The Investable Universe 2.0

GALAXY RESEARCH

OCTOBER 1, 2025

A Comprehensive Guide

Institutional Adoption in Motion

galaxy

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Table of Contents

PAGE CHAPTER

About This Report

Digital assets have evolved from Bitcoin's peer-to-peer experiment into a $4 trillion ecosystem spanning Ethereum, stablecoins, tokenized assets, startups, and public investment vehicles. No longer peripheral, they are redefining value and ownership while institutions integrate them into core strategies. This report offers a roadmap to help investors navigate the fast-moving digital asset industry.

About Galaxy

Galaxy (NASDAQ/TSX: GLXY) is a global leader in digital assets and data center infrastructure, delivering solutions that accelerate progress in finance and artificial intelligence (AI). We serve a diversified client base, including institutions, startups, and qualified individuals.

Since 2018, Galaxy's Digital Assets platform is strategically positioned to bridge traditional finance and the emerging digital economy, facilitating efficient access and adoption of digital assets through its Global Markets and Asset Management & Infrastructure Solutions businesses.

Our offerings include, amongst others, trading, lending, strategic advisory services, institutional-grade investment solutions, proprietary bitcoin mining and hosting services, network validator services, tokenization, and the development of enterprise custodial technology.

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We've Come A Long Way

2008-2010

Cypherpunk Era

Satoshi releases the whitepaper, distributes first version of software, sends first transaction to Hal Finney. Code originally on SourceForge, discussions happen on BitcoinTalk forum.

2011-2013

Formative Years

Bitcoin undergoes its first "bubble." Euromaidan protestors fundraise with BTC. First altcoins appear. Bitcoin miners add GPUs, then FPGAs, and the first ASICs in 2013.

2014 - 2016

"Blockchain, Not Bitcoin"

Bear market and negative perceptions of bitcoin lead to hype around "blockchain technology," which banks and corporations explore. Ethereum launches.

2017

The Big Bubble

Bitcoin awareness reaches the mainstream. Retail exchanges dominate. ICOs grow and bring attention to Ethereum. New networks launch. Security token hype drives many startups.

2018 - 2019

Infrastructure

A new wave of entrepreneurs arrives to fill the infrastructure gaps the Big Bubble laid bare. Custody, trading, derivatives, lending, settlement, market making, and data solutions developed.

2020 - 2021

The Great Bull Run

Central bank policies lead investors to BTC. Public mining companies emerge. DeFi ecosystem expands. Stablecoins arrive. Alt L1s launch. NFTs emerge.

2022 - 2023

FTX Meltdown

Collapses of Terra Luna and FTX create contagion across the sector. Major lending firms go bankrupt. "Operation Chokepoint 2.0" hits industry. New narratives emerge: DeSoc, Restaking, Data Availability, RWA.

2024

Bitcoin on the Ballot

BTC and ETH ETFs are approved by the SEC. Memecoins drive onchain activity. Bitcoin L2s capture VC interest. Politicians embrace Bitcoin and crypto. Trump election starts crypto regulatory Renaissance.

2025 & Beyond

- Regulatory clarity and frameworks drive further adoption
- Crypto treasury companies
- More IPOs by crypto firms
- Tokenization expands
- Blockchain scalability improves
- Sovereign adoption, competition increases

Adoption, Innovation

Bitcoin and crypto treasury company sector expands. Regulatory clarity emerges. Congress works on legislation. Tokenization heats up. Stablecoin adoption grows.

Institutional Adoption Accelerates as Market Forces Align

001

Regulatory Clarity

Bipartisan support and policy momentum are shifting the U.S. from regulatory ambiguity toward a more durable framework for digital assets.

The GENIUS Act establishes clear rules on reserves, disclosures, and issuance, integrating stablecoins into the regulated financial system.

Treasury, SEC, and banking regulators are coordinating on custody, compliance, and reporting standards, reducing uncertainty for institutions.

002

Market Infrastructure Maturation

Institutional-grade custody, clearing, and risk management tools now exist (Coinbase Custody, Fidelity Digital Assets, Anchorage, etc.).

Liquidity is deepened by ETFs, CME futures, and onchain products.

003

Institutional Access Points

ETFs and ETPs are attracting tens of billions in AUM.

Institutions can access digital assets through familiar wrappers such as fund structures, managed mandates, and tokenized MMFs.

Custody, prime brokerage, and infrastructure providers deliver institutional-grade rails.

004

Real-World Utility

Stablecoins are settling ~$800B/month, rivaling Visa volumes.[1]

DeFi Total Value Locked (TVL) has reached ~$155B across lending, trading, and yield platforms, underscoring DeFi's role as a parallel financial system.

Treasuries, funds, and real estate are being digitized onchain, testing new efficiencies in settlement, liquidity, and investor access.

Corporates are adopting crypto treasuries as balance sheet tools.

005

Macro Tailwinds

Amid concerns over currency debasement and fiscal instability, bitcoin is increasingly seen as a non-sovereign inflation hedge and long-term store of value.

With compressed returns in traditional fixed income, institutions and individuals are exploring crypto yield opportunities through staking (ETH, SOL) and tokenized credit markets that bridge TradFi and DeFi.

1. Source: https://visaonchainanalytics.com/transactions, adjusted stablecoin transaction volume, as of August 2025. https://annualreport.visa.com/financials/default.aspx, as of August 2025.

From Frontier Market to Established Industry

BY THE NUMBERS

001

$4.0T

Global Crypto Market Cap[1]

002

$155B

DeFi Total Value Locked (TVL)[2]

003

$66B

Total U.S. Spot Crypto ETF Net Flows Since Inception[3]

004

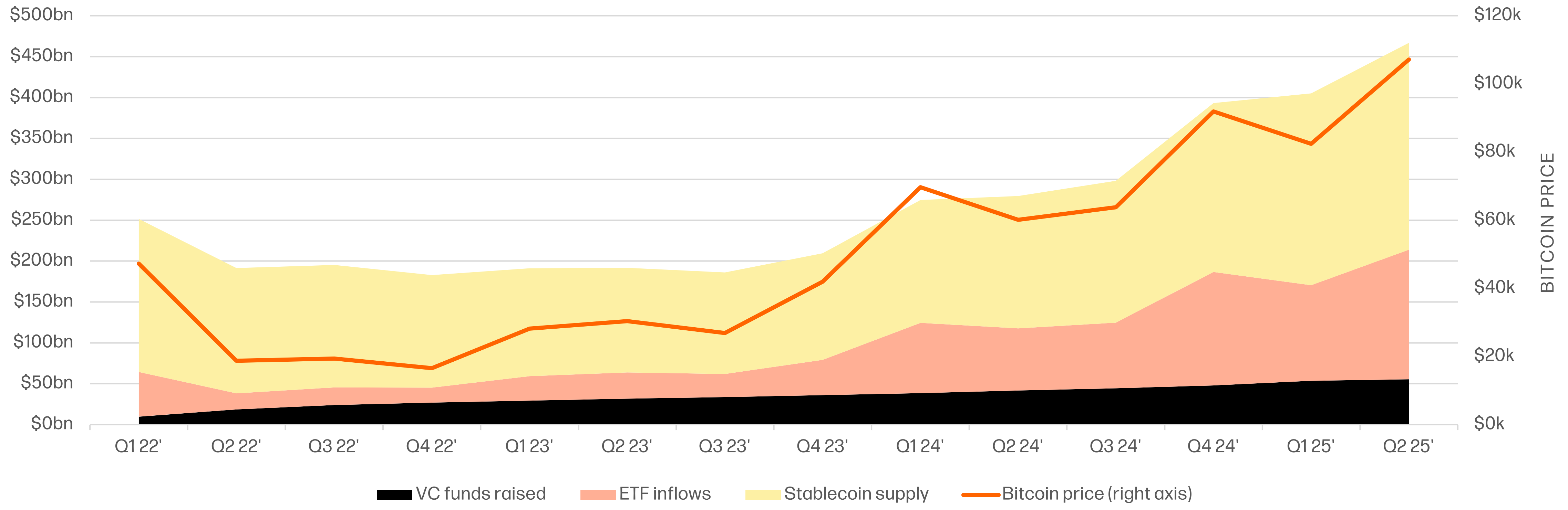
$275B

Total Stablecoin Supply[4]

1. CoinMarketCap, August 15, 2025.
2. https://defillama.com/, August 15, 2025.
3. Glassnode, August 15, 2025.
4. https://defillama.com/, August 15, 2025.

A New Era of Capital Inflows Into Digital Assets

Total Crypto Inflows vs BTC Price



Past performance is not indicative of future results.

Source: Pitchbook, Bloomberg, DeFiLlama, as of June 30, 2025.

The Global Digital Asset Industry by Investment Category

18,555 Individual Tokens

26% Increase YoY

- 76 traded +$100M in daily volume
- 9 traded about $1B in daily volume
- 3 traded +$10B (BTC, ETH, USDT)

TOKENS[1]

+73%

The combined market share of BTC, ETH, USDT by market cap

FUNDS[2]
(i.e., ETFs, ETPs)

370+ Digital Asset-Related Funds Globally

68% Increase YoY

- $216B+ Total AUM
- 86 U.S. Funds
- Median Management Fee is 0.99%

HEDGE FUNDS[4]

280+ Hedge Funds

As tracked on VisionTrack
20% Decrease YoY

VENTURE[3]

Since 2015

12,217 Crypto-Related Companies

16% Increase YoY

- 23,069 VC Deals
- 23,115 Unique Investors
- $115.3B Total USD in VC investments

EQUITIES[5]

340+ Public Companies

Including enabling technologies and Web3 companies

6% Increase YoY

- $29T Total Market Cap
- $98B Avg. Market Cap
- IPOs anticipated to increase YoY

1. Galaxy Research, September 3, 2025, Data: CoinGecko.com. 2. Galaxy Research, September 3, 2025, Data: Bloomberg Intelligence. 3. Galaxy Research, September 3, 2025, Data: Pitchbook.
4. Galaxy Research, VisionTrack, as of July 31, 2025. 5. Galaxy Asset Management, Data: VettaFi, June 30, 2025.

001

Trends in Portfolio Allocation

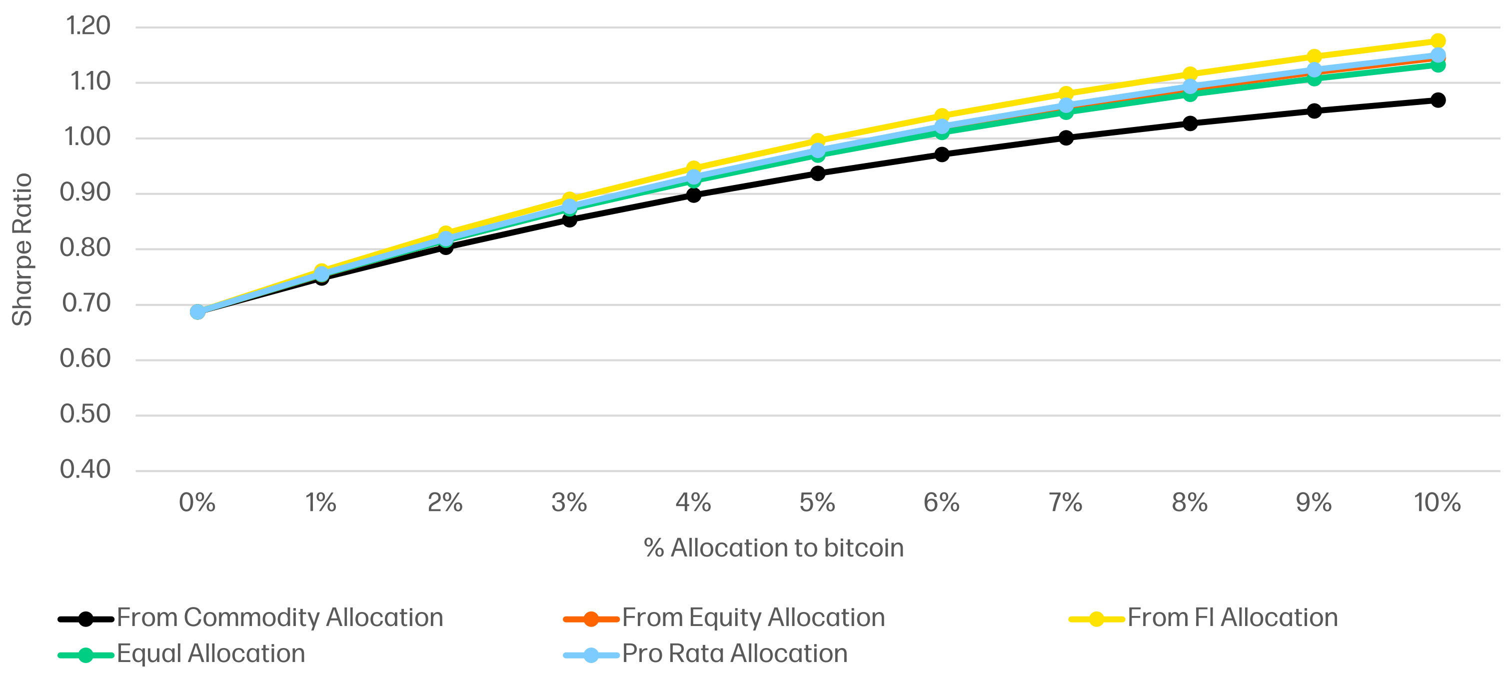
Getting Off Zero: Bitcoin in a Portfolio

Integrating bitcoin into traditional investment portfolios is no longer a speculative bet; it's a forward-thinking strategy for holistic financial planning and wealth preservation. Adding bitcoin incrementally to a diversified portfolio may provide asymmetric benefits without changing the portfolio's risk profile significantly, as measured by its Sharpe Ratio.

Several financial institutions and experts are now suggesting a portfolio allocation to bitcoin, ranging from conservative to aggressive.

BlackRock	**Conservative. 1%–2%** of a multi-asset portfolio[1]
Fidelity	**Moderate. 2%–5%** (7.5% for young investors)[2]
Galaxy	**Moderate. 1%–10%** In our research report "The Impact and Opportunity of Bitcoin in a Portfolio", we analyzed bitcoin allocations ranging from 1-10%.[3]
Ray Dalio Founder Bridgewater Associates	**Aggressive: ~ 15%** On a 'Master Investor' podcast, Ray Dalio suggested allocating 15% of a portfolio to bitcoin or gold to hedge against currency debasement.[4]
Ric Edelman FA and Author	**Most Aggressive: 10% to 40%** of portfolio[5]

Sharpe Ratio: 2020-Present Across Different Allocation Strategies



[1] https://www.blackrock.com/institutions/en-us/insights/portfolio-design/sizing-bitcoin-in-portfolios | [2] https://clearingcustody.fidelity.com/insights/topics/investing-ideas/the-case-for-bitcoin
[3] https://www.galaxy.com/insights/research/bitcoin-in-a-portfolio-impact-and-opportunity-2025 | [4] https://www.businessinsider.com/ray-dalio-gold-bitcoin-allocation-investing-us-debt-crisis-deficit-2025-7 | [5] https://dacfp.com/whitepaper-0625/

For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.
Sharo Ratio: A measure of an investment's risk-adjusted performance, calculated by comparing its return to that of a risk-free asset.
Source: Galaxy Asset Management, as of June 30, 2025. The selected five-year time period includes both crypto's bull and bear market cycles.

BTC and ETH Post Strong Historical Performance

Despite fluctuations in the broader digital asset market, BTC and/or ETH have consistently ranked as the best or second-best performing assets for nine of the past thirteen years.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Cumulative	Annualized
5,414%	14%	36%	120%	1,403%	0%	94%	480%	391%	16%	153%	46%	26%	794,513%	105%
32%	6%	1%	14%	89%	-2%	31%	306%	58%	0%	92%	43%	16%	549%	27%
7%	0%	1%	12%	34%	-4%	18%	25%	29%	-13%	26%	15%	15%	448%	15%
-2%	-1%	-3%	12%	22%	-4%	15%	18%	27%	-13%	14%	13%	7%	97%	6%
-5%	-5%	-10%	9%	14%	-11%	13%	16%	1%	-18%	13%	6%	6%	79%	5%
-10%	-17%	-17%	8%	10%	-17%	9%	8%	-2%	-22%	7%	5%	6%	23%	2%
-28%	-58%	-25%	3%	4%	-74%	8%	7%	-4%	-64%	6%	3%	4%	19%	1%
				2%	-82%	-2%	-3%	-5%	-67%	-8%	-1%	-25%	-10%	-1%

Annual returns for selected asset classes ranked from best to worst within each calendar year over the last 13 years.

