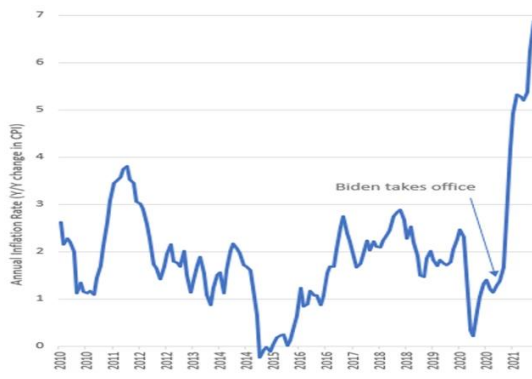


Portfolio Manager's comments

As usual, first and foremost, we want to thank all our clients, prospects and working partners for another great year. We have completed 4 years managing our clients funds in this challenging, exciting, and growing ecosystem which now people are calling Web 3.0. A few important achievements for our firm along 2021: 1. our AUM grew 3-fold; 2. we were the first actively managed crypto currency fund to be accepted by BNY Mellon as Administrator, so we transferred all our domestic funds to them; 3. we launched a third domestic feeder fund for Qualified investors in Brazil; 4. we increased the liquidity for subscriptions & redemptions from monthly to weekly; 5. Genesis Block Fund (+198.4% gross) outperformed handsomely both BTC (+59.7%) and more importantly BGCI (+153.4%); 6. lastly, we had the best performing regulated fund in Brazil amongst all investment categories (over 26k funds).

2021 was a year where Covid was still at the center stage. The good news was that vaccines were approved by Health authorities, produced, and most countries embraced the vaccination efforts which made the number of infections and death tolls diminish significantly. Even though there were ups and downs as different variants like Delta and Omicron came along, international borders slowly opened so people could travel, sports events started accepting live audiences and our lives became somewhat more 'normal' again.

However, long term effects are still very much apparent from the Covid crisis. Money printing has continued aggressively by Central Banks, supply chain bottlenecks appeared in various industries and inflation doesn't seem to be temporary at all as some of the financial leaders have been claiming since we saw the highest CPI prints in the US (6.8%) since 1982 and Europe (4.4%) as well ballooning Central Bank balance sheets. This uncertain scenario was a positive macro theme for the crypto ecosystem to evolve and gain further main-stream adoption.



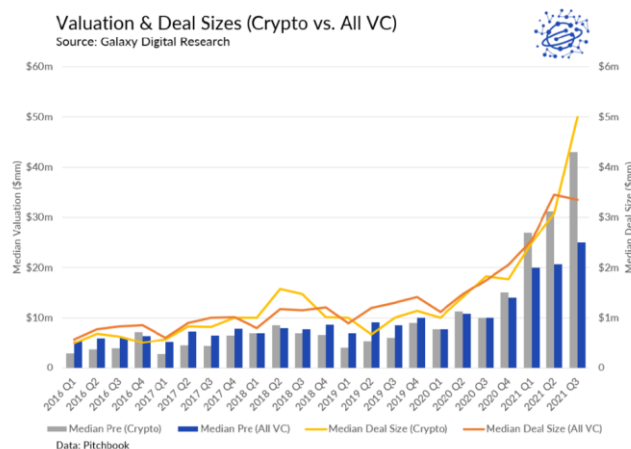
How will we deal with the table below going forward? Quite scary and not sure what the escape route will be as this craziness can't go for ever.

	Fed Rate	US Debt / GDP	M2 Money Supply
DotCom Bust	6%	55.48%	4.92T
GFC	5.25%	62.72%	7.47T
COVID	1.25%	108%	15.43T
Now	0.25%	122.6%	21.87T

Some of the main highlights on the digital asset space during 2021:

