

Fractional Marketplaces

Q2 2021 Report



Key Takeaways from Q2 2021

- **Alternative Assets** continues to beat the market **up 20% in Q2** and **up 55% overall**
- There were **118** IPOs in the second quarter of 2021 across **28** different asset classes.
- Over **\$19m** worth of assets IPO'ed led by Collectable with over **\$10m**.
- The average ROI for all assets across all platforms for Q2 2021 was **-7%**.
- Collectable's **focus on sports cards and memorabilia** hurt it relative to more diversified platforms.
- All platforms have now introduced retained equity despite ROI tradeoffs.
- Mythic Market shut down while Rares and Vint launched.

What To Look For In Q3 2021

- Strength from secondary asset classes like **comics** and **game cartridges** will continue.
- Renewed focus on less volatile assets like **cultural items**, **toys**, and **books**.
- Fractional investing goes international with entrants in the **UK** and **Germany**.
- Relative importance continues to shift away from IPOs and toward **secondary markets**.
- **Otis** will introduce real time trading, and **Rally** will significantly revamp its platform.
- **More asset classes** will be introduced including some surprises.

Q22021 Alternative Assets Club Performance



Alternative Assets Performance - Q2

We take a stand on **every** asset from every asset class we cover.

How did we do?

AA Index

13.2%

Q2ROI

All trading assets

-6.7%

Q2ROI

Only assets that have traded in Q2.

Alternative Assets Performance - Overall

We take a stand on **every** asset from every asset class we cover.

How did we do?

