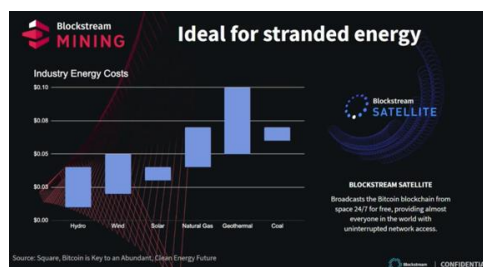
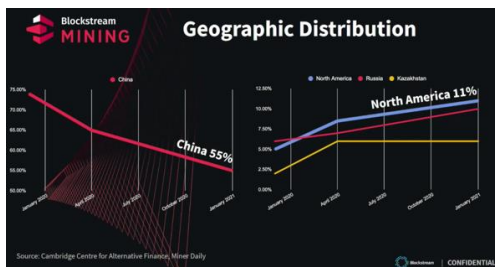


Portfolio Manager's comments

Bitcoin dominance started the month at 49.1%, reached a low of 39.1%, high of 49.1% and ended at 42.1%. Bitcoin started the month at \$57,750 and traded between \$30,682 and \$59,465 to close at \$37,333 down 35.35% for the month. Genesis Block Fund was down 18.59%. This was one of the most nerve reeking months we had since launching the fund almost 3 and a half years ago. Right of the gates, ETH which currently is the fund's largest holding continued to outperform. Clearly there are high expectations for the upcoming EIP1559 (expected for some time between June and August 2021) and the merge from POW to POS (expected late 2021 or early 2022). We also participated on the Ethereum Summit, Ethereum's biggest yearly conference and Consensus, Bitcoin's largest yearly conference, unfortunately both continue to be virtual events. A sudden shift on Elon Musk's views on BTC ignited a quick and brutal reversal in the market when he [tweeted](#) that he would no longer accept BTC as a form of payment for [Tesla](#) cars due to excessive energy consumption to maintain the BTC blockchain, which runs of POW. He then went on tweeting and pumping DOGE which is a Litecoin fork which seems extremely odd to say the least as it also uses POW. Anyway, with 55 million followers on Twitter he was able to add volatility and shake the markets. Reference Bitcoin's energy consumption, I strongly suggest you to read a very good and recent report written by Paul Veradittakit from [Pantera Capital](#). Right after the market correction Michael Saylor and Elon Musk arranged a meeting with North American miners in order to set up a [Bitcoin Mining Council](#) to "promote energy usage transparency [and] accelerate sustainability initiatives worldwide", even though this could be positive for ESG concerns it was still controversial as the crypto community is not fond of closed-door meetings. We also had comments from [China](#) yet again banning financial payment institutions from dealing in cryptocurrency (there were multiple similar announcement since 2014 – see chart below) as well as restricting Bitcoin mining operations and the [Colonial Pipeline](#) ransomware attack which all contributed to a negative sentiment. Our friends at [Galaxy Digital](#) released a comprehensive report on this latest China Bitcoin ban. On May 19th all this negative culminated with an over-levered market and a huge correction of 30-40% across protocols happening in a matter of hours but then bouncing back quickly after the carnage was done reducing open interest positions from a high of \$27 billion to approximately \$12 billion.



Graph below from Blockstream mining shows how mining power has been migrating over the years to other countries and North American being the biggest winner and why miners prefer renewable energy given both ESG issues and costs as well.



It is important to grasp the big changes happening on the Ethereum protocol so I strongly recommend listening to Bankless podcast with [Justin Drake](#) which explains in detail the whole change about to happen with gas fees for miners and what happens with ETH circulating supply once all changes happen which should take ETH inflation from around 4% to deflation of 1%.

Given the wild swings in prices we were actively trading different pairs during the month. Throughout the month we traded in and out of ETH/BTC pair and slowly reduced our overweight position in ETH as it significantly outperformed BTC. We added 3 new protocols to the portfolio which we had been analyzing for some time, [FTT](#) (backbone to FTX's trading ecosystem), [Polygon](#) (a layer 2 ETH scaling solution) and [Rune](#) (powers and secures the THORChain). Polygon traded wildly as well, we were able to trade in and out of it multiple times as we built our long position. DeFi continues to grow exponentially, after reaching \$90 billion it currently holds \$65 billion in [TVL](#) (Total Value Locked). Our 6 protocols in this segment had zero issues with the massive volatility in ETH, [Raoul Pal](#) posted a great Twitter thread on the orderly selloff. Our best performing assets for the month was Polygon (up 129%) followed by EOS (up 3.3%). Our main underweights (BCH and LTC) performed similarly to BTC during May. We continue not owning any DOGE, it was listed on Robinhood and had another short-lived impressive run, here is a report from Galaxy Digital about [DOGE](#) in case you are interested reading about this meme token. One of your best performing assets both in 2020 and 2021 YTD has been LINK, find a report from [Greyscale](#) on LINK if you want to better understand how this oracle token works.

