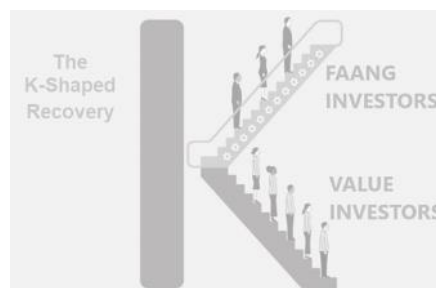


Portfolio Manager's comments

First and foremost, we want to thank all our clients and prospects that have been following us as our fund completed 3 years since inception. We appreciate your patience and confidence over the last years and are glad that over the course of this year our AUM grew 5-fold. It has been a wild ride but slowly our Investment Thesis looks to be coming through with the greater acceptance of digital assets in mainstream portfolios.

2020 will be a year that none of us will ever forget. The pandemic brought grief and sorrow as some of you lost loved ones and it completely changed the way we live and interact as a society. Borders were closed, we got locked up in our homes, our children had to do home-schooling and home-office became the new normal, lots of hard lessons were learned and we all adapted to difficult circumstances which none of us could have ever imagined. We saw protests worldwide with the incident of George Floyd followed by the BLM (Black Lives Matter) movement. The pandemic accelerated the digitalization of everything, from the way we shop, to how we celebrate friends and family events, to the way we have client meetings, and accelerated the global adoption of digital assets. Some stocks like Zoom (ZM) had exponential growth of 366% in revenues and its share price skyrocketed (up 5x) as business meetings changed from presential to virtual, at the same time airline stocks plummeted as people didn't need to travel for work and couldn't travel for pleasure.

With the pandemic came wild corrections in the global equity markets with many circuit breakers along the way, crude oil collapsing to an unimaginable negative price in the first future, big swings in gold prices and dislocations in the foreign exchange markets. Governments became desperate and on the blink of an eye huge fiscal and monetary stimulus started being deployed by the FED, ECB, JGB and other countries around the globe. If we thought that the 2008 global financial crisis stimulus was big, it was actually tiny compared to what the world saw in this year's crisis with government debt reaching highs not seen since WW2. The Central banks printed as much fiat as they could and ballooned their balance sheets as if there was not tomorrow. Discussions of the shape of the recovery came in various letters ranging from L, V, U, W to K-shaped, the latter one seeming to prevail at where we stand today. New younger daring investors, through trading platforms like Robinhood and others, beat the mainstream value investors by a long shot, valuations and P/Es didn't matter anymore, they just followed trends and went after what was hot, just look at Tesla (up 8x). The next decade will bring a huge generational wealth transfer from baby-boomers to millennials and this will have tremendous consequences on the way the younger generation will allocate their capital.



Some of the main highlights on the digital asset space during 2020:

- Great macro investors like Paul Tudor Jones, Stan Druckenmiller, Bill Miller, Guggenheim's Scott Minerd to name a few invested in BTC
- Well know companies like PayPal, Square, Robinhood, Revolut added digital assets to their platforms
- Listed public companies like MicroStrategy, Square and others added BTC to their Treasury reserves
- MassMutual became the first large US insurance company to invest in BTC with their general account where FED approval was needed
- DeFi (Decentralized Finance) took off with total value locked (TVL) increasing from from \$700mm to almost \$15 billion
- Some DEXs (Decentralized Exchanges) like Uniswap surpassed daily trading volumes of some of the major Centralized Exchanges
- On the Regulatory front the Office of the Controller of the Currency allowed banks in the US to custody digital assets, the same happened in other jurisdictions like Germany.
- Mainstream banks like JPM and Citibank issued bullish reports on cryptocurrencies in general
- BTC went through its third halving, network inflation fell to 1.80% p.a.
- BTC volatility was actually lower than many hyped tech stocks such as TSLA, AAPL and AMZN

- ETH2.0 started to roll out in order to gain scalability
- Tools like Chainalysis and Glassnode were important to capture bad actors in the industry
- Visa launched major partnerships with FOLD, BlockFi and Circle in different projects ranging from Bitcoin rewards, lending, to stablecoins in the Ethereum protocol
- BTC hashrate hit ATHs with 134 million tera-hashes adding more security to the network
- BTC wallets increased to approximately 100mm

Some scary statistics:

- US M1 exploded higher, up 69% y/y, Fed balance sheet increased over \$3 trillion, stands at over \$7 trillion
- US is experiencing the biggest wealth transfer in history, while pretending to save the economy leading to the biggest asset bubble of all time with 183% market cap vs GDP
- World's equity market cap surpassed \$100 trillion
- \$17 trillion or 26% of the world's Investment Grade debt is trading at negative yields

What a historical month it was for Bitcoin breaking new all-time highs and its dominance reaching 2020 highs as well, it started the month at 62.5%, reached a low of 60.9%, high of 71.3% and ended at 70.5%.

