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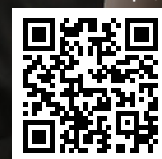
DIGITAL ASSET  
MANAGEMENT  
EDITION

# BXE CAPITAL

THE LEADING  
STRATEGIC  
PARTNER IN THE  
DIGITAL-ASSET  
MANAGEMENT  
SPACE

*JOSHUA FINKLEMAN,*  
MANAGING PARTNER AND CIO

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# BXE CAPITAL

## THE LEADING STRATEGIC PARTNER IN THE DIGITAL-ASSET MANAGEMENT SPACE

By Joe Phillip

Today, cryptocurrencies are gaining popularity and acceptance as investors, companies, and consumers have begun to recognize the power and convenience of blockchain technologies. Some retail and institutional investors, including younger and more technology-savvy asset owners, have already made investments in this nascent asset class, betting that they will be rewarded for being early adopters. Many other potential investors understand the diversification benefits and the potential upside that cryptocurrencies can bring to their portfolios, but they remain sidelined due to the high volatility, regulatory uncertainty, complexity, and rapidly changing market infrastructure that exists within the asset class. Indeed, tracking and managing a

portfolio of digital assets is no walk in the park, even for the more experienced investors in the space. This knowledge gap poses a significant barrier to entry for many would-be cryptocurrency investors, and this could potentially cause them to miss out on outsized returns that early adopters often realize.

In order to safely enter the digital asset market, investors would be wise to find a strategic asset management partner which can assist them in properly deploying their capital. BXE Capital, Colorado's first digital asset investment firm, was founded with the vision of being this strategic partner. BXE is committed to the continued growth of their clients in their long-term journey to build greater wealth. "Every step we take is with the



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GENERAL PARTNER

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DIRECTOR,  
INVESTOR RELATIONS





sole intent of doing what's right for our partners. We strive to deliver the best risk-adjusted returns while placing an emphasis on educating our clients on this technology and asset class. BXE is truly a collaborative partnership," begins Joshua Finkleman, the Managing Partner and CIO of BXE Capital. In fact, the company's Inception to Date (ITD) performance of 1,614% through October 30, 2021 shows its prowess over the

**Being on the frontlines in the early days of this disruption, we feel uniquely positioned to be pioneers and thought leaders with an exceptional track record of performance**

years.

Established in 2017, BXE Capital is a digital asset investment firm which invests in cutting-edge blockchain-centric technologies through an actively managed, diversified portfolio. The company believes that blockchain technology will serve to disintermediate a great number of industries over the next few decades and is convinced that this upcoming paradigm shift presents an extremely compelling investment opportunity. In particular, BXE expects to capitalize on several infrastructure-gearred blockchain applications which it

believes will shape the next generation of money, banking, payments, remittances, finance and global commerce. The firm employs a multi-strategy investment approach and focuses on infrastructure-focused digital networks, income-producing Proof of Work & Proof of Stake (PoW & PoS) tokens, smart contract protocol layers, various stores of value, and medium-of-exchange-based digital networks.

### **Early to the Blockchain Revolution**

Mr. Finkleman managed a Denver based credit card payments company for seven years prior to launching BXE Capital. Joshua's background in Payments and Fintech, gave him a unique set of optics to see the value proposition of utilizing distributed ledger technology to move value around the world. As a result, he was able to see the value in this new asset class before most and launched Colorado's first Digital Asset Investment Fund and named it after his son as the "Jagger Fund."

As a longstanding cryptocurrency investor, Mr. Finkleman expects that distributed ledger technology will have a seismic effect on various industries as Blockchains enable optimal efficiency and disintermediates many unnecessary functions used in the analog economy. At its core, Mr. Finkleman believes that blockchain technology will shift the world over from analog to digital money and will bring about Central Bank Digital Currencies (CBDCs). For this reason (and many others), Mr. Finkleman remains very bullish on the future of the digital asset industry and believes it's in its infancy.

According to Mr. Finkleman, the cryptocurrency ecosystem's emergence could be similar to the rise of the

internet era in the late 1990s. He states, "The advances in blockchain technology are set to facilitate the digitization of nearly every stock, bond, currency, commodity, derivative, and financial instrument that is currently used by our financial system. I expect the shift from analog to digital will create the largest wealth transfer event in the history of man."

