

*Portfolio Manager's comments*

Bitcoin dominance started the month at 42.8%, reached a low of 42.1%, high of 48.1% and ended at 44.2%.

Bitcoin started the month at \$43,791 and traded between \$43,320 and \$66,930 to close at \$62,228 up 42.1% for the month. Genesis Block Fund was up 44.5%. In its nascent 12-history, Q4 is usually the strongest quarter for cryptos and the quarter started on a strong note, within the first 5 days of the quarter, Fed Chairman Powell and [SEC Chairman Gensler](#) both said that they have 'no intention' to ban crypto. We then had [BOFA](#) putting out a 141-page bullish report (available upon request) on crypto, a 180 degree turn from their last bearish report less than 6 months ago. We then had [US Bank](#), the 5<sup>th</sup> largest American retail bank, launching their BTC custody services in partnership with NYDIG and will roll out more digital assets over time. On the first day of the month we flipped our biggest holding from ETH back to BTC as there were a lot of expectations on the SEC approving the first BTC futures ETF from [ProShares](#) (ticker BITO) which was finally approved and launched on Oct 19<sup>th</sup>. On Oct 20<sup>th</sup> BTC reached a new historical ATH. This ETF didn't come short of winning from the crypto industry as it is based on futures prices and not spot prices. Usually BTC future prices trade higher (i.e. in [contango](#)) and seldomly in backwardation when futures trade below spot prices. Nonetheless, the SEC approval gives further legitimacy to this new asset class and paves the way for more institutional investors, 401k plans and other investors that can't or don't want to custody the underlying assets themselves. The launch was very successful with \$570mm inflows on Day 1 and it broke an [18-year record](#) held by GLD's gold ETF by being the first ETF to break \$1 billion in assets within 2 days of being launched, the table below shows first year net inflows into every first-to-market single commodity ETF (Source: Bitwise & FactSet):

Commodity	Ticker	Year-One Flows (\$M)
Gold	GLD	\$3,010
Silver	SLV	\$1,730
Crude Oil	USO	\$827
Platinum	PPLT	\$708
Palladium	PALL	\$603
Natural Gas	UNG	\$374
Corn	CORN	\$115
Coffee	JO	\$48
Gasoline	UGA	\$28
Sugar	SSG	\$12
Soybeans	SOYB	\$10
Cotton	BAL	\$7
Nickel	JJN	\$2
Copper	CPER	\$2
Wheat	WEAT	\$1
Cocoa	NIB	\$1
Aluminum	JJU	\$1
Carbon Credits	GRN	\$0
Tin	JJT	\$0
Lead	LD	-\$1

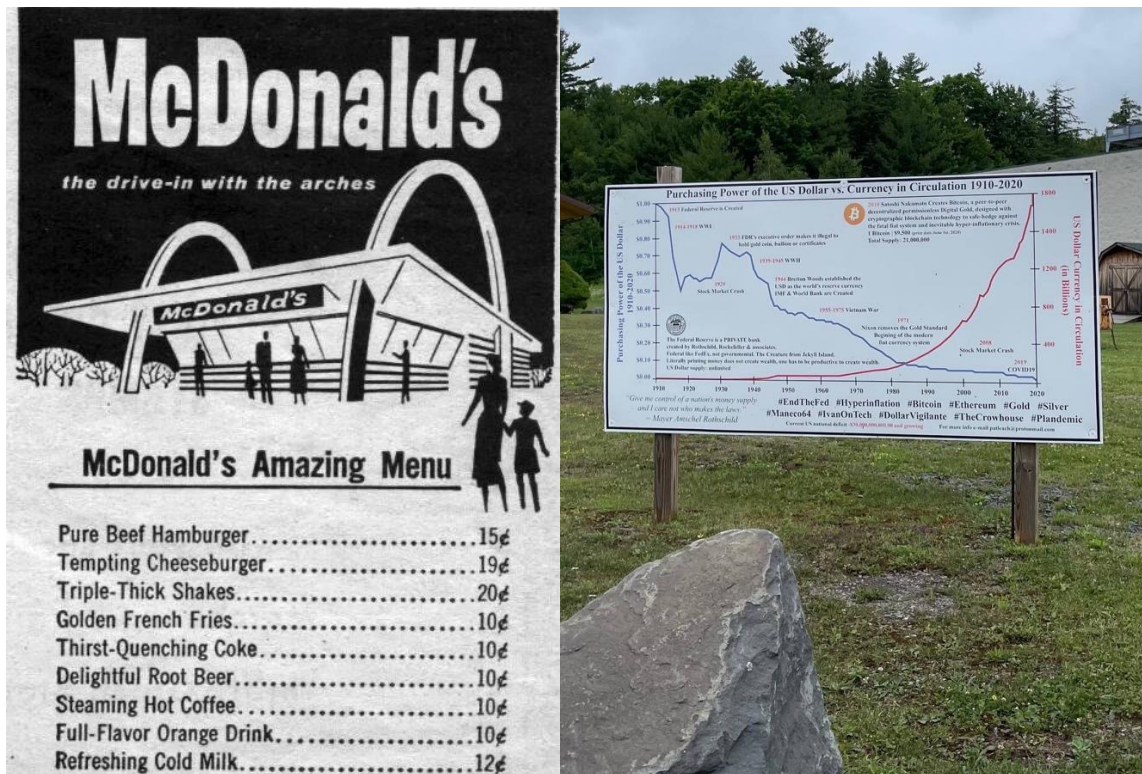
On the second day of BITO trading, the fixed-income giant [PIMCO](#) announced that it has dabbled in cryptocurrencies and is planning to gradually invest more in digital assets. Daniel Ivascyn, PIMCO's CIO said "Now we're looking at potentially trading certain cryptocurrencies as part of our trend-following strategies or quant-oriented strategies, then doing more work on the fundamental side" and "this will be a gradual process where we spent a lot of time on the internal diligence side speaking to investors and we'll take baby steps in an area that's rapidly growing". [Paul Tudor Jones](#), who wrote that amazing letter in May 2020 explaining why he chose BTC over gold as a hedge against inflation, continues holding his single digits position in BTC. Around mid-month there was a huge rally on NuCypher protocol after being listed in a few Asian exchanges. This gave a big push to KEEP as well which overnight shot up 140% in a single trading day before giving back some of the gains, on this uptick we reduced just under 30% of our core position. The merge between these 2 protocols is moving along nicely and soon we will have the new token which will be called Threshold Network which will have tBTCv2 as its first killer App. Another meme coin, SHIB, took center stage with a huge rally but we will not have exposure in these type of assets as they may have a short lifespan (similar to DOGE). As most Alts underperformed the BTC rally, we took advantage to repurchase the ETH/BTC posi-

