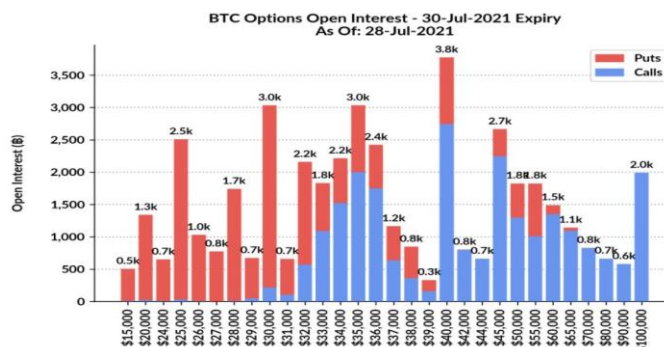


Portfolio Manager's comments

Bitcoin dominance started the month at 45.3%, reached a low of 43.9%, high of 51.1% and ended at 48.4% recuperating some ground after months of general underperformance.

Bitcoin started the month at \$35,041 and traded between \$29,361 and \$42,236 to close at the month's high of \$42,236 up 20.53% for the month. Genesis Block Fund was up 13.08%. After the recent Chinese mining bans, Bitcoin hash rates dropped and we saw the biggest [difficulty drop](#) in the protocols history, -28%, the protocol was built smartly to change the difficulty level every 2,100 blocks (approximately every 2 weeks) so with less hash power it will be more attractive for current miners, the protocol performed perfectly while under attack. Ethereum celebrated its 6th birthday since launching on main net back on July 30th 2015, a lot has happened with the protocol since then and the next 6 months look promising. The largest European [Ethereum Community Conference](#) was held in Paris and there was a lot of buzz on DeFi and on the potential of decentralized social media platforms. We initiated the month with an ETH overweight position with high expectations for EIP 1559 kicking in on the Ethereum blockchain, but the [London hard fork](#) was postponed to August 4th. There are 3 main objectives in this hard fork: 1. It will remodel Ethereum's gas fee structure to help the network handle congestion better; 2. It also adds a burn feature that will make the Ether asset less inflationary; 3. It will also delay Ethereum's difficulty bomb and allow it to remain a POW blockchain for longer. Switzerland's [Sygnum Bank](#) is the first to offer Ethereum 2.0 staking service in preparation for the POW merge to POS. After a strong start ETH steadily underperformed against BTC during the month and we added close to month-end. We added to our SOL position on the mid-month dip, and it performed strongly since then. We sold our small RUNE position as it wasn't performing and suffered two small hacks on poor coding. KEEP ended practically flat on the month (+1.2%) but we were able to generate good trading gains taking advantage of the high volatility against BTC. Close to month-end after [Amazon](#) announced a crypto job listing the media started speculating that Amazon was preparing to accept cryptos as form of payment, this has not yet been confirmed but caused a big short-covering rally which faded the following day as the rumor was officially denied. After a good fight on BTC options expiration around the \$40k strike the market had a nice move up.



Our main underweights (BCH +3.5% and LTC -0.1%) significantly underperformed BTC during June helping us generate some additional Alpha against BGCI. Our best performing assets were AAVE (+28.4%) which announced [AAVE Pro](#) for Institutional investors followed closely by [FTT](#) (+27.5%) which announced the biggest private capital raise in the crypto space raising \$900mm at \$18 billion valuation.

The first [Bitcoin Mining Council](#) briefing happened on July 1st, this is a voluntary and open forum of Bitcoin miners. On their first meeting 23 mining companies participated which represented 32% of the network. A lot of clarifications on demystifying the energy usage of mining and what is renewable and not for ESG concerns.

162,194 TWhⁱ
 TOTAL ENERGY GENERATED WORLDWIDE

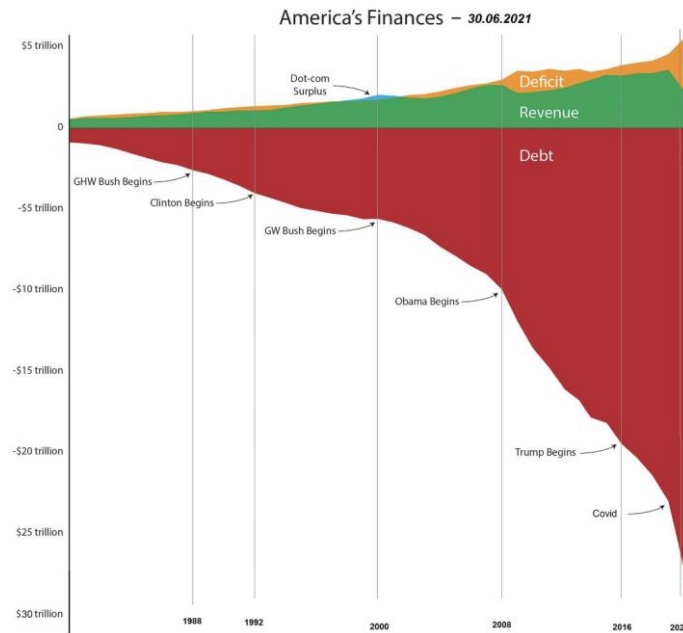
50,000 TWhⁱⁱ
 ENERGY LOST DUE TO INEFFICIENCIES

189 TWhⁱⁱⁱ
 ENERGY CONSUMED BY BITCOIN MINING ON THE WORLD'S ELECTRIC GRID

GLOBAL BITCOIN MINING CONSUMES 0.1%
 OF THE WORLD'S ENERGY PRODUCTION

GLOBAL BITCOIN MINING CONSUMES 0.4%
 OF THE WORLD'S ENERGY WASTED

Is the US fiscal situation sustainable in the long term? How can this ever be resolved other than with more inflation and negative real interest rates?

