

Performance	1 month	3 month	6 month	1 year	2 years p.a.	3 years p.a.	4 years p.a.	Since fund inception* p.a.
The Managed Fund	1.46%	16.07%	-48.32%	-47.89%	56.44%	44.86%	56.19%	36.18%
S&P/ASX 200 Accumulated	-6.17%	0.39%	-11.73%	-7.69%	9.78%	2.67%	6.77%	5.87%
Gold	3.56%	-0.97%	0.12%	6.63%	-1.17%	5.50%	16.33%	10.36%

*Inception date 01/06/2018

Market & Portfolio Commentary

I can't think of a more significant week for bitcoin than last week. Almost the entire reason for its existence played out in real time.

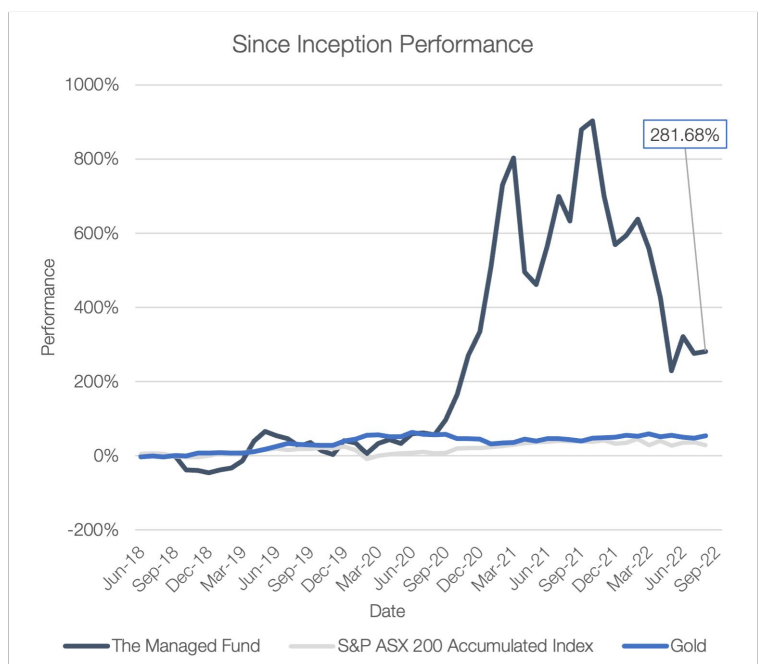
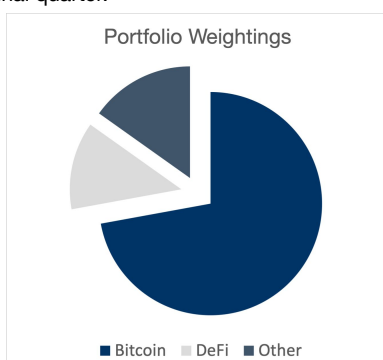
At the outset in 2009, Satoshi Nakamoto embedded the Times headline "Chancellor on Brink of Second Bail Out" in the first ever bitcoin block. The entire design of bitcoin was to protect against currency debasement, which has been so tempting for governments across the ages.

Once again, the first cracks in the system from interest rate rises appeared in the UK where The Bank of England's capitulation was near total. There wasn't a single bid for the UK's long bonds as pension funds were forced to liquidate them for cash. Bond prices were collapsing. Many UK pension funds would be bankrupt save for the £65 billion intervention from the BoE last Wednesday. That money was underwritten by the UK Treasury and much of it will be lost because those long bonds are worth very much less than the bank paid for them and once again those losses have been nationalised.

While the price of bitcoin hasn't gone up this month, the value proposition skyrocketed. The EU will likely follow the UK as the next domino in the bond market crisis and they will eventually be followed by the Americans. QE will last forever.

Elsewhere, I think we can call the ethereum merge a success. Its price immediately pulled back on the successful completion of the technical migration. Despite our longer term concerns about the technical direction of ethereum, failure here would have suited nobody. It is a relief that this was completed with no major hiccups.

Still, we are at a moment of maximum fear for investors in this sector because the perception is that bitcoin has not performed well in an inflationary environment. I would beg to differ. It has outperformed nearly everything from the point the money printing began in earnest. Even the last 24 months have been excellent compared to almost anything. Indeed, bitcoin appears to be the front-runner of markets everywhere, just like it front-ran inflation. The key pinch point has been the US 10 yield hitting 4%, each time that happens things start to wobble, something to watch as we head into the final quarter.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.53
Sharpe (annual)	0.51
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)	216.1 EH/s
Bitcoin price in Oz Gold	11.7 Oz
% of gold market cap	3.38%
% of supply in corporate treasuries	7.78%
Days Since ATH	324
Chain size	489.6 GB
Tether MCAP	USD 68.1 B
Days to next halving	569

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-16.29%	3.56%	6.51%	-10.70%	-20.13%	-37.57%	28.15%	-10.73%	1.46%				-52.27%
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 & Media August

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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 exahashes 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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