

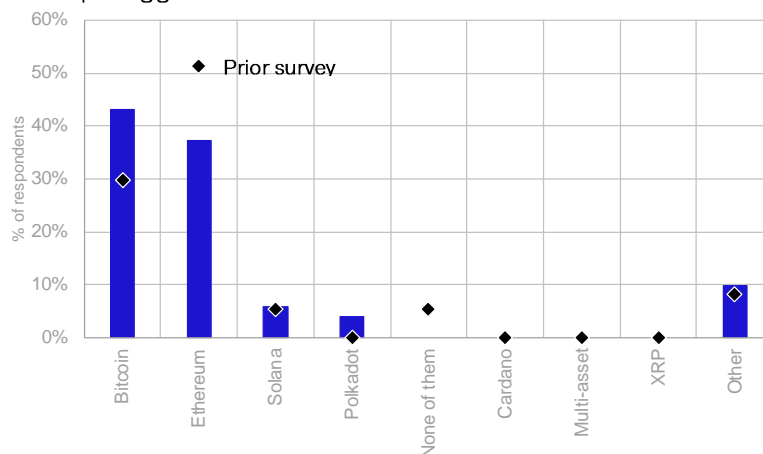
14<sup>th</sup> July 2023 (survey snapshot for end-June 2023)

## Bitcoin swings back into favour amongst investor while regulation remains the key risk

- Investors believe that Bitcoin has the most compelling growth outlook, with 43% of respondents with this view. This has come primarily at the expense of Ethereum.
- Ethereum, despite poorer sentiment this survey, remains the largest position in investor's portfolios.
- 10% of investors are venturing out into "other" altcoins, which has increased from last month, including liquid staking derivatives and Layer 2 solutions.
- The key risks for investors remain regulation and the potential for a government ban, this is hardly surprising given the recent sabre rattling from the US SEC.

### Which digital asset do you believe has the most compelling growth outlook?

CoinShares



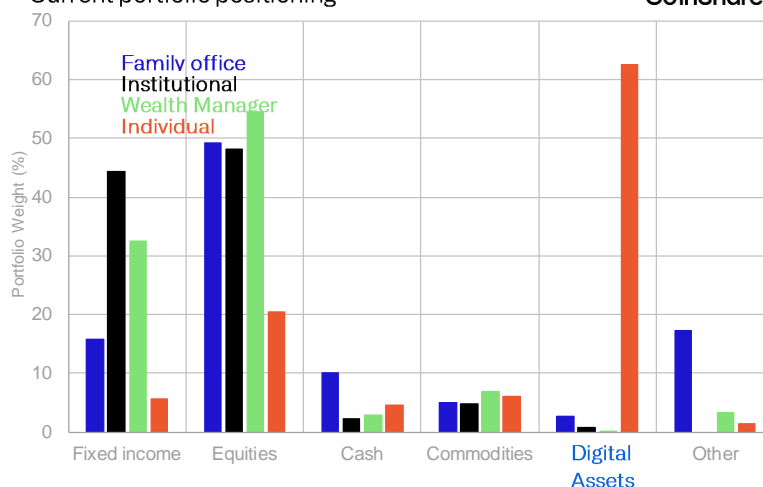
Source: CoinShares, data available as of close 14 July 2023

Investors believe that Bitcoin has the most compelling growth outlook, with 43% of respondents with this view. This has come primarily at the expense of Ethereum which was in the lead at the prior survey taken in April.

10% of investors are venturing out into "other" altcoins, which has increased from last month, including liquid staking derivatives and Layer 2 solutions.

### Current portfolio positioning

CoinShares

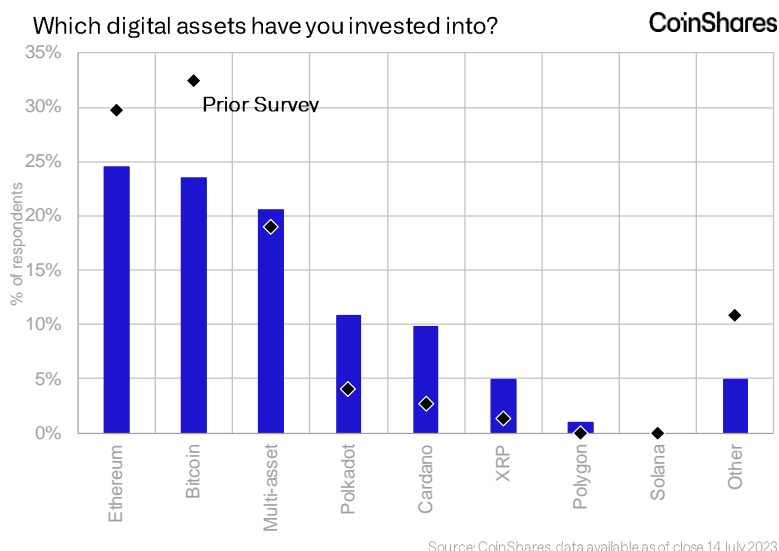


Source: CoinShares, data available as of close 14 July 2023

Digital assets weighting in portfolios declined in the survey period from 1.8% in April to 1% end-June. Our fund flows report highlighted over US\$400m of outflows during the 1<sup>st</sup> half of 2023, this has corrected with US\$470m inflows in the last 3 weeks. The recent Blackrock ETF filing is the likely catalyst for this rapid change in sentiment.

