WHITE PAPER MEDITERRANEO HEDGE FUND

GENERAL INFORMATIONS:

Company Name / Business Project : **MEDITERRANEO HEDGE FUND PLC**

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Last update : 5 November 2018

SHORT DESCRIPTION

Mediterreaneo Hedge Fund plc is an innovative speculative fund (hedge fund), under construction, whose mission is to produce returns over time, with the possibility of very profitable returns. Operations will be performed through the use of appropriate software applications that make use of Artificial Intelligence and DLT (Distributed Ledger Technology)

WE ARE BUILDING THE HEDGE FUND FOR THE BLOCKCHAIN ERA

PRODUCT / SERVICE

Hedge funds are by definition speculative investment funds that, through the use of multiple strategies, pursue the objective of generating a higher return than that deriving from the reference index.

Hedge funds, or speculative funds, are based on different strategies ranging from the use of derivatives and financial levers on the domestic and international market, to the opening of short or long positions. The goal is always to obtain a higher return both from the absolute point of view and on a specific market benchmark.

When we talk about **hedge funds**, we refer to funds that can use one or more alternative investment strategies, including hedging against market fluctuations, investing in asset classes such as currencies or non-performing securities and using performance enhancement tools such as leverage, derivatives and arbitrage.

At a time when global equity markets appear to have reached excessive valuations and may be forced to make further adjustments, hedge funds offer a viable alternative to investors seeking capital appreciation and capital preservation in bear markets. The vast majority of hedge funds make the consistency of return, rather than size, their primary objective.

It is important to understand the differences between the various hedge fund strategies because all hedge funds are not the same: investment returns, volatility and risk vary enormously across different hedge fund strategies. Some strategies that are not related to equity markets are able to offer consistent returns with extremely low risk of loss, while others may be more or less volatile than mutual funds.

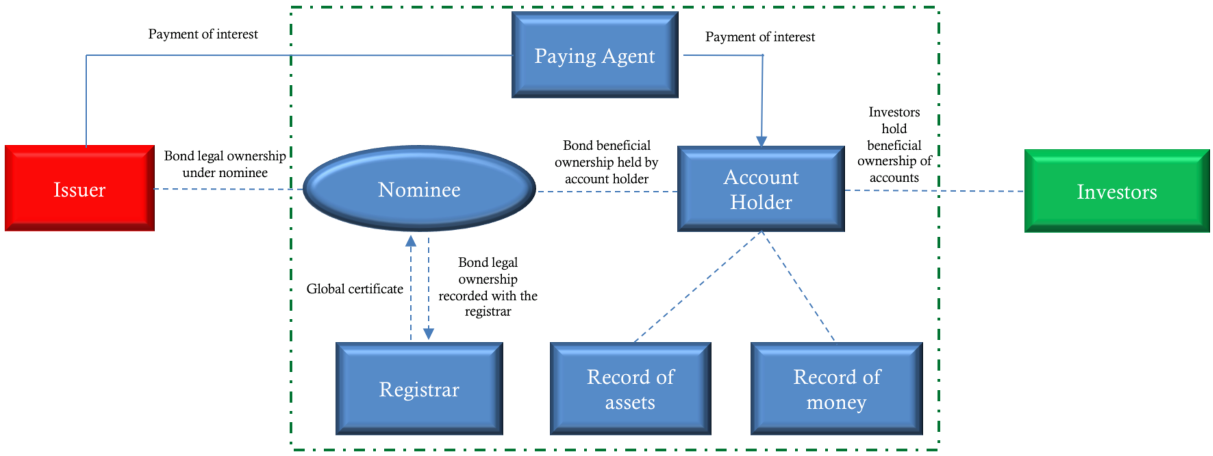
Mediterreaneo Hedge Fund aims to produce returns that are constant over time, with a low correlation with the reference markets, through individual investments with high financial risk, but with the possibility of very fruitful returns: in fact, dividing the risks into a number of transactions , a single "well" operation can balance different operations without return.

Mediterraneo Hedge Fund intends to build a financial world in which the securities are managed on their own. In fact, with the collaboration of the advisors of the various counterparties of the transaction, the blockchain will be an innovative technological infrastructure through which to communicate the smart contracts that automate the entire life cycle of a financial instrument, including the payment phase of the coupons. to each individual investor, on each fixed date. This means that the issuer can directly and automatically pay interest and repay the capital to investors in line with the provisions of the code entered in the smart contract, which evidently was written on the basis of the contents of the bond regulation, previously drafted by lawyers.

