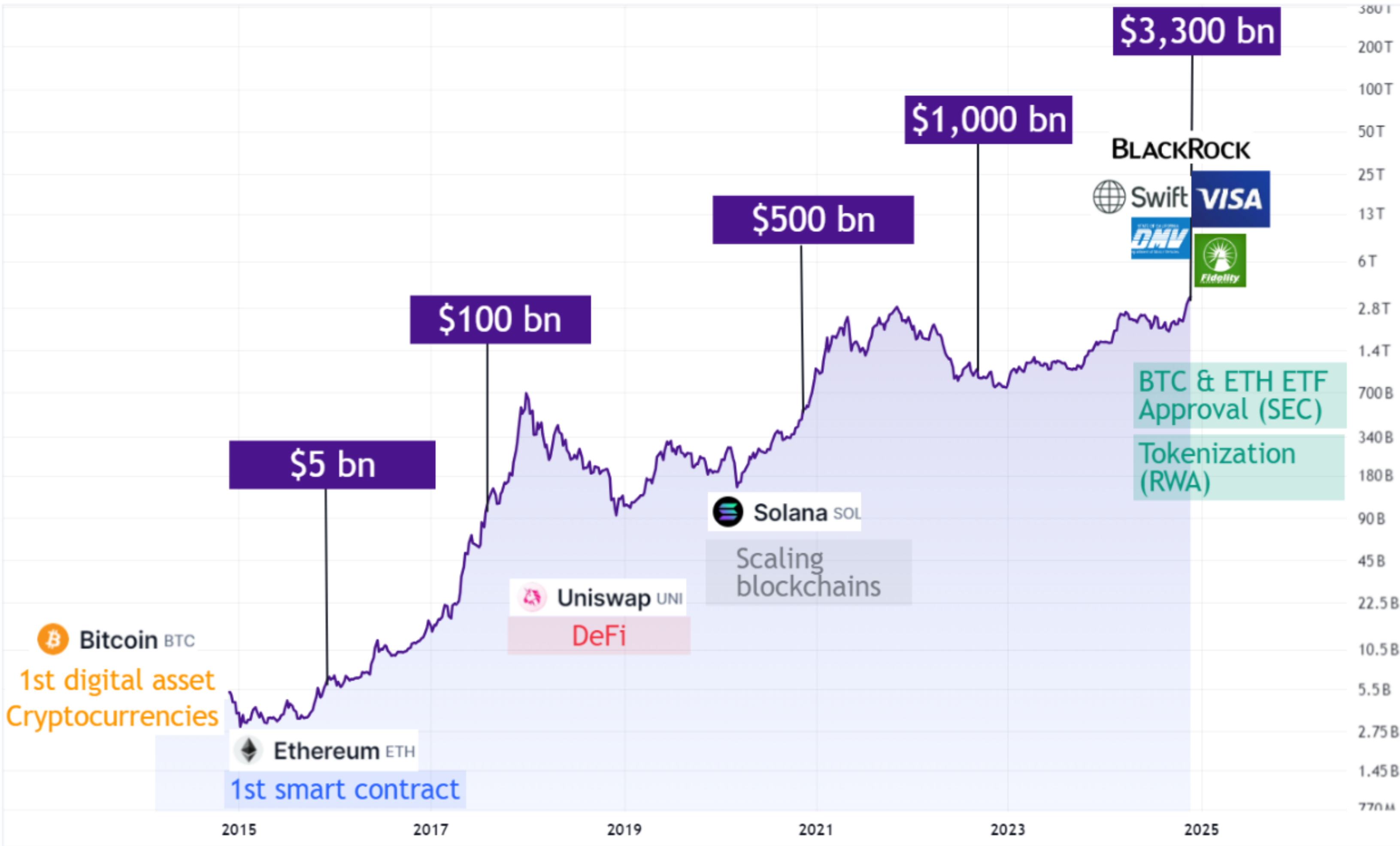


# Digital Assets: an institutional-grade asset class

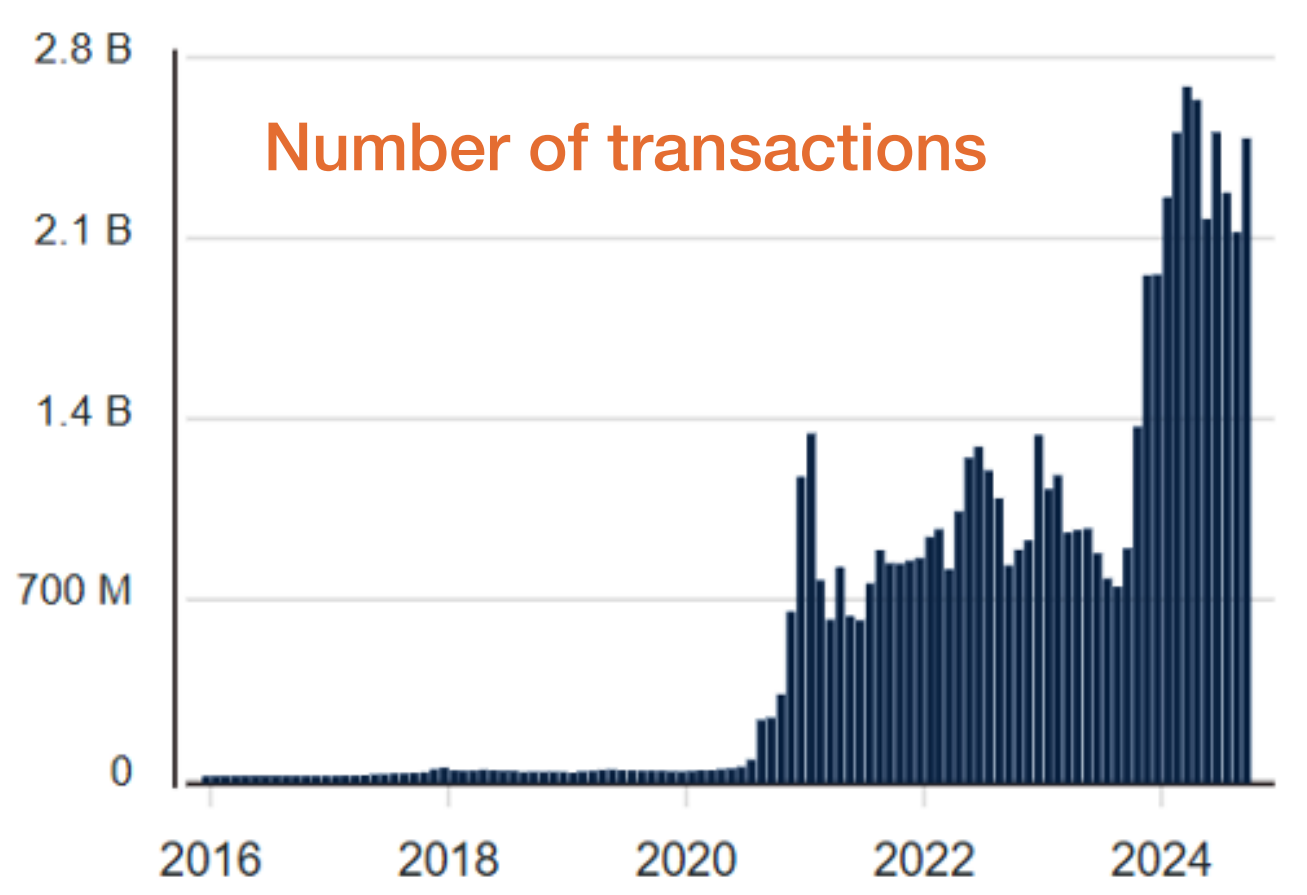
