

OCTOBER 2022

Institutional Investor Digital Assets Study: Key Findings

Fidelity Digital Assets Research

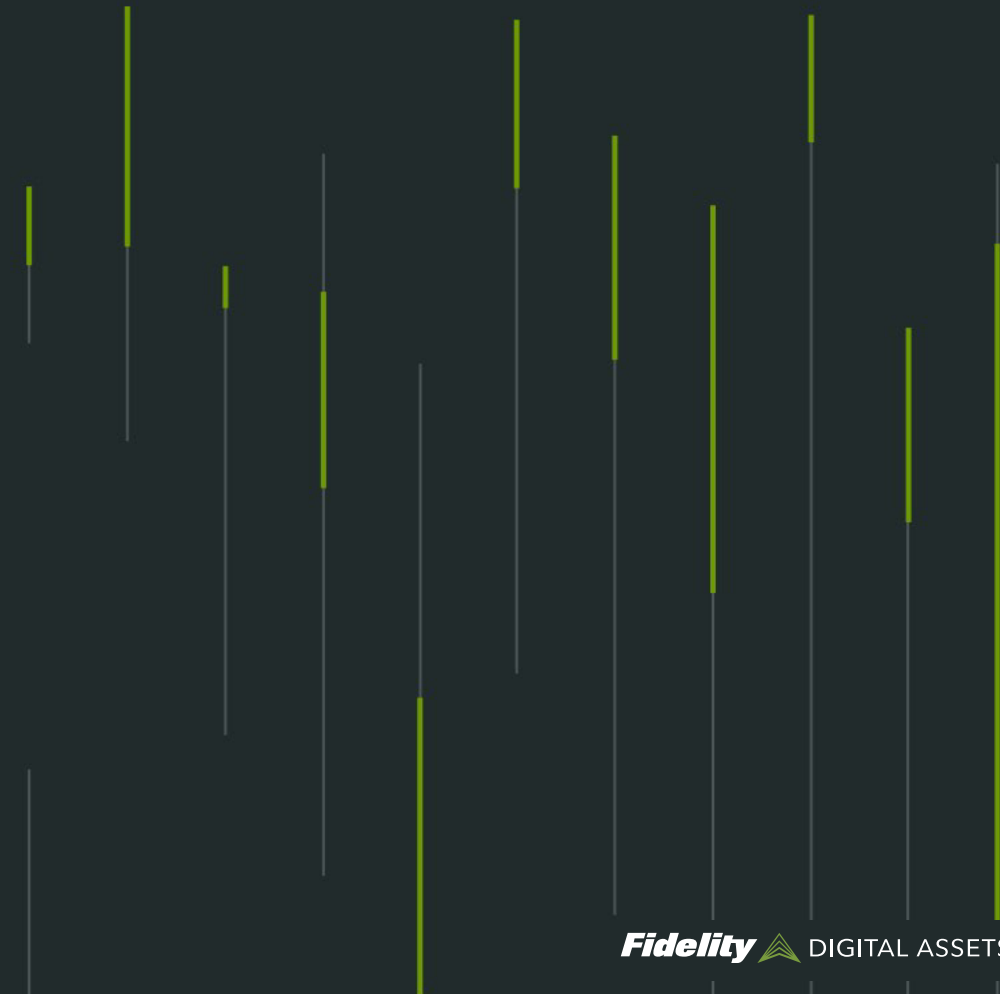
For institutional use only.

Table of Contents

I	Research Objectives & Methodology	04
II	Methodology: Investor Sample Composition	06
III	Research Fielding in a Bear Market	08
IV	Familiarity, Perception, and Adoption of Digital Assets	10
V	Perception of Digital Assets by Region	11
VI	Global Adoption and Consideration of Digital Assets	12
VII	Appeal of Digital Assets	13
VIII	Future Purchase Preferences	14
IX	Obstacles to Investing in Digital Assets	15
X	The Role of Digital Assets in Portfolios	17
XI	Appeal of Digital Assets Products By Region	18
XII	Conclusion	19
XIII	Important Information	20

2022 INSTITUTIONAL INVESTOR
DIGITAL ASSETS STUDY: KEY FINDINGS

Methodology



I Research Objectives & Methodology

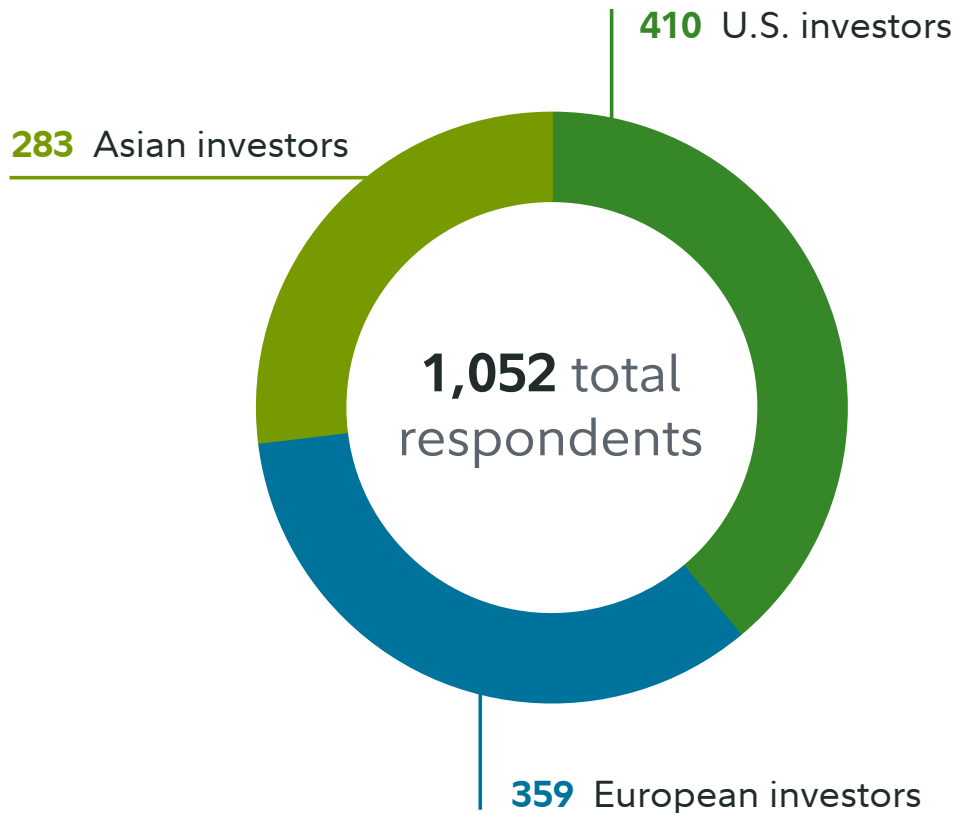
Since 2018, Fidelity Digital AssetsSM has conducted an annual study to better understand institutional investors' perceptions of and approach to digital assets. In this preliminary report on the Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study, we highlight key data showing trends in overall adoption across the U.S., Europe, and Asia, and how institutional investors are thinking about the role of digital assets in investment portfolios.

