

Portfolio Manager's comments

Bitcoin dominance started the month at 53.99%, reached a high of 60.47% and ended the month at 55.70%.

A number of interesting announcements happened during NY Blockchain from Fidelity, Microsoft, Whole Foods and others (some links below). One interesting quote from Chris Burniske at the Ethereum Conference "Crypto has gone from being a *myth* to a strong *belief*. Its next step will be going from a *belief* to a *truth*."

Some new major Bitcoin resistance levels were cleared during the first half of May. A big one was \$6.2k which was 2x from the recent low of \$3.1k. Months back, Vinny Lingham, Founder of Civic and a well know figure on the crypto ecosystem, said that he would only declare the end of crypto winter once we broke 2x from the lows so let's move on.

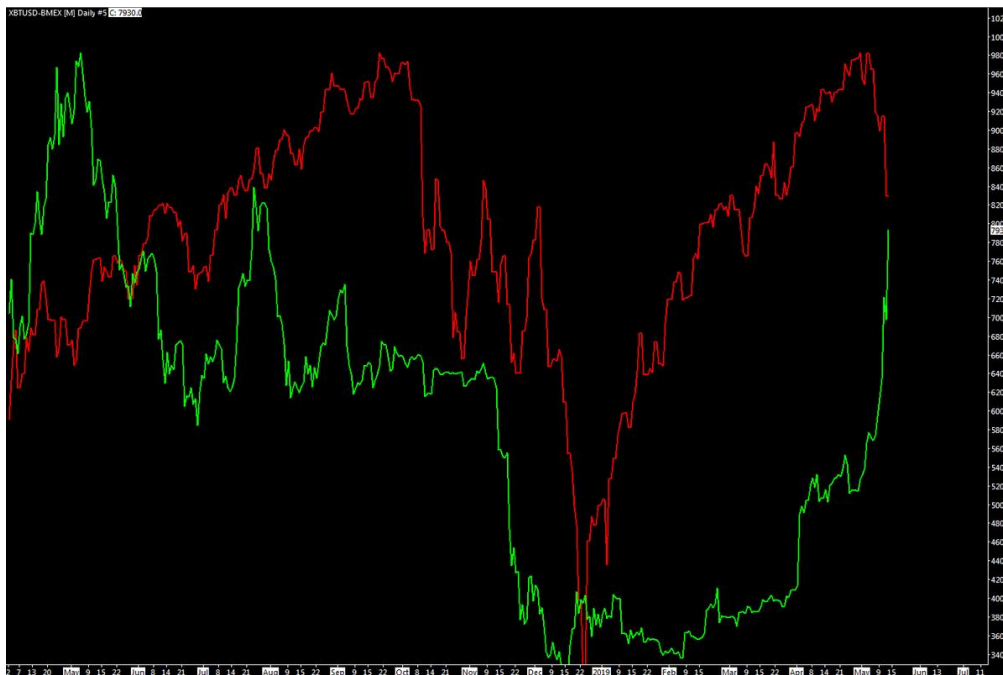


We had plenty of voices shouting out against cryptos this month. The old-timers, Buffet & Munger keep on ridiculing Bitcoin and took yet another shot at it during their annual Berkshire's Annual Meeting. Check them out on this [short video](#). In no way we want to discredit these two brilliant investors; however, in technology they took over a decade to start buying AAPL and just recently announced they got into AMZN so maybe in 20 years

time they will wake up to cryptocurrencies as well. We also had famed Economist Joseph Stiglitz calls for “shutdown” of cryptocurrencies, we just wonder how in the world will he do that? The only options we know off are for him to shut down the internet or the energy supply in the whole world, good luck with that. Smart people need to study a bit more of how this ecosystem works before bashing out ridiculous comments like these. But keep doing that since it is free publicity to our ecosystem, just like Jamie Dimon did back in mid 2017 when he called Bitcoin a fraud and worthless and now his own JPM published a report on [Bitcoin’s Intrinsic Value!](#)

