

# CF CRYPTO FUND RESEARCH

2022

## Crypto Fund Survey



# Table of Contents

---

<b>Introduction</b>	<b>3</b>
<b>Survey Results</b>	<b>4</b>
<b>Survey Addendum: FTX Fallout</b>	<b>20</b>
<b>About the Survey</b>	<b>26</b>

# Introduction

## Purpose

---

## Crypto Fund 2022 Survey

Crypto Fund Research's 2022 Crypto Fund Survey is its third annual survey of crypto fund managers and was conducted in Q3 with over 60 respondents. Survey respondents represent a wide variety of crypto funds including crypto hedge funds, venture funds, fund of funds, and index funds. Respondent funds have primary offices based in 17 countries throughout Asia, Europe, North America, South America, and various offshore locations.

Respondent funds range from the small (AUM < \$5 million) to the very large (AUM > \$5 billion).

## Survey Overview

In this third annual survey of crypto funds, funds were generally more bearish on market conditions than they have been in previous surveys. Not only were funds more bearish on the prospects for price increases in cryptocurrencies like Bitcoin, they were also more bearish on attracting capital and growing assets under management than they have been in our two prior annual surveys.

## Notes

61 crypto funds participated in the survey. However, the number of respondents to a given question may vary as some questions were optional or inapplicable to a given fund.

A number of fund managers operate more than one fund type. For example, some operate both a crypto hedge fund and a venture fund. Therefore, charts labeled "by fund type" may sometimes reflect more than 61 respondents. Due to rounding and the ability to select multiple answers for certain questions, figures may not always add up to 100%.

On select all questions, some answers that had limited or no response are omitted from the relevant charts.

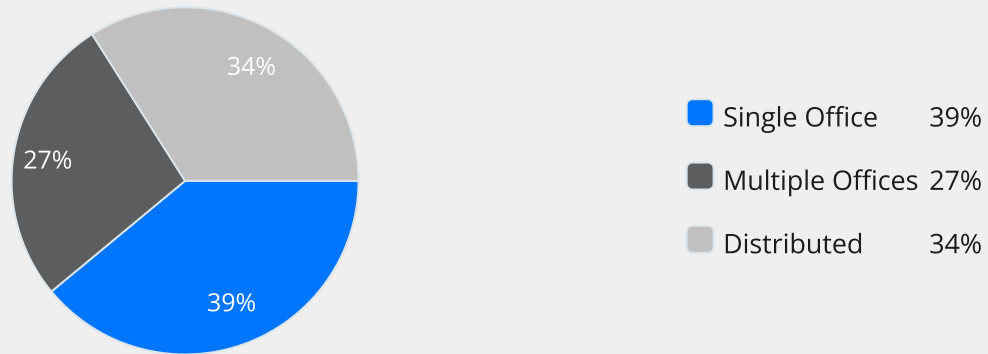
The survey was conducted between August 24 and September 15, 2022.

The FTX addendum was conducted between November 20 and November 29, 2022.

