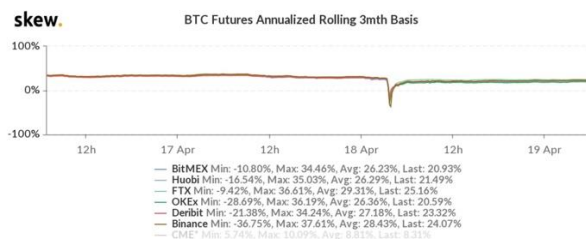


Portfolio Manager's comments

Bitcoin dominance started the month at 58.6%, reached a low of 47.9%, high of 60.4% and ended at 49.1%. It has been exactly 2 years since [BTC dominance](#) was below 50%. As the DeFi space continues to grow exponentially and new entrants in the space grow alongside Ethereum it will be interesting to see how this evolves, for the first time since inception BTC is no longer its biggest holding. Ernest Hemingway on his famous novel "The Sun Also Rises" wrote the famous quote "Gradually, then suddenly". The whole crypto ecosystem which started with the famous Bitcoin whitepaper on Oct 31, 2008 was a gradual and slow experience, this phase seems to be changing now.

Bitcoin started the month at \$58,919 and traded between \$47,715 and \$64,863 to close at \$57,750 down 1.98% for the month. Genesis Block Fund was up 18.63%. The first half of the month was quite dull, not very often we call this market dull, as BTCs traded in a very tight range. After [Coinbase](#) announced amazing 1Q21 results with \$1.8 billion of revenues, the most awaited event was their listing which finally happened on April 14th after being delayed from March. The stock (ticker COIN) traded up 31% from the reference price (\$250) but lower than it priced on launch (\$381) valuing the company at \$100 billion and ending the day valued at \$86 billion, not bad at all for a 9-year-old company and surpassed Facebook's valuation when it went through a direct listing as well, quite remarkable. On the same day of Coinbase's listing, [Gary Gensler](#) was sworn in by the US Senate as the new SEC Chairman, Commissioner Hester Pierce will now have the help of someone who understands digital assets and blockchain technology, listen to his [MIT lecture](#). For a brief moment the total market cap of the crypto ecosystem surpassed the \$2 trillion milestone but then the second half of the month was nothing but dull. There were some clear signs that the market was stretched as [contango](#) reached ATHs clearly showing an over-levered market. Graph below showed that prior to the sell-off one could sell BTC futures and buy BTC spot at various exchanges and earn a mid 30's% p.a. return, something that was unsustainable.



This turned out to be true when on Sunday April 18 in the early hours a brutal sell-off was ignited at Binance which had the highest contango closing-out almost 1mm customers and leading to \$9 billion in losses during a 24h period. It seems that retail investors never learn that leverage isn't necessary when you trade a 100% vol asset. Some additional FUD (drop in [Chinese hashing power](#) & unfounded rumors that the US Treasury would change several financial institutions for money laundering using cryptocurrencies) added further fuel to the fire leading all major protocols to drop between 15-20%. [President Biden's](#) announcements of significant tax hikes caused crypto markets, especially BTC to lay low for the rest of the month.

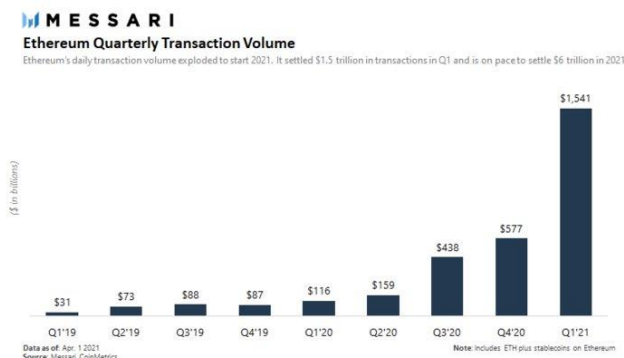
Total Liquidations

	1H Rekt	4H Rekt	12H Rekt	24H Rekt
Value	\$7.33B	\$8.09B	\$8.45B	\$8.95B
Count	\$7,326,793,164	\$8,091,558,204	\$8,453,548,546	\$8,947,477,907

- In the past 24 hours , 895,487 traders were liquidated.
- The largest single liquidation order happened on [Binance-BTC](#) value \$68.73M

The second most awaited event was [VanEck's](#) ETF filing initial deadline on April 29th which ended being a non-event as it was postponed until June 17th as Chairman Gensler awaits guidance from the [Biden Administration](#) on developing cryptocurrency regulation.

