

Blackshield Capital  
**Strategies and Products**



# About Blackshield Capital Group

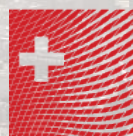
**Blackshield Capital Group** – is a Swiss multi-family office that specializes in providing comprehensive set of services for wealthy clients and companies from Eastern Europe, including:

- Asset management,
- Corporate finance and consulting,
- Multi-family office,
- Private equity, asset and transaction structuring.

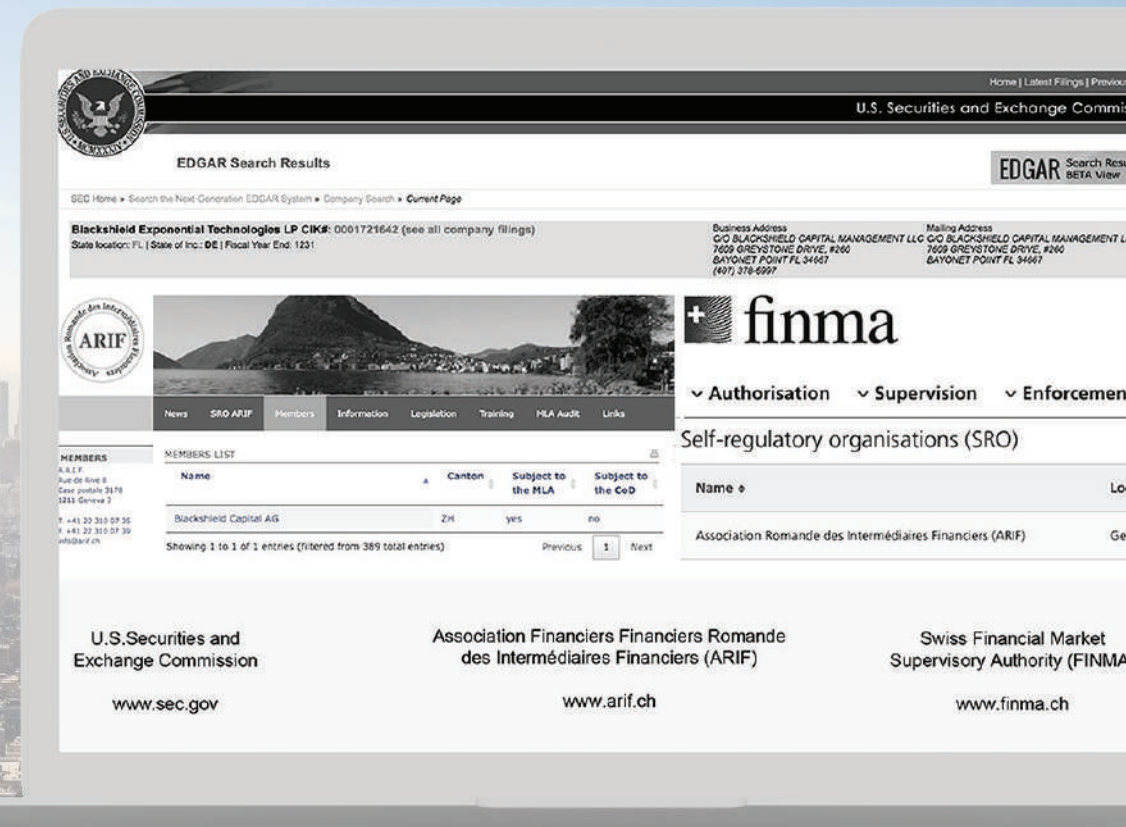
The client base of the Company comprises of more than 50 active clients and more than 100 direct contacts.

Blackshield Capital manages assets with an average client account size exceeding 5 million dollars.

The team of consultants gained experience in the largest European financial institutions and has a long history of successful corporate transactions in Eastern Europe in various industries.



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# 01/ Investment Principles



01

Sharring motivation with client,  
we earn only when our client earns



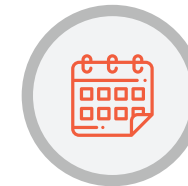
02

Investment in technology and innovation  
companies which change the world



03

No lock-up\*\* period - the capital from  
the fund can be withdrawn at any time



04

A strategy aimed at a long-term  
investment period (3-7 years)



05

No Management Fee\*



06

A comprehensive analysis of companies in which we invest  
at the level of M&A\*\*\* transactions



07

7-9 companies in each strategy

\* The quarterly mandatory payment for asset management, calculated as % of the total assets under management, is withdrawn irrespective of the results of the investment activity.