Mediterraneo Hedge Fund is building a bank made to last, so the attention will come aimed at the elimination of intermediaries and the provision of essential banking services, such as savings and loan accounts. To achieve these objectives, **Mediterraneo Hedge Fund** will require additional licenses, authorizations and partnerships in the most important global financial centers, key jurisdictions to operate in a wider spectrum of fiat currencies and facilitate cross-border transactions without the need for intermediaries.

Mediterraneo Hedge Fund also plans to be a member of key financial networks.

The **Hedge Fund** that we are building, when fully operational, will operate through the following scheme, which for the sole purpose of example, reports the operations relative to a bond issue (bond).



Our goal is to become the first blockchain speculative investment fund in the world and provide concrete solutions that help improve efficiency, reduce costs and open new revenue opportunities for our underwriters and brokers.

We are in a privileged position to combine all the advantages of a traditional hedge fund with the possibilities inherent in blockchain technology. As such, our bank payment currency supported by fiat currency has the potential to disrupt the approach to international trade and cross-border international transactions.

With our initiative we are investing in the future and becoming the world's leading hedge fund blockchain.

KEY FEATURES OF THE HEDGE FUNDS
Many, but not all, **hedge fund** strategies tend to protect themselves from market downturns in the negotiation phase. **Hedge funds** are flexible in their investment options (they can use short selling, leverage, derivatives such as put, call, options, futures, etc.). **Hedge funds** benefit from a heavy weighting of the remuneration of hedges fund managers towards performance incentives, thus attracting the best brains in the investment sector.

Hedge funds usually use one or more sophisticated investment instruments or strategies such as:

- *Short selling;*
- *Derivative instruments such as options and futures;*
- *Hedging;*
- *Financial lever (leverage).*

Let's see these points in detail now.

Hedge funds have the reputation of being particularly risky instruments. Apart from extremely rare cases, this is the truth. The hedge fund manager is left completely white paper on the tools he can use to increase the capital he has been entrusted with.

- If, for example, other funds generally maintain "long" positions or are simple to purchase even over medium-long periods, **hedge funds** use a whole series of instruments and positions that increase both the possibility of returns and the possibility of loss of capital.

- **Short positions**: these are positions on sale, even in the open, which are considered particularly risky especially when aimed at trying to make profits in the very short term.
- **The underlyings and financial instruments are particularly risky**: there is actually nothing that can not end up in the belly of a **hedge fund**, provided that obviously has a high potential return. Derivatives of all kinds, such as futures, options (find out more), swaps (find out more); other funds can also be found inside, turning the hedge into a fund on the bottom.
- **Leverage**: through leveraged operations we mean those transactions for which capital only covers the operating margin and not all of the investment. These are forms of investment that multiply both the possible gains and the possible losses and therefore increase the inherent risk.

Difference between hedge funds and normal investment funds

One of the primary characteristics of **hedge funds** is their riskiness, as well as the type of return they refer to. Most mutual funds, SICAVs and speculative funds, aim to "replicate" the reference market index, depending on the type of investment made. If, for example, a mutual fund invests in shares, the purpose will be to generate a return equal to that generated by the reference share index.

Unlike the common ones, the **hedge funds** do not want to replicate the yield, but they want to generate a higher one compared to the benchmark index: the yield in question is not in any way correlated with the index, but aims to be higher than that obtainable in other funds that are limited to replicating that index.

As already mentioned, the difference lies in the fact that the manager of the hedge fund has the purpose of generating an extra return with respect to the reference index, increased by what in the jargon is called Alfa.
Moreover, **hedge funds** do not have the same security that ETFs can offer, since many are recommended for their ease of management.

How do I get the Alfa or extra onerous return?

If the objective of the **hedge fund** is to obtain a higher return, one wonders how it is possible to access this Alfa which very often has a rather high cost, already included among the commissions that the fund manager charges the subscribers.

To generate the Alfa, it is necessary to take several steps, including: obtaining economic and financial data from the companies, analyzing them, taking part in conferences, supporting inspections.

The Alfa also has a production cost, the so-called **TER (Total Expense Ratio)**, generally corresponding to 2-3% of the total amount invested within the fund. This cost has often been pointed out as exaggerated given that the initial purpose of the investment fund is savings.