AA Index

36%

ROI since inception

All trading assets

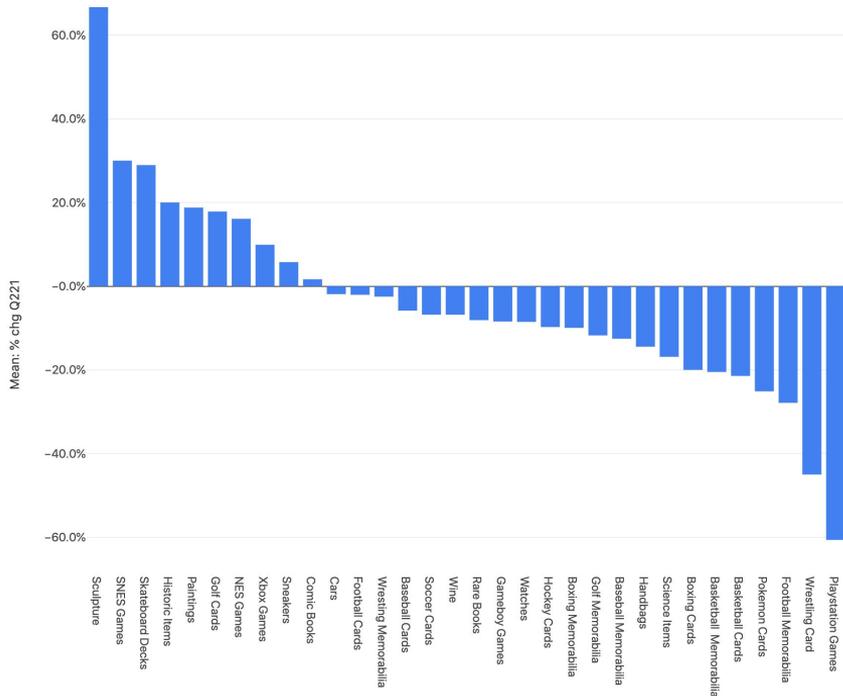
-19%

ROI since AA inception

Q22021 Asset Performance

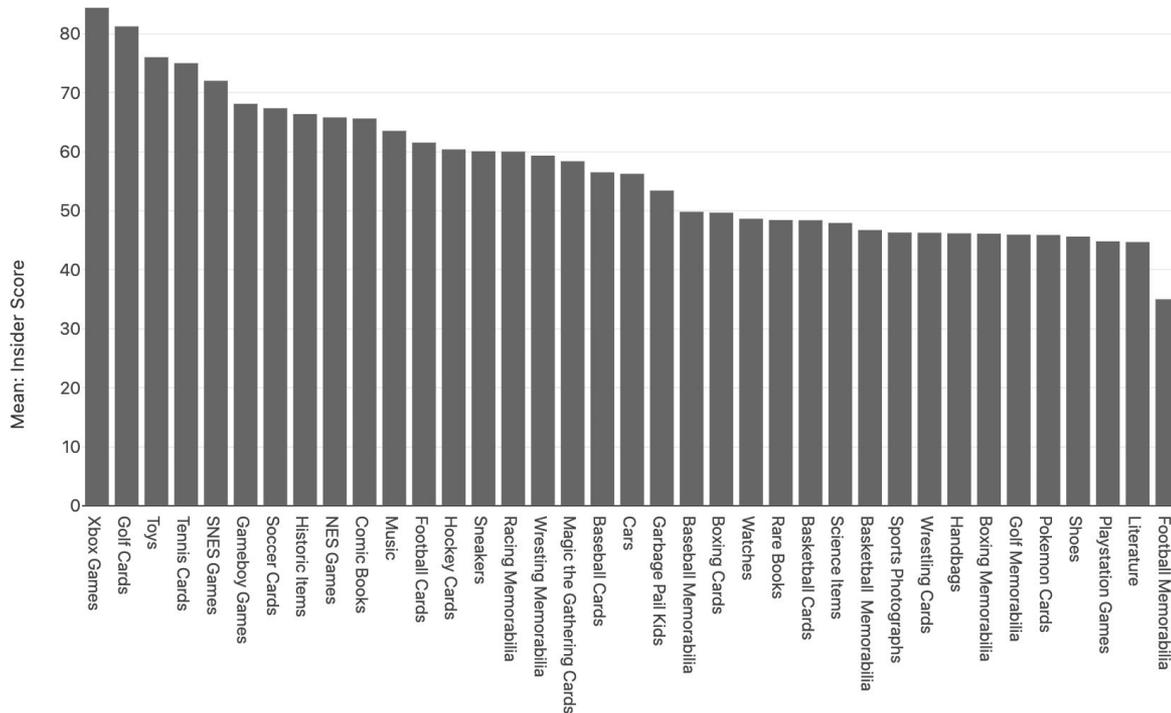


Art, Luxury, And Culture Dominated In Q2



- Game cartridges were strong after a promising Q1
- Art and culture items were consistently positive as capital fled weaker asset classes
- Sports cards, sports memorabilia, and game trading cards were weak across the board

