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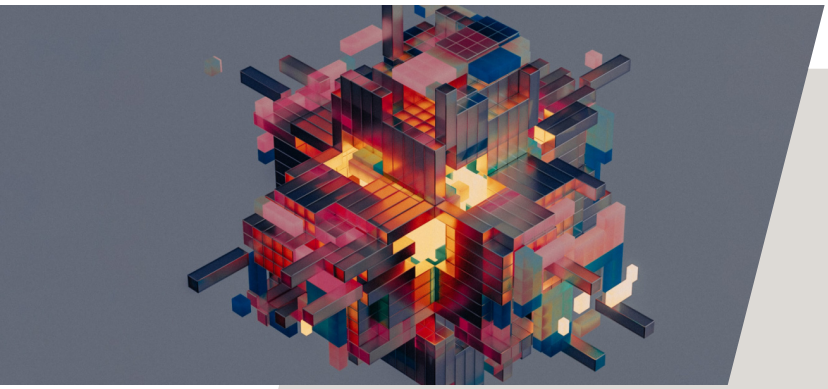

Fund update: R-co Thematic Blockchain Global Equity — August 2024

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A new dawn in Washington DC in support of the US Blockchain industry

Investment into digital assets products regained strength in July, with US$4bn net inflows[1]. Pro crypto stances by both Republican and Democrat candidates to US Presidential elections laid out some fundamental frameworks in support of US Blockchain ecosystem. In addition, spot ETH ETF launches, likely contributed to reinforce a positive perspective for the digital assets class during the first four weeks of July. As of last week, growing concerns of global macro-economic environment softening, added to Bank of Japan's decision to raise interest rate and subsequent reversal of Japanese yen-fueled carry-trade, started to weight on global markets and in particular across the higher risk asset complex.

Fund was slightly up in July. Digital assets / Fintech and Web3 / Metaverse portfolio categories contributed most to performance in July despite some volatility. During the first four weeks of July, most companies exposed to digital assets industry benefitted from positive sentiment supported by positive crypto narrative held during US elections campaign and the finalization of bitcoins unloading by German government. With enhanced market volatility to level unseen since March 2020, last week saw some profit taking. Digital assets corrected from higher points, likely stimulated by Japanese Yen carry-trade reversals pulling off global liquidity and rising geopolitical uncertainty in the Middle East. Earnings season started in July, with a bit less than a fifth of portfolio companies publishing this month. So far, 70% of portfolio that published posted positive results, 20% were in line with consensus expectations and 10% below[2]. August will provide a more

representative update of corporate fundamentals, as most companies held will release earnings.

In this context, we took some profits and marginally reduced best performing companies like Galaxy, TaskUs and Roblox. We took advantage of market weaknesses in the second half of the month to introduce three new companies in portfolio: LVMH, Chargeurs and Snowflake. At the end of the month, equity exposure was 99.4%[2].

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:

Goldman Sachs will launch three new tokenization projects by the end of 2024.

Schroders Capital works on tokenization pilots for insurance-linked securities.

Sony Bank launched its Web3 app “Sony Bank Connect”, allowing users to collect and feature their NFTs.

California Department of Motor Vehicles (DMV) has digitized 42 million car titles on blockchain.

Honda, Mazda, Nissan complete first phase of blockchain-based global battery passport prototype.

Más información sobre los fondos

R-co Thematic Blockchain Global Equity

Consulte este documento en nuestro sitio web

[1] Sources: Coinshares, Digital Asset Fund Flow, data as of 05/08/2024.
[2] Source: Rothschild & Co Asset Management, 31/07/2024.

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Más información en: www.am.eu.rothschildandco.com

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

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