# Survey Question 1

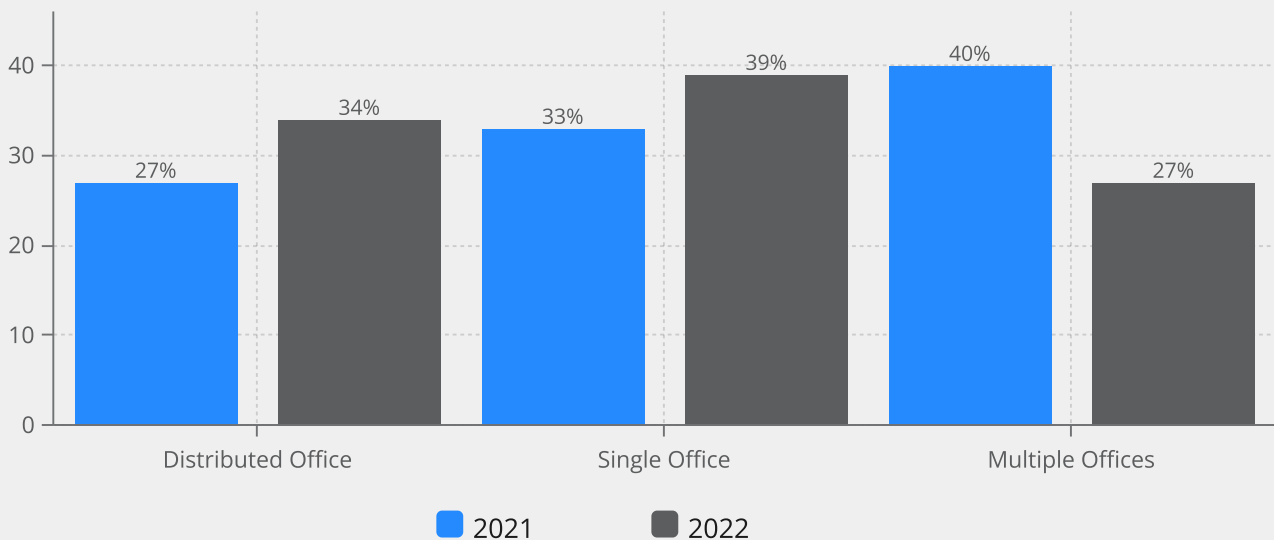
Is your team operating out of a single location, multiple locations, or distributed globally?

**Crypto Fund Team Location**  
All Fund Types



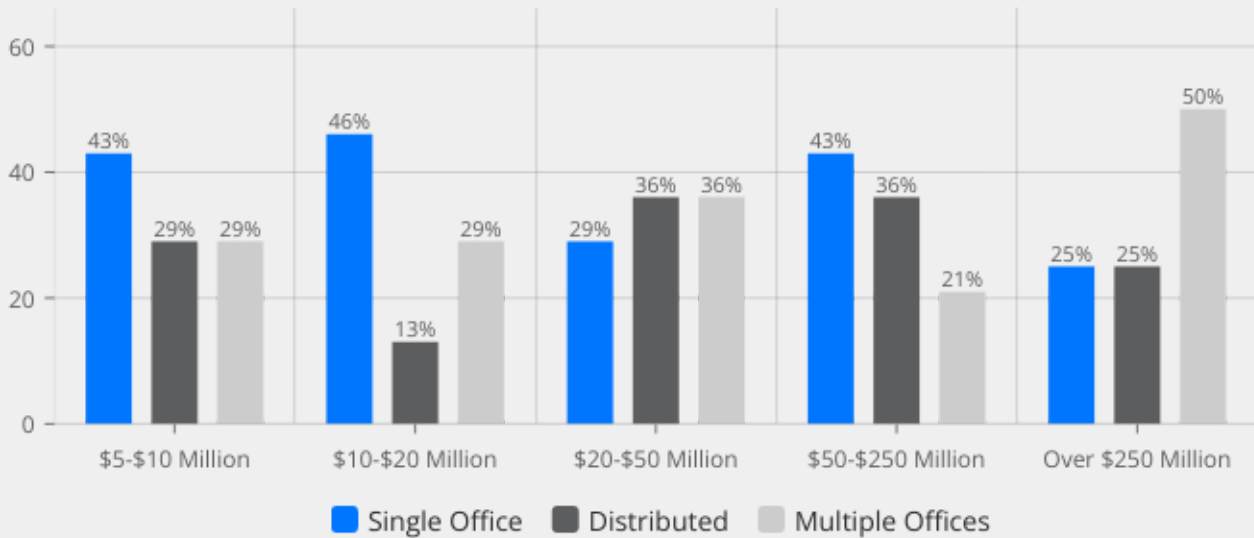
39% of crypto funds now maintain a single office, up from 33% in 2021. The number of funds with multiple offices has dropped considerably - from 40% in 2021 to just 27% in 2022.

