



The Best Way to Invest in Blockchain Businesses

Institutional Digital Finance Adoption Report

March 2024

Manager | Alison Davis and Matthew C. Le Merle

www.BlockchainCoinvestors.com

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BLOCKCHAIN COINVESTORS AT A GLANCE

YEARS IN
BLOCKCHAIN
10

FUNDS
MANAGED
6

FUNDS
BACKED
> 40

ASSETS
MANAGED
> \$200m

PORTFOLIO
COMPANIES
> 1000

BLOCKCHAIN
UNICORNS
>80

OVERSEAS
ALLOCATION
 \approx 45%

TEAM
MEMBERS
29

INVESTOR VALUE PROPOSITION

A single investment accesses global, diversified exposure to leading early stage blockchain venture investments on an institutional platform

ACCESS

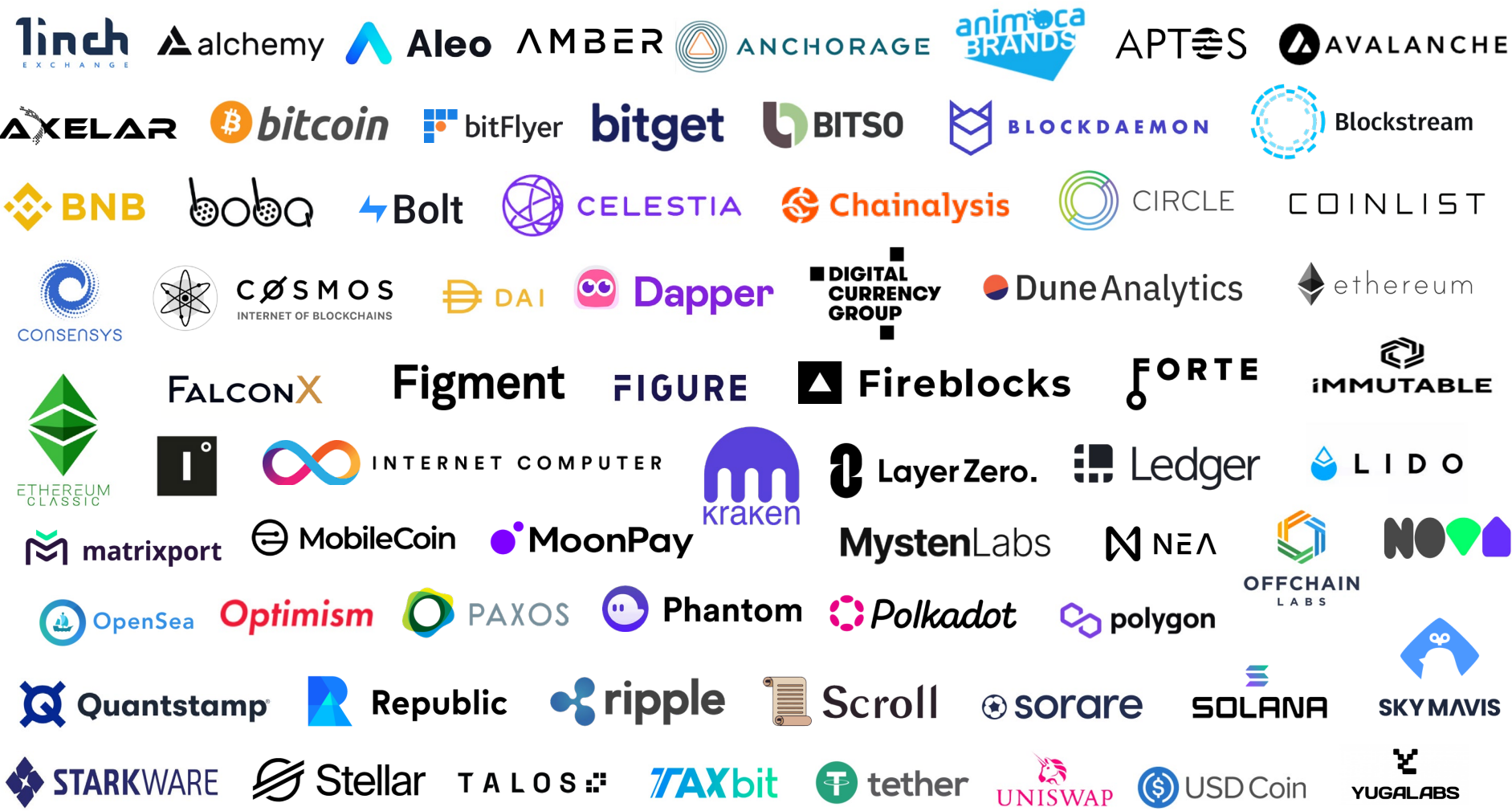
DIVERSIFICATION

PERFORMANCE

PERSISTENCY

INSTITUTIONAL

INVESTED IN 80+ BLOCKCHAIN UNICORNS





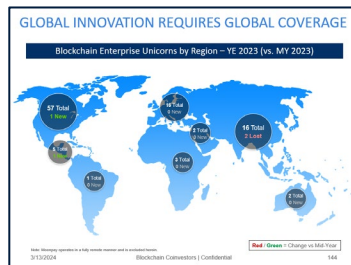
INVESTMENT THESIS

- The Internet digitalized **Communications** and **Content**
- It was the greatest value creation event so far
- However, monies, commodities and assets are not yet digital...
- ... which means we can't get to a global digital economy
- Therefore, we must digitalize **Commerce** too...
- ...and all the worlds financial infrastructure must be upgraded
- Since businesses, individuals & governments transact all the time...
- ...this will be the greatest value creation opportunity ever.

Detailed investment thesis available on request

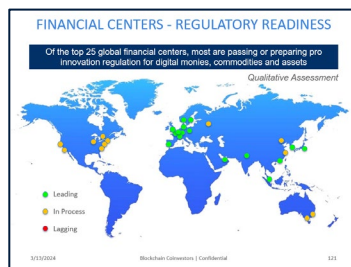
BLOCKCHAIN COINVESTORS BIANNUAL RESEARCH REPORTS

Providing A Global View of the Growing Digital Finance Ecosystem



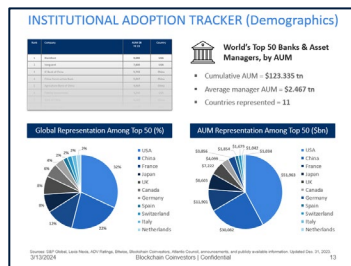
Meet the Blockchain Unicorns Report: January & July

The industry's most comprehensive report tracking the ever-growing list of global blockchain enterprises and crypto projects worth >\$1bn...103 & 57, respectively, at YE 2023



Global Regulatory Readiness Tracker: May & November

The industry's leading report tracking the state of global blockchain and crypto regulatory readiness among the world's top 25 financial centers, from early aspiration all the way to implementation



Institutional Adoption Tracker: March & September

The industry's first in-depth report tracking digital asset adoption, by service offering, among the 50 largest banks and asset managers worldwide by AUM