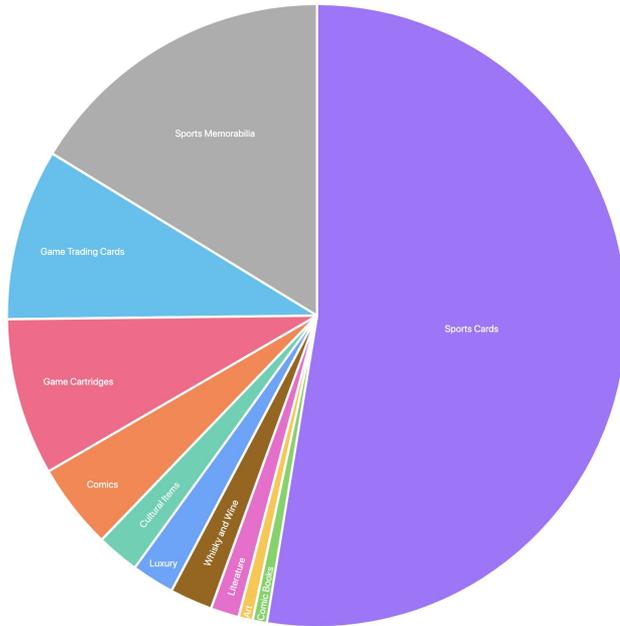
Second-tier Sports Cards, Culture Items, And Game Cartridges Are The Best Opportunities In Q3



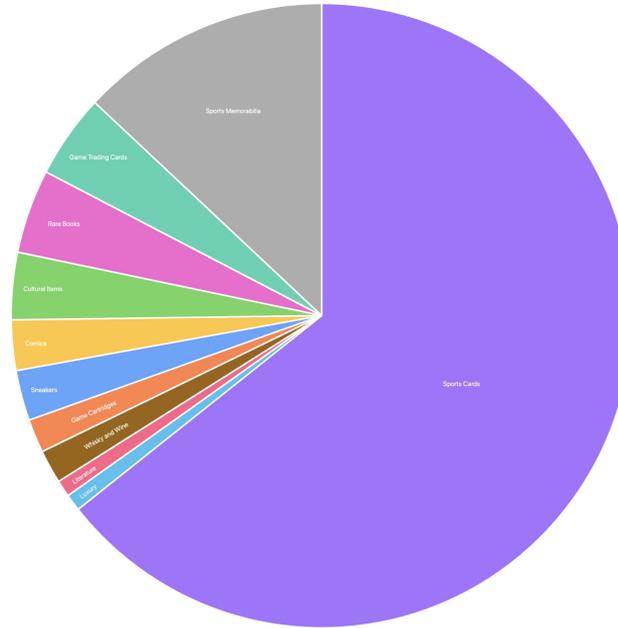
Led by strong performances at auction and a surging tier-two cards market, premier assets in those asset classes should outperform in Q3

The **Alternative Assets Insider Score** ranks fractional assets across ten metrics to determine their overall strength as investments.