[Ray Dalio](#) was one of Consensus' keynote speakers and made 2 interesting remarks, 'I have some Bitcoin' and 'Personally, I'd rather have Bitcoin than a bond'. [Stanley Druckenmiller](#) gave an interview on his view on the USD and questioning if it will continue to maintain its global reserve currency status. Old time Bitcoin skeptic [Carl Icahn](#) gave a Bloomberg interview radically changing his view in the crypto space now he said 'Crypto is here to stay', quite different from his [2018 interview](#) when he called them 'ridiculous' and that '[he] wouldn't touch that stuff'.

On the tech side, Bitcoin's Schnorr and [Taproot](#) protocol soft fork has kickstarted and needs 90% acceptance, if it goes through it will happen on block 709,632 expected for some time during November 2021. If this upgrade goes through it will help future upgrades to improve efficiency, privacy and fungibility further. You can follow the Taproot activation progress [here](#).

On the Regulatory front, President Biden says he will release crypto regulation by the summer and that transactions above \$10,000 must be reported. [Germany's parliament](#) approved a crypto bill that will be voted by the upper house on July 1st, if approved it would allow wealth managers to invest up to 20% in digital assets. Texas Senate passed the [Virtual Currency Bill](#) which offers a clear legal environment for Bitcoin investments for both individuals and businesses.

[Tether](#) came to scene again after revealing its reserves breakdown with some surprises such as 1.64% of its assets are held in BTC and that they hold the bulk of their assets in commercial paper and fiduciary deposits (i.e. not just Treasury Bills). Here are their balances from their [transparency report](#). [Caitlin Long](#) had a good Twitter thread on this topic.

Interesting announcements/comments:

- [Apple](#) is looking to strike deals with 'alternative payments' providers
- [PayPal](#) to allow users to withdraw cryptocurrency to third party wallets
- [ECB](#) says crypto assets appear to pose 'limited' financial stability risks in new report
- [eBay's CEO](#) hints at adding cryptocurrency as payment method on its platform
- [Galaxy Digital](#) announced it acquired BitGo to further boost its product offering
- [CME](#) launches micro Bitcoin futures
- [Andreessen Horowitz](#) plans to raise up to \$1 billion for its third crypto fund
- [Goldman Sachs](#) unveils new cryptocurrency trading team to offer derivatives
- Latin American e-commerce giant [Mercado Libre](#) discloses treasury Bitcoin position
- Bitcoin is coming to hundreds of US banks this year according to [NYDIG](#)
- [Palantir](#) CFO says company is considering holding Bitcoin on its balance sheet
- After \$440 million fundraiser, [Circle](#) who is behind USDC is considering a SPAC deal

Monthly estimated return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	Since Fund Inception
2018 Genesis Class B	-15.9%	-5.0%	-37.3%	57.5%	-20.1%	-20.3%	7.7%	-17.1%	-9.0%	-7.8%	-38.1%	-3.5%	-77.50%	
2019 Genesis Class B	-11.3%	17.7%	7.4%	20.7%	58.8%	12.5%	-13.2%	-11.9%	-9.4%	7.3%	-16.4%	-8.6%	37.57%	
2020 Genesis Class B	33.6%	1.2%	-31.5%	39.6%	14.2%	-3.3%	34.3%	18.7%	-12.7%	10.7%	46.1%	32.3%	325.82%	
2021 Genesis Class B	38.5%	25.5%	32.5%	18.5%	-18.6%								122.16%	192.88%
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%	
2021 BGCI	42.4%	21.9%	25.7%	28.7%	-24.2%								113.01%	62.08%
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%	23.8%	343.00%	
2121 Crypto Assets	38.1%	20.6%	29.7%	10.8%	-18.5%								94.99%	214.46%
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%	
2021 Criptoativos	7.3%	4.1%	5.8%	2.0%	-3.3%								16.64%	66.85%
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%	
2021 CDI	0.15%	0.13%	0.20%	0.21%	0.27%								0.97%	17.00%

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. GENESIS CLASS B RETURNS ARE GROSS OF MANAGEMENT AND PERFORMANCE FEES. BGCI ONLY PRICES DURING BUSINESS DAYS WHICH IS DIFFERENT THAN ADMINISTRATOR MARKING OF 0:00 UTC ON THE LAST CALENDER 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, Gemini
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
Digital Platforms	Planner, Daycoval, Azimut, RB Inv., sim;paul
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Madrona Advogados
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., Vitreo, sim;paul
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003

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.