

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	5.31%	32.18%	15.23%	-37.48%	-15.63%	47.82%	91.22%	36.17%
S&P/ASX 200 Accumulated	-2.45%	0.30%	6.37%	7.16%	8.66%	7.93%	10.95%	8.16%
Gold	-0.76%	4.15%	8.42%	3.34%	10.56%	3.63%	14.07%	10.48%

*Inception date 01/06/2018

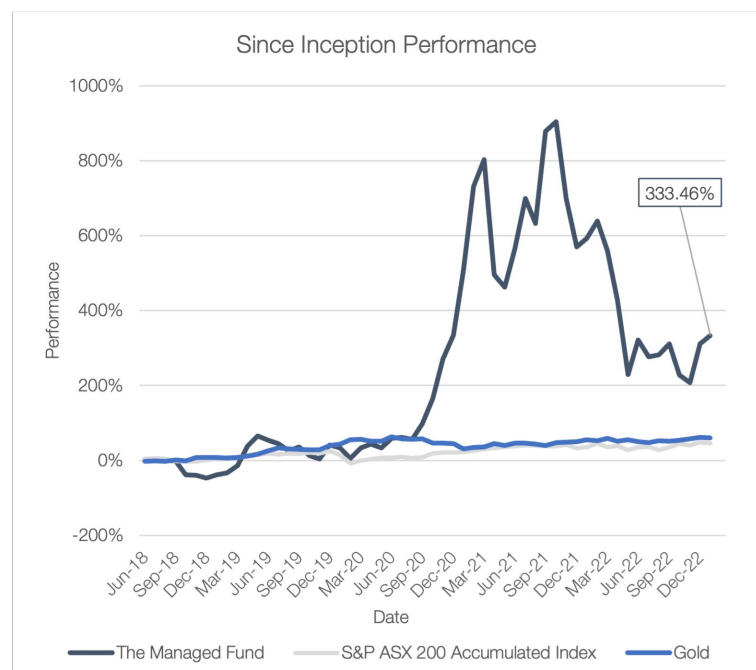
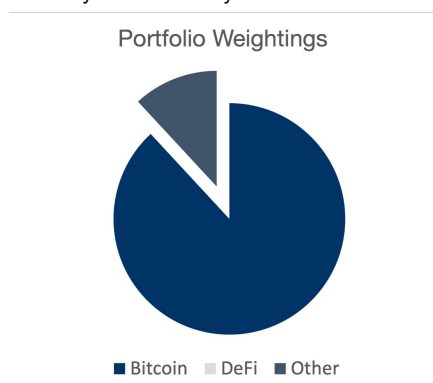
Market & Portfolio Commentary

A remarkably quiet month in some ways and rather potent in others. The risk pendulum swung once again back in favour of bitcoin. The Chairman of the SEC was vocal and emphatic in his latest interview, saying "Every crypto is a security, apart from bitcoin". It wasn't new, he held that view when he was lecturing at MIT and has never changed it. What was new is that he is now espousing the view in orchestrated interviews with the New York Times. More on the whole thing [here](#). Accordingly, I think our heavy weighting towards bitcoin is correct at the moment.

There was also an enormous increase in the bitcoin hashrate this month. Some of that is seasonal but there is also a very clear increase in investment in bitcoin mining. We follow the hash rate closely, not because it necessarily means anything now but it is a key driver of sentiment and generally front runs other activity by 18 months or so. The economic reality here is that either the price of bitcoin rises a lot in the next 18 months or many bitcoin miners go bankrupt. I suggest the best guess is a bit of both, a rise into the halving but not sufficient to save all of them. What is clear is that the positioning into the next halving has begun, both in mining investment and in the clear inflows of money during (mainly) European business hours suggesting institutional inflows are commencing again.

Addressing the most common request we get: "spare me the news stories and tell me what do you actually think is going to happen?" So, have a glass of "this is not financial advice" and here you go: We are now approaching one year out from the bitcoin halving (expected April 2024). I expect strong consolidation now around the price levels we are at; in the second half of the year I think we get the macro pivot that nobody now expects. Government balance sheets in America and Europe cannot sustain 4-5% rates for very long. As we approach one year out from the US presidential election, expect a narrative shift to softer monetary policy. Then expect flows into the sector to accelerate. I don't think this view is particularly sophisticated either, it is expected by regulators who will step up the regulatory attack on the sector prior to the next display of the fundamental weakness of fiat currency.

While the regulator runs in circles, the software will, unknowingly, continue to do what it has always done for 14 years.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.54
Sharpe (annual)	0.52
Daily 95% VaR (%)	5.93

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)	272.1 EH/s
Bitcoin price in Oz Gold	13.1 Oz
% of gold market cap	3.79%
% of supply in corporate treasuries	8.28%
Days Since ATH	475
Chain size	522.7 GB
Tether MCAP	USD 71.0 B
Days to next halving	419

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	33.77%	5.31%											40.88%
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%

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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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