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FIDELITY DIGITAL ASSETSSM RESEARCH FINDS INCREASED ADOPTION OF DIGITAL ASSETS AMONG INSTITUTIONAL INVESTORS IN U.S. AND EUROPE

- *Fourth Annual Study Indicates Nearly Six-in-10 (58%) Institutional Investors Surveyed Invested in Digital Assets in the First Half of 2022, while 74% Plan to Invest in the Future*
- *Over Half of Institutional Investors Surveyed (51%) Globally Have a Positive Perception of Digital Assets*
- *After Crypto Hedge Funds and Venture Capital Funds, Digital Assets Usage is Highest Among High-Net-Worth Investors and Financial Advisors*

BOSTON, October 27, 2022 – Nearly six-in-10 (58%) institutional investors surveyed in the fourth annual Fidelity Digital AssetsSM [Institutional Investor Digital Assets Study](#) were invested in digital assets in the first half of 2022, a six-point increase year-over-year. While turbulent market conditions may have impacted some institutional investors' impression of digital assets, the trend points to continued interest in the digital assets space overall.

While digital assets ownership is higher among respondents in Asia (69%) than in Europe (67%) or the U.S. (42%), Europe saw an 11-point increase in ownership, while the U.S. saw a nine-point increase in ownership, since 2021. In both regions, the uptick was driven largely by high-net-worth investors, as well as financial advisors in Europe. Globally, digital asset usage is highest among high-net-worth investors (82%) alongside crypto hedge funds and venture capital funds (87%), and financial advisors (73%).

“The increased adoption reflected in the data speaks to a strong first half of the year for the digital assets industry. While the markets have faced headwinds in recent months, we believe that digital assets fundamentals remain strong and that the institutionalization of the market over the past several years has positioned it to weather recent events,” said Tom Jessop, president of Fidelity Digital Assets.

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“Institutional investors are experienced in managing through cycles, and the largely inherent factors that they cited as appealing in this study will likely remain as the market emerges from this period.”

According to the study, almost nine-in-10 institutional investors surveyed (88%) find characteristics of digital assets appealing, representing an increase of five points among U.S. institutional investors and two points in Europe, while holding steady in Asia. Respondents noted high potential upside; innovative tech play; and enabling decentralization as the most appealing features of digital assets. Overall, more than half of institutional investors (51%) have a positive perception of digital assets, up from 45% in 2021.

Digital Assets in an Institutional Portfolio

As the digital assets market and ecosystem continues to mature, fewer institutional investors now view digital assets as an alternative asset class, particularly in the U.S. and Asia: less than one-third of U.S. and Asian institutional investors surveyed share this belief, a thirteen-point and fifteen-point drop from 2021, respectively. Additionally, 35% of respondents believe digital assets should be viewed as an independent investment class, up from 23% in 2021.

While the findings show continued interest and exploration in digital assets, institutional investors not yet invested in digital assets see several barriers to adoption. Consistent with 2021 survey results, price volatility remains the biggest barrier to consider, noted by half of respondents. Lack of fundamentals to gauge value, security concerns among institutions and end-clients, market manipulation risks, complexity, and regulatory concerns were all cited by at least one-third of respondents as a reason why they do not currently invest in digital assets.

“Possibly even more prominent a focus given recent market activity, price volatility remains the primary barrier to adoption,” remarks Chris Kuiper, director of research for Fidelity Digital Assets. “While short-term price fluctuation is a characteristic somewhat inherent to this emerging asset class, many of the other concerns cited by respondents can be addressed as institutional investors move through their journey of education, which is why we’re now more committed than ever to providing investors with resources that deepen their understanding and allow for thoughtful long-term investment consideration.”

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However, more than eight-in-10 institutional investors surveyed (81%) believe that digital assets should be a part of an investment portfolio as of the first half of the year. Nearly four-in-10 (39%) respondents globally that invest buy digital assets directly, up from 34% in 2021, with bitcoin and ether noted as the most popular direct investment assets. Ether ownership in the U.S. increased five points year-over-year, while remaining consistent in the other markets. 35% of respondents buy investment products holding digital assets, 30% buy investment products holding digital assets companies, and 20% gain exposure via futures contracts. Respondents also indicated an appetite for new products: 52% of Asian institutional investors, 47% of European institutional investors, and 43% of U.S. institutional investors found the concept of a bitcoin ETF appealing, with actively managed multi-digital asset funds and passive multi-digital asset funds ranking highly as well.

A Promising Outlook for Institutional Adoption

Commitment to the space was evident in respondents' outlook for the future based on the first half of 2022, with nearly three-quarters (74%) of institutions surveyed planning to buy digital assets in the future. Future purchase intent increased in Europe and the U.S. compared to 2021, increasing five points and seven points respectively, due in part to substantial gains in future preference to buy among financial advisors (Europe) and high-net-worth investors (U.S.). Globally, future preference to buy remained consistent year-over-year for financial advisors, family offices, pensions, crypto hedge funds and venture capital funds, and endowments and foundations.

Additional insights from the 2022 Institutional Investor Digital Assets Study can be found [here](#). Access the latest research on the institutional market for digital assets and learn more about Fidelity Digital Assets at www.fidelitydigitalassets.com.

About the Survey

The blind survey was executed in association with Coalition Greenwich on behalf of Fidelity Digital Assets, the Fidelity Center for Applied TechnologySM, and Fidelity Consulting and Strategic Insights between January 2, 2022 and June 24, 2022. The survey included 1,052 institutional investors in the U.S. (410), Europe (359) and Asia (283), including family offices, digital and traditional hedge funds, pensions and defined benefit pensions, financial advisors, endowment and foundations and high net worth investors.

About Fidelity Digital AssetsSM

Fidelity Digital AssetsSM is a subsidiary of Fidelity Investments, dedicated to building products and services that help institutions adopt digital assets. Its businesses include a full-service

enterprise-grade platform for securing, trading, and supporting digital assets, and investment management solutions. Established in 2018, Fidelity Digital Assets combines the operational and technical capabilities of one of the world's largest and most diversified financial services providers with deep and dedicated blockchain expertise to deliver a differentiated offering for institutional investors. Learn more at www.fidelitydigitalassets.com.

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