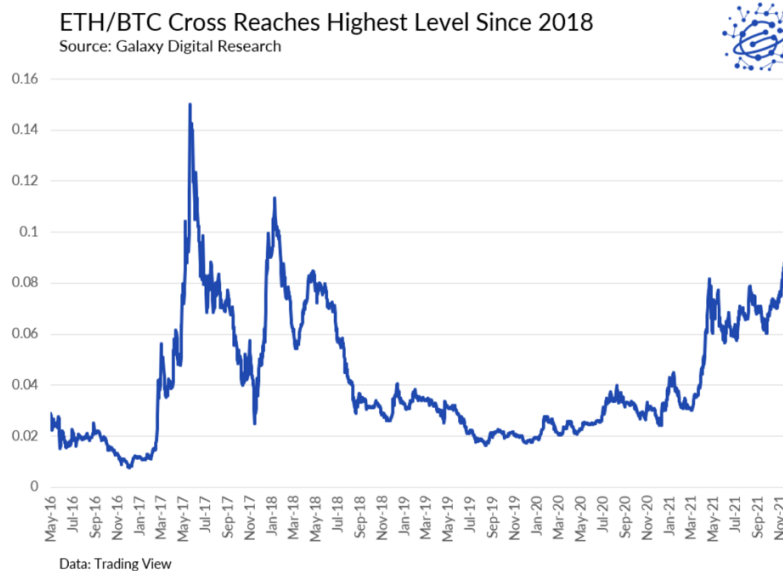
- Total cryptocurrency market cap briefly touched \$3 trillion at its high with BTC crossing the \$1 trillion mark, finishing at \$2.2 trillion and \$878mm respectively
- Ethereum progressed smoothly with its ETH 2.0 roadmap with EIP 1559 being a major milestone and unique wallets reached 170 million
- Newer L1 blockchain solutions appeared, Solana was the big winner with 111x return
- L2 solutions also became apparent with Polygon being the big winner with 142x return
- El Salvador became the first country to adopt and implement BTC as legal tender boosting Lightning Network tremendously with over 18.5k nodes and \$156mm of capacity
- NFTs became a buzz word and marketplaces like OpenSea did huge volumes (totaling \$8.8 billion)
- Metaverse became a popular topic, especially after Facebook rebranded to Meta
- Blockchain play to earn (P2E) games became a huge hit after Axie Infinity was launched and gaming guilds became popular as a new business model
- Chinese crackdown on cryptocurrencies and mining created short term turmoil but was the best news for the medium term as it eases ESG concerns and further China FUD (fear, uncertainty, and doubt)
- Tesla's balance sheet investment in BTC was extremely controversial and Musk was as usual active on Twitter (even with meme coins like DOGE)
- DeFi had its up and downs, but TVL (total value locked) reached \$100 billion growing 4x YoY
- DEXs (Decentralized Exchanges) gained a lot of ground growing 8x YoY trading over \$1 trillion, Uniswap was the clear winner with 75% market share
- Stablecoins grew to over \$140 billion, transacted over \$5 trillion, and raised concerns among Regulators which are actively debating the subject
- The SEC approved the first BTC future ETF in the US, hopefully in 2022 we will see a BTC spot ETF being approved as well
- Coinbase was the first big crypto exchange to go public at a \$100 billion valuation
- Large banks like BAML, State Street, BNY Mellon, Citibank to name just a few gave up on fighting the ecosystem and started offering different solutions and products in the digital asset space

There was immense appetite for crypto VC investments, number of deals and size of deals grew exponentially as some of the mammoth dedicated crypto funds like a16z (third fund with \$2.1 billion) and Paradigm (second fund with \$2.5 billion) raised record amounts of capital. There was \$24.7 billion in VC investments totaling 1,700 transactions of which 65 reached unicorn status. There were an additional 197 crypto M&A transactions (130% growth) totaling \$6.1 billion (730% growth) with some notable ones being Galaxy Digital acquiring BitGo custodial services for \$1.2 billion and Mastercard acquiring surveillance and analytics provider CipherTrace.