DIGITAL FINANCE IS INEVITABLE

The world's financial infrastructure is being upgraded as the result of fundamental issues and challenges within the current global financial system

Traditional Finance		Digital Finance
Analog	→	Digital
Insecure	→	Secure
Concentrated	→	Distributed
Unknown/Untrusted	→	Trusted
Expensive	→	Low cost
Slow	→	Fast
Hard to access	→	Easy to access
Opaque	→	Transparent

NEW FINANCIAL INFRASTRUCTURE

Examples

SECTOR

TRADITIONAL

DIGITAL

INNOVATION

MONIES



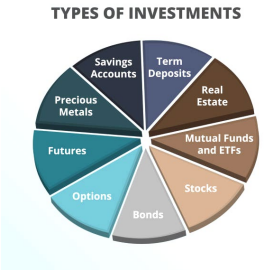
Natively digital monies, payments

COMMODITIES



Natively digital commodities

ASSETS



Natively digital assets (Tokenization)

INTERNATIONAL INSTITUTIONS LEADING CHARGE

Deutsche Bank Partners With Taurus To Offer Global Crypto Custody Services

Deutsche Bank joins forces with Swiss crypto firm Taurus to deliver custody services catering to institutional clients' cryptocurrencies and tokenised assets.



BY SHASHANK BHARDWAJ

2 min read

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Santander Private Bank Introduces Bitcoin, Ethereum Trading for Clients in Switzerland

Santander Private Banking International is offering buy, sell and hold services with bitcoin and ether to clients with accounts in Switzerland.

By Ian Allison Nov 20, 2023 at 1:20 a.m. PST Updated Nov 20, 2023 at 2:08 a.m. PST



Capital markets · News

Societe Generale Forge launches tokenization challenge

June 13, 2023 · by Ledger Insights

CRYPTOCURRENCIES

StanChart muscles into Asian crypto space as established banking player

Bank's Zodia unit to face off against Binance in Singapore and Japan



Capital markets · News

Saudi Aramco, SBI explore digital asset investment collaboration

11 hours ago · by Ledger Insights

INSTITUTIONAL ADOPTION TRACKER (Methodology)

Rank	Company	AUM \$B YE 23	Country
1	BlackRock	9,090	USA
2	Vanguard	7,600	USA
3	IC Bank of China	5,743	China
4	China Construction Bank	5,017	China
5	Agriculture Bank of China	4,919	China
6	Fidelity Investments	4,240	USA
7	Bank of China	4,192	China
8	JPMorgan Chase	3,666	USA

Digital Wallets and/or Custody & Trading	Digital Money (CBDC and/or Stablecoins)	Digital Commodities Inc. Bitcoin ETF	Digital Asset Investments	Digital Asset Issuance or Distribution	Private Blockchain or Crypto Funds
X		X	X	X	X
X	X				
X	X				
X	X				
X	X	X	X	X	X
X	X				
X	X	X	X	X	X



World's Top 50 Banks & Asset Managers, by AUM

- Est. as of December 31, 2023
- AUM measured in billions of USD (\$bn)
- Comprised of institutions of all types
- Composite data, including:
 - S&P Global Market Intelligence (Q4 2023)
 - WTW Thinking Ahead Institute (Q4 2023)
 - Lexis Nexis (Q4 2023)



Digital Asset Adoption Progress, by Service Offerings (Live)

- Digital Wallets, Custody and/or Trading
- Digital Money (CBDC and/or Stablecoins)
- Digital Commodities (Incl. Bitcoin ETF)
- Digital Asset Investments
- Digital Asset Issuance or Distribution
- Private Blockchain or Crypto Funds

Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

INSTITUTIONAL ADOPTION TRACKER (Demographics)

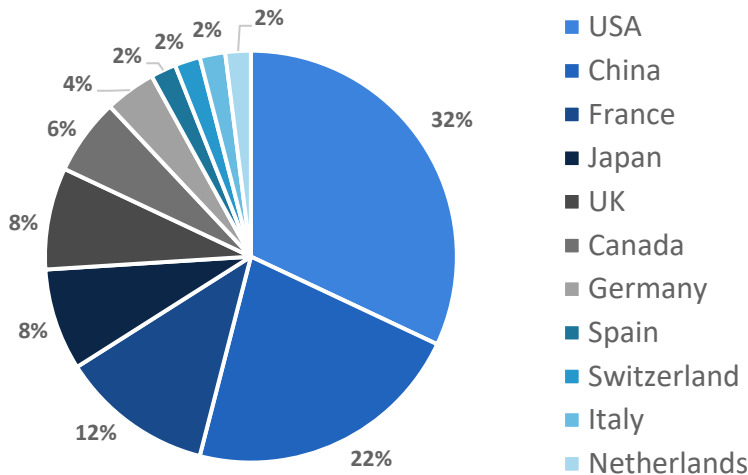
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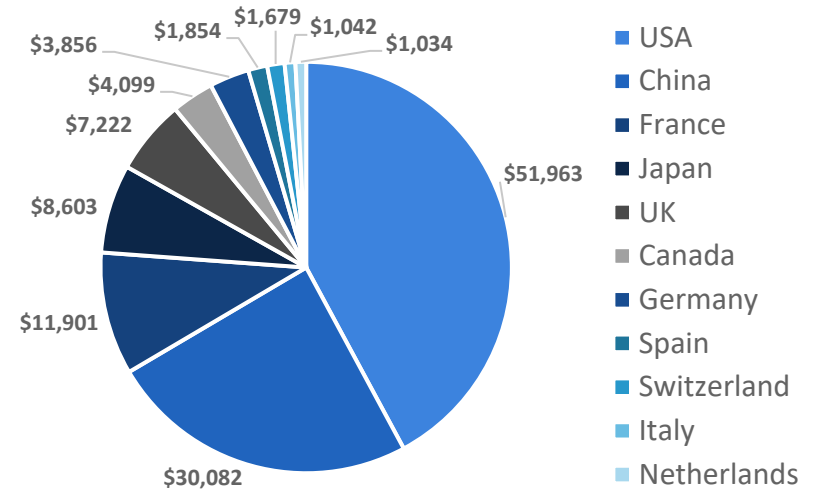
World's Top 50 Banks & Asset Managers, by AUM

- Cumulative AUM = **\$123.335 tn**
- Average manager AUM = **\$2.467 tn**
- Countries represented = **11**

Global Representation Among Top 50 (%)



AUM Representation Among Top 50 (\$bn)



Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

INSTITUTIONAL ADOPTION TRACKER (Top 50) – 3/24

Rank	Company	AUM \$Bn YE 23	Country	Digital Wallets and/or Custody & Trading	Digital Money (CBDC and/or Stablecoins)	Digital Commodities Inc. Bitcoin ETF	Digital Asset Investments	Digital Asset Issuance or Distribution	Private Blockchain or Crypto Funds
1	BlackRock	9,090	USA	X		X	X	X	X
2	Vanguard	7,600	USA						
3	IC Bank of China	5,743	China	X	X				
4	China Construction Bank	5,017	China	X	X				
5	Agriculture Bank of China	4,919	China	X	X				
6	Fidelity Investments	4,240	USA	X	X	X	X	X	X
7	Bank of China	4,192	China	X	X				
8	JPMorgan Chase	3,666	USA	X	X	X	X	X	X
9	State Street	3,600	USA	X	X				
10	Morgan Stanley	3,131	USA			X	X		X
11	Bank of America	3,051	USA	X		X			
12	Mitsubishi UFJ	2,968	Japan	X	X		X		
13	HSBC	2,864	UK	X		X	X		
14	BNP Paribas	2,850	France	X			X		
15	Goldman Sachs	2,672	USA	X		X	X	X	
16	Credit Agricole	2,543	France	X					
17	Citigroup	2,417	USA			X			
18	Allianz	2,364	Germany						
19	Capital Group	2,300	USA			X	X		
20	Amundi	2,103	France						
21	Postal Savings Bank of China	2,040	China	X	X				
22	Sumitomo Mitsui	2,006	Japan	X		X	X	X	
23	BNY Mellon	1,910	USA	X		X			
24	Mizuho Financial Group	1,909	Japan		X				
25	Bank of Communications	1,884	China	X	X				

Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

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26	Wells Fargo Bank	1,881	USA		X		X		X
27	Banco Santander	1,854	Spain	X			X		
28	UBS	1,679	Switz.	X			X	X	
29	Barclays Bank	1,823	UK						
30	Pimco	1,800	USA						
31	Japan Post Bank	1,720	Japan						
32	Edward Jones Investments	1,700	USA						
33	Group BPCE	1,636	France						
34	Societe Générale	1,589	France	X	X		X	X	
35	Royal Bank of Canada	1,544	Canada		X				
36	The Toronto Dominion Bank	1,525	Canada						
37	Deutsche Bank	1,492	Germany	X				X	
38	Invesco	1,484	USA			X			
39	Franklin Templeton	1,421	USA		X	X	X	X	
40	Legal & General	1,477	UK						
41	China Merchant Bank	1,470	China	X	X				
42	Industrial Bank Co	1,343	China	X	X				
43	China Citic Bank	1,239	China	X	X				
44	Shanghai Pudong Development Bank	1,184	China	X	X				
45	Credit Mutuel Group	1,180	France						
46	Lloyds Banking Group	1,058	UK						
47	China Minsheng Banking Corp	1,051	China	X	X				
48	Intesa Sanpaolo	1,042	Italy						
49	ING Group	1,034	Nether.						
50	The Bank of Nova Scotia	1,030	Canada						

Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

3/26/2024

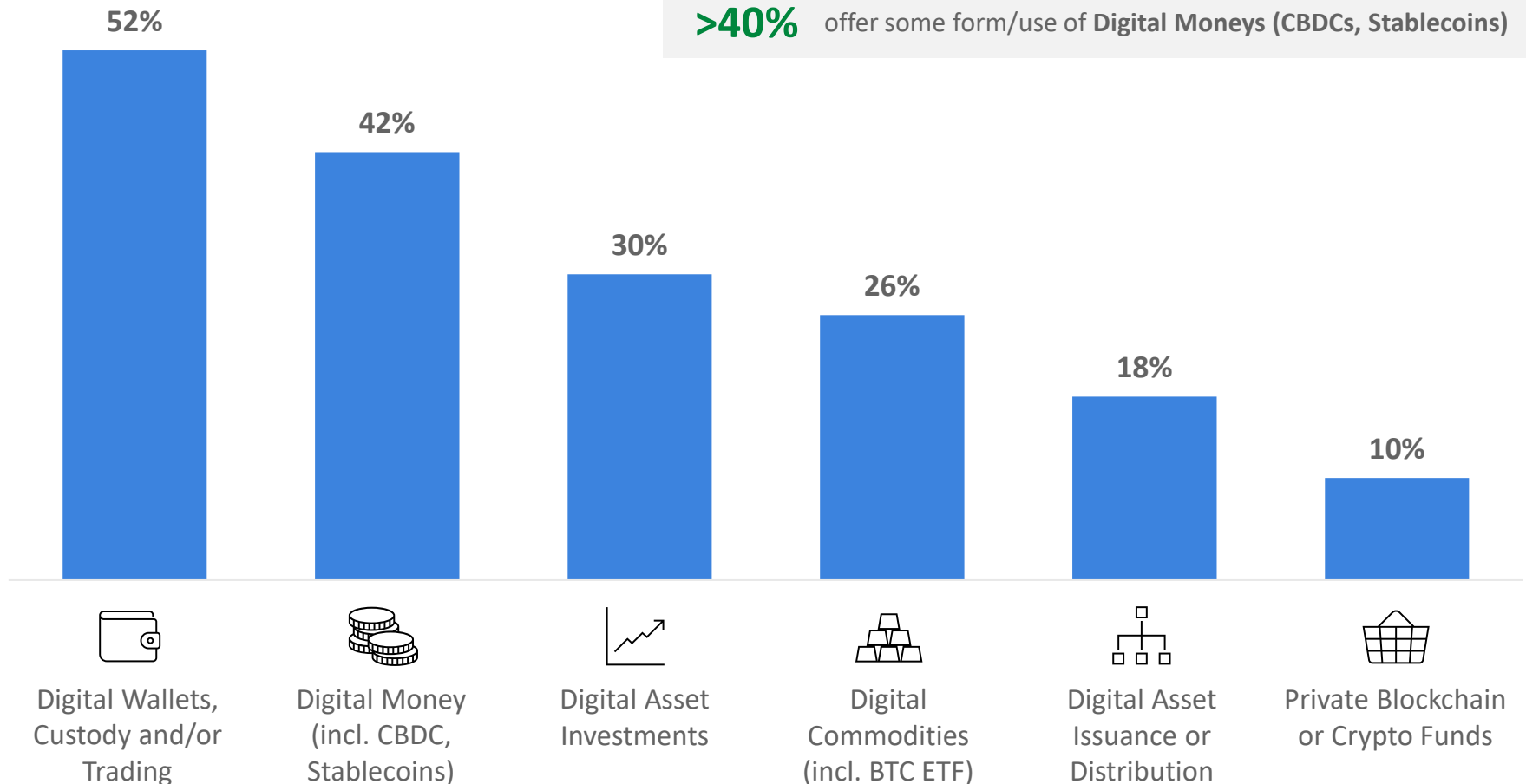
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DIGITAL WALLETS, CUSTODY & STABLECOINS FIRST

Digital Asset Adoption Among Top 50 Asset Managers Worldwide, By Service (%)