Bitcoin started the month at \$19,626 and traded between \$17,620 and \$29,245 to close at \$29,002 up 47.77% for the month. Genesis Block Fund was up 32.21%. After a strong November, the first days of December started nervous with a general correction on some rumors of potential stricter regulations coming from the US which later came to be true with the [FinCEN](#) (US Financial Crimes Enforcement Network) announcements later in the month proposing new KYC rules for crypto "self-hosted" wallets. After phase 0 of [ETH2.0](#) was successfully completed we sold some of our ETH position and continued increasing our UNI position. [CME Group](#) announced it will start offering ETH futures trading in February 2021. We increased our XMR position which was funded with a small sale of KEEP testing the liquidity it has in exchanges, we were positively surprised. The KEEP network is hungry for ETH which is needed as collateral to make the decentralized bridge from BTC to tBTC (in the Ethereum network). The current lack of available ETH is making the KEEP token price perform poorly (down 41%), current total value locked stands at approximately \$130mm, follow some of their [2020 milestones](#). The lack of ETH is giving us a great opportunity for our KEEP node to generate some significant stacking revenues close to 200% APY with a small amount of ETH staked. The rewards are heavily skewed for the early stakers in the first 6-12 months where we expect to continue to be active. Taking into consideration our staking rewards received so far and even with the recent price drop of the tokens the fund is approximately 4.5x in the trade so far. Our best performer was DOT (up 73%) followed by BTC. As we have been writing all year along in various investor reports (February, May, June, August), we have structural underweight position in XRP, finally the [SEC](#) filed a civil suit against Ripple Labs over illegal securities offering of the XRP token in an unregistered offering. Various funds like [Cryptowise](#) index fund were forced to sell XRP as major exchanges like [Coinbase](#) announced that they are in the process of suspending trading of XRP tokens in their platforms. It still remains in third spot (or fourth if one considers Tether, USD stablecoin) on market cap but fell 67% in December (ended up 14% in 2020) to its lowest ever against BTC (see graph below). We picked almost 14% of Alpha against BGCI during December and generated 41% of Alpha during 2020 making the third consecutive year that Genesis has outperformed the BGCI index. As this asset class is still in its infancy, we believe a long-only active strategy can continue to generate Alpha, since inception Genesis Block Fund has outperformed BGCI by 48%.



[Larry Fink](#), CEO of BlackRock the world's largest asset manager, said in an interview with [Mark Carney](#) (ex-Governor of both the Central Bank of Canada and Bank of England) that Bitcoin can possible 'evolve into a global market' asset. [Guggenheim's CIO Scott Miner](#) on Bloomberg TV confirmed they bought Bitcoin recently in the \$10k level and said "our fundamental work shows that Bitcoin should be worth about \$400,000". [AllianceBernstein](#), asset manager with over \$600 billion of AUM, changed radically its negative view on Bitcoin from January 2018, post-Pandemic with high debt levels and money printing by Central Banks across the world they now "admit that Bitcoin does" have a role in asset allocation over the long term. Similarly, [Bridgewater's Ray Dalio](#) well know with his phrase 'cash is trash' softens his stance on Bitcoin and actually says "it has a place in investors' portfolio", quite a change in stance from his previous views on Bitcoin. Hedge Fund [One River together with Alan Howard's](#) backing decide to buy up to \$1 billion in BTC and ETH as there is growing interest from institutional investors. London-based [Ruffer Investment](#) that manages \$27 billion in assets send a shareholder note that it has allocated 2.5% into Bitcoin. [Anthony Scaramucci](#), former White House Communications Director, announced that his hedge fund, SkyBridge Capital, invested in Bitcoin stating "...this will be a very strong asset class over the next decade".

