

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	7.63%	-2.51%	-37.71%	-58.03%	44.30%	44.67%	60.37%	37.65%
S&P/ASX 200 Accumulated	6.04%	0.67%	0.00%	-2.01%	11.98%	4.82%	11.17%	7.17%
Gold	-1.52%	0.92%	-4.94%	7.67%	-2.30%	5.22%	14.24%	9.77%

\*Inception date 01/06/2018

## Market & Portfolio Commentary

A quieter month, although perhaps significantly, bitcoin had its lowest correlation with the stock indices since January this year, reaching zero at one point in the month. By way of comparison, Apple finished the month up 11%, Meta down 31% and Amazon down 10%.

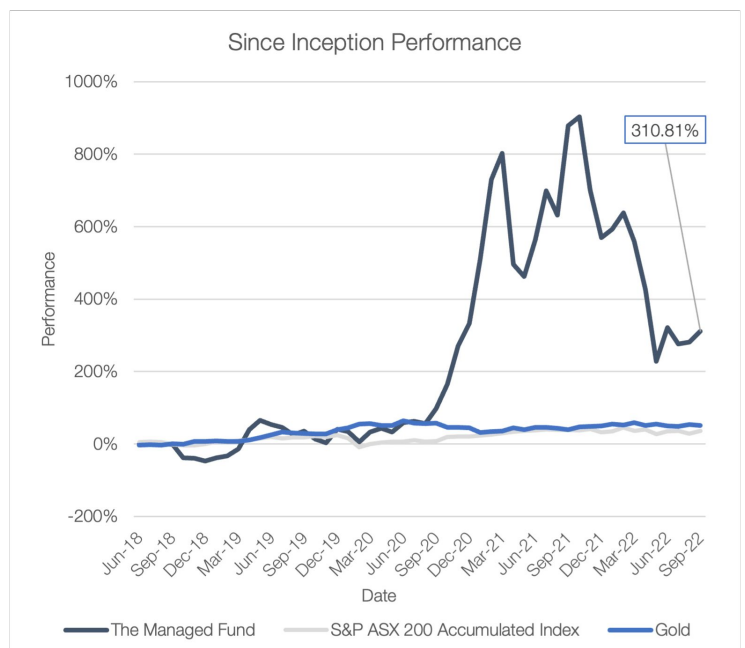
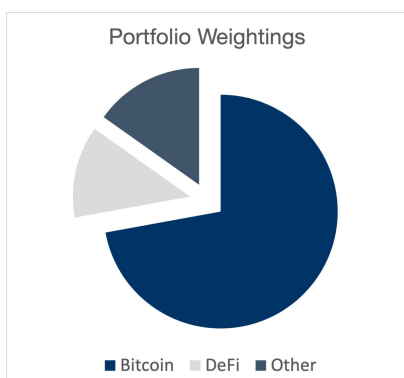
Another factor this month has been the much slower selling of coins by bitcoin miners. One of the largest miners in the industry, Core Scientific, indicated they will likely file for bankruptcy in December as they run out of cash. They had 5,300 bitcoins on their balance sheet last year, they now have 24. Miner balances haven't been this low since 2010 and as the principal sellers (to fund their operations) their activity provides a lot of the sell side liquidity. Every cycle has had this feature, known as 'miner capitulation' where miners first sell their bitcoin, then their mining equipment and finally go bust. It has happening right now across the industry and generally indicates exhaustion of selling.

This is further playing out in what are known as HODL balances; bitcoins that have not moved for over a year. The total supply that hasn't moved in 12 months is around 70%, historically a very high figure.

The other component to the matrix is of course demand. We have to be realistic here and say there isn't much at the moment. Retail searches for bitcoin are near all-time lows but that isn't true of institutions who are very active in the space. Notably, Fidelity in the US continue to dominate and are building a very significant head start for themselves. When the rest are inevitably forced to join in it will be something to behold.

Ethereum also had a strong month, up 20%. The recent software changes continue to function well and ETH remains the backbone of DeFi as a result. It also benefited from Fidelity adding it to its institutional custody options.

Finally, Binance (in which the fund holds an interest via the BNB token) contributed \$500m to Elon Musk's Twitter takeover. I don't expect anything significant to come from it other than to point out they obviously have billions of dollars lying around and we remain of the view they are the Amazon of crypto. A highly innovative and cash generative business.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.56
Sharpe (annual)	0.54
Daily 95% VaR (%)	5.97

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)	235.3 EH/s
Bitcoin price in Oz Gold	12.5 Oz
% of gold market cap	3.60%
% of supply in corporate treasuries	7.77%
Days Since ATH	355
Chain size	494.9 GB
Tether MCAP	USD 69.4 B
Days to next halving	538

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%	7.63%			-48.63%
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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[Bitcoin with Jake - Been here before](#)

[Livewire - Bitcoin news October 2022](#)

## 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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