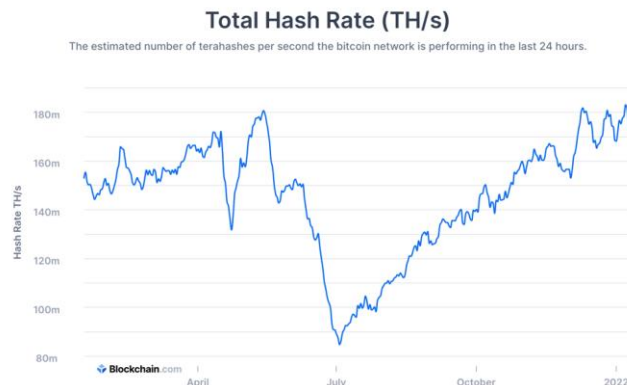


Portfolio Manager's comments

Bitcoin dominance started the month at 40.1%, reached a low of 39.2%, high of 45.9% and ended at 41.6%.

Happy Birthday Bitcoin for its 13th birthday on Jan 1st, 2022. BTC started the month at \$46,306 and traded between \$33,184 and \$47,881 to close at \$38,483 down 16.89% for the month. Genesis Block Fund was down 24.00%. The month started in green territory but within the first week when the FED released its meeting minutes with a more hawkish stance market went risk-off with an equity sell-off, widening of US Treasury yields which had its worst weekly return in the last 2 decades, and a big selloff in the crypto space with BTC down approximately 10% and Alts down anywhere between 15-20% within a 24-hour period. US CPI came at 7% which was a 39-year high further boosting inflation fears which are clearly no longer temporary. Unfortunately, during this risk-off phase the correlation of crypto assets and technology stocks has increased to an 18-month high. Things settled somewhat after Fed Chair Powell failed to deliver further hawkish surprises during his testimony to the Senate Banking Committee. We made several changes to our portfolio within the first week of the month, unfortunately a bit early as we increased some of the higher Beta protocols which suffered more on the general selloff. We decreased our exposure in ETH, BTC, SOL and increased DOT, AVAX, AAVE, LINK, UNI, and FTT. After following [NEAR](#) for quite some time we added this protocol to our portfolio. The NEAR Protocol is a proof of stake L1 blockchain that is focused on Web 3.0 and intends to scale via sharding (similar to what ETH 2.0 is trying to accomplish after the merge) which splits the computational load of the blockchain in fragments. There is a good [discussion](#) between different L1 alternatives (SOL, AVAX and NEAR) and how they tackle the scalability issue (it is somewhat technical but very helpful). They have over 200 projects currently being built on the protocol, and they just received \$150mm in new capital from well-known funds such as Three Arrows Capital, a16z, Alameda Research to name a few. We have been looking at Filecoin for over 1 year but never invested due to its valuation (\$40.5 billion fully diluted market cap), instead we decided to buy a small position of [Arweave](#) (\$2.1 billion fully diluted market cap). As we wrote on the December letter KEEP & NuCypher merge was finalized on New Year's Eve and early in January KEEP shot up higher and we reduced 20% of our positions. It will be interesting to follow how the Threshold Network evolves going forward with governance and the upcoming tBTC v2 to increase scalability of a decentralized BTC/ETH bridge. Our underweights (BCH -33.7%, LTC -25.2%, EOS -23%) underperformed BTC during January but the fund still underperformed BGCII by 1.6% given the sharp fall in the Layer 1 positions. Our best performing assets were FTT (+14%) which is FTX's token (FTX raised their Series C round valuing it at \$32 billion), followed by LINK (-12%) followed by [COSMOS](#) which is seeing growing activity on the network (-13.3%).

