



**THE NEW GENERATION
OF INVESTMENT FUNDS**



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Co-founder (CEO)



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Co-founder (CTO)

CONTENT TABLE

Legacy fund model

New generation of funds

Blockchain in a fund

Audits & Regulations

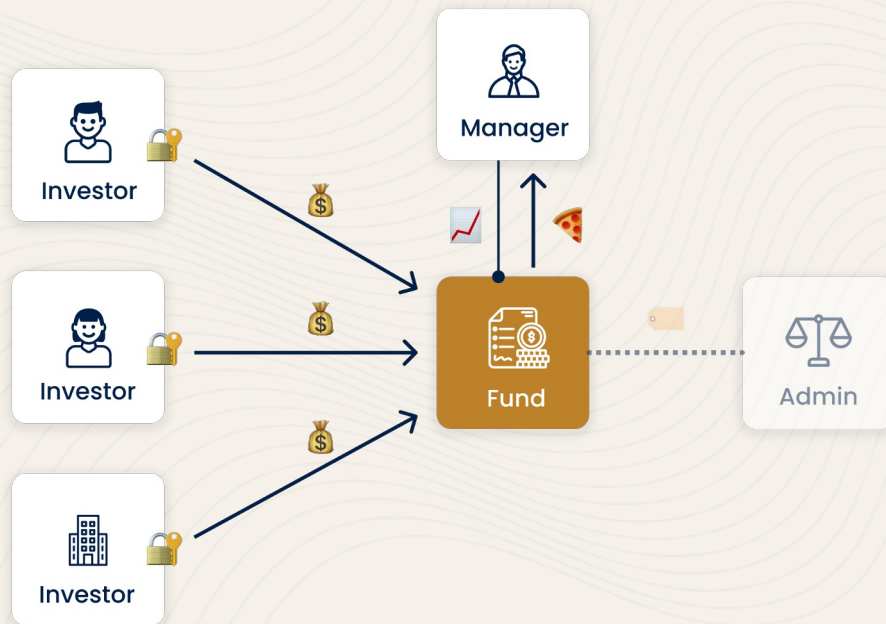
Fume

Case Study

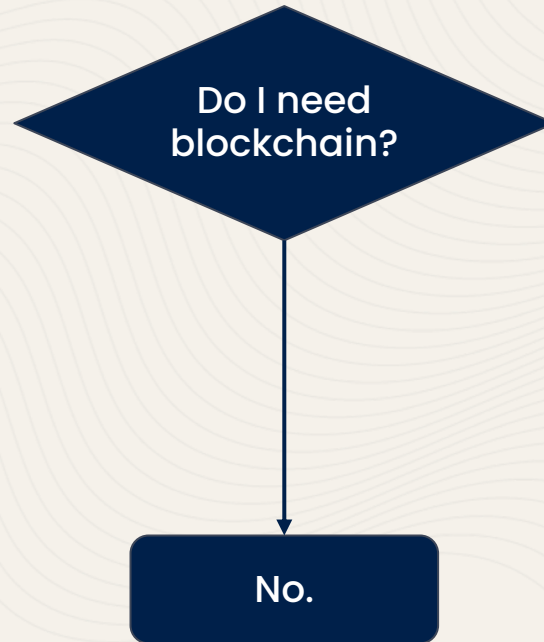


VALUE PROPOSITION – ON-CHAIN FUND ADMIN

On-chain Investment Fund



PITFALLS OF BLOCKCHAIN USAGE





PITFALLS OF BLOCKCHAIN USAGE