**Crypto Fund Team Location**  
2022 vs. 2021



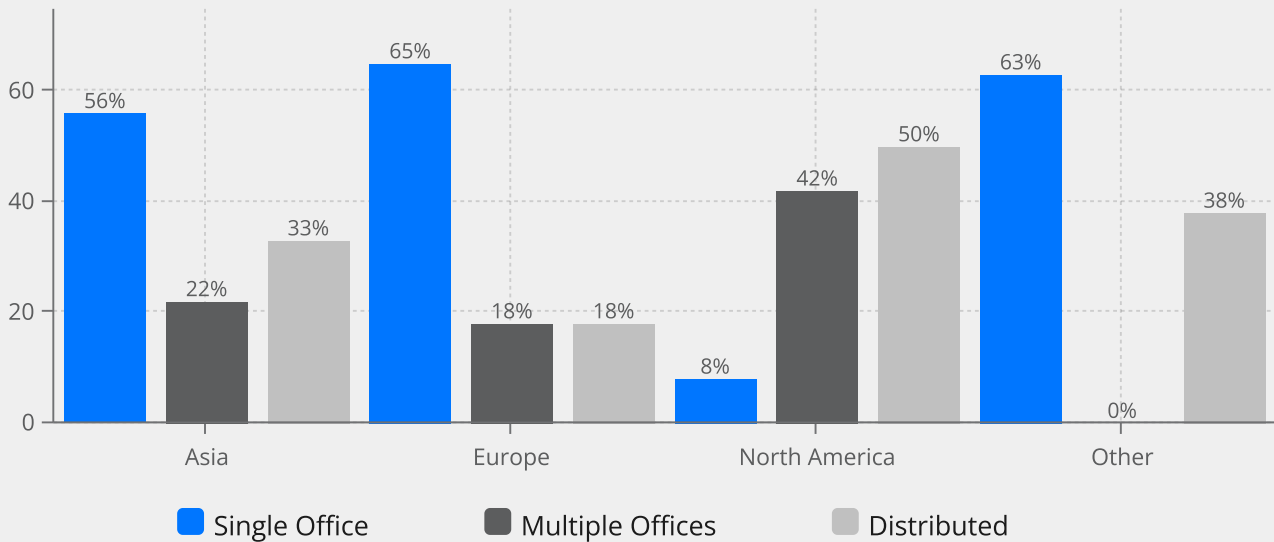
## Survey Question 1 (cont.)

**Crypto Fund Team Location  
By Fund Size (AUM)**



Unsurprisingly, funds with greater assets under management are more likely to operate from multiple physical offices. Similarly, smaller funds are most likely to have a single office location. However, there is not a clear correlation between AUM and whether a fund operates a distributed office (typically a work from home situation).

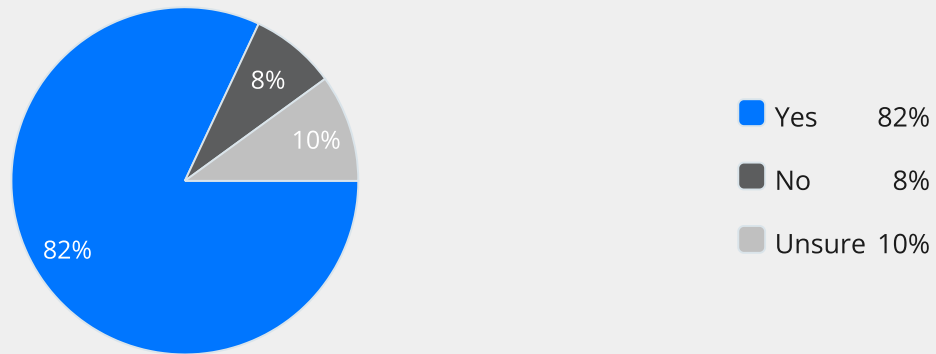
**Crypto Fund Team Location  
By Primary Fund Location**