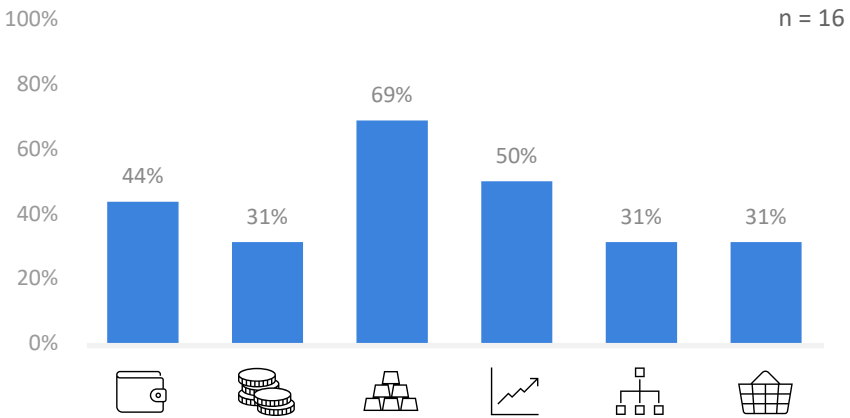
>50% offer some form/use of **Digital Wallets, Custody or Trading**
>40% offer some form/use of **Digital Moneys (CBDCs, Stablecoins)**



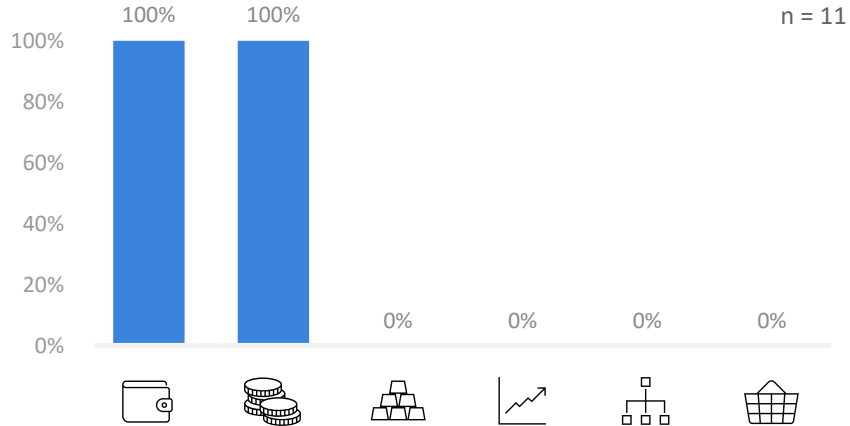
Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

LOCAL ADOPTION VARIES ACROSS OFFERINGS

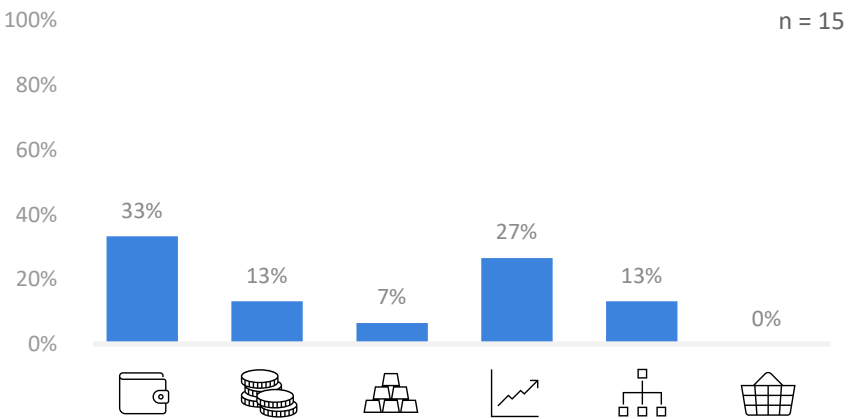
USA (Cumulative AUM = \$51.96 tn)



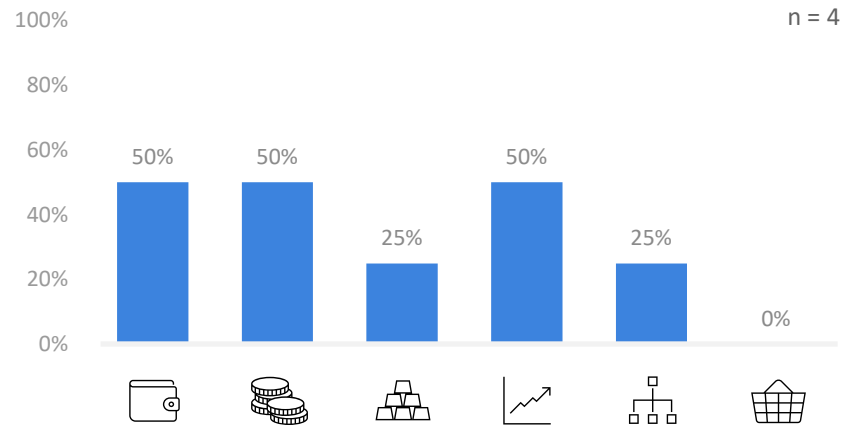
China (Cumulative AUM = \$30.09 tn)



EU + UK (Cumulative AUM = \$26.91 tn)



Japan (Cumulative AUM = \$8.60 tn)



Sources: S&P Global, Lexis Nexis, WTW Co, ADV, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, publicly available information. AUMs as of Dec. 31, 2023.

GLOBAL CRYPTO GROWTH TO 3/2024

Total Cryptocurrency Market Cap (2014-2024)



Source: TradingView.

