

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	-14.91%	37.17%	61.39%	87.84%	24.88%	4.45%	64.24%	48.24%
S&P/ASX 200 Accumulated	-2.94%	1.04%	15.17%	9.07%	8.89%	7.30%	8.00%	8.38%
Gold	2.71%	13.65%	12.81%	17.46%	14.68%	15.38%	14.17%	13.25%

*Inception date 01/06/2018

Market & Portfolio Commentary

Seven months of up brought to a grinding halt, most recently by a lacklustre start to the Hong Kong ETFs. I feel April was one of those months which was overwhelmingly good, for reasons I'll explain, yet clearly from a price perspective it was not. The main thing of course was the halving which passed without incident and now the bitcoin inflation rate has dropped to 0.85% annually, from 1.7%. Significantly, this is now well below gold, whose annual production causes the supply to rise by around 2.3% each year. I say significant because there is no comparison now in scarcity levels between assets which are frequently compared.

"As expected, the halving was fully priced in so price movement was limited," said Kok Kee Chong, chief executive officer of Singapore-based AsiaNext, a digital-asset exchange for institutional investors.

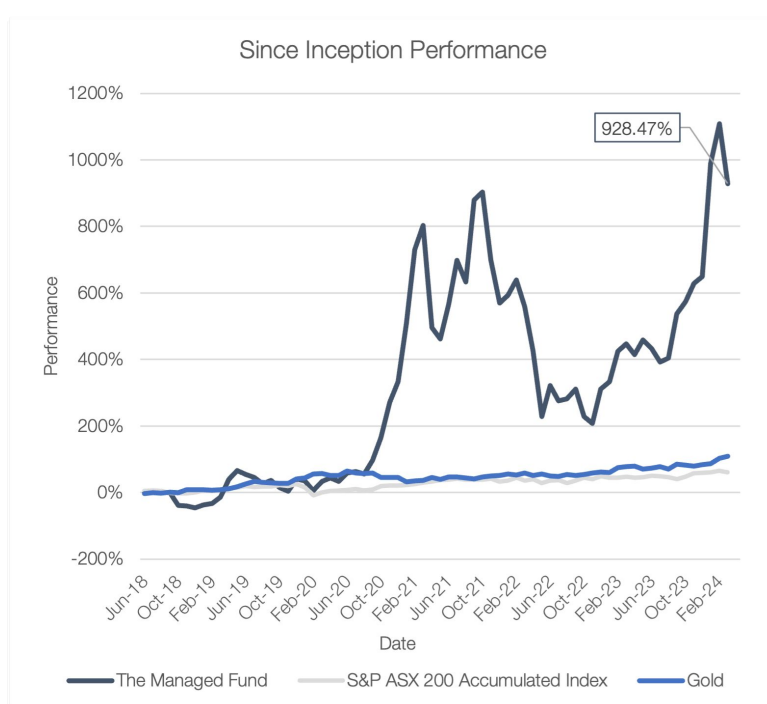
This widely held view is not one I share. It presupposes that there is an instant price reaction to the halving, but demand (and supply) are not instant. Both stretch into the distance and the effect of the reduced supply can only be felt in the future. Since no other asset has these characteristics, I doubt very much whether the impact is priced in at all. Furthermore, the supply cut has a compounding effect over time, not least because there are further cuts to come.

The halving block itself, 840,000, also had some very interesting features. There was tremendous price competition to be in the block which generated \$2.4 million in fees plus the block subsidy of \$0.2m. So the successful miner ([viaBTC](#)) earned \$2.6 million for 10 minutes work. Why? Well, there is now significant competition for digital real estate on bitcoin's blockchain. The halving blocks are quite famous and they will get more famous, so if you have a transaction (utxo) in one of those blocks there is a certain amount of kudos that comes with it. Digital real estate is being born here, when we get to block 888,888 (March 2025) I expect even more intense competition, while block 1,000,000 (April 2027) will be absolutely crazy.

These mining fees are essentially the security budget of bitcoin. A frequently asked question is what happens in 2140 when the block subsidy drops to zero? 120 years out we are starting to see the answer. Even without the freak fees of the halving, transaction fees at \$20k per block are already significant enough to protect bitcoin.

An important point was established during the halving then; some bitcoin blocks are as valuable as rare art. For most people, tangibility matters. They like to invest in houses, paintings, things that they can see. However, there is a developing market now in the less tangible and block 840,000 brought it home to us.

In the end, everything is just an arrangement of atoms. Houses, land, blocks in a blockchain. Some are valuable, some are not. As halvings go this was yet another mainstream disappointment and simultaneously an overwhelming success *and signal* about the future.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.82
Sharpe (annual)	0.75
Daily 95% VaR (%)	5.48

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)	600.5EH/s
Bitcoin price in Oz Gold	25.2 Oz
% of gold market cap	7.20%
% of supply in corporate treasuries	11.61%
Days Since ATH	48
Chain size	645.9 GB
Tether MCAP	USD 110.5 B
Days to next halving	1416

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	2.92%	45.25%	10.99%	-14.91%									41.17%
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

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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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