Standard - 2% of the amount of assets per year.

\*\* Standard lock-up period is 1 year

\*\*\* M&A – mergers and acquisitions transactions

# 02/ Investment Opportunities

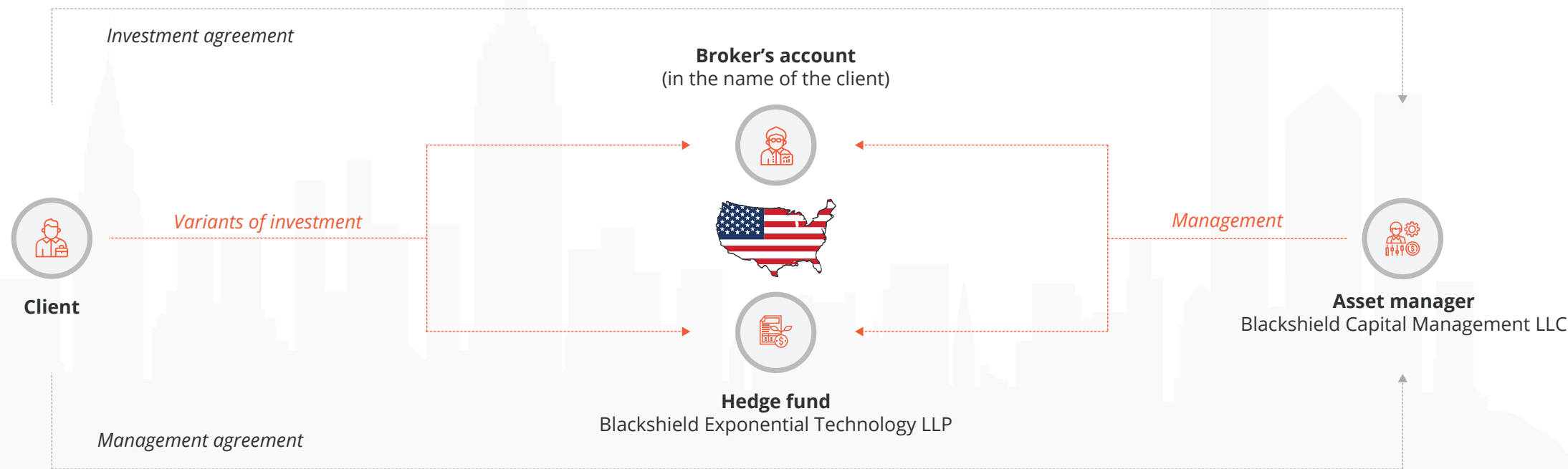
	Individual Investment accounts	Placing the capital in Blackshield Investment Fund
Investment format	The client deposits the money to his (her) own account in a foreign bank; we provide services on managing these accounts in the interest of the client	The client is signing an agreement and invests money directly to the fund; then the pool of capital is invested in the framework of the confirmed investment program
Duration of investment	3-7 YEARS	
Entry threshold sum	From 50 thousand USD*	
Recommended sum for investment	1 million USD	500 thousand USD
Basic investment strategy	<p><b>Investing in bonds:</b></p> <ul style="list-style-type: none"><li>• Investing in bonds of high credit rating companies.</li><li>• High-yield bonds</li></ul> <p><b>Investing in shares and other securities:</b></p> <ul style="list-style-type: none"><li>• Shares of large innovation companies which pay dividends</li><li>• Shares of large innovation companies in technology sector with high quarter and annual growth rate</li><li>• Stock options of the companies, which are undervalued according to the market valuation</li></ul>	<p><b>Investing in shares and other securities:</b></p> <ul style="list-style-type: none"><li>• Shares of large innovation companies in technology sector with high quarter and annual growth rate</li><li>• Stock options of the companies, which are undervalued according to the market valuation</li></ul>
Other conditions	Available only for accredited investors**	

\* According to the legislation of Ukraine, an individual resident of Ukraine can receive an electronic permission from the NBU to invest up to \$50 thousand a year

\*\* More information about the criteria for obtaining the status of an accredited investor can be found on our website [blackshield.fund](https://blackshield.fund), the website of the Federal Securities and Exchange Commission of the US [sec.gov](https://www.sec.gov), or by contacting us.