## Survey Question 2

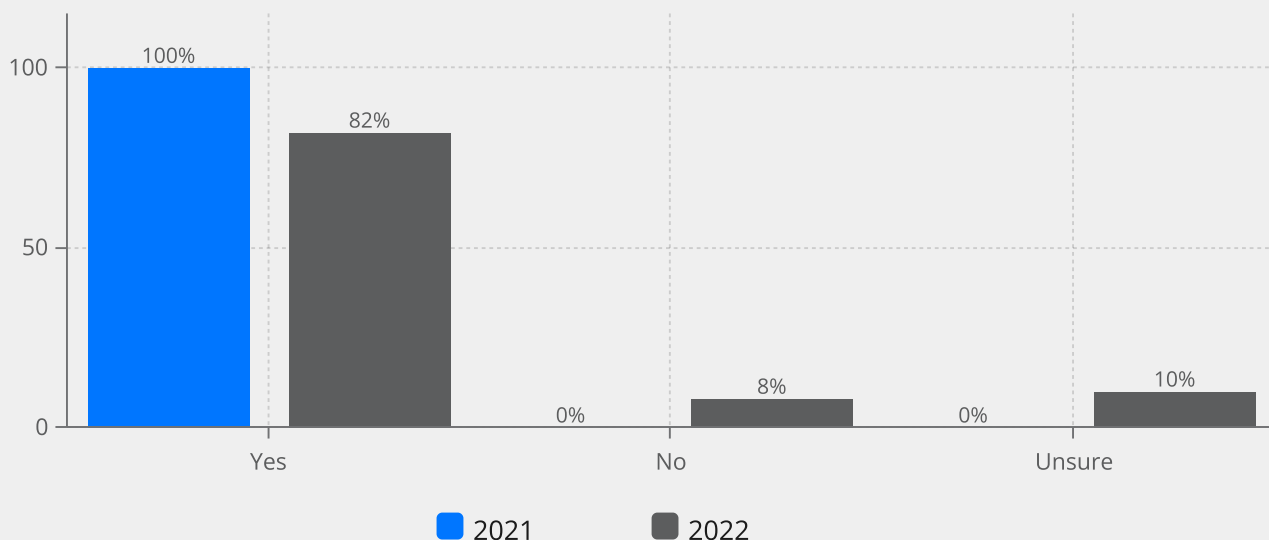
Do you anticipate the fund/fund company will increase assets under management (AUM) in 2022?

**Crypto Fund Expectations to Increase AUM in 2022**  
All Fund Types



82% of funds believe they will see fund assets under management increase in 2023. While high, it represents a significant decline from our 2021 survey in which 100% of respondents expected to grow AUM.

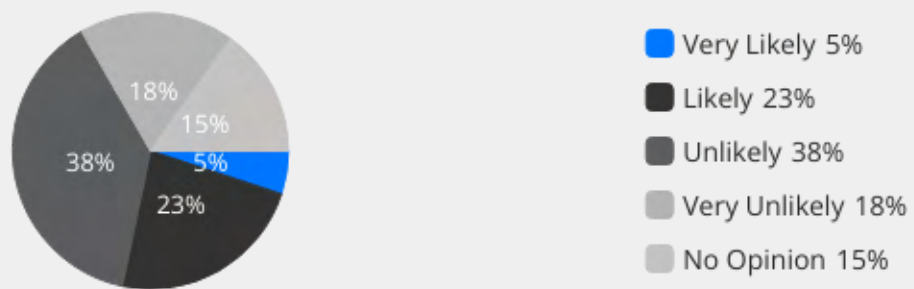
**Crypto Fund Expectations to Increase AUM**  
2022 vs. 2021