I have written in the past that the only way to shut down the Bitcoin network is by shutting down the energy grid or the internet. It doesn't help to shut it down just in one country, as happened in [Kazakhstan](#) after violent civilian protests complaining about high gas prices, given there are 14k nodes across the globe that validate the Bitcoin network. Kazakhstan received some of the Chinese miners last year and held about 15% of the mining capacity until this incident. I won't be surprised if the miners pack up again and move elsewhere, hopefully to the US where more renewable energy is being used to mine BTC. It is great to see how the Bitcoin network is being constantly attacked but it remains resilient and has been working with no downtime for over 13 years. The graph below shows the 1-year trailing hashrate, the Chinese ban was severe, and the network continued working without any down time. The Kazakhstan incident you can barely see on the graph (a drop from 183 to 174 TH/s).



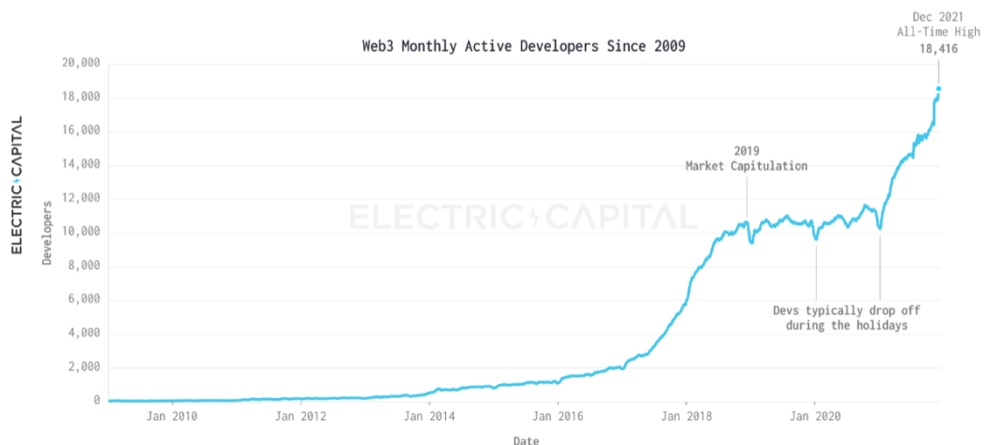
The [US House Committee on Energy and Commerce](#) had its meeting on January 20th where they discussed blockchain energy consumption. [CoinShares](#) issued a comprehensive report on Bitcoin mining showing that its CO2 footprint is below 0.08% of total global CO2 emissions, full report can be downloaded [here](#).

The stablecoin “wars” continue and we are glad to see [USDC](#) overtaking USDT (Tether) on Ethereum even though Tether overall circulating supply is still larger (\$78 billion vs \$45 billion). Interesting that [Tether](#) froze \$160mm of USDT in different wallets given suspicious activity as it works with regulators (563 ETH addresses have been blocked since 2017).

On the tech side, [Solana](#) had yet again some technical issues again due to another DDOS attack which affected its price significantly. [Arbitrum](#), an ETH L2 solution, also ran into issues staying 4-hour offline, new tech can be glitchy. [Ethereum 2.0](#) has received 9mm ETH from over 280k validators (approximately \$30 billion or 25% of its circulating supply) in staking on its Beacon Chain as it prepares the final steps to the merge from POW to POS expected for June 2022. [Moonbeam](#), a ETH-compatible smart contract parachain, who won the second slot auction is live on Polkadot and expects to bring 80 projects to Polkadot. Exchange [Crypto.com](#) confirmed it suffered a \$34mm lost to hackers.

From [Electric Capital's graph](#) below the crypto ecosystem, now named Web 3.0, is not going away anytime soon. Some statistics: 1. 18k monthly active developers committing open-source code; 2. 34k new developers in 2021; 3. 20% are developing on Ethereum; 4. 2.5k developers are working on DeFi projects.

