

Portfolio Manager's comments

Bitcoin dominance started the month at 53.30%, reached a high of 53.77% ended the month at 52.04%.

Bitcoin started the month at \$3,458 and traded between \$3,391 and \$4,211 to close the month at \$3,855 up 11.48% for the month after a nice run-up around mid-month when it finally broke the 50 day moving average, something that hasn't happened in quite a long time. Genesis Block Fund ended up 17.40% while BLP Crypto Assets FIM ended up 18.44%. Again, in the first days of the month we reduced our slightly underweight position in ETH in anticipation of the Constantinople hard fork. During the second week of the month we sold our LTC position completely after a big run-up. We also closed out our XMR position (it was also removed from the Galaxy Digital Index) as well as our small position on POLY as we have not seen recent progress on their platform. On the last week of the month we reduced approximately half of our underweight position in LTC. We were pleased with the fund outperforming handsomely both Bitcoin and the Bloomberg Galaxy Crypto Index with the bulk of the outperformance coming through tactical range trading between some Alts (mainly ETH) and our structural overweight position in EOS (up 52.59% on the month) and underweight position in XRP (up 1.62% on the month).

Cambridge Associates, well known for advising both Pension and Endowment funds, published a very interesting article, [Cryptoassets: Venture into the Unknown](#) recommending investors to start allocating some capital to this ecosystem with a long term investment horizon.

It has been a long time since we spoke about Lightning Network (LN). The subject has come up a lot recently with the increase in nodes (approximately 4k already) and every week we see important merchants like [Dominos pizza](#) accepting Bitcoin payments via LN, the LN.Pizza launch went viral on Twitter. We are happy to see our friends at FOLD (same team that is developing the KEEP protocol which the fund has exposure) leading the way with LN and various merchants like Uber, Starbucks, Target, Whole Foods, Dunkin' Donuts to name a few.

Jamie Dimon's [JP Morgan](#) announced the issuance of their own cryptocurrency called JPM Coin. After ridiculing cryptocurrencies in 2017 and threatening to fire employees that traded cryptos, now at least he is endorsing Blockchain technology that is behind the Bitcoin protocol. Basically the message is don't buy a decentralized Bitcoin based on an immutable protocol because it is a *fraud* but buy the centralized coin of JP Morgan where they can dictate all the rules and by the way this is just for their big corporate clients and not their retail clients!

We received dozens of emails about the [story of the death of the CEO of Canadian based Quadriga crypto exchange](#). For those who venture solo in this space we keep reminding them: Not your keys not your coins! Safekeeping private keys and having the proper protocols for backups are of extreme importance for anyone venturing in this space.

Interesting announcements/comments:

- First [US Pension Funds](#) take the plunge on crypto investing
- [Julius Baer](#) just enabled clients access to cryptocurrencies
- [NASDAQ](#) to add Bitcoin and Ethereum Indices this month
- [Bitgo](#) obtains \$100mm insurance policy from Lloyds to cover crypto assets
- [Samsung](#) announces Galaxy S10 crypto partners, Bitcoin and Ethereum support
- [Elon Musk](#): Bitcoin has 'quite brilliant' structure, paper money is going away
- [Bafin, Germany's securities regulator](#), approves Bitbond to issue digital securities *Tokenized Bonds*
- Bitcoin and other cryptocurrencies to be used to [pay taxes](#) in New Hampshire
- [Twitter CEO Jack Dorsey](#) still believes Bitcoin will be internet's currency
- [Facebook](#) makes first blockchain acquisition with Chainspace
- [H&M distributors](#) now accept payments in Bitcoin, Ethereum, Dash and Litecoin
- [Wells Fargo's nightmare](#) is Bitcoin's dream come true

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%	-77.93%	
2019	Genesis	-11.50%	17.40%											3.90%	-77.09%
2018	BLP Crypto	-19.19%	-1.78%	-33.74%	61.16%	-14.11%	-17.57%	4.50%	-8.56%	-11.63%	-13.85%	-34.52%	-3.23%	-72.27%	
2019	BLP Crypto	-15.67%	18.44%											-0.12%	-72.27%
2018	Bitcoin	-27.80%	1.73%	-32.93%	32.51%	-18.90%	-14.55%	21.49%	-9.55%	-5.85%	-4.65%	-36.41%	-6.83%	-73.56%	
2019	Bitcoin	-7.61%	11.48%											3.00%	-72.77%
2018	Bloomberg Galaxy Crypto Index	-14.64%	-10.72%	-43.52%	60.89%	-20.41%	-28.45%	13.72%	-21.67%	-0.21%	-12.18%	-36.83%	-1.70%	-80.88%	
2019	Bloomberg Galaxy Crypto Index	-11.78%	15.54%											1.93%	-80.51%
2018	CDI	0.58%	0.46%	0.53%	0.52%	0.52%	0.52%	0.54%	0.57%	0.47%	0.54%	0.47%	0.49%	6.42%	
2019	CDI	0.52%	0.47%											1.01%	7.50%

THE BITCOIN AND BLOOMBERG GALAXY CRYPTO INDEX 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 Bloomberg Galaxy Crypto Index 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).

Zero-Knowledge Proof

Zero-knowledge proofs or zero-knowledge protocols (ZKP) is a method by which one party can interact with another party and provide proof of knowledge without unveiling their confidential data, in other words Zero-knowledge proofs let you validate the truth of something without revealing how you know that truth or sharing the content of this truth with the verifier.

Why is ZKP important?

Enterprise businesses don't want to share proprietary information that can get into the hands of their competitors. Businesses also want to ensure that the information is securely delivered to the intended party. Ordinary blockchains can accomplish this, but with ZKP businesses can share proofs about the data without sharing the data itself.