Platforms Doubled Down On Sports Cards In Q2



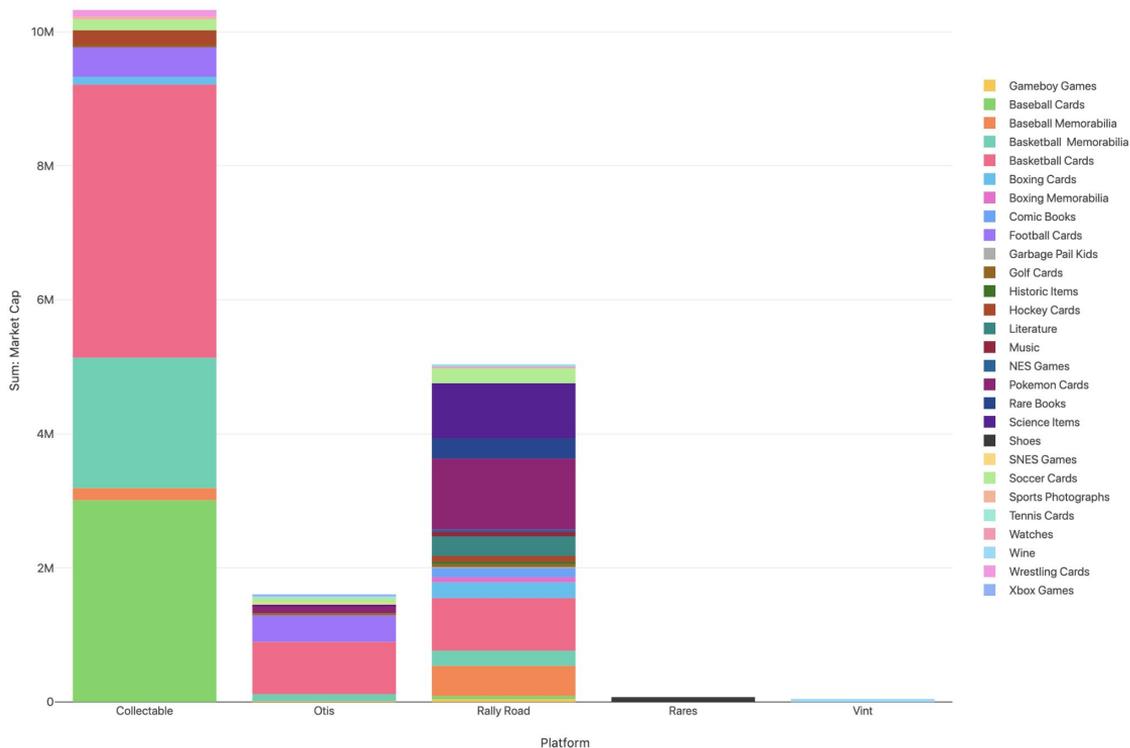
Q12021 IPOs



Q22021 IPOs

Chasing positive Q1 returns, sports cards made up over $\frac{2}{3}$ of all IPOs in Q2. Long SEC approval time inhibited their ability to quickly course correct in when the market turned negative.