## Survey Question 3

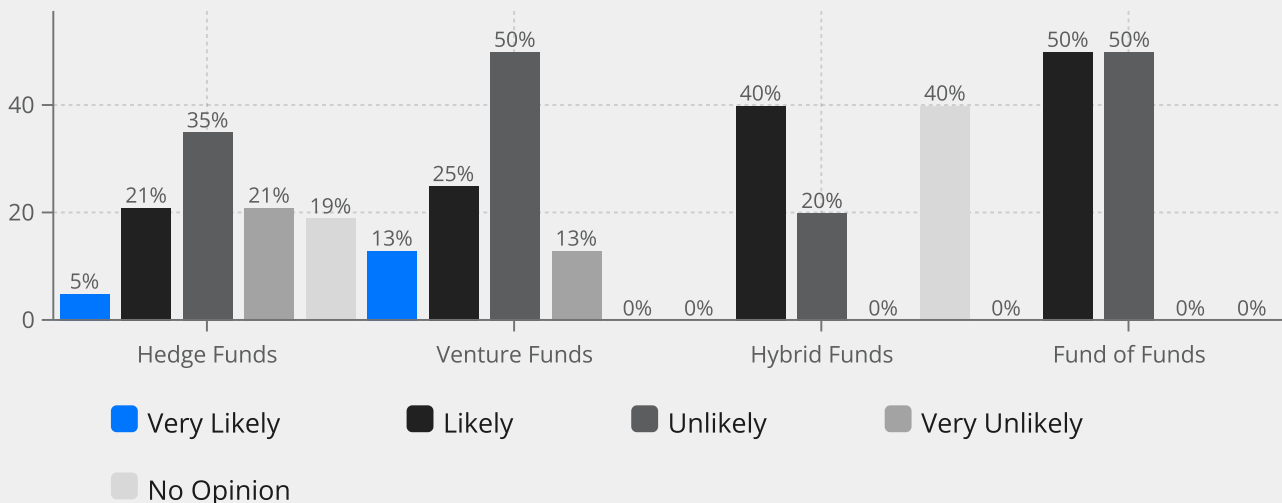
How likely is it that Bitcoin will surpass its all-time-high price of approximately \$65,000 in the next 12 months?

**Crypto Fund Expectations for Bitcoin to Surpass \$65,000 in Next 12 Months**  
All Fund Types



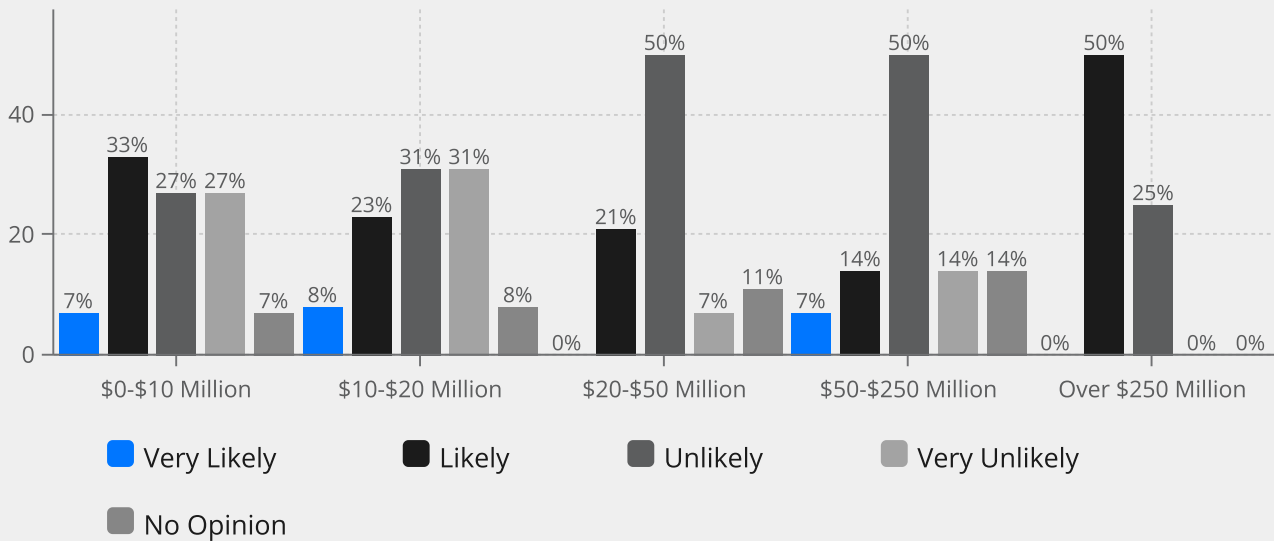
28% of crypto funds think it's likely or very likely that Bitcoin will surpass its all-time high price of approximately \$65,000 USD in the next 12 months (this is about triple the average price of Bitcoin at the time of the survey). This compares with 78% of funds in the 2021 survey that believed Bitcoin would reach all-time highs in the subsequent 12 months.

