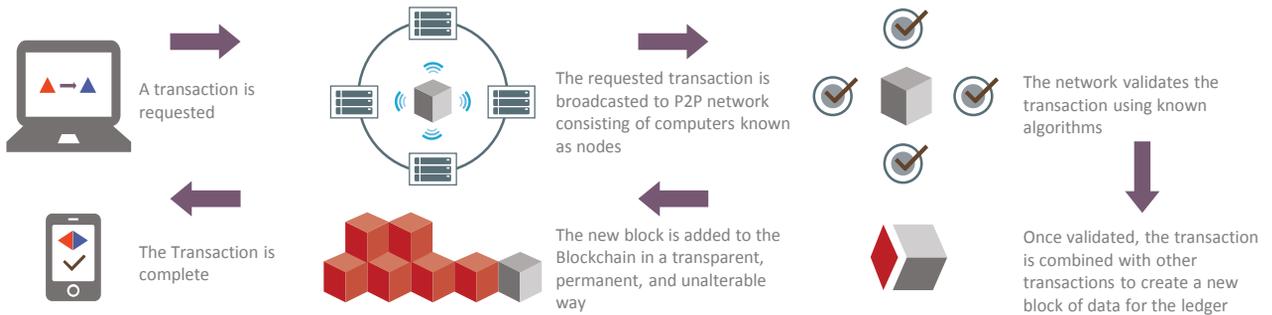


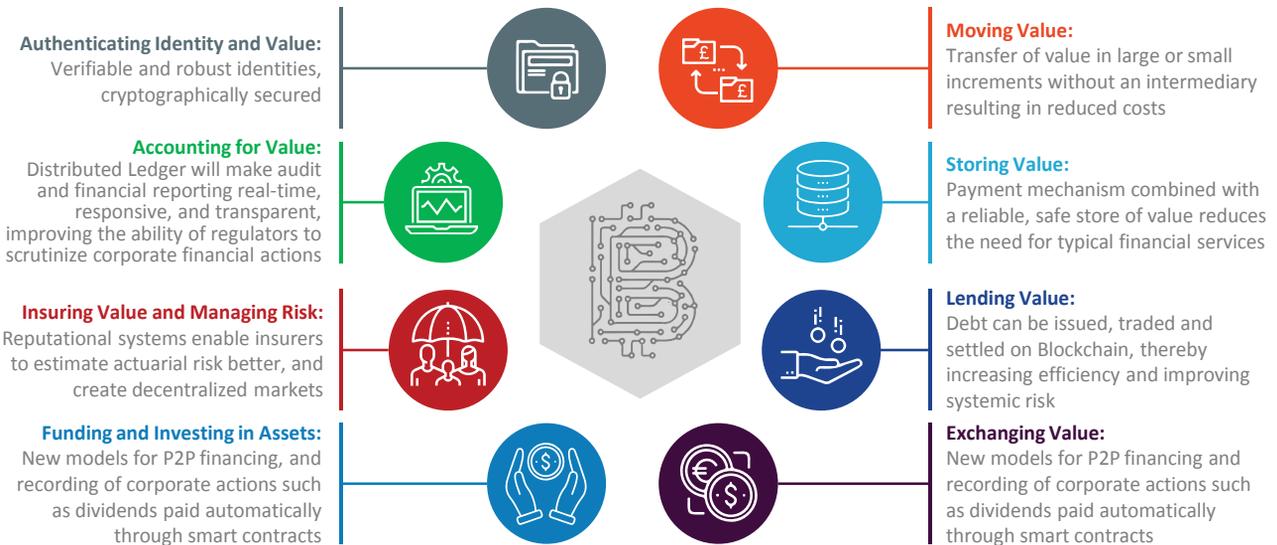
How the Blockchain Works



Applications of Blockchain

<p>Smart Contracts</p> <ul style="list-style-type: none"> A smart contract is an agreement between two parties that is stored in the Blockchain Smart contracts make it possible to exchange an asset without third parties being aware of the transfer 	<p>Cloud Storage</p> <ul style="list-style-type: none"> Considering the world spends over \$22 billion on cloud storage alone, Blockchain could significantly reduce the cost to store data for companies and personal users
<p>Cash reserve management</p> <ul style="list-style-type: none"> Blockchain offers the potential to drastically cut settlement time This will reduce the amount of cash and collateral that financial institutions will need to hold to mitigate settlement risks 	<p>Asset exchange</p> <ul style="list-style-type: none"> Blockchain will enable the development of new exchanges that facilitate the trade of a wide variety of assets, not only financial instruments, through the exchange of virtual tokens

Potential Impact of Blockchain on the Financial Services Market



Typical Approaches to Adopting Blockchain

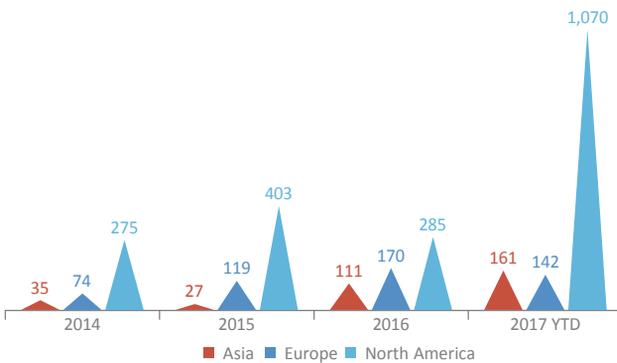
Proprietary R&D	Partnership POC	Consortium	Open-source Project
<p>Benefits: Full in-house control Specific use case focus Easy Integration</p> <p>Challenges: Higher costs Siloed efforts Key person risk eg: Barclays, Citi</p>	<p>Benefits: Time efficiency Tailored approach Optimized resource allocation</p> <p>Challenges: Technology partner evaluation / selection process eg: Nasdaq and Chain</p>	<p>Benefits: Holistic understanding of markets Low risk Cost sharing</p> <p>Challenges: Partial control Potential conflict of interest Interoperability eg: Enterprise Ethereum Alliance</p>	<p>Benefits: Appealing for industry talent Facilitation of standards Initial lower costs</p> <p>Challenges: Lack of focus Lack of quality control Slower progress / longer time to deliver eg: Hyperledger Fabric</p>