Over \$19m Assets IPO'ed In Q2 2021, Up 26% QoQ

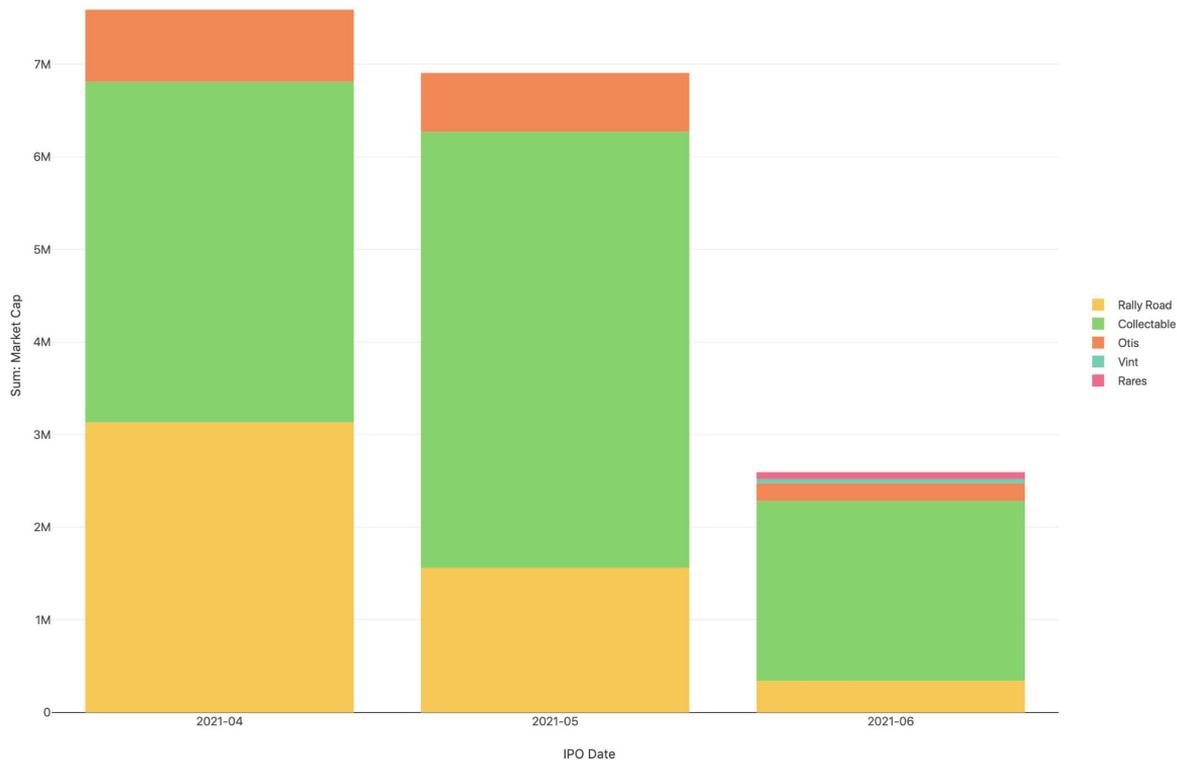


Collectable broke the \$10m mark for IPOs in Q2, while the overall figures rose from \$15m to \$19m.

Both Rally and Otis slowed their IPOs schedule significantly.

New entrants Rares (sneakers) and Vint (wine) joined

Significantly Fewer IPOs Headed Into Summer



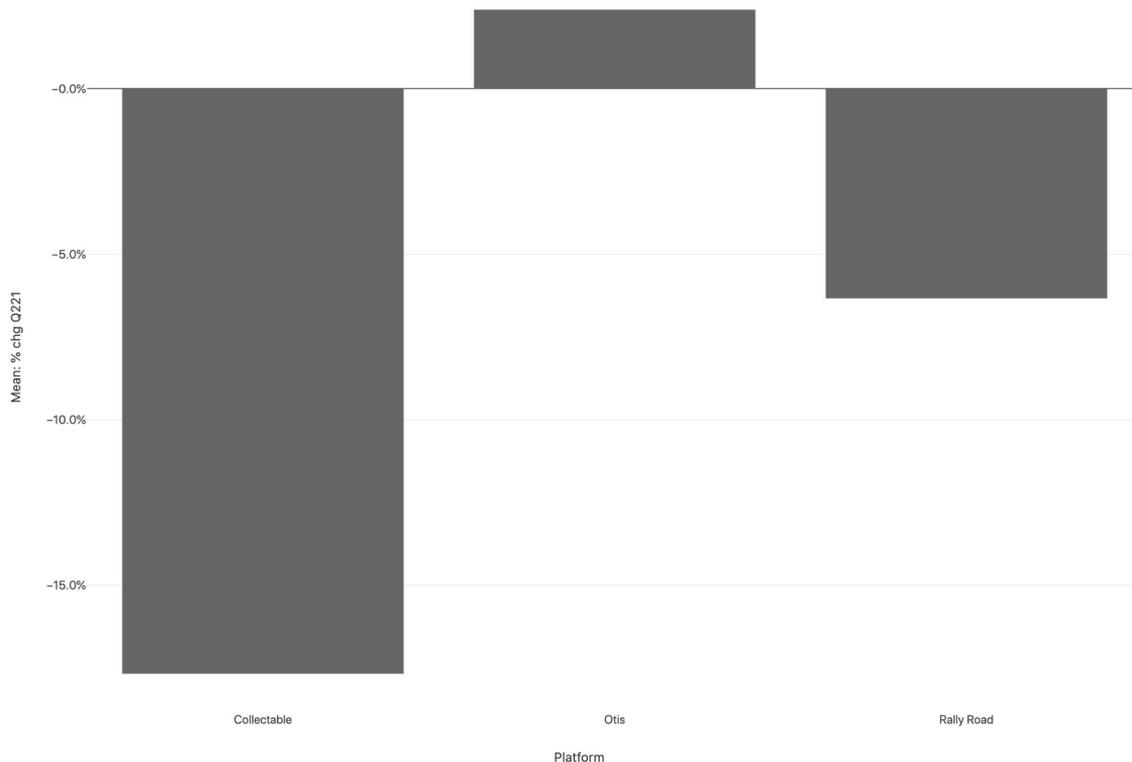
June 2021 saw the fewest IPOs since November 2020 as many platforms struggled to fully fund their IPOs.

