

*Portfolio Manager's comments*

---

Bitcoin dominance started the month at 50.70%, reached a high of 63.31% and ended the month at 61.30%.

On June 1<sup>st</sup> we had the long awaited announcement from [block.one](#), the company behind the EOS protocol. Even though their announcements were quite impressive (version 2 of EOSIO with 12x increase in smart contract processing speed, new social media platform, enhanced security measures with [YubiKey](#), Coinbase education partnership via their [Earn](#) program), the market was expecting even more so EOS token price underperformed after Mays stellar performance. [Voice](#), their new decentralized social media platform may be extremely powerful when people realize, understand, and use it (it is currently under Beta). Different from Facebook, Twitter and others, Voice will be blockchain-based, using the EOS protocol, where there will be no fake accounts and bots polluting the platforms in order to bring transparency to social media. It will be a platform where “real” people will be able raise their “Voice” and will be rewarded with the good content they provide. It will be extremely interesting to follow how Voice evolves, as we know Facebook is moving rapidly with their recent announcement of project Libra.

Project [Libra](#), which was the talk of the month, had some well know market participants expressing their views on it. We had Barry Silbert saying: “The launch of Facebook’s cryptocurrency will go down in history as *THE* catalyst that propelled digital assets (including bitcoin) to mass global consumer adoption. Will be remembered as just as important — and transformative — as the launch of the Netscape browser.” And others like Chris Perruna saying: “The Facebook crypto sounds to me like a centralized coin backed by corporations (looking to clean up on trillions in transaction fees), defeating the purpose of decentralized crypto.” Finally David Marcus, the cryptocurrency lead at Facebook: “Many want to pit Libra vs. Bitcoin. In my mind these two are not in the same category. BTC is a decorrelated (investment) asset. Libra is designed to be a stable medium-of-exchange. I have been, and remain a fan of BTC, but for very different purposes.”

Only time will tell what will be the final outcome but, in the meantime, Big tech companies and cryptos are coming to feast on the huge fees that are collected by the banking cartels:

\$1.1 billion in ATM fees.  
\$2.3 billion in maintenance fees.  
\$5.4 billion in overdraft fees.

No wonder the banking conglomerates will always speak negatively of cryptocurrencies as this new technology is poised to bite into a big portion of their fees in the future. Our overall take on Libra is that it will bring more awareness of the crypto ecosystem to a huge number of users, around 2.3 billion people.

Bitcoin started the month at \$8,575 and traded between \$7,564 and \$13,796 to close at \$10,817 up 26.15% for the month. Genesis Block Fund ended up 12.52%. On the first week of the month we had some healthy profit taking but there was no specific news that triggered the selloff after Mays strong performance. During the month we unwound a small position we had in XLM which was not performing. After 2 pumps in the first half of the month we decreased our positions in WAX approximately in half (it was up as much as 102% during one of the pumps). We continued to slowly increase our Tezos stake on weakness and to reduce some of our small underweight position in ETH below the 0.03 level vs BTCs. Our recent acquisition of a small privacy coin called Zcoin performed extremely well during the month, up 56% in June. Alts in general, especially the smaller tokens, had a hard time during June, some blame Binance's decision to forbid US customers continuing to trade on their platform and giving them a 90-day window to close out their trading positions (they have plans to later open up operations in the US but no timeframe for this to happen). On the last days of the month there was a sharp increase in Bitcoin volatility, which spiked from around 70% to over 120%. There were also some massive intraday swings with record volumes in both Bitmex leveraged trading platform and CME futures, it seemed that a bit of FOMO (fear of missing out) was kicking in again, something not seen since December 2017. The market had 5 consecutive months of strong positive performance; the big question now is when the large caps that lagged BTC will play catch-up.

Bitcoin was a stand-out performer during May and most of the other big cap coins had a hard time keeping up, a few interesting statistics and facts:

- Bitcoin [hash rates](#) hits record highs (more capex being deployed securing the network).
- Bitcoin [daily active addresses](#) is close to ATHs nearing 1mm (shows growing network effects).
- Bitcoin has achieved higher lows practically every year (see historical yearly lows below):

2011: \$1  
2012: \$4  
2013: \$65  
2014: \$200  
2015: \$185  
2016: \$365  
2017: \$780  
2018: \$3,200

## Interesting announcements/comments:

- [Facebook's](#) cryptocurrency partners revealed (Mastercard, Visa, Vodafone, Uber, Lyft, eBay, PayPal, Spotify, Andreessen Horowitz to name a few)
- [Goldman Sachs](#) explores creating a digital coin like JPM
- [Bakkt](#), led by ICE (owner of NYSE) revealed testing Bitcoin futures contracts on July 22nd
- [Benfica](#), major Euro football club accepts Bitcoin & Ethereum
- [Samsung](#) has been designing and manufacturing chips for Bitcoin mining.
- [Metlife](#) plans to disrupt @2.7 trillion life insurance industry using ETH blockchain
- [South Korean banks](#) spearhead blockchain adoption