- BTC
- ETH
- S&P 500
- Emerging Market Equities
- U.S. Aggregate Bond Index
- High Yield Bonds
- Commodities
- Gold

Past performance is no guarantee for future results. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security.
Source: Galaxy Asset Management, as of June 30, 2025.

From Speculation to Diversification: BTC & ETH in Modern Portfolios

The low correlation of digital assets with more established asset classes, such as equities and fixed income, makes them well-suited to diversify a multi-asset portfolio.

	S&P 500	Bitcoin	NASDAQ 100	Russell 2000	MSCI ACWI	MSCI EAFE	MSCI EM	U.S. Aggregate	Global Aggregate	US Corporate	Global Corporate	Global High Yield	3 Month T-Bills	Commodities	Global REITs	Gold	US Dollar Index
S&P 500	1.00																
Bitcoin	0.36	1.00															
NASDAQ 100	0.94	0.37	1.00														
Russell 2000	0.83	0.37	0.73	1.00													
MSCI ACWI	0.94	0.37	0.87	0.81	1.00												
MSCI EAFE	0.38	0.20	0.31	0.38	0.66	1.00											
MSCI EM	0.26	0.16	0.25	0.26	0.51	0.63	1.00										
U.S. Aggregate	0.14	0.04	0.15	0.14	0.17	0.17	0.05	1.00									
Global Aggregate	0.16	0.11	0.16	0.17	0.29	0.45	0.23	0.81	1.00								
US Corporate	0.21	0.07	0.23	0.20	0.26	0.24	0.11	0.97	0.79	1.00							
Global Corporate	0.24	0.12	0.24	0.23	0.35	0.46	0.23	0.89	0.95	0.91	1.00						
Global High Yield	0.49	0.23	0.43	0.48	0.67	0.75	0.51	0.46	0.66	0.54	0.72	1.00					
3 Month T-Bills	0.02	0.04	0.02	0.01	0.03	0.03	0.02	0.11	0.13	0.10	0.12	0.10	1.00				
Commodities	0.21	0.13	0.15	0.22	0.28	0.27	0.25	0.00	0.13	0.03	0.11	0.26	-0.01	1.00			
Global REITs	0.66	0.25	0.51	0.69	0.70	0.50	0.29	0.30	0.38	0.35	0.42	0.59	0.04	0.20	1.00		
Gold	0.13	0.09	0.13	0.12	0.18	0.21	0.16	0.32	0.42	0.30	0.39	0.24	0.09	0.42	0.20	1.00	
US Dollar Index	-0.25	-0.18	-0.23	-0.26	-0.39	-0.54	-0.27	-0.36	-0.66	-0.35	-0.59	-0.55	-0.06	-0.26	-0.36	-0.48	1.00

- 0.80 – 1.00
- 0.60 – 0.79
- 0.30 – 0.59
- 0.00 – 0.29
- -0.29 – -0.01
- -0.59 – -0.30
- -0.79 – -0.60

Expanded Correlation Matrix[1]

1. **Clearest Entry Point**
   - Bitcoin and ether are the largest cryptocurrencies by market cap
2. **Most Accessible**
   - High liquidity and often more accessible for investors
   - More regulatory clarity than other cryptocurrencies
3. **Compelling Risk-Return Profile**
   - Strong performance over the past 13 years
   - Low correlation to traditional assets
   - Potential hedge against market volatility and inflation

Correlation Matrix Explained: + 1.0 means that the two assets are moving together in lockstep. 0.0 means that the two assets have no correlation to each other. - 1.0 means the two assets are moving in completely opposite directions.

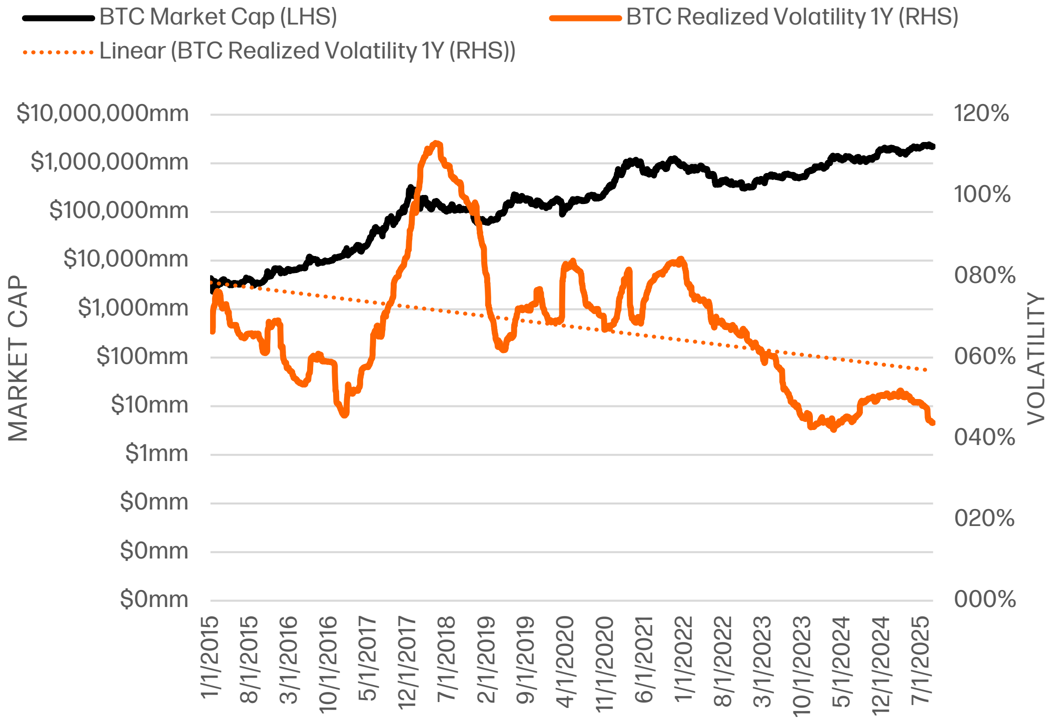
1. Data: Bloomberg, as of June 30, 2025. Past performance is no guarantee for future results. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security.

The Expanded Correlation Matrix tracks a 6-year correlation period. *Base Portfolio = 35% S&P 500, 35% U.S. Aggregate, 10% Commodities

Bitcoin Volatility is Trending Downward

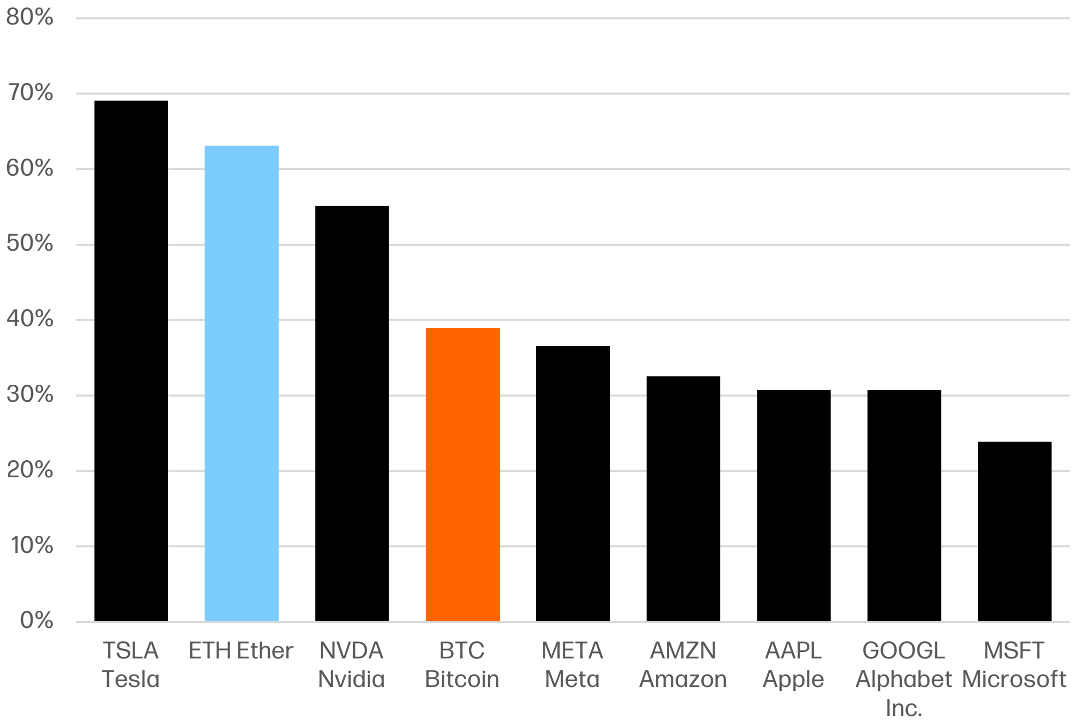
Although bitcoin is more volatile than traditional assets, its realized volatility[1] continues to decline as adoption grows. When looking at bitcoin's one-year volatility, it is no longer an outlier compared to the "Magnificent Seven."

Bitcoin Market Cap vs. Realized Volatility[2]



The selected 10-year time period is from January 1, 2015 to Aug 15, 2025.

Magnificent Seven: 1-Year Volatility[3]



For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security. Past performance is not indicative of future results.

1. Realized volatility is calculated based on actual historical returns rather than implied by option prices. 2. Galaxy Research, as of August 15, 2025. 3. Bloomberg, as of August 15, 2025.

002

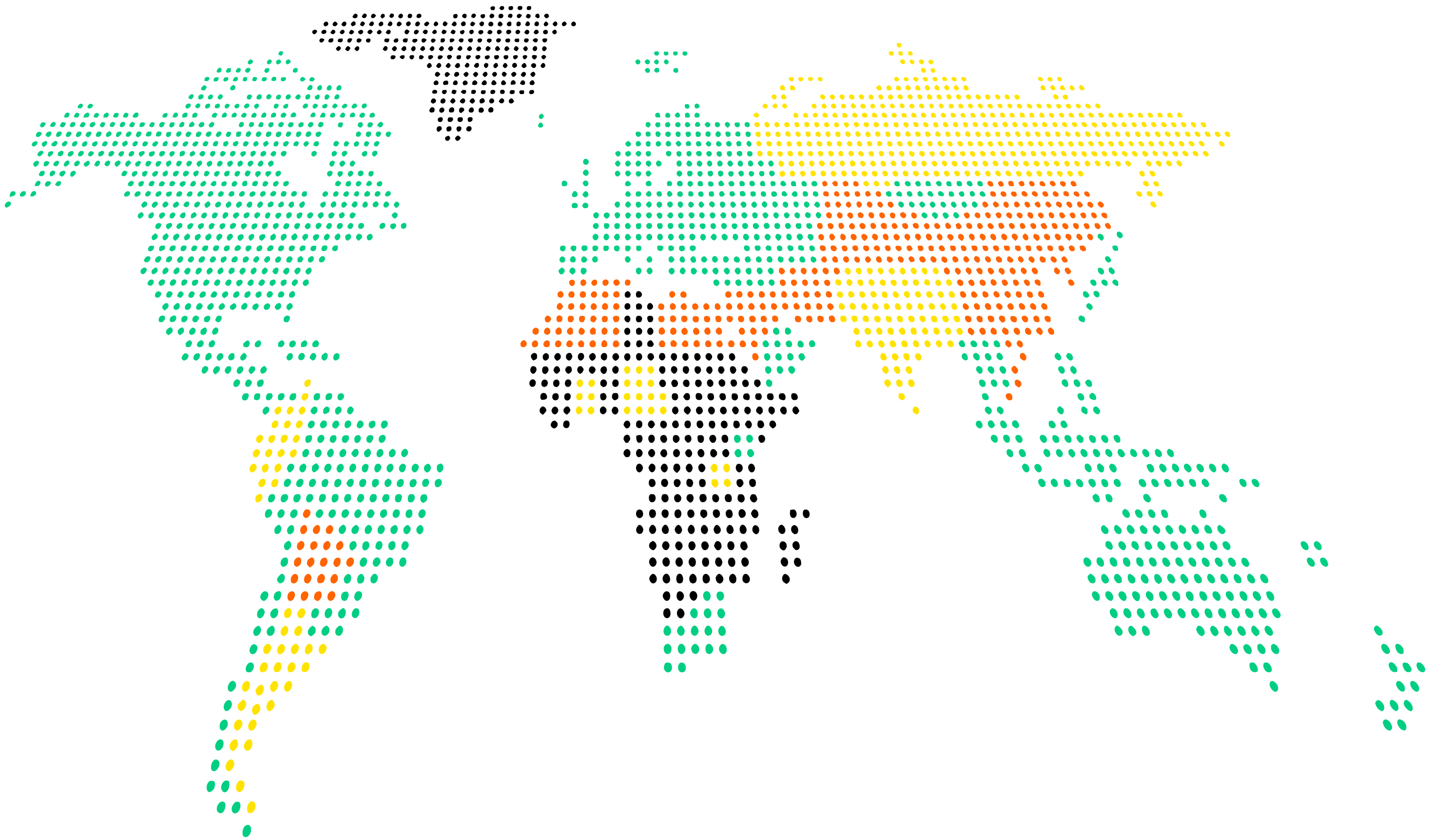
Global Shift: Governments worldwide are moving toward comprehensive frameworks for digital assets and in the U.S. under the Trump administration, regulatory clarity has become a priority. Bipartisan efforts (e.g. the GENIUS Act) aim to integrate stablecoins into the regulated financial system, reduce uncertainty for institutions, and harmonize custody and reporting standards.

Regulations

Global Landscape of Crypto Regulation in 2025

Across the globe, governments are advancing dialogues and creating comprehensive regulatory frameworks for digital assets to ensure transparency, combat money laundering and terrorist financing, as well as fostering innovation in the financial sector.

Mapping Digital Asset Regulation



Selective Jurisdictions *

- ✓ United States
- ✓ Canada
- ✓ United Kingdom
- ✓ European Union
- ✓ Hong Kong
- ✓ Japan
- ✓ United Arab Emirates
- ✗ Saudi Arabia
- ✗ China (Mainland)
- ✓ Australia
- ✓ Bahamas
- ✓ Cayman Islands
- ✓ Bahrain
- ✓ South Africa
- ↻ Russia
- ✓ India
- ✓ South America

Regulatory Framework

- ✓ Legislation / Regulation in place
- ↻ Process initiated or plans communicated
- ✗ Regulatory process not initiated

Legal Status

- Legal (all activities are permitted)
- Partial Ban (some activities not permitted)
- General Ban (all activities limited)
- Unknown

Regulatory framework refers to countries or governments with legislation in place to enforce tax policy requirements, anti-money laundering and counter terrorist financing (AML/CFT), consumer protections, licensing, and disclosure obligations.

Legal status refers to whether individuals or institutions within the jurisdiction are permitted to buy, sell, or trade cryptocurrencies freely.

Source: Galaxy Research; Atlantic Council, as of August 2025.