Bitcoin started the month at \$5,351 and traded between \$5,348 and \$8,907 to close at \$8,575 up 60.25% for the month. Genesis Block Fund ended up 58.66% in our best month ever. On May 7th, Binance, one of the largest exchanges, got hacked in 7k BTC (aprox. \$40mm) and caused a sell-off which within 24 hours was forgotten and the market moved on. The rally started with Litecoin than Bitcoin but mid-month onwards some of the larger market cap Alts played a bit of catch-up to BTC. After 4 consecutive months of positive returns the fund has generated 19.5% of Alpha against the BGCI YTD. We continue to remain overweight BTC and EOS (our star performer in May up 76%) and underweight XRP against BGCI. We have been following the developments of the Tezos protocol (XTZ) for a number of months now and started slowly adding some on dips. As soon as we see a more broad-based rally we will allocate more into Alt coins.

We must again re-emphasize the advantage of an un-correlated asset as a hedge as well as a Sharpe ratio booster. Graph below is [S&P](#) vs [BTC](#). A great interview from [TD Ameritrade](#): “This is a hedge against irresponsibility from governments and central bankers...the world is waking up to the value of a hedge against quantitative easing.”



Interesting announcements/comments:

- Bitcoin Futures & Custody: [Bakkt's](#) differentiated approach
- [Microsoft](#) launches decentralized identity tool on Bitcoin blockchain
- [Microsoft](#) is partnering with JP Morgan Chase on its blockchain product
- Bitcoin comes to [Whole Foods](#), major retailers in coup for digital currency
- Bitcoin now accepted by telecom giant [AT&T](#)
- [eBay](#) to accept crypto? New York adverts hint at hug mainstream breakthrough
- Slowly but surely: May was a quietly big month for [blockchain](#)
- [US Income Tax Payers](#) can now get refunds in Bitcoin
- Wild crypto market's traders get something new: [FDIC protection](#)
- [Facebook](#) to roll out 'GlobalCoin' cryptocurrency in 2020
- Cryptocurrency is on [Financial Advisors'](#) radar
- [BNY Mellon](#) appoints new head of blockchain
- [TD Ameritrade](#) invested in ErisX, a regulated cryptocurrency exchange
- [If money follows talent](#), crypto has a bright future
- [Ron Paul](#): The US dollar is in a bubble, Bitcoin an alternative
- [US Presidential candidate Eric Swalwell](#) is accepting donations in cryptocurrency
- [Yahoo!'s](#) cryptocurrency exchange to go live on May 30 in Japan
- [Samsung](#) enters the cryptocurrency market with Smart Pay

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%	58.7%								113.1%	-52.99%
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%	52.5%								103.7%	-43.51%
2018 BLP Cripto Ativos											-7.09%	-0.47%	-7.53%	
2019 BLP Cripto Ativos	-2.88%	4.05%	2.39%	4.14%	10.17%								18.72%	9.78%
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%								93.6%	-62.99%
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%								2.59%	9.18%

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).

Bitcoin Improvement Proposals (BIPs):

Bitcoin is decentralized and open-source, which means that there's no centralized authority that determines protocol upgrades and that anyone can freely use, modify, and change the code. This doesn't mean that Bitcoin is governed anarchically. On the contrary, Bitcoin follows a governance model of collaboration. While Bitcoin transactions are immutable and preserved forever on the blockchain, the underlying protocol is being continually improved and upgraded.

Upgrades to Bitcoin's protocol are proposed and executed through BIPs. BIPs provide a standardized process for contributors to propose new ideas to the protocol, test them, and subject them to peer review. This system of checks and balances is intended to allow continual innovation on the protocol, while making sure that improvements are implemented through consensus and collaboration.

