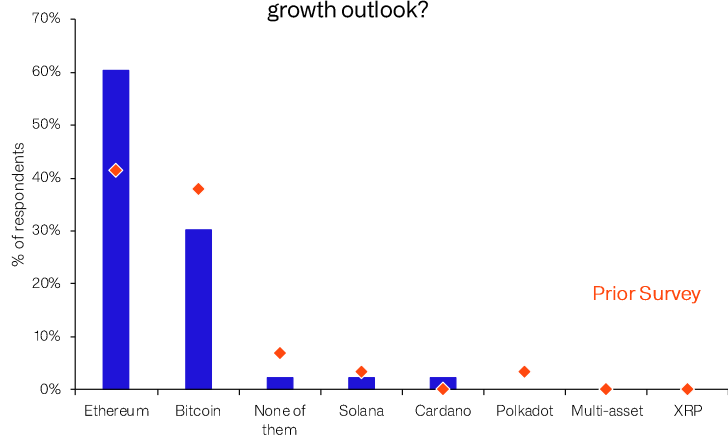


23rd January 2023 (survey period ending 23rd January 2023)

Dramatic rise in positive sentiment towards Ethereum, investors expect regulation, not a ban

- Ethereum has seen a dramatic rise in investor sentiment, with a record 60% of survey respondents believing it has the most compelling growth outlook.
- Digital assets weighting in portfolios have risen from their survey lows to represent 1.1% of portfolios, up from the October survey where they were just 0.7%.
- Investors keys reasons for investing in digital assets are both speculative and exposure to distributed ledger technology.
- Regulation concerns have increased, although far few expect political blockers and a government ban. This suggests investors see regulation being the solution rather than an outright ban.

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



Source: Bloomberg, CoinShares, data available as of close 22 January 2023

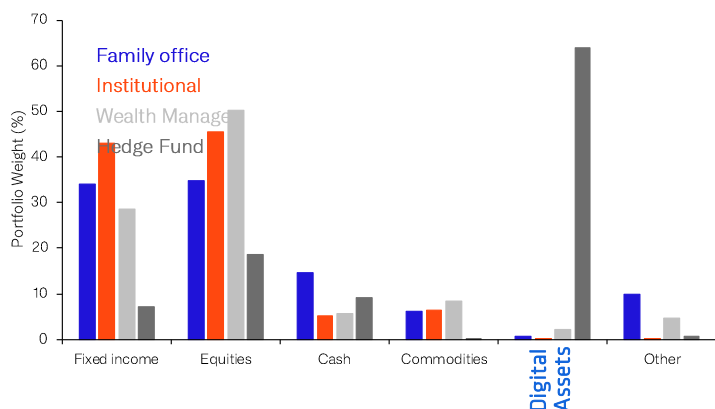
CoinShares

This year, Ethereum has seen a dramatic rise in investor sentiment, with a record 60% of survey respondents believing it has the most compelling growth outlook, having risen from 40% in the October 2022 survey.

This has not been reflected in our [fund flows](#) data yet, having experienced US\$401m outflows in 2022.

Investors expressed little views on other digital assets.

Current portfolio positioning



Source: Bloomberg, CoinShares, data available as of close 22 January 2023

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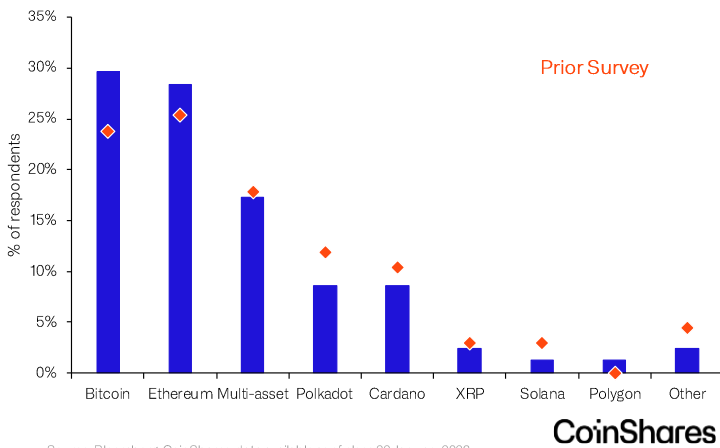
Digital assets weighting in portfolios have risen from their survey lows to represent 1.1% of portfolios, up from the October survey where they were just 0.7%.

Hedge fund managers, those with the most flexible mandates, as well as wealth managers, have increased their positions.

In contrast, institutional managers have reduced their positions to 0%.

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

Which digital assets have you invested into?

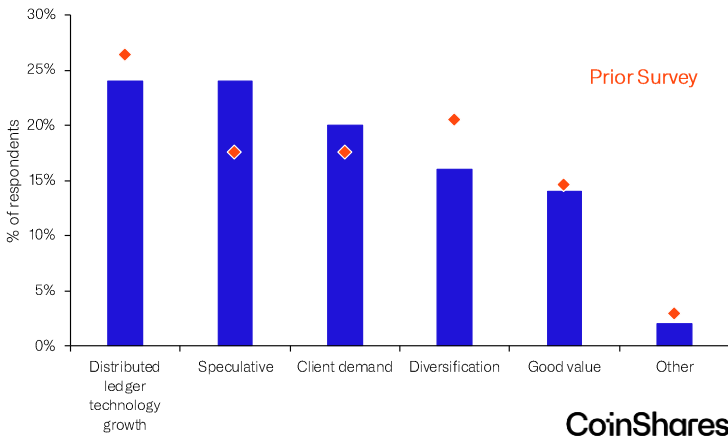


Source: Bloomberg, CoinShares, data available as of close 22 January 2023

Despite deteriorating sentiment towards Bitcoin relative to Ethereum, an increasing number of survey respondents have invested into both.