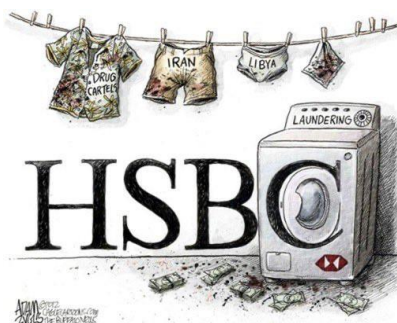
We furthered reduced our small underweight ETH position early in the month going to neutral. ETH performed extremely well and became the fund's biggest holding. Ethereum's [Berlin uncontentious hard fork](#) went smoothly as nodes updated the new code. Supranational [EIB](#) (European Investment Bank) issued \$100mm of bonds in the Ethereum blockchain. Messari's graph below shows the growth in ETH transactions during 1Q21, despite huge increase in gas fees.



We cut our small underweight position in EOS by half in the first week as it started catching a bid and there are some announcements that we are expecting for the second half of the year which could give EOS a further boost. We added 2 new protocols to the portfolio which we had been analyzing for a few months, [Solana](#) and [Synthetix](#) which we funded by going slightly underweight ETH again around mid-month. Our best performing assets for the month were SOL (up 120%) followed by MKR (up 107%). Our main underweights (BCH +83% and LTC +37%) hurt us against BGCI as they out-performed BTC during April (even though both have severely underperformed since the fund's inception, see chart below), as we don't see any future for these assets on a long-term basis, we remain underweight and will not chase the bids of people looking to buy assets just because they have lagged the rest of the market, i.e. we maintain our core strategy to invest in tokens that we believe will change the world in the next 20 years (so we are not buying DOGE either!).



It seems that slowly most of the large global banks are now accepting and dealing with client's digital assets demands but it is still ironic to see others like HSBC continuing to fight the system by even blacklisting NYSE-listed equities like [MicroStrategy](#) (ticker MSTR) that hold BTC in their Treasury and [Coinbase](#) as well. More ironic that it is not long ago that HSBC almost lost its US banking license and suffered \$1.9 billion in fines due to [money laundering](#) involving the Mexican drug cartels, and sanction in Iran & Libya.

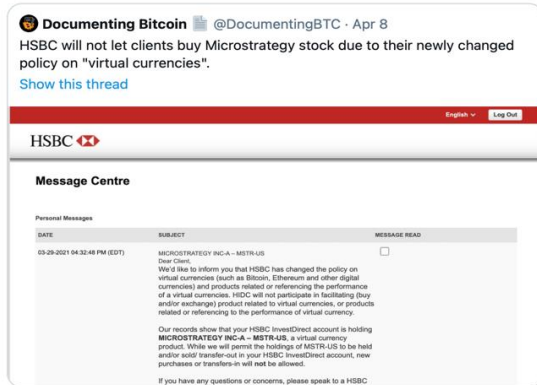




Preston Pysh
@PrestonPysh

HSBC Bank preventing their customers from holding an equity because it has Bitcoin on it's balance sheet!

Scared much @HSBC? You look pathetic.



Alex Gladstein
@gladstein

The FinCEN Files probe revealed that HSBC aided a massive Ponzi scheme *while on probation* for laundering almost \$1B for the Sinaloa cartel and other Mexican drug gangs.

But allowing their customers to own a Bitcoin-related equity?

Too risky.

cij.org/investigations...



Preston Pysh
@PrestonPysh · Apr 8

HSBC Bank preventing their customers from holding an equity because it has Bitcoin on it's balance sheet!

Scared much @HSBC? You look pathetic. twitter.com/DocumentingBTC...

