

VERSION 1.8

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BLOCKCHAIN TRADED FUNDS



Blockchain Traded Fund Whitepaper

We see many complicated Whitepapers that exist for ICO's. BTF has written the simplest Whitepaper we possibly could. We follow similar principles of a closed ended and exchange traded fund but we are not a CEF or an ETF.

We are a Blockchain Traded Fund, BTF. The BTF tokens represent a Net Asset Value and can be held or traded by the BTF investing club members.

Investment Objective: Invest in Ethereum based technology and bioscience based technology for capital growth.

Our initial fund is the Blockchain Traded Fund which is dedicated to the Ethereum Blockchain ecosystem, launched in the Fall of 2017, and was also the first BTF fund to accept Ethereum. Based in New York City, Blockchain Traded Fund invests in the best entrepreneurs who are fostering innovation in the Ethereum Blockchain economy. **The fund believes in investing in projects that contribute back into society and this fund will pledge .03 % of the 1 % management fee back into society to support the homeless and other causes. Although we strive for capital growth we believe we can achieve this by giving back.**

The Ethereum Blockchain, a novel financial technology, holds the promise to disrupt legacy parts of financial services and create new markets in healthcare, technology, & science. Ethereum is a **decentralized platform that runs smart contracts**: applications that run exactly as programmed without any possibility of downtime, censorship, fraud or third party interference We are a multi sector and multi-stage investment club that seeks to gain diverse exposure to the Blockchain economy while offering the first opportunity to share in a mutual token appreciation.

The founders of the firm are experienced and accomplished entrepreneurs, capital investors and portfolio managers Blockchain Traded Fund has built an unrivaled network of entrepreneurs, advisors, and partners who are on the front lines of this fast moving sector of Fintech. The principals of the firm believe that Ethereum Blockchain technology is a profound invention that offers a better, faster, cheaper way to move money and exchange assets without counterparty risk.

For example: Ethereum Blockchain enables developers to create markets, store registries of debts or promises, move funds in accordance with instructions given long in the past (like a will or a futures contract) and many other things that have not been invented yet, all without a middle man or counterparty risk. Which leads us to the portfolio management construction. Below is the equation we follow to illustrate Mean-Variance Portfolio Optimization.

Portfolio Construction: Mean- Variance Portfolio Optimization

$$\underset{\{w_1, w_2, \dots, w_N\}}{\text{Min}} : \sigma_p^2 \quad \text{subject to,} \quad (1a)$$

$$\sum_{i=1}^N w_i = 1 \quad (\text{wealth constraint}) \quad (1b)$$

$$\sum_{i=1}^N w_i \times E(r_i) = E(r_p) \quad (\text{expected return constraint}) \quad (1c)$$

- σ_p^2 is the portfolio variance which is a function of individual stock variances and covariances
- $E(r_p)$ is the expected return required from the portfolio
- w_i is the fraction of wealth invested in each security
- $E(r_i)$ is the return expected to be earned in each security

Our Initial ITO is quite simple:

The value of Ethereum contributed can be any unit of ETH. The BTF ICO equation is:

500 BTF Tokens=1 ETH.

**There are 200,000,000 tokens outstanding for BTF
ERC-20 Token**

These proceeds, then will be invested in various emerging ICO and Blockchain companies by buying tokens. The fund will simply take the aggregate value of all outside Ethereum based companies' tokens bought by the fund and divide it by the outstanding BTF Tokens which will equal the Net Asset Value. A listed NAV of the total value of the fund will be listed nightly after 4 pm. BTF as an investment club, will keep the holdings within the BTF under 25 holdings.

BTF will charge a management fee of 1% on the total value of the fund.

If you contribute to this investing club you can audit the BTF Token's value in an Etherscan Audit trail and no ETH will leave the fund (minus the 1 % management fee) until the Fund starts to invest in outside tokens.

BTF tokens will ICO on Dec 1st 2017 until Jun 1st 2018 or until all tokens are sold. During that time the fund NAV will be tied directly to the value of ETH. So the BTF will act as an ETH money market fund. Once all the token are sold or the fund is closed, the BTF fund will begin investing in ETH Blockchain companies by purchasing other Ethereum or Bitcoin tokens in emerging Blockchain companies.

The BTF tokens may trade at NAV or at a premium value. After the ICO, the tokens can be traded on various exchanges BTF will list on.

The BTF fund is a closed ended fund with 200,000,000 tokens outstanding.

The fund will not tolerate market timing or manipulation and it will protect the NAV price from being manipulated by acting as a specialist to prevent major price swings.

Disclosures

- The present Whitepaper reflects our intention to fulfill Initial Token Offering (ITO). Blockchain Traded Fund is offering for sale BTF Tokens, which represent value in other ICO's and Token's at emerging Blockchain funded companies
- BlockChain Traded Fund recognize the doctrine of international exhaustion of intellectual property rights to the BTF.
- BTF Tokens are not securities or any other investment instruments. The BTF Tokens are not designed for investment purposes and should not be considered as a type of investment as predefined by the SEC or FINRA
- No profits can be expected from BTF Tokens.
- No future increase of the 'BTF Tokens' value is guaranteed.
- The BTF Token does not confer ownership of a stake in the business.
- The BTF Tokens can't be paid by fiat money during ITO or ITO stages.
- The BTF Token holder realizes a mutual share in this investment club.
- All rights to the Blockchain Traded Fund are owned by Blockchain Traded Fund and are protected by applicable copyright & trademark laws and international treaty provisions.

No offer of regulated products in any jurisdiction: BTF tokens (as described in this White Paper) are not intended to constitute securities or any other regulated product in any jurisdiction. This White Paper does not constitute a prospectus nor offer document of any sort and is not intended to constitute an offer or solicitation of securities or any regulated product in any jurisdiction. This White Paper has not been reviewed by any regulatory authority in any jurisdiction.

No advice: this White Paper does not constitute advice in relation to whether you should participate in the BTF or buy any BTF tokens, nor should it be relied upon in connection with, any contract or purchasing decision.