This looks to have come at the expense of altcoin competitors to Ethereum such as Cardano and Solana.

What were your reasons for adding digital assets to your portfolio?



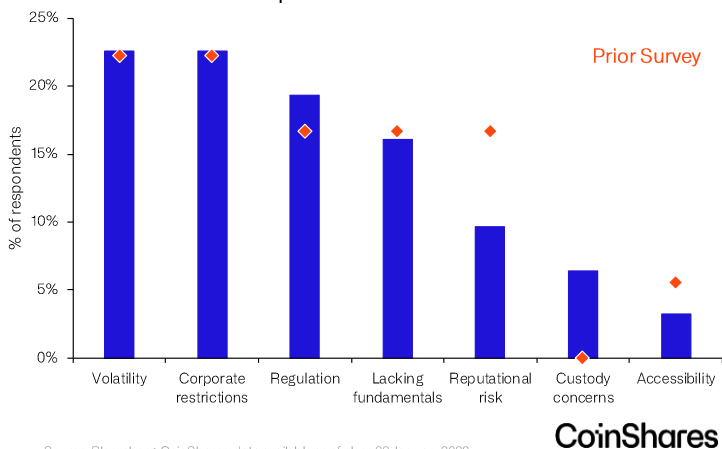
Source: Bloomberg, CoinShares, data available as of close 22 January 2023

Investors key reasons for investing in digital assets are both speculative and exposure to distributed ledger technology.

We believe the recent rising correlations to equities have prompted fewer to cite diversification as a reason for investing.

Interestingly, despite the FTX collapse, the survey suggests there are an increasing number of clients asking their managers to add to positions.

What is preventing you from investing in digital assets at present?

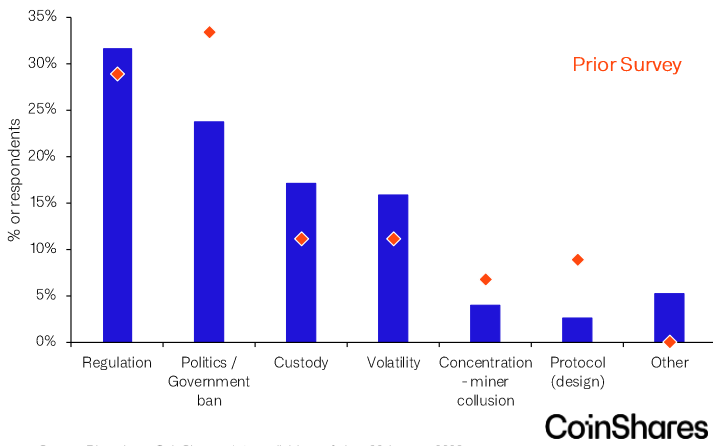


Source: Bloomberg, CoinShares, data available as of close 22 January 2023

While volatility and corporate restrictions are the key reasons for investors not adding digital assets to their portfolios, regulation as a response also increased.

Digital assets lacking fundamentals is little changed while we saw a dramatic decline those seeing it as a reputational risk.

What are the key risks for digital assets at present?



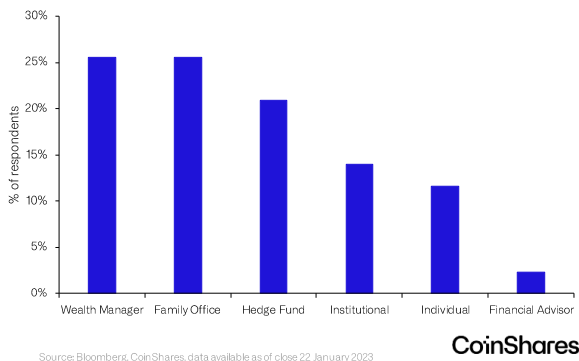
Regulatory concerns have increased, although far few expect political blockers and a government ban. This suggests investors see regulation being the solution rather than an outright ban.

Understandably, following the FTX collapse and associated third party vulnerabilities, we have seen a big rise in concerns over custody.

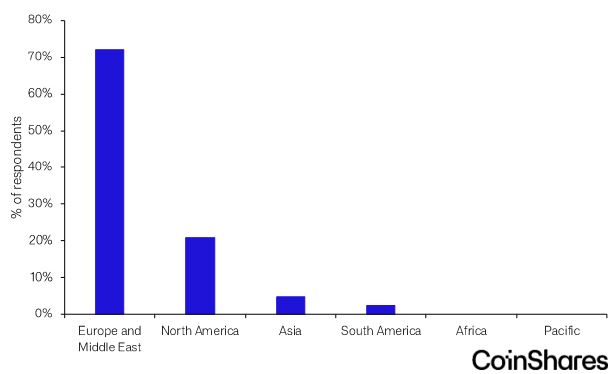
There are fewer concerns now over miner collusion or protocol vulnerabilities.

ABOUT OUR SURVEY: The January 2023 Survey drew 43 responses from investors who cover US\$390bn of assets under management.

What type of investor are you?



Where are you / your fund domiciled



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