It isn't just hedge funds getting interested in cryptos, [MassMutual Life](#), 169-year old insurance company with \$235 billion of assets announced they made their first purchase of Bitcoin totaling \$100mm with the following statement "giving us measured yet meaningful exposure to a growing economic aspect of our increasingly digital world". As this was bought from their General account, they got FED approval for the investment. [MicroStrategy](#) who has been buying Bitcoin aggressively for the past 3 months decided to increase their holdings even further after announcing they would issue a 5-year convertible debt instrument totaling \$650mm (after it was upsized) to buy more Bitcoin to their Treasury (they now own 70,470 Bitcoins which were bought for \$1.125 billion at an average price of close to \$16k). During December alone 2 large banks announced they are setting up crypto trading and custody services, Spanish giant [BBVA](#) and [Standard Chartered](#). Bill Winters, SC CEO went as far as saying "adoption of digital currencies is absolutely inevitable". [Fidelity Digital](#) partnered with BlockFi to accept Bitcoin as collateral for cash loans. [JPMorgan](#) wrote a report entitled "Gold will suffer for years because of Bitcoin". [JPMorgan's strategist](#) also wrote that Bitcoin faces a \$600 billion catalyst if pension funds and insurance companies allocate 1% into this space.

Interesting article on who will be the next to enter into the Bitcoin world? [US banks, Amazon, Apple, Warren Buffett?](#) Great article from Morgan Stanley's Chief Global Strategist in the [Financial Times](#) entitled "Will Bitcoin end the dollar's reign?". It challenges the USD world dominance after so much money printing the world has seen during the pandemic. We do know that world reserve currencies change from time to time, question is which will dominate in the future.

On the Regulatory front there is a bill currently being discuss on [Stablecoins](#). On the same issue, [G7 nations](#) expressed 'Strong Support' for crypto regulation as Facebook's Diem (formerly Libra) project moves along. The [SEC](#) announced an Office focused on innovation and financial technology. Director of [National Intelligence](#), John Ratcliffe, wrote a letter to SEC Chairman Jay Clayton (who just stepped down), pointing to concerns the U.S. has about China's leading the adoption of digital currencies. Similarly, [SEC's Commissioner Hester Peirce](#) who has recently been appointed for another term says the SEC's existing regulatory structure is not well-suited for innovation. [OECD](#) to deliver crypto asset reporting standard in 2021. For those interested in the full FinCEN 72-page report please reach out and we can send it to you.

Interesting announcements/comments:

- [S&P Dow Jones Indices](#) build crypto indexing capabilities with Lukka
- [VISA](#) partners with Circle to connect its Ethereum based stablecoin USDC to its global payments network of 60 million merchants
- [PayPal CEO Dan Schulman](#) tells web summit the 'Time is now' for crypto
- [Russia](#) to recognize digital financial assets as property
- [Singapore stock exchange](#) takes 10% stake in DBS' new crypto trading platform
- [Singapore's largest bank DBS](#) launches digital currency exchange
- [American Express](#) dives deeper into crypto with trading platform investment
- [Standard Chartered and Northern Trust](#) partner to launch cryptocurrency custodian for institutional investors
- [State Street](#) joins S&P to fund crypto assets software firm
- [Sweden](#) plans a 2-year digital Krona before any public launch
- [Coinbase](#), the largest US-based cryptocurrency exchange has filed for an IPO
- Japanese giant [SBI Financial Services](#) acquires cryptocurrency trading firm B2C2
- [CME](#) open interest in Bitcoin futures skyrockets and records a new high of \$1.47 billion
- \$51 billion global investment firm [Jefferies](#) is selling gold for Bitcoin

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%	14.0%	-3.5%	34.1%	18.5%	-12.8%	10.5%	45.9%	32.2%	317.75%	24.26%
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%	-2.1%	23.5%	20.5%	-9.0%	11.4%	28.1%	23.9%	343.51%	61.46%
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%	2.5%	-0.8%	4.8%	4.0%	-1.8%	2.1%	5.5%	4.5%	39.61%	43.05%
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%	0.2%	-3.7%	39.5%	11.2%	-14.7%	14.6%	62.4%	18.5%	276.70%	-23.91%
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%	0.21%	0.19%	0.16%	0.16%	0.16%	0.15%	0.16%	2.76%	15.88%

THE BLOOMBERG GALAXY CRYPTO INDEX (BGCI) ESTIMATED RETURNS STATED ON THE TABLE ABOVE ARE MERELY ECONOMIC REFERENCES AND SHALL NOT BE CONSTRUCTED AS A PERFORMANCE TARGET TO BE ACHIEVED BY THE FUNDS NOR A PERFORMANCE PARAMETER APPLICABLE TO THEM (Note: Genesis returns are gross of performance fees and that the BGCI only prices during business days at 4pm Eastern time zone, which is different than Administrator marking of 0:00 UTC of the last day of the month).