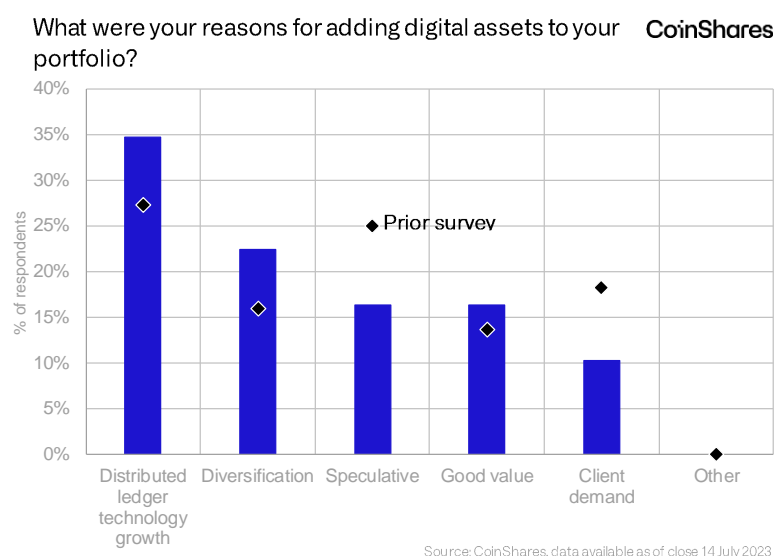
Those with the most flexible mandates, such as individuals and family offices continue to have the largest digital asset positions on average.

If you would like to regularly contribute to the survey, please follow this [link](#) – survey window opens for 3 weeks at the end of every calendar quarter



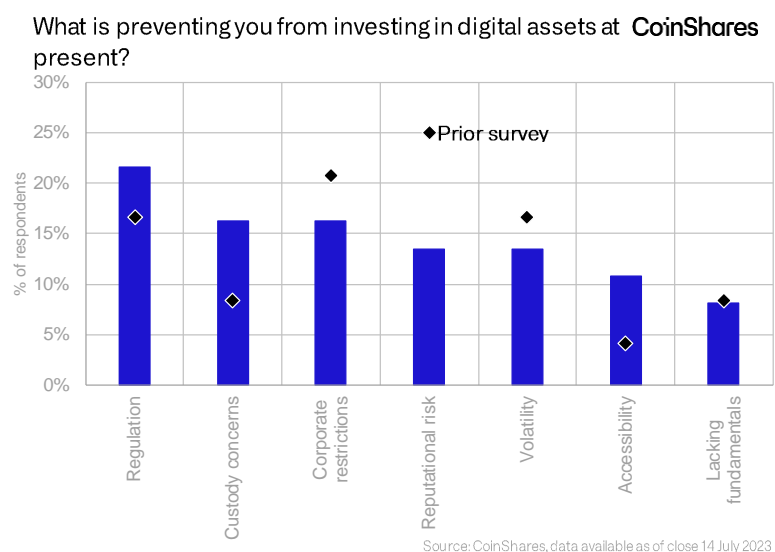
Ethereum, despite poorer sentiment this survey, remains the largest position in investor's portfolios, but weightings have been reduced since the last survey. This is also true for Bitcoin. It looks like investors have reduced positions in Ethereum and Bitcoin in preference of Polkadot, Cardano and XRP.

Despite the increased optimism for "other" altcoins, positioning has declined, this maybe due to their relative price weakness.



Investors are increasingly investing into digital assets due to the prospects for growth in distributed ledger technology. This represents 35% of all reasons to add to a portfolio and is now the key reason for investment.

Diversification is also becoming an increasingly popular reason to add digital assets to a portfolio. While anecdotally, we have had clients, for the first time during the recent US banking crisis, cite digital assets as a safe haven.

