

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	26.42%	19.86%	16.39%	55.12%	-19.31%	47.82%	44.94%	40.72%
S&P/ASX 200 Accumulated	-3.78%	-7.19%	-5.30%	2.95%	0.44%	8.88%	7.18%	6.38%
Gold	8.96%	7.02%	4.12%	22.64%	14.91%	5.39%	12.83%	12.04%

*Inception date 01/06/2018

Market & Portfolio Commentary

Our recent reports have largely focused on one thing, US ETFs. We flagged their increasing likelihood and the market seemed to catch up to the 'news' this month as BlackRock began seeding their own product. None of this means anything until the SEC actually says yes, which is not a certainty. So, despite the progress I think we should be cautious and remember even if they are approved it will not mean a tidal wave of money, but perhaps a consistent flow.

There still isn't much buying. A few significant institutions are involved but the general public is on the sidelines which was evidenced by a function I attended last week where a guest was surprised that bitcoin "was still a thing". Hardly a statistically significant sample but interesting all the same. Early days in this cycle.

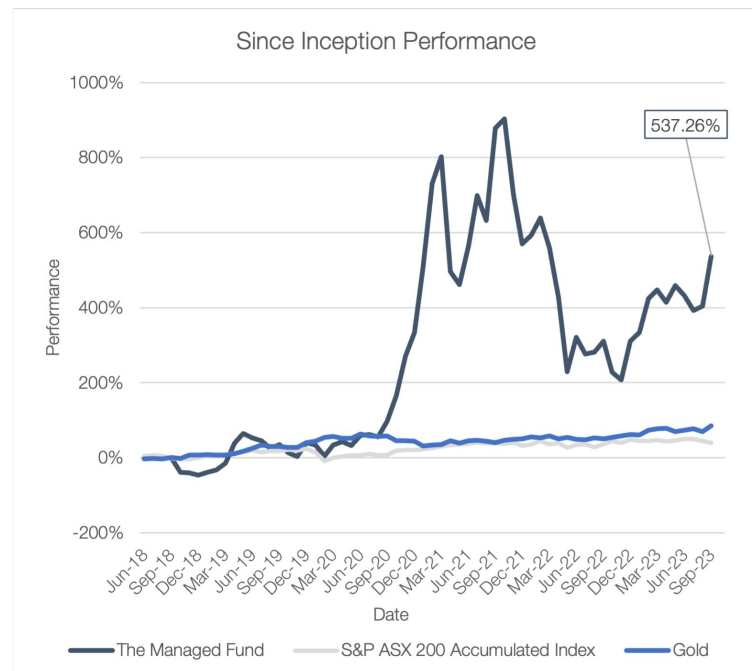
While 'not a thing' amongst the Sydney Intelligentsia it remains very much a presence amongst technology manufacturers. MicroBT [released](#) their latest mining equipment which is specifically designed to integrate with energy grids. The main innovation here allows for quick switch-off when energy demand from the grid surges, without damaging the machine's chips. In addition, the miners themselves are much more powerful and energy efficient. The market for microchips is hot right now given the amount of compute AI is using, yet manufacturers are still pouring R&D resources into miners which I view as a very positive indicator.

H2 has been slow so far for most assets. The NASDAQ is down 3.4% and the S&P down 2.2%, so the uncorrelated performance of digital assets is pleasing, particularly against the backdrop of tight monetary policy and falling liquidity. Both of those tides might turn in 2024 which could provide some additional tailwinds for us. Of course, there is also the bond market which has had its worst year in recorded history and it surprises me how few people know the extent of the unprecedented collapse. It has rendered most US regional banks technically insolvent with their unbooked bond losses. Still, offer 5.5% and you have a queue round the block, so good luck to all the governments managing to unload this stuff.

Despite the obvious travails of the legacy financial system there is a tremendous amount to be positive about. You can almost feel the step change in productivity happening from AI particularly if you use it daily. Technology is absolutely pushing us forward at a dizzying pace. I recommend Marc Andreessen's oddly controversial piece from earlier in the month [The Techno-Optimist Manifesto](#) which covers exactly this.

Once you have read it you might also read the European Central Bank's [latest update](#) on their Central Bank Digital Currency. A word salad of nothingness. Fiat currency stands absolutely no chance in my view, just like it never has throughout recorded history.

A numerically pleasing month but not much has happened yet.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.65
Sharpe (annual)	0.62
Daily 95% VaR (%)	5.66

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)	413.6 EH/s
Bitcoin price in Oz Gold	17.5 Oz
% of gold market cap	5.08%
% of supply in corporate treasuries	8.62%
Days Since ATH	720
Chain size	593.4 GB
Tether MCAP	USD 84.8 B
Days to next halving	173

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%	-4.88%	-7.31%	2.28%	26.42%			107.11%
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

For deep dives into topics within the digital asset and decentralised systems space, subscribe to the ListedReserve [blog](#).

Newsletters:

[An unrestrained demon](#)

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Media:

[Bitcoin news for October 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

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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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