

Portfolio Manager's comments

Bitcoin dominance started the month at 50.10%, reached a high of 55.03% ended the month at 53.99%.

Bitcoin started the month at \$4,105 and traded between \$4,096 and \$5,642 with a quick move right off the gates on April 2nd when it broke two major resistance levels, first \$4,300 (see graph below) and then the 200 day moving average at \$4,600 which has not been broken since May 2018 to close at \$5,351 up 30.33% for the month. Genesis Block Fund ended up 21.07% while BLP Crypto Assets FIM ended up 20.93%. As our Retail fund BLP Cripto Ativos has completed 6 months, going forward we will start publishing its performance in this letter, it was up 4.14%. The retail fund will invest up to 20% in Genesis Block Fund so it will have significantly less volatility. We are glad to have a third consecutive month with positive returns and to have generated 7.66% of Alpha against the Bloomberg Galaxy Crypto Index during April.



After the big run up in LTC we decreased some of our position to go underweight again. With this sale we increased our WAX position, MKR and a smaller privacy coin, which we are keeping under the radar for the moment. [WAX CEO](#) Malcolm Casselle gave an interesting interview on the growth of the gaming industry and virtual skins trading, the

numbers are quite amazing. MKR was added to a major exchange, [Coinbase](#), but didn't perform well after the announcement (EOS was added to Coinbase as well). We traded in and out of the volatile pair XTZ/BTC and were able to make some gains with a tiny exposure. Another important resistance level was broken on April 23rd, the golden cross was breached (50 day moving average crossed the 200-day moving average), last time this happened was in 2015. Alt coins in general had a tough time keeping up with Bitcoin's big move. On April 25th there was a significant general selloff due to the never ending issues around Tether stablecoin where NY Attorney General issued a [legal filing](#) against Bitfinex.

A lot of market participants are starting to discuss the next Bitcoin Halving and its potential impact on future prices. Miners are rewarded to secure the network by mining the blocks approximately every 10 minutes. The amount of BTCs to ever be created is fixed at 21mm coins. Mining rewards are cut in half (that's where the term Halving comes from) every approximately 4 years (or more precisely every 210,000 blocks). They started at 50 BTC per block, dropped to 25 in 2012, dropped to 12.5 in 2016, will drop to 6.25 around May 24th 2020, and so on. This boils down to a significant smaller supply coming to the market as we move into the future, approximately 84% of the total amount of BTCs have already been created and the last ones will be created somewhere along the year 2140. As you know this is an immutable protocol based on mathematics. There has been just 2 Halving events so far and in both the market started "pricing" this event with about 1 year anticipation. It will be interesting to see how the market behaves in the upcoming third Halving.

Lengthy but very interesting article in Forbes how [Andreessen-Horowitz](#) is revolutionizing the VC industry with cryptos becoming a potential big new space for them. We continue to see big players wanting to participate in this ecosystem.

By renouncing venture capital status, Andreessen Horowitz says it'll go deeper on riskier bets: If the firm wants to put \$1 billion into cryptocurrency or buy unlimited amounts of shares in public companies or from other investors, it can.

On April 3rd, the [SEC](#) released a much-awaited statement on Framework for Investment Contract Analysis of Digital Assets.

Interesting announcements/comments:

- [E*Trade](#) is close to launching cryptocurrency trading
- [TD Ameritrade](#) allows clients to trade Bitcoin futures
- Bakkt acquires crypto custodian, partners with [BNY Mellon](#) on key storage
- [PayPal](#) makes its first-ever investment in a Blockchain startup
- [The Dolder Grand](#), 5 star Swiss Hotel set to accept Bitcoin payments
- [Google It](#): Bitcoin searches highest since November on Google
- [Harvard Business Review](#): The blockchain will do to the financial system what the internet did to media
- [CME](#) Bitcoin futures volume hits record high as prices rebound
- [Barclays, RBS](#) join 40-strong R3 blockchain real estate trial.
- [US Lawmakers](#) reintroduce bill exempting Bitcoin and crypto from Federal Securities Laws
- Shop online at [Amazon](#) with crypto currency
- ["Japanese Amazon" Rakuten](#) gets ready to launch crypto exchange
- [Insurance companies in France](#) obtain green signal to invest in cryptocurrencies and blockchain

