

LISTED RESERVE

The Managed Fund

Monthly Report | February 2024

Unit Price: \$10.89

MoM Return: +45.3%

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	45.25%	61.52%	120.99%	151.25%	25.33%	21.39%	77.40%	51.44%
S&P/ASX 200 Accumulated	0.79%	9.39%	7.42%	10.64%	8.89%	9.32%	8.61%	8.59%
Gold	1.21%	1.99%	5.14%	15.90%	9.44%	12.31%	11.46%	11.40%

*Inception date 01/06/2018

Market & Portfolio Commentary

Slowly then, the inbound flow from the regulated products is having its effect. Last week IBIT, the BlackRock ETF, traded over \$3 billion in a single day, ranking it in the top 0.3% of all ETFs and the top 25 of all stocks. This is real volume in the biggest league of all with less than 40 trading days under its belt.

If there is a question mark, it's why the price did not accelerate more and I suspect it's because the providers had loaded up on bitcoin prior to launch. Still, if we could have defined success it would have been 'consistent net flows and not too much exuberance'. I think we got that. The price has rallied but outside of the industry it has gone mostly unnoticed.

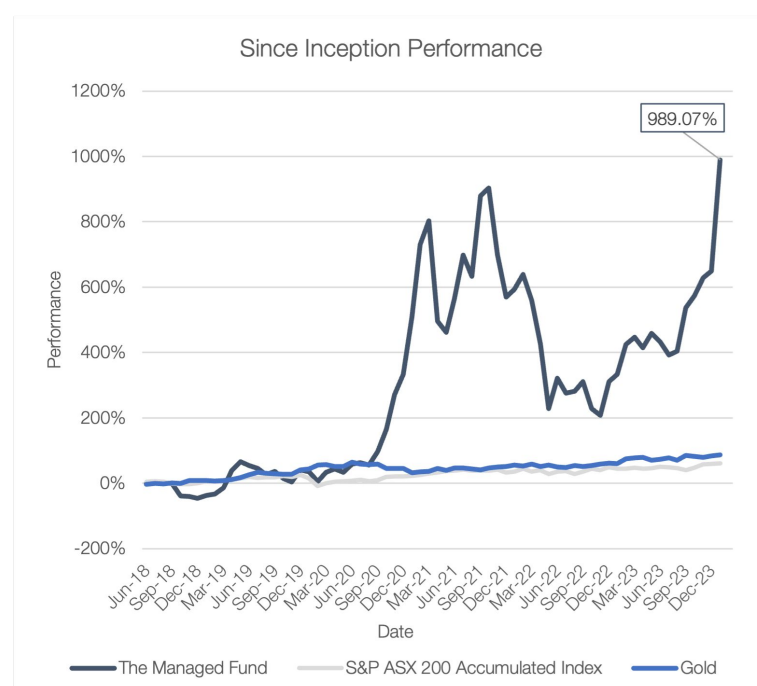
Not so at the European Central Bank though, which put out a paper describing the ETF as "The Naked Emperor's New Clothes". It's a quite remarkable attack and [worth a read](#), for example: "without any cash flow or other returns, the fair value of an asset is zero. Detached from economic fundamentals every price is equally (im)plausible – a fantastic condition for snake oil salesmen." Very strong words from a group of people who print money from thin air, but it should not be surprising.

Within the fund our key play remains the upweight of Ethereum in the run up to a possible Ethereum ETF. BlackRock and others have their submissions in with the SEC. Ethereum has been quietly advancing, breaking through US\$3,100 for the first time in two years. The final date for a decision here is 23 May 2024. Not much news on this from the SEC other than it has not been rejected and one imagines they will be keen to avoid further humiliating court defeats.

A couple of industry bellwethers had updates this month. Coinbase reported stronger than expected results, returning a quarter billion dollar profit in their most recent quarter. As they are now the principal custodian of all the ETFs, their revenue for the next quarter will be closely watched. They have also slashed costs after their NFT euphoria cost them a fortune.

Next up Tether, at the other end of the spectrum when it comes to US business. They are closing in on a \$100 billion market cap and doubts about their credibility have fallen away after the CEO of Cantor Fitzgerald remarked, regarding their \$86 billion worth of US Treasury holdings, "There has always been a lot of talk 'Do they have it or not?' and I'm here with you guys and I'm telling you we've seen it and they have it."

I can't emphasize enough the importance of Tether. I would argue that a Tether \$ is worth more than any other US \$ because we are now almost certain it is backed by US Treasuries. \$'s themselves are subject to the vagaries of your bank and whether it goes bust or not. A normal dollar has zero reserve requirement. I expect over the next decade this fact will become intensely relevant. It's remarkable that it might be the most maligned asset of all that brings intense pressure to bear on bank deposits.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.88
Sharpe (annual)	0.79
Daily 95% VaR (%)	5.65

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)	533.2 EH/s
Bitcoin price in Oz Gold	30.0 Oz
% of gold market cap	8.69%
% of supply in corporate treasuries	11.64%
Days Since ATH	841
Chain size	627.9 GB
Tether MCAP	USD 98.8 B
Days to next halving	51

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	2.92%	45.25%											49.49%
2023	33.77%	5.31%	20.96%	4.43%	-6.00%	8.59%	-4.88%	-7.31%	2.28%	26.42%	5.80%	8.05%	136.78%
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 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

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.