuit of the Partnership’s Investment Objectives, the Investment Advisor allocates Partnership capital between various qualifying cryptocurrencies, blockchain related equities and cash. The Investment Advisor seeks to use quantitative momentum trading strategies and rules-based investment algorithms to achieve capital gains while reducing the frequency and severity of losses.

The Investment Advisor uses a combination of momentum models, technical indicators and portfolio construction rules to build the Partnership’s portfolio. The Investment Advisor executes securities and cryptocurrency trades seeking to exploit momentum anomalies that academic research has indicated exist in various publicly traded asset classes around the globe and which the Investment Advisor believes are also present in the cryptocurrency and blockchain technology related equity markets. All trade decisions are based on proprietary and non-proprietary momentum signals that are the result of the Investment Advisor’s research.

The Investment Advisor believes that by understanding historical patterns in markets and analyzing the results of technical trading models that performed well during specific time periods in the past, it can accurately identify opportunities to deploy similar trading models on behalf of the Partnership’s portfolio in the future. The Investment Advisor believes that utilizing a rules-based, quantitative investment program to manage cryptocurrencies and blockchain related investments will result in lower volatility and smaller investment losses when compared to its benchmark and other passive investments into similar assets.

## **Benchmark**

The benchmark for performance and volatility comparisons of the Partnership’s assets will be a blended index based on a passive investment of 80% into Bitcoin (BTC) and 20% into NASDAQ listed stocks (QQQ), measured in U.S. dollars and rebalanced daily. The S&P 500 index and other indexes may be included in reports for comparison and informational purposes only.

## **Risk Management**

To protect Partnership capital when investing in equities and cryptocurrencies, the Investment Advisor exclusively uses Exchanges and Custodians that are registered and domiciled in United States. Interactive Brokers, LLC provides brokerage and custody services for the Partnership’s publicly traded equity holdings. To further reduce counterparty risks associated with the Partnership’s cryptocurrency holdings, exchange traded, digital assets are split among at least 4 independent, qualifying digital exchanges at all times. To be utilized by the Investment Advisor, all Custodians and Exchanges are, and must continue to be, in good standing with U.S. regulators and are required to provide insurance against cyber theft as well as FDIC insurance on U.S. dollar currency holdings. Additionally, the Investment Advisor independently maintains a \$1,000,000 (one million U.S. dollars) cyber theft insurance policy underwritten by Lloyds of London.

The Investment Advisor intends that at least 80% of the Partnership's assets will be invested in cryptocurrencies or cash at all times. Investments in equities and other non-cryptocurrency assets may not exceed 20% of total assets at any time. The Partnership limits its equity investment universe to blockchain related equities with total market value of at least \$300,000,000 (three hundred million U.S. dollars) and digital currencies with a total market cap of at least \$1,000,000,000 (one billion U.S. dollars) or greater. "Privacy" coins and other cryptocurrencies that the Investment Advisor determines to be in violation of U.S. or International law are removed from the Partnership's potential investment universe, which may adversely affect performance. The Partnership ordinarily will invest in securities and cryptocurrencies that trade in sufficient volume to allow for swift execution of transactions, however, this may not always be the case and it is possible that at times portions of Partnership assets could become illiquid. Positions in securities or cryptocurrencies may be held for very short periods, even as brief as a portion of one day. The Partnership may engage in short sales of securities and currencies if conditions warrant. The Partnership does not use leverage.

The Investment Advisor seeks to further reduce risk in the portfolio by increasing diversification. By intentionally diversifying assets across multiple investments with varying levels of correlation to one another and then managing each investment independently using intentionally dissimilar strategies, the Investment Advisor believes it can create a "robust" investment environment where the poor performance of a single asset or investment model would not, by itself, stop the Investment Advisor from achieving the Partnership's objectives. Diversification is further achieved and maintained through portfolio construction rules, although there is no guarantee that this will prove to be an effective method of managing risk.

The quantitative trading models used to determine the Partnership's exposures are executed manually, with indicators and signals being generated by systems that are constantly monitored by the Investment Advisors. The trading models are not based on any set level of activity, and there will be occasional periods with significantly more or less trading. The models use a wide array of technical indicators to identify price patterns that each model identifies as offering a high probability of continued price appreciation. Certain models are using algorithms designed to find short-term trends while others seek to generate signals for more medium-term positional trades. All models, whether manual, semi-automated or fully automated, are subject to errors - human, technical or otherwise. Although the Investment Advisor seeks to minimize the possibility of such errors, the possibility for errors are inherent within all human traded portfolios. Investing in cryptocurrencies and utilizing cryptocurrency exchanges adds additional portfolio risks such as illiquidity, solvency, theft, cyber-attack, regulatory risk, and other risks both known and unknown that are unique to investments in financial instruments and that have not yet been deemed safe by securities regulators.