Regulatory Reset Under Pro-Crypto President Trump

Executive Branch

- President Trump declared America will be the “crypto capital of the world.”
- **Executive Order (1/23/2025):** Strengthening American Leadership in Digital Financial Technology
  - Established **Presidential Working Group** on Digital Asset Markets, chaired by AI and Crypto Czar David Sacks
  - Promotes self-custody rights, regulatory clarity and certainty based on “technology-neutral regulations," growth of USD-backed stablecoins, open access to banking services
- **Executive Order (3/6/2025):** Establishment of Strategic Bitcoin Reserve (SBR) and U.S. Digital Asset Stockpile
- **Executive Order (8/7/2025):** Democratizing Access to Alternative Assets for 401 (k) Investors

Market and Bank Regulators

- Securities and Exchange Commission (SEC)
  - “Crypto 2.0” Task Force established, led by Commissioner Hester Pierce, hosting roundtables and 150+ meetings with market participants to design a workable framework.
  - SEC issued Staff Accounting Bulletin 122, repealing SAB 121 and removing a major barrier for banks to provide crypto custody services.
  - Dismissed or eased major enforcement actions, signaling a move away from “regulation by enforcement.”
  - Clarified that memecoins, protocol mining, staking, and USD-backed stablecoins are not securities, reducing regulatory uncertainty.
  - Chair Paul Atkins launched “Project Crypto” for embedding blockchain into U.S. capital markets.
- Federal Reserve Board of Governors, FDIC, and OCC affirmed that banking organizations are allowed to provide safekeeping for crypto assets in a fiduciary or non-fiduciary capacity.
- The CFTC has eased oversight of crypto derivatives by withdrawing pre-listing risk guidance and relaxing DCO requirements, while opening industry consultations on perpetual futures and 24/7 derivatives trading to explore broader market modernization.

Legislative Branch

- Stablecoin Regulation
  - Passage of the GENIUS Act, creating a federal regulatory framework with a state pathway for payment stablecoin issuers.
- Market Structure and Oversight
  - Introduction of the CLARITY Act, which aims to delineate agencies’ oversight roles, establish a provisional registration regime for crypto intermediaries, and create provisions for decentralized finance
  - Clarity on what constitutes a security and jurisdictional oversight of crypto markets
- IRS DeFi Broker Rule
  - Congress passed and President Trump signed a resolution nullifying the IRS’ DeFi Broker Rule, which would have required non-custodial software providers to report user transaction data to the tax agency

Crypto Policy Under Trump: H1 2025 Report

Read the Report

Source: Galaxy Research, as of August 2025.

Legislative Collaboration Sparks Corporate Activity on Blockchains

SEC Forms New Crypto Task Force

Jan 21, 2025

Task force will "set the SEC on a sensible regulatory path that respects the bounds of the law...The Task Force's focus will be to help the Commission draw clear regulatory lines, provide realistic paths to registration, craft sensible disclosure frameworks, and deploy enforcement resources judiciously."

- SEC

SEC Holds Crypto Task Force Roundtables

March 21, 2025

How We Got Here and How We Get Out - Defining Security Status

April 11, 2025

Know Your Custodian: Key Considerations for Crypto Custody

May 12, 20215

Tokenization - Moving Assets Onchain: Where TradFi and DeFi Meet

June 9, 2025

DeFi and the American Spirit

DTCC Announces New Platform for Tokenized Real-time Collateral Management

April 2, 2025

"Collateral mobility is the 'killer app' for institutional use of blockchain ... smart contracts automate the full range of collateral operations, enabling complex trade execution across markets in real time at any time, even in volatile conditions."

- DTCC

SEC Town Hall

May 6, 2025

"From 2017 until my nomination, I worked to help develop best practices for the digital assets industry and saw firsthand how ambiguous or nonexistent regulations in this space created uncertainty and inhibited innovation...

...A top priority for me will be to tackle regulatory treatment of digital assets and distributed ledger technologies, providing a firm regulatory foundation through a rational, coherent, principled approach."

- SEC Chairman Paul Atkins

CFTC Crypto Week Statement

July 18, 2025

"Under President Trump's strong leadership and clear vision, Crypto Week is the beginning of America's golden age of digital asset innovation. The CFTC stands ready to fulfill our mission and oversee our markets that enable U.S. economic growth and competitiveness. The future is bright."

- Acting CFTC Chaiman Caroline D. Pham

American Leadership in the Digital Finance Revolution

July 31, 2025

"The future is arriving at full speed—and the world is not waiting. America must do more than just keep pace with the digital asset revolution. We must drive it...

..."Project Crypto will help ensure that the United States remains the best place in the world to start a business, develop cutting-edge technologies, and participate in capital markets."

- SEC Chairman Paul Atkins

Non-Crypto Company Meetings with SEC Crypto Task Force

- 2/6/25 ▪ Nasdaq
- 2/19/25 ▪ Robinhood
- 2/20/25 ▪ Fidelity
- 2/25/25 ▪ DTCC
- 5/2/25 ▪ PricewaterhouseCoopers
- 5/9/25 ▪ BlackRock
- 5/27/25 ▪ SIFMA
- 6/6/25 ▪ VanEck
- 6/11/25 ▪ Committee on Capital Markets Regulation
- 6/16/25 ▪ NASAA
- 2/17/25 ▪ JPMorgan Chase & Co
- 6/24/25 ▪ New York Stock Exchange
- 6/25/25 ▪ Tradeweb Markets
- 7/15/25 ▪ Deutsche Bank USA Corp
- 7/22/25 ▪ Citadel Securities

003

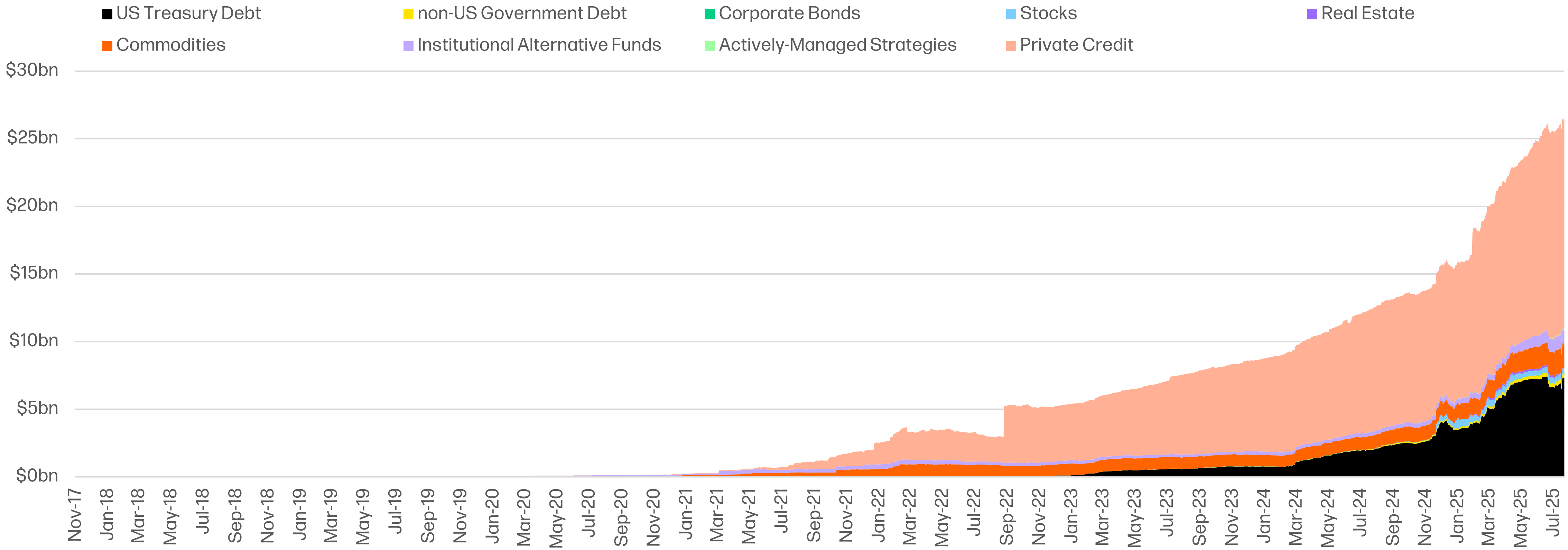
Beyond stablecoins, tokenized money market funds, onchain debt, and other real-world assets (RWAs) are gaining traction. We see strong institutional interest fueling demand for tokenization services. Projections suggest $1.9 trillion in tokenized equities could emerge by 2030 under accelerated adoption scenarios.

Tokenization

Tokenization Landscape

Tokenized assets have grown rapidly to almost $30bn, led by Private Credit and U.S. Treasuries, expanding into Real Estate and alternative strategies. The market has shifted from a single-asset experiment into a diversified, multi-trillion-dollar opportunity in waiting.

Tokenized Asset Market Cap Growth Over Time



Source: RWA.xyz, as of August 15, 2025.

Crypto Product Evolution: Stablecoins, MMFs, Onchain Debt, and RWAs

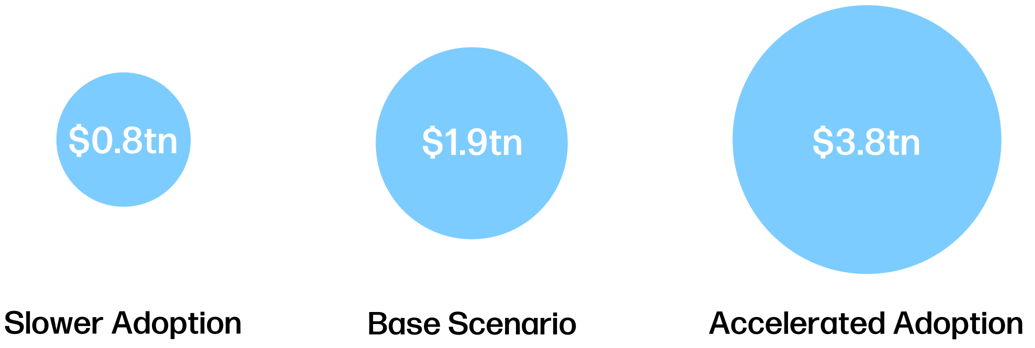
The stablecoin market has demonstrated product-market fit and tokenized money market funds have shown increased demand. In 2025, we continue to see a surge in onchain debt products amid interest in RWAs.

	Stablecoins Onchain currency	Tokenized MMFs Onchain treasuries and private funds	On-chain Debt Onchain lending products	Real-World Assets Onchain asset tokenization
	CIRCLE, PAXOS, PayPal	FRANKLIN TEMPLETON, SECURITIZE, Hashnote, Superstate	Centrifuge, MAPLE	PAX GOLD 
Market Trends				
Market Size	$275B+ AUM	$7B+ AUM	$17B+ AUM	$6B+ AUM
Key Uses & Users	Cross-border payments Crypto trading Overseas dollar access	Crypto firms VC funds Protocol treasuries	Institutional players Crypto firms Family offices	Transparency Liquidity Community building

Source: RWA.xyz, as of August 15, 2025. All third-party company product and service names in this presentation are for identification purposes only.
The product names, logos, and brands are the property of their respective owners. Use of these names, logos, and brands does not imply endorsement.

Market Dynamics: The Rise of Tokenization

Potential 2030 Tokenized Market Capitalization



Wave	2030 tokenized asset market capitalization base case	$ trillions	Example use cases
	Cash and Deposits: Excluded from consideration	~1.1	24/7 B2B payments
1	Mutual Funds and ETFs	~0.4	Money market fund distribution
	Loans and Securitization	~0.3	Warehouse lending / CLOs
	Bonds and Exchange Traded Notes	~0.3	Intra-day repo/collateral mobility
2	Alternative Funds	~0.2	Distribution and investor onboarding
	Alternative Assets	~0.1	Liquid secondary market
	Unlisted Equities	~0.1	Liquid private markets for secondaries
	Precious Metals	~0.1	Collateral use cases
3	Publicly Listed Equities	<0.1	Clearing and settlement efficiencies
	Intangible Assets	<0.1	Real-time royalty distributions
	Derivatives	<0.1	Clearing and settlement efficiencies
		~1.9	

Market Overview

- Stablecoins were the first tokenized product to achieve product-market fit
- We're now seeing the emergence of tokenized funds and ETFs, with more than $2.37 billion committed across 35 tokenized money market funds.
- Tokenization is gaining traction due to strong institutional interest as firms seek to understand and adopt the technology to stay competitive.
- Tokenization service providers and advisory services will be in high demand as institutions seek to build and enhance their capabilities.

Source: Galaxy, Bain, McKinsey, and BCG.

The Evolution of Capital Markets: Tokenized Equities at Scale

Just as decentralized exchanges rapidly captured liquidity from centralized platforms, tokenized equities could see accelerated adoption—unlocking trillions in potential market value through instant settlement, higher turnover, and onchain transparency.

Assumptions

Baseline Growth
~7% annual equity market cap growth
~3% share volume growth from decades of automation

Adoption Curve
S-curve model across bear/base/bull cases, benchmarked to ETFs, crypto ETFs, and tokenized MMFs

Higher Turnover Onchain
24/7, instant settlement, pre-funded trading leads to faster volume migration than market cap

Flow Migration Proof
CEX to DEX shift (0% to ~20% in 5 years) shows liquidity can move quickly with parity

Scenario Framework
Fixed total cap and ADV; derive tokenized share based on adoption and turnover assumptions

Key Sensitivities
Turnover gap, S-curve shape, regulatory timing, and tokenized vs. legacy asset mix

Projected Total Addressable Market for Tokenized Equities Post-“Uniswap Moment”

Time Horizon (Years)	Scenario	Total U.S. Market Cap ($T)	Tokenized Equities Share	Tokenized Market Cap ($T)	Total ADV (Billions of shares)	Tokenized Trading Volume Share	Tokenized ADV (Billions of shares)
2 Years	Bear	71.9	0.7%	0.5	18.2	2.3%	0.4
	Base	71.9	2.3%	1.6	18.2	7.2%	1.3
	Bull	71.9	4.6%	3.3	18.2	13.9%	2.5
5 Years	Bear	88.1	1.9%	1.6	19.9	5.9%	1.2
	Base	88.1	5.9%	5.2	19.9	17.3%	3.5
	Bull	88.1	11.9%	10.5	19.9	31.1%	6.2
10 Years	Bear	123.5	6.3%	7.7	23.1	18.2%	4.2
	Base	123.5	20.0%	24.7	23.1	45.5%	10.5
	Bull	123.5	40.3%	49.7	23.1	69.2%	16.0
20 Years	Bear	243.0	12.1%	29.5	31.1	31.5%	9.8
	Base	243.0	38.8%	94.4	31.1	67.9%	21.1
	Bull	243.0	78.1%	189.9	31.1	92.3%	28.7

004

Stablecoins are a breakout success story in digital assets, with ~$275B supply, functioning as efficient, dollar-pegged payment rails across different yield categories.

While DeFi has been the primary driver of demand, stablecoins overall offer faster, cheaper and more transparent settlement compared to traditional systems.

Stablecoins

Building Blocks of the Stablecoin Market

From reserves to real-world use cases, stablecoins depend on a full stack of infrastructure and integrations.

Custody and Banking	Issuance	Blockchain Infrastructure	Distribution	Integration	Usage
Reserve Management	Minting and Backing	Settlement	On/Off-Ramp and Liquidity	Payment Rails and Fintechs	User Interface
Custodians and banks safeguard the cash and Treasury assets behind stablecoins and manage those reserves in regulated accounts and money market funds.	Issuance involves minting stablecoins and ensuring they are fully backed by reserves, providing stability by matching each token with an equivalent asset.	Blockchain infrastructure supports the stablecoin ecosystem by providing the technology to securely transfer and settle transactions. Settlement refers to the process of finalizing these transactions on the blockchain, ensuring that transfers are validated, irreversible, and efficiently recorded.	Distribution involves the movement of stablecoins through exchanges and wallets, enabling users to buy, sell, and transfer tokens. On/off ramps facilitate the conversion between fiat and crypto, while liquidity ensures there's enough supply for smooth transactions, keeping the system efficient and responsive.	Integration connects stablecoins with real-world applications, enabling seamless use across platforms. Payment rails facilitate the flow of funds between parties, while fintechs build services that allow users to interact with stablecoins in everyday financial transactions.	Usage refers to how stablecoins are leveraged across various sectors. In the crypto world, they facilitate trading, lending, and DeFi activities. For non-crypto users, stablecoins provide a reliable alternative for payments, remittances, and savings, bridging the gap between traditional finance and digital assets.
BNY MELLON STATE STREET anchorage digital	Ethena CIRCLE tether PAXOS		BINANCE coinbase kraken	stripe VISA	AAVE UNISWAP

From Experiment to Essential: Stablecoins Lead Adoption

Delivering stability, liquidity, and yield opportunities, stablecoins have proven indispensable for payments, trading, and institutional integration.