Rally saw the steepest decline as they went from 5x IPOs per week to just one.

Q22021 Platform Performance



Otis Posted 2.4% Q2 ROI While Others Lagged

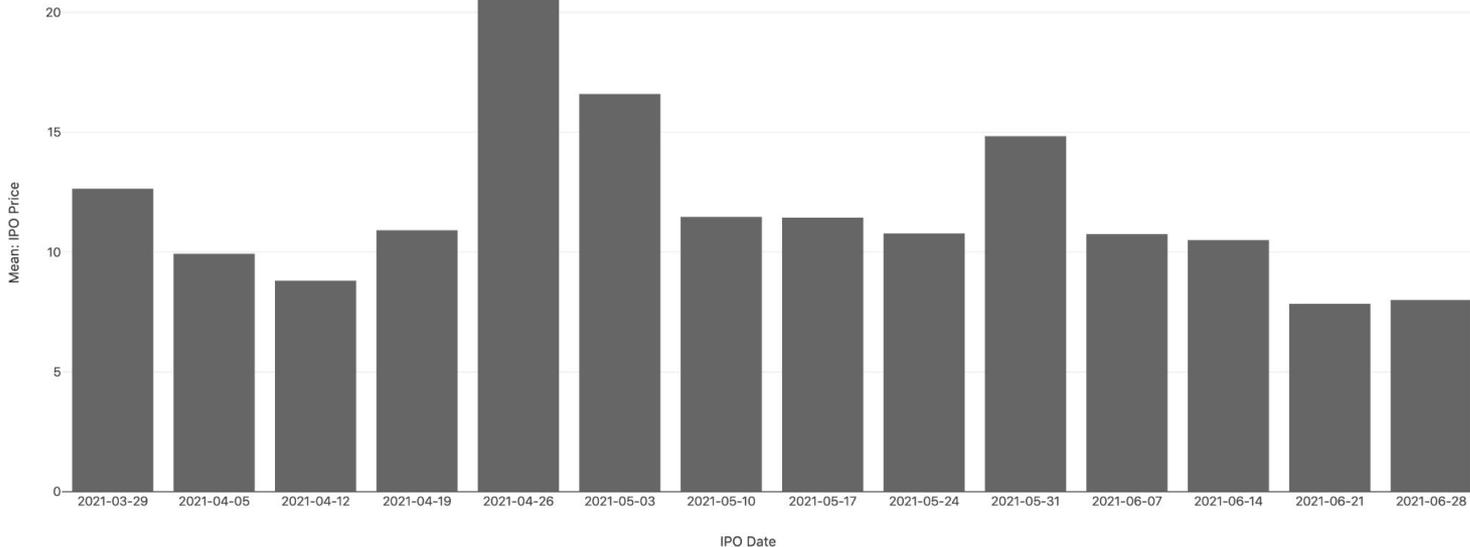


Platform correlation was significantly correlated with exposure to sports cards and memorabilia.

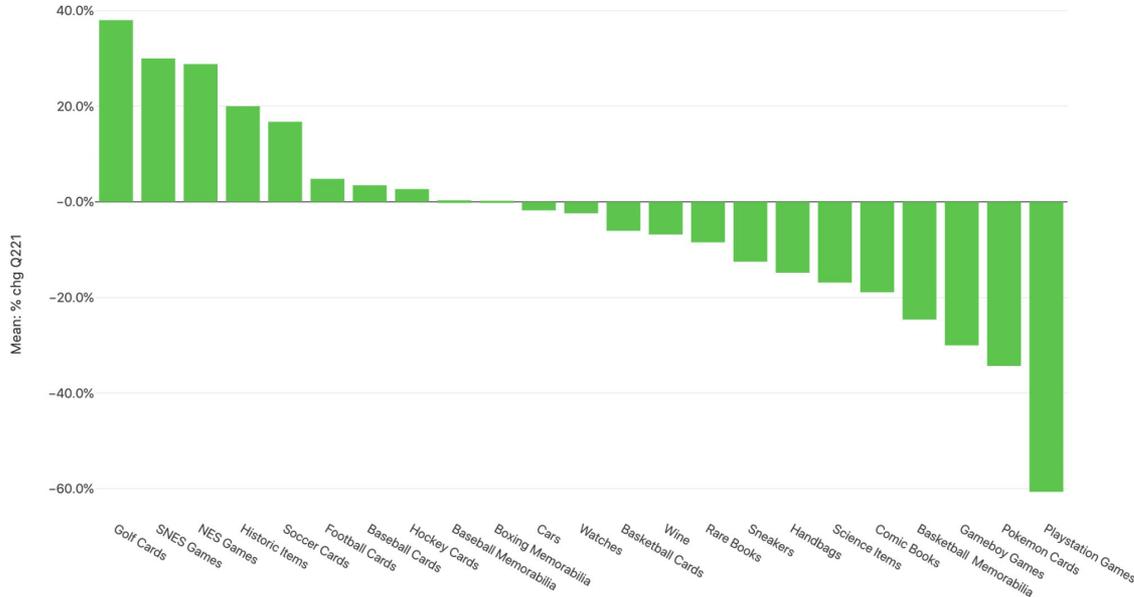
Focus on ballast assets like art, culture, and cars provided stability.