Monthly estimated return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	Since Fund Inception
2018 Genesis	-16.0%	-5.2%	-37.4%	57.2%	-20.2%	-20.4%	7.5%	-17.2%	-9.2%	-7.9%	-38.2%	-3.7%	-77.9%	
2019 Genesis	-11.5%	17.5%	7.2%	21.1%									35.0%	-70.23%
2018 BLP 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 BLP Crypto Assets	-15.7%	18.4%	10.6%	20.9%									33.6%	-62.96%
2018 BLP Cripto Ativos											-7.09%	-0.47%	-7.53%	
2019 BLP Cripto Ativos	-2.88%	4.05%	2.39%	4.14%									7.75%	-0.36%
2018 BGCI	-14.6%	-10.7%	-43.5%	60.9%	-20.4%	-28.5%	13.7%	-21.7%	-0.2%	-12.2%	-36.8%	-1.7%	-80.9%	
2019 BGCI	-11.8%	15.5%	5.9%	13.4%									22.4%	-76.59%
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%									2.04%	8.59%

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 (Note that the BGCI only prices during business days at 4pm Eastern time zone, which is different than our marking of 0:00 UTC of the last day of the month).

Tech corner

Initial Exchange Offering (IEO)

As the crypto market evolves, new fundraising options and models are being explored and developed. Several token projects are now deciding to list their tokens (via IEO) in an exchange directly instead of raising via a traditional ICO.

Essentially, an initial exchange offering differs from the conventional ICO model in one key aspect, rather than the token being distributed through the project and sent directly to investors wallets, the tokens are distributed through an exchange. This means investors buy the token directly from an exchange. The main benefit is that once the IEO is completed the tokens are immediately ready to be traded on an exchange giving investors more transparency, liquidity, and security.

This solves a problem that many ICO issuers are facing; almost 90% of ICO projects do not manage to list their token on an exchange. After the ICO is completed investors are unsatisfied and frustrated. IEOs skip this step, by combining the ICO and listing processes into one simple step. It is an easier and more efficient process for projects and investors.

IEOs are a partnership between the token projects and the exchange, one where trust and transparency matter more as there is a mutual reputation to be accountable for. This partnership of trust becomes a key part of the value proposition and benefit to all parties, including investors.

In an IEO the projects use this partnership for the public sale of their tokens on the exchange. In this case, the exchange acts like a marketplace for new tokens. Investors can buy the tokens directly on the exchange, and once the IEO time is up, can trade these tokens theoretically immediately.

The main advantage of an IEO over an ICO are:

1. **A strong defense against scams:** The exchange itself has a vested interest and skin on the game making sure the quality of the project is high and is viable as the exchange's reputation is tied to the projects they list.
2. **Ease of use:** Investors sign up to purchase the token on the exchange. The investor is also assured that the token immediately moves into the regular marketplace once the IEO is finished. For the developers, it allows them to focus on their core business activities while the exchange handles the details of the fundraising efforts.
3. **Credibility:** As an exchange has a duty to its own stakeholders and traders it performs a thorough due diligence and review of each project.
4. **Transparency:** The price of an IEO is set prior to the token listing itself and remains fixed during the IEO phase.
5. **Rewards programs:** Airdrops and Bounties still work with IEOs.

Whilst IEOs are supposed to increase the transparency and security of the ICO model, it can still be abused by both unserious projects and unserious exchanges. Nevertheless, IEOs have a clear edge on ICOs in the current market state.

Genesis Block Fund Ltd. Characteristics

Minimum Investment	\$100,000
Subscription	Monthly
Redemption	Monthly with 15 days pre-notice
Administration fee	2% p.a.
Performance fee	20% over 6M Libor with High Water Mark
Administrator	MG Stover
Auditor	Cohen & Co
Legal Counsel	Walkers Global and Freitas Leite
Contact	genesis.block@blpasset.com.br

BLP Crypto Assets FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$100,000
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
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
Contact	contato@blpcrypto.com.br
Website	www.blpcrypto.com.br

BLP Cripto Ativos FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$1,000
Subscription	Monthly until the 27 th day of the month
Redemption	Monthly with pre-notice before the 20 th day of the month
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	Brasil Plural
Distributor	Genial Investimentos and Órama
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
Contact	contato@blpcrypto.com.br
Website	www.blpcrypto.com.br

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