

Portfolio Manager's comments

Bitcoin dominance started the month at 40.1%, reached a low of 37.9%, a high of 42.7%, and ended at 42.3%

BTC started the month at \$16,603 and traded between \$16,521 and \$23,722 to close at \$23,107 up 39.25% for the month. Genesis Block Fund was up 43.75%. Happy 14th birthday to BTC on January 3rd! We hope this year to write less about macro news and more about the crypto markets. We are glad to see the year off to a very strong start with total crypto market cap passing the \$1 trillion mark again and somewhat less correlated with the equity markets. We reduced some of our overweight ETH position during the first half of the month to later buy back lower (against BTC) and then increased our position in preparation for the Shanghai upgrade expected for March and as ETH has again been deflationary since the merge last year. You can follow the ETH's numbers online on the [ultrasoundmoney](https://ultrasound.money) website.



AVAX token had a good run (+85.8%) with the announcement of the Ave Labs partnership with [AWS](https://aws.amazon.com) to scale blockchain solutions for enterprises and governments. Amazon's global head of startups said Web3 is inevitable but even if we can't predict the timing it will go mainstream. In late November last year, we went neutral SOL (after being underweight for almost all of 2022), during the second half of January we decreased our SOL position again after a huge up move. We also decreased some of our OP position also due to a huge up move during the month which took our Layer 2 positions close to 10% of AUM. If the volatility permits, we intend to trade in and out of around 20% of these positions. After a long wait, we were happy that the Threshold Network token (T) was listed at Coinbase. As you may recall,

this is the token that came from the fund's ICO position in KEEP which merged with the NuCypher protocol in January 2022. They also just announced tBTCv2 minting which should be able to scale more efficiently. As the only decentralized ETH/BTC bridge after renBTC died given the FTX collapse, they will go aggressively after market share against the BitGo centralized wBTC (wrapped Bitcoin). Alt coins had a big contribution to the overall month's performance with 3 of them having triple digit gains. Our best performing assets were T (+221.2%) followed by SOL (+189.7%) and OP (+141.0%).

BlackRock, the world's largest asset manager, announced that it made BTC an eligible investment in its \$15 billion flagship Global Allocation Fund.

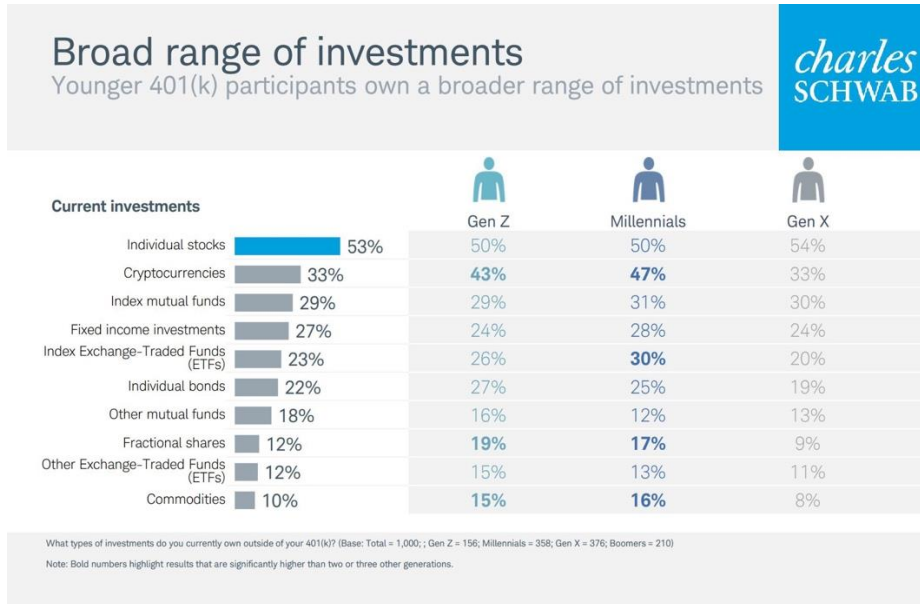
SBF pleaded not guilty to in the 8 accusations he is facing. A detailed cap table of FTX's investors was released. According to bankruptcy lawyers, \$5 billion of crypto assets and cash from FTX have been found. FTX got approval to start selling some of its assets, like Ledger X, to repay its creditors. According to the WSJ, John Ray III is thinking of opening FTX US operations.