Digital asset markets are incredibly dynamic and 2022 has been no exception. This study reflects the sentiments and behaviors of respondents in the first half of the year, but we recognize that the market developments of the second half and the macro environment look different. As a result, in the coming months, a follow-up to this key findings report will provide additional analysis on how the events of the latter half of the year may have shifted some perceptions—along with more institutional investor insights into broader use of blockchain technology, like tokenization and DeFi.

“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 many 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. 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.”

TOM JESSOP, PRESIDENT OF FIDELITY DIGITAL ASSETSSM

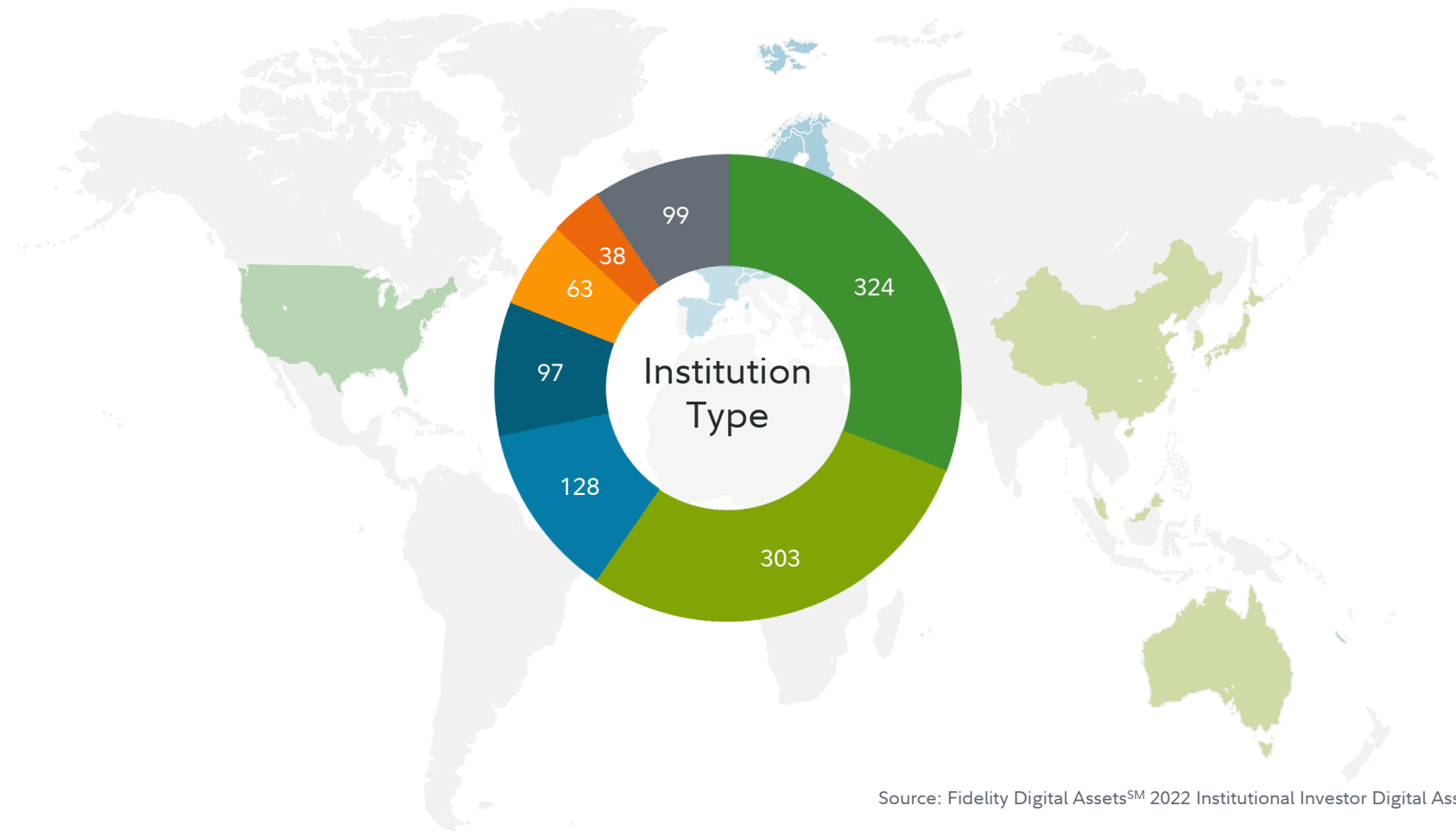
II Methodology: Investor Sample Composition



The research survey for this study was led by Fidelity Consulting and Strategic Insights with Fidelity Digital AssetsSM and The Fidelity Center for Applied TechnologySM. Conducted by Coalition Greenwich, the research followed a similar methodology to that of the previous reports, comprised of a detailed survey to better understand the overall attitudes and behaviors of institutional investors as it relates to digital assets. Field work was conducted between **January 2, 2022, and June 24, 2022**, with a total of 1,052 blind interviews of professionals from a variety of firms, completed via a mix of online surveys and one-to-one phone sessions. As in previous years, the survey spanned a range of institutional investor segments and high-net-worth (HNW) individuals, including financial advisors, family offices, crypto hedge and venture funds, traditional hedge funds, endowments and foundations, as well as pension funds and defined benefit plans.