Mean Share Price At IPO Continued To Drop

While Otis maintained their standard \$10/sh scheme, both Rally and Collectable continued to reduce average share price.

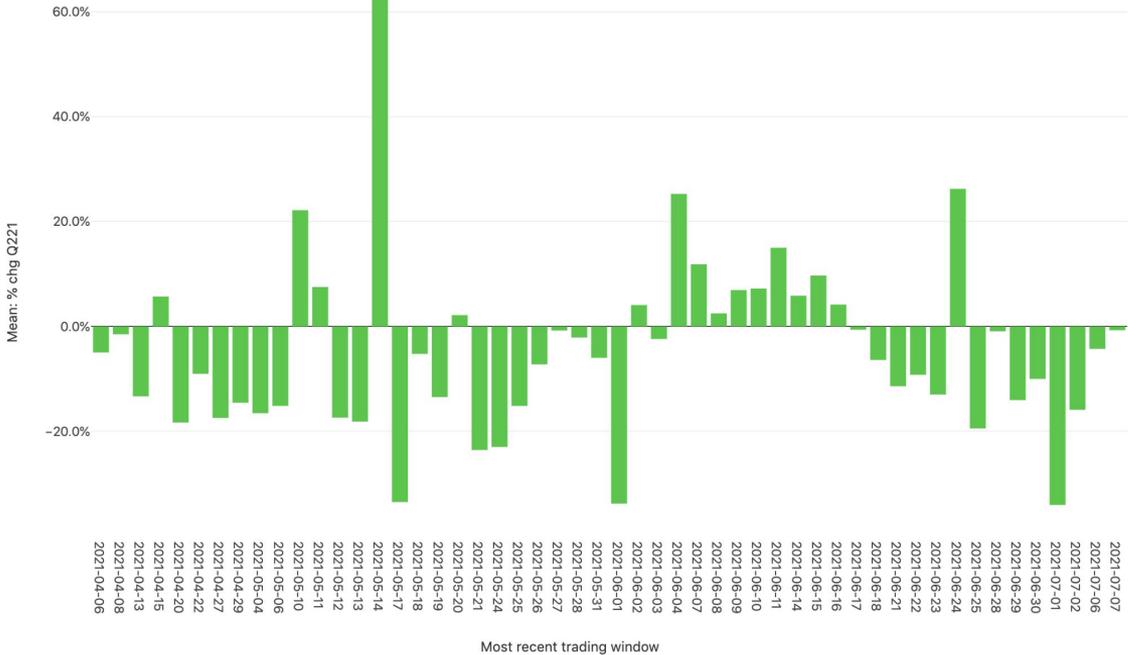


Impatient Rally Investors Dumped Fad Assets



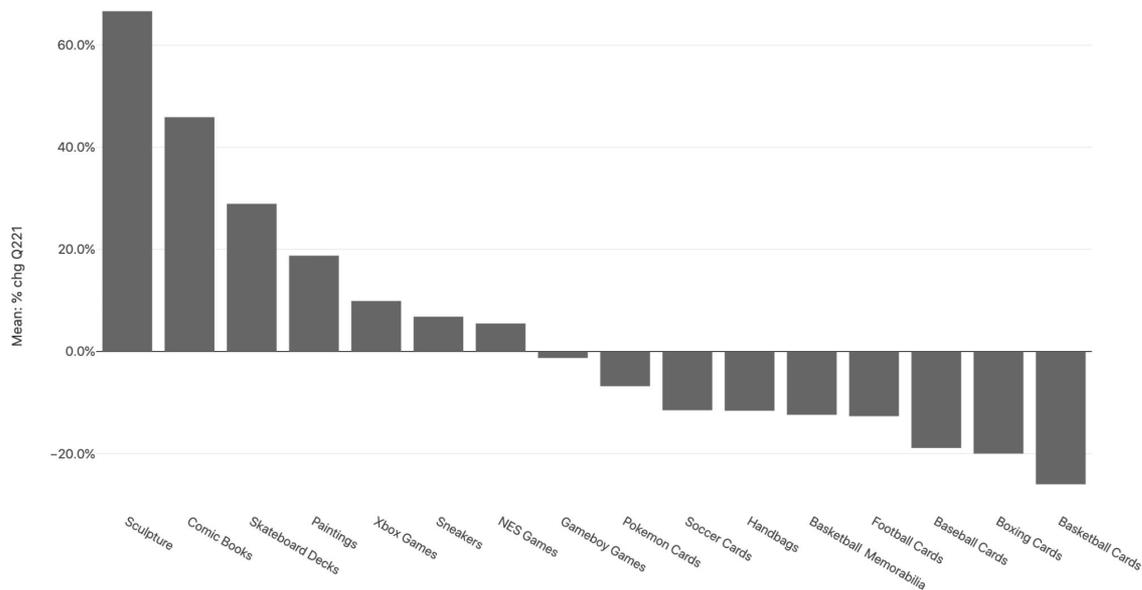
Luxury items and cars provided ballast for Rally trading while second-tier sports cards and Nintendo outperformed. Pokemon struggled.

Mean ROI During Rally Trading Windows Was Cyclical



While the majority of trading windows were down overall, there were clusters of positivity.

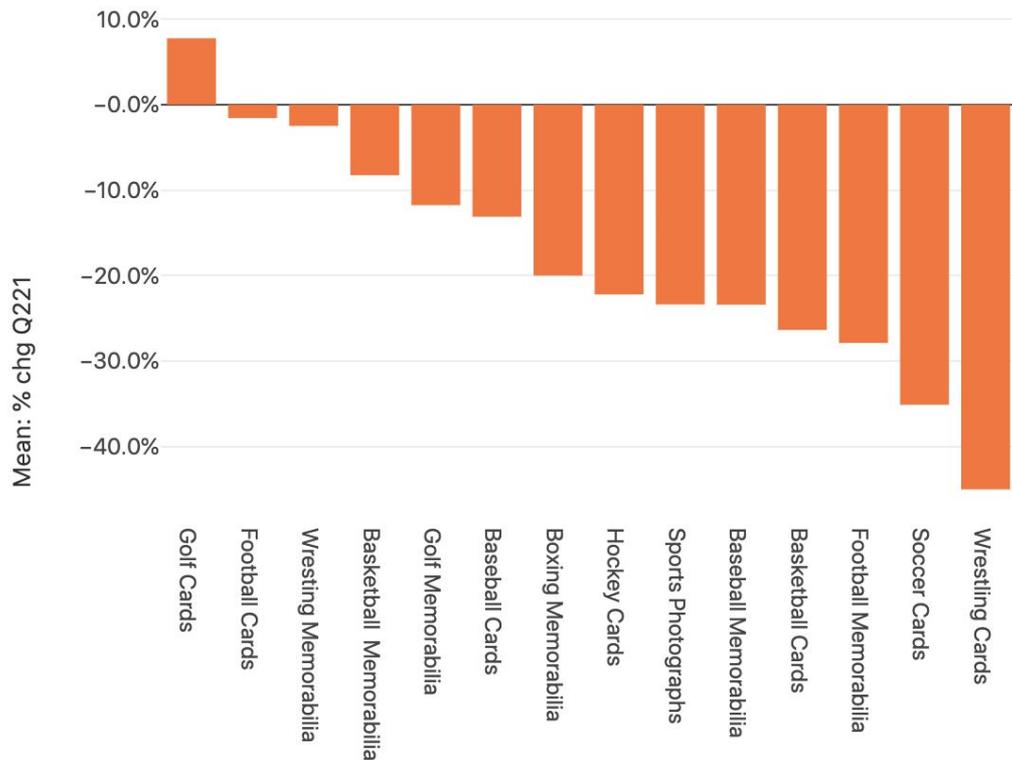
Cultural Items Significantly Outperformed At Otis



While Otis focussed on IPO'ing sports cards and other trendy asset classes in Q1 and much of Q2, the assets at its core performed the best.

