

Portfolio Manager's comments

Bitcoin dominance started the month at 65.49%, reached a low of 65.20%, high of 69.76%, and ended practically unchanged at 65.40%.

May was an action-packed month on the events and news front. The biggest event of the month was the much-awaited Bitcoin “halving” which happened on May 11th. Some stats below of where we stood on the exact moment of the third Bitcoin “halving”:

Total Bitcoins in circulation:	18,375,000	Bitcoin inflation per day (USD):	\$7,627,320
Total Bitcoins to ever be produced:	21,000,000	Bitcoin inflation until next blockhalf event based on current price (USD):	\$11,123,175,000
Percentage of total Bitcoins mined:	87.50%	Bitcoin block reward (USD):	\$52,967.50
Total Bitcoins left to mine:	2,625,000	Total blocks:	630,000
Total Bitcoins left to mine until next blockhalf:	1,312,500	Blocks until mining reward is halved:	210,000
Bitcoin price (USD):	\$8,474.80	Total number of block reward halvings:	3
Market capitalization (USD):	\$155,724,450,000.00	Approximate block generation time:	10.00 minutes
Bitcoins generated per day:	900	Approximate blocks generated per day:	144
Bitcoin inflation rate per annum:	1.80%	Difficulty:	16,104,807,485,529
Bitcoin inflation rate per annum at next block halving:	0.84%	Hash rate:	131.05 Exahashes/s

We were supposed to be attending the Consensus conference in NY, but the event was canceled due to Covid-19 and we participated via their virtual presentations. [Vitalik](#) discussed about ETH 2.0 but July launch likely to be delayed to sometime during 3Q20, ETH underperformed early in the month on the news of this delay. On the Regulatory front we had the announcement from the [US Office of the Comptroller of the Currency](#) that cryptocurrency businesses could fall under a federal licensing regime if they provide what can be described as payment services.

One of this year's highlights was the validation that well-known macro investor Paul Tudor Jones gave when he wrote a report of why he decided to allocate just under 2% of his fund into Bitcoin as a hedge against inflation (click on the [Bloomberg](#) article), expect other macro fund managers to follow. Watch his 4 minutes interview with [CNBC](#). Some of his interesting quotes below:

“The best profit-maximizing strategy is to own the fastest horse” Jones, the founder and chief executive officer of Tudor Investment Corp., said in a market outlook note he entitled ‘The Great Monetary Inflation.’ *“If I am forced to forecast, my bet is it will be Bitcoin.”*

“It has happened globally with such speed that even a market veteran like myself was left speechless” Jones, 65, wrote. *“We are witnessing the Great Monetary Inflation -- an unprecedented expansion of every form of money unlike anything the developed world has ever seen.”*

[US Treasury](#) announced it seeks to borrow a record \$3 trillion this quarter.

Fed Chairman, Jerome Powell, interview in CBS News [60 minutes](#) is a MUST see. Loved this exchange of words:

Interviewer: "Fair to say you simply flooded the system with money?"

Powell: "Yes. We did. That's another way to think about it. We did."

Interviewer: "Where does it come from? Do you just print it?"

Powell: "We print it digitally. So as a central bank, we have the ability to create money digitally. And we do that by buying Treasury Bills or bonds for other government guaranteed securities. And that actually increases the money supply. We also print actual currency and we distribute that through the Federal Reserve banks."

WSJ put out a surprising article with the announcement from [JP Morgan](#) that started providing banking services to cryptocurrency businesses, first two clients being Coinbase and Gemini exchanges (2 of our major liquidity providers). As the famous saying goes, "If you can't beat them join them!" Incredible how things are changing rapidly in this space, just look at the 2 clippings below that are just over 2.5 years apart.

Jamie Dimon Says Bitcoin Is a 'Fraud' That Will 'Blow Up'

JP Morgan CEO remains stridently against the digital currency, if not the ideas behind it



James Dimon, Chairman of the Board and Chief Executive Officer of JPMorgan Chase & Co, attends the Paris Europlace International Financial Forum in Paris, France, July 11, 2017. REUTERS/Gonzalo Fuentes PHOTO: REUTERS

By Paul Vigna and Emily Glazer
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WSJ
BUSINESS
JPMorgan Extends Banking Services to Bitcoin Exchanges
Gemini, Coinbase are the bank's first clients from the cryptocurrency industry



Tyler Winklevoss, left, and Cameron Winklevoss are co-founders of the Gemini bitcoin exchange.
PHOTO: CHRISTOPHER GOODNEY/BLOOMBERG NEWS

By Paul Vigna
May 12, 2020 7:00 am ET

Bitcoin started the month at \$8,659 and traded between \$8,374 and \$9,997 to close at \$9,461 up 9.27% for the month. Genesis Block Fund was up 14.10%. It was yet again a hard-fought battle around the \$10k mark for BTC and when 50 BTC were moved from a [2009 dormant wallet](#), market freaked out initially thinking it was Satoshi starting to sell his coins and the market retraced to near the \$9,000 handle, funny things happened in this nascent market. For a third straight month, we again traded in and out of Tezos taking advantage of the volatility. ETH, after underperforming most of the month after Vitalik's comments of delay on ETH 2.0 deployment, had a very strong recovery in the last week (up 11.3% in the month) and we took advantage to reduce our overweight position close to the highs looking to re-purchase on any future weakness. Other than KEEP (see below), our best performing asset in May was MKR which was listed on Coinbase and surged 50% in a single day finishing the month up 35.3%, we like MKR, which has underperformed YTD, for its important role in the growing DeFi space. We continue with our structural underweight position in XRP, we are in no rush to go back to neutral when you see Jed McCaleb, Ripple's co-founder, [selling XRP](#) non-stop, he has sold \$175mm of XRP since 2016 and [54mm XRP](#) in April 2020 alone with billions left to sell according to his wallet activity. Our small overweights (WAX, BAT, and LINK – all outperformed BTC) and our underweights (BCH, LTC, and EOS – all had negative returns) helped significantly increase Alpha against BGCI.