# BLP ASSET

Genesis Block Fund Ltd.  
 BLP Digital 100 FIM - IE  
 BLP Digital 40 FIM  
 BLP Digital 20 FIM  
 October 2021

tion that we had sold early in the month. Our underweights (BCH +18.1%, LTC +28.5% and EOS +14.3%) underperformed BTC during October helping our Alpha against BGCI. Our best performing assets were KEEP (+84.5%) followed by Polygon (+78.8%) and DOT (+54.2%).

The inflation discussions are heating up again amongst the financial media and Central Bankers, is it transitory or more persistent? Bellow one can find McDonald's prices from 1970 and a good friend of mine sent me the picture from upstate NY with a graph of the purchasing power of the USD but Chairman Powell says inflation is transitory, we from the crypto space always recommend to everyone: Don't Trust, Verify!



I enjoyed this simplified monetary policy going forward.

total # of halvings to ever occur → 32

# of new bitcoins issued per block → 50

$$\sum_{i=0}^{32} 210,000 \left( \frac{50}{2^i} \right)$$

# of blocks between halvings → 210,000

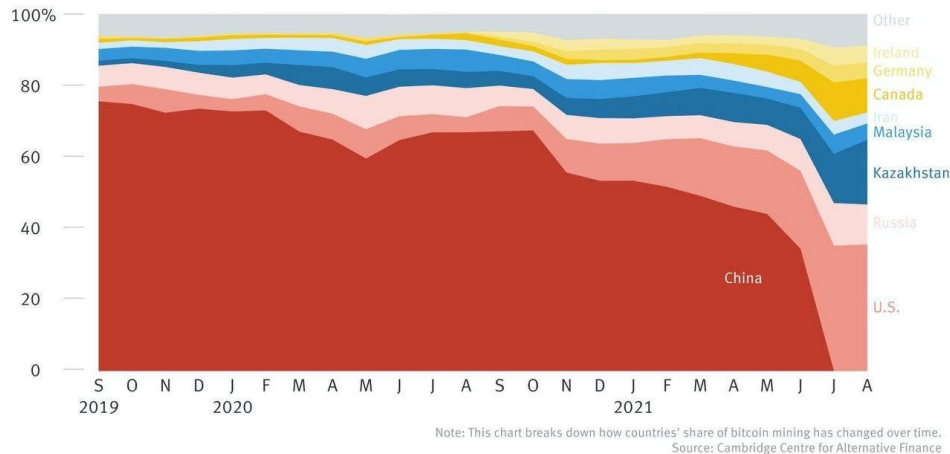
cumulative # of halvings so far → i

@anilsaidso

Bitcoin mining was banned in China on May 21<sup>st</sup> 2021 (BTC closed at \$37,305 that day)...it is incredible how the Chinese mining hashpower collapsed from approximately 80% just 2 years ago to ZERO now! Great to see the US picking the bulk of it with mostly green energy to decrease ESG related FUD.

## China's Mining Meltdown

Average monthly share of global bitcoin mining by country



The [Bitcoin Mining Council](#) released its 3Q21 report and estimated that 57.7% of global mining is coming from a sustainable power mix this is up 3% from 2Q21. This makes it one of the most sustainable industries globally. France's banking giant [SocGen](#) is raising a loan from a DeFi protocol to refinance tokenized bonds, will this change the future of finance? Chris Dixon from [a16z](#) wrote a nice summary about the transformation we are experiencing from web 3.0 which gives users the ability to own a piece of the internet. [VISA](#) wrote a great report on universal payment channels and the use of DLT (Distributed Ledger Technology) and digital assets to facilitate payments across global networks.