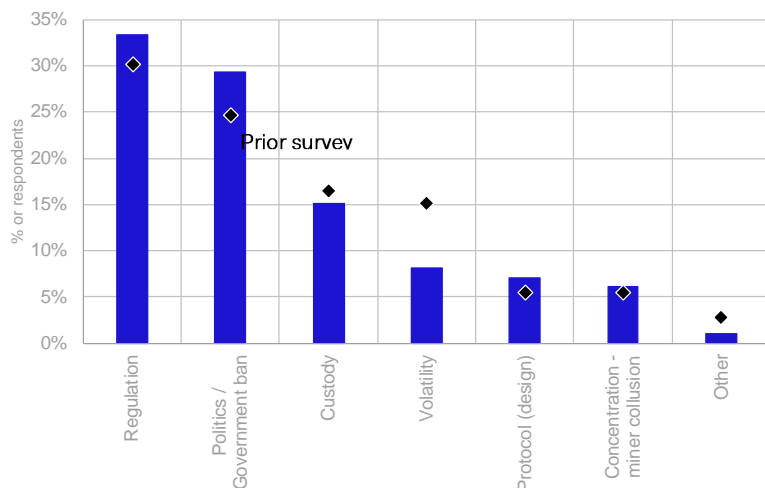


Of those investors who responded to the survey but have not invested into digital assets, regulation remains the key reason why they have not. That said, the survey suggests corporate restrictions are becoming less of a problem for them.

Far few investors see reputational damage as a reason for not investing, this may be due to the recent Blackrock ETF filing.

The two biggest rising concerns are custody and accessibility, suggesting some investors aren't comfortable with the existing methods to invest.

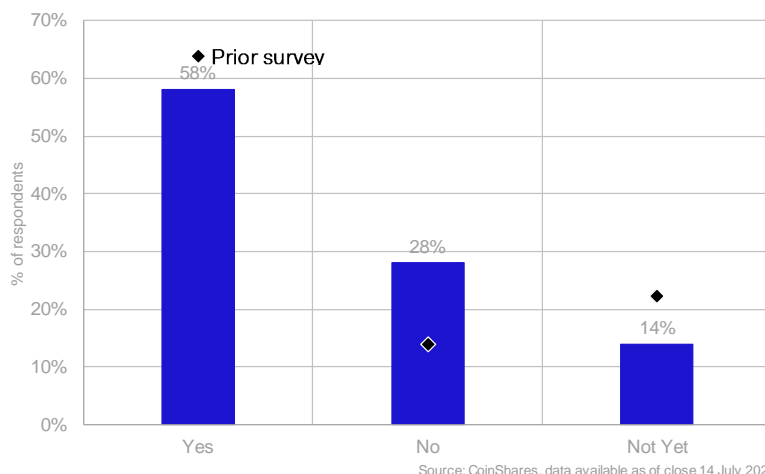
## What are the key risks for digital assets at present? CoinShares



The key risks for investors remain regulation and the potential for a government ban, this is hardly surprising given the recent sabre rattling from the US SEC.

Of those who have invested into digital assets, they seem less concerned with custody solutions and their highly volatile nature.

## Zeitgeist question: Has the FED made/ policy error? making aCoinShares

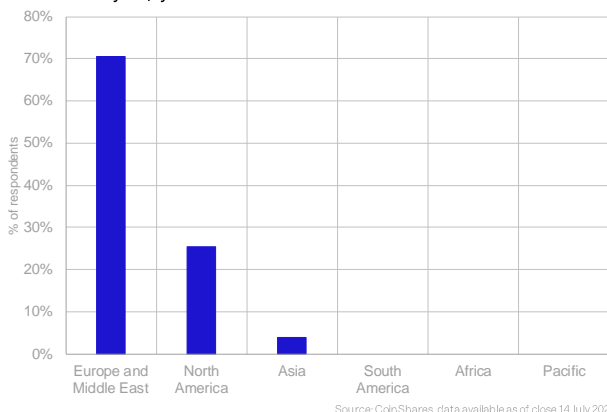


Our zeitgeist question asking if the US Federal Reserve has made a policy error highlights a decrease in those who believe the US Federal Reserve has made a policy error, while being a majority, only 58% believe so.

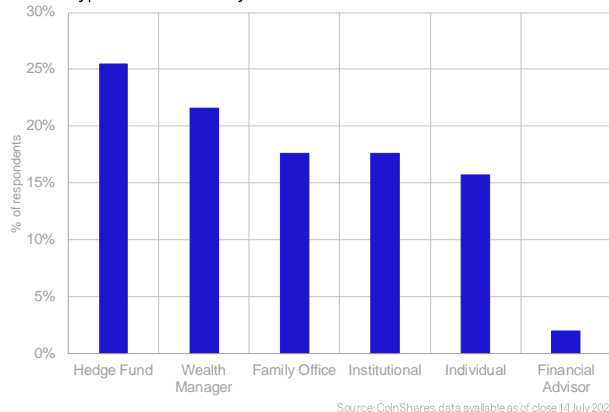
Views look to be becoming increasingly polarised, with a big increase in those who believe the FED has not made a policy error, now sitting at 28% of respondents.

**ABOUT OUR SURVEY:** The July 2023 Survey drew 51 responses from investors who cover US\$900bn of assets under management.

## Where are you / your fund domiciled CoinShares



## What type of investor are you? CoinShares



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