

| Performance | 1 month | 3 month | 6 month | 1 year | 2 years p.a. | 3 years p.a. | 5 years p.a. | Since fund inception* p.a. |
|-------------------------|---------|---------|---------|--------|--------------|--------------|--------------|----------------------------|
| The Managed Fund | 8.59% | 6.60% | 81.65% | 69.97% | -0.27% | 61.26% | 41.08% | 40.27% |
| S&P/ASX 200 Accumulated | 1.76% | 1.01% | 4.51% | 14.78% | 3.61% | 11.12% | 7.16% | 7.79% |
| Gold | -4.76% | -2.22% | 7.54% | 10.03% | 10.44% | 3.99% | 11.23% | 11.05% |

*Inception date 01/06/2018

Market & Portfolio Commentary

The month did not start well, with a slew of SEC action against some of the biggest participants in the industry and the near death of Binance US. June was looking like it might be as ugly as June 2022 (the more weathered among you might recall we dropped 38%). As it turned out, we closed up 9% for the month and 82% YTD. Even then, it doesn't feel that exciting and certainly the performance has not captured the mainstream consciousness.

The change in sentiment mid-month is telling. Immediately after charges were laid against Binance, fund managers including BlackRock, Fidelity and nearly every other major US operator immediately submitted ETF applications which they just happened to have fully completed in their bottom drawer.

BlackRock's record for approvals is 575/1. I doubt they would look to worsen that on something like a bitcoin ETF and so we might have some confidence that this will be approved on a timeline that looks like it will be early next year. We will not need to wait for a leveraged futures ETF though. Incredibly, this product was approved and launched last week. Quite how one justifies a leveraged synthetic product and denies the much simpler and less volatile spot alternative is beyond everyone's understanding. The SEC claims it is there to protect investors. From what?

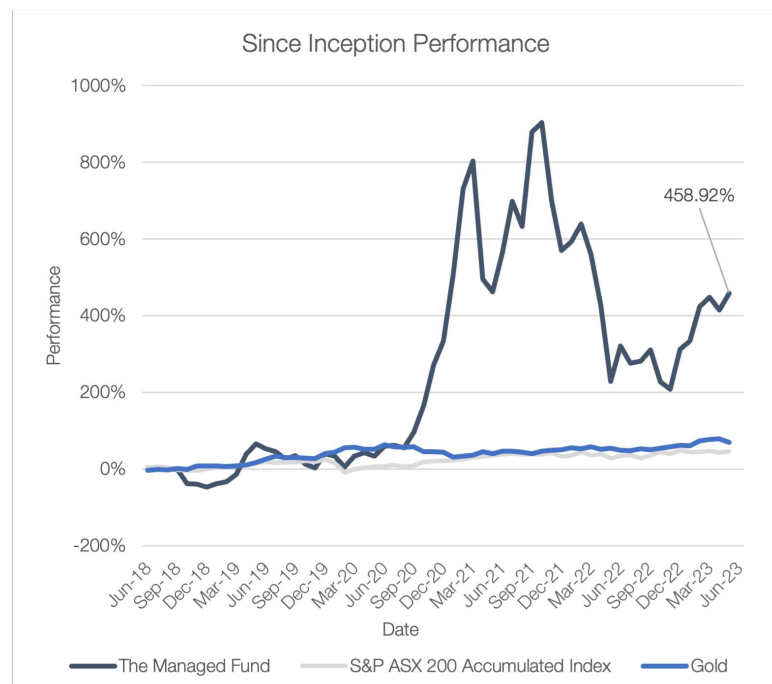
The approval timeline will coincide with the bitcoin halving in April 2024, a point at which the new daily supply of bitcoin will slide further along its asymptotic curve and fall to 450 new bitcoins per day. Should it be that coincides with the launch of ETFs you can expect the price to react accordingly. Given the SEC are aware of this I expect them to decline the extensions available to them and potentially approve the ETFs more quickly.

In reviewing the first half of 2023 it has been remarkable for nothing but blows. Choke Point 2 commenced early in the year with the US government attacking the banking network, taking out Silvergate (the number one bank in the sector) and Silicon Valley Bank. Only the collapse of Credit Suisse pulled them back from that strategy. The government then started selling its Silk Road bitcoin which flushed new supply into the market. Then the SEC action began against Binance, Coinbase, Gemini and others.

The negativity has been relentless, the attacks sustained, volume has been absent (retail activity almost entirely) and yet we finish the half +82%. You might reasonably ask how that is possible in those circumstances. The answer might be a complicated conspiracy about governments and timing and preparation for regulation and sophisticated investors frontrunning that, but that would be wrong.

The answer is the same as it was in 2009. It won't change either: Bitcoin is useful and scarce.

None of us have enough of it.



Source: ListedReserve, Investing.com

| Fund Risk Measures | |
|--------------------|------|
| Sortino (annual) | 0.63 |
| Sharpe (annual) | 0.59 |
| Daily 95% VaR (%) | 5.76 |

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) | 358.3 EH/s |
| Bitcoin price in Oz Gold | 16.1 Oz |
| % of gold market cap | 4.65% |
| % of supply in corporate treasuries | 8.21% |
| Days Since ATH | 597 |
| Chain size | 559.2 GB |
| Tether MCAP | USD 83.4 B |
| Days to next halving | 297 |

Source: Clark Moody, CoinMarketCap

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|---------|--------|---------|---------|---------|---------|--------|---------|---------|--------|---------|---------|---------|
| 2023 | 33.77% | 5.31% | 20.96% | 4.43% | -6.00% | 8.59% | | | | | | | 81.65% |
| 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 March

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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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