

Portfolio Manager's comments

Bitcoin dominance started the month at 57.9%, reached a low of 56.7%, high of 63.8% and ended at 63.7%, Bitcoin was in a clear catch-up mode as it gained ground against the other large market cap Alt coins.

October was all about Bitcoin which started the month at \$10,788 and traded between \$10,417 and \$13,781 to close at the year's high up 27.75% for the month. Genesis Block Fund was up 10.64%. October started with a nervous market right on the first day when the [CFTC](#) and the OCC filed civil and criminal charges against BitMex alleging they illegally operated a derivatives trading platform and violating AML regulations. We wrote extensively about the BitMex platform in the past which offers up to 99x leverage, something not healthy and sustainable in the long term. If they get shutdown it would clearly improve the chances of the SEC approving a Bitcoin ETF in the future. After recovering in the following weeks another down-leg around mid-month happened when Chinese exchange [OKEx](#) halted withdrawals after an investigation into one of their co-Founders. This down-leg was quickly reversed once we crossed the \$12k resistance on BTC when payment giant [PayPal](#) officially announced that it will enable its 300 million customers to buy, hold, and sell cryptocurrency directly from their PayPal accounts. It also signaled plans to "significantly increase cryptocurrency's utility" by making it available as a funding source for purchases at its 26 million merchants worldwide (we hinted about these initial rumors on our [July](#) monthly letter). On the following day of PayPal's announcement, they were already in talks to buy crypto firms including [BitGo](#). This major news event drove an intraday rally of \$1k as we touched \$13k on the session. The next hurdle the market faced was the \$13,800 resistance level (high since Jan 2018) and on the first try it failed on a negative day when S&P plunged 3.53%. Our best performing asset in October was Bitcoin (up 27.7%) followed by XMR (up 18.7%). We remain underweight in ETH, XRP, BCH and LTC. We gave back 3.98% of Alpha against BGCI in October (and it stands at 20.8% YTD) mainly due to LTC and BCH doing well as they were amongst the 4 assets PayPal announced it will offer on its platform. EOS performed well on the beginning of the month after an announcement that [Google Cloud](#) is joining the EOS community and will try to become one of their 21 Block Producers, later in the month it gave back its gains against BTC. BTC outperformed all assets. Our overweights (DOT, LINK, MKR, KEEP and XTZ) underperformed BTC. One of the long-awaited announcements of the month was the [Filecoin](#) mainnet launch and its inaugural trading on some large exchanges, this was a \$205mm ICO raise in 2017 done by Protocol Labs, it will be interesting to see how it attacks the mainstream centralized Google Cloud and others.

Violent profit taking continued on the DeFi space with COMP, AAVE, UNI, YFI, UMA and CRV all down between 24% and 56%. We still believe DeFi has significant room to grow but prices are being re-adjusted. The [Harvest Finance](#) debacle shows that DeFi is not for the faint of heart and the economic attack which caused \$24mm of funds lost didn't help DeFi tokens in general. If you want to learn more about DeFi watch this [12 minute video](#) which explains this growing space in simple words. KEEP continued volatile (traded between \$0.26/\$0.86 and closed near the lows at \$0.27). Our 6-month lock-up period has come to an end. We expect to receive our first KEEPs from our node staking in the coming month. As the rewards are heavily skewed in the first 24 months, we decided to increase our ETH bonds in the later part of the month in order to receive more of the potential rewards which so far have worked well as our node is in the Top 10 in terms of activity and signing contracts. There is still room for improvements on the UX to facilitate tBTC minting. We have a strong conviction that when UX improves and a big exchange listing is announced the tokens will appreciate.

Following MicroStrategy's announcement in the last few months that they bought BTC for their Treasury (to get rid of their USD fiat), on October 8th [Square](#) (NYSE:SQ) announced it invested \$50mm in BTC, approximately 1% of their assets. Square is listed in NYSE and has a \$80bl market cap. The firm wrote "We view Bitcoin as an instrument of global economic empowerment; it is a way for individuals around the world to participate in a global monetary system and secure their own financial future. This investment is an important step in furthering our mission". It will be interesting to follow this trend, which large company will be next? [Stone Ridge Asset Mgt](#) reveals \$115mm Bitcoin investment as part of billion-dollar spinoff. UK-listed firm [Mode Global Holdings PLC](#) is putting up to 10% of cash reserves into Bitcoin.

Loved the tweet below from Mike Bucella from Blocktower, going from “0 to 1” can make a big difference.



The charge below went viral on crypto Twitter and as we see below some public companies are starting to make a move.