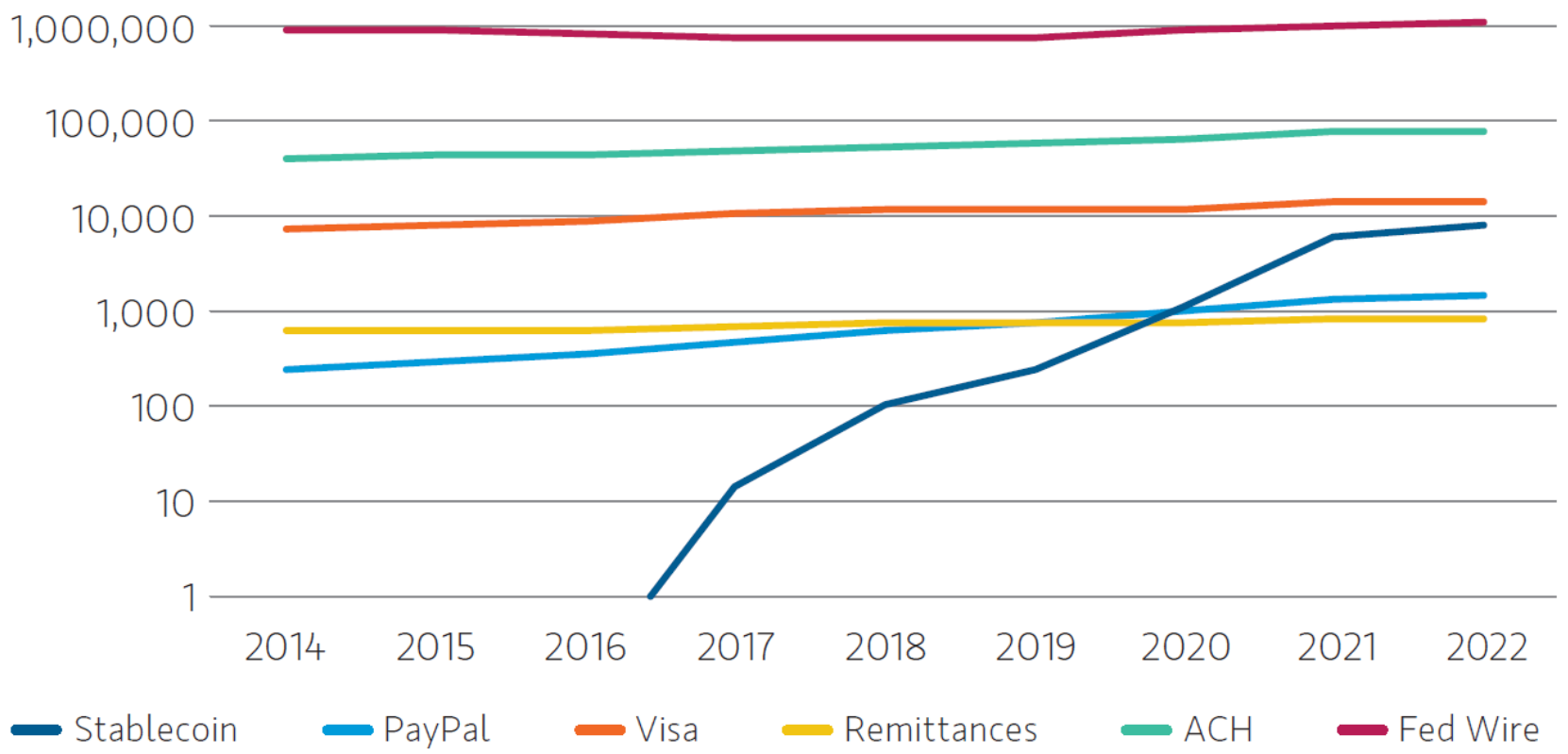
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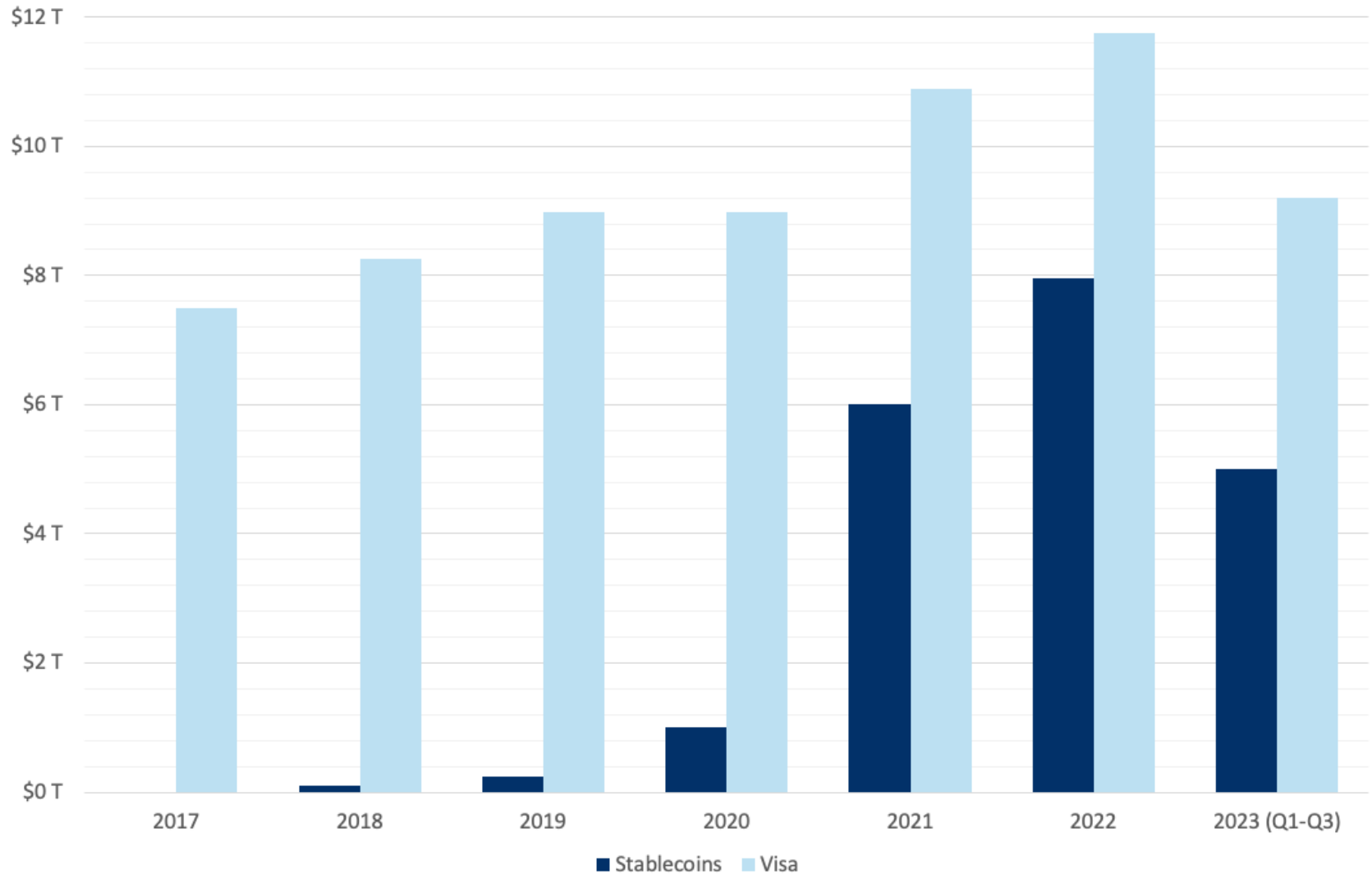
STABLECOINS OVERTAKE LEGACY PAYMENTS

Annual Volume of Stablecoins vs. Legacy Financial Systems, 2014-2022 (\$bn)



Source: J.P. Morgan, based on original data by Nic Carter - Castle Island Ventures, Coinmetrics, World Bank, Federal Reserve, Bloomberg, NACHA.