Potential Benefits for Capital Markets

Pre-trade	Trade	Post-trade	Custody & Securities Servicing
<ul style="list-style-type: none"> Transparency and verification of holdings Reduced credit exposures Mutualisation of static data Simpler KYC/KCC via look through to holdings 	<ul style="list-style-type: none"> Secure, real-time transaction matching and settlement Automatic DVP on a cash ledger Automatic reporting & more transparent supervision for authorities Higher Anti-Money Laundering standards 	<ul style="list-style-type: none"> No central clearing for real-time cash transactions Reduced margin/collateral requirements Faster novation & efficient post-trade processing Fungible use of assets on Blockchains as collateral Auto-execution of smart contracts 	<ul style="list-style-type: none"> Primary issuance directly onto a Blockchain Automation and de-duplication of servicing processes Richer central datasets with flat accounting hierarchies Common reference data Fund subscriptions/redemptions processed automatically Simplification of fund servicing, accounting, allocations, and administration

Regional Blockchain and Cryptocurrency Investments

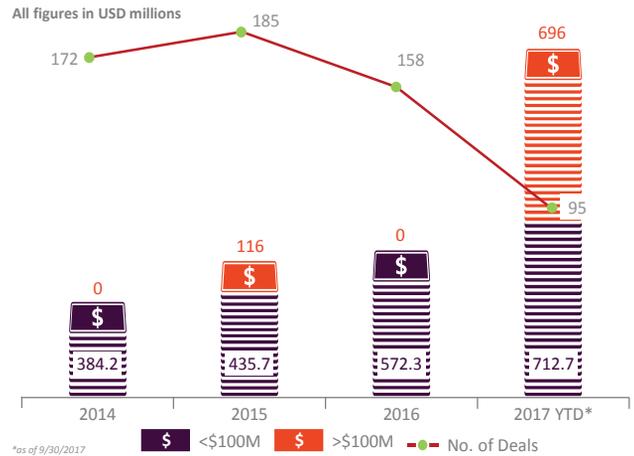
All figures in USD millions



*as of 9/30/2017

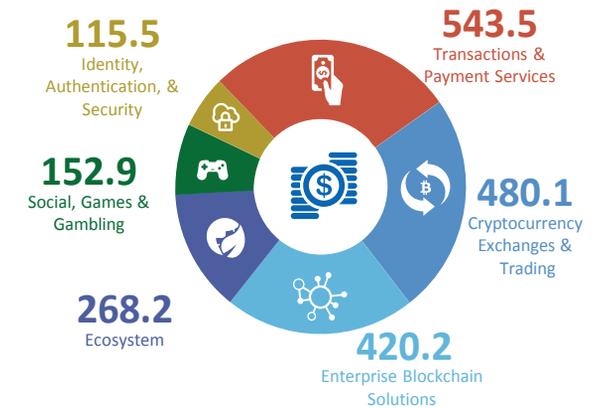
VC Deals in Blockchain and Cryptocurrency

All figures in USD millions



*as of 9/30/2017

Start-up Funding Based on Company Type (2017)



All figures in US millions; Data based on 130 Blockchain start-ups that received the greatest amount of VC funding

Challenges to the Growth of Blockchain

<h3>Nascent Phase</h3> <p>Blockchain is still in its nascent phase, and many service industries are wary of using it</p>	<h3>Blockchain and Bitcoin</h3> <p>Even though Blockchain is much larger than bitcoin, it's still used interchangeably with it</p>	<h3>Security Concerns</h3> <p>A few large breaches this year and the previous year have raised concerns about the security and safety of data on the Blockchain</p>
<h3>Scalability</h3> <p>Earlier applications on the Blockchain failed due to the inability to scale for large volumes and larger transactions. This is being corrected in newer versions on the Blockchain</p>	<h3>Standardization</h3> <p>There is no uniform method used across all platforms on the Blockchain. Which is why the technology is currently not easily accessible to the common user</p>	<h3>Regulation and Governance</h3> <p>Regulations have always struggled to keep up with advances in technology, and this is no different. So, a key challenge will be making sure the Blockchain isn't unfairly regulated if lawmakers don't understand its potential, and only club it together with cryptocurrency</p>

Sources- Deloitte, White&Case, Nishith Desai Associates, Fintech Global, Blockchain Revolution, CBInsights, McKinsey, Aite Group

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TresVista Financial Services is the leading provider of high-end outsourced support for asset managers, investment banks, research firms, and corporates. TresVista delivers operational efficiencies and cost savings to its clients while providing them with dedicated teams to support them across various functional activities. Services include investor relations, fund raising, deal sourcing, deal execution, valuation, research, financial modeling, portfolio management, marketing and legal support.

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