[Fidelity Digital Assets](#) published a lengthy report on Bitcoin Investment Thesis, Bitcoin's role as an alternative investment.

[Grayscale](#) released its Q320 Digital Assets Investment Report with record fund raising, raising over \$1billion during the quarter. They also released their [State of Crypto 2020 report: DCG Founders Survey](#).

[Andreessen Horowitz](#) released a documentary about its "Crypto Startup School". We are proud to be their partners on the KEEP protocol.

On the Regulatory front the [European Central Bank](#) issued a lengthy report on a digital EURO. The [US DOJ](#) also wrote a report of the Attorney General's cyber digital task force. [IMF, World Bank, G20](#) countries to create Central Bank Digital Currency rules. As Russia, China, Spain, Canada, Sweden and other countries all discuss their own CBDCs, the [IMF](#) released a comprehensive report on CBDCs and GSC (Global Stable Currencies).

[Price Waterhouse Coopers](#) (PwC) issued their Global Crypto Tax Report for 2020 with interesting insights on how different countries deal with taxation of digital assets. [PwC](#) also released a report entitled "Time for trust, the trillion-dollar reasons to rethink blockchain".

Interesting announcements/comments:

- All stocks could become tokenized, says [SEC Chairman Clayton](#)
- [US Treasury Department](#) official highlights ‘efficiency benefits’ of distributed ledger tech
- [Central Banks and BIS](#) publish first CBDC report laying out key requirements
- [Bank of Japan](#) to start digital currency experiments next year
- [China’s Central Bank](#) transacts \$160 million in Digital Yuan
- [South Korea’s Digital Won](#) to begin distribution phase next year
- [G7](#) financial leaders say they will oppose Libra until it is ‘adequately’ regulated
- [CME](#) quietly surpasses BitMex to become second-largest Bitcoin futures exchange
- [JP Morgan veteran](#) Daniel Masters explains how blockchain will end commercial banks

Monthly estimated return

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	Since Fund Inception
2018 Genesis	-16.00%	-5.17%	-37.38%	57.20%	-20.19%	-20.44%	7.50%	-17.24%	-9.20%	-7.92%	-38.19%	-3.67%	-77.94%	
2019 Genesis	-11.50%	17.53%	7.18%	20.49%	58.58%	12.36%	-13.36%	-12.00%	-9.50%	7.15%	-16.52%	-8.70%	34.85%	
2020 Genesis	33.41%	1.02%	-31.57%	39.33%	14.03%	-3.46%	34.08%	18.55%	-12.85%	10.64%			116.83%	-35.50%
2018 Crypto Assets	-19.19%	-1.78%	-33.74%	61.16%	-14.11%	-17.57%	4.50%	-8.56%	-11.64%	-13.85%	-34.26%	-3.36%	-72.27%	
2019 Crypto Assets	-15.67%	18.44%	10.58%	20.93%	52.76%	8.69%	-14.60%	-3.59%	-8.78%	2.86%	-11.98%	-12.94%	31.28%	
2020 Crypto Assets	40.07%	6.06%	-20.52%	43.21%	11.85%	-2.09%	23.51%	20.49%	-9.00%	11.49%			179.59%	1.78%
2018 Criptoativos											-7.09%	-0.47%	-7.53%	
2019 Criptoativos	-2.88%	4.05%	2.39%	4.14%	10.17%	1.60%	-2.76%	-0.38%	-1.51%	0.86%	-2.23%	-2.36%	10.80%	
2020 Criptoativos	8.26%	1.05%	-3.74%	8.30%	2.52%	-0.83%	4.83%	3.99%	-1.85%	2.13%			26.69%	29.81%
2018 BGCI	-15.77%	-10.72%	-43.52%	60.89%	-20.41%	-28.45%	13.72%	-21.67%	-0.21%	-12.18%	-36.83%	-1.70%	-81.14%	
2019 BGCI	-11.78%	15.54%	5.92%	13.41%	58.11%	17.20%	-24.19%	-16.14%	-6.24%	10.56%	-17.43%	-13.26%	7.08%	
2020 BGCI	40.26%	1.81%	-31.02%	35.85%	0.16%	-3.68%	39.48%	11.21%	-14.70%	14.62%			95.80%	-60.45%
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%			2.44%	15.52%

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: Genesis returns are gross of performance fees and that the BGCI only prices during business days at 4pm Eastern time zone, which is different than Administrator marking of 0:00 UTC of the last day of the month).

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
Auditor	KPMG
Legal Counsel	Freitas Leite
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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