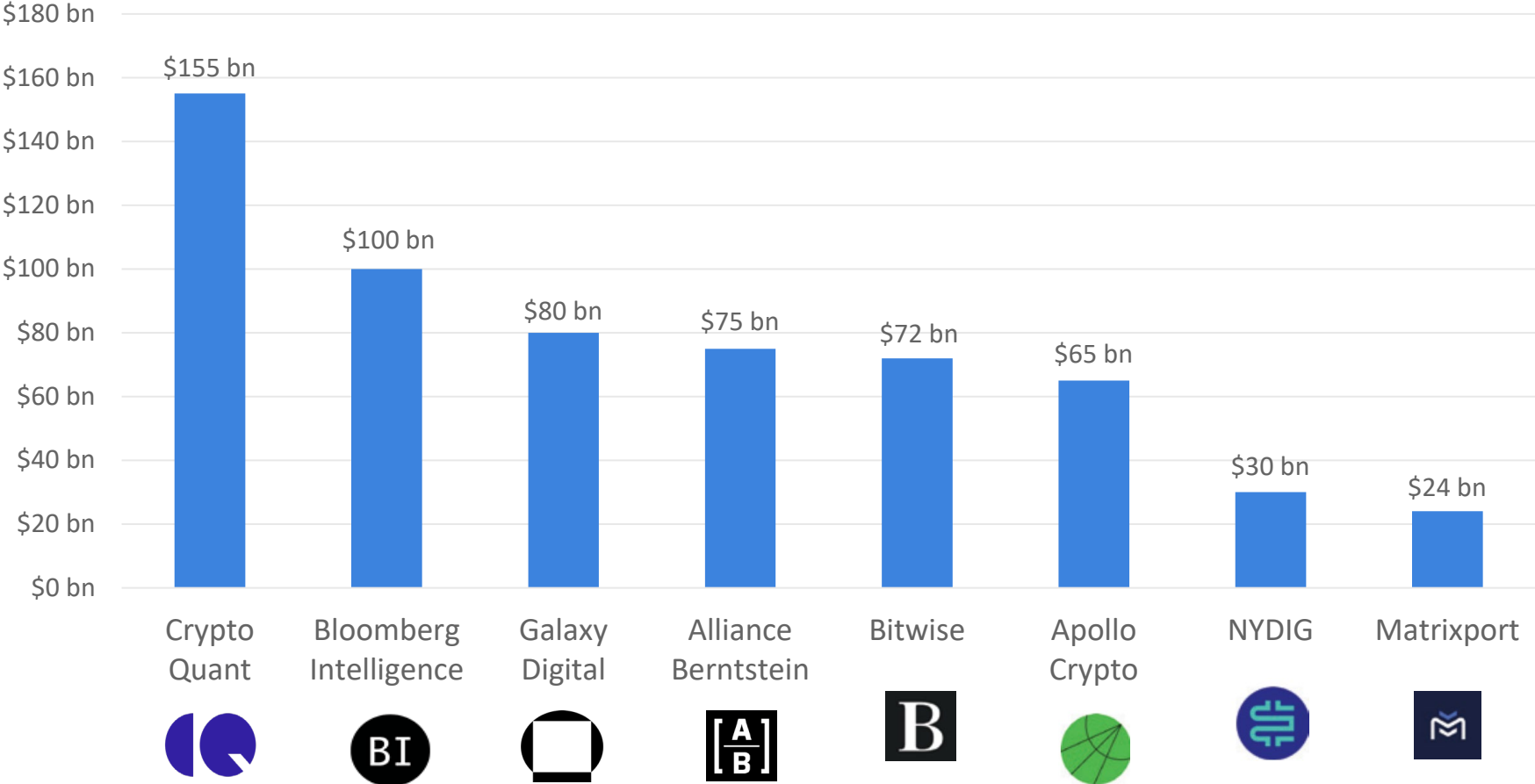
STABLECOIN TRANSACTIONS VS VISA PAYMENTS



Sources: Bitwise Asset Management with data from Coin Metrics and Visa. Data from January 1, 2017 to September 30, 2023 (most recently reported data from Visa).

WALL STREET EMBRACES BITCOIN

Projected AUM of Bitcoin Spot ETFs (\$bn)



Source: Bitwise Asset Management.

US BITCOIN SPOT ETFs

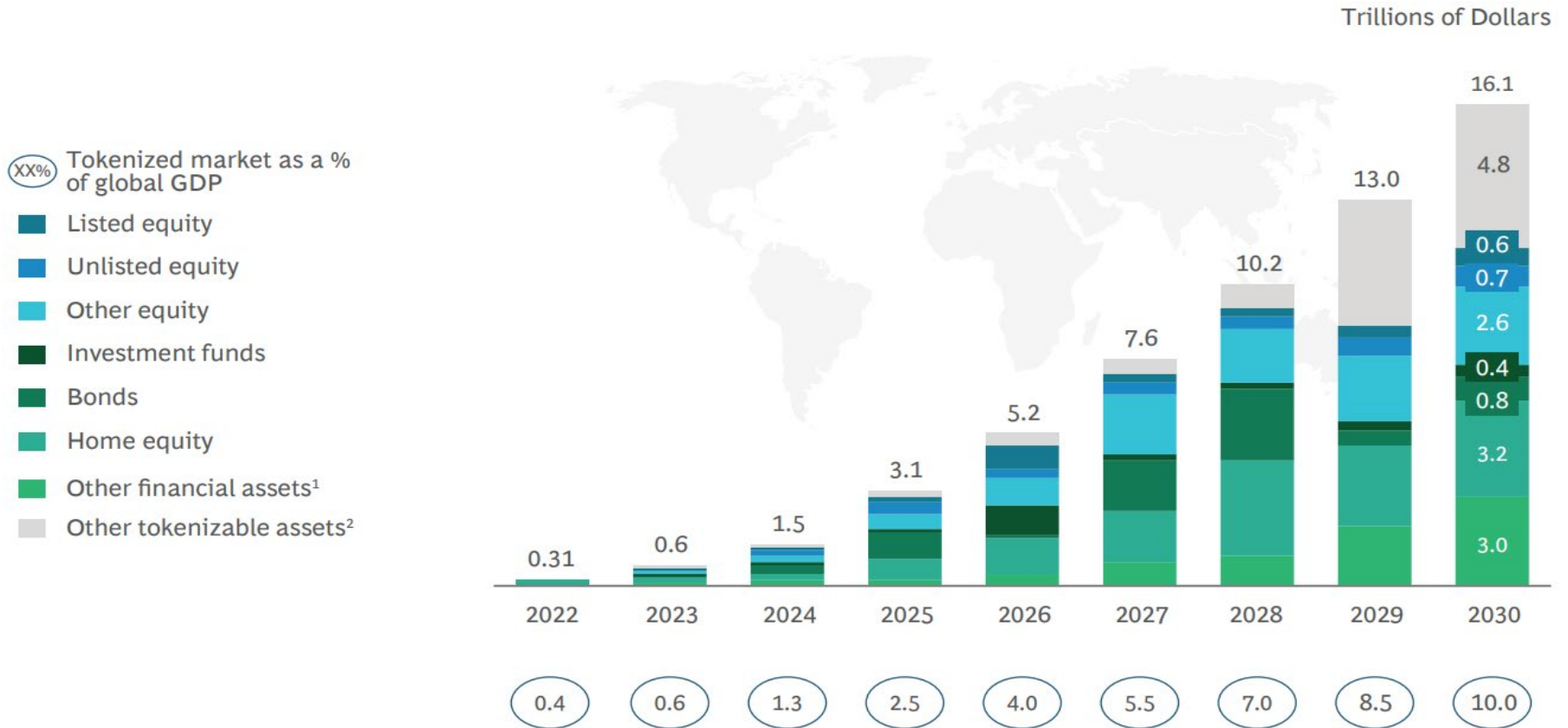


FASTEST ETF ASSET ACCUMULATION OF ALL TIME
AND ACCELERATING AT THIS TIME



ASSET TOKENIZATION OPPORTUNITY

Tokenization of Global Illiquid Asset est. \$16T Market by 2030



Source: Boston Consulting Group, ADDX.

