

Portfolio Manager's comments

Bitcoin dominance started the month at 42.2%, reached a low of 41.3%, a high of 46.6%, and ended at 46.4%.

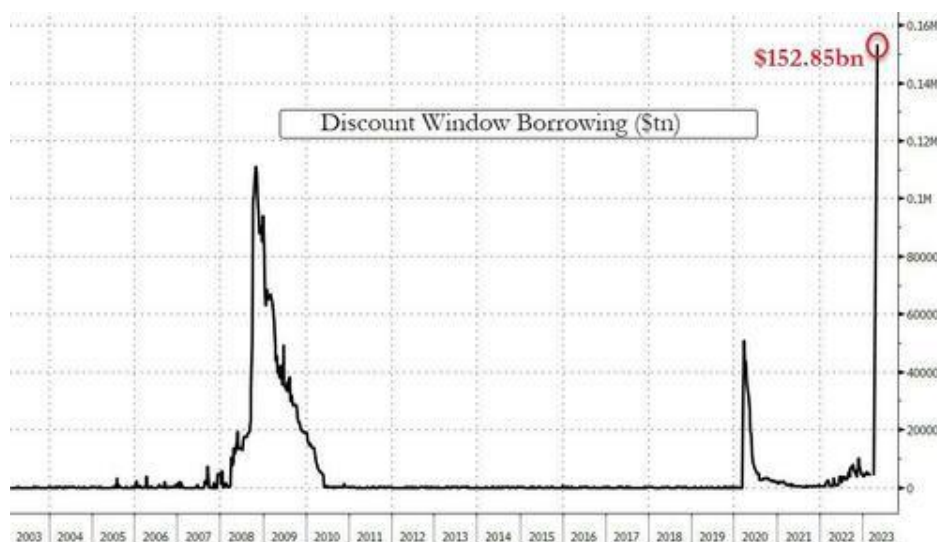
BTC started the month at \$23,294 and traded between \$19,628 and \$29,160, to close at \$28,468 up 22.21% for the month. Genesis Block Fund was up 13.02%.

On the macro front we had NFP in the US coming higher than expected and the CPI came in line with expectations. However, the real news driver was the apocalyptic bank run on SVB (Silicon Valley Bank), second largest bank failure in US history, which caused other bank runs and tremendous interest rate swings only seen 3 times during the last 50 years. (1987 equity market crash, 2001 dot com bust and 2008 global financial crisis).



The month started with the ongoing concern the market had with the health of Silvergate Bank, an important fiat/crypto onramp used by the largest crypto exchanges. They sent a notice that they would delay their annual 10-k reports which made the stock take a tailspin given confidence in the bank evaporated very quickly. It is amazing that they didn't have any losses with crypto loans but they mismanaged the maturity of their asset and liabilities wiping out most of their capital base. A few days later after Silvergate announced they would wind down their operations voluntarily, there was a bank run on SVB which within 48 hours was

shut down by regulators. SVB was not a crypto bank, but they had the bulk of their funding via demand deposits, and like Silvergate, they ran a miss match on their balance sheet where they invested short term cash deposits into long term Treasury and mortgage bonds. Once they announced they would raise some capital to shore up losses from selling the hold to maturity assets, which suffered given the historic and rapid pace of interest rates hikes over the past year. It was too late and clients went on defense and withdrew all the cash they could get their hands on making the situation unsustainable. Over the weekend the Fed, on an extraordinary meeting, decided to make SVB´s deposits whole (even those above the \$250k that were insured by the FDIC) to avoid a major confidence crisis in the US banking industry, especially regional mid-sized banks. As this wasn´t enough noise, the NY DFS (Department of Financial Services) closed Signature bank for apparently no real reason, read Nic Carter´s tweet thread. Quoting the main message: "For his part, Frank, who helped draft the landmark Dodd-Frank Act after the 2008 financial crisis, said there was no real objective reason that Signature had to be seized. I think part of what happened was that regulators wanted to send a very strong anti-crypto message. We became the poster boy because there was no insolvency based on the fundamentals." Signature is also an important fiat/crypto onramp in the US. It will be interesting to follow what might happen to Senator Elizabeth Warren who is a well-known cryptocurrency hater who cheered the Silvergate voluntary shutdown. Curious now how much damage she caused which indirectly will be "paid" by the US taxpayer since the Fed had to intervene providing lines of credit to try and smooth out the situation. Look at the crazy amount of funds that were withdrawn at the emergency discount window.