BY THE NUMBERS

$275B

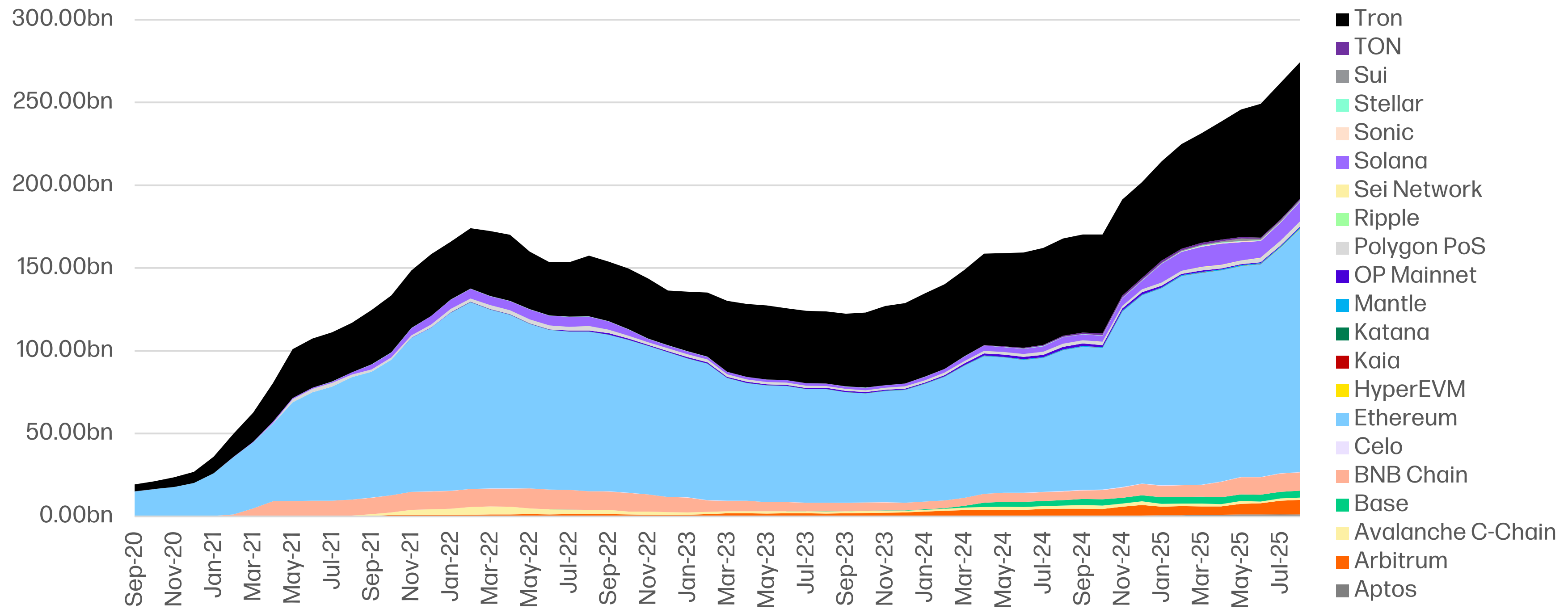
+64%YoY

Total Stablecoin Supply[1]

$61.7T

Total Stablecoin Transaction Volume Since Inception[1]

Stablecoin Volume by Blockchain



1. Source: Artemis, as of August 15, 2025. Transaction volume is adjusted to exclude maximum extractable value (MEV) and intra-exchange transactions.

Mapping Yield Across Stablecoin Structures

Different stablecoin designs offer varying access to reserve income, protocol rewards, and tokenized money-market fund yields

Non-Yield-Bearing Stablecoins

Centralized, Decentralized

Pegged to the dollar, designed for liquidity and stability, but paying no yield.

tether

Ethena

Platform-Dependent Yield Stablecoins

Fiat-backed tokens where yield gets passed through only if a partner platform shares reserve income or offers discretionary rewards to custodial holders.

USD Coin

PYUSD

Yield-Bearing Stablecoins

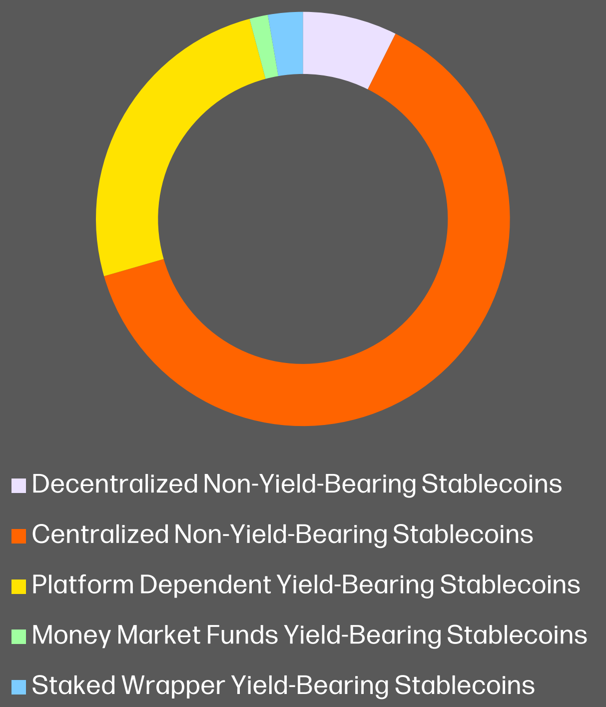
Staked Wrappers, Tokenized Money-Market Funds

Stablecoins that distribute reserve or protocol income directly to holders.

BUIDL

Benji

Stablecoin Supply Dominance by Yield Categories



Source: DefiLlama, as of August 5, 2025. Th

From Hype to Utility: Why Stablecoins Matter

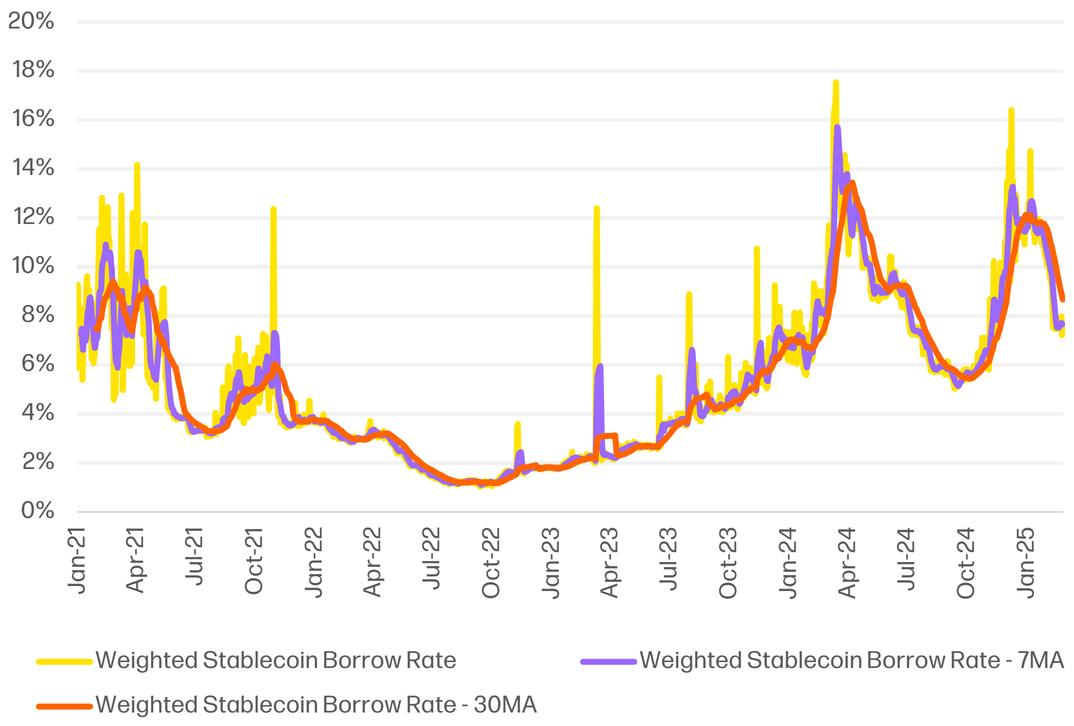
What began as a crypto-native tool is now challenging legacy rails by offering speed, transparency, and 24/7 global reach. Stablecoins deliver faster settlement, lower fees, and global accessibility compared to traditional payment systems.

Feature	Stablecoins	ACH (U.S.)	Wires (SWIFT/CHIPS)	Card Networks (Visa/Mastercard)	FedNow / RTP (U.S.)	SEPA Instant (EU)	UPI (India)	PIX (Brazil)	FPS (UK)
Settlement Speed	~5–10 sec (24/7)	Same day – 2 days	Same day – 2 days	Instant auth, settle T+1–3	Real-time (24/7)	<10 seconds (24/7)	Real-time (24/7)	Real-time (24/7)	Mostly seconds
Transaction Fees	<$0.01–$0.10	$0–$1 (domestic)	$10–$50+ per transfer	~2–3% of transaction value	Very low (<$0.01)	Very low (<€0.50)	Free to consumer	Free/ near-free	Very low
Availability	Global, 24/7/365	U.S. only, business hours	Global, limited bank hours	Global, but network-dependent	U.S. only, 24/7	Eurozone, 24/7	Domestic India, 24/7	Domestic Brazil, 24/7	UK domestic, 24/7
Intermediaries	Peer-to-peer, no bank needed	Banks + NACHA clearinghouse	Banks + SWIFT/CHIPS	Issuer, acquirer, card network	Banks & Fed/TCH	Banks & ECB infra	Banks + NPCI infra	Banks + Central Bank of Brazil	Banks + clearing infrastructure
Cross-Border Use	Global	Domestic only	Yes, but costly/slow	Yes, but FX/interchange heavy	Domestic only	Eurozone only	Domestic only (intl. limited)	Domestic only	Domestic only
Who Can Use It	Anyone with internet + crypto wallet	Businesses & consumers (via banks)	Businesses & consumers (via banks)	Consumers & merchants (via banks/networks)	Banks/financial institutions only	Banks/ regulated PSPs	Any consumer with bank/ mobile app	Any consumer with bank/ mobile app	Any consumer with bank/ mobile app

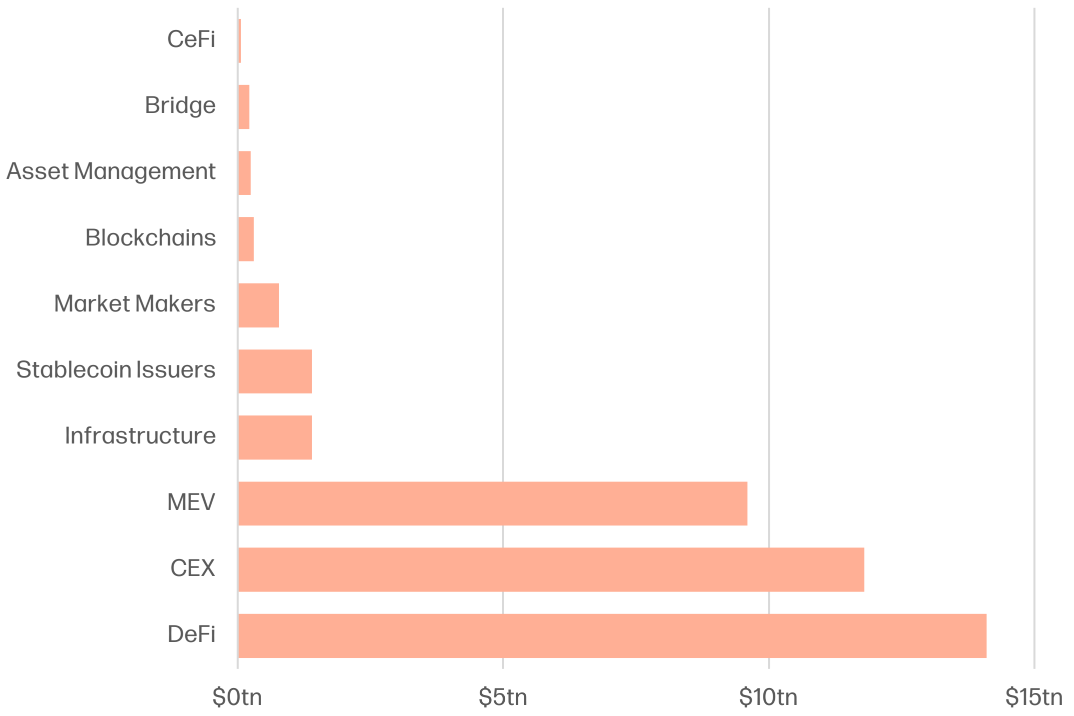
DeFi as the Primary Driver of Stablecoin Growth

DeFi has been producing structurally above-market dollar-denominated yields for the better part of the last five years, giving consumers with decent technical savvy the ability to earn 5 – 10% returns with controlled risk profiles.

Interest Rates History by Product



Transaction Volume Ranked by Sectors



Source: Artemis, as of August 28, 2025.

005

Onchain adoption is accelerating, reflected in rising DEX spot volumes, higher onchain fees, and a rebound in DeFi lending. At the same time, regulatory clarity is encouraging corporates like Stripe and Robinhood to launch, integrate, and expand onchain solutions.

> “The future is arriving at full speed—and the world is not waiting.”
>
> – SEC Chairman Paul Atkins

Onchain Adoption

Corporates Going Onchain: Uses Cases and Strategic Drivers

stripe Bridge

In March 2025, Stripe acquired Bridge, a stablecoin infrastructure provider. The deal lets Stripe embed stablecoin rails into its payments products, enabling faster, cheaper cross-border settlement and access to programmable money in 100+ countries. By moving onchain, Stripe is extending beyond card processing into digital finance infrastructure.

Robinhood ARBITRUM

On June 30, 2025, Robinhood launched tokenized U.S. stocks and ETFs for European users on the Arbitrum blockchain, offering 24/5 trading, dividends, and self-custody. At the same time, the firm announced plans for its own Layer-2 chain on Arbitrum's stack to expand access and lower costs. The move positions Robinhood as a bridge between traditional brokerage and onchain markets.

coinbase BASE

Launched in August 2023, Coinbase's Base—a Layer-2 chain built on the Optimism stack atop Ethereum—has seen explosive adoption. In August 2025, active users soared 1,280% year-over-year to 1.256 million, and annual transactions jumped 2,049%, exceeding 9.8 million processed. This meteoric growth underscores Base's role as a high-utility gateway into the onchain economy.

Additional Institutional Adoption

E*TRADE from Morgan Stanley

Morgan Stanley considers entering crypto trading space through its E-Trade platform

INTESA SANPAOLO

Intesa Sanpaolo, one of Italy's largest banks, makes first crypto purchase of $1m bitcoin to "test" their ability to offer crypto services to clients

standard chartered

Standard Chartered to offer crypto custody services in EU with new Luxembourg License

BlackRock.