This highlights the strategic nature of the use of liquidity in a **hedge fund** compared to, for example, ETFs, which by definition replicate the reference indices.

THE HEDGE FUNDS MARKET
Estimated to be a $ 3.2 trillion sector (as of August 2017, according to eVestment) it is a growing sector every year, **with around 10,000 active hedge funds**.

It includes a variety of investment strategies, some of which use leverage and derivatives, while others are more conservative and employ little or no leverage. Many hedge fund strategies aim to reduce market risk in particular through the sale of shares or derivatives.

Most hedge funds are highly specialized, based on the specific skill of the manager or management team.

The performance of many **hedge fund strategies**, particularly value-based strategies, does not depend on the direction of the bond or equity market, unlike conventional equity or mutual funds (mutual funds), which are generally exposed to market risk. at 100%.

Many **hedge fund** strategies, particularly arbitrage strategies, are limited on the amount of capital they can successfully employ before returns diminish. As a result, many successful hedge fund managers limit the amount of capital they will accept.

Hedge fund managers are generally highly professional, disciplined and diligent.
Their returns over an extended period outperformed standard equity and bond indices with lower volatility and lower risk of loss compared to equities.
Beyond the medium, there are some really exceptional artists.

Investing in **hedge funds** tends to be favored by more sophisticated investors, including many Swiss banks and other private banks, who have lived and understood the consequences of the main stock exchange corrections. Many endowments and pension funds allocate assets to hedge funds.

MEDITERRANEO HEDGE FUND

Mediterreaneo Hedge Fund aims to produce returns that are constant over time, with a low correlation with the reference markets, through individual investments with high financial risk, but with the possibility of very fruitful returns: dividing the risks into a number of transactions, a single "well" operation can balance different operations without return.

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Thanks to the implementation of the blockchain that will operate in a very close relationship with applications that make use of Artificial Intelligence, the majority of operations, starting from the collection phase, sending quarterly reports to subscribers, payment of fees to advisors and funds managers, as well as the payment of the coupons and the divestitures to the subscribers will be decentralized and automated.

This modus operandi will allow the managers a total transparency of the fund's operations, an enormous saving on costs that generally characterize the management of each investment fund as well as on average returns much higher than those of the reference sector.

IN THE FUTURE, ALL WILL WORK USING OUR TECHNOLOGY.
EVERYWHERE TODAY SEEMS OUR GREATER COMPETITORS, DIRECT AND INDIRECT, IN REALITY 'WITHIN A FEW YEARS WE WILL ASK USING OUR TECHNOLOGY*.*

Mediterreaneo Hedge Fund, through these instruments and investment strategies just described, will invest in the following market segments (investment focus):

1. Liquidity
2. Algos and AI activities
3. Risk capital, through appropriate proprietary funds managed by third parties (fund of funds)

4. Blockchain
5. Patents
6. PRE-IPO
7. IPO
8. Listed companies (equity through appropriate asset allocation)
9. Real estate, through appropriate proprietary funds managed by third parties (fund of funds)
10. Lending
11. Public and private pensions
12. Raw materials
13. Commodities
14. Art
15. Common funds
16. Internet Money
17. Bonds
18. Royalties
19. Government securities
20. Currencies
21. Emerging countries
22. States in serious economic difficulty

It is a common opinion that all **HEDGE FUNDs** are volatile: that everyone uses global macro strategies and place large bets on stocks, currencies, bonds, commodities and gold, while they use a lot of leverage.

Mediterreaneo Hedge Fund is actually a global macro **HEDGE FUND**. And as most HEDGE FUNDs will use derivatives for hedging purposes only or will not use derivatives at all, and will make little use of leverage as a fund that intends to operate on assets.

THE EXAMPLE OF THE WORLD BANK

World Bank and Australia's Largest Bank Issue Bond Exclusively Through Blockchain

The World Bank and the Commonwealth Bank of Australia (CBA), the country's largest bank, have issued a public bond exclusively through blockchain technology, Reuters reports 2018, August 23. The World's Bank official mandate for the project was first unveiled August 10.

The A$100 million ($73.16 million) deal entails two-year bonds that will settle August 28 and have been been priced to yield a 2.251 percent return, according a CBA statement.

The prototype -- dubbed "Bondi" (Blockchain Operated New Debt Instrument, and a pun on Australia's most well-known beach) -- is being hailed by the participants as a milestone in automating decades-old bond issuance and sales practices. Reuters cites CBA executive general manager, James Wall, as saying that:

"You're collapsing a traditional bond issuance from a manual bookbuild process and allocation process, an extended settlement then a registrar and a custodian, into something that could happen online instantaneously."