On the tech side, Ethereum move one step closer to 2.0 as the [Altair](#) upgrade was completed, for more details read this comprehensive report from [Digital Galaxy](#) on this upgrade. Arcane Research wrote a great report on Lightning Network, available upon request. DeFi protocol [Cream Finance](#) was hacked for \$130mm and COMP for \$80mm, we never had any exposure on neither of these protocols.

On the Regulatory front, the [Biden Administration](#) is seeking to regulate stablecoins issuers as banks and the [Treasury Department](#) is giving authority to the SEC to regulate it. [FDIC](#) Chair Jelena McWilliams commented that they are exploring a framework for banks and clients to hold crypto. [South Korea](#) will enforce 20% capital gain tax on crypto starting in 2022. [India](#) is likely to regulate crypto and no longer ban it. Leading [Republican House Financial Services Committee](#) introduced bill to establish a safe harbor for digital tokens. The [FATF](#) (Financial Action Task Force) released an updated guidance on digital assets including DeFi, CBDCs, stablecoins, and NFTs ([full report](#)).

Interesting announcements/comments:

- [Mastercard](#) announced it partnered with Bakkt to offer crypto services to any bank or merchant
- [Softbank](#) joins \$60mm investment in crypto analytics firm Elliptic
- [Google](#) partners with Bitcoin and crypto marketplace Bakkt
- [Walmart](#) shoppers can now buy Bitcoin at 200 kiosks in its stores
- [Germany's Auto FT](#) launches Europe's first blockchain car financing program
- [FTX](#) crypto exchange raises \$420mm at \$25 billion valuation from Ontario Teachers, Temasek, BlackRock, Sequoia and other investors
- [El Salvador](#) confirmed they mined their first Bitcoin from volcano geothermal energy
- [Facebook](#) is spending \$10 billion this year on its metaverse division
- [KTCU](#) to be Korea's first pension fund to invest in cryptocurrency ETF, expected in 2022
- [Coinbase](#) becomes official partner of NBA as crypto goes mainstream
- [Interactive Brokers](#) launches crypto trading for US financial advisors
- [Wharton School](#) to accept crypto tuition payments for new blockchain 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%	-77.50%	
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%	-18.8%	-13.0%	13.2%	28.8%	-9.3%	44.5%			268.68%	386.05%
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%	
2021	BGCI	42.4%	21.9%	25.7%	28.7%	-24.2%	-10.5%	7.6%	28.8%	-11.3%	40.1%			228.55%	150.00%
2018	BLP Digital 100	-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	BLP Digital 100	-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	BLP Digital 100	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	BLP Digital 100	38.1%	20.6%	29.7%	10.8%	-18.5%	-13.9%	12.4%	24.1%	-3.1%	40.1%			217.82%	412.55%
2018	BLP Digital 20											-7.1%	-0.5%	-7.53%	
2019	BLP Digital 20	-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	BLP Digital 20	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	BLP Digital 20	7.3%	4.1%	5.8%	2.0%	-3.3%	-2.7%	2.8%	4.9%	-0.3%	8.3%			32.03%	88.87%
2021	BLP Digital 40 *													-	-
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%	0.30%	0.36%	0.43%	0.44%	0.48%			3.01%	19.37%

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 BUSINESS DAY OF THE MONTH. \* BLP DIGITAL 40 WAS LAUNCHED ON OCTOBER 15, 2021 AND CAN NOT PUBLISH PERFORMANCE RESULTS FOR ITS FIRST 6 MONTHS OF OPERATIONS.

*Genesis Block Fund Ltd. Characteristics*

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Minimum Investment	\$100,000
Subscription	Every Friday
Redemption	Every Friday
Administration fee	2% p.a.
Performance fee	20% over 6M Libor with High Water Mark
Administrator	MG Stover
Auditor	KPMG
Legal Counsel	Conyers and Madrona
Custodian	Coinbase Custody, Fidelity Digital Assets, Gemini
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	<a href="http://www.blpcrypto.com.br/en/">www.blpcrypto.com.br/en/</a>

*BLP Digital 100 FIM – Investimento no Exterior Characteristics – Professional Investors*

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Minimum Investment	R\$10,000
Subscription	Every Friday
Redemption	Every Friday
Administration fee	2% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Daycoval, Azimut, Necton, Planner, sim;paul, Ativa Inv.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR01OYCTF009
Website	<a href="http://www.blp.com.br">www.blp.com.br</a>

## *BLP Digital 40 FIM Characteristics – Qualified Investors*

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Minimum Investment	R\$1,000
Subscription	Every Friday
Redemption	Every Friday
Administration fee	1.75% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Necton, sim;paul
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR09ZDCTF002
Website	<a href="http://www.blp.com.br">www.blp.com.br</a>

## *BLP Digital 20 FIM Characteristics – Retail Investors*

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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., Nova
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003
Website	<a href="http://www.blp.com.br">www.blp.com.br</a>

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