One of our generating Alpha strategies since the fund's inception was actively trading the BTC/ETH pair. When we launched back in January 2018, this pair was trading at 0.11. We stayed underweight ETH (against BICI) for almost 2 years until the end of 2019 when the ETH 2.0 roadmap was becoming clearer. When this pair was trading at 0.02 we went neutral (very close to the low) and slowly overweight since taking advantage

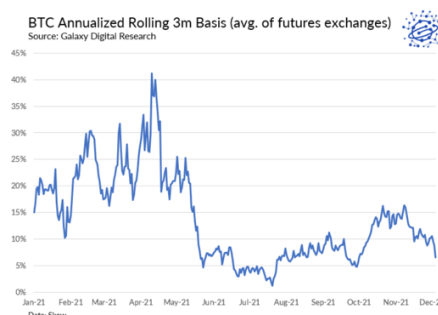
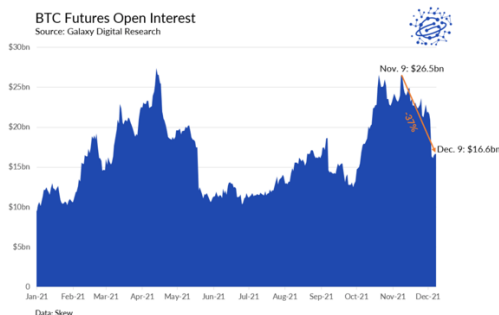
of the volatility to trade in and out of this position. We are currently trading around 0.08. It is true that cryptocurrencies are correlated among themselves but there are a lot of trading opportunities that arise with an active trading strategy by looking at some technical indicators but mostly on fundamental analysis of where the developers are building and what are the real uses cases that have utility and possible network effects.



Crypto sponsorships were also a big highlight with FTX claiming the naming rights of the Miami Heat Arena, previously held by American Airlines, and Crypto.com took the naming rights of the famous Los Angeles Staples Center as well as major sponsorship for Formula One racing.

Bitcoin dominance started the month at 41.1%, reached a low of 39.8%, high of 42.4% and ended at 40.1%.

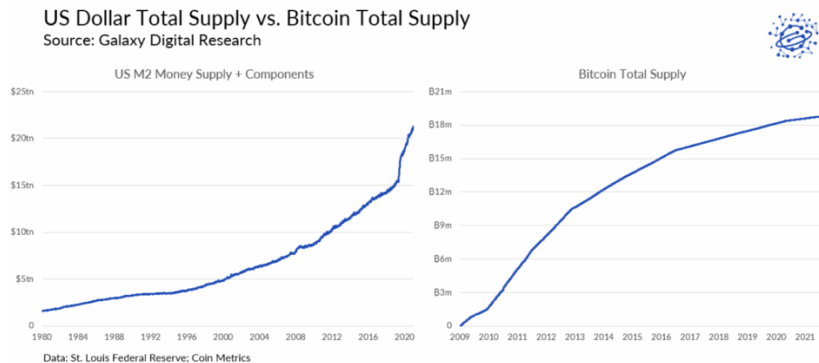
Not a fairytale end of year for Bitcoin and crypto in general, BTC started the month at \$57,005 and traded between \$42,875 and \$59,042 to close at \$46,306 down 18.8% for the month. Genesis Block Fund was down 18.1%. We started the month with a small overweight ETH position. On the night of Dec 3rd, the market plummeted after BTC broke a strong support near the \$53k level and triggered over \$2 billion in liquidations from leverage players (I have written this before, they never learn that leverage is not only unnecessary but is also toxic on a 100% vol asset). Graphs below (from our friends at Galaxy Digital) show the drop in open interest of leveraged positions and the impact it has on the contango which fell significantly as well.



Alts fell between 20-30% but ETH which has a higher Beta surprisingly outperformed BTC and we reduced our position to go back to neutral at the 0.084 level. After following [DyDx](#) for over 6 months and given that retail loves leverage, we decided to buy a small position in this protocol which is a DEX (Decentralized Exchange) that uses Layer 2 scalability via StarkEx and supports leverage. As another way to participate in P2E games we added a small position of [AVAX](#) as it continues to gain adoption as L1 with more dApps and games being deployed. The KEEP & NuCypher merge was finalized on New Year's Eve and as KEEP traded close to recent ATH against BTC and we reduced some of our positions. Our underweights (BCH -24.5%, LTC -29.6%, EOS -24%) underperformed BTC during December and the fund outperformed BICI (-22.6%).

