

Portfolio Manager's comments

Bitcoin dominance started the month at 62.3%, reached a low of 59.5%, high of 63.9% and ended at 60.9%. We will forever remember February 2021 as a month where a few records were broken: 1. BTC briefly breached the \$50k mark; 2. BTC market cap briefly surpassed \$1 trillion in market cap; 3. the crypto ecosystem briefly surpassed the \$1.5 trillion market cap (sum of all 8k+ tokens), maybe it is becoming an asset class after all!

Bitcoin started the month at \$33,114 and traded between \$32,384 and \$58,331 to close at \$45,138 up 36.31% for the month. Genesis Block Fund was up 25.45%. It was another quick start off the gates as on February 1st [Elon Musk](#) participated in a discussion over the popular Clubhouse audio chat App where he publicly said he is a supporter of Bitcoin and thinks it will get 'broad acceptance' in finance. On February 3rd [MicroStrategy's CEO Michael Saylor](#) started his 2-day webinar on why and how they bought Bitcoin as a Treasury reserve asset. On February 8th [Tesla](#) announced that it acquired \$1.5 billion of Bitcoin (approximately 7.7% of their cash balances) and that it planned to accept BTC as payment method for its products taking BTC to a new ATH. This actually wasn't surprising at all to us as Elon on January 29th added a BTC symbol on his Twitter bio and [tweeted](#) "In retrospect, it was inevitable". [Mohamed El-Erian](#), ex-Pimco CEO, had some interesting comments on Tesla's announcement on CNBC. Two days later after Tesla's announcement [Mastercard](#) announced why they are bringing crypto to their network and wrote "Whatever your opinions on cryptocurrencies — from a dyed-in-wool fanatic to utter skeptic — the fact remains that these digital assets are becoming a more important part of the payments world.", quite a bold statement to say the least. As if these 2 announcements weren't enough, on February 11th [BNY Mellon](#), the oldest bank in the US and largest custodian with \$41 trillion of assets under administration announced they are getting involved in cryptocurrencies as well. Rick Rieder, [BlackRock's CIO](#) spoke on an CNBC that they have started to dabble in Bitcoin. Long term Bitcoin skeptic Jeffrey Gundlach, [DoubleLine Capital](#) CIO, says Bitcoin may be a better bet than gold. First Bitcoin ETF in North America was approved by the [Ontario's Securities Commission](#). [MicroStrategy](#), on another bold move, issues its second convertible note for \$1.05 billion with 0% coupon and 50% conversion premium with use of proceeds to buy Bitcoin (this is on top of the \$1.1 billion they purchased in the last 6 months after using their cash reserves and issuing an initial tranche of \$650mm convertible notes). The meme below went viral and the speculations on who is the next big company to make an announcement.



Coinbase officially filed their [IPO](#) with the SEC, it will be interesting to follow its valuation flips Goldman Sachs (currently with \$110 billion market cap) as a secondary trade on [FTX](#) happened at \$100 billion. To follow-up to Ray Dalio's January report, their Senior Portfolio Strategist together with their Director of Investment Research had this fantastic [22-minute debate](#). Most of you as a child saw the Adams Family cartoon on TV where a dark cloud was always following their car, well it seems that the dark cloud over Tether has faded away as they settled with the [NYAG](#) for \$18.5mm. ETH also shot up and we reduced our slightly overweight position, we traded in and out of ETH/BTC with nice trading gains and currently remain underweight, ETH cash-settled futures started trading at the CME on February 7th. We sold our small XTZ and XMR positions and migrated into [AAVE](#), another DeFi protocol, which we have been studying for a while and has been performing well. We also reduced 1/3 of our UNI position which did very well in recent months. Our best performing asset for the month was DOT (up 108%) followed by MKR (up 37%). Taking advantage of the volatility we were again actively trading in and out of KEEP/BTC and tBTC/BTC, these small trading positions helped the fund generate some nice trading gains. Our main underweights (BCH and LTC) and both ETH and EOS to a lesser extend helped us against BGCI as they under-performed BTC.

