

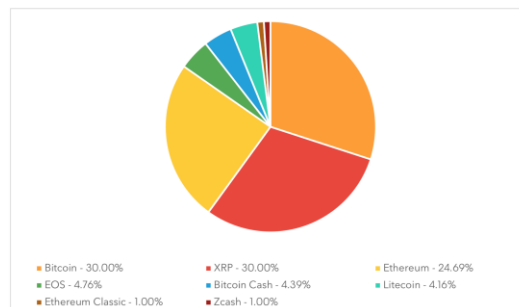
*Portfolio Manager's comments*

As we move along with the second year of our crypto funds we want to remind our investors of how fast this ecosystem is evolving and the table below just shows a picture of this, comparing the TOP10 largest crypto currencies from 5 years ago to end of 2018. Only 2 names remain there but the growth in the market cap is quite astonishing. There are lots of moving parts, Regulations, FUD (fear, uncertainty, and doubt), and FOMO (fear of missing out) that will continue to bring volatility and opportunities. We are confident that we are well positioned with our long-only mandate focused on the largest crypto currencies and looking for some smaller jewels as well, we look forward to what the next 5 year will bring.

Rank	2013		2018	
	Name	Market Cap	Name	Market Cap
1	Bitcoin	1.477.901.418	Bitcoin	65.382.289.271
2	Litecoin	56.618.930	XRP	14.368.478.327
3	Namecoin	5.306.810	Ethereum	13.889.840.253
4	Peercoin	3.950.966	Bitcoin Cash	2.640.139.414
5	Novacoin	1.198.172	EOS	2.322.545.667
6	Terracoin	919.126	Stellar	2.162.807.699
7	Devcoin	900.369	Litecoin	1.821.532.679
8	Freicoin	669.208	Bitcoin SV	1.485.839.885
9	Feathercoin	658.825	TRON	1.255.830.576
10	CHNCoin	367.573	Cardano	1.058.597.281
	Total	1.548.491.397	Total	106.387.901.052

Bitcoin dominance started the month at 52.00%, reached a high of 53.9% ended the month at 53.3%.

Find below the most recent weighting of the [Bloomberg Galaxy Crypto Index](#) as of January 31<sup>st</sup>, 2019:



Bitcoin started the month at \$3,743 and traded between \$4,109 and \$3,400 to close the month at \$3,458 down 7.61% for the month. Genesis Block Fund ended down 11.54% while BLP Crypto Assets FIM ended down 15.47%. In anticipation of the [Constantinople hard fork](#), we went overweight ETH on January 1<sup>st</sup> that outperformed handsomely. After

the big ETH spike, we swapped some of ETH to reduce out LTC underweight position just before the fork, which ended being [delayed](#) to late February over security vulnerability. After ETH weakness during the second half of the month on the last days of the month we started reducing our small underweight in ETH. Even though Ethereum Classic is part of the Bloomberg Galaxy Crypto Index, we opted not to own any ETC that was a good decision as it suffered a [51% attack](#) on the ETC blockchain and the asset fell 21.7% during the month.

SolidX and Van Eck ETF [withdrew](#) their filing as it was approaching the end-February deadline and the US government shutdown did not help. Within a week they re-filed again so the clock started again for a period of up to 45+45+90+60=240 days for a SEC decision.

For those that may be curious on a16z co-founders Marc Andreessen and Ben Horowitz views on blockchain, click on their [latest podcast](#) and watch from minute 8. Interesting [CNBC tweet](#) with 9 experts views on cryptocurrencies for 2019, including Mohamed El-Erian, ex-Pimco.

Interesting announcements/comments:

- [Tesla stock on a Blockchain](#) offers hint of where crypto's headed
- [Fidelity](#) is said to plan March launch of Bitcoin custody service
- Paying taxes in Bitcoin: [Retailer Overstock](#) says it will pay Ohio using digital money
- [BIS Papers](#), Proceeding with caution – a survey on central bank digital currency
- [French 'Tabac' shops diversify, selling Bitcoin for cash](#)
- [MIT, Stanford Academics](#) design cryptocurrency to better Bitcoin
- Cryptocurrency at the grocery store: [Coinstar](#) launches Bitcoin purchasing feature at kiosks in Safeway and Albertsons stores in California
- [Robinhood](#) wins New York trading license for cryptocurrencies

### 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													-11.54%	-80.49%
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%	-72.28%	
2019	BLP Crypto													-15.47%	-76.62%
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%	-75.57%
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													-12.58%	-83.29%
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%	6.94%

*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).*

## *Tech corner*

---

Cryptographic Hashing: hashing functions are an essential part of cybersecurity and some cryptocurrency protocols such as Bitcoin.

Hashing is a method of cryptography that converts any form of data into a unique string of text. Any piece of data can be hashed, no matter its size or type. In traditional hashing, regardless of the data's size, type, or length, the hash that any data produces is always the same length. A hash is designed to act as a one-way function—you can put data into a hashing algorithm and get a unique string, but if you come upon a new hash, you cannot decipher the input data it represents. A unique piece of data will always produce the same hash.

Hashing is a mathematical operation that is easy to perform, but extremely difficult to reverse. (The difference between hashing and encryption is that encryption can be reversed, or decrypted, using a specific key.) The most widely used hashing functions are MD5, SHA1 and SHA-256. Some hashing processes are significantly harder to crack than others.

The average user encounters hashing daily in the context of passwords. For example, when you create an email address and password, your email provider likely does not save your password. Rather, the provider runs the password through a hashing algorithm and saves the hash of your password. Every time you attempt to sign in to your email, the email provider hashes the password you enter and compares this hash to the hash it has saved. Only when the two hashes match are you authorized to access your email.

In the Bitcoin blockchain, mining is essentially conducted by running a series of SHA-256 hashing functions. In cryptocurrency blockchains today, hashing is used to write new transactions, timestamp them, and ultimately to add a reference to them in the previous block. When a block of transactions is added to the blockchain, and consensus is reached among operators of different nodes (validating that all of them have the right and true version of the entire ledger), it is nearly impossible to reverse a transaction due to the enormous computing power that would be required by anyone attempting to tamper with the blockchain, and the one-way nature of the hashing. Hashing is therefore crucial to maintain the cryptographic integrity of the blockchain.

When an organization discovers that a platform's passwords have been compromised, it usually means that hackers have acquired the hashes that represent the passwords. Hackers then run the hashes of common words and combinations of common words and numbers to decipher some of the passwords that users have saved. The cybersecurity industry now uses a mechanism called 'salting'. Salting includes adding random data to a password before hashing it, and then storing that 'salt value' with the hash. This process makes it harder for hackers to use pre-computation techniques and crack passwords of hashed data that they have acquired.

Cryptographic hashing has long played a role in cybersecurity, and is now poised to power the coming wave of blockchain applications.

### *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>

### *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	<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.