



**March 2018**  
**The World's Evolution To Its**  
**True "Native Digital State"**

**Accredited Investors Only**

**"See, the world is full of things more powerful than us. But if you know how to catch a ride, you can go places,"**

- Neal Stephenson, Snow Crash

The world continually changes and evolves. This has always been true and those that fail to innovate and adapt will be left behind. The evolution of the global economy is a force more powerful than us. The ride today is provided by the innovation called the Blockchain, and yes, if you catch this ride it will take you places. Do we know who the long-term winners will be with certainty? No. But we must recognize that the status quo is being attacked by very strong disruptive forces. Simply put, data is the new oil. Decentralization is upon us and the world is evolving very quickly from its analogue foundations, which were developed in the 1800's, into its true native digital form. This is the ride that Pendragon is catching.

Throughout history, when a major innovation has been introduced, it tends to be absorbed into the economy in two distinct steps. Step one, the technology is initially introduced, the 80's and the 90's introduced the computer and the internet to the world. Step two, the economy absorbs the technology to the point where it dramatically changes the world we live in. Today the Internet of Things, Alternative Intelligence, Machine Learning, and the Blockchain, are now dramatically changing the way we live and do business. Academics label the former Gilded Age, while the latter is labeled the Golden Age. The Blockchain, a data base innovation which applies cryptography, is front and centre catching the imaginations of many. To some, this new data model may be as significant as the printing press or double entry book keeping accounting. To others, it's referred to as a tulip bulb. To be sure no one knows what the future holds, but it would be folly to assume that the status quo will be maintained.

In the past, civilizations were organized and settled in a centralized manner. The introduction of the internet into our society started the pendulum to swing back towards a decentralization. The Blockchain allows data bases to be secure, transparent and decentralized. The introduction of a decentralized accounting ledger, that you can only add information to and cannot be hacked, releases profound forces of disruption into the economy. Just imagine a tamper proof ledger of transactions (cannot be hacked) that exists in multiple (decentralized) locations for everyone to see. The joint forces of the internet and the Blockchain will now accelerate the rate upon which society decentralizes, and digitizes.

Many will be unhappy with this occurrence and will fight to maintain the status quo. Education is key to understanding the opportunities that lie ahead.

**Dr. James E. Thorne**  
Chief Capital Market Strategist  
& Senior Portfolio Manager

## FUND DETAILS

INCEPTION DATE - SEPTEMBER 15, 2016

Management Fee	1.25%	RRSP Eligible	Yes
Performance Fee*	20%	Auditor	Deloitte LLP
Subscriptions	Monthly	Legal Counsel	McCarthy Tetrault LLP
Liquidity	Monthly	Administrator	SGGG Fund Services
Minimum Investment	\$10,000	Custodian	Caldwell Securities Ltd.

\*Based on perpetual high watermark using series accounting, no reset, no hurdle rate.

## PORTFOLIO MANAGER

### James Thorne

Chief Capital Market Strategist & Senior Portfolio Manager

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Dr. James E. Thorne is the Chief Capital Market Strategist and Senior Portfolio Manager at Caldwell Investment Management Ltd. He is also a member of Caldwell's Investment Risk Committee.

From February 2001 to September 2014, he held various senior investment management positions at M&T Bank and its wholly owned subsidiary, Wilmington Trust Investment Advisors, Inc. in the U.S., including Chief Investment Officer of Equities, Managing Director and Chief Capital Market Strategist. During his tenure, he was responsible for the management of approximately \$23 billion in assets and developed small, mid and large-capitalization investment strategies which employed a combination of quantitative and qualitative analysis and achieved top-quartile performance.

Dr. Thorne received a Ph.D. in Economics in the fields of Finance and Industrial Organization from York University in June 1993 and was subsequently employed as a Professor of Economics and Finance at the Schulich School of Business and at Bishop's University.

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