Our best performing assets were Polygon (+41.3%) which acquired Ethereum scaling startup [Mir](#) for \$400mm, followed by Cosmos (+17.9%) and AAVE (-0.8%).

Another important milestone happened during December which was BTC reaching 90% of its emission. 18.9 million of the 21 million coins that will be available by 2140 have been mined, that leaves us with just 2.1 million coins to be mined in the next 119 years. This is quite different when compared to the fast-paced emissions of US M2 money supply.



On the tech side, [Solana](#) had some technical issues again due to another DDOS attack which caused their tokens to suffer before rebounding later. Badger DAO suffered a \$120 million hack.

On the Regulatory front various crypto executives from Coinbase, FTX, Circle, Paxos, Stellar testified to the [House Financial Services Committee](#) on a hearing on Dec 8th to discuss the “challenges of financial innovation”. Different from the past, the members of Congress were less hostile and showed interest and knowledge in digital assets. [Australia](#) proposes new crypto law to regulate crypto. [India’s crypto bill](#) will regulate all private cryptocurrencies but not ban them. The [French Central Bank](#) completed its first stage of its CBDC experiments. [Paraguay’s Senate](#) approved a proposal to regulate crypto mining and trading.

During a Yahoo Finance interview [Ray Dalio](#) surprisingly continued with his positive comments on the crypto ecosystem. He stated that crypto should be part of a diversified portfolio and that Bitcoin and Ethereum should be a relatively small part of an investor portfolio. He went further stating “*I think it’s very impressive that for the last 10 or 11 years that programming has still held up,*” Dalio explained. “*It hasn’t been hacked ... and it has an adoption rate.*” [Jack Dorsey](#) resigned from his role as Twitter’s CEO and will focus full time on Square which is changing its corporate name to Block to continue developing solutions with blockchain technology.

Interesting announcements/comments:

- [Goldman Sachs](#), other Wall Street banks look to be exploring Bitcoin-backed loans
- [Fidelity Investments Canada](#) launched their first Bitcoin ETF products
- [Alibaba](#) to test gaming potential of metaverse as big tech firms stampede into virtual world
- [Bancolumbia and Gemini](#) set up partnership in government-sponsored pilot program
- [German](#) savings bank to offer bitcoin trading
- [Katie Haun](#) leaves a16z to launch new crypto fund focused on Web 3.0
- [Meta’s crypto wallet Novi](#) launches on WhatsApp
- [Switzerland’s largest online bank Swissquote](#) is launching its own crypto exchange
- [Solana Ventures](#) announced new \$150 million fund for blockchain gaming
- [Nydig](#) raises another \$1 billion valuing it at \$7 billion
- [Nike](#) bought a virtual shoe company that makes NFTs and sneakers for the metaverse
- [Coinbase](#) has \$30 billion in crypto assets staked across 25 blockchains

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%	44.3%	-1.0%	-18.1%	198.37%	293.35%
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%	-0.4%	-22.6%	153.38%	92.80%
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%	39.1%	-1.5%	-15.5%	162.60%	323.50%
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%	0.1%	-2.9%	28.35%	83.60%
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%	0.59%	0.77%	4.41%	21.00%

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 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

Minimum Investment	\$100,000
Subscription	Daily – NAV calculation next week’s Wednesday
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	2.00% p.a.
Performance fee	20% over 6M Libor with High Water Mark
Administrator	MG Stover
Auditor	KPMG
Legal Counsel	Conyers
Custodian	Coinbase Custody, Fidelity Digital Assets, Gemini
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	www.blpcrypto.com.br/en/

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

Minimum Investment	R\$10,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	2.00% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR01OYCTF009
Website	www.blp.com.br

BLP Digital 40 FIM Characteristics – Qualified Investors

Minimum Investment	R\$1,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	1.75% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv., Warren, CM Capital
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR09ZDCTF002
Website	www.blp.com.br

BLP Digital 20 FIM Characteristics – Retail Investors

Minimum Investment	R\$100
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Genial Inv., Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv., Warren, CM Capital, Nova Futura
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003
Website	www.blp.com.br

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.