**Crypto Fund Expectations for Bitcoin to Surpass \$65,000 in Next 12 Months**  
By Fund Type



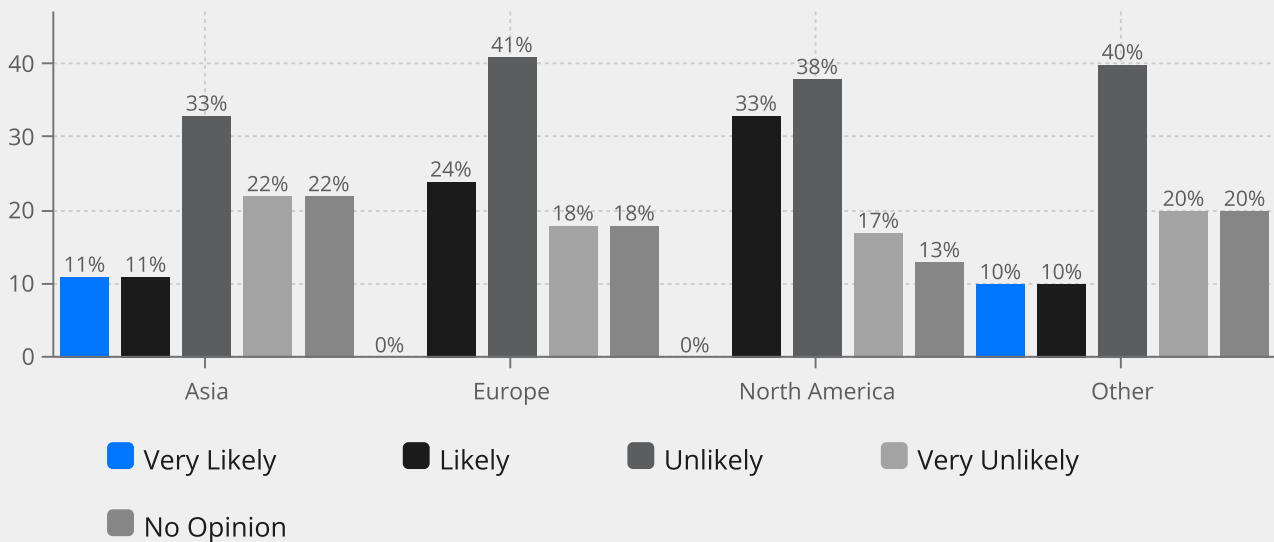
## Survey Question 3 (cont.)

**Crypto Fund Expectations for Bitcoin to Surpass \$65,000 in Next 12 Months  
By Fund Size (AUM)**



Overall, funds from all regions had a negative bias on Bitcoin's odds of surpassing a \$65,000 price target in the next 12 months. Funds based in North America, however, were most optimistic - with about a third of funds believing achieving this price target was likely.