# 02/ Investment Opportunities

## Investment in the USA



### INVESTMENT STRATEGIES OFFERED:

	Bonds	Dividend strategy	Innovation and technology	Special situations
Individual account	+	+	+	+
Hedge fund participation	-	-	+	+

## 03/ Investment Strategies



## 03/ Investment Strategies

### Strategy's features

#### Investments in high-grade bonds

#### Strategy's advantages:

- Stable returns exceeding deposit returns offered by large EU and the USA banks
- Relatively low risk confirmed by a high credit rating of issuers
- High liquidity of the portfolio, which allows, if necessary, to make it a quick sale with maximum preservation of value
- The portfolio is accepted by banks as collateral for a loan with a high collateral value

Strategy's  
profitability  
in 2018  
+ 2.2%

#### Portfolio characteristics:



Target profitability  
of the strategy 2-4%



7-9 companies  
in portfolio



Companies with  
A, AA, BBB credit rating



Base currency,  
USD



Annual average  
volatility 1-5%



Recommended terms  
of portfolio investment –  
from 2-3 years



## 03/ Investment Strategies

Investment in high-profit bonds

Investment in high-yield bonds

Strategy's  
profitability  
in 2018  
+ 5.8%

### Strategy's advantages:

- The most profitable correlation between profitability and risk among the main asset classes. The profitability of the strategy is approaching the profitability of the stock market, while the risk remains within the class of fixed income securities
- An opportunity to diversify the overall investment portfolio with the potential to increase its profitability in different market conditions. For example, the return on\* the strategy in 2002-2012 was higher than the returns on shares and investment grade bonds (10.3% vs. 6.5% and 5.5% respectively)

*\*Measuring the profitability of the strategy is based on the indicators of the Credit Suisse High Yield Index, the return on the shares on the S & P 500® Index, the return on investment grade bonds at Barclays Aggregate US Bond Index*

### Portfolio characteristics:



Target profitability  
of the strategy 6-8%



7-9 companies  
in portfolio



Companies with  
BB, BBB credit rating



Base currency,  
USD



Annual average  
volatility 5-20%



Recommended terms  
of portfolio investment –  
from 2-3 years

## 03/ Investment Strategies

### Strategy's features

### Dividend strategy

### Strategy's advantages:

- Portfolio generates earnings formed on the basis of the following cash flows: dividends and gains from the change in market value of stocks
- Dividend strategy enabled to outperform the market: between 2015-2019 the annual average rate of return is 12.0% (S&P 500 High Dividend Index) vs 10.7% (S&P 500 Index)
- The possibility of additional diversification of the investment portfolio, as the shares of companies that pay dividends show a higher return in a declining market

*\*LTV\* – collateral ratio*

### Portfolio characteristics:



Target profitability  
of the strategy 10-15%



7-9 companies  
in portfolio



Large  
underestimated  
companies



Regular  
dividend flow



Base currency,  
USD



Annual  
average volatility  
10-20%



Recommended terms  
of portfolio investments  
from 3-4 years



LTV\*  
60-70%

# 03/ Investment Strategies

Profitability history

Dividend strategy



## 03/ Investment Strategies

### Strategy's features

### Innovation and technology strategy

### Strategy's advantages:

- Investments in shares of large innovative technology companies with the potential for further value growth
- By including exponential innovative and technological companies with a high quarterly and annual growth in the portfolio, we expect to increase cost of the portfolio minimum to 2 times for 3-5 years
- The strategy improves the diversification indicators in the context of the overall investment portfolio

