

Series 14.
Unit Price \$0.57

Unit price is calculated in Australian dollars using net asset value per unit and does not reflect buy/sell spread that investors incur when buying and selling units.

About the Strategy

The Investment Strategy is to obtain and hold Bitcoin in a secure and regulated custodian, with exposure to the underlying asset issued as units in the Fund.

The Fund will not engage in derivatives, leverage, or short selling, and has adopted a strictly passive 'buy and hold' strategy.

Performance

Fund Performance	Monochrome Bitcoin Fund (MBF) ¹	Bitcoin Reference Rate ²
1 month	-37.31%	-37.17%
3 months ³	-55.71%	-55.47%
6 months ⁴	-58.63%	-58.19%
1 year	-40.10%	-42.06%
3 years p.a.	-	18.04%
Volatility ⁵	73.59%	70.44%
Since Inception p.a.	-42.53%	-42.06%

¹ Based on NAV per unit.

² CME Bitcoin Reference Rate (BRR), WMR as supplied by the Reserve Bank of Australia (RBA).

³ 3 month NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

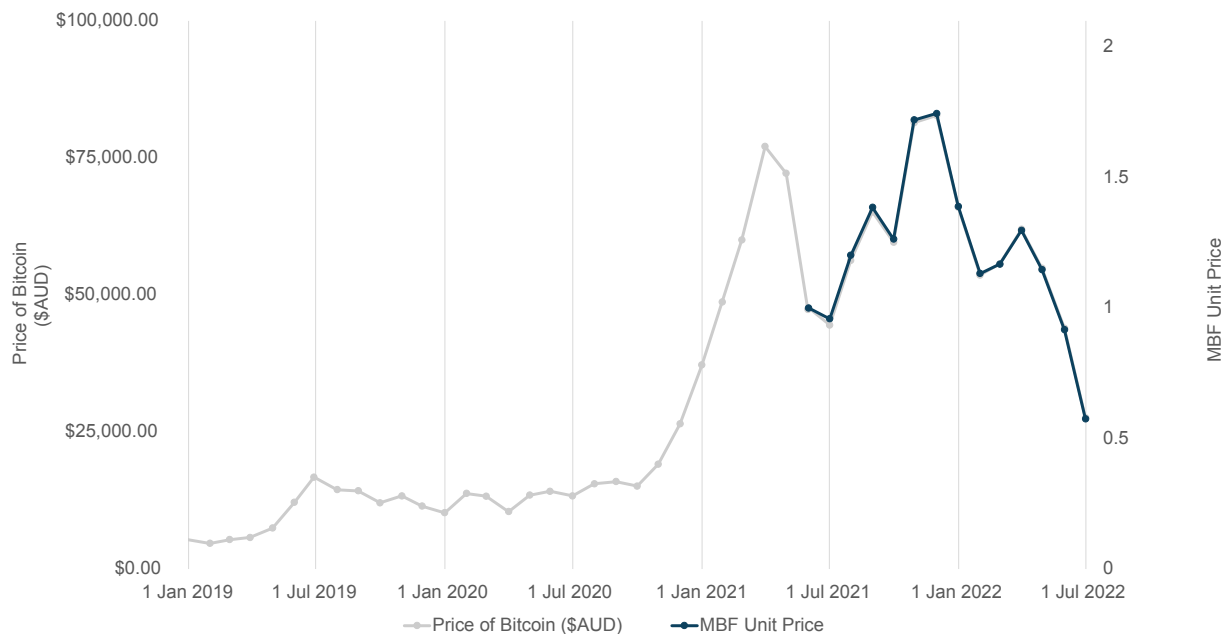
⁴ 6 month NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

⁵ Annualised volatility.

Fund Details

APIR	NCC7833AU
Benchmark	BRR/WMR
Management Fee	1.5% P.A.
Performance Fee	N/A
Min. Investment	AUD\$25,000
Additional Contributions	AUD\$5,000
Applications/Redemptions Hard close	25th of each month
Unit Price	Monthly
NAV	Monthly
Buy/Sell Spread	0.19% / 0.29%
Entry/Exit Fee	0% entry / 1.94% exit fee within 12 months of application / 0% exit after 12 months
Inception Date	1 June 2021

Growth of Bitcoin vs Growth of MBF Units¹



¹ Bitcoin price based on WMR (AUD/USD) and CME BRR Benchmarks since 1/11/18. From 1/6/21, the chart represents change in NAV of MBF Units.

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Market Commentary

The month of June has been an eventful one where markets are concerned, in light of global inflation and monetary policy decisions. Bitcoin is no stranger to this volatility, with its price falling by -30.7% since the start of June (as of 21/06/22).

- Some major players have also felt the effects of recent market downturns including the Terra-LUNA situation that occurred in May; Three Arrows Capital (3AC)¹, one of the industry's largest hedge funds, as well as crypto lenders Celsius² and Voyager Digital³ have all indicated financial stress or filed for bankruptcy, with the aforementioned lenders freezing user fund withdrawals.
- These market events⁴ have shone light on risk management strategies and lending practices between both industry and retail customers, as well as between industry enterprises themselves. Further contagion is anticipated to play out over the coming months.
- Since the beginning of 2022, markets have experienced marked volatility as they react to the reality of high inflation globally and the majority of central banks raising interest rates in response. In order to control inflation, the Fed has continued raising rates since January with the current funds rate sitting at 1.75% in June.
- Similarly, the RBA has also begun increasing its cash rate target from 0.1% with a 0.25% rate hike in May and a 0.5% hike in June. These higher interest rates are translating to higher costs of borrowing and reduced demand, and a greater aversion to risk-on assets.

- On 30 June, the Council of the European Union reported that a provisional agreement⁵ was reached by European Union (EU) officials regarding the Markets in Crypto-Assets (MiCA) proposal. With this agreement, Europe has become the first continent to introduce crypto-asset regulation⁶.
- The market cap of the entire cryptocurrency ecosystem is notably down to under less than USD \$1T from USD \$2.2T at the beginning of this year. Bitcoin, with the largest market share, is down 57% YTD as of 20 June 2022.

¹ <https://forkast.news/three-arrows-voyager-failure-crypto-fall-from-grace/>

² <https://www.news.com.au/finance/markets/world-markets/crypto-giant-with-17m-users-on-brink-of-collapse/news-story/5ca2e7f6f37082313037125f1d6ec2b>

³ <https://www.theguardian.com/technology/2022/jul/06/cryptocurrency-broker-voyager-digital-files-for-bankruptcy-protection>

⁴ <https://monochrome.co/article/special-market-summary-june-2022/>

⁵ <https://www.consilium.europa.eu/en/press/press-releases/2022/06/30/digital-finance-agreement-reached-on-european-crypto-assets-regulation-mica/>

Fund Performance Table

Year	Jan ³	Feb	Mar	Apr	May	Jun ¹	Jul	Aug	Sep	Oct	Nov	Dec	Total ²
2021	-	-	-	-	-	-4.18%	25.23%	15.25%	-8.80%	36.06%	1.42%	-20.41%	38.89%
2022	-18.52%	3.13%	10.93%	-11.61%	-20.11%	-37.31%	-	-	-	-	-	-	-58.63%

¹ June series NAV calculated based on 1 July price. Months subsequent to July 2021 are calculated based on last business day price.

² Based on the NAV per unit.

³ Returns for January, February and March 2022 have been adjusted for a pricing discrepancy for January 2022 which has been rectified.

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