

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	-6.17%	-19.39%	-6.43%	-61.53%	-8.89%	43.72%	72.28%	27.75%
S&P/ASX 200 Accumulated	-3.21%	9.40%	9.82%	-1.08%	7.69%	5.55%	13.21%	7.62%
Gold	2.79%	3.32%	2.31%	6.33%	4.27%	7.37%	13.74%	10.55%

*Inception date 01/06/2018

Market & Portfolio Commentary

Looking across the landscape of the sector, it was a horror year. Many of our competitors are no longer in business. They left assets on exchanges or were drawn into yield farming, and the entire value of their funds were lost. Maintaining monastic discipline through 2021 was not easy and if 2022 did anything it confirmed our ultra-conservative policies are the right ones. This remains a risky sector and our goal is to embrace that risk and volatility without layering on unnecessary new ones.

Despite the price movements, there was a tremendous amount of positive development. Bear markets are often when the biggest strides of progress are made. One of the largest payment providers in bitcoin, Strike, gave an [update](#) on their commercial partnerships and how development is going. They will redefine international payments on the Lightning Network.

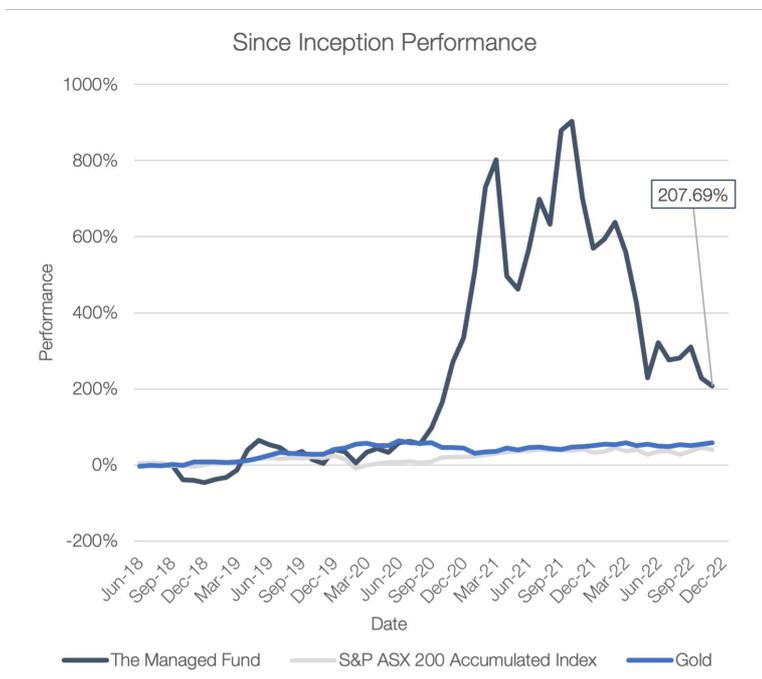
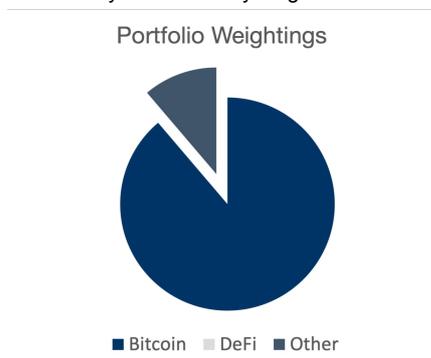
Bitcoin Optech also provided a [great summary](#) on the technical progress made in 2022. Very much an under-the-hood update of what is happening at the protocol level. Suffice to say, the protocol is not static and development continues every day.

There are two particular themes we look for in 2023. First is El Salvador's [Volcano Bonds](#). They will be issued by the government and backed by the volcanic energy that can be used to mine bitcoin. The idea is borderline crazy but if it works it will be a repeatable model with serious implications.

Second is the continued expansion of bitcoin use in Africa and South America. The grip of digital currency is tightest where the local currency is weakest. Adoption in Nigeria is rocketing as the government tries to force the use of their digital Naira. Nigeria is set to become the third most populous country in the world in the next few decades, so its contribution is worth monitoring.

I mentioned in a separate note that we divested our Binance position in December for a 17x gain. We remain open to adding that back to the portfolio depending how the regulatory backdrop plays out. We continue to monitor our targets in decentralised exchanges and video gaming as we go into 2023. They are much cheaper but not yet cheap enough.

More broadly, it's clear from the developments in artificial intelligence; automation is now everywhere. Everything will be software. Including money.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.37
Sharpe (annual)	0.40
Daily 95% VaR (%)	6.06

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)	255.9 EH/s
Bitcoin price in Oz Gold	9.2 Oz
% of gold market cap	2.65%
% of supply in corporate treasuries	8.47%
Days Since ATH	416
Chain size	507.4 GB
Tether MCAP	USD 66.2 B
Days to next halving	483

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%	-20.18%	-6.17%	-61.53%
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

Contact

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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.

Disclaimer: This report sheet is not an offer or solicitation with respect to the purchase or sale of any investment. You should not rely on this document if or when deciding whether or not to make an investment in The Managed Fund. It is important that you carefully read the Information Memorandum for The Managed Fund in full and seek appropriate advice before investing. This summary sheet is for discussion purposes only and has been provided on a confidential basis to provide summary information regarding The Managed Fund. Past performance is not a reliable indicator of future performance.