As Reuters notes, Word Bank bonds are classified with an AAA rating -- the highest possible rating that indicates a high level of creditworthiness. The bank reportedly issues between $50 and $60 billion in bonds annually to foster economic progress in the developing world.

As Cointelegraph has reported, this May, Sberbank CIB -- the corporate and investment banking arm of Russia's largest bank Sberbank -- conducted the first blockchain-based commercial bond transaction in Russia.

The transaction was completed in partnership with leading local telecoms firm MTS and the National Settlement Depository (NSD), and entailed the smart-contract enabled issuance of MTS corporate bonds for the value of RUB 750 billion ($12 million) with 6-month maturity.

In Australia, major initiatives are underway to integrate blockchain across both the government and the financial sector. This July, IBM signed a five-year AU$1 billion ($740 million) deal with the Australian government to use blockchain and other new technologies to improve data security and automation across federal departments, including defense and home affairs.

As of December last year, the Australian Securities Exchange (ASX) has been working to implement blockchain technology to replace its current system for processing equity transactions, a project that Reuters today notes is slated to be completed by 2020.

COLLECTION PLAN

Pursuant to Directive 2004/39 / EC, c.d. MIFID, and related implementing legislation, for professional investors are "those who possess the experience, knowledge and expertise necessary to make their investment decisions and to properly assess the risks that can be assumed in this way. ". Within this category, in turn, it is possible to make a further classification for the purpose of drawing up the collection plan. In particular, the subscription of shares of the Fund to investors will be permitted c.d. Professional respecting the following minimum investments:

- *Professional investors: € 125.000,00*
- *Institutional investors: € 500.000,00*

Collection operations will also be allowed through the c.d. Private Placement Program, that is to say, a series of transactions through which private issuers offer newly issued financial instruments that are placed at a limited number of international recipients.
In order to facilitate communication with such a multiplicity of actors, agreements and collaborations will be allowed with intermediaries in the sector, such as the so-called Placement Agents, formalized with ad hoc contracts.

INSTITUTIONAL INVESTORS

An institutional investor is an economic operator that makes considerable investments in a systematic and cumulative manner, having huge financial possibilities of his own or entrusted to him. In the category of institutional investors belong, in principle:

a) Insurance companies
b) Savings management company
c) Credit Lombard transactions with specific banks
d) Banks and investment firms
e) Other authorized or regulated financial institutions
f) Financial and family holdings
g) Undertakings for collective investment and management companies of these bodies
h) Pension funds and related management companies
i) Funds of funds
j) Foundations
k) Family Office
l) Social funds
m) Sovereign funds
n) Professional order funds
o) High Net worth individual
p) Any specially created public funds

q) Multinational companies
r) B.E.I.

The collection phase, always the most complex, difficult and very expensive for each new management team is actually the flagship of our technology. It is no coincidence that the implementation of our blockchain started last 27 July 2018 started from fundraising activities.

Today there are many investment funds investing in ICO, Cryptovalute, blockchain-oriented companies, but ALL EVERYONE, while investing in futuristic technologies have an approach with their market, and especially in the phase of capital collection, archaic, prehistoric and obsolete.

The technology being implemented, thanks to the simultaneous use of DLT and Artificial Intelligence, will become a global reference point in the investment management sector, as it allows direct, decentralized and intelligent collection (AI), a collection oriented to the own target of reference, without recurring to expensive intermediaries that in the majority of cases are also a great waste of time.

During the collection phase, FIAT currencies and the main Cryptocurrencies will be accepted. With the subscriptions in Cryptocurrencies, in order to preserve the investor's investment from speculation, the typical strategy of "stablecoin" will be used thanks to the issue of our unlisted token.

The **"stablecoin"** are cryptocurrencies that want to eliminate one of the biggest problems in the crypto sector: price volatility. They are anchored to benchmarks.

Stablecoin, a type of cryptocurrency that makes stability its raison d'etre. To maintain this, the stablecoin, instead of relying on the currents of the cryptomercati, are anchored to other resources, such as gold or the US dollar. This without binding to any central bank, thus maintaining the "anarchist" spirit of the bitcoins.