THERE ARE NOW 18,416 MONTHLY ACTIVE DEVELOPERS IN WEB3



On the Regulatory front the [FED](#) delivered its highly-anticipated [CBDC report](#). The market expects a lot of Regulatory progress for the crypto ecosystem in 2022, the Law Society published their second edition of the Blockchain: Legal & Regulatory Guidance, a 234-page report available upon request. [A16z](#) is doing their part by publishing their Web 3.0 proposal to world leaders and urges the US to be proactive and not fall behind on this technological revolution. After Miami's mayor visited Brazil, the [Rio de Janeiro Mayor](#) decided to invest 1% of the city's reserves in BTC as well as give a 10% discount in property taxes that are paid with BTC. After the [Bank of Russia](#) called for a full ban on crypto trading, mining and payments, government ministries agreed on principles for future crypto regulation by year-end. The [Bank of Korea](#) has successfully completed its first phase of their CBDC project. [Thailand](#) is expected to impose a 15% capital gains tax on crypto profits from retail traders and miners. The SEC rejected [Fidelity's application](#) for a spot ETF.

Interesting announcements/comments:

- [Goldman Sachs](#) predicts Bitcoin could hit \$100k taking some of gold's market share as store of value
- [Andreessen Horowitz](#) looks to raise \$4.5 billion for new crypto funds: report
- [FTX](#) announced its launch of a \$2 billion venture fund to invest in cryptos and Web 3.0
- [FTX](#) raises their Series C at a \$32 billion valuation with some prominent investors
- [Airbnb CEO](#): crypto payments top user request for 2022
- Jack Dorsey's [Block](#) (previously Square) announced it is building open source BTC mining system
- [San Diego State University](#) announced it will accept BTC donations

- [Gemini](#) acquires crypto portfolio management BITRIA
- Swiss-based [Seba Bank](#) focused on digital assets raised \$119mm in Series C funding
- Fashion giant [GAP](#) launches gamified NFTs on Tezos
- [OpenSea](#), the NFT marketplace, raised \$300mm at over \$13 billion valuation
- [BSTX](#), a JV between tZero and Boston Options Exchange Digital Markets, gets SEC approval
- [Elevate Brands](#) to offer Bitcoin payouts on Coinbase Prime for Amazon marketplace sellers
- [Diem Association](#) (Facebook's cryptocurrency venture) is rumored to sell its technology to Silvergate Capital

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%												-24,00%	198,95%
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%												-22,44%	49,53%
2018 BLP Digital 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 Digital 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 Digital 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 Digital 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 Digital 100	-26,9%												-26,89%	209,61%
2018 BLP Digital 20											-7,1%	-0,5%	-7,53%	
2019 BLP Digital 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 Digital 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 Digital 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 Digital 20	-5,2%												-5,21%	74,03%
2021 BLP Digital 40 *														
2022 BLP Digital 40 *														
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%												0,73%	21,88%

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Genesis Block Fund Ltd. Characteristics

Minimum Investment	\$100,000
Subscription	Daily – NAV calculation next week’s Wednesday
Redemption	Daily – NAV calculation next week’s Wednesday
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 Custody, Fidelity Digital Assets, Gemini
ISIN Number	KYG3832A1085
Bloomberg Ticker	GENBLOC KY
Website	www.blpcrypto.com.br/en/

BLP Digital 100 FIM – Investimento no Exterior Characteristics – Professional Investors

Minimum Investment	R\$10,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	2.00% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv.
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR01OYCTF009
Website	www.blp.com.br

BLP Digital 40 FIM Characteristics – Qualified Investors

Minimum Investment	R\$1,000
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	1.75% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv., Warren, CM Capital
Auditor	KPMG
Legal Counsel	Madrona Advogados
ISIN Number	BR09ZDCTF002
Website	www.blp.com.br

BLP Digital 20 FIM Characteristics – Retail Investors

Minimum Investment	R\$100
Subscription	Daily – NAV calculation T+1
Redemption	Daily – NAV calculation next week’s Wednesday
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	BNY Mellon
Digital Platforms	Órama, Genial Inv., Daycoval, Azimut, Necton, sim;paul, Ativa Inv., Vitreo, RB Inv., Warren, CM Capital, Nova Futura
Auditor	KPMG
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