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JUST ASK LARRY FINK



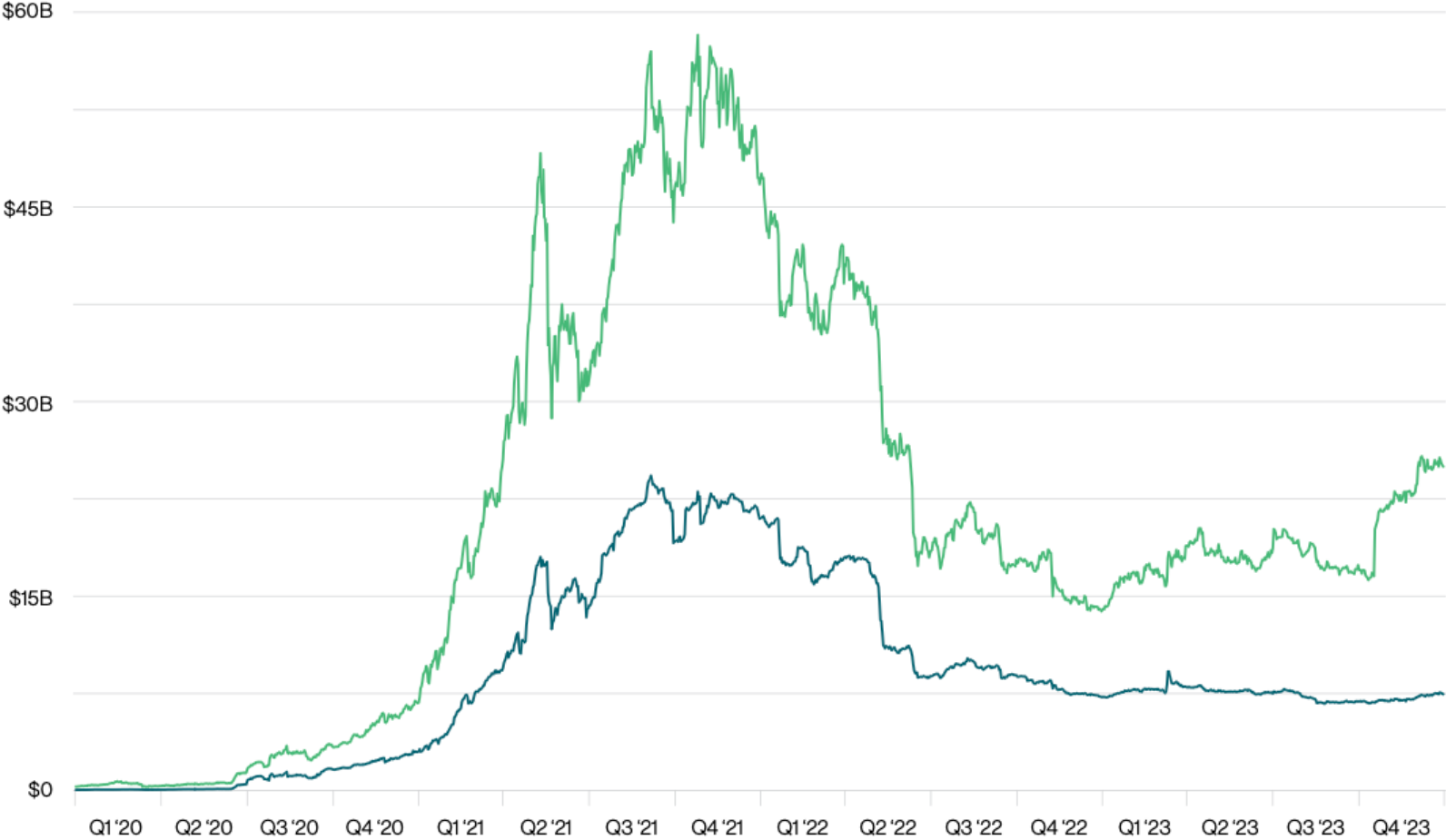
“If we can create **more tokenization of assets** and securities, and that’s what bitcoin is, it could revolutionize finance...

I believe **the underlying technology is fantastic**, the blockchain will help you accelerate the process of transactions...

we don't need custodians anymore, the whole process of finance, intermediaries are broken down... **it's an advancement of technology.**”

TOTAL VALUE LOCKED AND OUTSTANDING LOANS IN DEFI LENDING PROTOCOLS

● Value Locked ● Outstanding Loans



Sources: Bitwise Asset Management with data from The Block. Data from Q1 2020 to Q4 2023.

INSTITUTIONAL INVESTMENT IN BLOCKCHAIN

Allocation to digital assets and interest in tokenization expected to increase

Investors overwhelmingly believe in the long-term value of blockchain and/or digital assets despite recent market events.

Digital asset institutional investors are:

SENTIMENT

Long-term believers in the market.

59%

of institutions noted that recent market events have impacted their short-term digital assets and/or related product investment plans¹, but that they have plans to re-evaluate quickly.

93%

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

ALLOCATION

Increasing their allocations.

25%

of respondents increased digital assets and/or related product investment plans holdings in 2022.

69%

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

CONFIDENCE

More trusting of TradFi institutions.

90%

of respondents would engage with a TradFi firm for custody of their crypto investments.

50%

of respondents would be likely to switch from a crypto native firm to a traditional finance firm if the same capabilities were offered.

TOKENIZATION

Interested in tokenization.

57%

of institutional investors are interested in investing in tokenized assets, with 40% interested in starting this year or next.

47%

of hedge funds and institutional asset managers are interested in tokenizing their own assets, with 45% planning to start this year or next.

¹Digital asset-related products include funds, trusts, derivatives, etc.

THIRD MOST ATTRACTIVE ASSET CLASS



Crypto is seen as a good opportunity for risk-adjusted returns

Private equity, U.S. equities top rankings of best opportunities

Crypto ranks third after private equity and U.S. equities as the best sources of risk-adjusted returns heading into 2024.

In the 2022 survey, U.S. investment grade corporate bonds was first, followed by real estate. Private equity ranked 5th, U.S. equities ranked 4th, and crypto ranked 3rd.

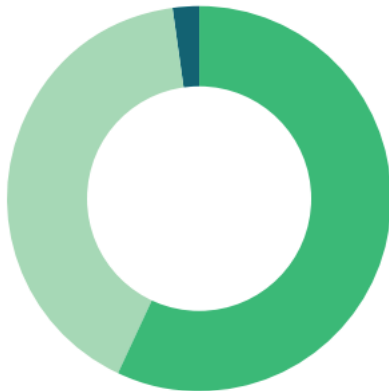
Thinking about the next three years, in which asset classes do you see the biggest opportunities to generate attractive risk-adjusted returns? (Select all)



WEALTH ADVISOR CLIENTS COMING ON PLATFORM

Do your clients invest in crypto on their own?