**Public
Blockchain**

Public Data

Unremovable Data

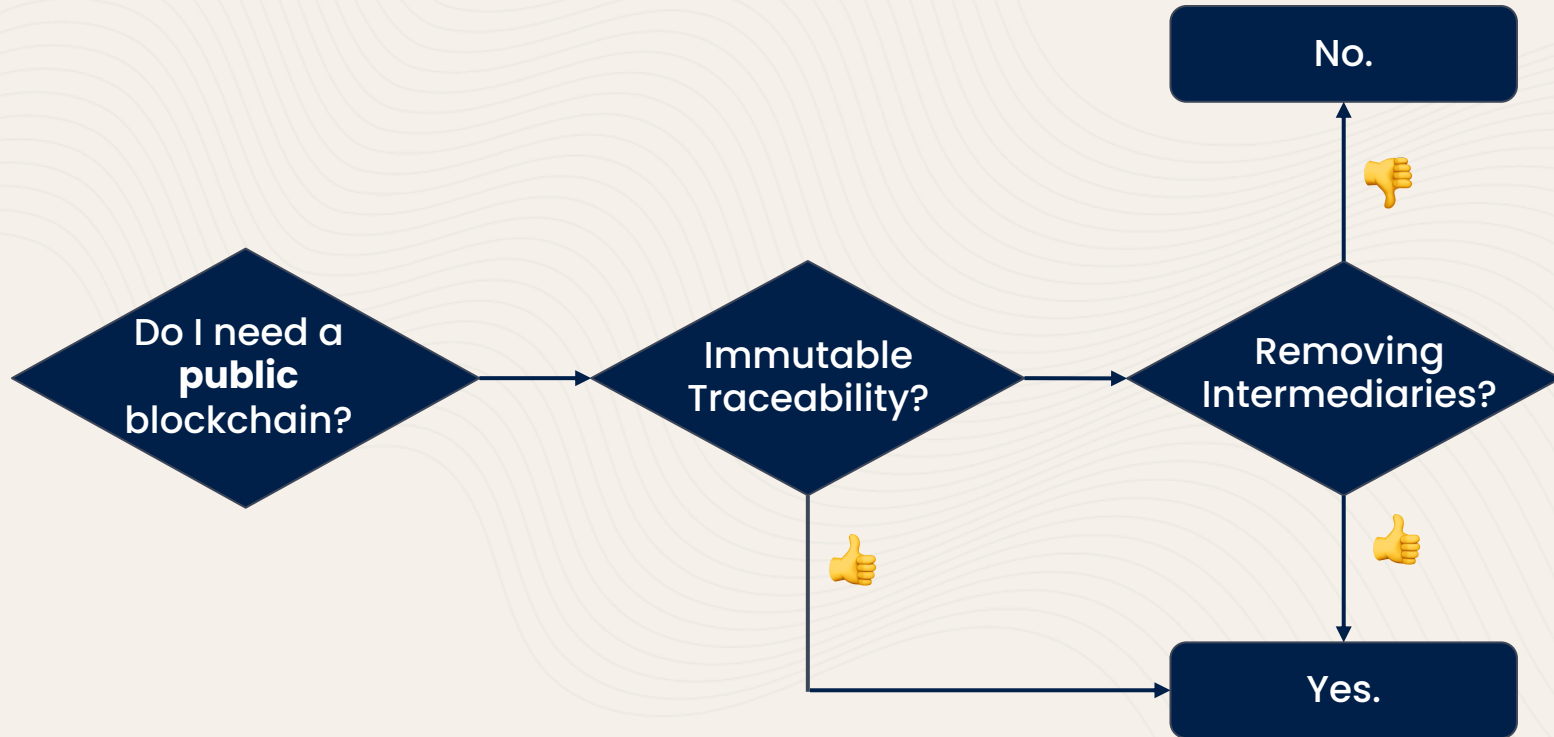


**Private
Blockchain**

(a.k.a. more complex database)



PITFALLS OF BLOCKCHAIN USAGE



BLOCKCHAIN IN A FUND



Tokenized
Underlying Assets



Tokenized
Fund Shares



On-chain
Administration





“ONE-IN-THREE TRADITIONAL HEDGE FUNDS SURVEYED NOTING TOKENISATION AS THE BIGGEST GROWTH OPPORTUNITY IN THE CRYPTO-ASSET SPACE IN THE COMING YEAR.”



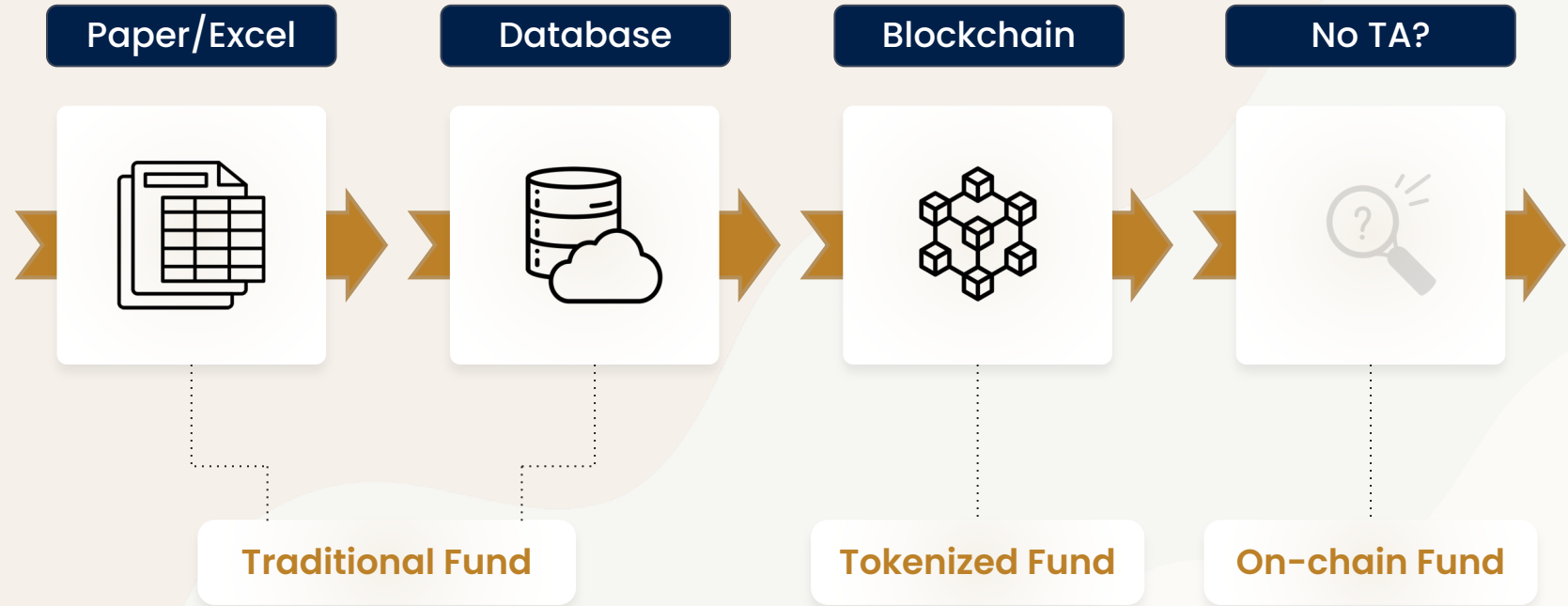
5th Annual Global Crypto Hedge Fund Report (2023)