## Monthly estimated return

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	Since Fund Inception
2018	Genesis	-16.0%	-5.2%	-37.4%	57.2%	-20.2%	-20.4%	7.5%	-17.2%	-9.2%	-7.9%	-38.2%	-3.7%	-77.9%	
2019	Genesis	-11.5%	17.5%	7.2%	20.5%	58.6%	12.5%							139.7%	-47.13%
2018	BLP 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%	-72.3%	
2019	BLP Crypto Assets	-15.7%	18.4%	10.6%	20.9%	52.8%	8.7%							121.8%	-38.51%
2018	BLP Criptoativos											-7.1%	-0.5%	-7.5%	
2019	BLP Criptoativos	-2.9%	4.1%	2.4%	4.1%	10.2%	1.6%							20.6%	11.54%
2018	BGCI	-14.6%	-10.7%	-43.5%	60.9%	-20.4%	-28.5%	13.7%	-21.7%	-0.2%	-12.2%	-36.8%	-1.7%	-80.9%	
2019	BGCI	-11.8%	15.5%	5.9%	13.4%	58.1%	17.2%							126.9%	-56.63%
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%							3.07%	9.69%

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 that the BGCI 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).

## Tech corner

### Cryptocurrency Exchanges: CEX vs. DEX

When it comes to equity trading and ETFs, many traders use centralized exchanges and online brokerage firms. When it comes to crypto-trading, individual investors have different mechanisms to trade digital assets. In order to understand how and where to trade digital assets, we will compare the two most popular types of crypto exchanges available in the cryptocurrency space today, CEX and DEX.

### Centralized Exchanges (CEX)

Investors looking to buy and trade cryptocurrencies usually use centralized exchanges like Coinbase, Binance, Gemini to name a few. Just as traditional online brokerage firms and exchanges, many centralized crypto-exchanges offer similar opportunities to deposit funds into an account, trade on margin, open short positions, and trade both crypto/crypto and fiat/crypto pairs. Buyers and sellers trust the middleman the exchange to help them hold their money, conduct transactions, offer security and monitoring. Today they account for

most of the trading volume.

CEXs usually have order-book systems that automate the trading for its clients. Even though CEXs might have been the most preferable way of trading crypto in the past, they have shown some vulnerabilities and have experienced security issues with various hacks. CEXs are not truly anonymous, as they store personal data of individual investors on exchanges, as well as private keys in hot wallets. This practice can definitely pose a threat to investors credentials.

### **Decentralized Exchanges (DEX)**

Unlike CEXs, DEXs enable anonymous transactions with minimum information on each individual investor. More experienced crypto traders who respect full control of their funds and aim to have a control, to some extent, of their personal data, prefer decentralized exchanges. DEXs provide greater security since they don't have access to investor's private keys and don't require its clients to hold funds in hot wallets whose vulnerabilities allowed hackers to access investors' capital in the past.

On top of that, opening an account can be also quite easy. Most DESs do not require any registrations or KYC (Know Your Customer), which makes the whole process much easier. People who are interested in buying a large amount of cryptocurrency or trading ERC20 tokens are often better served by decentralized exchanges. In addition to anonymity and a full control of capital, blockchain revolutionized margin trading. Blockchain made it possible to substitute margin trades with the revolutionary Hedge Trade system that allows traders to acquire digital assets by the means of escrow of their digital holdings.

Every investor should understand that they can trade cryptocurrencies on different exchanges. Recognizing the value proposition of different types of exchanges can have a humongous impact on a trader's financial performance. While CEXs can offer good liquidity, DEXs can provide greater anonymity for individual investors and revolutionary hedge trade systems, which were not possible on centralized exchanges.

### *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	<a href="mailto:genesis.block@blpasset.com.br">genesis.block@blpasset.com.br</a>
Website	<a href="http://www.blpcrypto.com.br/en/">www.blpcrypto.com.br/en/</a>

### *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
Administrator	Planner
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
Contact	<a href="mailto:contato@blpcrypto.com.br">contato@blpcrypto.com.br</a>
Website	<a href="http://www.blpcrypto.com.br">www.blpcrypto.com.br</a>

### *BLP Criptoativos FIM – Investimento no Exterior Characteristics*

---

Minimum Investment	R\$1,000
Subscription	Monthly until the 27 <sup>th</sup> day of the month
Redemption	Monthly with pre-notice before the 20 <sup>th</sup> day of the month
Administration fee	1.50% p.a.
Performance fee	20% over CDI with High Water Mark
Administrator	Brasil Plural
Distributor	Genial Investimentos and Órama
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
Contact	<a href="mailto:contato@blpcrypto.com.br">contato@blpcrypto.com.br</a>
Website	<a href="http://www.blpcrypto.com.br">www.blpcrypto.com.br</a>

## 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.