II Methodology: Investor Sample Composition

- Financial Advisor
- High-Net-Worth Investor
- Family Office
- Pension/DB Pension
- Crypto HF/VC Fund
- Endowment/Foundation
- Traditional Hedge Fund

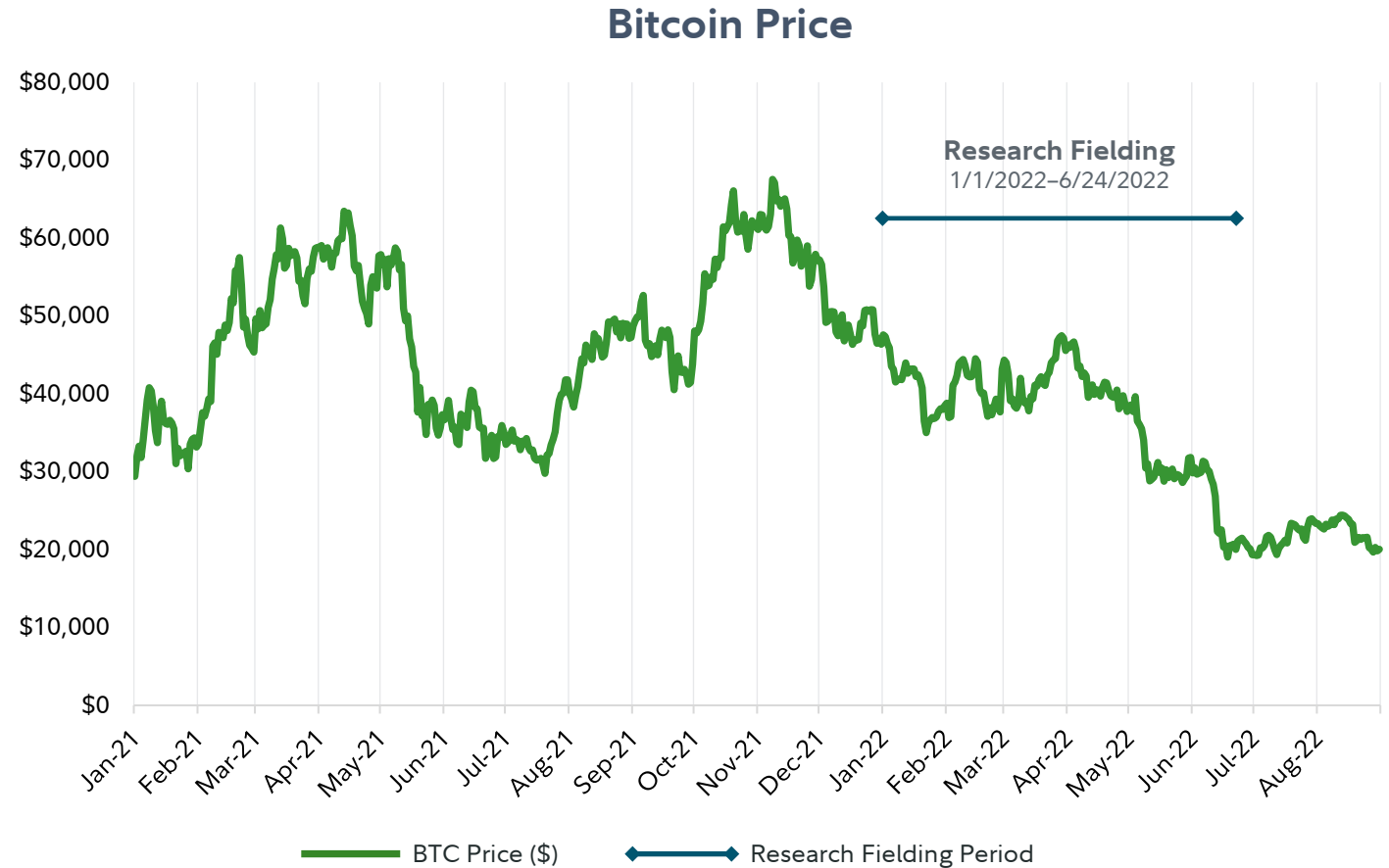


Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

III

Research Fielding in a Bear Market

- Fielding took place during a significant market decline for digital assets during the first half of 2022, the first time since the study's inception that insights were collected during a bear market.
- Prior research fielding periods took place during sideways price action in both 2019 and 2020, as well as the significant bull market run during 2021.



Past performance is no guarantee of future results. Data source: Coin Metrics, as of 8/31/2022.

2022 INSTITUTIONAL INVESTOR
DIGITAL ASSETS STUDY: KEY FINDINGS

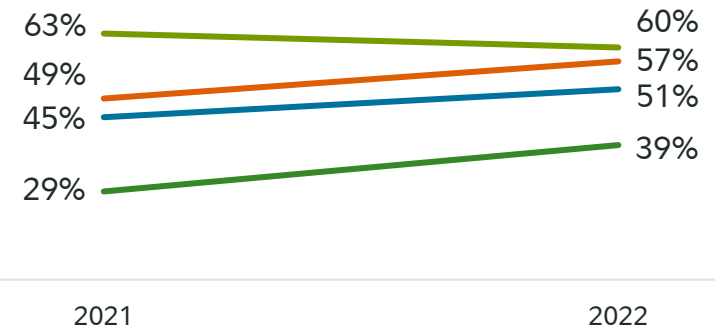
Ownership of & Attitudes Toward Digital Assets

IV

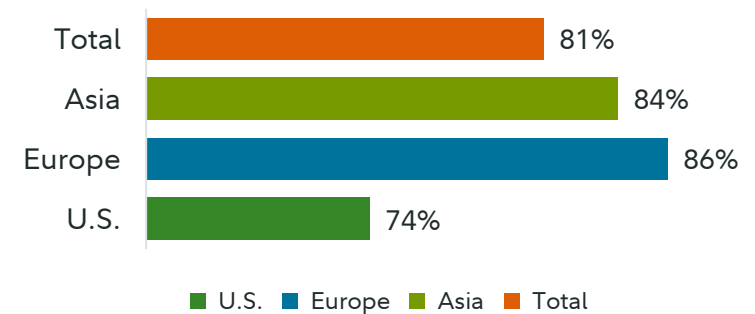
Familiarity, Perception, & Adoption of Digital Assets

- **Despite market headwinds, institutional investors surveyed in the U.S. and Europe reported increased familiarity, improved perception, and more digital asset investments.** Europe is now on par with Asia in terms of both overall adoption and positive perception, but the U.S. still trails.
- **Asia showed a slight decline in adoption and perception, along with a few other categories.** We've identified a few considerations when reviewing Asia's data this year:
 - While the apparent decline in positive perception and whether participants invest shows a negative directional change, it represented nothing of material significance.
 - In 2021, we expanded the scope of the study to include Asia. As a result, we only have one year-over-year comparison.