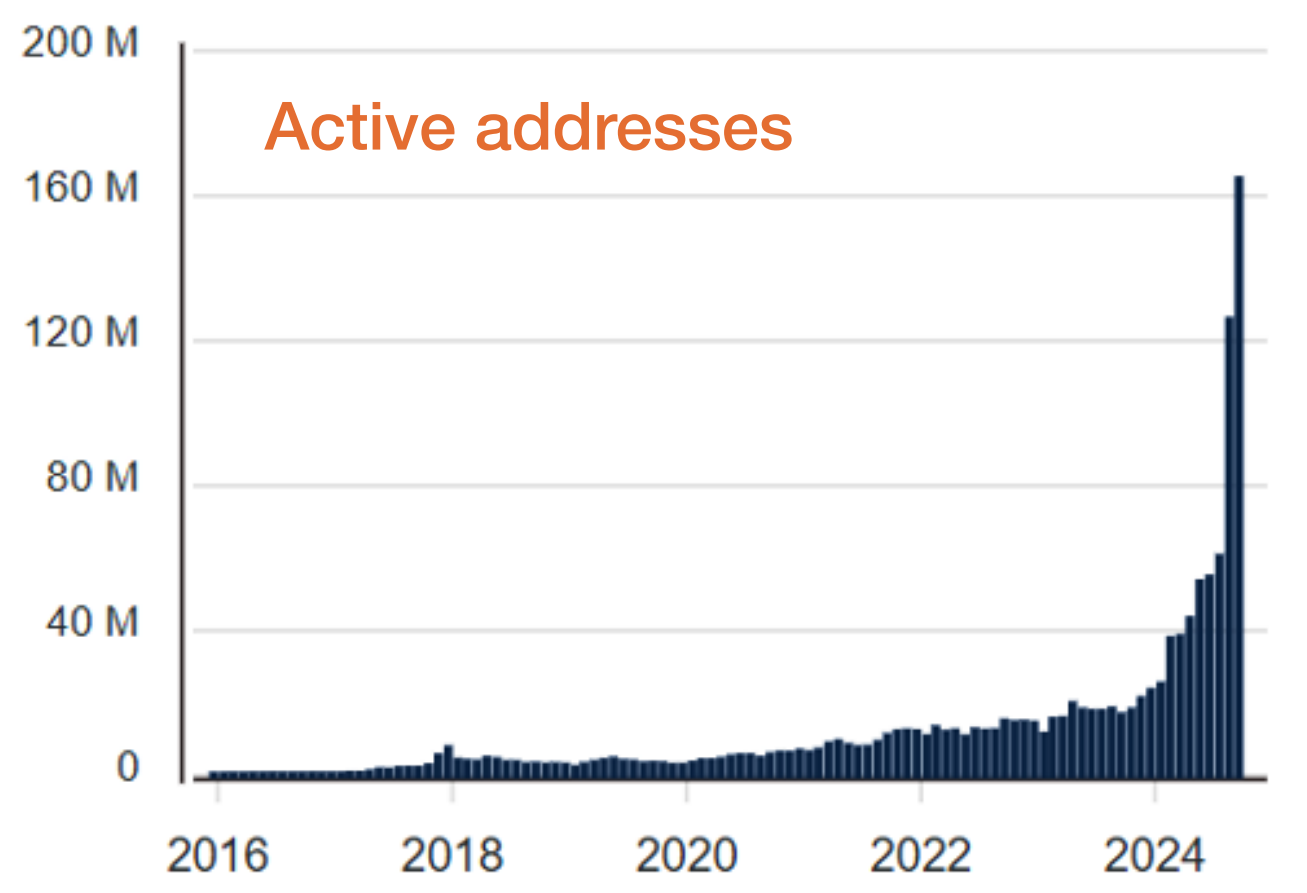


