



NEWS RELEASE

## Fidelity Digital Assets<sup>SM</sup> Research Finds Digital Asset Investment Products Gaining Favor Among U.S. and European Institutional Investors Surveyed

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- Study Finds U.S. and European Interest in Digital Asset Investment Products Increased 12 Percentage Points Year-over-Year, but European Investors Continue to Show Preference for Direct Investments Overall
- More than Half of Investors Surveyed Globally Believe a Digital Dollar Will Be Implemented by 2026

BOSTON--(BUSINESS WIRE)-- The majority (84%) of U.S. and European institutional investors are interested in purchasing institutional investment products that hold digital assets, and in the U.S., investors favor accessing these products through traditional financial firms, according to new insights from **Fidelity Digital Assets' 2021 Institutional Investor Digital Assets Study**. Investors surveyed indicated that a fund manager with established crypto experience is their top consideration when evaluating institutional investment opportunities in the space, followed by fees and performance. While there is strong interest in investment products across all three regions surveyed (Asia, Europe and the U.S.), buying digital assets directly is currently the most common method of investment among institutional investors globally.

"The interest expressed in both owning digital assets directly or through a variety of investment products is yet another indicator of the maturation of digital asset markets, the diversity of participants and progress in how these investors are viewing digital assets' role in portfolios," said Tom Jessop, president of Fidelity Digital Assets<sup>SM</sup>. "We've reached an inflection point where many institutions are deepening their commitment to the space and seeking new investment opportunities to express that interest in portfolios – in some cases, looking to incorporate other digital assets in addition to bitcoin."

### Current Investment Allocations

Among investors surveyed, digital assets were most commonly viewed as an alternative asset; however, nearly a quarter view it as an independent asset class. Today, one-third of respondents invested buy digital assets directly,

28% buy investment products holding digital assets and 16% gain exposure via futures contracts. Nearly one in four institutional investors surveyed own bitcoin and one in five own ether.

**Initial findings from the study** released in July revealed that more than half of institutional investors surveyed currently invest in digital assets, with adoption increasing year-over-year in the U.S. and Europe. All institutional segments surveyed reported some level of investment; however, some were significantly more active in the space than others:

- In the U.S., aside from crypto hedge funds and venture capital funds, family offices and financial advisors surveyed were most active, with adoption in those two segments increasing 28 and 20 percentage points, respectively, year-over-year.
- In Europe, after crypto hedge funds and venture capital funds, high-net-worth investors and financial advisors surveyed were most actively investing.

### **Institutional Investment Outlook**

As reported in July, seven in 10 investors surveyed plan to invest in digital assets in the future. U.S. institutional investor preferences are expected to continue to shift to investment products holding digital assets, while European and Asian investors' future preference is for direct purchases.

Overall, institutional investors surveyed indicated a strong preference for active management and multi-digital asset funds, though one-third expressed interest in both single- and multi-asset products. When presented with potential product structures, 44% of investors surveyed found a bitcoin ETF most appealing, followed by an actively managed multi-digital asset fund (41%). More than six in 10 U.S. and European investors surveyed expressed a neutral or positive view of bitcoin ETFs.

"The data continues to show that institutional investors expect the digital assets industry to more closely mirror that of other asset classes – whether that's multiple product types covering a variety of investment strategies or the ability to access digital asset investments through traditional financial firms," said Peter Jubber, Managing Director, Fidelity Digital Funds. "Growing interest across institutional segments underscores the need for a diverse set of products and solutions to meet investors where they are in their digital assets journey."

### **Investors Remain Open to Tokenized Assets**

The study also looked at investors' perceptions of tokenized assets and the potential for a U.S. dollar-backed central bank digital currency (CBDC). Nearly six in 10 investors surveyed reported they are willing to invest in tokenized real-world assets, most viewing real estate (27%), precious metals (19%) and stocks (18%) as having the greatest

potential for tokenization. Fractional ownership (lower investment minimums), liquidity and price transparency were viewed as the primary advantages to tokenization. Across the three regions surveyed, crypto hedge funds and venture capital funds, high-net-worth investors and financial advisors were most open to investing in tokenized assets.

Over half of the investors surveyed believe a USD-backed CBDC is likely to be implemented within the next five years, with crypto hedge funds and venture capital funds expressing the strongest conviction in the emergence of a digital dollar. While nearly 70% of investors surveyed globally held a neutral-to-positive view of a USD-backed CBDC, Asian and European institutional investors held a more favorable view than their U.S. counterparts.

For additional insights, download the full 2021 Institutional Investor Digital Assets Study at

<https://www.fidelitydigitalassets.com/articles/digital-asset-study-2021>.

### **About the Survey**

The blind survey was executed in association with Coalition Greenwich on behalf of Fidelity Digital Assets and the Fidelity Center for Applied Technology between December 2, 2020 and April 2, 2021. The survey included 1,100 institutional investors in the U.S. (408), Europe (393) and Asia (299), including high net worth investors, family offices, digital and traditional hedge funds, institutional investors, financial advisors and endowment and foundations.

### **About Fidelity Digital Assets**

Fidelity Digital Assets offers a full-service enterprise-grade platform for securing, trading and supporting digital assets. A business of Fidelity Investments, one of the world's largest and most diversified financial services providers, Fidelity Digital Assets combines the operational and technical capabilities of the broader Fidelity organization with dedicated blockchain expertise to deliver a completely new offering for institutional investors. Learn more at <http://fidelitydigitalassets.com>.

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