Positive perception of digital assets



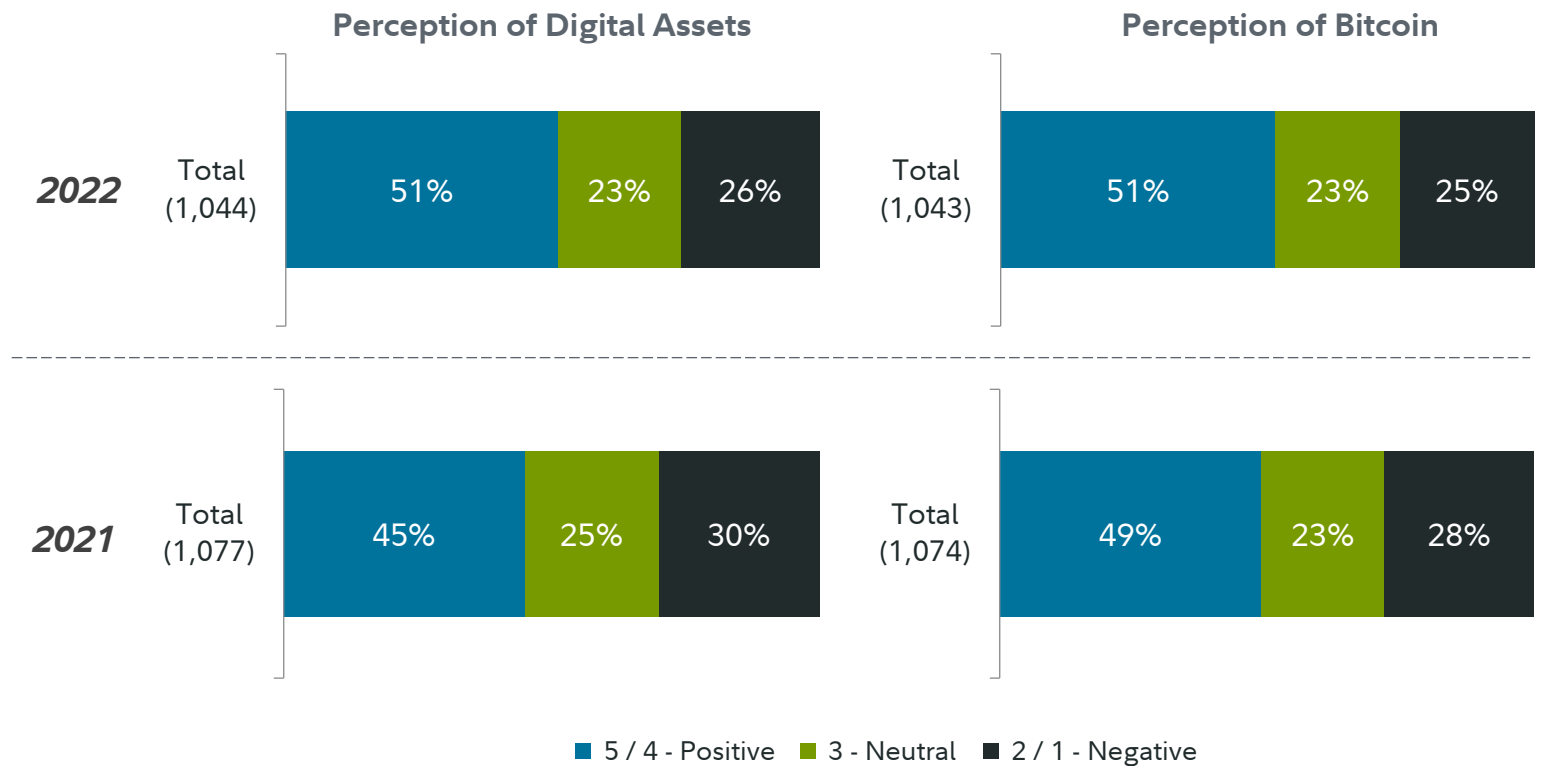
Believe digital assets should be part of a portfolio



Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

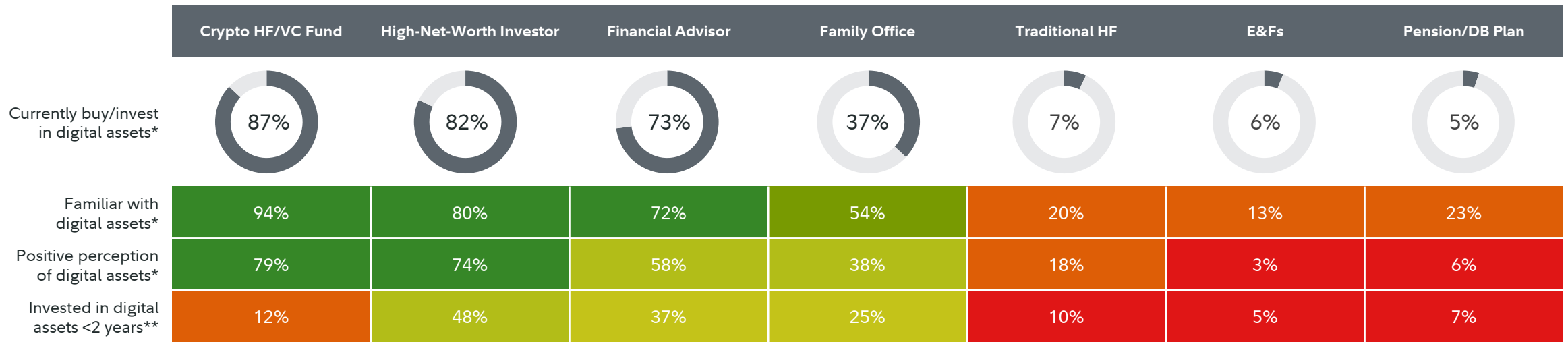
Perception of Digital Assets by Region

- The number of investors surveyed holding positive views of digital assets and bitcoin **increased** in the U.S. and Europe compared to last year.
- While Asia still has the most affinity for digital assets, views **declined** slightly among surveyed investors.
- The perception of digital assets as a whole among investors surveyed is now at parity with the perception of bitcoin (**both 51% positive**), whereas bitcoin had the more positive perception in 2021. Responses from U.S. institutional investors surveyed drove this increase.