# Digital assets are experiencing a secular growth with a broadening scope.



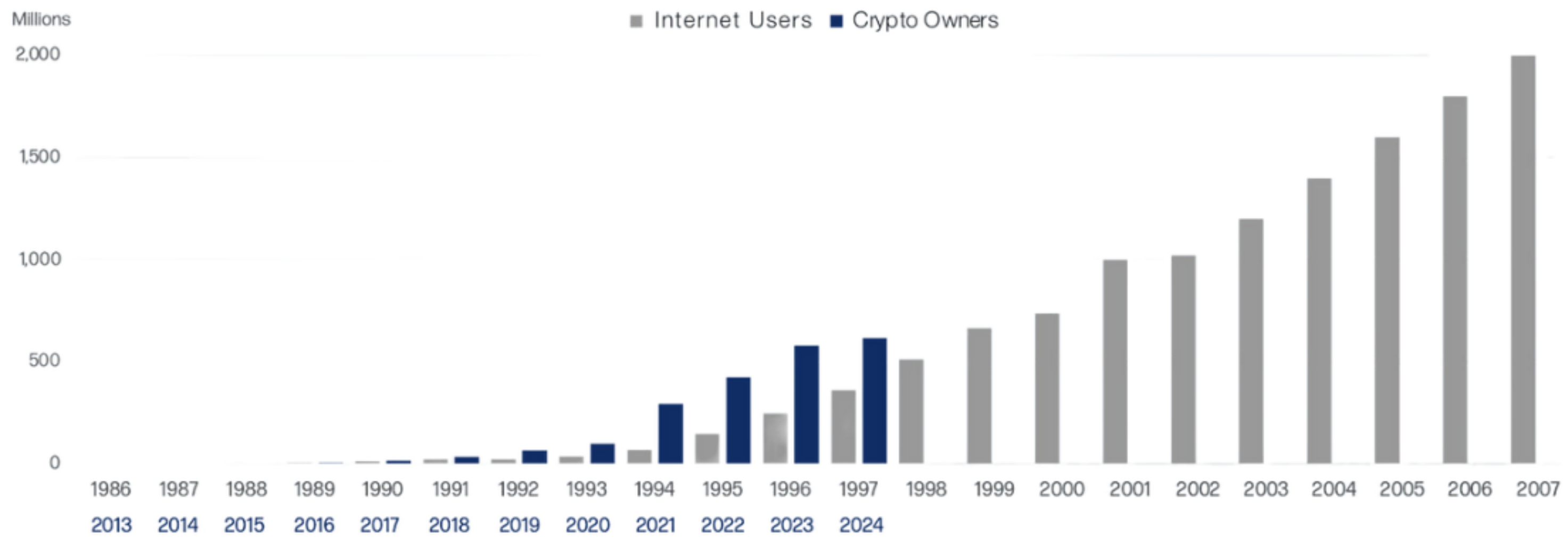
Note: total market cap digital assets, as of November 2024

# The asset class has seen a significant increase in its activity metrics in the last two years, indicating strong user traction and healthy fundamentals.



Note: data as of end of September 2024  
Source: Theblock, BAM

## Global Tech Adoption: Internet Users vs. Crypto



Source: Galaxy Research  
Data: Our World in Data, Cambridge Judge Business School, Statista, crypto.com

Connecting blockchains to the real world assets (tokenization) will generate trillions of onchain transactions in the future.

# Digital Assets have become an institutional-grade asset class.

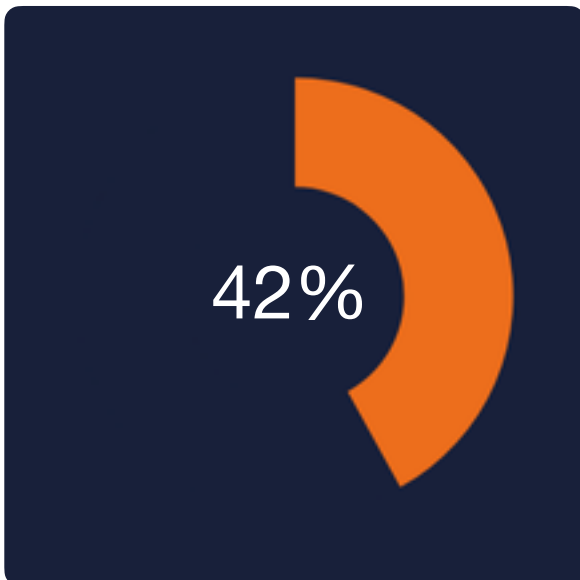
## Institutional Survey



94% of respondents believe in the long-term value of blockchain technology and/or crypto/digital assets.



55% of respondents expect to increase their allocations to digital assets and/or related products in the next two to three years.



42% of respondents increased digital assets and/or related product holdings in 2023.

## The case for investing

Ready for mass adoption

Digital assets can store value and reduce transaction costs, providing massive economies of scale. Its \$3tn market cap is still low compared to global equities' \$115tn.

Ready for mass adoption beyond Bitcoin

Bitcoin's store of value utility will continue to attract capital, with protocols connecting blockchains to the wider economy taking the lead, with their fee generation and valuation rapidly increasing.