While all of this US banking crises was going on there were also issues with Credit Suisse which got an initial CHF50 billion line of credit from the SNB which proved to be too little too late and a few days later they were scrambling to get a Sunday night deal signed to be taken over by UBS after the stock fell over 99% from its ATH and UBS received a lot of guarantees from the SNB for potential contingent losses in the future.

During all this mess, BTC rallied strongly while other protocols didn't fare as well. We must remember that the BTC protocol was announced during the 2008 global financial crisis as an alternative payment mechanism without intermediaries, so it is being severely tested. It is to be seen if it will become a future store of value while market confidence in the general banking industry has evaporated again partially due to the flows of the traditional fractional reserve system. Jim Bianco made a nice contribution to the Unchained podcast on the subject and the differences of 2008 solvency crisis (due to bad loans) and the 2023 liquidity crisis (due to bad ALM – asset and liability management).

The meme below become popular after Elon Musk tweeted.



Right at the start of the month, after a nice spike, we sold 25% of our MKR position that we bought late in February. We also sold a small position in T which did well at the beginning of the month. During the weekend post SVB fallout, MKR suffered materially due to the momentarily de-peg of USDC (second largest stablecoin) given [Circle](#) announced they had \$3.3 billion of their \$40 billion in assets stuck at SVB. MKR has its stable coin DAI which in part has some USDC as collateral so during the market panic, we bought back as it fell more than was reasonable even if they had lost 100% of the funds deposited at SVB. 24 hours later we sold the position again with double digit gains after the Fed cavalry acted on Sunday night and in a blink of an eye the USDC peg was restored, see chart below.



Alt coins severely underperformed BTC. Towards month-end there was a generalized sell-off after the [CFTC](#) announced that it would press charges against Binance and its founder, CZ, for operating an illegal digital assets derivatives exchange. The market correction didn't last more than 48 hours and BTC was able to close near its highs of the month. We also sold the bulk of our MATIC position given some rumors of bad governance that were circulating. Our best performing assets were BTC (22.2%) followed by ETH (+12.2%) and T (+7.7%).

On the tech side, the Ethereum developers decided to activate the Shanghai and Capella upgrade on April 12th. The main objective of this upgrade is to activate staked ETH withdrawals. [Jack Dorsey's TBD](#) announced their new BTC Lightning services provider called C= (C equals) to provide the appropriate infrastructure for developers, businesses, and customers to make lightning transactions more reliable. [Arbitrum](#), a layer 2 in the Ethereum blockchain finally announced their long-awaited airdrop. A well know DEX (decentralized exchange) called [Sushi DAO](#) was served a subpoena by the SEC.

On the regulatory front, the SEC suffered a blow as a judge approved [Binance](#) acquisition of Voyager Digital assets. The first hearing of Grayscale Investments against the SEC also happened and it looks like the SEC came materially worse off as they failed to convince the judge on the difference of a spot and futures BTC ETF, the ruling is likely to happen in the second half of 2023, listen to the arguments [here](#). US lawmakers are re-discussing a [crypto tax reform](#). The [White House](#) issued a lengthy report criticizing digital assets, some people called it [Operation Choke Point 2.0](#). [Coinbase](#) announced it is exploring an overseas venue as the US ramps up crypto scrutiny. Coinbase also received a [Wells notice](#) from the SEC which [Brian Armstrong](#) quickly responded publicly on a tweet thread.

Recent announcements

- Regulatory filings showed that [BlackRock](#) bought BTC futures in January 2023
- [Fidelity](#) quietly went live giving millions of retail customers access to BTC and ETH
- [NASDAQ](#) eyes crypto custody launch by end of second quarter
- [AXA Investments Managers](#) gains French crypto registration
- [Amazon](#) to launch its NFT platform on April 24th
- Japanese tech giant [Fujitsu](#) is actively exploring crypto services offering
- [Kraken](#) is on track to launch bank ‘very soon’ despite regulatory hurdles
- [Coinbase](#) launches wallet-as-a-service for businesses
- Enterprise software giant [Salesforce](#) partners with Polygon for NFT-based loyalty programs
- [Do Kwon](#), responsible for the Terra Luna collapse was arrested in Montenegro
- [Telegram](#) users can now transfer USDT through chats

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%	1,7%	13,0%										65,18%	93,82%
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%	0,3%	12,0%										59,67%	-8,22%
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%	
2121 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%	3,6%	9,5%										58,20%	85,33%
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%	1,8%	4,4%										21,58%	-22,87%
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%	1,6%	2,8%										12,23%	79,02%
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%	
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%	0,92%	1,17%										3,25%	40,41%

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
March 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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