Numbers in parentheses indicate 2022 base number. Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

Global Adoption & Consideration of Digital Assets by Segment



*Total base: 1052 **Total base: 883

Adoption and consideration of digital assets among those surveyed is highest among **high-net-worth investors, crypto hedge funds/venture capital, and financial advisors**. This higher adoption may be a result of their organizational structures and investment decision-making policies.

Adoption is lower among **family offices, pensions/defined benefit (DB) plans, traditional hedge funds, and endowments and foundations**.

Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

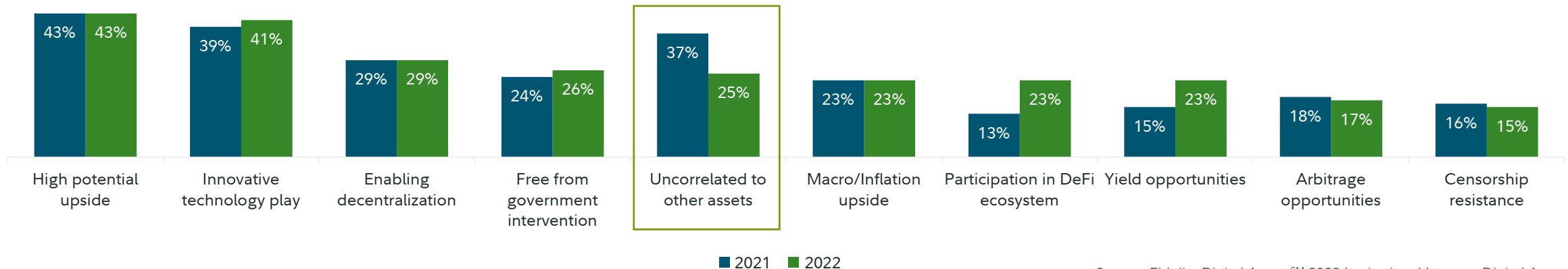
VIII Appeal of Digital Assets

Institutional investors surveyed report that the features of digital assets that they find most appealing are the high potential upside, innovative tech play, and enablement of decentralization.

DeFi participation and yield opportunities were cited more this year than last, while fewer investors surveyed (25%) cited lack of correlation compared to 2021 (37%)—with a more marked decline among U.S. respondents, which is not surprising given the increased correlation we have observed between digital assets and risk assets like equities.

Despite the decline in respondents selecting “**Uncorrelated to other assets**” as a most appealing feature, it is still the fifth most commonly cited source of appeal in 2022.

Appeal of Digital Assets
Total Respondents



Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

VIII Future Purchase Preferences

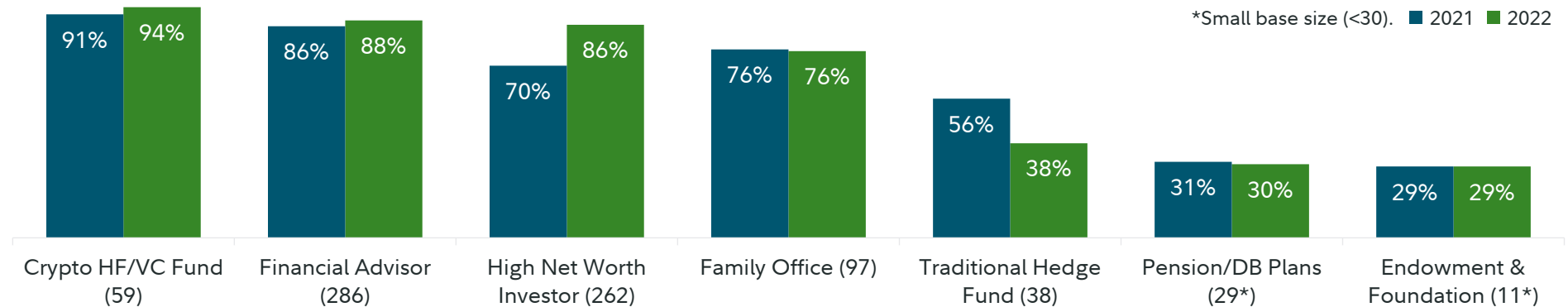
In total, **74%** of investors plan to buy or invest in digital assets in the future, up slightly from **71%** in 2021.

U.S. high-net-worth investors surveyed reported a substantial increase in future preference to buy digital assets, **increasing from 31% to 74% year over year.**

Globally, traditional hedge funds surveyed indicated a more muted outlook for future purchases than the prior year, driven by the U.S. and Europe, though Asian investors reported a higher likelihood to make a future purchase.

While pension funds and defined benefit (DB) plans surveyed reported slightly negative changes in future investment preference, there was a large increase in the number of U.S. investors surveyed who indicated they would allocate in the future. Among pensions and defined benefit plans interviewed in Asia, future intent to purchase decreased.

Investors Expressing Future Preference to Buy Digital Assets



Numbers in parentheses indicate the 2022 base count. Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

IV

Obstacles to Investing in Digital Assets

Price volatility is the greatest overall barrier to investment reported by investors surveyed (50%), consistent with prior years of the study.