Regulatory clarity

Previous US regulatory headwinds (SEC) have turned to tailwinds (pro crypto White House administration) in 2024. We are moving towards global regulatory clarity.

Source: EY-Parthenon team 2nd annual survey on institutional investors (2024).

# Following BTC's initial lead, a broader asset class has now emerged, with specialized sectors addressing a wide set of growth opportunities.

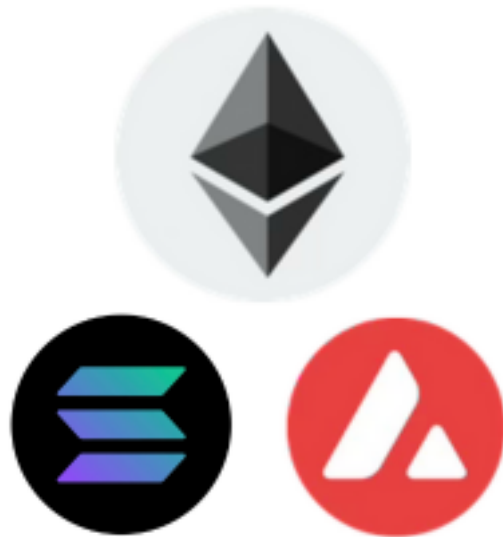
## Bitcoin

Store of value  
Utility



## Infrastructure

Smarts contracts  
Layers 1, Layers 2



## DeFi / CeFi

Trading, Lending,  
Borrowing



## RWA

Tokenization assets,  
Stablecoins



## Payments

Integration,  
TradFI, Stablecoins



## AI

Decentralized agents,  
Datastorage



## DePin / Web 3.0

Depin, Hosting



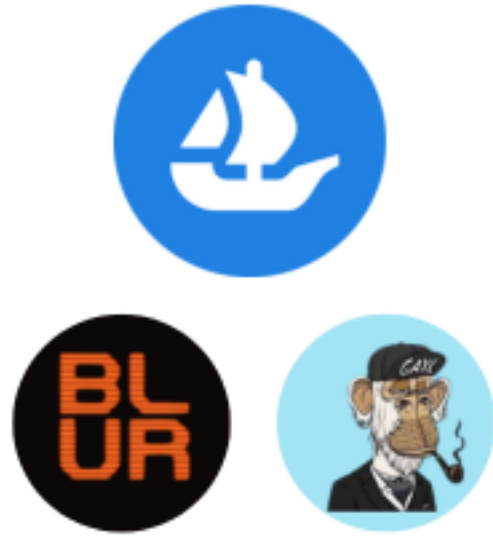
## Gaming

Ownership, rewards



## NFTs

Decentralized hosting  
& services



## Meme / betting

Speculative tokens &  
activities



# Blockchain technologies are being onboarded everywhere.

Finance



Tokenization of USD  
Crossborder transfers



Solana

International wire transfers are expensive. Visa have partnered with Solana to use stablecoin USDC to pay merchants in crypto for quicker and cheaper transactions.

Vehicles



Title transfer Process  
and Verification



Avalanche

The California DMV are streamlining vehicle title registration and transfers by using Avalanche blockchain. These digital titles will be available within minutes online/onchain.

Telecom



Renting Wifi & Data



Helium

Telecommunication networks like Telefonica have partnered with Helium for Mobile Hotspots to significantly reduce infrastructure costs.

Agriculture



Tokenization of Grains  
Payments & Financing



Algorand

Using Agrotoken from Algorand, Agriculture producers can create their own currency to tokenize grain & crops (SOYA, CORA, WHEA). There has been 230,000 tons tokenised and transacted valued at \$70m.

Logistics











Global Trade Verification





















Avalanche

American Society for Testing and Materials (ASTM) use Avalanche to provide Certificates of Authenticity (COA) verification, addressing the \$25trillion global cargo trade.