**“4% OF CRYPTO HEDGE FUNDS ARE PRESENTLY
TOKENISING UNITS OF THEIR FUND, AND 23%
PLAN TO TOKENISE UNITS IN THE FUTURE.”**

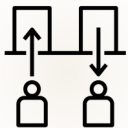


TRANSFER AGENT EVOLUTION





AUDITS



Entry/Exit



Fees



History



Proof of Reserves



Trades



Too Transparent?

REGULATIONS



KYC



Audits



Custody



Reporting

 LQIF?

 RAIF

UCITS



BANK ROLE FOR FUNDS



**Self-custody
for LPs**



CBDC



**Custodian for
Institutions**

BENEFITS



General Partner

Automated Admin

Lower Fees

Automated Audits

Reduced 3rd-party risk

Encoded Compliance

Limited Partners

Transparency

Lower Fees

Higher liquidity*



SOLUTION - FUME

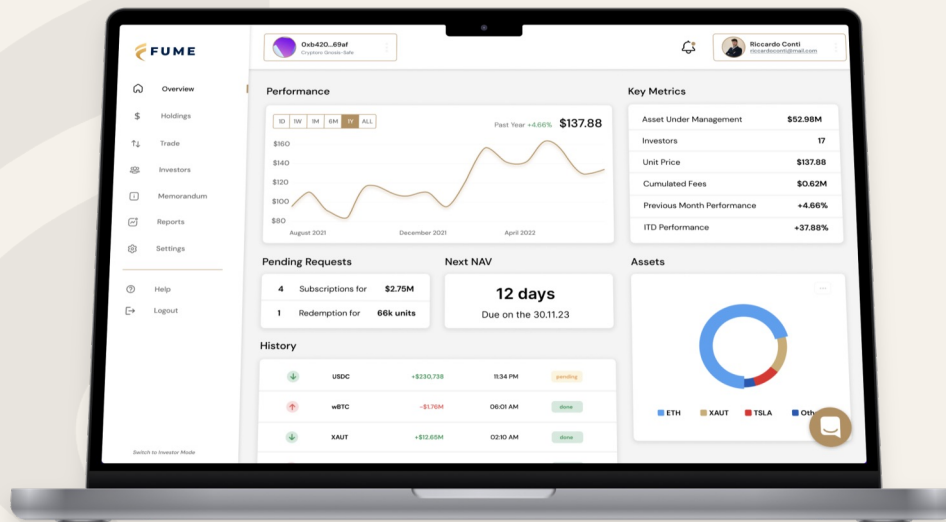
Simplify and automate fund administration with smart contracts