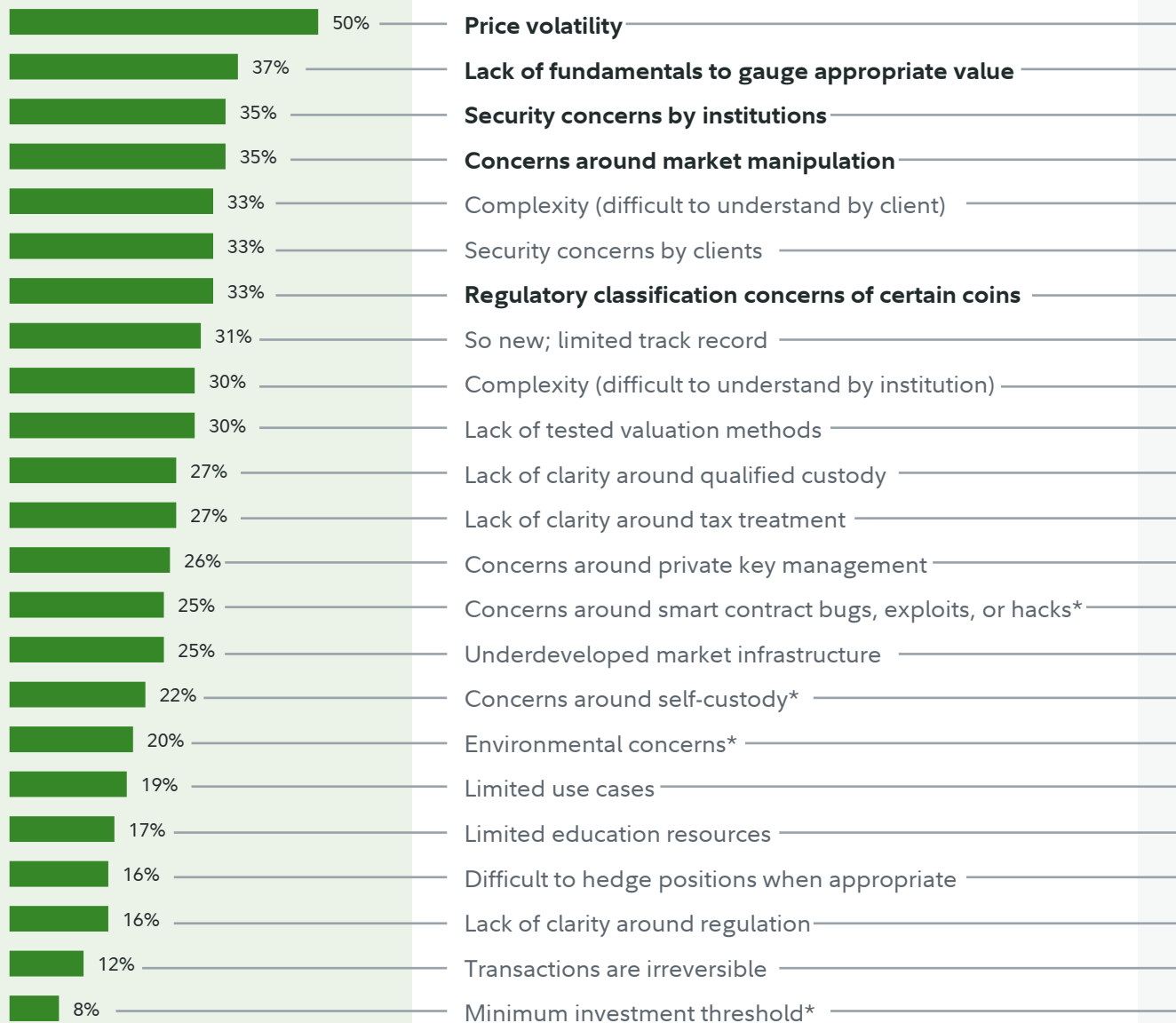
Other concerns cited by investors surveyed include **lack of fundamentals to gauge appropriate value** (37%), **concerns around security** (35%) and **market manipulation** (35%), and **concerns around regulatory classification of certain coins as unregistered securities** (33%).

The following page illustrates the obstacles to investing in digital assets ranked by the institutional investor respondents.

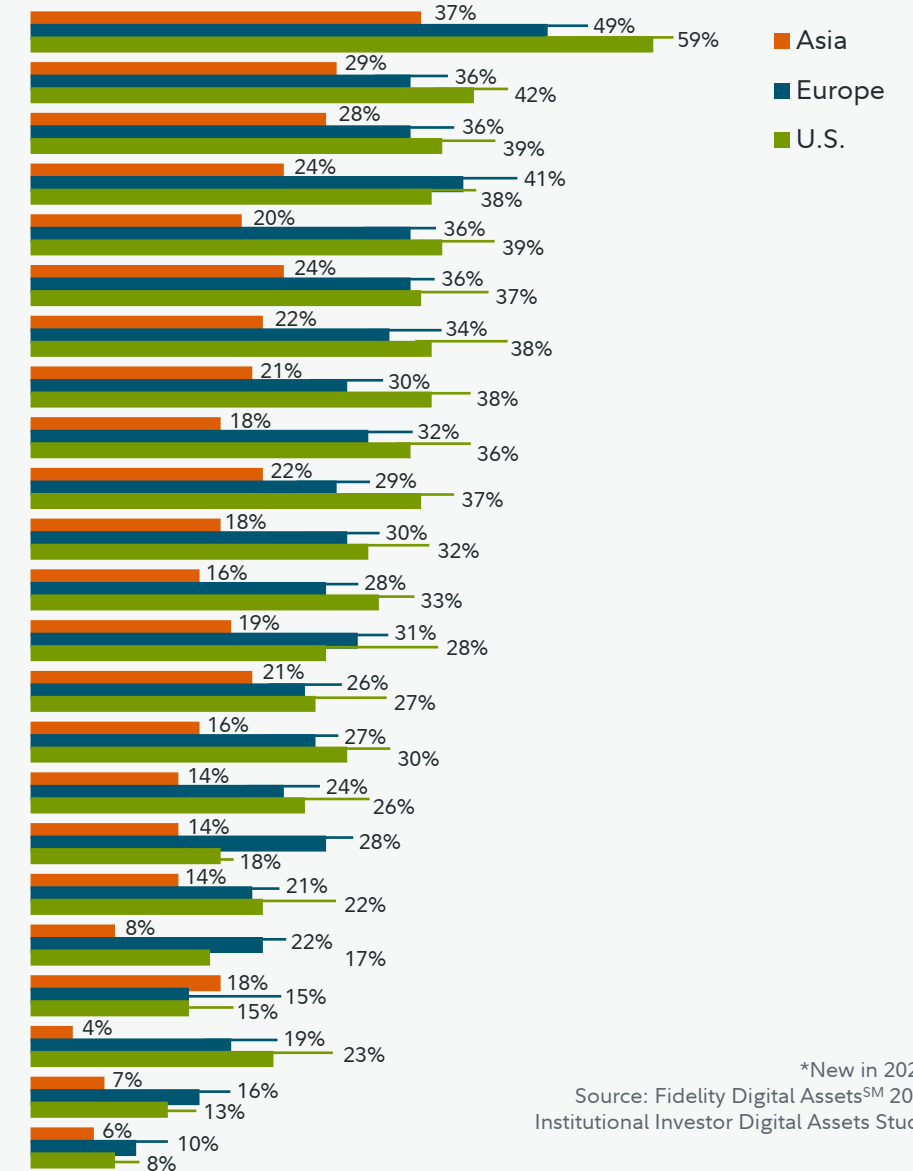
Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

