

Performance	1 month	3 month	6 month	1 year	2 years p.a.	Since fund inception* p.a.
The Managed Fund	-20.13%	-24.03%	-47.51%	-11.58%	91.65%	51.45%
S&P/ASX 200 Accumulated	-2.60%	3.21%	1.44%	4.84%	15.95%	8.74%
Gold	-4.75%	-2.59%	2.75%	4.31%	-0.05%	10.91%

*Inception date 01/06/2018

Market & Portfolio Commentary

Quite the month. Landing on \$5.27, down 20%. Dominated by the collapse of the Terra Luna stable coin, a healthy reminder of the risks of DeFi. As I said in my mid-month update, the frailty of some of these projects highlights why we don't invest in them or participate in yield farming. Ultimately, there will be a DeFi market but it will need to consist of genuine lenders and borrowers and not insiders passing money from one pocket to another to create the mirage of 'yield'.

Even so, what we are witnessing is new markets and new technology developing. They are being tested in the wild and when they don't work they collapse in a heap. Why should we have a problem with that?

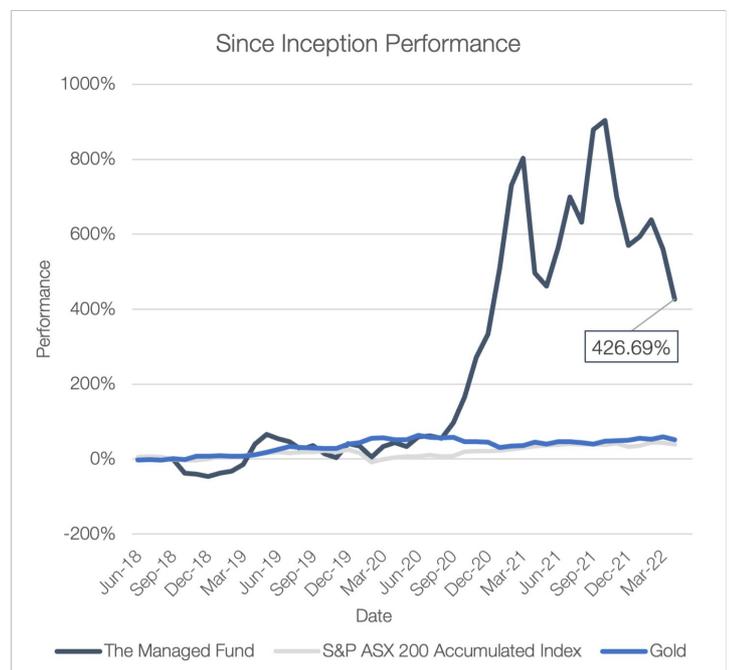
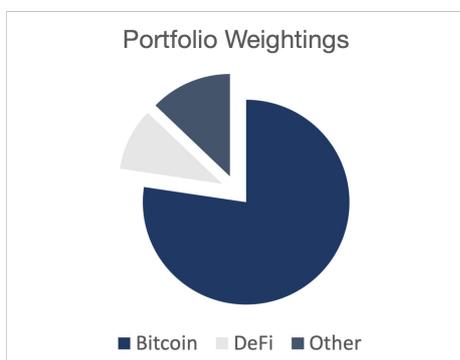
If the goal is indeed decentralisation then that is exactly how it should be. It's very obvious from Terra and Tether and others that there is a huge market for value transfer across the globe. That is because existing payment rails are so regulated that it's virtually impossible these days to open a bank account. Traditional finance is jumping for joy over the collapse of Terra, but they shouldn't. We witnessed an experiment that could never have been run by traditional finance or any government. We will witness more of them too. The winner in the stablecoin game will come from the aggressive innovator, not from the regulated bureaucrat.

Still, the top performing asset of the month was bitcoin. The safe haven of the whole sector, which fell 18%. The bottom performers fell 99% or more and there will be plenty more of that to come for smaller assets that have no use case.

Despite all of that, there was a lot of good news. Several bitcoin ETFs launched in Australia this month. Unfortunately for them, right in the middle of Terra turmoil, but the regulatory direction is clear enough; bitcoin will be allowed inside financial wrappers like ETFs.

The appetite for the sector shows no signs of slowing either. Andreessen Horowitz just launched their new \$4.5 billion crypto fund, the largest yet. Their focus will be on seed round investments, and with that kind of money, is an awful lot of portfolio companies (over 1,000).

Finally, I want to highlight one metric which reached an all-time high this week. Known as the 'One Year HODL Wave'. It measures the percentage of bitcoin supply that has not moved in over 12 months. It just hit 65%. Two-thirds of the current supply is now sitting with people that aren't selling. A metric that won't show its significance for another 12 months or so, but keep an eye on it.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.81
Sharpe (annual)	0.72
Daily 95% VaR (%)	6.00

Measures based upon The Managed Fund daily unit price returns and daily underlying asset returns and portfolio weightings since inception.

Bitcoin Market Data	
Bitcoin Hash Rate (90 day average)	209.6 EH/s
Bitcoin price in Oz Gold	17.2 Oz
% of gold market cap	4.98%
% of supply in corporate treasuries	8.71%
Days Since ATH	202
Chain size	464.9 GB
Tether MCAP	USD 72.5 B
Days to next halving	696

Source: Clark Moody

LISTED RESERVE

The Managed Fund

Monthly Report | May 2022

Unit Price: \$5.27

MoM Return: -20.13%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-16.29%	3.56%	6.51%	-10.70%	-20.13%								-34.14%
2021	17.02%	40.38%	36.43%	8.66%	-34.01%	-5.66%	18.38%	20.06%	-8.29%	33.65%	2.52%	-20.30%	115.77%
2020	35.86%	-4.71%	-21.45%	26.73%	7.36%	-7.06%	19.40%	2.00%	-3.91%	26.50%	34.52%	39.66%	257.61%
2019	-10.93%	15.66%	8.87%	27.53%	61.76%	18.75%	-7.20%	-5.05%	-13.81%	8.05%	-16.22%	-8.82%	72.25%
2018						0.00%	0.00%	-0.96%	1.14%	-0.56%	-38.04%	-2.50%	-39.83%

Source: ListedReserve

Blog

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Fund Information

Fund name The Managed Fund

Portfolio Manager Daniel Pickering

Investor type Wholesale investors

Minimum investment \$50,000

Outlook 5 years +

Unit pricing Daily

Redemption period Daily

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Glossary

Hash: a measure of the amount of computing power currently mining bitcoin. This is critical to the security model long term and is an indicator of the willingness of participants to make long term investments in the sector. EH/s are exahashees per second. it is 10^{12} (check) calculations per second. Bitcoin is the largest single linked computation ever undertaken by humanity.

Bitcoin price in Gold: the first target for bitcoin as a store of value is to overtake gold. We consider its price in gold and its percentage of market cap to be relevant measure of progress to that goal.

% of supply in corporate treasuries: the amount held by corporates and professional managers, like ETFs. Expect to see this above 50% before the end of the decade and possibly sooner. As it rises, volatility will fall.

GBTC Premium: this is the Grayscale bitcoin trust premium (or deficit) when negative.

Chain size: we need this to grow less quickly than individual laptop hard drive capacity. Critical to the decentralised model is that an entire copy of the blockchain can be held on an individual computer.

Tether Market Cap: Tether is the digital version of the USD, growth in Tether indicates growth in trading and is a good proxy for general interest in the sector since people often transit via Tether into other assets

Days to next halving: days until the next 50% cut in the new bitcoin supply. A big driver of price in the past.

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