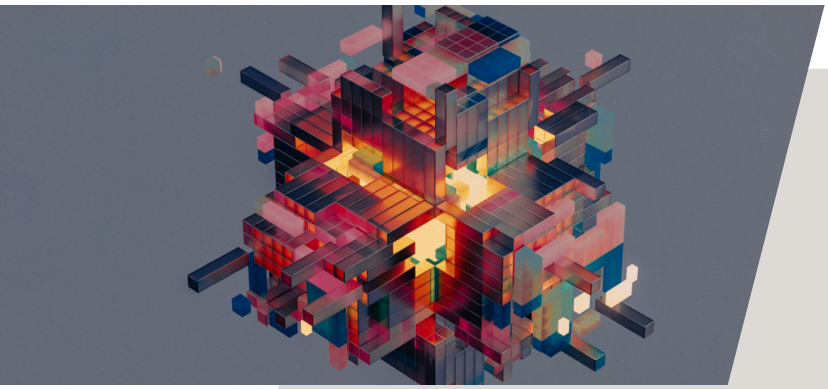
Rothschild & Co
Asset Management



Fund update: R-co Thematic Blockchain Global Equity — December 2024

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Nature is Healing

In November, investment into digital asset products reached record levels. Since the start of the year, net capital inflows got to US$37bn[1], with an additional US$8bn[1] this month only. Bitcoin spot ETFs have surged past US$100bn[1] mark in AUM. Donald Trump's win at the US Presidential elections and majority in Congress supported expectations for a more favorable business environment for digital innovation. Potential ease of regulatory environment for digital assets, pro innovation nominations at SEC and key public agencies like CFTC[2] and OCC[3], support for the domestic mining industry and discussions around establishing a Bitcoin "National Strategic Reserve" would indeed support the development and adoption of digital assets and the blockchain industry. Last but not least, bipartisan support to advance legislation like FIT21 and especially stablecoins are expected to contribute unlocking a much larger addressable market for this industry and an acceleration in corporate digitization. On the macro front, Fed cut interest rate by 25 bps[1], notwithstanding US labor market signs of consolidation.

In this context, fund strongly outperformed in November, led by Blockchain Infrastructure and Digital Assets companies. Crypto-miner Core Scientific, one of our key holdings and contributors to portfolio performance, kept on advancing both Bitcoin mining and diversification towards AI HPC segment. On Bitcoin mining, the company successfully improved its production mix by allocating more machines and power to self-mining from hosting services. As a result, Core Scientific achieved to increase Bitcoin sales proceeds by 9% to US$24.2m[1] from the month before despite 26.7 MWh curtailment consumption reduction, demonstrating its ability to ramp-up overall efficiency. On Cloud HPC front,

Core Scientific signed another 120 MW extension with AI hyperscaler Coreweave. This makes the 12-year contract worth US$8.7bn[1] for around 385 MW of co-location capacity. It implies an annualized revenue of more than US$500m[1], which would, all else equal, double the digital infrastructure company revenue base and widely increase its recurring revenue. The company's ability to secure power and build up HPC infrastructure in less than half the time required by infrastructure competitors constitutes a significant competitive advantage for the company and its customers. The Cloud infrastructure background of key staff members, coming from companies like Microsoft Azure, readily operational and able to understand HPC clients specific needs, has been supporting the company's first mover advantage in this segment.

We remained disciplined on risk management and took some profits on outperforming companies like Coinbase, Palantir and Core Scientific. At the end of the month, equity exposure was 95.2%[4].

Industry news to watch

Announcements made this month by established companies of blockchain-based innovations continued to pertain to various sectors of the economy and enterprise use-cases. Among many others:

The European Central Bank publishes second progress report on the digital euro preparation phase.

UBS pilots blockchain-based multi-currency payment solution with UBS Digital Cash.

Sony advances its Blockchain protocol Soneium and selects 32 DeFi and Web3 start-up projects for its Soneium Spark incubator.

Weitere Infos zu den Fonds

R-co Thematic Blockchain Global Equity

Sehen Sie sich dieses Dokument auf unserer Website an

[1] Bloomberg, December 2024.
[2] Commodity Futures Trading Commission: independent US federal agency that regulates derivatives markets.
[3] Office of the Comptroller of the Currency: independent agency of the US Treasury Department responsible for regulating and supervising national banks and federal savings associations.
[4] Source: Rothschild & Co Asset Management, 30/11/2024.

The synthetic risk indicator shows the level of risk of this product compared to others. It indicates the probability that this product will suffer losses in the event of market movements or our inability to pay you. Risk scale from 1 (lowest risk) to 7 (highest risk); the lowest category does not mean a "risk-free" investment. The risk category associated with this UCI is not guaranteed and may change over time.We have classified this product in risk class 6 of 7, which is a high risk class. This means that the potential losses associated with the future performance of the product are high and, if market conditions deteriorate, it is very likely that our ability to pay you will be affected. Other important risk factors not adequately covered by the indicator : Liquidity risk: Risk linked to the low liquidity of the underlying markets, which makes them sensitive to significant buying and selling movements.

Past performance is not a reliable indicator of future performance and is not constant over time. The characteristics/objectives/strategies mentioned above are indicative and subject to change without notice. This analysis is only valid at the time of writing. The geographical and sector allocations and distributions are not fixed and may change over time within the limits of the SICAV fund’s prospectus.

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SRI risk indicator 6/7

The synthetic risk indicator enables you to assess the level of risk of this product compared with others. It indicates the probability of this product incurring losses in the event of market movements or our inability to pay you. The risk indicator assumes that you hold the product for 5 years. The real risk may be very different if you opt to exit before maturity, and you may get less in return. We have classified this product in risk class 6 out of 7, which is a high risk class and mainly reflects a discretionary management policy seeking to invest in shares of companies active in blockchain themes. In other words, potential losses linked to future product performance are high, and should market conditions deteriorate, it is highly likely that our ability to pay you will be affected. As this product does not provide market protection or a capital guarantee, you could lose all or part of your investment. Other materially relevant risks not taken into account by the indicator: credit risk, liquidity risk, impact of techniques such as derivatives: The use of derivatives can amplify the impact of portfolio market movements. For more information on risks, please refer to the fund's prospectus.

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R-co Thematic Blockchain Global Equity is a subfund of the Société d'Investissement à Capital Variable "R-Co 2", whose registered office is at 29, avenue de Messine - 75008 Paris, registered under the number 889 511 747 RCS PARIS.Rothschild & Co Asset Management, organized under the laws of France, registered with the Trade and Companies Register of Paris RCS Paris 824 540 173. A management company licensed by the Autorité des Marchés Financiers under N° GP 17000014, having its registered office 29, avenue de Messine, 75008 Paris, France

Über den Geschäftsbereich Asset Management von Rothschild & Co

Rothschild & Co Asset Management, eine Tochter der Rothschild & Co Gruppe, ist ein unabhängiger Asset Manager, der institutionellen und semi-institutionellen Investoren Investmentlösungen im UCITs Fondsmantel sowie in Spezialmandaten anbietet. Neben einem aktiv gemanagten High-Conviction Ansatz bieten wir unseren Kunden Zugang zu selektiv ausgewählten Investmentlösungen über unsere OpenArchitecture Plattform. Unser Hauptsitz liegt in Paris mit Büros in 10 weiteren europäischen Ländern. Rothschild & Co Asset Management verfügt über ca 200 Mitarbeiter und mehr als 50 Mrd. Euro verwaltetem Vermögen[1].
Für weitere Informationen: www.am.eu.rothschildandco.com

(1) Quelle: Rothschild & Co Asset Management, 31/07/2026.

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