The difference that immediately jumps to the eye between stablecoin and cryptocurrencies like bitcoin and ether, is that stability allows a stablecoin to be adopted as a means of payment. In our case it will be used as an investment vehicle.

There are three main types of stablecoin. The first type is the collateral stablecoin in fiat currency.
It is based on the fact that a certain amount of legal currency, such as the dollar, is deposited to guarantee the issuance of the cryptocurrency and the stablecoin are issued proportionately one by one with respect to this legal currency. Although this method is solid, it requires centralization and reliance on a custodian, which will be checked periodically by reviewers. The system can be expensive. And even out of a stablecoin, with these characteristics, will have a cost, since it can only be done through a bank transfer or postal checks. To this family belong stablecoin like Tether and Digix Gold, which however as collateral has gold instead of the dollar.

In the **stablecoin** of the second type, the collateral is instead supported by other cryptocurrencies and not by dollars or gold. In this way, everything can remain on the blockchain and there is no need for a central authority. But there is a ma: cryptocurrencies are unstable, which means guarantees will fluctuate. But a stablecoin that should be defined should not float. So? To solve this problem, stablecoin is over-guaranteed, so that it can absorb price fluctuations in the collateral. To be clear, it means that you need to deposit, for example, $ 200 worth of value in ethereum to receive $ 100 in stablecoin in return. Thus, even if the price of the underlying asset depreciated by 20%, the stablecoin would keep its price stable as there are still $ 160 worth of ethereum to support its value.

However, in the case of a black swan (an unpredictable financial event), due to which the underlying cryptocurrency would lose all its value, the stablecoin would also collapse and the *losses of those who held it would even be amplified due to the over- warranty. This is why some experts strongly discourage this approach. The first stablecoin to use this scheme was Bit Usd (collateralized with BitShares), created by Dan Larimer in 2013. Then there is Dai by Maker Dao, guaranteed by Ether.*

The last family of stablecoin is that of the "non-collateralized", that is without guarantees. They are based on trust. Those who buy them believe that the price will remain fixed at one dollar, without any kind of arbitrage of the markets to maintain its stable value. In practice, the supply of money is dictated by the value on the stablecoin market. If the price exceeds one dollar, the money supply increases to bring it down, and when the price is less than one dollar, the supply decreases.

This type of mechanism aims to create upward and downward pressure on price. If, in short, enough people believe that the system will survive, this belief will lead to a virtuous cycle that will guarantee its survival. The best known example of this type of stablecoin is Basecoin. But there is also Carbon: created by a group of Stanford and Columbia University graduates, it is compatible with smart contracts, which give it a certain financial value.

Our stablecoin will be called "MHF" and will most likely be anchored at the price of gold.

ROADMAP

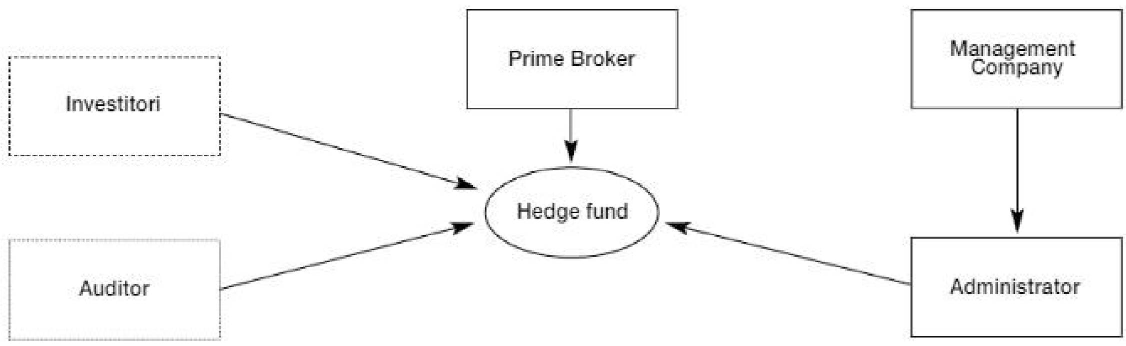
1. *Establishment of the Public Company in Dublin : **18.12.2017***
2. *Incubation at Coworking DOSPACE Dublin : **18.12.2017***
3. *Receiving documents from the Irish CRO : **March 2018***
4. *Due diligence depository bank ===> **IN PROGRESS***
   ITER started with Bank of Ireland on 2/7/2018
5. *Start of Pre-IPO phase ===> **IN PROGRESS***
   We are already talking to Borza from Malta and Euronext for IPO in Paris
6. *Collection of the first capitals on the market ===> **IN PROGRESS***
7. *The first phase of investments starts*
8. *IPO*
9. *The second phase of investments starts*
10. *The development of the blockchain begins ===> **IN PROGRESS***
    Start Blockchain implementation 27/7/2018
11. *Transformation into ICAV ===> **IN PROGRESS***

On August 10th we were contacted by the Irish Central Bank, who requested a meeting after August

ORGANIZATION OF MEDITERRANEO HEDGE FUND

Figure 2 summarizes the organizational model of the hedge fund we want to build.