Which industries could be impacted?

Generally speaking, ZKP could impact any industry that involves transactions, identity systems, and other proprietary information. ZKP can be used as a diligence, security, and verification tool in some of the most highly regulated industries like financial services, insurance, audit firms, and many others.

Who is building ZKPs?

The majority of cryptocurrencies expose peoples entire payment history to the public. ZEC is the first open, permissionless cryptocurrency that can fully protect the privacy of transactions using zero-knowledge cryptography. ZEC's shielded transactions hide the sender, recipient, and value on the blockchain. ZEC was also one of the first to implement zK-SNARKS.

ING Bank launched a modified version called zero-knowledge range proofs in Ethereum. Zero-knowledge range proofs can be used to prove that someone has a salary within the range needed to attain a mortgage without revealing the actual figure. This is key because of privacy and it

reduces computational power which results in faster transactions.

What are the limitations?

ZKP is computationally expensive, performance and the level of computing power required to support trust setup can be an issue. The ability to verify sensitive information like the amount of a transaction, passwords and other identifiable data will become more valuable for everyone with the rising presence of bad actors. This technology shows great promise and it is likely that there will be more partnerships between big institutions and startups working more closely together to develop new products solving privacy problems in the near future.

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 (<i>come cotas</i>)
Administrator	Planner
Auditor	Crowe Horwath
Legal Counsel	Freitas Leite
Contact	contato@blpcrypto.com.br
Website	www.blpcrypto.com.br

IMPORTANT DISCLOSURE AND DISCLAIMER

THIS LETTER IS INTENDED ONLY FOR THE USE OF THE RECIPIENTS HEREOF, AND CONTAINS CONFIDENTIAL INFORMATION. THIS LETTER MAY NOT BE REPRODUCED, DISTRIBUTED OR PUBLISHED BY ANY SUCH RECIPIENT HEREOF FOR ANY PURPOSE, WITHOUT PRIOR WRITTEN AUTHORIZATION OF BLP GESTORA DE RECURSOS LTDA.

THIS LETTER IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED TO PROVIDE SPECIFIC INVESTMENT ADVICE FOR YOU AND SHOULD NOT BE RELIED UPON FOR THAT PURPOSE. YOU SHOULD NOT ACT OR RELY ON ANY INFORMATION PROVIDED HEREIN WITHOUT SEEKING THE ADVICE OF A PROFESSIONAL.

NO INFORMATION PROVIDED IN THIS DOCUMENT CONSTITUTES A SOLICITATION, OFFER OR RECOMMENDATION TO BUY OR SELL SHARES OF ANY INVESTMENT FUND TO BE MANAGED OR SPONSORED BY BLP GESTORA DE RECURSOS LTDA. OR ITS AFFILIATES NOR SHOULD IT BE CONSTRUED AS SUCH IN ANY JURISDICTION WHERE SUCH A SOLICITATION, OFFER OR RECOMMENDATION WOULD BE ILLEGAL.

THIS LETTER MAY CONTAIN ASSUMPTIONS, ESTIMATES, ILLUSTRATIONS AND INDICATIVE VALUES (THE "INFORMATION") WHICH MAY BE AMENDED AT ANYTIME THEREBY IMPACTING ON THE OUTCOME OF THE PRESENTED BUSINESS. ALTHOUGH COLLECTED FROM RELIABLE AND SELECTED SOURCES, BLP GESTORA DE RECURSOS LTDA. DOES NOT ENSURE THE ACCURACY, UPDATING, PRECISION, ADEQUACY OR VERACITY OF THE INFORMATION PROVIDED HEREIN. NO REPRESENTATION IS MADE THAT ANY TRANSACTION CAN BE AFFECTED AT THE VALUES PROVIDED HEREIN AND NEITHER BLP GESTORA DE RECURSOS LTDA. NOR ANY OF ITS DIRECTORS, OFFICERS OR EMPLOYEES ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY DIRECT OR CONSEQUENTIAL LOSS ARISING FROM ANY USE OF ANY INFORMATION CONTAINED HEREIN.

THE PAST IS NOT A GUARANTEE FOR FUTURE PERFORMANCE. ANY PERFORMANCE FIGURES PRESENTED HEREIN ARE GROSS OF TAXES.

INVESTMENT FUNDS PERFORMANCE IS NOT GUARANTEED BY FUND ADMINISTRATORS OR FUND MANAGERS, BY *FUNDO GARANTIDOR DE CRÉDITO* – FGC OR BY ANY CAPITAL PROTECTION MECHANISM.

THE FUNDS REFERRED HEREIN HAVE LESS THAN TWELVE (12) MONTHS OF OPERATION. AN ANALYSIS OF AT LEAST 12 (TWELVE) MONTHS IS RECOMMENDED WHEN EVALUATING INVESTMENT FUNDS' PERFORMANCE.

INVESTORS MUST NOTE THAT AN INVESTMENT IN ANY INVESTMENT FUND TO BE MANAGED OR SPONSORED BY BLP GESTORA DE RECURSOS LTDA. WILL BE SUBJECT TO RISKS. THE VALUE OF INVESTMENTS MAY FALL AS WELL AS RISE AND INVESTORS MAY NOT GET BACK THE AMOUNTS INVESTED.

BEFORE MAKING AN INVESTMENT DECISION, PLEASE READ THE RELEVANT OFFERING DOCUMENTS, THE FUNDS' BYLAWS AND OTHER OFFERING MATERIALS IN THEIR ENTIRETY.