Blackrock prepares to launch bitcoin exchange-traded product in Europe

SIX

SIX launches Digital Collateral Service, permitting financial institutions to post selected digital assets alongside traditional collateral

BANK OF AMERICA

Bank of America announces plans to launch its own stablecoin if legislation allows

MGX

Abu Dhabi-backed investment group, MGX, has made a $2bn investment in Binance

SGX

Singapore Exchange plans to list bitcoin perpetual futures in 2025, targeting institutional clients and professional traders

Deutsche Börse

Deutsche Boerse's Clearstream to offer cryptocurrency custody and settlement services for institutional clients

bpifrance

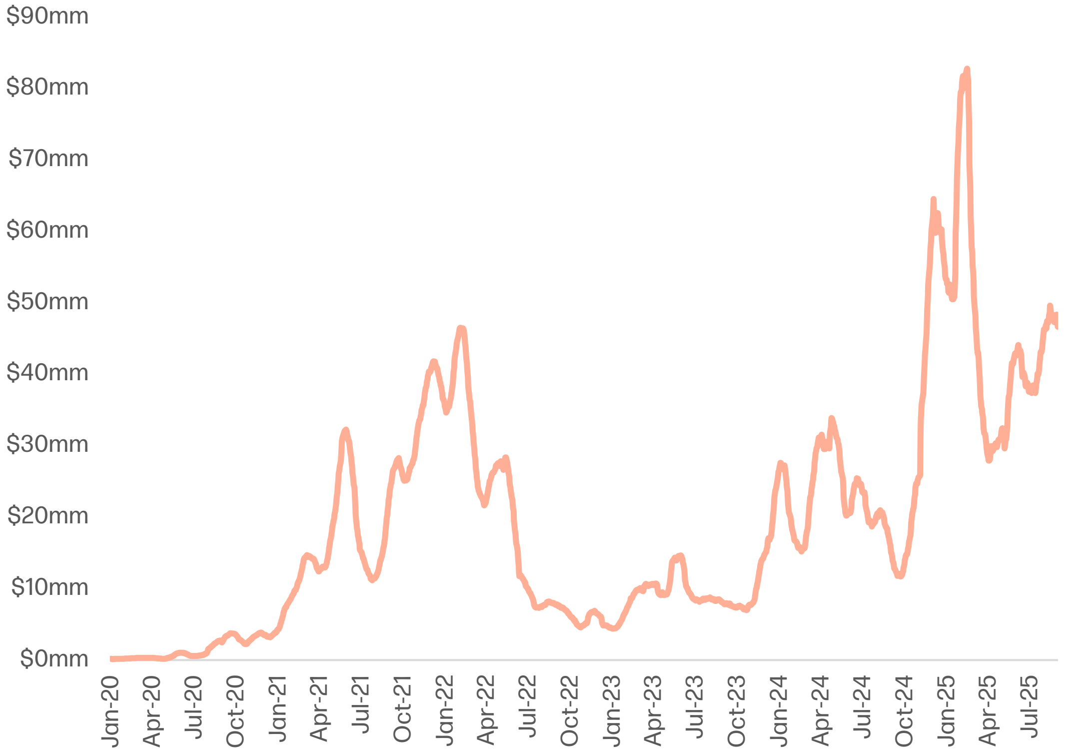
French State Bank Bpifrance plans $27mm investment in digital assets and plans to support local blockchain projects

Rising Volumes and Fees Signal Onchain Momentum

Trading activity and application revenues are trending higher, underscoring the strength of onchain adoption.

Spot DEX to CEX Volumes Trend Higher as Onchain Adoption Rises

Onchain Application Fees Climb as Adoption Deepens



Past performance is not indicative of future results.

Data: DefiLlama, Coinmetrics, as of 8/31/2025.

Note: Chart represents 30-day moving average for CEX and DEX spot volumes

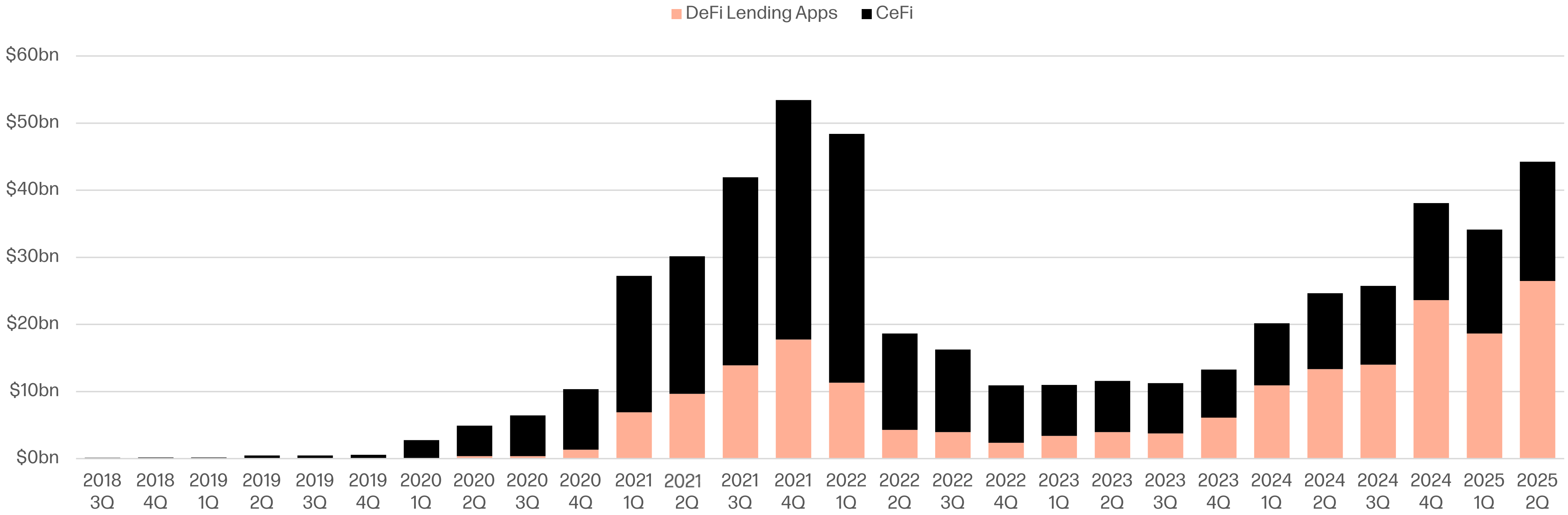
Data: DefiLlama, as of 8/31/2025.

Note: Chart represents 30-day moving average for application fees

Tracking the Expansion of Digital Asset Lending

As of Q2 2025, the dollar-denominated value of outstanding loans on DeFi applications reached a new all-time high of $26.47 billion. Only Q4 2021 ($53.44 billion) and Q1 2022 ($48.39 billion) saw more loans outstanding than Q2 2025.

CeFi + DeFi Lending App Lending Market Size by Quarter-End (Exclusive of CDP Stablecoins)



Data: Dune (glxyresearch), Galaxy Research based on public documents, private company disclosures, rwa.xyz
Note: DeFi Lending Apps includes open borrows on applications including Aave and Compound and excludes CDP stablecoins.
Note: Values supplied by private third-party lenders have not been formally vetted by Galaxy Research.

006

Several countries currently hold or plan to hold bitcoin reserves. Leading holders include the U.S. (120-170k BTC), U.K. (61k BTC), and Ukraine (46k BTC). Digital asset exposures in sovereign wealth funds and public investment entities have historically been indirect via stakes in crypto-related funds, venture funds and crypto exchange-traded products.

Governments and Sovereigns

Crypto Treasuries Go Global

An increasing number of nations are engaging with bitcoin reserves, with some countries already holding, planning adoption, or advancing legislation.

U.S. Strategic Bitcoin Reserve

U.S.
120k-170k BTC

"I believe that the Bitcoin reserve at today's prices is somewhere between $15 billion and $20 billion."

- Treasury Secretary Bessent, Aug. 14 Fox Business interview

Other Countries With Official Reserves

Bhutan
10.565k BTC

El Salvador
6.279k BTC

Countries Holding BTC

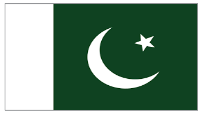
United Kingdom
61.245k BTC

Ukraine
46.351k BTC

United Arab Emirates (UAE)
6.333k BTC

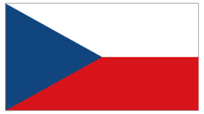
Countries Announcing Plans for Crypto Reserve

Philippines



Pakistan

Brazil



Czech Republic

Source: Based on public information, BitcoinTreasuries.net, Arkham Intelligence, as of August 15, 2025.

Sovereign Holdings

Sovereign wealth funds (SWFs) and public investment entities have largely approached crypto cautiously, often via indirect routes. Direct holdings of cryptocurrencies by these funds are rare due to mandate restrictions and risk profiles. Instead, many have gained indirect exposure through equity stakes in crypto-related companies, investments in venture funds, or crypto exchange-traded products.

Sovereign and Public Funds – Crypto Exposure Timeline

Early Adopters
2018-2019

- GIC → coinbase
  Singapore
- TEMASEK → BINANCE
  Singapore
- MUBADALA → MidChains
  UAE
- Fairfax County Pensions → Blockchain Hedge Funds
  USA

Big Bets
2021

- GIC → anchorage digital, BC GROUP
  Singapore
- TEMASEK → FTX
  Singapore
- ONTARIO TEACHERS' PENSION PLAN → FTX
  Canada
- CDPQ → Celsius
  Canada
- Houston Firefighters Pension → Direct BTC/ETH
  USA

Retrenchment
2022

- TEMASEK → FTX write-off
  Singapore
- ONTARIO TEACHERS' PENSION PLAN → FTX write-off
  Canada
- CDPQ → Celsius write-off
  Canada

Re-entry
2023-2024

- جهاز الاستثمار العُماني Oman Investment Authority → National mining facilities
  Oman
- Wisconsin Pension → BTC ETFs & MicroStrategy
  USA
- MUBADALA → BlackRock Bitcoin ETF
  UAE
- Fairfax County Pensions → Expanded crypto hedge fund exposure
  USA

Future
2025

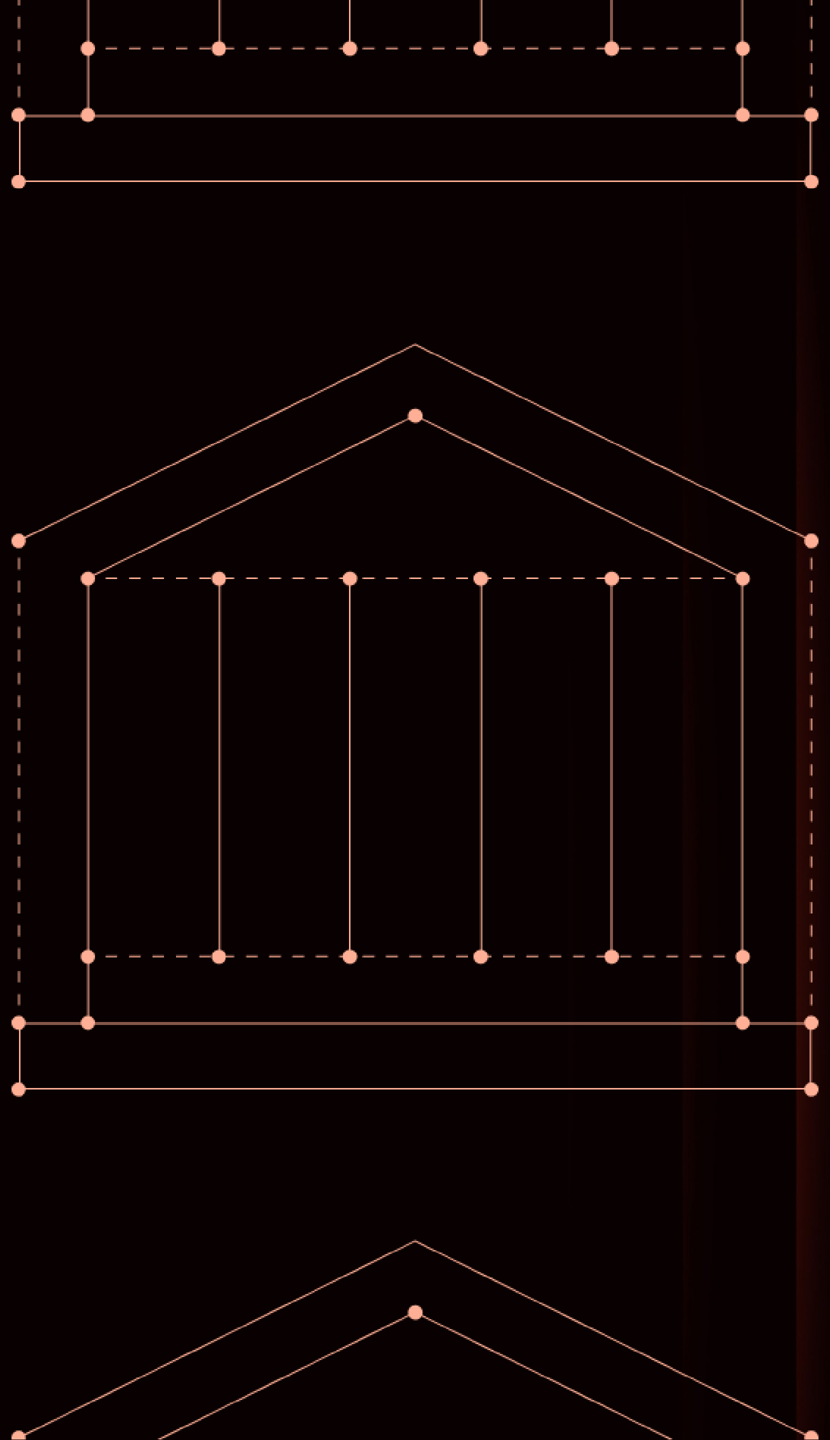
- NIC NBK → Plans direct sovereign crypto allocation
  Kazakhstan

007

2025 has seen an explosion of crypto treasury firms across multiple jurisdictions with over $15B raised from convertible notes and equity financings in Q2 alone. Adoption is geographically diversified, suggesting holding digital assets is becoming a normalized corporate treasury strategy.

An increasing number of public firms are holding BTC and ETH on balance sheets for inflation hedging, diversification, strategic alignment, and yield generation.

Treasury Companies



Treasury Adoption Accelerates Across Global Companies

Digital assets are evolving from experimental holdings to deliberate treasury strategies, helping corporates hedge, diversify, and align with the broader crypto ecosystem. Companies globally are recognizing the potential of these crypto treasuries to future-proof their businesses.

BY THE NUMBERS

50+

Newly formed crypto treasury companies across 15+ jurisdictions

$15+B

Raised from convertible notes & equity financings since Q2

Upexi

ReserveOne

KWAVE

DeFi Development Corp.

SHARPLINK GAMING

BitMine Immersion Technologies

13

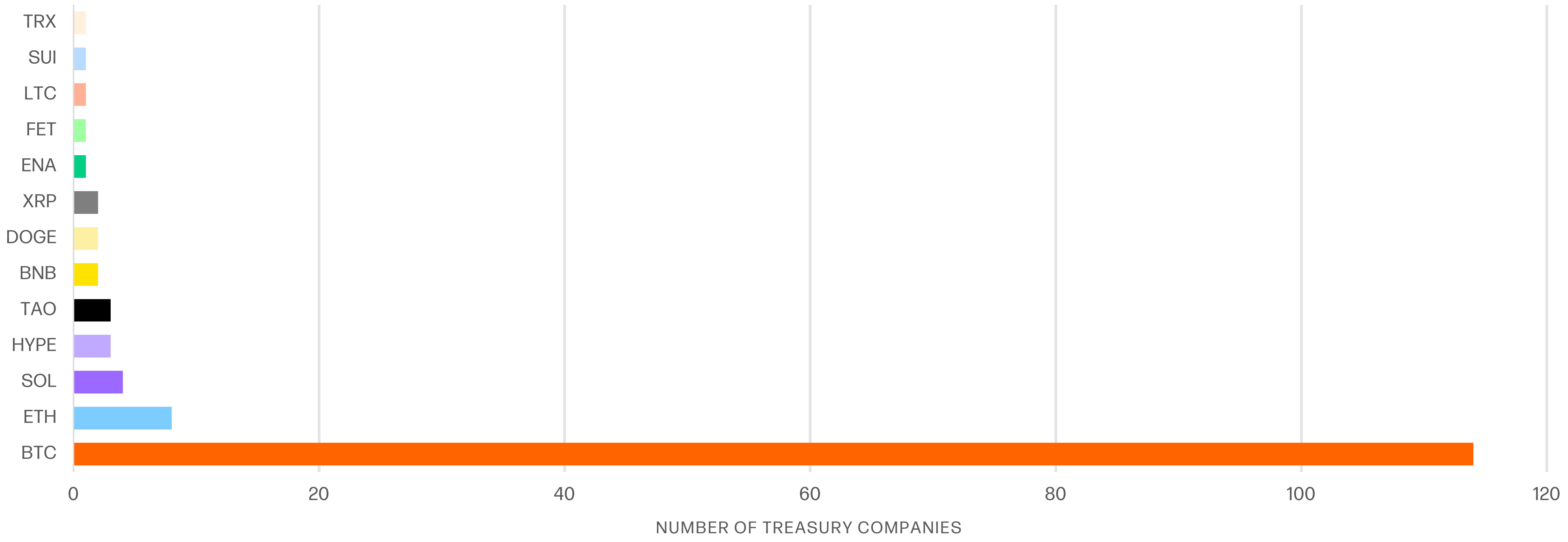
Digital assets selected for public company treasuries

Data: Publicly available data as of August 15, 2025.
All third-party company product and service names in this presentation are for identification purposes only.
The product names, logos, and brands are the property of their respective owners. Use of these names, logos, and brands does not imply endorsement.