The ongoing drama of DCG (Digital Currency Group) and its subsidiary Genesis Global Capital continues as it has been 2 months since they halted customer withdrawals. The Winklevoss twins from Gemini wrote an open letter to Barry Silbert accusing him of 'bad faith stall tactics' and demanded a response by January 8th which didn't happen. Gemini Earn has officially terminated their partnership and is seeking to recover \$900mm of client's funds stuck at Genesis. To make the Winklevoss twins and Barry's life more difficult, the SEC is suing them for breaching securities rules with the interest earning product on crypto. Finally, Genesis Global Capital declared Chapter 11 bankruptcy, something that was expected by most of the market so didn't have any price impact. They announced that they owe \$3.6 billion to its top 50 creditors with the main one being Gemini Earn program. Nexo which also had a crypto Earn Interest product decided to kill the product and settle with the SEC by paying a \$45mm fine.

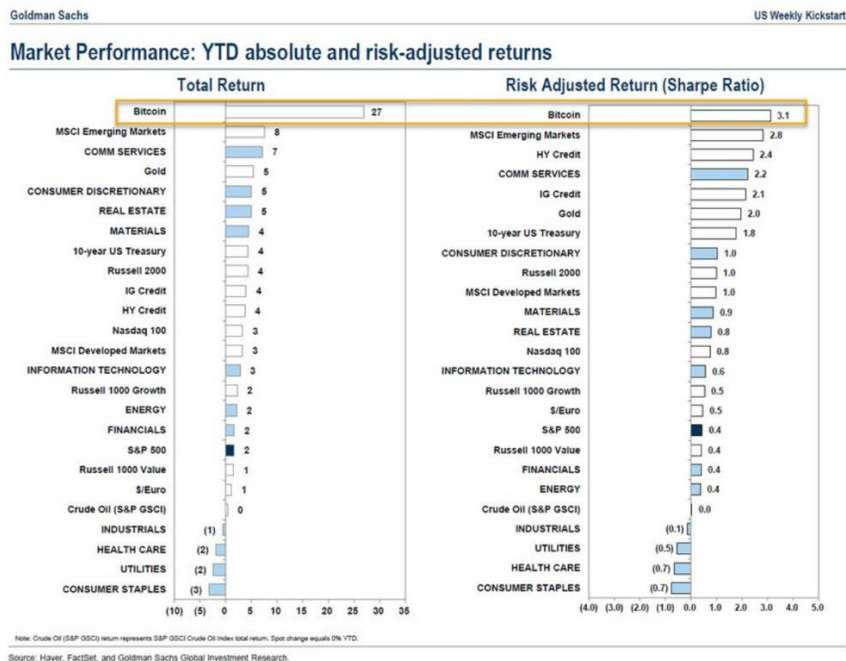
Silvergate Bank issued preliminary 4Q22 results to try and calm the market given their share price collapse which accelerated after FTX blowup. They lost \$3.8 billion of deposits during the fourth quarter and sold a material amount of fixed income securities to cover the shortfall.

Bank of America wrote an extensive report on how CBDCs could 'Revolutionize Global Financial Systems'. Its analyst wrote that it is "the most significant technological advancement in the history of money". There are 114 central banks which represent 58% of all countries and 95% of global GDP that are exploring central bank digital currencies.

Charles Schwab released a report on Millennials and Gen Z exposure to cryptocurrencies in their 401(k) plans.



Goldman Sachs published on their weekly research that BTC in 2023 YTD is the best performing asset in absolute and risk-adjusted returns.



Venture capital investments into crypto related companies fell substantially in 2022 but it was still the second-best year ever.

2018: \$16.22B

2019: \$4.48B

2020: \$4.40B

2021: \$37B

2022: \$21B

On the tech side, Australia installed the first BTC ATM running on Lightning Network (LN). Different than regular BTC ATMs, the ones using LN settle instantly. According to Cain ATM Radar, here are over 38k crypto ATMs in the world of which 6k were installed during 2022. Polygon, L2 solution, which we have in the portfolio will soon release some major updates such as zkEVM (zero knowledge Ethereum virtual machine) to facilitate execution of complex smart contracts.

On the regulatory front, the Fed, FDIC and the OCC sent a joint statement on crypto assets risks to banks. After last year's President Biden Executive Order, it sees that in the coming months we will see a regulatory framework for digital assets coming from the US Congress. Morgan Stanley wrote a comprehensive report on The Path Forward for US Crypto Regulation, available upon request. The European Parliament vote on MiCA (markets in crypto assets) was postponed from February to April. The SEC filed a motion to block Binance's acquisition of Voyager Digital assets. The Italian Parliament approved a 26% capital gains tax on cryptocurrency gains above EUR2,000 per year. The UK is committed to become a global crypto hub and they are considering plans for a digital pound. Great news that the DOJ continues doing its job and going after bad actors in the crypto industry, they gave a press interview where they took Bitzlato founder into custody after \$700mm of illegal transactions.