FIGURA 2 – STRUTTURA ORGANIZZATIVA DI UN HEDGE FUND ESTERO



This organization sees as protagonists:

the Management Company, the Prime Broker, the Administrator, the Auditor and the subscriber Investors

By virtue of their privileged informational position vis-à-vis the fund, some of these parties may even become promoters of the fund itself, favoring subscriptions by investors.
The Prime Broker plays the most important role in the realization of the operations of a hedge fund, providing a heterogeneous set of financial services through which the choices matured by the managers on the markets are realized. Prime Broker is a financial intermediary on an international scale, generally from major financial institutions, which has an adequate capitalization and a global operational structure.

Prime Broker acts as an agent in the settlement process, making financial transactions arranged by the manager with the utmost confidentiality. The Prime Broker also plays a role as lender of the manager, granting credit lines and lending the necessary securities to give rise to short sales and acquiring directly suitable guarantees against the credit disbursed to the fund.
At the same time the **Prime Broker** operates a tight control on the risk exposures of the hedge fund, in order to ensure financial stability conditions.
Among the services provided by Prime Broker there are also those of holding and depositing the fund's liquid assets and transferable securities, the care of the clearing and settlement process and the recording of all market transactions. Finally, the Prime Broker, precisely because of the in-depth knowledge of the fund, proposes itself as an intermediary in promoting the fund and facilitates the investment approach to a wider circle of potential investors.

The Administrator is an external entity entrusted with two fundamental activities: the administrative function of the hedge fund, both on the financial markets and towards investors and supervisory authorities, and the certification function of the fund's activity. By outsourcing the administrative functions typical of the fund, the manager thus avoids taking energy and time away from financial management activities and enduring excessive investments in IT infrastructures and the development of professional skills other than his co-operation.

The support provided by the Administrator generally involves back-office activities, the keeping of fund accounting, registration and control of transactions involving the purchase and sale of units in the fund and compliance with the supervisory bodies. As regards the certification activity, the Administrator assists the financial management of the fund on the markets, produces detailed reports for the hedge fund manager on the fund assets and highlights the available liquidity for investments, the available securities to offer as a pledge and the transactions made by the manager.

It also evaluates the positions of the fund in accordance with the fund regulations, determines the correct application of the accounting standards, calculates the NAV of the fund and settles the commissions to the manager. A further task of the Administrator is to realize equalization systems for the calculation of performance fees. The charges related to the activities performed by the Administrator are directly attributable to the fund and not to the Management Company.

The Auditor is responsible for certifying that the NAV of the fund, calculated by the Administrator, is correct and calculated according to the criteria established by the regulations in force.

Investors who are subscribers are subjects with a long-term vision, experts in the world of finance, with considerable investment availability and aware of the risks associated with investing in securities.

This is our current organization:

FOUNDING MEMBERS

- **Mediterraneo Capital Ltd**, investment company under English law, 35% of the shares
- **Mediterraneo Blockchain Ltd,** investment company in the Blockchain sector under English law, 5% of the shares
- *Meti Consulting Ltd, Malta-based advisory firm, Corporate Advisor of Borza di Malta, 15% of the shares*
- **Mediterraneo Advisor srl,** advisory company based in Italy, 15% of the shares
- **ANTONIO CENSABELLA,** long-term investor active for over 10 years in the venture capital, private equity, private debt, NPL real estate, 10% of the shares
- **ROSARIA INGRASSIA,** already founder of Mediterraneo Advisor srl, 10% of the shares
- **CARMELO CENSABELLA,** already founder of Mediterraneo Advisor srl, and Mediterraneo Capital ltd, 10% of the shares

MANAGEMENT

- **ANTONIO CENSABELLA,** CEO & Hedge Fund Manager
- **CARMELO CENSABELLA,** Director
- **MARK HEGARTY,** Secretary (irish manager)
- **MICHELE DE BUONO,** CTO & Blockchain development
- **GIROLAMA DI GIOVANNI, Lawyer** (italian manager)

STRATEGIC PARTNERS

- **Bank of Ireland,** Custodian
- **Do Space Dublin,** Irish incubation
- **B2tobe ltd,** Malta agency

The construction of strategic partnerships is currently underway globally

ADVISORY BOARD

- **Mediterraneo Advisor srl,** advisor for Italian markets

The construction of the advisory board is currently underway globally.