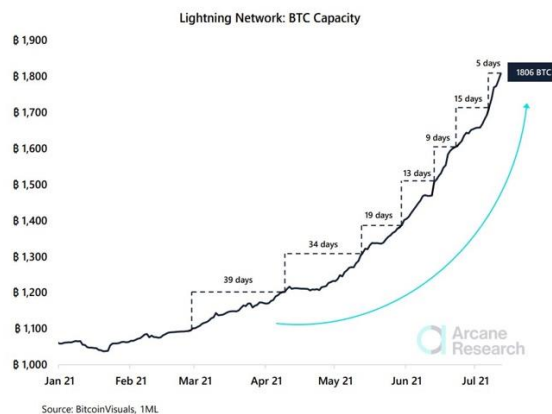


Another mind-boggling figure I came across this month was the total penalty issued by regulators on bank's misbehaving during the last 2 decades, the total number of fines was 6,731 totaling \$333 billion and then the financial press like the Financial Times keep claiming that the crypto space is just for criminals! You can find the full list of the main culprits [here](#). Ironic to see Bank of America ranked number 1 on the list, and yes, they hate the crypto space as well!

The [B-word Conference](#) was created to demystify the crypto space, it had great panels and it was nice to see Elon Musk debating with Cathie Wood from Ark Invest and Jack Dorsey from Square about the current state of the crypto ecosystem, Musk admitted to personally owning BTC, ETH and some DOGE as well. He also mentioned that Tesla and SpaceX own just BTC. During Tesla's [earnings call](#) he confirmed that it holds its \$1.3 billion Bitcoin position. [JPMorgan](#) issued a 24-page report claiming the ETH upgrades could jumpstart a \$40 billion staking industry, full report available upon request.

[Fidelity](#) announced its first Institutional Investor Digital Assets study with some great insights, a whopping 90% surveyed expect to have allocations in digital assets by 2026. [Goldman Sachs](#) survey reveals that almost 50% of their family office clients want to get exposure in the crypto space.

On the tech side, the [Lightning Network](#) continues to grow rapidly, after 6 years since its white paper it now has 22k nodes and a network capacity of approximately 1,800 Bitcoin or approximately \$75mm and is growing exponentially. This [short clip](#) is a great illustration of how LN works, [CoinShares](#) has a great write up as well.



On the Regulatory front, [FinCEN](#) appointed its first Chief Advisor for crypto. [New Zealand](#) released a roadmap with its plans to construct a public blockchain for their CBDC. Treasury Secretary [Yellen](#) urged quick US adoption of stablecoin regulation. There was also a lot of speculation on [Biden's new infrastructure bill](#) and how they would like to fund some of it through crypto capital gains taxes.

Interesting announcements/comments:

- [Soros Fund Management](#) is trading Bitcoin - sources
- London-based [Marshall Wace](#) which manages \$55 billion in assets to start trading cryptos
- Lightning Network payment platform [Strike](#) adds Bitcoin buying tab in App
- USDC stablecoin backer [Circle](#) to go public in \$4.5 billion SPAC deal
- [Apple](#) Co-Founder Steve Wozniak: Bitcoin is better than gold
- [Argentina](#) lawmaker introduces bill for workers to be paid in crypto
- [Philippines](#) plans cryptocurrency exchange
- [Bank of America](#) launches crypto research team and approves [BTC futures](#) trading for some clients
- Over \$1 billion spend on [VISA](#) crypto-linked debit cards in 1H21
- [JPMorgan](#) Wealth Management CEO: Clients say Bitcoin is an asset class to invest in
- [SoftBank](#) unit to invest in Thiel-backed crypto exchange Bullish
- [PayPal](#) increases weekly limit on crypto purchases to \$100k
- [PayPal](#) on its earnings release call hints it may use "Interesting DeFi Apps" in future
- Crypto and blockchain [venture funding](#) increased 90% on 2Q21 over 1Q21
- [Crypto ATM](#) installations have increased over 70% this year
- [State Street](#) partners with Lukka to expand digital asset fund administration
- [Crypto user numbers](#) doubled in 6 months reaching 220 million users
- [Mastercard](#) chooses 7 crypto startups for Start Path accelerator program

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%	-77.5%	
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%	37.6%	
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%	325.8%	
2021	Genesis Class B	38.5%	25.5%	32.5%	18.5%	-18.8%	-13.0%	13.1%						118.1%	187.56%
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%	-81.1%	
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%	7.1%	
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%	276.7%	
2021	BGCI	42.4%	21.9%	25.7%	28.7%	-24.2%	-10.5%	7.6%						105.2%	56.10%
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%	-72.3%	
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%	31.3%	
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%	343.0%	
2121	Crypto Assets	38.1%	20.6%	29.7%	10.8%	-18.5%	-13.9%	12.4%						88.8%	204.48%
2018	Criptoativos											-7.1%	-0.5%	-7.5%	
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%	10.8%	
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%	39.6%	
2021	Criptoativos	7.3%	4.1%	5.8%	2.0%	-3.3%	-2.7%	2.8%						16.7%	66.91%
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%	6.4%	
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%	6.0%	
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%	2.8%	
2021	CDI	0.15%	0.13%	0.20%	0.21%	0.27%	0.30%	0.36%						1.6%	17.78%

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Genesis Block Fund Ltd. Characteristics

Minimum Investment	\$100,000
Subscription	Every Wednesday with 5 days pre-notice
Redemption	Every Wednesday with 5 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, Ativa Inv.
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, Ativa Inv.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003

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