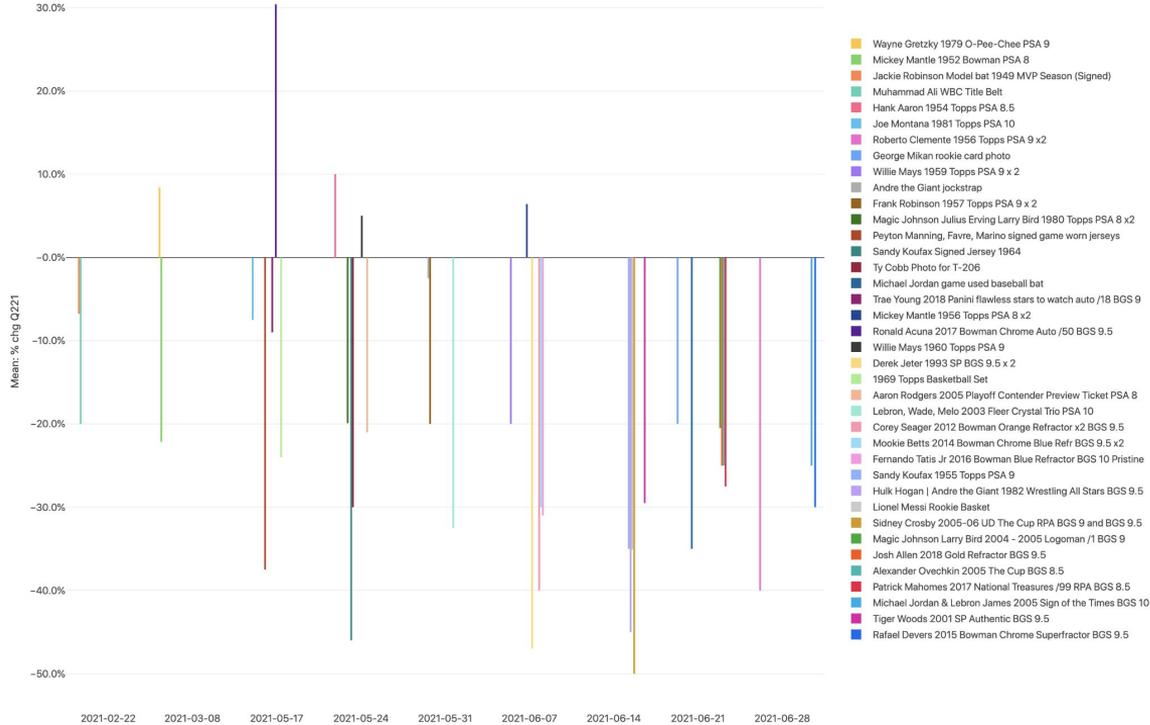
Recent IPOs of a first generation iPhone and Transformers toy -- both of which funded quickly -- indicated a possible return to its roots.

Only Golf Cards Had A Positive ROI for Collectable



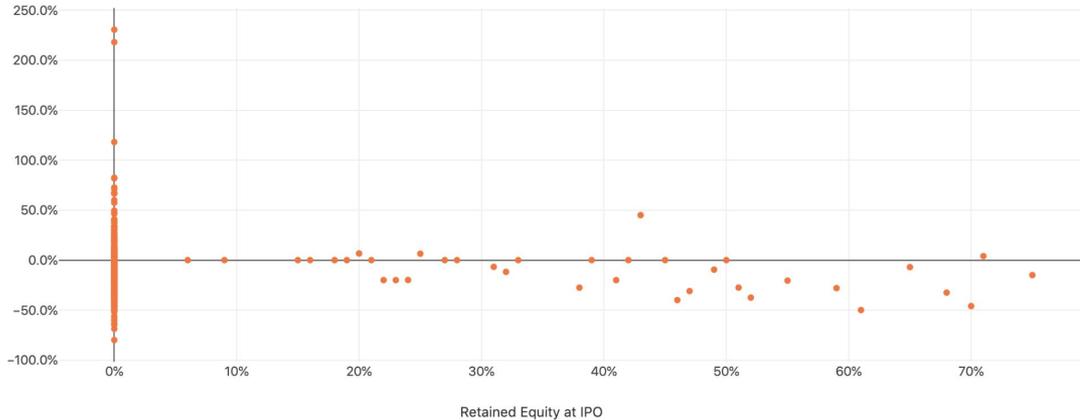
Nearly all asset categories were negative for Q2 at Collectable in line with the broader sell off in sports collectables.

Most Assets Traded Down In Their First Session



All but five assets traded down in their first trading session during Q2 for Collectable

Investors Took A Negative View Of Retained Equity



Mean ROI for Collectable assets was significantly lower when assets featured retained equity.

The more retained equity they had, the lower the returns.



For media and other enquiries

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