BUSINESS MODEL

The portfolio of our speculative fund will be the result of a dynamic and continuous investment process based on numerous selection activities, due diligence, yield analysis and strategies. In Figure 4, a series of distinct activities comprising the entire investment process were identified and represented in a schematic form.

FIGURA 4 – PROCESSO DI INVESTIMENTO DELL'HEDGE FUND

The first step in the process of composing the portfolio of our **hedge fund** is the collection of data and information which, compared to the traditional investment sector, presents greater difficulties. The sources may be the fund managers themselves, depository banks, brokers, specialized magazines and financial databases. In this phase, direct contact with the managers is not excluded, either with those of proven talent already present on the market or with potential new managers.

Through an in-depth screening activity, the performance and risks assumed in the past by the various managers are verified and the selection and diversification process begins, based on the characteristics identified. We proceed with the analysis of the strategies implemented by the managers in particular market conditions or in certain time periods, and of the investment style typical of each of them, deriving from the use of certain financial instruments, leverage, diversified positions and of particular critical factors.

The quantitative analysis is based on the statistical calculation of the most representative financial ratios relative to the results achieved in the past by the managers, establishing the track records (the best returns per manager). The qualitative analysis is a real comparative analysis of the managers aimed at establishing the contribution to the result obtained conferred by the manager's ability and the winning strategy.

After the analysis of the manager, the focus is on the customer in order to verify the actual investment needs and identify the capacity for risk tolerance, or its risk / return profile. Therefore, the methods and terms of investment are established on the basis of pre-set return targets, volatility and diversification.

Finally, the investment process involves constant and continuous monitoring of the activities carried out by the managers to ensure compliance of management styles and strategies adopted to the objectives set.

Here is described instead what will be in detail our operations:

AGRESSIVE GROWTH

Investments in equity securities that are expected to accelerate in earnings per share growth. Generally high P / E ratios, low or no dividends; stocks often smaller and micro-caps that should register rapid growth. The management of this type of operation includes specialized sectoral funds such as technology, banking ict, AI, Robotics, biotechnology. Covers that reduce holdings in the event of a fall in profits or in the event that stock indices are unavailable. "LONG" investment approach. Expected volatility: high

DISTRESSED SECURITIES

Purchase of equity securities, trade payables at large discounts by companies that are in the pre-bankruptcy phase or corporate restructuring. Profits will come from the lack of understanding of the market in the real value of heavily discounted securities and from the fact that most institutional investors can not hold lower quality investment grade securities. (This sales pressure creates a strong discount) The results generally do not depend on the direction of the markets. Expected volatility: Low - Moderate

EMERGING COUNTRIES

We will invest in stocks or debt from emerging (less mature) markets that tend to have higher inflation and volatile growth. Short selling is not allowed in many emerging markets and, as a result, effective hedging is often not available, although Brady Bonds (bonds denominated in dollars issued mostly by Latin American countries) may be partially covered by futures on the US Treasury and currency markets. Expected volatility: very high.

FUND OF FUNDS

It will be a combination of hedge funds and other pooled investment vehicles. This combination of different strategies and asset classes aims to provide a more stable long-term investment return than any single fund. Returns, risk and volatility can be controlled by the mix of underlying strategies and funds. Conservation of capital is generally an important consideration. Volatility depends on the mix and the relationship of the strategies used. Expected volatility: low - moderate.