**Although the General Partner and the Investment Advisor proactively seek to minimize these risks and all risks to limited partners, there is no guarantee given or implied that the precautions taken will be effective, adequate or sufficient. You should consider that all of any potential investment you make into the Partnership is at risk of total loss.**

#### **Limited Partner Reports**

The Partnership will electronically send all Partners monthly progress reports and certain other reports as the General Partner may deem appropriate. At the end of each calendar year, each Partner will be furnished with financial statements audited by the Partnership's independent accountants as well as certain tax information for preparation of their respective tax returns.

#### **Manager of General Partner**

**JOHN R. SARSON** is the founder and manager of both the General Partner and Investment Advisor. He began his professional and financial services career in the securities industry in 2003. He has been employed by Lord, Abbett & Company (09/2003 to 10/2005), Dreyfus Service Corporation (10/2005 to 10/2007) and Guggenheim Investments ("Guggenheim") (11/2007 to 07/2015). At his most recent position with Guggenheim, Mr. Sarson held the title of Regional Vice President in charge of the New York City region. His role at Guggenheim involved financial advisor education as well as distribution. Mr. Sarson has been trained in technical analysis, trading, portfolio construction, Modern Portfolio Theory, Post-Modern Portfolio Theory, Value-Investing, Momentum Investing, Closed-End Fund Arbitrage, capital markets and financial structures while at Guggenheim or its predecessors. He has in turn trained

thousands of financial advisors on product structure, portfolio construction, investment theory, technical analysis, cryptocurrencies and trend following both in New York and throughout the Northeast. Mr. Sarson left Wall Street in 2015 and founded ETF Momentum Investing, LLC a financial advisory firm located in Indianapolis, Indiana, through which he has developed a variety of proprietary momentum-based investment models, some of which may be used in part or in whole while managing Partnership assets.

Mr. Sarson attended the University of Notre Dame in South Bend, Indiana where he earned a Bachelor of Arts in 2003 with a focus in History. He is FINRA Series 66 (Uniform State Investment Advisor Law Examination) licensed.

### **ERISA and Other Tax Exempt Entities**

Entities subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and other tax-exempt entities may purchase Partnership Interests. However, investment in the Partnership by such entities requires special consideration. Since the Partnership is permitted to borrow, tax-exempt Limited Partners may incur an income tax liability with respect to their share of the Partnership’s “unrelated business taxable income.” Trustees or administrators of such entities should consult their own legal and tax advisers.

### **Certified Public Accountants**

The Partnership has retained **Kaplan & Company, 200 N. Fairway Dr. - Suite 172, Vernon Hills, IL 60061 Office: (847) 272-0001 Ext 105 Fax: (847) 549-3698**, as its independent accountants.

**THE FOREGOING STATEMENT OF INVESTMENT PHILOSOPHY AND INVESTMENT PROCESS IS A BRIEF EXECUTIVE SUMMARY OF THE INFORMATION CONTAINED IN THE PRIVATE OFFERING MEMORANDUM OF BLOCKCHAIN MOMENTUM, L.P. THIS EXECUTIVE SUMMARY IS NOT TO BE CONSTRUED AS AN OFFER TO SELL SECURITIES OF OR ANY INTEREST IN BLOCKCHAIN MOMENTUM, L.P. OR AS AN INVITATION OR SOLICITATION FOR OFFERS TO BUY SECURITIES OF OR ANY INTEREST IN BLOCKCHAIN MOMENTUM, L.P. THIS EXECUTIVE SUMMARY IS NOT TO BE CONSTRUED AS A SUBSTITUTE FOR THE PRIVATE OFFERING MEMORANDUM AND SHOULD BE CONSIDERED ONLY IN CONJUNCTION WITH THE PRIVATE OFFERING MEMORANDUM, THE AGREEMENT OF LIMITED PARTNERSHIP, AND THE SUBSCRIPTION DOCUMENTS; ALL OF WHICH SHOULD BE CONSIDERED AS A WHOLE, IN MAKING THE INVESTMENT DECISION. NOTHING TO THE CONTRARY WITHSTANDING CONTAINED HEREIN, POTENTIAL INVESTORS ARE CAUTIONED THAT THEY MAY RELY ONLY UPON INFORMATION CONTAINED IN THE PRIVATE OFFERING MEMORANDUM OF BLOCKCHAIN MOMENTUM, L.P., THE AGREEMENT OF LIMITED PARTNERSHIP OF BLOCKCHAIN MOMENTUM, L.P. AND THE RELATED SUBSCRIPTION DOCUMENTS.**