Obstacles to Investment

Total (Global)



By Region



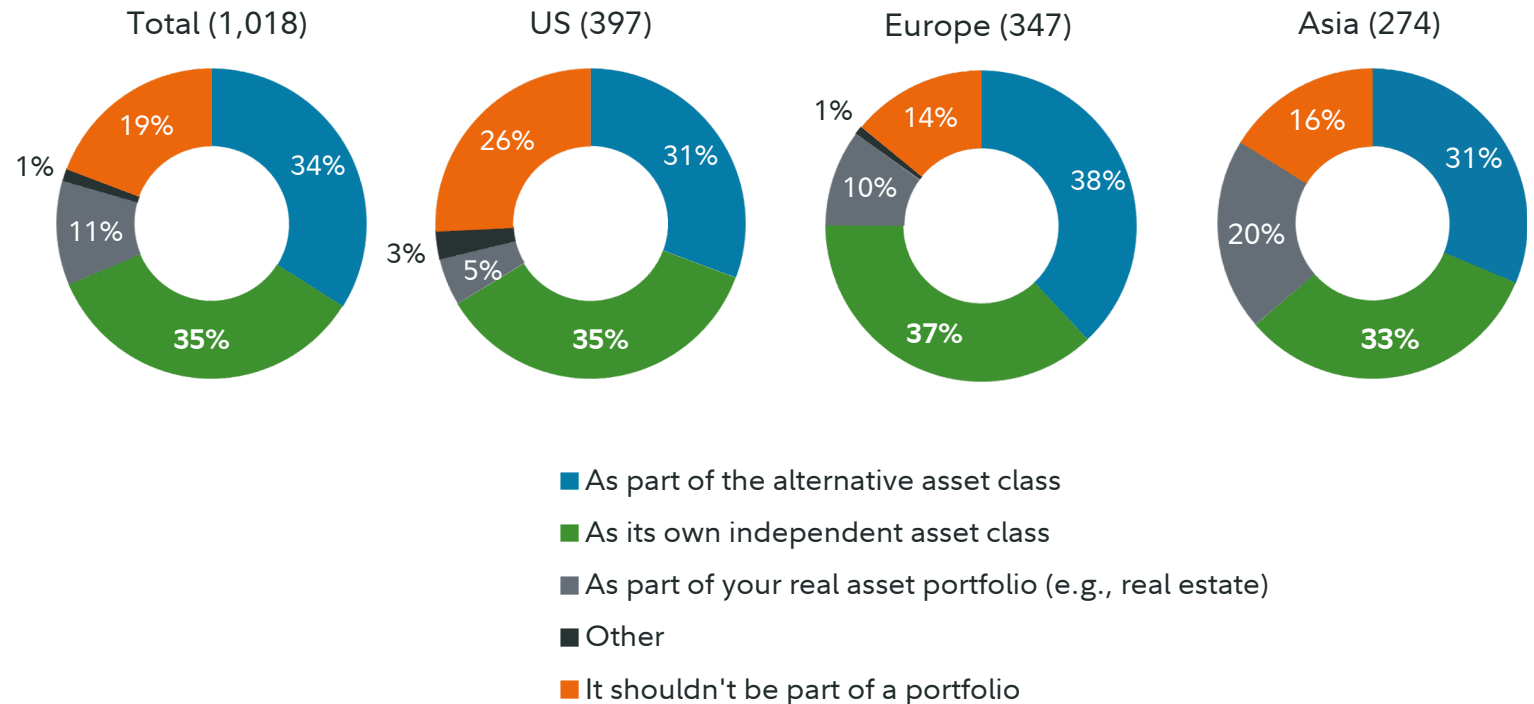
*New in 2022.

Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

X The Role of Digital Assets in Portfolios

- More than 8 in 10 (**81%**) institutional investors surveyed view digital assets as having a role in investment portfolios.
- Institutional investors in Europe and Asia report more acceptance of digital assets in portfolios than those in the U.S.