FIXED INCOME

Investment with primary focus on yield or current income rather than solely on capital gains. It can use leverage to buy bonds and sometimes fixed income derivatives in order to profit from capital appreciation and interest income. One of the main and recurrent activities that produce continuous cash flow. Expected volatility: low

MACRO

This type of investment will seek to benefit from changes in global economies, typically driven by changes in government policy that affect interest rates, in turn influencing currency, equity and bond markets. Participation in all the main markets - stocks, bonds, currencies and raw materials - even if not always at the same time. Use leverage and derivatives to accentuate the impact of market moves. Use coverage, but bets on leveraged events tend to produce the greatest impact on performance. Expected volatility: very high

ARBITRAGE

This type of investment consists of attempts to hedge most market risks by clearing positions, often in different securities of the same issuer. For example, they may be long term equity and short equity convertible bonds. It can also use futures to hedge interest rate risk. It focuses on obtaining returns with a low or no correlation with respect to equity and bond markets. These relative value strategies include arbitrage of fixed income, mortgage-backed securities, arbitrage of the capital structure and arbitrage of the closed-end fund. Expected volatility: low.

SECURITIES HEDGING

It is an investment topology equally divided between long and short equity portfolios generally in the same sectors of the market. Market risk is significantly reduced, but effective stock analysis and stock selection are essential for achieving meaningful results. Leverage can be used to improve returns. Usually low or no correlation with the market. It sometimes uses market index futures to cover systematic (market) risk. Relative reference index usually T-bills. Expected volatility: low

MARKET TIMING

This type of investment assigns assets between different asset classes based on the view of the manager of the economic outlook or the market. The portfolio's emphasis can fluctuate widely across asset classes. The unpredictability of market movements and the difficulty of timing entry and exit from the markets increase the volatility of this strategy. Expected volatility: high

OPPORTUNIST INVESTMENTS

In this case the focus of the investment changes from strategy to strategy as opportunities arise to profit from events such as IPOs, sudden price changes often caused by temporary disappointment of profits, hostile offers and other event-related opportunities. It may use several of these investment styles at any given time and is not limited to any particular investment or investment class approach. Expected volatility: variable

MULTI STRATEGY

In this case the investment approach is diversified by using different strategies simultaneously to realize short and long term gains. Other strategies may include trading systems such as trends and various diversified technical strategies. This investment style allows the manager to overweight or underweight various strategies to make the most of current investment opportunities. Expected volatility: variable

SHORT SELLING

In this case, short-term securities are being sold in anticipation of being able to buy them back at a lower price due to the valuation by the manager, the overvaluation of the securities, or the market, or in anticipation of disappointments from gains often due to irregularities. accounting, new competition, change of management, etc. Often used as a hedge to offset long-only portfolios and those who believe the market is approaching a bearish cycle. High risk. Expected volatility: very high.

EXTRAORDINARY SITUATIONS

We will invest in event-driven situations such as mergers, hostile acquisitions, reorganizations or leveraged buy-outs. It may involve the simultaneous purchase of shares in acquired companies and the sale of shares in its acquirer, hoping to profit from the spread between the current market price and the final purchase price of the company. It can also use derivatives to exploit returns and hedge interest rate and / or market risk. The results generally do not depend on the direction of the market. Expected volatility: moderate

VALUE

We will invest in securities perceived as being sold at large discounts for their intrinsic or potential value. Such securities could be unfavorable or underestimated by analysts. Long-term retention, patience and strong discipline are often required until the final value is recognized by the market. Expected volatility: low - moderate

These objectives are to be achieved through collection operations with a minimum value of € 15 billion.

SWOT ANALYSIS	
Strengths	*HIGHER RETURNS COMPARED WITH THE COMMON FUNDS AND COMPARED TO TRADITIONAL COMPETITORS. WE REMEMBER THAT HEDGE FUND DOES NOT NEED TO REPLACE THE MARKET INDEX BUT THEY ARE "SENT" TO OBTAIN HIGHEST PERFORMANCE*
Weakness	***High Risk**. Hedge funds do not have the same security that ETFs can have, which many recommend for their ease of management. This weakness is fought with a high level of "diversification" in investments*
Opportunity	*Become a part of a financial and global elite. To obtain very high returns thanks to a high investment activity based on diversification.*
Risks	***WITHOUT A FINANCIAL MANAGEMENT MORE THAN THAT PERFECT AND AN ACTION FOR A PUSH DIVERSIFICATION THE HEDGE FUND HAS A HIGH RISK OF FAILURE.***

The real innovativeness of the business consists in the management of investment operations through the use of algos and artificial intelligence, but above all thanks to decentralized management through blockchain, once realized, which will allow a considerable savings on the costs of individual operations compared to the classic management .

Apart from the contribution of capital, always very important that any new reality, we are interested in getting in touch with investors who can accelerate the development and knowledge of our technology also through the contribution of strategic partnerships managers.