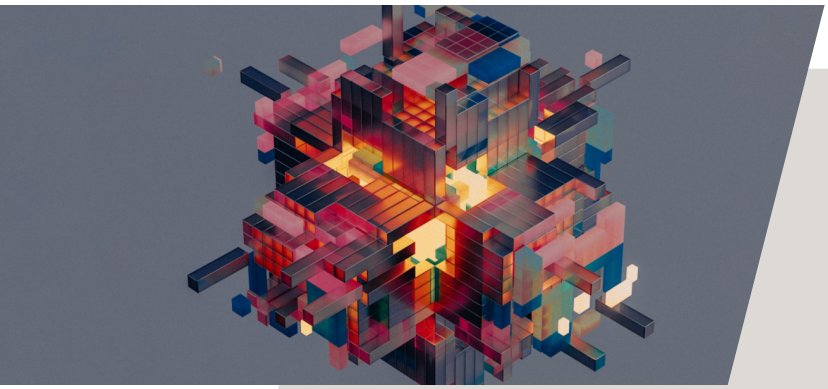
Rothschild & Co
Asset Management



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

Charles-Edouard Bilbault
Global Equities Portfolio Manager

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

UPTOBER

October, a historically favorable month for digital assets, saw net investment flows into digital asset products rise by US$3bn[1], bringing year-to-date inflows to US$27bn[1], almost triple the previous 2021 record. This growth has been fueled by US election dynamics with Trump's increasing election prospects, concerns over expanding fiscal deficits, and recent BRICS discussions on Bitcoin as a potential trade currency. Despite robust US consumer confidence, the rally remained strong, supported by a positive economic surprise index fading fears around recession risk. However, signs of strain are evident in the US labor market, as highlighted by the latest JOLTS report showing notable job market weaknesses.

One of our key portfolio holdings, Coinbase, reported its 7th consecutive quarter of positive EBITDA and its 4th of positive net income[1], demonstrating sustained profitability. While transaction segment take rates came in slightly below expectations, driven by a shift in mix with steady fiat-to-crypto trades and significant growth in lower-priced stablecoin-to-crypto transactions, the company's product monetization strategy continues to strengthen. Notably, Coinbase's derivatives business is set for European expansion, following the acquisition of a MiFID license in August. Base, Coinbase's Ethereum Layer 2 network, also showed robust momentum, with a 55% increase[1] in transaction volume over last quarter. Coinbase sees Layer 2 solutions like Base as pivotal for driving user adoption and developer engagement with initiatives like the Coinbase Developer Platform (CDP). This strategy underscores Coinbase's commitment to foster a larger Blockchain ecosystem

with global reach and long-term revenue diversification. Additionally, the company achieved an important milestone with its first US$1bn[1] share buyback authorization, reflecting confidence in its strategic direction and financial footing.

In this context, fund outperformed in October. The positive move was mostly led by the Blockchain infrastructure allocation, reversing last month underperformance. Web 3.0 / Metaverse was the worst contributor this month. We remained active on the trading front: transacting both ways on Coinbase, selectively adding on miners and by taking some profits from main outperformers. At the end of the month, equity exposure was 97.2%[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:

US Treasury's Borrowing Advisory Committee published a presentation discussing market infrastructure opportunities around tokenization of US Treasuries, notably emphasizing the current and growing importance of stablecoins in global financial exchanges.

Citi announced that Citi Token Services for Cash has moved from a pilot program to a live commercial solution, facilitating multimillion dollar transactions for institutional clients, enabling to deliver real-time, always-on, next generation transaction banking services to some of its largest global clients.

CACEIS has enabled clients to subscribe into the first French UCITS money-market funds with units natively issued and delivered on Ethereum's public blockchain.

Ulteriori informazioni sui fondi

R-co Thematic Blockchain Global Equity

Consulta questo documento sul nostro sito web

[1] Bloomberg, november 2024.
[2] Source: Rothschild & Co Asset Management, 31/10/2024.

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.

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.

The information, comments and analyses in this document are provided for information purposes only and should not be construed as an investment or tax advice, or as an investment recommendation from Rothschild & Co Asset Management

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.

All rights reserved. Simplified information document intended to holders or shareholders of the UCI in question only. It is an advertising document and should not be considered as an investment or tax advice, or as an investment recommendation from Rothschild & Co Asset Management. Figures provided relate to previous years. Past performance is not a reliable indicator of future performance and is not constant over time. The data mentioned in this document may change at any time. Although this document has been prepared with the greatest care from sources that Rothschild & Co Asset Management believed to be reliable and in good faith, no representation or warranty, express or implied, is made as to information accuracy or completeness, which is indicative only. The information does not presume the suitability of the UCI presented to the profile and experience of each individual investor. In case of doubt, we recommend that you contact your financial or tax advisor. Before any investment, please imperatively read the key investor information document (KIID PRIIPS) and prospectus of the UCI carefully, especially its section relating to risks. Any investment is always subject to risk. Before investing, each investor must ensure the jurisdictions in which the UCI is registered. The KIID, the full prospectus as well as the net asset value (NAV)/net inventory value (NIV) are available on our website: www.am.eu.rothschildandco.com. The information presented is not intended to be disseminated and does not constitute in any way an invitation for US nationals or their agents. The units or shares of the UCI presented in this document are not and will not be registered in the United States pursuant to the U.S. Securities Act of 1933 as amended ("Securities Act 1933") or admitted under any law of the United States. These units or shares may neither be offered, sold in or transferred to the United States (including in its territories and possessions), nor directly or indirectly benefit to a “US Person” (within the meaning of Regulation S of the Securities Act of 1933) and equivalent persons (as referred to in the US "HIRE" Act of 18 March 2010 and in the FATCA provisions).

Geographic and sector allocations and breakdowns are not fixed and may change over time, within the limits of the Fund’s prospectus. The figures quoted relate to the past months. No part of this document may be reproduced, in whole or in part, without the prior written permission of Rothschild Co Asset Management, under pain of legal proceedings.

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

Informazioni sulla divisione Asset Management di Rothschild & Co

Come divisione specializzata nella gestione patrimoniale del gruppo Rothschild & Co, offriamo servizi di gestione personalizzati a un'ampia clientela di investitori istituzionali, intermediari finanziari e distributori. Il nostro sviluppo si basa su una gamma di fondi aperti che beneficiano della nostra esperienza di lungo periodo nella gestione attiva e di convinzione, nonché nella gestione delegata. Con sede a Parigi e uffici in 10 paesi europei, gestiamo oltre 50 miliardi di euro e impieghiamo quasi 200 persone(1).
Ulteriori informazioni su : www.am.eu.rothschildandco.com

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

France

29, Avenue de Messine
75008 Paris
+33 1 40 74 40 74

Belgio – Paesi Bassi – Lussemburgo

Rue de la Régence 52
1000 Bruxelles
+32 2 627 77 30

Svizzera

Rothschild & Co Bank AG
Rue de la Corraterie 6
1204 Genève
+41 22 818 59 00

Italia

Passaggio Centrale 3
20 123 Milano
+39 02 7244 31

Germania – Austria

Börsenstraße 2 - 4
Frankfurt am Main 60313
+49 69 299 8840

Spagna

Paseo de la Castellana 40 bis
28046 Madrid
+39 02 7244 31