Tracking Treasury Adoption of Bitcoin, Ether, and Beyond

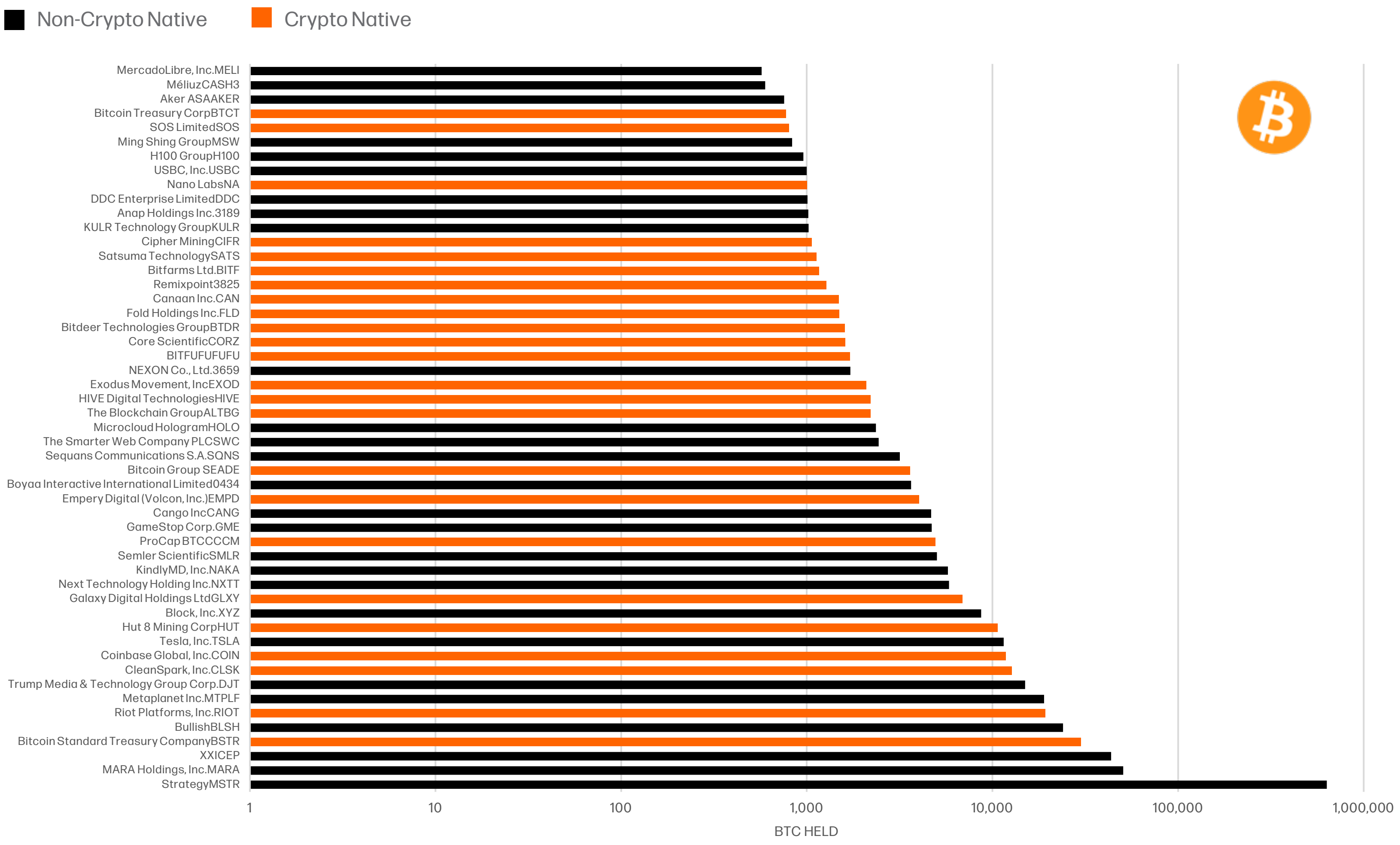
What began with a handful of early adopters has become a global trend, as more firms allocate to digital assets to future-proof treasury strategies.

Digital Asset Treasury Adoption by Asset (July 2025)



Data: Publicly available data as of July 28, 2025

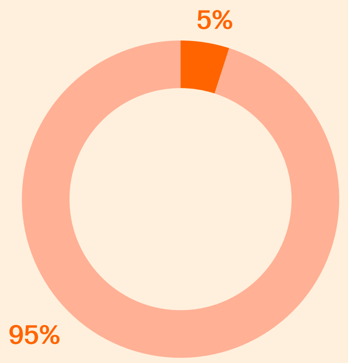
Public Companies with Bitcoin on Balance Sheet



Public companies have exposure to bitcoin for various reasons:

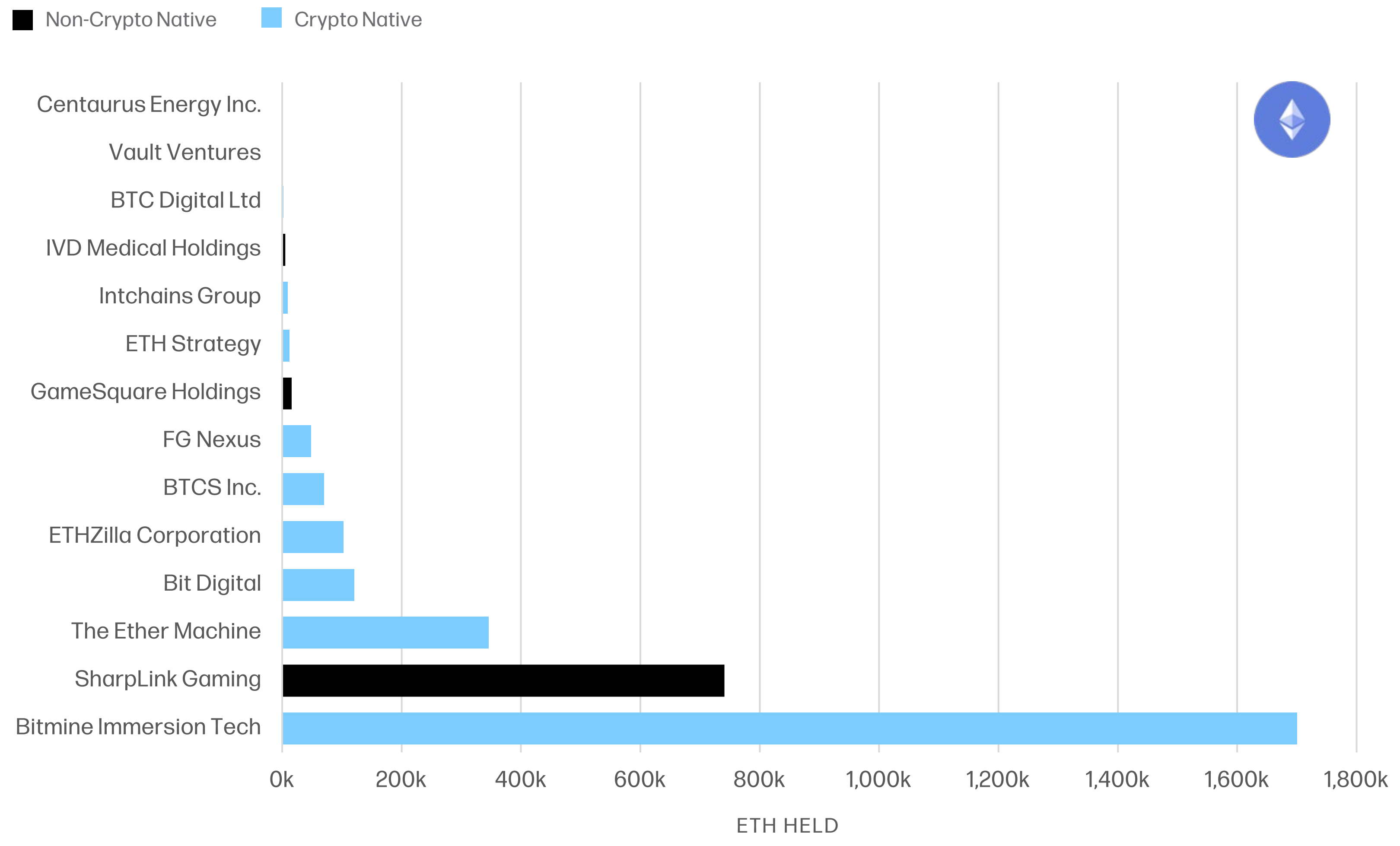
- Hedge against inflation
- Diversification of assets
- Potential for high returns
- Optimize treasury strategy
- Support crypto ecosystem

Bitcoin Treasury Company Holdings vs. BTC Supply



For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security.
Source: BitcoinTreasuries.Net, public filings, as of August 28, 2025.

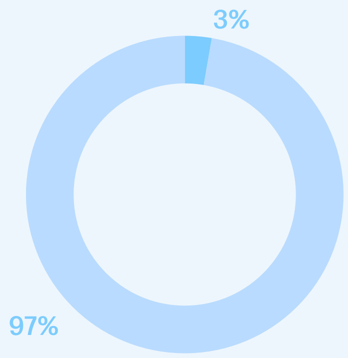
Public Companies with Ether on Balance Sheet



Public companies have exposure to ether for various reasons:

- Yield Generation
- Business Model Alignment
- Onchain Usage
- Strategic Investment

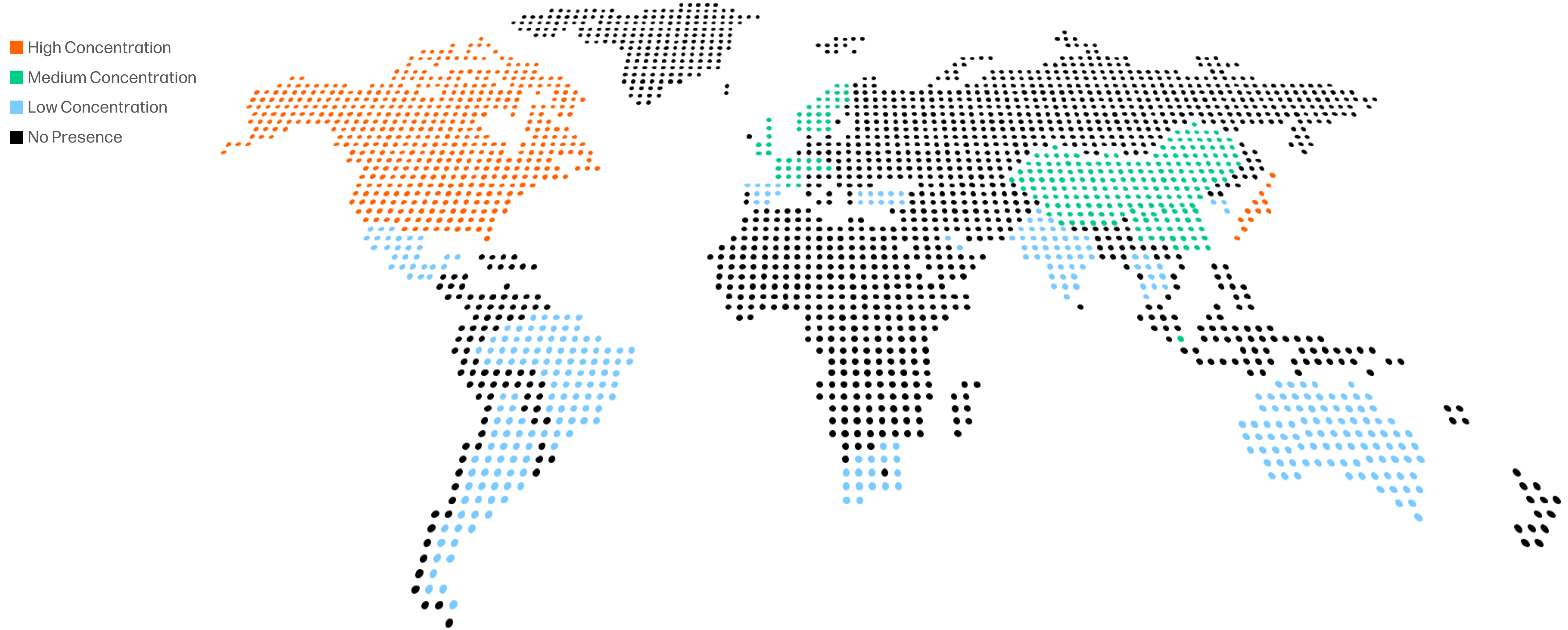
Ethereum Treasury Company Holdings vs. ETH Supply



For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security.
Source: StrategicETHReserve.xyz, as of August 28, 2025.

Global Footprint of Digital Asset Treasury Companies

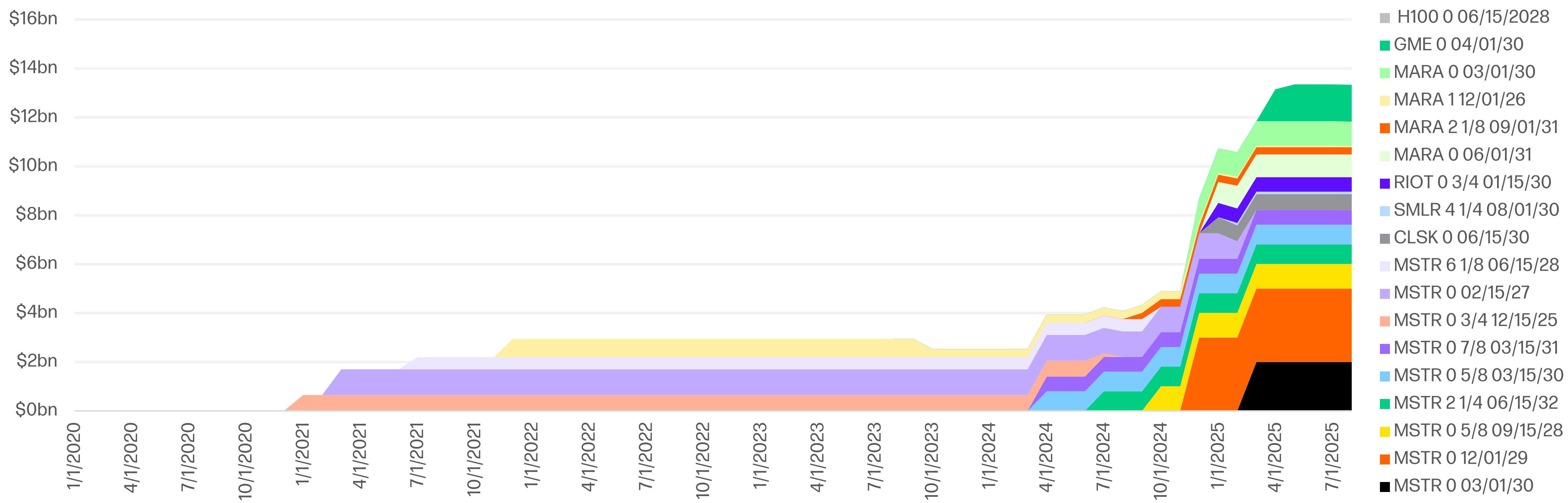
The rise of digital asset treasuries is not confined to one region—corporates worldwide are adopting crypto as a financial and strategic tool.