After a Bitcoin crackdown, interesting change from [China](#) as now they are calling Bitcoin an 'investment alternative'. Long-time Bitcoin skeptic, Ray Dalio seems to have capitulated making a case for diversifying portfolio with Bitcoin. Tesla started and now more corporates are accepting Bitcoin as a payment option, [Switzerland's AXA](#) insurance giant allows customers to pay premiums in Bitcoin, [TIME](#) magazine and [WeWork](#) will keep Bitcoin on their balance sheets while basketball's [Sacramento Kings](#) will offer Bitcoin as salary to their players. I strongly recommend you to listen to Chris Dixon's, head of digital assets at [a16z](#) (Andreessen Horowitz fund), latest podcast on the revolution that is happening in the blockchain/crypto ecosystem.

During [VISA's 2Q21 earnings call](#) their CEO laid out the payment giant's bold long-term vision for the crypto space, they highlighted 5 major opportunities: 1. Enabling consumers to buy crypto through VISA cards; 2. Converting crypto to fiat at 70 million VISA merchants; 3. Enabling financial institutions & fintech partners to offer crypto; 4. Allowing financial institutions to settle crypto with stablecoins; 5. Working with banks on CBDCs (Central Bank Digital Currencies).

On the tech side, a subject that hasn't been discussed in a while is using BTC as a day-to-day currency. Significant development has been happening with Bitcoin's [Lightning Network](#). In April of 2020 there were approximately 4.5k nodes, this number has now doubled to over 10k nodes according to [Bitcoin Visual's website](#) as everyday more exchanges and apps are adopting this Layer 2 scaling solution.

On the Regulatory front [The US House of Representatives](#) passed a digital assets innovation act to clarify crypto regulations. [Coinshares](#) published a great report on how different European countries are dealing with the crypto assets' regulatory framework. A 33-year former [CIA](#) acting director published a great analysis of Bitcoin's use in illicit finance. His 2 key conclusions are: 1. the broad generalizations about the use of bitcoin in illicit finance are significantly overstated; 2. blockchain analysis is a highly effective crime fighting and intelligence gathering tool. The state of Wyoming has become the first to clarify the legal status of [DAOs](#) (Decentralized Autonomous Organizations).

Interesting announcements/comments:

- [State Street](#) is helping build a crypto trading platform for institutions
- [JPMorgan](#) is rumored to prepare an actively managed Bitcoin fund
- [PayPal's Venmo](#) launches crypto buying and selling
- Bitcoin investment firm [NYDIG](#) raised another \$100mm
- [Daniel Loeb's](#) \$17 billion Third Point hedge fund has crypto assets on its portfolio
- Robinhood announced 460% growth, 9.5m crypto traders on their platform on 1Q21
- [MicroStrategy](#) announced it would pay all non-employee directors in Bitcoin
- [Galaxy Digital](#) is the 9th company to apply for a Bitcoin ETF with the SEC
- France's 3rd largest bank [Société Générale](#) launches tokenized debt on Tezos
- [Facebook](#) is expected to pilot launch Diem in 2021
- Gaming giant [Nexon](#) purchases \$100mm worth of Bitcoin (<2% of its assets)
- [US Bank](#), 5th largest bank in the US will start offering cryptocurrency custody

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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%	18.6%									173.27%	260.25%
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%									180.92%	113.75%
2018 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%	-72.27%	
2019 Crypto Assets	-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 Crypto Assets	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 Crypto Assets	38.1%	20.6%	29.7%	10.8%									139.20%	285.76%
2018 Criptoativos											-7.1%	-0.5%	-7.53%	
2019 Criptoativos	-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 Criptoativos	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 Criptoativos	7.3%	4.1%	5.8%	2.0%									20.56%	72.46%
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%									0.69%	16.69%

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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	KPMG
Legal Counsel	Walkers Global and Freitas Leite
Custodian	Coinbase Custody, Fidelity Digital Assets, Gemini
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	www.blpcrypto.com.br/en/

BLP Crypto Assets FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$25,000
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
Digital Platforms	Planner, Daycoval, Azimut, RB Inv., sim;paul
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Madrona Advogados
ISIN Number	BR01OYCTF009

BLP Criptoativos FIM Characteristics

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
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR026OCTF003

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