This rally seems to be much more solid than the December 2017 retail driven rally. As the blockchain is public, there are a lot of service providers like [Glassnode](#) that analyze various metrics, it is interesting to see the accumulation of large investors (see table below, whales are considered large) is increasing, typical sign of Institutional buyers being involved. There is also an interesting graph showing BTC balances decreasing rapidly on Exchanges, this typically signals that long-term buyers come in, buy and remove assets into cold storage, also very different than retail driven rallies where they are trading for short-term gains and leave their assets on exchange hot wallets.

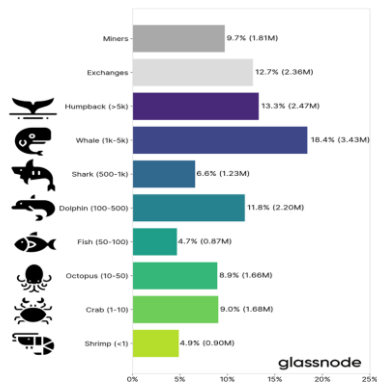
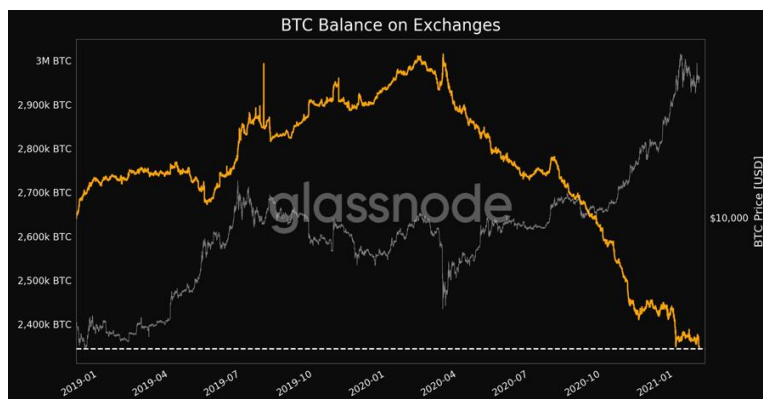


Figure 1 – The estimated distribution of Bitcoin supply across network entities as of January 2021.



On the Regulatory front the [US Library of Congress](#) released their 2021 report on tax treatment of tokens obtained by mining, staking, airdrops and hard forks across 31 countries. The [Central Bank of Nigeria](#) banned all regulated financial institutions from providing services to cryptocurrency exchanges, the result of this is that Bitcoin now trades with a 36% premium locally.

Interesting announcements/comments:

- [Paul Tudor Jones](#), LL Cool J and others back new \$72mm crypto VC fund
- [JP Morgan](#) note to clients endorses 1% allocation to Bitcoin as a hedge
- [Square](#) buys another \$170mm in Bitcoin, now 5% of cash reserves are in Bitcoin
- [PayPal](#) is investing in a new business unit focused on crypto and digital currencies
- The [Winklevoss's Gemini](#) exchange is pushing into banking with a new savings product
- [Facebook's Diem Testnet](#) hits 50mm transactions
- [Apple](#) positioned to offer cryptocurrencies: RBC report
- Massachusetts solar installer [Invaleon](#) now accepts bitcoin as payment
- [Bill Miller's Trust](#) to invest up to \$300mm in Grayscale Bitcoin Trust
- [Christie's auction house](#) will now accept cryptocurrency
- [JP Morgan](#) will offer Bitcoin trading if there is client demand, says COO
- [Japan's SBI](#) in talks to set up cryptocurrency JV with foreign financial firms
- [Morgan Stanley](#) may bet on Bitcoin in \$150 billion Investment Arm

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%	25.4%											73.69%	128.99%
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%											73.65%	32.13%
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%	
2121	Crypto Assets	38.1%	20.6%											66.51%	168.53%
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%											11.73%	59.82%
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%											0.28%	16.21%

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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
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.
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite and 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.
Auditor	KPMG
Legal Counsel	Freitas Leite and Madrona Advogados
ISIN Number	BR026OCTF003

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