Recent announcements

- Samsung Bitcoin future active ETF was launched on the HK stock market
- Amazon NFT initiative coming soon, reports
- Coinbase to slash 20% of workforce in second major round of job cuts and takes the difficult decision to close operations in Japan
- Binance plans 15%-30% hiring spree in 2023 even as rival slash jobs

- Former FTX US president Brett Harrison, raised \$5mm for a DeFi startup aimed at institutions
- German online bank N26 to expand crypto trading
- National Australia Bank to launch \$AUD stablecoin on Ethereum and Algorand
- Crypto investor HashKey Capital raises \$500mm for Web 3 fund

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%	
2022	Genesis Class B	-24.0%	10.0%	9.0%	-20.1%	-25.0%	-39.2%	38.3%	-12.7%	-7.8%	9.2%	-19.2%	-8.5%	-70.17%	
2023	Genesis Class B	43.8%												43.75%	68.68%
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%	
2022	BGCI	-22.4%	4.0%	13.9%	-19.6%	-28.6%	-39.4%	43.8%	-13.0%	-7.2%	8.1%	-18.0%	-9.5%	-70.19%	
2023	BGCI	42.1%												42.12%	-18.31%
2018	BLP Crypto 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 Crypto 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 Crypto 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%	
2021	BLP Crypto 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%	
2022	BLP Crypto 100	-26.9%	-2.7%	8.3%	-17.0%	-28.0%	-32.1%	35.8%	-12.8%	-3.8%	5.9%	-18.6%	-9.8%	-72.34%	
2023	BLP Crypto 100	39.4%												39.40%	63.30%
2021	BLP Crypto 40										5.6%	0.0%	-6.8%	-1.66%	
2022	BLP Crypto 40	-11.2%	-0.5%	3.5%	-7.1%	-10.6%	-12.8%	12.9%	-5.0%	-1.0%	2.9%	-7.4%	-3.9%	-35.49%	
2023	BLP Crypto 40	14.4%												14.44%	-27.39%
2018	BLP Crypto 20											-7.1%	-0.5%	-7.53%	
2019	BLP Crypto 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 Crypto 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 Crypto 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%	
2022	BLP Crypto 20	-5.2%	0.4%	1.9%	-3.1%	-5.0%	-6.1%	7.3%	-1.7%	0.2%	2.0%	-3.1%	-0.8%	-13.12%	
2023	BLP Crypto 20	7.5%												7.50%	71.48%
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%	0.15%	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%	
2022	CDI	0.73%	0.76%	0.93%	0.83%	1.03%	1.02%	1.03%	1.17%	1.07%	1.02%	1.02%	1.12%	12.39%	
2023	CDI	1.12%												1.12%	37.52%

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 prices at 16:30 EST during business days which is different than administrator marking of 16:00 EST on the last business day of the month.



Genesis Block Fund Ltd.
BLP Crypto 100 FIM - IE
BLP Crypto 40 FIM
BLP Crypto 20 FIM
January 2023

Genesis Block Fund Ltd.

Minimum Investment	\$100,000
Subscription	Daily – NAV calculation in T+1 business days
Redemption	Daily – NAV calculation in T+5 business days
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 Prime, Fidelity Digital Assets, Gemini
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY

BLP Crypto 100 FIM - IE - Professional Investors

Minimum Investment	R\$10,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation T+5
Administration fee	2.00% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Banco Itaú, BRE, BTG Pactual, Órama, Genial, Daycoval, Azimut, Sim; Paul, Empiricus Inv., RB, Inter Invest, Modal Mais, Porto Seguro, Guide.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR01OYCTF009

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BLP Crypto 40 FIM - Qualified Investors

Minimum Investment	R\$1,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation T+1
Administration fee	1.75% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Banco Itaú, BTG Pactual, Órama, Genial, Daycoval, Azimut, Sim; Paul, Empiricus Inv., RB, Inter Invest, Modal Mais, Porto Seguro, Guide, Warren, CM Capital, C6 Bank
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR09ZDCTF002

BLP Crypto 20 FIM - Retail Investors

Minimum Investment	R\$100
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation T+1
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Banco Itaú, BTG Pactual, Órama, Genial, Daycoval, Azimut, Sim; Paul, Empiricus Inv., RB, Inter Invest, Modal Mais, Porto Seguro, Guide, Warren, CM Capital, Nova Futura, C6 Bank.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003

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