# Finance is clearly the most advanced sector but...

Sector	Use Case	Users	Description
 <p>Finance Fund industry</p>	<p>Tokenization of Funds Crossborder</p>	 <p>WisdomTree BlackRock</p>	<p>WisdomTree has 15 tokenized funds and a Gold token available to transact through WisdomTree Prime. BlackRock has launched its first tokenized fund on a public blockchain (BUILD), collecting \$550m.</p>
 <p>Finance Fund industry</p>	<p>Fund Transactions Subscriptions / Redemptions</p>	 <p>UBS Swift</p>	<p>Swift, UBS Asset Management, and Chainlink successfully settled tokenized fund subscriptions and redemptions using the Swift network for the \$63 trillion mutual fund industry.</p>
 <p>Finance Lending</p>	<p>Lending automation DeFi, Crypto assets</p>	 <p>global</p>	<p>Immediate loans available for borrowers with automated &amp; decentralized collateral management. Lenders earn a yield. \$27bn deposits, \$171bn volume (30 days).</p>
 <p>Finance Trading</p>	<p>Trading automation DeFi, Crypto transactions</p>	 <p>global</p>	<p>Uniswap solves liquidity issues through decentralized automated solutions, allowing users to swap tokens with minimum slippage and improving efficiency. All-time volume \$2.2tn, all-time fees \$3.4bn.</p>

# ...all companies/sectors are in scope and will therefore follow in the future.

Sector	Use Case	Users	Description
 AI Depin	Safeguard data on a decentralized permaweb		 Web apps/sites can be deployed on the permaweb (3.0) through a distributed network of computers without being dependent on a centralized hosting.
 Government Police	Securely distribute forensic information		 Dubai Police Taps Cardano Foundation to Fight Crime Using Blockchain Technology.
 Education	Official records in a format that can exist even if the institution is dissolved.		 MIT Issues First Digital Diplomas Using Blockchain Technology.
 Human Ressources	Internal certificate verification process		 Coca Cola HBC to use Solana-based ALL ART verification system for staff qualifications.
 Logistics Purchases	ESG supply chain traceability		 Coca Cola partners with Diginex to monitor its supply chains in greater detail.
 Auto	Mobility as a Service (autonomous mobility)		 Toyota Plans to Use Ethereum Blockchain to Enhance Vehicle Value by Securing Car Accounts.

# Glossary

**DApps:** Decentralized Applications (DApps) are applications that run on blockchain networks, ranging from financial transactions to gaming, supply chain management, voting systems, and digital art creation to name a few.

**Dao:** Open source and decentralized systems that do not require centralized operators or controllers.

**DeFi:** Decentralized Finance (DeFi) refers to the movement of building decentralized financial applications that have no central authority and is censorship free.

**DePin:** DePIN refers to the application of blockchain technology to physical infrastructure and systems. It seeks to leverage blockchain technologies to create decentralized networks for tangible infrastructure such as energy grids, supply chains, telecommunications, transportation systems and more.

**Layer 1:** Layer 1 is the fundamental base network of a blockchain platform. It executes all on-chain transactions and therefore acts as a public ledger's source of truth. Processing a transaction passes through a consensus mechanism to verify and finalize the trade or sale.

**Layer 2:** Layer 2 blockchains are networks that aims to scale their parent network (Layer 1) by handling part of the blockchain's capabilities with a secondary chain. Layer 2 have one main purpose: to allow the network to process more transactions per second.

**Real World Assets (RWA):** Real World Assets (RWA) in crypto refers to the tokenization of tangible assets that exist in the physical world, that are brought on chain. They also include the growing issuance of capital market products on-chain, where digital securities are tokenized and offered to retail customers.

**Stablecoins:** Cryptocurrency with a price peg to fiat currencies or commodity. Examples include gold-backed cryptocurrency or fiat-pegged cryptocurrency.

**Smart contract:** Self executing contracts on the blockchain without needing human executors or notary. Smart contract remove the risk of contract defaults because it will execute autonomously and transparently.

**Staking:** The state of locking-in significant amount of token to participate as a validator of a Proof-of-Stake network.

**Total Value Locked (TVL):** it represents the number of assets that are currently staked in a protocol or the total quantity of underlying amount of funds that a DeFi protocol has secured.


**Web 3.0:** Web3 is a term used to describe the next iteration of the internet, one that is built on blockchain technology and is communally controlled by its users.

Source: Coingecko

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