

The world's first crypto currency trading fund

Fund Information

Strategy: The Crypto Currency Fund is the world's first crypto currency trading fund. It employs a variety of strategies in trading crypto currencies to maximize return and minimize risk, including event-driven, arbitrage (timing, exchange, inter-crypto currency, etc.), cyclic and volatility. As the Fund and crypto currency markets evolve, the strategies will become more numerous and sophisticated and become more extensive, adding shorts (currently possible, but with very limited liquidity), swaps, other combinations of instruments, etc. Its initial focus is almost exclusively on bitcoin, but it is expanding slowly to include "altcoins" (non-bitcoin crypto currencies) as they develop sufficient liquidity.

Implementation: Because crypto currency exchanges work 24/7, the Fund's traders have to monitor markets around the clock. To do so, Crypto Currency Fund has traders located in New York, London and Moscow. Over time, the number of traders will expand as the strategies and altcoins are refined and as the Fund grows in size.

Fund Information

Date Formed/Renamed	April 2005, renamed April 2014
Investment Advisor	Enneking Asset Management
Fund Size	\$6.6 M
Currency	US dollar
Current Price (NAV)	\$309.24
Min. Investment	\$10,000 (non-US); \$100,000 (US)
Fees	2% management, 20% success
Subscription	Monthly
Redemption	Monthly, with 30-days notice
NAV	Monthly
Administrator	Maples Fund Services
Auditor	Altschuler, Melvoin & Glasser
Bank	Bank of New York
Legal Advisors	US: Finn Dixon; non-US: Harneys
Lipper Tass/Thomson Reuters ID No.	96695
Eurekahedge ID No.	15532
ISIN	KYG8760X1034
URL	www.crypto-currency-fund.com

Crypto Currencies

Crypto currencies are relatively new products in the financial sector which present tremendous opportunities (and risks) for investors. They are internet-based currencies (although they can be stored in a variety of physical forms, including printed) which have some significant over classical (or "fiat") currencies. Among those advantages are:

- virtually instantaneous and no-cost money transfers from any point on the planet with internet or mobile phone access to any other point
- practical micropayments, including internationally
- international payments without exchange risk (for products and services priced in crypto currencies)
- zero or *de minimus* transaction costs
- no inflation risk as the maximum number of each crypto currency is fixed
- high portability; crypto currencies can be stored and carried on any electronic medium, including in the cloud

Some of the disadvantages are:

- high price volatility

- limited (but quickly growing) acceptance
 - can be very secure – or highly insecure
- The disadvantages are being steadily reduced as trading volume expands, more companies accept crypto currencies, in particular bitcoins, for their goods and services and more applications are developed to work quickly and easily with crypto currencies.

Crypto currencies are traded on exchanges like any other foreign exchange pair. They can currently be directly exchanged for approximately 50 different fiat currencies. The first fully regulated crypto currency exchanges will appear in New York in October.

There are too many advantages of crypto currencies for them to be ignored; they are not going away. As a result, the potential from an investment standpoint is too great to be ignored.

The private equity community is in avid agreement: in 2013, there was approximately \$110 M investment by PE and VC funds into crypto currency-related projects in companies; that total was exceeded in Q1 2014 alone.

Acceptance

Some of the well-known companies which accept bitcoin are: **Virgin Galactic**, **Chicago Sun-Times** (11% of new subscriptions are already paid for in bitcoin) **Overstock.com** (over \$1 million per week in bitcoin sales), **TigerDirect**, **Gyft** (which sells gift cards for thousands of companies, including **WalMart** and **Target**) etc., and hundreds are announced each day. (The site spendbitcoins.com maintains an extremely good, and ever-growing list of companies which accept bitcoins, sorted by country.) Even the very traditional French retailer **Monoprix** has announced that it will soon accept bitcoin in all of its stores worldwide.

In addition, there are a growing number of gateways through which tens of thousands of retailers accept bitcoin: **Shopify** (70,000), **Bitpay** (30,000; 100,000 estimated by the end of 2014), **Gyft** (20,000), etc.

Performance (net of fees)

2013 performance of the Fund prior to being renamed the Crypto Currency effective 1 April 2014, which reflected investments in the crypto currency space only during 2H 2013, was **392%**.

This shattered all-time records for annual performance for funds in its category and, in November 2013, the monthly record was similarly shattered.

The Fund management company, Enneking Asset Management, expects similar performance for 2014.

Investment Potential



While bitcoin (1-year chart shown above) has garnered almost all media attention, there is also tremendous investment potential in altcoins, although, at present, all but one (litecoin) has limited liquidity.

Bitcoin has recently been buffeted by news from Asia where Mt. Gox, the original bitcoin exchange, ceased doing business and the People's Bank of China has steadily restricted access to the traditional banking sector by bitcoin businesses with major announcements or actions to that effect in December 2013 and April, 2014.

As a result, three times in late 2013 and early 2014, bitcoin has been punished by investors. However, each time it has recovered after falling to approximately the same level: \$400. This has proven to be the new floor for bitcoin, which means that the time to invest is now.

Fund Awards (prior to renaming)



**Most Innovative Funds of Funds
(for innovation and performance)**



Hedge Fund Databases

No. 1 ranked fund of funds in the world, 2013



Hedge Fund Databases

No 8 ranked fund of funds in the world for 2009



Most Innovative Funds of Funds (for innovation and performance)



Hedge Fund Databases

No. 2 ranked fund of funds in the world for 2010



Hedge Fund Databases

No 1 ranked fund of funds in the world for 2005

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