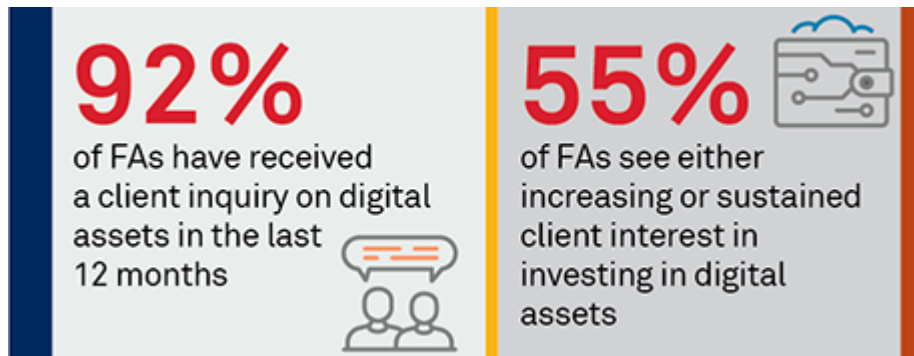


Digital Asset Investing

Financial Advisors Strive to Meet Client Needs

December 15, 2022

Executive Summary:



One can only describe the recent market volatility and business failures in digital assets as troubling. Despite the volatility in the midst of our research fielding process, however, Coalition Greenwich sees sustained or increasing interest in this asset class among investors served by financial advisors (FAs) in the United States.

In an effort to identify the perspectives and preferences for digital assets among FAs, we conducted an independent study on behalf of Talos, gathering responses from 537 FAs in the U.S. serving high net worth (HNW) and mass affluent (MA) clients. Our study reflects insights from an array of FAs, comprising independent, bank/wirehouse, retail, institutional, and insurance firms.

Even with the market corrections in August, interest in digital assets remained robust and sustained. Ninety-two percent of FAs have received a client inquiry on digital assets in the last 12 months, with 55% of FAs also seeing either increasing or sustained client interest in investing in digital assets versus last year.

Interestingly, end clients appear to see this asset class meeting a need in their portfolios, whether for diversification, outsized returns, or even just experimenting with exposure to next-generation technologies.

In response, FAs have been mastering investment approaches and identifying products to meet this demand. Thirty percent have recommended or will recommend a specific investment product to clients for exposure to digital assets in the next three months.

At the same time, some FAs simply don't believe they have their own firm's backing to develop investment strategies for digital assets. Compliance, even beyond risk, is the biggest blocker of digital asset investment strategies to date. However, other knowledge and technology platform gaps persist, which will need to be overcome even if compliance gives the green light to FAs in the future.

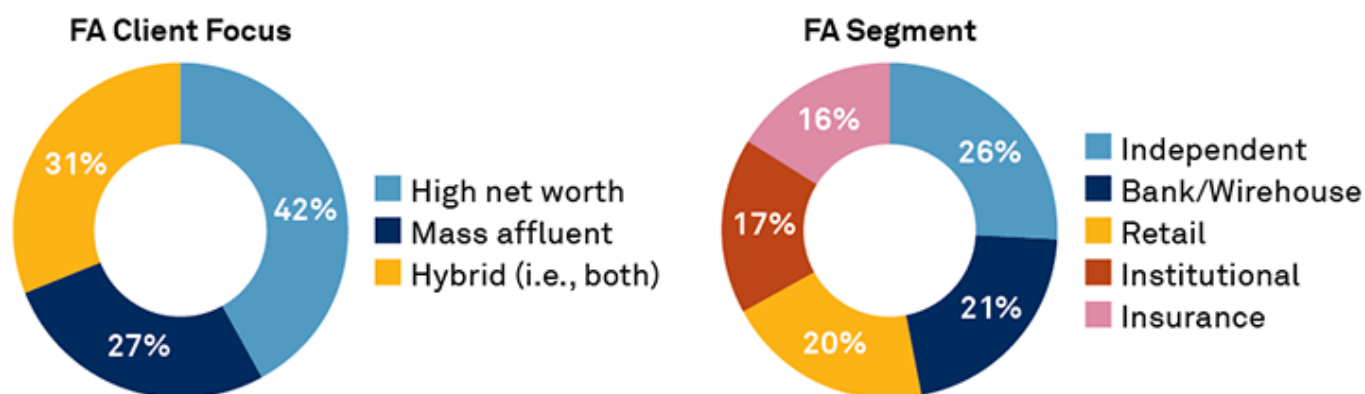
While exchange-traded funds (ETFs) and trust products are popular approaches (and FAs will clearly want

more registered and compliant products), FAs also want to be able to access the original form of digital assets—cryptocurrencies—in client portfolios. Moreover, they would prefer to manage these assets alongside other assets in the same systems. Because the crypto market is unique in terms of data and portfolio systems to date, this will be a difficult challenge. However, it is logical for advisors to seek the same systems to support clients without introducing additional complexity, so that digital assets can be truly ingrained into the FA-client experience.

Methodology:

Coalition Greenwich gathered responses from 537 financial advisors in the United States during August 2022. Of those, 42% serve high net worth (HNW) clients, 27% serve mass affluent (MA) clients, and 31% employ a hybrid client approach. Ensuring a balanced response, the study reached FAs at various types of firms, including independent, bank/wirehouse, retail, institutional, and insurance firms.

Respondent Profiles



Note: Based on 537 respondents.

Source: Coalition Greenwich 2022 Financial Advisor Digital Assets Study



www.greenwich.com | ContactUs@greenwich.com

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research

participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.

[greenwich.com](https://www.greenwich.com)

ContactUs@greenwich.com

Ph +1203.625.5038