### Portfolio characteristics:



Target profitability  
of strategy 25-30%



7-9 companies  
in portfolio



Investment in large  
innovation business



Base currency,  
USD



Annual average  
volatility 10-30%

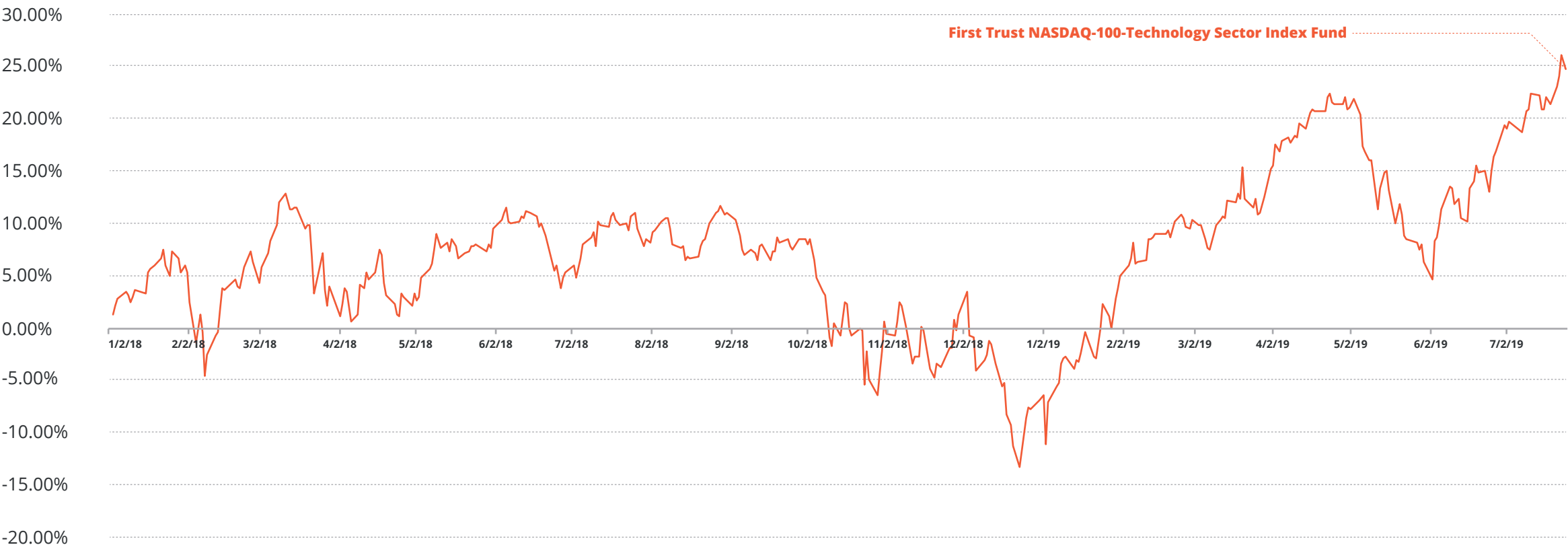


Recommended terms  
of portfolio investment –  
from 4-5 years

# 03/ Investment Strategies

Profitability history

Innovation and technology strategy





## 03/ Investment Strategies

### Strategy's features

### Special situations strategy

### Strategy's advantages:

- The strategy is used to increase the general portfolio profitability
- Observation and realization of arising on the market temporary opportunities to get overmarket income. Investments are done with clear understanding of the reasons of the situations on the market and expected growth catalysts
- The portfolio consists of options to buy/sell shares of companies, thus, the opportunity to buy/sell securities at a predetermined price is acquired.

### Portfolio characteristics:



Target profitability  
of strategy 30-50%



1-3 companies  
in portfolio



Realization of the temporary  
opportunities on the market



Base currency,  
USD



Annual average  
volatility 20-40%



Recommended terms  
of portfolio investment –  
from 4-5 years

## 03/ Investment Strategies

### Investments in Real Estate

#### Rental property, Development & Redevelopment

##### Strategy's advantages:

- Investment focus on high quality or undervalued properties with stable returns (secured by long-term lease agreements) of 6% p.a. and high upside potential
- High degree of protection of investor (property) rights
- Low credit rates - from 1.5 to 5%

##### Target returns and investment horizon for Property Development projects:



Target return:  
(net IRR) at 15% p.a.



Extension option for up to 2 years  
(to exit individual projects)



Investment horizon:  
2-5 years

## 03/ Investment Strategies

### Investments in

### Private Equity

#### Strategy's advantages:

- Private equity investment in promising non-public companies
- Focus on the following industries:
  - Pharmaceuticals
  - Technology sector
  - Telecom
  - Alternative Energy
  - Gas Production
  - Agricultural Sector
- Raising bank financing on favorable terms, share of borrowed capital 10-50%

#### Target returns and investment horizon:



Target return  
(net IRR): 20-25%



Opportunity to invest into the capital of profitable  
companies before how they become public



Investment horizon:  
3-7 years

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*M.J. Blackshield*



## Our Partners in Europe and Asia:



Morgan Stanley

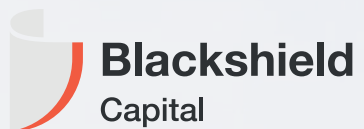


Julius Bär

Interactive Brokers







Invest your capital together with us  
**and we will increase it for you**

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