

FARSIDE

INVESTORS

Fund Performance (US\$)

	2023	2022	Since Inception
Farside	62.0%	(27.9%)	16.8%
MSCI World (NTR)	21.8%	(16.6%)	1.5%
Bitcoin	152.6%	(65.2%)	(12.0%)

Source: Farside, Bloomberg. Notes: Data net of fees. Past performance is not a guide to future performance.

Performance Chart (US\$)



Source: Farside, Bloomberg. Notes: Data as at 31 December 2023. Data net of fees. Past performance is not a guide to future performance.

Manager Commentary

The fund generated a total return of 62.0% in US dollars in 2023. This compares to the MSCI World Net Total Return index which generated 21.8% over the same period. Towards the end of the year, the so-called pure play cryptocurrency stocks performed extremely well, on the back of increasing cryptocurrency prices. The catalyst for this rally appears to be the likely approval of the spot Bitcoin ETFs in the US. Many of the names in the portfolio benefited from this, such as Bitcoin miners Bitfarms and Cleanspark. As the prices of these stocks appreciated, the fund was taking profits and re-deploying the capital into one of two areas:

- Pure play cryptocurrency "laggards", and
- Cryptocurrency "free call option" like stocks.

The objective was to mitigate the increasing risk of a decline in cryptocurrency prices, while maintaining some form of upside exposure. An example of a laggard stock was the Bitcoin miner Iris Energy. The shares of Iris appeared to rally some time after other mining stocks such as Cleanspark, to some extent. This may be because this smaller miner was less well known to investors and therefore somewhat late to the party. When making the switch from Cleanspark to Iris, our thinking was that if Bitcoin prices declined, Iris had less downside exposure as it had not yet benefited from the rally. On the other hand, if Bitcoin continued to appreciate, Iris could enter the radar of more mainstream investors.

An example of a cryptocurrency "free option like" stock, in which a position was initiated towards the end of the year was Ceres. Ceres operates the "Moppy Points" shopping loyalty scheme in Japan, which consistently generates positive cashflow and the company is not seen as a cryptocurrency related stock. However, Ceres has an investment in Bitbank, a Japanese cryptocurrency exchange. If the cryptocurrency bull market continues, Bitbank may start to boost group earnings. When we initiated our position in Ceres there was almost zero downside risk associated with declining cryptocurrency prices, with significant crypto related impairment charges having already been booked earlier in the year.

The overall result for the year of 62.0% represents a reasonable performance. Returns could have been stronger had we continued to maintain our positions in the cryptocurrency pure play stocks. However, had we done that we would not have mitigated the downside risk to the extent desired. The fund is always looking to maintain upside exposure to cryptocurrency, but in an intelligent, diversified and indirect way, so as to reduce risk. While this means returns may not be stratastrophic, hopefully the fund will be able to effectively accumulate capital over the long term.

Investment Objective

The fund invests in listed equities across the world that directly operate in the cryptocurrency space or have the potential to participate in the cryptocurrency space. The fund aims to achieve positive returns across multiple cryptocurrency cycles.

Fund Information

Fund price (A1 shares)	£120.0
Number of constituents	32
Inception date	29 March 2022
Annual management fee	1.5%
Annual performance fee	10%
Fund name	Farside Equity Absolute Return Fund
Investment advisor	FS Investors Ltd
Fund manager	Jonathan Bier (FCA)
UK HMRC reporting fund	Yes
FCA host	Brooklands Fund Management Ltd
Fund administrator	Abacus Financial Services Ltd

Annualised Daily Realised Volatility

	2023	2022	Since Inception
Farside	20.5%	24.4%	22.5%
MSCI World (NTR)	12.5%	21.2%	16.3%
Bitcoin	45.0%	65.8%	54.1%

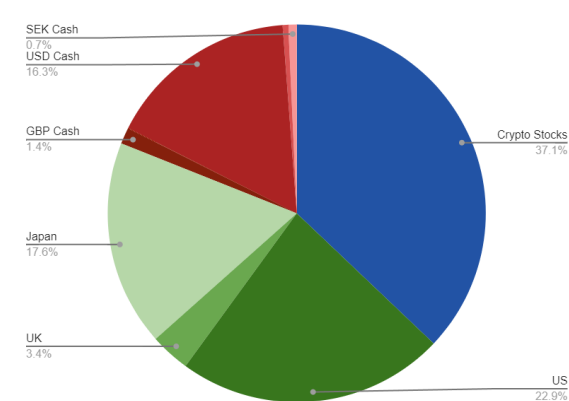
Source: Farside, Bloomberg. Notes: Calculated in US\$.

Top Five Equity Positions

Stock	Weight
SBI Holdings	6.9%
Iris Energy	6.2%
Bitfarms	5.0%
GMO Internet	4.4%
Meta Platforms	2.7%

Notes: Data as at 31 December 2023

Asset Allocation



Notes: Data as at 31 December 2023.

Important Information

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