Any asset

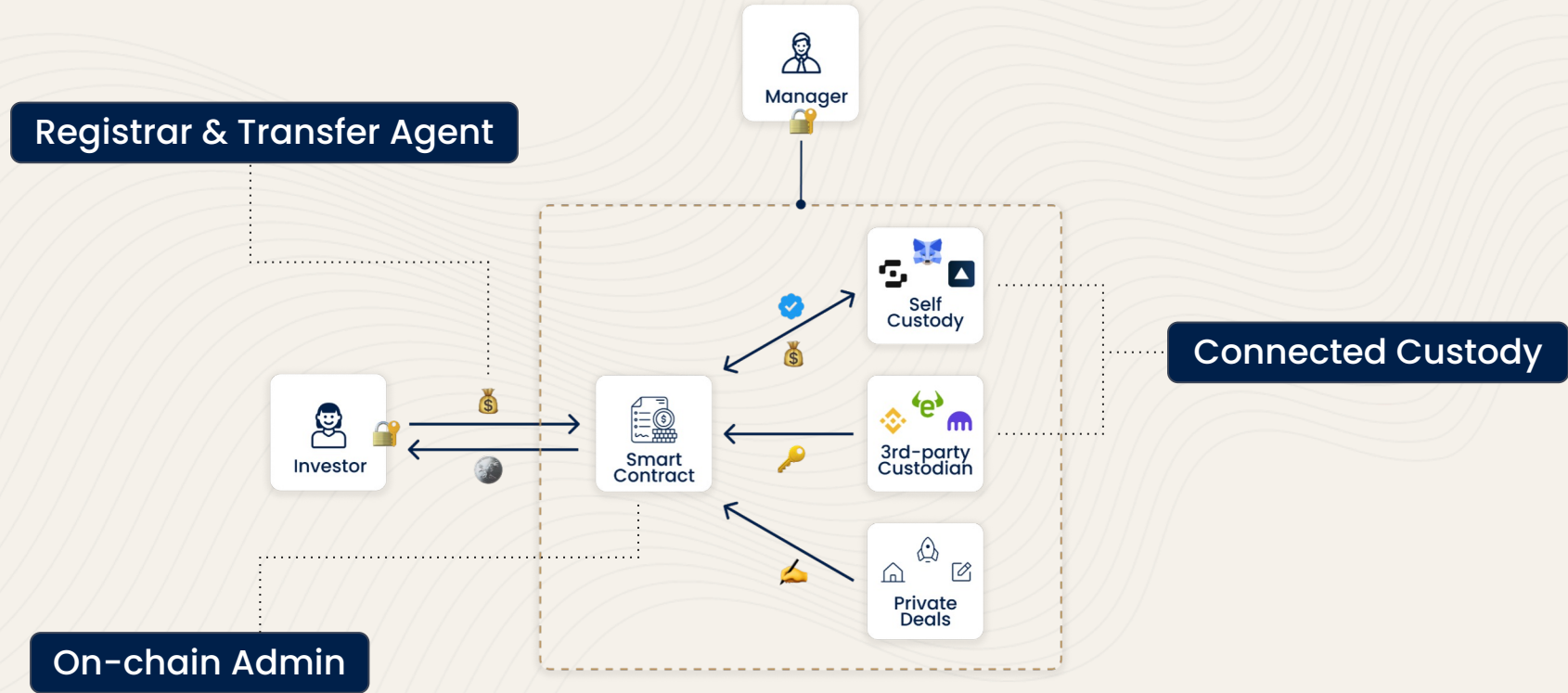
Fully compliant

No intermediaries

Selective transparency



HOW DOES IT WORK? (PROTOCOL)



HOW DOES IT WORK? (FOR MANAGERS)





HOW DOES IT WORK? (FOR INVESTORS)





CASE STUDY - CRYPTORO

RAIF (Luxembourg)

Subscriptions / Redemptions

Getting in and out of the fund via USDT (Tether Dollar).

Digital Assets Strategy

Holding digital assets with self-custody and centralized exchanges. (quant long/short).



Cryptoro
Capital

Tokenized Fund Shares

ERC-20 fund shares. Held directly in the investors' wallets.

On-chain Administration

NAV and fund activities reported on chain.



COMPARISON

	TRADITIONAL	ON-CHAIN
Subscriptions	Sometimes rejected by banks. several days to settle, 20bps/tx, (e.g. \$4000)	No intermediaries. Few minutes to settle, few dollars gas fees (e.g. \$1.30, or x3'000 cheaper)
Reporting	read-only access, .csv/.pdf files, block explorer screenshots	Consolidated positions connected to the platform, no additional reporting
NAV Estimation	None by default. Build an internal tool	24/7 NAV estimation
Bank Account	Limited banking options, high fees	No banking required
Fees Extraction	Manual + Reporting required	Automated

Note: specific to crypto hedge funds



MUTUAL FUNDS – A FUTURE PROOF MODEL?

Evolving Regulations

Regulations need to evolve to accommodate the change in the industry

Digital Assets for Retail

Currently any kind digital assets in funds not allowed for retail customers

Tokenization of RWA

When a substantial amount of Real World Assets will have been tokenized, then ripe for mutual funds.

New Bank Role





Retail Self-custody and CBDCs will reshape the bank's role in the mutual fund industry.



**ON-CHAIN FUND
ADMINISTRATION**



GET IN TOUCH

-  Lugano, Switzerland
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-  fume.finance
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