

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	33.77%	0.19%	-2.32%	-38.52%	-2.59%	42.98%	97.29%	35.35%
S&P/ASX 200 Accumulated	6.23%	9.59%	10.32%	12.21%	10.82%	5.96%	14.06%	8.88%
Gold	2.11%	7.12%	8.11%	7.54%	5.80%	4.88%	14.54%	10.84%

*Inception date 01/06/2018

Market & Portfolio Commentary

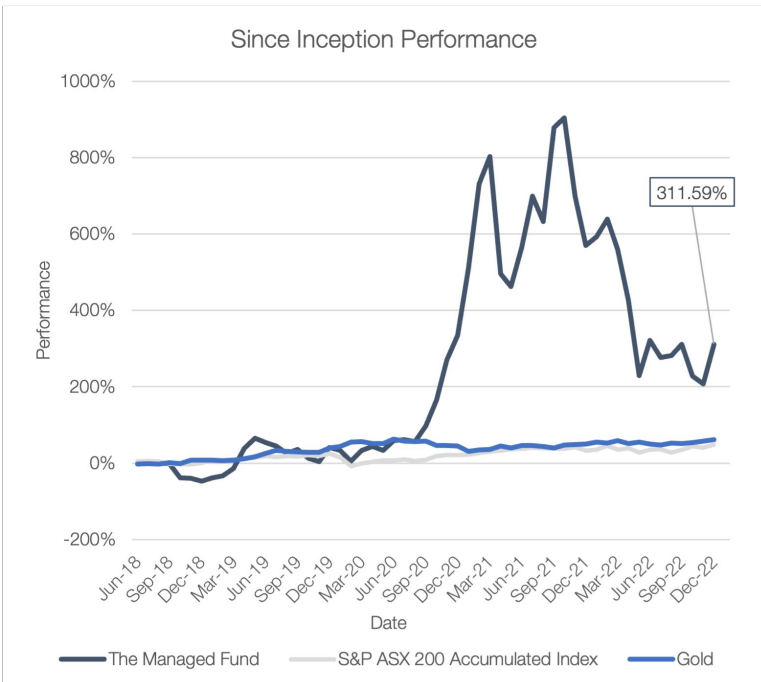
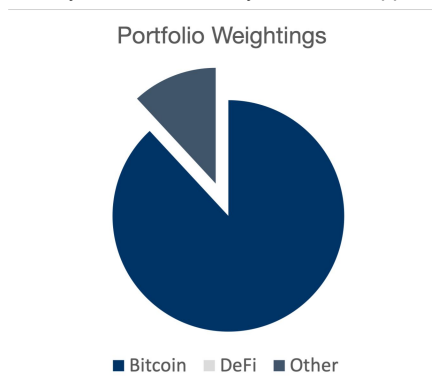
In November, FTX had just collapsed and a cascade of bankruptcies was flowing through the whole industry. Bitcoin dropped below US\$16,000 in middle of that month. I wrote then *"In months like November the name of the game is simple. End the month with more bitcoin than you started, which is exactly what we did."* As we stand at the end of January, bitcoin is over 40% up from there. After the year we had, it is hardly cause for celebration either but the turn in bitcoin cycles has historically been marked by very aggressive upward shifts. For example, it's worth having a look at [this article](#) from November 2018. After that, there were some very big upward moves including +30% in April 2019 and +60% in May. So we should not be surprised by January's performance.

While 2022 was very challenging it made no difference to our conviction about the core breakthrough in this technology. Value exchange between humans (and shortly between machines), can be trustless, requires no middleman and can have a basis in physical energy. It remains a mind-blowing invention and when machines and software start paying each other for tasks, it seems unlikely that they will use fiat currency. If you have started using AI, you will know what I mean.

References to historic performance always come with the "no guide to future performance" warning. We should include the disclaimer as far as bitcoin cycles are concerned and I expect some ugly months in 2023. More broadly though, it always gives me pause for thought. There is not much new under the sun apart from human ingenuity. History is in fact a near perfect guide. We are incredibly good at finding new and better ways of doing things. Fiat currencies do not survive, ever. If there is a better way, people will find it and use it, just like they always have.

A striking example is happening right now in Nigeria where bitcoin sells for a [60% premium](#) to the global price. The local currency, the Naira, has lost 70% of its value against the USD in the last 10 years despite the tremendous natural reserves they have. The government's response has been to restrict ATM withdrawals and introduce a digital Naira, but people don't want it because of course it is a value trap. So they find a better way.

It won't happen everywhere immediately. But it will happen.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.52
Sharpe (annual)	0.51
Daily 95% VaR (%)	5.95

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)	259.4 EH/s
Bitcoin price in Oz Gold	12.2 Oz
% of gold market cap	3.51%
% of supply in corporate treasuries	8.41%
Days Since ATH	447
Chain size	513.3 GB
Tether MCAP	USD 67.8 B
Days to next halving	449

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	33.77%												33.77%
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%

Blog & Media August

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Newsletters:

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[Polycrisis](#)

Media:

[ausbiz: Crypto sentiment becomes 'less negative'](#)

[Livewire: Bitcoin news for January 2023](#)

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.

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