

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	1.11%	11.36%	37.73%	75.44%	84.02%	64.76%	61.38%	47.19%
S&P/ASX 200 Accumulated	-0.78%	4.71%	14.66%	10.56%	16.03%	15.17%	12.98%	9.57%
Gold	10.87%	16.31%	16.83%	53.27%	42.63%	31.13%	17.10%	18.42%

\*Inception date 01/06/2018

### Market & Portfolio Commentary

The backdrop to our strategy is a simple question: "how much will the government spend?". Tax capacity is exhausted, as demonstrated in the UK, Europe and increasingly in Australia. That leaves borrowing as the only option.

As a result, it will become clear to people that measuring returns in any government currency is a fallacy. While there is no direct link between government borrowing and the money supply, more of one begets more of the other, it has to. The government cannot be seen to crowd out the private sector and so credit conditions generally must be loosened for everyone. Hence Trump wants to fire Jerome Powell for being "a major loser" and earlier this year Jim Chalmers claimed the RBA had "smashed" the Australian economy with a historically low cycle peak of 4.35%.

Whatever the mechanism, the amount of money in circulation is growing far more quickly than people realise.

The house price [index](#) beloved of so many Australians shows that for the last decade house prices have risen on average at 5.5% each year. Australian money supply growth (M3) has been about [6% annually](#) over the same period. It's not something anyone wants to be told either, people really don't like hearing this statistic and arguably that is to the government's benefit. We simply need to *feel* that we are getting wealthier. It does not need to be true.

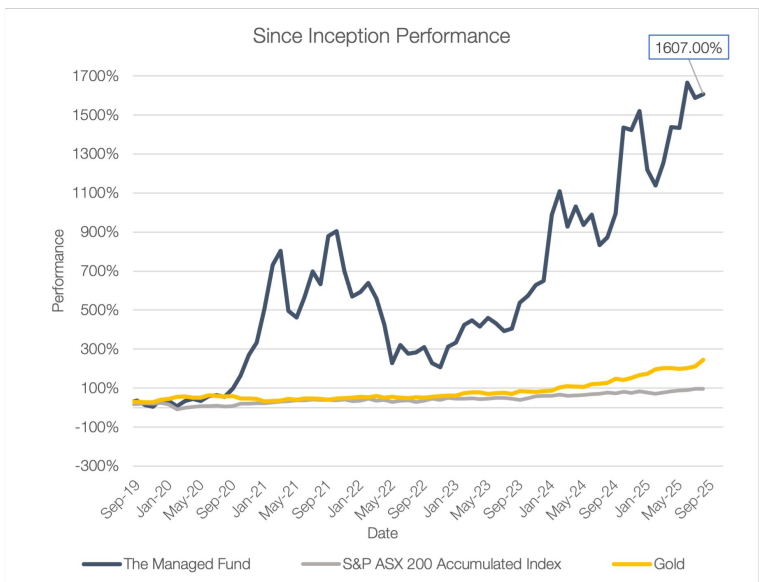
Markets are not blind to this debasement. In the United States this month Microsoft 2027 Debt was yielding 3.65%, United States Treasuries of the same maturity, 3.7%. Microsoft is not risky, it is not going bust any time soon but it doesn't matter. The flood of issuance has stripped Treasuries, and sovereign debt more broadly, of its "risk-free" premium.

As a consequence the denominator of all investment calculations is rising.

This is the essence of our investment view. Governments will seek to monetise their objectives through stealth pushing the denominator higher.

The vast majority of investors just do not consider the denominator. We all live in a nominal world. That is how uninspiring Australian Super Funds can [advertise](#) their "8% returns for the last 10 years". Simply economic growth + money supply growth, but nothing more than that (admittedly achieving even that requires skill and discipline).

Considering the vast spending ambitions of most governments, the title for "risk free asset" is now up for grabs. Simply, an asset that is free from the interference of government and will be doing what it said it would 10 years from now, 100 years from now, and on, and on. An actual yardstick of economic progress.



Source: ListedReserve, Investing.com

Fund Risk Measures	
Sortino (annual)	0.85
Sharpe (annual)	0.77
Daily 95% VaR (%)	5.24%

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)	964.3 EH/s
Bitcoin price in Oz Gold	29.6 Oz
% of gold market cap	8.35%
% of supply in corporate treasuries	11.47%
Days Since ATH	48
Chain size	785.9 GB
Tether MCAP	USD 174.7B
Days to next halving	922

Source: Clark Moody, CoinMarketCap

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2025	6.37%	-18.61%	-6.0%	9.27%	13.57%	-0.34%	15.26%	-4.44%	1.11%				+12.08%
2024	2.92%	45.25%	10.99%	-14.91%	9.98%	-8.32%	5.06%	-14.33%	4.25%	12.66%	40.15%	-0.86%	109.05%
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%

## Blog & Media September

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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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