Source: Galaxy Research. As of July 28, 2025.

Companies Utilizing Capital Markets to Scale Their Treasury Holdings Including At-The-Market Offerings, Preferred Equity and Debt

Known Outstanding Debt Issued by Bitcoin Treasury Companies to Purchase BTC

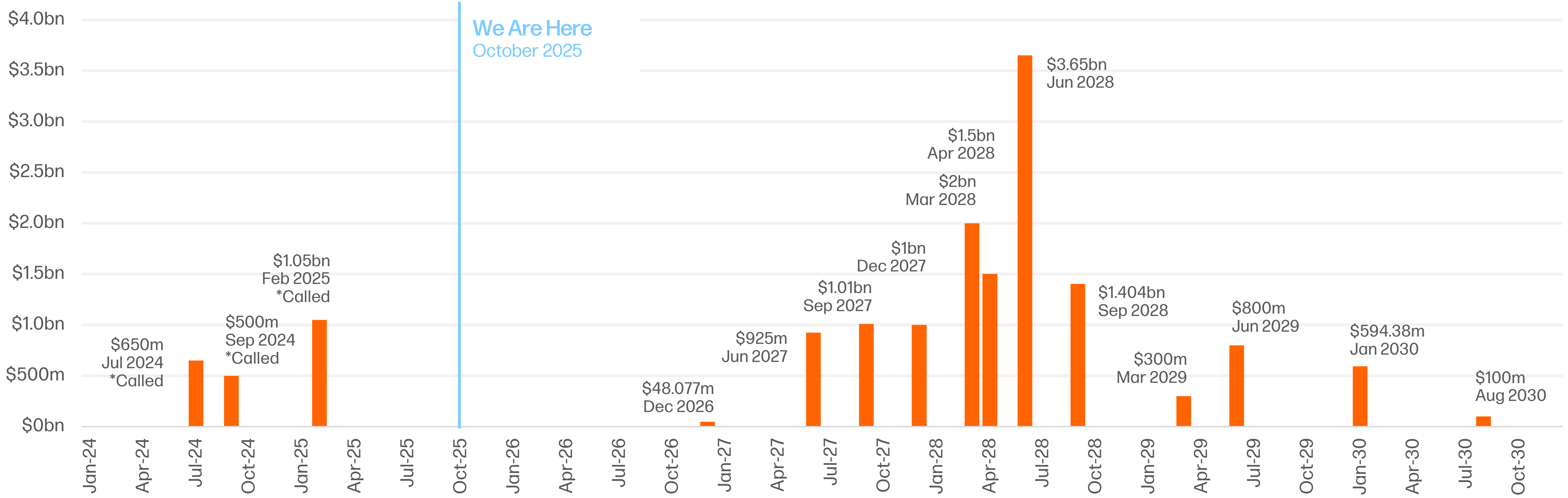


Data: Galaxy Research, Bloomberg. As of August 7, 2025.
Note: Not pictured are KindlyMD/Nakamoto and Metaplanet

When Treasury Debt Comes Due: Bitcoin-Financed Obligations

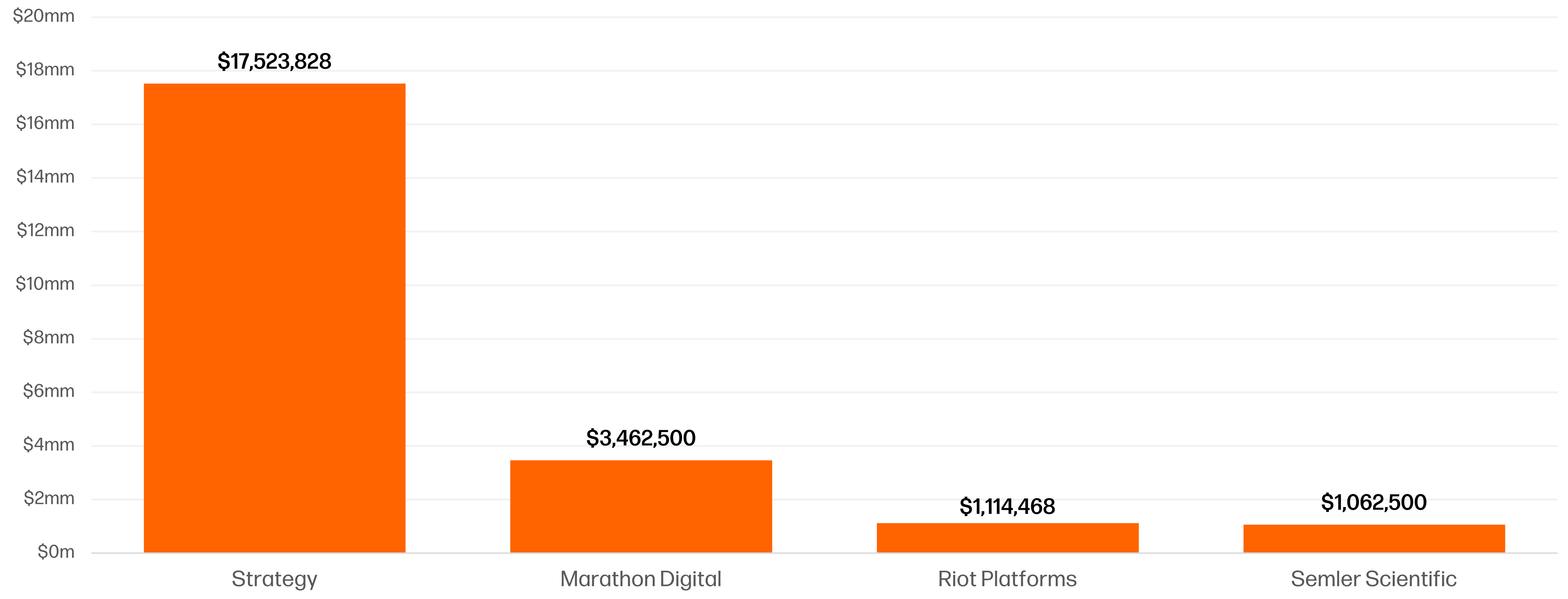
Clusters of maturities in the near term point to potential refinancing or repayment events, while longer-dated obligations highlight the commitment of corporates to holding BTC as part of their balance sheet strategy. This maturity profile underscores the growing scale of debt-funded bitcoin adoption and the financial discipline required to manage these positions over time.

Minimum Maturity, Call, or Put Date of Bitcoin Treasury Company Debt Used to Buy Bitcoin (Notional Amount)



Data: Galaxy Research, Bloomberg. As of August 7, 2025.
Note: Monthly sum of notional value of outstanding debt by minimum maturity, call, or put date. Includes Strategy, Marathon, Riot, Semler Scientific, Marathon Holdings, Gamestop, and H100.

Quarterly Effective Interest Service Costs by Bitcoin Treasury Company



Data: Bloomberg, Galaxy Research. As of August 7, 2025.
Note: Gamestop and H100 not pictured due to zero-coupon debt.

008

Investors can gain exposure to digital assets across a spectrum of publicly traded companies.

We have seen a growing trend in crypto-related IPOs with additional anticipated announcements that reflect regulatory clarity and growing institutional acceptance.

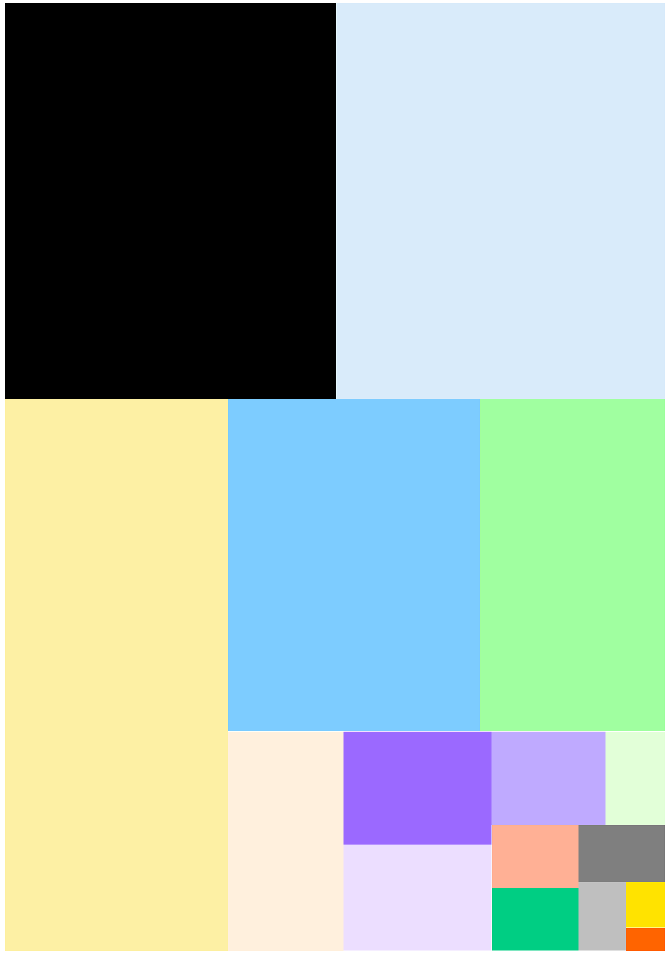
Public Equities

Digital Asset Ecosystem

Thematic Breakdown

- Bitcoin Miners and Validators
- Crypto-Related Financial Services
- Blockchain Software and Hardware
- Blockchain Technology Utilizers
- Infrastructure or Support Services
- Corporate Treasury and Reserves
- Converging Technologies (i.e. AI)

Industries	Market Cap
Financial Services & Payments	$6,153bn
Semiconductors	$6,129bn
Hardware & Software Manufacturers	$5,790bn
Consumer Products	$3,934bn
Internet	$2,895bn
Corporate Treasury	$1,189bn
Telecommunications	$789bn
IT Services	$740bn
Industrial Conglomerates	$501bn
Energy Producers	$263bn
Electric Equipment & Utilities	$258bn
Travel & Transportation	$258bn
Metals & Mining	$231bn
Cryptocurrency ETPs	$153bn
Media & Entertainment	$84bn
Cryptocurrency Miners	$42bn



Source: VettaFi, Bloomberg, As of June 30, 2025

Crypto Companies Entering Traditional Financial Markets

IPO BY THE NUMBERS

001

8

Number of crypto-related companies that have IPOed & uplisted in the U.S. in 2025[1]

002

$63B

Combined market cap of these crypto companies[1]

003

$16B

Trailing 12M Revenue of these crypto companies[1]

ENTERING INDEX

coinbase

MicroStrategy

BLOCK

Crypto-related companies that entered the S&P 500 index in 2025

Prominent IPO'ed Companies / U.S. Up-Listings

Bullish

INDOKRIPTO KOIN SEMESTA

BitMine Immersion Technologies

ANTALPHA

eToro

galaxy

CIRCLE

GEMINI

CN CAPITAL NUMBERS

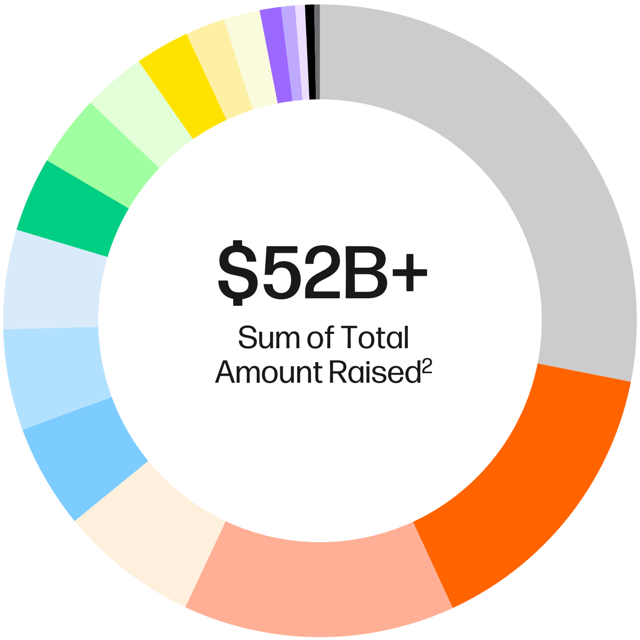
1. Source: Bloomberg, as of August 15, 2025

A Widening Pathway to Public Markets

Regulatory clarity and market maturation are projected to drive a crypto IPO boom, with over $350B in valuations poised for public listings in 2025.

Total Amount Raised ($M)

- Trading/Exchange/Investing/Lending
- Web3/NFT/DAO/Metaverse/Gaming
- Infrastructure
- Custody
- DeFi
- Mining
- Layer 1
- Data
- Payments/Rewards
- Layer 2 / Interop
- Enterprise Blockchain
- Privacy/Security
- Wallet
- Banking
- Media/Communication/Education
- Compliance
- Tokenization
- AI



BY THE NUMBERS

290+
Deals with a deal size >$50m since 2018[1]

$350B+
Estimated Last Known Valuation[2]

Notable Companies that have filed or indicated[3-6]

BitGo, Chainalysis, CoinShares, FALCONX

1. Data: PitchBook, from 2018 to 2025, excluding companies that have gone public. 2. Data: PitchBook, from 2018 to 2025, filtering for delas with a deal size >$50m and excluding companies that have gone public.
3. BitGo: https://www.reuters.com/technology/crypto-custody-startup-bitgo-files-us-ipo-2025-09-19/ 4. CoinShares: https://coinshares.com/news/coinshares-to-go-public-in-the-u-s/
5. Chainalysis: https://www.theinformation.com/articles/goldman-jpmorgan-eye-crypto-clients-as-ipo-prospects-brighten. 6. FalconX: https://decrypt.co/325918/crypto-prime-brokerage-falconx-early-talks-ipo

009

ETFs are drawing demand by providing familiar, regulated wrappers for investors, often outperforming expectations. The launch of BTC spot ETFs was described as the most successful ETF rollout in history.

With U.S. institutions disclosing $25.2B in spot BTC ETF holdings and over 300 blockchain and crypto ETPs, spot Bitcoin and Ethereum ETFs have garnered major inflows of new capital.

Passive Strategies/ETF

Fund Exposure

BY THE NUMBERS

001

1,400+

U.S. institutions disclosed $25.2B in spot bitcoin ETF holdings at the end of Q2-25[1]

002

374

Blockchain and crypto ETPs tracked on Bloomberg[2]

003

$216B

Combined AUM of 374 blockchain and crypto ETPs[3]

004

68

Fund issuers across 374 blockchain and crypto ETPs

Traditional fund issuers have entered the chat.

Many of the largest fund issuers globally are launching digital asset products.