### **A Multi-Dimensional Approach to Investing**

In order to capitalize on its investment thesis, BXE Capital spends its time researching core infrastructure networks within the digital asset space. The firm's experienced investment team identifies the best digital networks with the strongest user bases and network effects by analyzing various data points, such as the number of daily transactions, active wallet addresses, integrations with other projects and ecosystems, developer counts, the number of exchanges supporting a specific token, and the trading volume of each digital asset. A key component of BXE's approach is also being cognizant of and ensuring adequate liquidity for those assets they invest in. A mosaic of high-quality supporting data helps the team gain strong conviction in certain digital networks which leads to portfolio investments in specific tokens. "We have a constant pulse on the investment, regulatory, and exchange trends in the digital asset space as members of BXE's management team have been strategically placed within these key facets of the digital economy. This gives our team the ability to see the industry three-dimensionally, giving us an advantage and allowing our partners to invest in asymmetric opportunities in this asset class,"

explains Joshua.

When it comes to position sizing and risk management, the chief investment officer of BXE Capital uses a variety of tools, including a unique yield generation strategy which is the core strategy of the firm's multi-strategy approach. This strategy focuses on producing additional, passive monthly income from a majority of the assets in the fund's portfolio. This yield not only helps to offset management fees, but it also helps to buffer the portfolio from mark-to-market losses, allowing the firm to compound capital at a high rate. "Our portfolio combines our long-term investment thesis of digital asset price appreciation with a dynamic element of high-growth yield generation. This truly sets us apart and makes our portfolio one-of-a-kind," states Joshua.

Since its establishment, BXE Capital has taken great pride in consistently being featured on BarclayHedge's Top 10 Cryptocurrency Fund list. The Jagger Fund has ranked in the top 10 among its peers on 15 separate occasions since the launch of the fund, demonstrating its investment prowess and highlighting the top-tier returns that BXE has generated for its clients. As recently as August 2021, BXE was ranked fifth globally in the digital asset management space by BarclayHedge.com.

### **Building Client Relationships through Clear Communication**

BXE Capital's clients consist of a wide range of domestic investors, including individuals, family offices, banks, businesses, and trust organizations. The company spends a significant amount of its time and resources in educating investors on the firm's investment approach and various strategies for deploying capital into the digital asset space. BXE publishes weekly newsletters, shares relevant research reports, and periodically writes its clients update memos after important market events or industry

developments. In addition, each quarter the company conducts a webinar for their partners which reviews market and fund performance, provides a deep-dive into the investment portfolio, discusses the macro picture, market structure, provides insight into the fund's current and future potential strategies, and answers any inquiries. In effect, the firm's investors are fully briefed on the fund's performance, the current portfolio, the state of the digital asset market and insight on any new trends each quarter.

### **Shaping a New Paradigm in Digital-Asset Management**

The year 2021 has been a significant year for the cryptocurrency industry in many ways. Bitcoin and Ethereum hit new, all-time price highs in October. Regulatory developments that have the potential to have a major industry impact are underway. Institutional buy-in from major companies such as Venmo, Square, PayPal, Fidelity and more continue to increase digital asset awareness and adoption. In addition, the first Bitcoin-linked Futures ETF recently made its debut on the New York Stock Exchange, marking a key milestone for investor accessibility. Overall interest in digital assets has skyrocketed in 2021. The topic has become hot not only among investors, but also in popular culture thanks to prominent figures like Elon Musk, memes circulating on social media, and the arrival of NFTs in the art community.

BXE Capital has established itself as a valuable thought leader in the digital asset space, and Mr. Finkleman has no plans on changing that. The investment firm has had a longstanding thesis that the financial services industry will be one of the first sectors that is truly disrupted, with the advent of decentralized financial services (DeFi) replacing many of the functions that exist in traditional finance today. As a result, BXE is planning to launch a DeFi-focused Fund in 2022 which

will offer focused investment exposure to exchange, payment, asset management, derivatives, insurance, data oracles, and many other blockchain-based financial

**This fundamental, multi-strategy approach for long-term investments is not, per se, unique to this space. But how we have built a high growth-yield centric portfolio is definitely a unique value proposition in this space**

service applications. Mr. Finkleman states, "A decentralized financial system will provide financial inclusion for billions of unbanked citizens around the world and provide a wide swath of the population with faster, cheaper, and more accessible financial services than the traditional financial services system could ever offer. As the digital transformation gains steam, the adoption of its applications in financial markets is inevitable."

BXE Capital expects to build additional thematic investment vehicles in the future, giving its clients the ability to have unique and focused exposure to the most exciting areas of this new asset class. "We have been pioneers in this industry and have generated exceptional returns for our partners over the last five years", concludes Mr. Finkleman. "We continue to be uniquely positioned in this market, and we expect to capitalize on our edge for years to come". **CA**