The Bitcoin code was originally written entirely by Satoshi Nakamoto as an experiment to validate that a decentralized peer-to-peer currency was actually possible. That meant that in the early days of Bitcoin, there was no standard for collaborating and developing the protocol. Satoshi authored most of the original code himself, along with subsequent updates and technical improvements. He solicited feedback from the Cryptography Mailing List, an internet email list for cryptographers, and eventually created the BitcoinTalk Forum. When someone reported a bug to Satoshi on the code base, Satoshi pushed an update to the Bitcoin protocol and told everyone on the network to upgrade their client. To survive, Bitcoin needed to develop processes that would make it less dependent on one individual, relying instead on a larger community of developers. In the early years, Satoshi had enlisted the help of Gavin Andresen, a developer who was active in the community. When Satoshi announced he was leaving the project in 2011, he handed over the reins to Andresen. Andresen didn't want to accept responsibility for the code completely on his own, so he enlisted the help of four other developers: Pieter Wuille, Wladimir van der Laan, Gregory Maxwell, and Jeff Garzik. These developers became known as the "Bitcoin Core developers," as they administered the development of the main Bitcoin Core client implementation. Historically, the Bitcoin Core developers have been responsible for the majority of development on the Bitcoin protocol. They maintain Bitcoin's codebase and are the only ones with the ability to push live code to the Bitcoin Core client. While hundreds of people have contributed code to Bitcoin over the years, only a dozen or so have ever had commit access to the code base. Core developers engage in a process of rough consensus to determine what is ultimately included.

The BIP process was established to open up discussion around Bitcoin's development process and make it more accessible by more members of the community. It was intended to formalize many of the processes already in use by Core developers. The BIP, a standard for proposing improvements to the Bitcoin Protocol, was proposed by Amir Taaki in 2011 in BIP 0001. Since the BIP process was established, there have been 191 contributors to the BIP Github repository. The goal of the BIP process is to allow anyone to propose improvements to the Bitcoin protocol, but also to thoroughly vet ideas for security and

feasibility, before implementing any code that could threaten the stability of the network. The process is meant to allow the community to establish rough consensus around proposed ideas. Each BIP must move through several different stages before it can be implemented. To be implemented, a BIP must move from the draft stage, to proposed, to final. Along the way, a BIP can be rejected by the community, withdrawn, or replaced. The goal of the draft stage is to format new ideas for Bitcoin into a standardized BIP, and start soliciting feedback from the community. To move the Draft to proposed deems that the draft is complete, and includes a working implementation of the proposal in the draft. When a BIP's status is changed to proposed, it's now ready to move from discussion to deployment in the actual Bitcoin protocol. To do this, each BIP needs to include specific criteria that outline how real-world adoption can be objectively established. A BIP needs to be implemented into the code through either a soft fork or a hard fork. A soft fork introduces a backward-compatible change to the protocol, meaning that nodes running the latest version of the software remain compatible with nodes running older versions. Hard forks introduce protocol changes that aren't backward-compatible which means that if a significant number of nodes don't upgrade their client to include the new software, the chain splits in two. As a result, hard forks are a much riskier way to implement BIPs. Soft-fork BIPs require activation by "a clear miner majority." The recommended guideline for establishing this majority is that 95% of nodes approve it by upgrading their software to include the BIP. Hard-fork BIPs, on the other hand, require adoption from the entire community. Given the difficulty of meeting the requirements of a hard-fork BIP, no BIPs have actually been implemented via a hard fork. Only when a BIP has been successfully implemented through a hard fork or a soft fork and implemented in the Bitcoin protocol is it considered "Final."

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
Administrator	Planner
Auditor	UHY Bendoraytes & Cia
Legal Counsel	Freitas Leite
Contact	contato@blpcrypto.com.br
Website	www.blpcrypto.com.br

BLP Criptoativos FIM – Investimento no Exterior Characteristics

Minimum Investment	R\$1,000
Subscription	Monthly until the 27 th day of the month
Redemption	Monthly with pre-notice before the 20 th 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	contato@blpcrypto.com.br
Website	www.blpcrypto.com.br

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