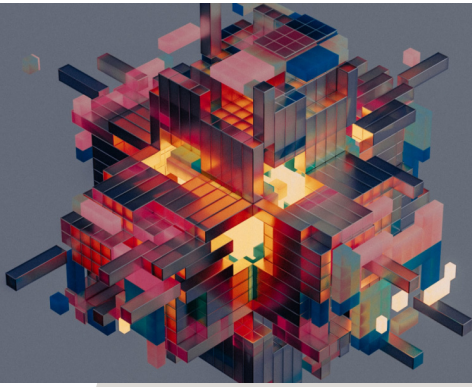




Fund update: R-co Thematic Blockchain Global Equity — January 2024



Charles-Edouard Bilbault
Global Equities Portfolio Manager

"Next step will be tokenization of financial assets" - Larry Fink, BlackRock's CEO

11 digital assets spot ETFs were approved by the SEC on January 11th, 2024. Financial institutions like BlackRock, Fidelity, Franklin Templeton and WisdomTree stood out among successful applicants. As ETFs started to trade the very day of their approval, a record US\$4.6bn volume was exchanged this day alone (1). This asset class's institutional recognition undeniably scores a critical milestone in the digital assets' adoption journey.

In December, growth equities accelerated their end of the year rally. Digital assets investment products continued to receive significant inflows, totaling US\$2.25bn for 2023. Blockchain equity ETPs received US\$458m for the full year (2), as, not to paraphrase BlackRock's CEO Larry Fink, investors flew to quality. R-co Thematic Blockchain Global Equity ended 2023 with decent outperformance, supported by both growth assets rally and flight to quality.

Unsurprisingly, digital assets and blockchain infrastructure buckets contributed the most to portfolio performance in 2023. Web3/metaverse, biased towards consumer discretionary spending and Audit trail and industrial use cases slightly underperformed global markets. Transportation and logistics players naturally underperformed, as freight overcapacity and capital intensiveness hung over this sector for most of 2023. Blockchain based applications grew by 124% in 2023, supported by efficiency improvements on the technological front and continued developers' activity (3).

In terms of companies, Coinbase stands as first contributor to 2023 portfolio performance.



Klara Sok
R-co Thematic Blockchain Global
Equity Co-Portfolio Manager

It shares the podium with data center Cleanspark and fintech Galaxy Digital. Software companies like Palantir and Shopify, both leaders in their respective segments, also outperformed and contributed significantly to portfolio performance in 2023.

Going into 2024, market set-up appears, for the blockchain thematic, fundamentally more favorable than it did a year ago. Risk assets should likely benefit from, marginally, looser monetary policy and potential additional market liquidity, provided core inflation continues to incrementally stabilize. This will likely not come without volatility. Overall investment flows should yet benefit from, on the one hand, large financial institutions like BlackRock or Fidelity's commitments to the digital assets class and, from the other hand, large corporate investments into the real economy with industrial and consumer traceability and Web3 use cases. Tokenization of real assets should accelerate, in both financial services and industrial and consumer industries. Corporate activity and M&A should continue to further consolidate the industry, namely among blockchain infrastructure players. Finally Capital markets activity is also expected to increase with a regain of IPOs in the sector.

Industry news to watch:

- [Deutsche Bank's DWS Group and Galaxy Digital](#) announced their partnership with Flow Trader to issue a euro stablecoin.
- [Société Générale Forge](#) got their euro stablecoin listed on digital assets platform Bitstamp.
- [Coinbase](#) allows money transfers via URL links sent on social media apps like Facebook, WhatsApp, TikTok, Instagram, Telegram etc.
- [Naver's Line](#) messaging app raised US\$140 million to expand NFT venture DOSI.

Learn more about the fund(s)

R-co Thematic Blockchain Global
Equity



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- [1] Source : Bloomberg, 12/01/2024.
[2] Source : Coinshares, data as of 03/01/2024.
[3] Source : DappRadar, 2023 Yearly Industry Report, January 2024.

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

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