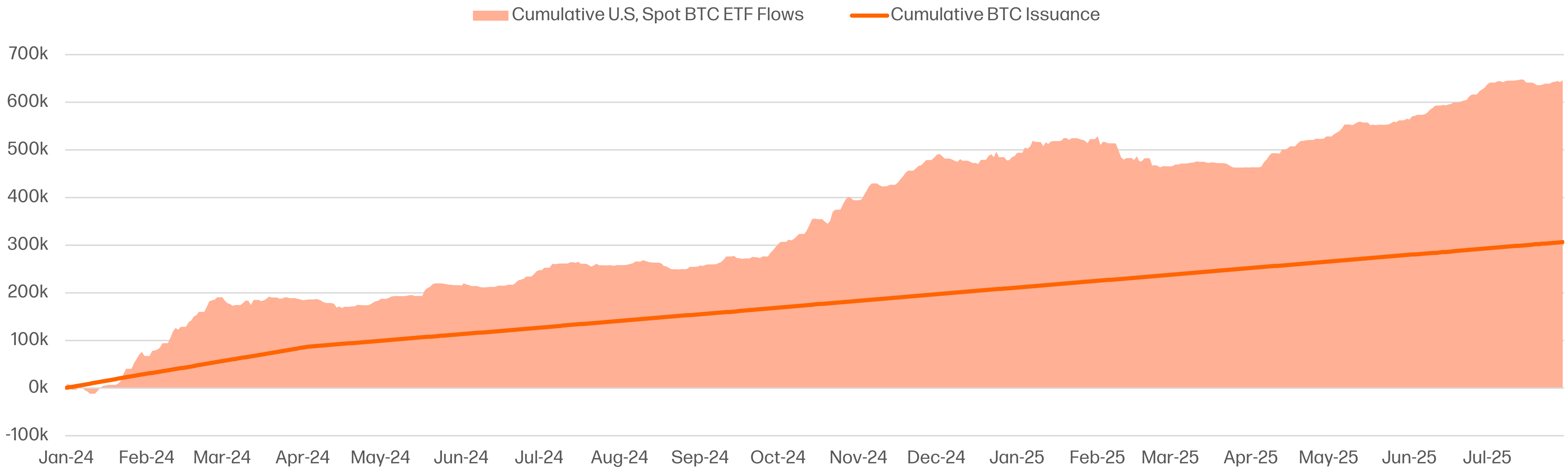
ARK INVEST, BlackRock, CI GLOBAL ASSET MANAGEMENT, DWS, Fidelity INVESTMENTS, FRANKLIN TEMPLETON, Invesco, Itaú Asset, STATE STREET GLOBAL ADVISORS, VanEck, WISDOMTREE

1. Bloomberg, as of August 31, 2025. [2] Bloomberg, as of September 3, 2025. [3] Bloomberg, as of September 3, 2025.

U.S. BTC Spot ETFs Were a Significant Source of New Demand

Since the spot ETFs began trading, demand from ETFs has significantly outpaced new bitcoin issuance. Measured by the asset flows within the first six months, the BTC ETF launch can be considered the most successful ETF launch (across all issuers) of all time.

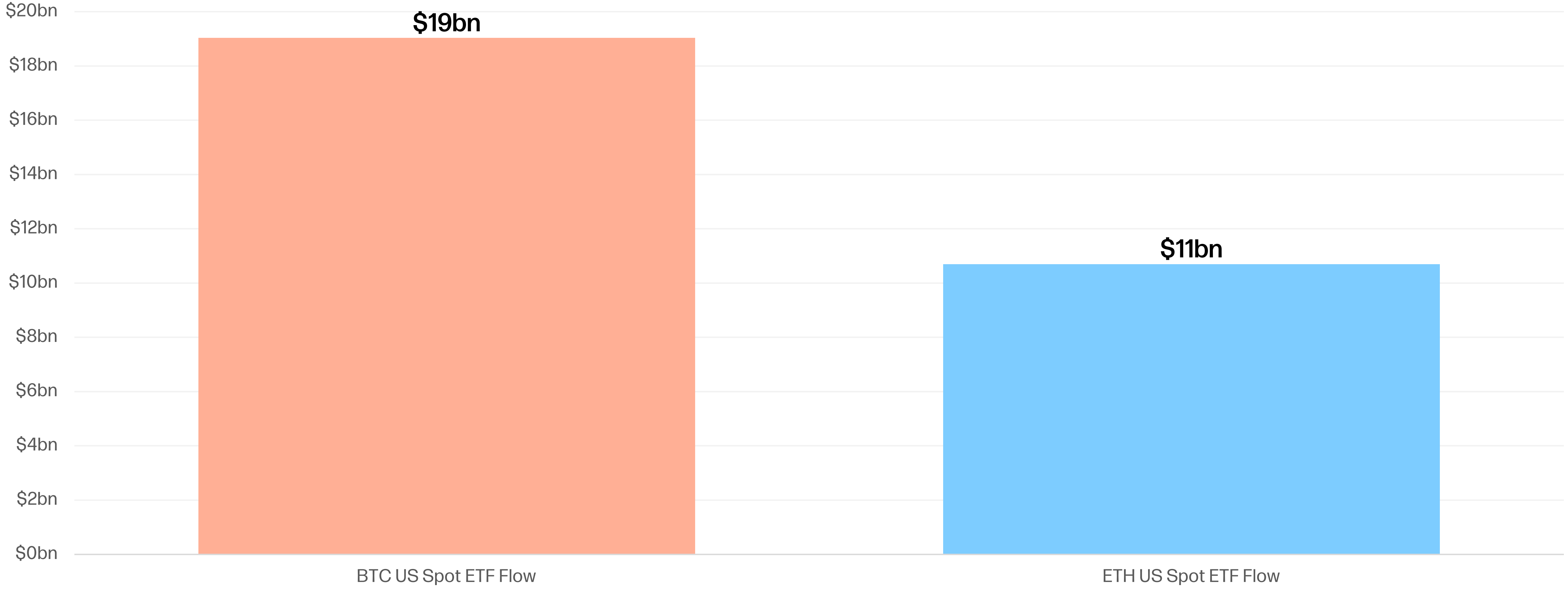
Bitcoin ETF Flows vs. BTC Issuance (Cumulative)



Source: Galaxy Research, Data: Glassnode, as of August 15, 2025.

YTD U.S. Spot Crypto ETF Net Flow

Both U.S. spot BTC and ETH ETFs saw strong investor demand over the course of 2025, with total net flows exceeding $30 billion.



Source: Galaxy Research, Data: Bloomberg, as of August 2025.

Staking Can Provide Additional Return for ETH and SOL

If staking were permitted in ETFs, it could make ETH and SOL more attractive in the near term. The additional yield may position them as more compelling holdings versus non-yielding assets. While staking rewards may compress over time, the immediate income adds a new dimension to institutional allocation decisions.

	ETH	SOL
Native Staking Yield	3%	7%
% Assets Staked (Assuming 50%)	Up to 50%	Up to 50%
Staking Partner's Fees	2% -- 5%	2% -- 5%
Staking Yield For Investors (Assuming 65%)	0.93%	2.16%

Data: as of 8/15/2025, Coinmetrics.

010

Venture remains critical to seeding the next wave of applications and infrastructure, with more than $115B capital invested in crypto venture capital since 2017.

Venture Capital Funds

Venture Exposure

BY THE NUMBERS

001

$115B

Capital invested in crypto VC (2017-2025)[1]

002

+23K

Crypto VC deal count (2017-2025)[1]

003

+280

Total count of crypto venture funds[2]

004

120

Portfolio companies under Galaxy Ventures[3]

Biggest Crypto VC Players

Crypto-Native VC Firms

Blockchain Capital, Multicoin Capital, Dragonfly, Galaxy, Pantera, Polychain Capital, Paradigm

Traditional VC Firms

a16z, Sequoia, Bain Capital, Altimeter

Crypto Exchanges – Venture Units

Coinbase Ventures, OKX Ventures, Kraken Ventures, Binance Labs

1. Galaxy Research, VisionTrack, Pitchbook, as of June 30, 2025; Aggregated from Galaxy's Quarterly Crypto and Blockchain Venture Capital Reports. [2] Pitchbook, as of June 30, 2025. [3] Galaxy Asset Management, as of June 30, 2025.

In Q2 2025, venture capitalists invested roughly $2 billion into crypto and blockchain-focused companies across 370+ deals.

CAPITAL INVESTED | NUMBER OF DEALS

	Capital Invested	Number of Deals
Web3 / NFTs / Metaverse / Gaming	$131M	48
Enterprise Blockchain	$32M	26
Layer 1 / Layer 2 / Interoperability	$115M	21
Mining	$537M	7
Infrastructure	$200M	47
DeFi | Tokenization	$140M	64
Artificial Intelligence	$104M	25
Trading | Lending / Investing	$176M	48
Data | Privacy / Security	$216M	23
Payments | Rewards / Wallets | Custody	$117M	33

Source: Galaxy Research, Q1 2025 and Q2 2025 Crypto & Blockchain Venture Capital Reports.

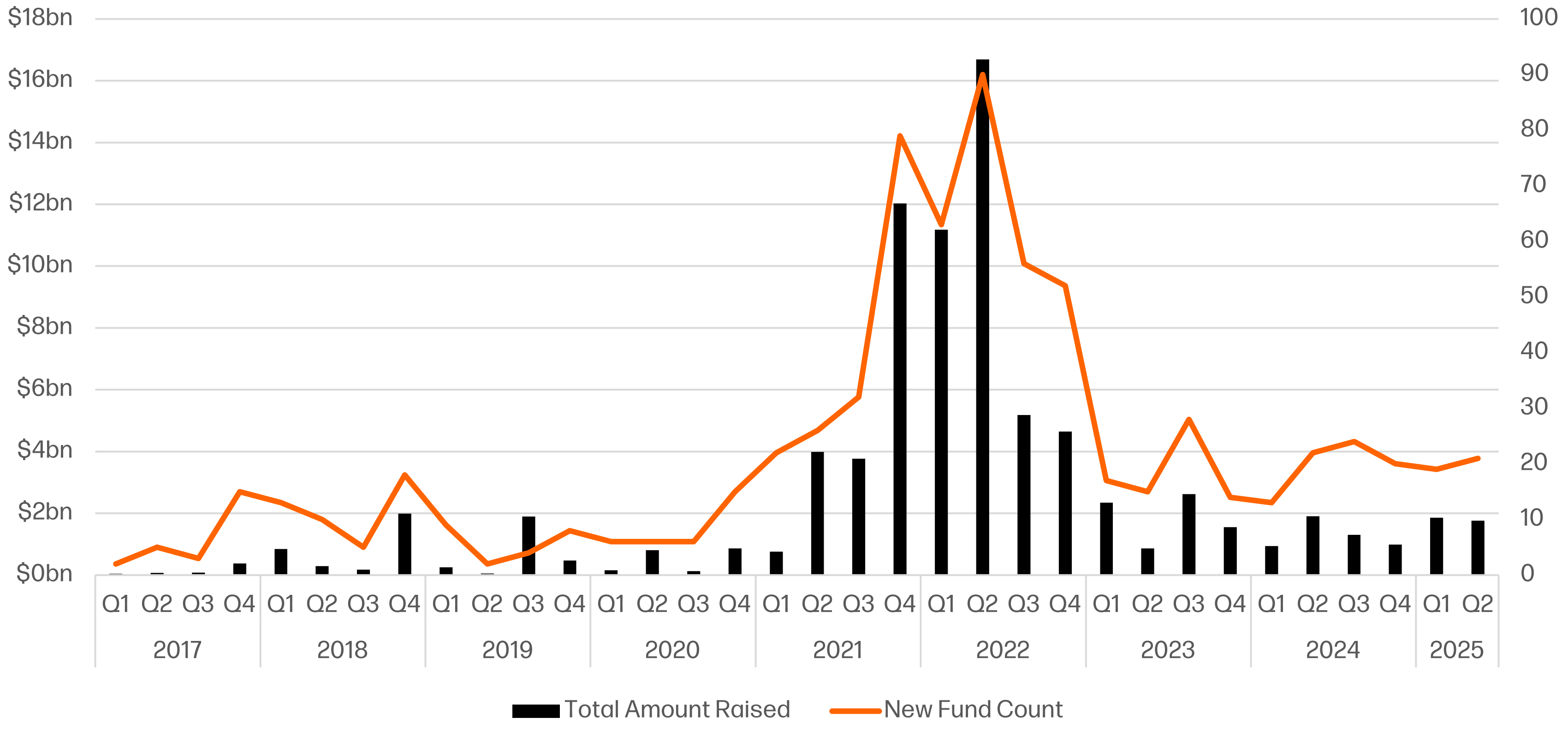
Crypto VC investments started to slowly rebound in 2025 …

VC activity and capital invested signal continued interest in crypto VC.

In Q1 2025, capital invested reached its highest levels since Q3 2022, a sign that appetite is slowly returning to the space.

The share of pre-seed deals rose slightly and remains healthy relative to prior cycles, while the share of later-stage deals has been rising over the past few quarters, reflecting the growing maturity of the market overall.

Crypto VC Deal Count and Capital Invested



Source: Galaxy Research, Q1 2025 and Q2 2025 Crypto & Blockchain Venture Capital Reports.

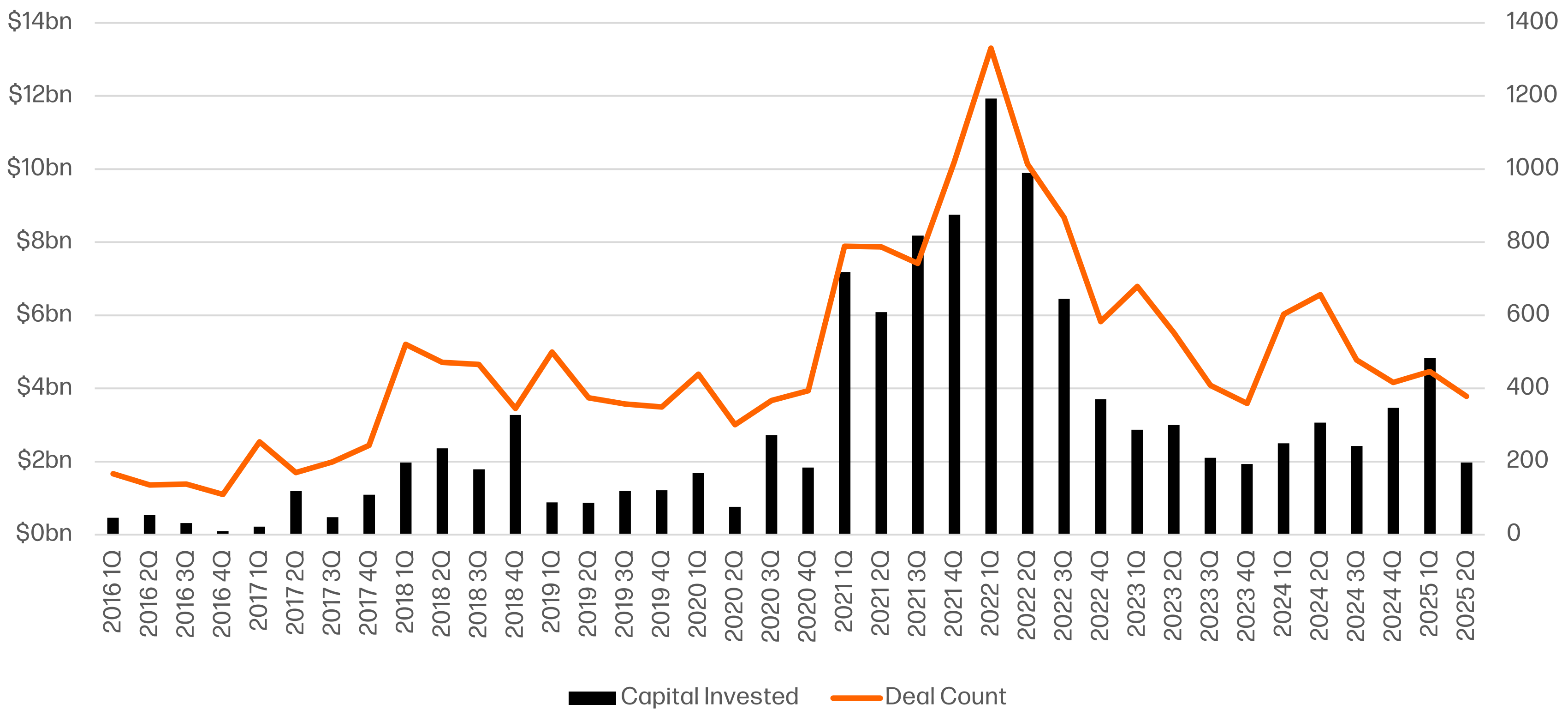
… however, allocators are still slower to return.

Investors remains cautious and vehicles like ETFs and now digital asset treasury companies (DATCOs) are competing with venture for investment.

Still, despite remaining below 2021-2022 bull market levels, venture activity remains active and healthy overall. **On an annual basis, the first half of the year has 2025 off to a good start, on pace to exceed the amount allocated in 2024. This presents an opportunity for more seasoned VC funds with strong deal access.**

Sectors such as AI, blockchain infrastructure, and trading continue to draw deals and dollars, and pre-seed activity remains consistent.

Allocation to Crypto VC
(*Through Q2 Reporting)



Source: Galaxy Research, Q1 2025 and Q2 2025 Crypto & Blockchain Venture Capital Reports.

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