



NEWS RELEASE

71% of Institutional Investors Plan to Buy or Invest in Digital Assets in the Future, According to New Research From Fidelity Digital AssetsSM

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- More than 90% of Institutions Interested in Digital Assets Expect to Have Allocations by 2026
- Over Half of Institutions Surveyed Globally are Currently Invested in Digital Assets as Ownership Levels Continue to Climb in the U.S. and Europe
- Institutional Investors Cite High Potential Upside and Low Correlation to Other Assets as Two of Digital Assets' Most Appealing Features

BOSTON--(BUSINESS WIRE)-- Seven in 10 institutional investors expect to buy or invest in digital assets in the future, and more than 90% of those interested in digital assets expect to have an allocation in their institution's or clients' portfolios within the next five years, according to new research from **Fidelity Digital Assets'** 2021 Institutional Investor Digital Assets Study. This forecast indicates a continued acceleration in adoption over the next several years as slightly more than half (52%) of institutions surveyed across Asia, Europe and the U.S. currently invest in digital assets. While adoption rates are higher in Asia (71%) than in Europe and the U.S., participation increased in both markets as 56% of European institutions and 33% of U.S. institutions now hold investments in the asset class, up from 45% and 27%, respectively, the prior year.

"The increased interest and adoption we're seeing is a reflection of the growing sophistication and institutionalization of the digital assets ecosystem," said Tom Jessop, president of Fidelity Digital Assets. "The pandemic – and fiscal and monetary measures in response to it – has been a catalyst for many institutional investors to define their investment thesis and operationalize it."

According to the study, almost nine in 10 investors find characteristics of digital assets appealing, with increases in both U.S. and Europe. Digital assets' high potential upside and low correlation to other assets have grown in appeal to institutional investors in recent years, with the potential upside gaining 16 points among U.S. investors since 2019 and 13 points among European investors since 2020.

Current Perceptions Point to Greater Adoption

Price volatility remains the main barrier to adoption, followed by lack of fundamentals to gauge value and concerns around market manipulation; however, investors cited less concern about complexity for institutions and market infrastructure than previously.

“The expectation that the vast majority of institutions will have some exposure to digital assets by 2026 shows that investors have a deeper understanding of the asset class and have progressed in the three-phase journey from education to adoption,” said Jessop.

Today, nearly eight in 10 institutional investors believe digital assets should be part of a portfolio. This belief is strongest in Asia, where adoption rates are highest; however, European and U.S. institutions are increasingly in agreement:

- More than three-quarters (77%) of European investors share this belief, up from two-thirds the prior year
- 69% of U.S. investors share this belief, compared to 64% the prior year.

Fidelity Digital Assets will explore the investment outlook and institutions’ investment preferences in a new report this fall, featuring deeper insights from the 2021 Institutional Investor Digital Assets Study.

Institutions Want More Services as Market Matures

As adoption increases, institutional investors are expecting more services from digital asset custodians. Investors want a custodian that offers electronic trading (63%) and market data and analytics (56%), with a greater emphasis on these services among U.S. institutions. Still, security and safety remain the most important features of a custodial relationship, having grown in importance in both Europe and the U.S.

Visit <http://fidelitydigitalassets.com> to learn more about the institutional market for digital assets and Fidelity Digital Assets’ custody and trade execution platform.

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, 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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i Portfolio allocations to digital assets may include direct investments in cryptocurrencies or exposure through investment products and common stock of crypto companies.

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