



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



Charles-Edouard Bilbault
Global Equities Portfolio Manager

“Wakeup call” – Patrick McHenry, US Congressman and Chairman of the House Committee on Financial Services, commenting on the bipartisan approval of FIT21, a crypto market structure legislation.

In May, investment flows into digital assets products rebounded, supported by continuous positive news this month. Against all odds, spot Ethereum ETFs were approved by the SEC this month and are now expected to get trading clearance for a potential launch this summer. Bipartisan House support and vote for Financial Innovation and Technology for the 21st Century Act, aka FIT21, is a first step toward regulatory clarity for the industry and provide SEC and CFTC clearer roles and guidelines regarding digital assets competence. Private companies’ deal activity also picked up, with notably, Blockchain-based social media, Farcaster, raising US\$150m this month² following up on significant product-market-fit leading to strong user engagement.



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

The earnings season almost completed at the end of May. More than 75% of portfolio companies generated positive surprise this quarter³, by delivering a positive 48% EPS4 surprise on average³. Pure players exposed to Blockchain infrastructure and digital assets distinguished themselves with the highest number and intensity of positive surprise.

In this context, portfolio categories Blockchain infrastructure and Digital assets unsurprisingly outperformed. Ether Capital share price got strong market support following their announcement to convert into an Ethereum ETF earlier this month, as discount to NAV is expected to close. Core Scientific confirmed its turnaround to

operational excellence with the highest number of bitcoins extracted this month in the industry. Coinbase benefitted from strong operational leverage as transaction volumes sharply picked up in Q1 2024 and demonstrated market viability for its Blockchain Base.

We realized some small adjustments to the portfolio this month and took some profits on Nvidia, Coinbase and Galaxy and trimmed Palantir in anticipation of earnings. At the end of the month, equity exposure was 99.6%³.

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:

[Circularise, Airbus](#) complete blockchain traceability PoC for recycling aircraft cabins.

[Credit Agricole-backed](#) BlockInvest receives funding from Open Venture to expand tokenization solution.

[Reebok](#) launches “Reebok Impact” wearable using Blockchain and AI to build collection.

[Mastercard](#) aims at simplifying digital assets exchange by piloting humanly readable credential names to replace crypto addresses.

Learn more about the fund(s)

R-co Thematic Blockchain Global
Equity



Check this document on our website



[1] 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.

[2] Source: Binance Research, data as of 24/05/2024.

[3] Source: Rothschild & Co Asset Management, 31/05/2024.

[4] Earnings per share (EPS) is a measure of a company's profitability that indicates how much profit each outstanding share of common stock has earned.

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R-co Thematic Blockchain Global Equity

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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