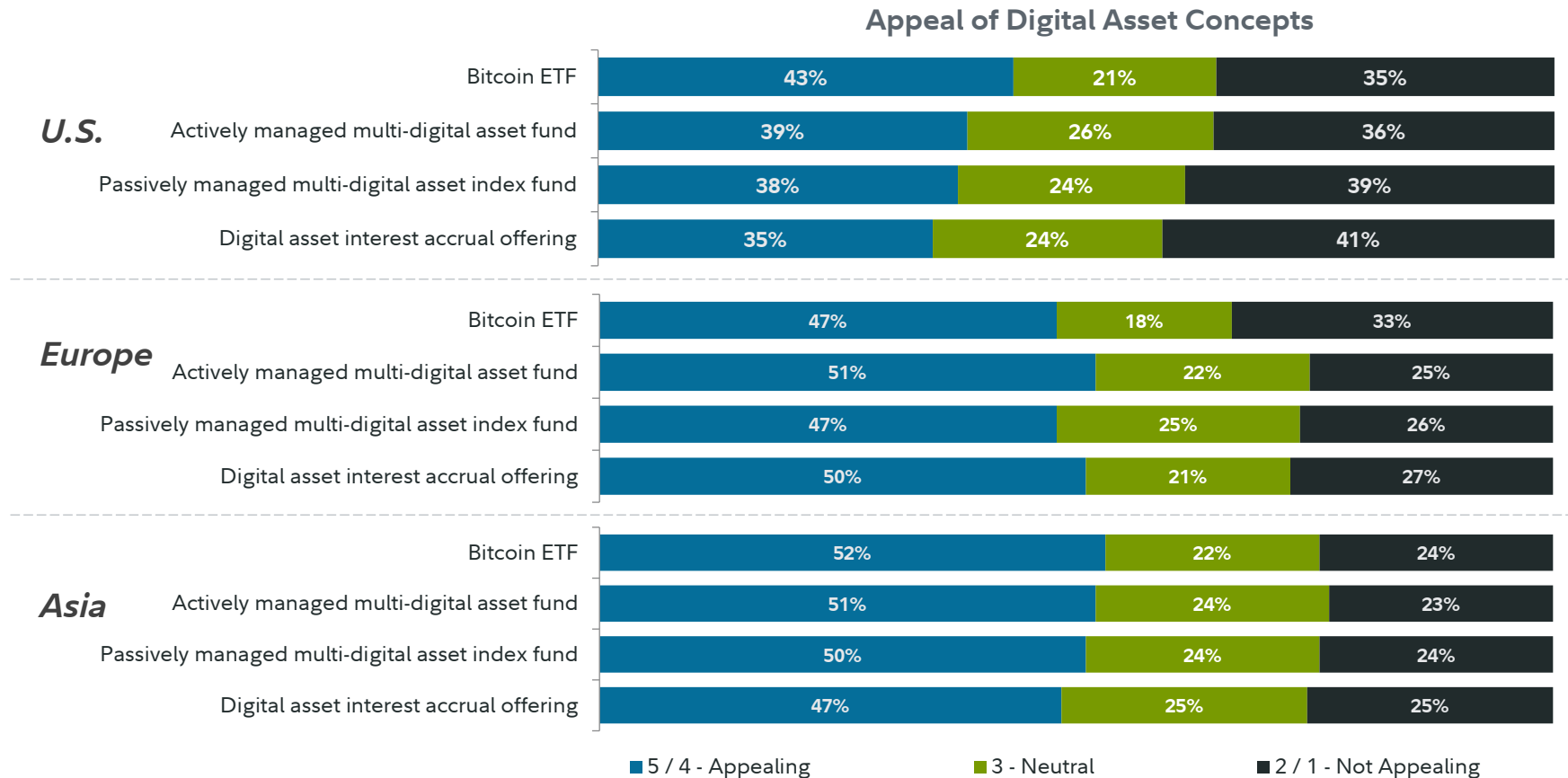
How Do You Believe Digital Assets Should Be Part of Your Portfolio?



Number in parentheses indicate the base count.
Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

Appeal of Digital Asset Products By Region

- A Bitcoin ETF and multi-digital asset funds (both actively and passively managed) are among the most appealing product concepts, according to surveyed investors.
- Despite this interest, the U.S. does not have an approved bitcoin spot ETF.
- A digital asset interest accrual offering also resonates with European respondents.



Source: Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study.

XIII Conclusion

With nearly six in ten institutional investors surveyed (58%) invested in digital assets globally, understanding how investors are engaging with the ecosystem is increasingly important. These key findings represent just a portion of the insights gleaned from the Fidelity Digital AssetsSM 2022 Institutional Investor Digital Assets Study. In subsequent publications, we'll provide a deeper analysis of the multitude of ways investors surveyed are thinking about digital assets—digging into broader uses of the technology, like tokenization of real-world assets and DeFi—and our perspective on how 2022's market activity and industry developments may have impacted or will impact perceptions.

XIII Important Information

The blind survey was executed in association with Coalition Greenwich on behalf of Fidelity Digital AssetsSM, 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 financial advisors, family offices, digital and traditional hedge funds, high-net-worth investors, pensions and defined benefit plans, and endowments and foundations.

The information herein was prepared by Fidelity Digital Asset Services, LLC and Fidelity Digital Assets, Ltd. It is for informational purposes only and is not intended to constitute a recommendation, investment advice of any kind, or an offer or the solicitation of an offer to buy or sell securities or other assets. Fidelity does not assume any duty to update any of the information. Please perform your own research and consult a qualified advisor to see if digital assets are an appropriate investment option.

Custody and trading services provided by Fidelity Digital Asset Services, LLC, a New York State-chartered, limited liability trust company (NMLS ID 1773897) or Fidelity Digital Assets, Ltd. Fidelity Digital Assets, Ltd. is registered with the U.K. Financial Conduct Authority for certain cryptoasset activities under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. The Financial Ombudsman Service and the Financial Services Compensation Scheme do not apply to the cryptoasset activities carried on by Fidelity Digital Assets, Ltd.

This information is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation. Persons accessing this information are required to inform themselves about and observe such restrictions.

Digital assets are speculative and highly volatile, can become illiquid at any time, and are for investors with a high-risk tolerance. Investors in digital assets could lose the entire value of their investment.

Fidelity Digital Asset Services, LLC and Fidelity Digital Assets, Ltd. do not provide tax, legal, investment, or accounting advice. This material is not intended to provide, and should not be relied on, for tax, legal, or accounting advice. Tax laws and regulations are complex and subject to change. You should consult your own tax, legal, and accounting advisors before engaging in any transaction.

Some of this information is forward-looking and is subject to change. Past performance is no guarantee of future results. Investment results cannot be predicted or projected.

Fidelity Digital Assets and the Fidelity Digital Assets logo are service marks of FMR LLC.

Fidelity Digital AssetsSM and Fidelity Institutional[®] are affiliated business units within Fidelity Investments that is comprised of several legal entities that provide a variety of services to intermediaries and other institutional clients.

This material may be distributed by the following entities, none of whom offer digital assets nor provide clearing or custody of such assets: Fidelity Distributor Company LLC; National Financial Services LLC or Fidelity Brokerage Services LLC; and Fidelity Institutional Wealth Adviser LLC as well as FIAM LLC.

© 2022 FMR LLC. All rights reserved.

1052831.1.0

Fidelity  DIGITAL ASSETSSM

FIDELITYDIGITALASSETS.COM



@DIGITALASSETS