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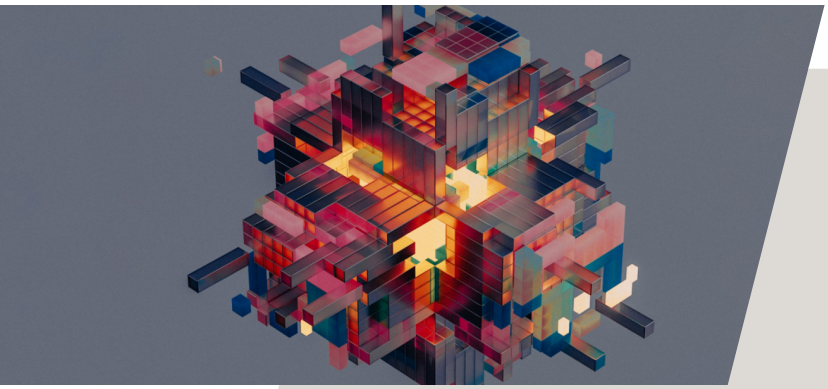
Asset Management



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

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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.

Meer informatie over de fondsen

R-co Thematic Blockchain Global Equity

Bekijk dit document op onze website

[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.

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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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Over Rothschild & Co Asset Management

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Meer informatie op: www.am.eu.rothschildandco.com

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

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