	2019	2020	2021	2022	2023
Yes: All of them	1%	2%	6%	14%	1%
Yes: Some of them	34%	34%	62%	45%	58%
Don't know	37%	38%	19%	24%	18%
No	27%	26%	14%	17%	23%



If you currently allocate to crypto in client accounts, do you plan to increase, maintain, decrease, or eliminate your allocation in 2024?

% of Advisors

57% Increase

41% Maintain

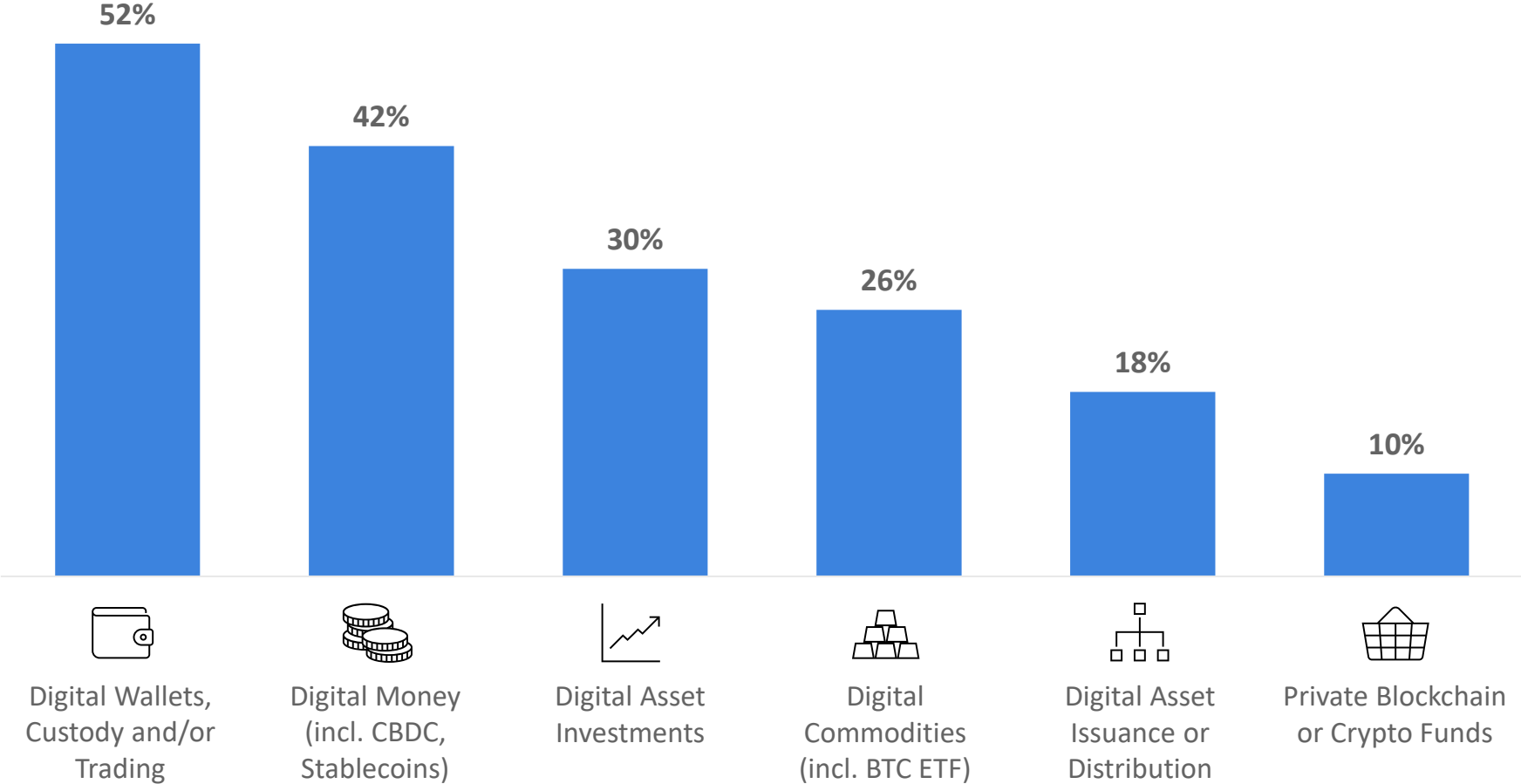
% of Advisors

2% Decrease

0% Eliminate

RECAP: INSTITUTIONAL ADOPTION WELL ADVANCED

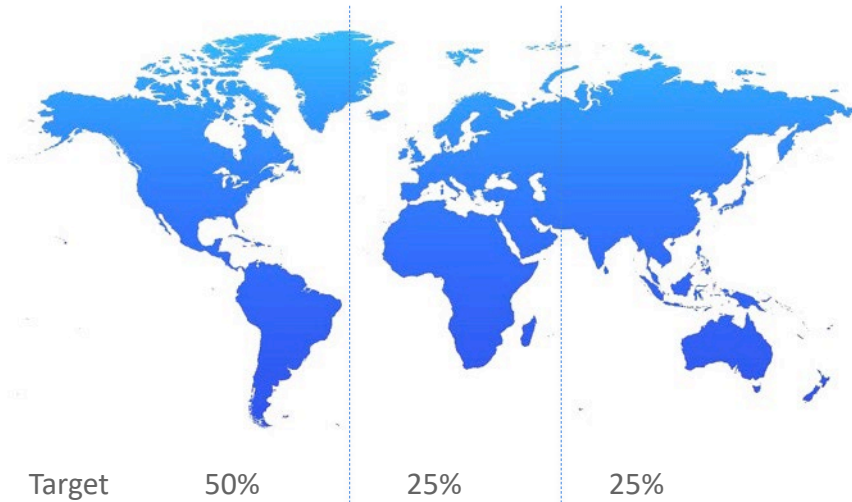
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Sources: S&P Global, Lexis Nexis, ADV Ratings, Bitwise, Blockchain Coinvestors, Atlantic Council, announcements, and publicly available information. AUMs as of Dec. 31, 2023.
3/26/2024

FUND VII - FUND OF FUNDS

GEOGRAPHIC



INVESTMENT THEME

Applications	Content / NFTs Gaming Social		Enterprise Services and Infrastructure	
Transactional	Institutional Payments, Exchanges & Custody Services		Peer-to-Peer Markets (DeFi)	
Foundational	Protocols Platforms Cryptos		Compute Store Search Secure	
			Networks Registries Identity Provenanc e	

STAGE



Deals	30%	50%	20%	0%	0%
\$	10%	50%	40%	0%	0%

DIVERSIFIED BY:

- Geography
- Investment Theme
- Equities & Tokens
- Fund Manager

Disclaimer: Past performance is not indicative of future returns.

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LEARN MORE

In Conclusion

- ❑ Rapid digital asset service adoption confirms investor opportunity
- ❑ Investment thesis & 2024 predictions proving true and better than expected
- ❑ Blockchain Coinvestors Fund VII open for commitments:
 - Offering global, diversified exposure to leading early stage blockchain venture investments on an institutional platform

➤ Accredited Investors wishing to learn more:

1. Schedule a 1 on 1 call at www.blockchaincoinvestors.com/contact-now, or
2. Email us at IR@BlockchainCoinvestors.com



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