It was a big month for KEEP, tokens were granted as mainnet went live, it was [bumpy start](#) and re-deployment was needed after a small bug on the redemption procedures of old BTC wallets was discovered (super good job from the Thesis/tBTC team on [communication](#)). It wasn't a hack and no funds were lost; a detailed [post-mortem](#) was sent out to the market within 48 hours. Here is the latest updated on [tBTC launch](#).

Even with all this, a few small exchanges listed the tokens and it made to [Coin Market Cap](#) (where liquid assets are market by our Administrator MG Stover). As there is little free float and they prepare for their stake drop on June 8th, there is limited liquidity in the secondary market so we marked them at a discount to Coin Market Cap. Tokens traded over \$2.00 and closed the month at \$0.45 (on Coin Market Cap) which is just over 6x increase since we purchased them at \$0.07 in the private market via the SAFT. Until there is some more liquidity on the tokens, we may expect some wild price fluctuations in the short-term. At the current pricing, KEEP represents slightly above 5% of the fund's AUM. Managing an active crypto fund gives us the opportunity to enter into some promising protocols at a very early stage, we are proud to see Andreessen Horowitz fund's a16z mentioning KEEP as one of the high-quality projects of the [third crypto cycle](#).

Interesting announcements/comments:

- [Paul Tudor Jones](#) buys Bitcoin as a hedge against inflation
- Singapore's [Temasek](#) joins Libra Association
- [Samsung](#) partners with Winklevoss Exchange to expand crypto push
- [ErisX](#) launches first CFTC approved ETH futures
- [Twitter CEO](#) Jack Dorsey's still buying a whole Bitcoin every week
- Firm with ties to former "[Sheriff of Wall Street](#)" disclosed \$140mm Bitcoin fund
- Facebook's Libra Association names [HSBC](#) chief legal officer Stuart Levey as CEO
- [German Neobank](#) offers Bitcoin accounts with 4.3% interest
- [Facebook's Calibra](#) rebrands to Novi, details wallet tie-up with WhatsApp

Monthly estimated return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	Since Fund Inception
2018 Genesis	-16.0%	-5.2%	-37.4%	57.2%	-20.2%	-20.4%	7.5%	-17.2%	-9.2%	-7.9%	-38.2%	-3.7%	-77.94%	
2019 Genesis	-11.5%	17.5%	7.2%	20.5%	58.6%	12.4%	-13.4%	-12.0%	-9.5%	7.1%	-16.5%	-8.7%	34.85%	
2020 Genesis	33.4%	1.02%	-31.6%	39.3%	14.1%								46.63%	-56.39%
2018 Crypto Assets	-19.2%	-1.8%	-33.7%	61.2%	-14.1%	-17.6%	4.5%	-8.6%	-11.6%	-13.8%	-34.3%	-3.4%	-72.27%	
2019 Crypto Assets	-15.7%	18.4%	10.6%	20.9%	52.8%	8.7%	-14.6%	-3.6%	-8.8%	2.9%	-12.0%	-12.9%	31.28%	
2020 Crypto Assets	40.1%	6.1%	-20.5%	43.2%	11.8%								89.14%	-31.15%
2018 Criptoativos											-7.1%	-0.5%	-7.53%	
2019 Criptoativos	-2.9%	4.1%	2.4%	4.1%	10.2%	1.6%	-2.8%	-0.4%	-1.5%	0.9%	-2.2%	-2.4%	10.80%	
2020 Criptoativos	8.3%	1.1%	-3.7%	8.3%	2.52%								16.92%	19.80%
2018 BGCI	-15.8%	-10.7%	-43.5%	60.9%	-20.4%	-28.5%	13.7%	-21.7%	-0.2%	-12.2%	-36.8%	-1.7%	-81.14%	
2019 BGCI	-11.8%	15.5%	5.9%	13.4%	58.1%	17.2%	-24.2%	-16.1%	-6.2%	10.6%	-17.4%	-13.3%	7.08%	
2020 BGCI	40.3%	1.8%	-31.0%	35.9%	0.16%								34.04%	-72.92%
2018 CDI	0.58%	0.46%	0.53%	0.52%	0.52%	0.52%	0.54%	0.57%	0.47%	0.54%	0.49%	0.49%	6.42%	
2019 CDI	0.54%	0.49%	0.47%	0.52%	0.54%	0.47%	0.57%	0.50%	0.47%	0.48%	0.40%	0.36%	5.97%	
2020 CDI	0.38%	0.29%	0.34%	0.28%	0.24%								1.54%	14.51%

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Genesis Block Fund Ltd. Characteristics

Minimum Investment	\$100,000
Subscription	Monthly
Redemption	Monthly with 15 days pre-notice
Administration fee	2% p.a.
Performance fee	20% over 6M Libor with High Water Mark
Administrator	MG Stover
Auditor	Cohen & Co
Legal Counsel	Walkers Global and Freitas Leite
Custodian	Coinbase Custody
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	www.blpcrypto.com.br/en/

BLP Crypto Assets FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$100,000
Subscription	Monthly
Redemption	Monthly with 15 days pre-notice
Administration fee	2% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	Planner
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
ISIN Number	BR01OYCTF009

BLP Criptoativos FIM Characteristics

Minimum Investment	R\$1,000
Subscription	Monthly until the last business day of the month
Redemption	Monthly until the last business day of the month
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	Brasil Plural
Digital Platforms	Genial Inv e Órama
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
ISIN Number	BR026OCTF003

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