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	KPMG
Legal Counsel	Walkers Global and Freitas Leite
Custodian	Coinbase Custody & Fidelity Digital Assets
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	www.blpcrypto.com.br/en/

BLP Crypto Assets FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$25,000
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, Órama, Azimut, Daycoval, Necton, RB Inv, Warren, Consulenza Inv.
Auditor	KPMG
Legal Counsel	Freitas Leite and Madrona Advogados
ISIN Number	BR026OCTF003
BLP Gestora de Recursos Ltda. 5511 4118-8671 www.blpcrypto.com.br	Rua Joaquim Floriano, 940 – cj. 22 – Itaim Bibi São Paulo – SP – Brasil – 04534-004

IMPORTANT DISCLOSURE AND DISCLAIMER

THIS LETTER IS INTENDED ONLY FOR THE USE OF THE RECIPIENTS HEREOF, AND CONTAINS CONFIDENTIAL INFORMATION. THIS LETTER MAY NOT BE REPRODUCED, DISTRIBUTED OR PUBLISHED BY ANY SUCH RECIPIENT HEREOF FOR ANY PURPOSE, WITHOUT PRIOR WRITTEN AUTHORIZATION OF BLP GESTORA DE RECURSOS LTDA.

THIS LETTER IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED TO PROVIDE SPECIFIC INVESTMENT ADVICE FOR YOU AND SHOULD NOT BE RELIED UPON FOR THAT PURPOSE. YOU SHOULD NOT ACT OR RELY ON ANY INFORMATION PROVIDED HEREIN WITHOUT SEEKING THE ADVICE OF A PROFESSIONAL.

NO INFORMATION PROVIDED IN THIS DOCUMENT CONSTITUTES A SOLICITATION, OFFER OR RECOMMENDATION TO BUY OR SELL SHARES OF ANY INVESTMENT FUND TO BE MANAGED OR SPONSORED BY BLP GESTORA DE RECURSOS LTDA. OR ITS AFFILIATES NOR SHOULD IT BE CONSTRUED AS SUCH IN ANY JURISDICTION WHERE SUCH A SOLICITATION, OFFER OR RECOMMENDATION WOULD BE ILLEGAL.

THIS LETTER MAY CONTAIN ASSUMPTIONS, ESTIMATES, ILLUSTRATIONS AND INDICATIVE VALUES (THE "INFORMATION") WHICH MAY BE AMENDED AT ANYTIME THEREBY IMPACTING ON THE OUTCOME OF THE PRESENTED BUSINESS. ALTHOUGH COLLECTED FROM RELIABLE AND SELECTED SOURCES, BLP GESTORA DE RECURSOS LTDA. DOES NOT ENSURE THE ACCURACY, UPDATING, PRECISION, ADEQUACY OR VERACITY OF THE INFORMATION PROVIDED HEREIN. NO REPRESENTATION IS MADE THAT ANY TRANSACTION CAN BE AFFECTED AT THE VALUES PROVIDED HEREIN AND NEITHER BLP GESTORA DE RECURSOS LTDA. NOR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY DIRECT OR CONSEQUENTIAL LOSS ARISING FROM ANY USE OF ANY INFORMATION CONTAINED HEREIN.

THE PAST IS NOT A GUARANTEE FOR FUTURE PERFORMANCE. ANY PERFORMANCE FIGURES PRESENTED HEREIN ARE GROSS OF TAXES.

INVESTMENT FUNDS PERFORMANCE IS NOT GUARANTEED BY FUND ADMINISTRATORS OR FUND MANAGERS, BY *FUNDO GARANTIDOR DE CRÉDITO* – FGC OR BY ANY CAPITAL PROTECTION MECHANISM.

INVESTORS MUST NOTE THAT AN INVESTMENT IN ANY INVESTMENT FUND TO BE MANAGED OR SPONSORED BY BLP GESTORA DE RECURSOS LTDA. WILL BE SUBJECT TO RISKS. THE VALUE OF INVESTMENTS MAY FALL AS WELL AS RISE AND INVESTORS MAY NOT GET BACK THE AMOUNTS INVESTED.

BEFORE MAKING AN INVESTMENT DECISION, PLEASE READ THE RELEVANT OFFERING DOCUMENTS, THE FUNDS' BYLAWS AND OTHER OFFERING MATERIALS IN THEIR ENTIRETY.