**Crypto Fund Expectations for Bitcoin to Surpass \$65,000 in Next 12 Months  
By Fund Location**



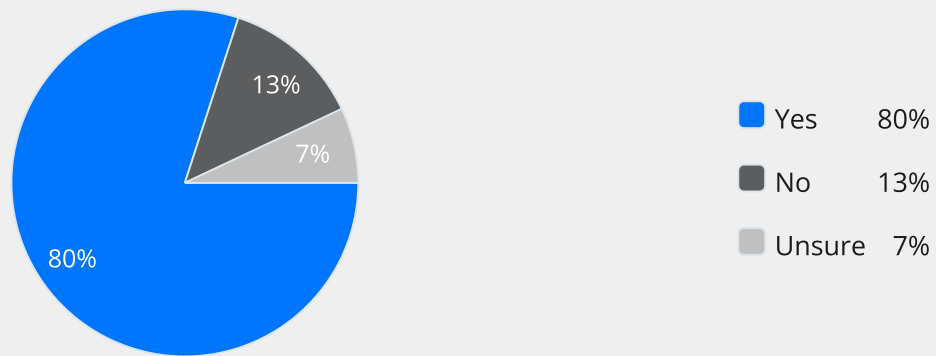
Charts, graphs and other figures extracted from this report for use by the media must be accompanied by a statement identifying Crypto Fund Research as the publisher along with a link [to this report](#).



## Survey Question 4

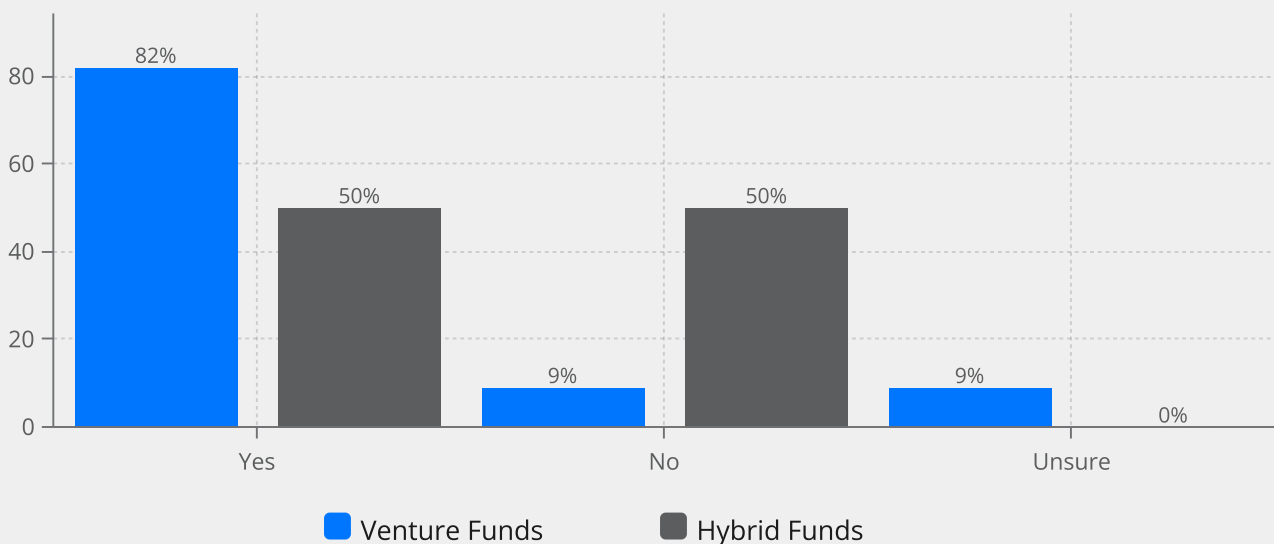
Do you anticipate making more investments in blockchain companies in 2022 vs. 2021?

### Crypto Fund Expectations to Increase # of Blockchain Investments in 2022 vs. 2021 Venture Capital and Hybrid Funds



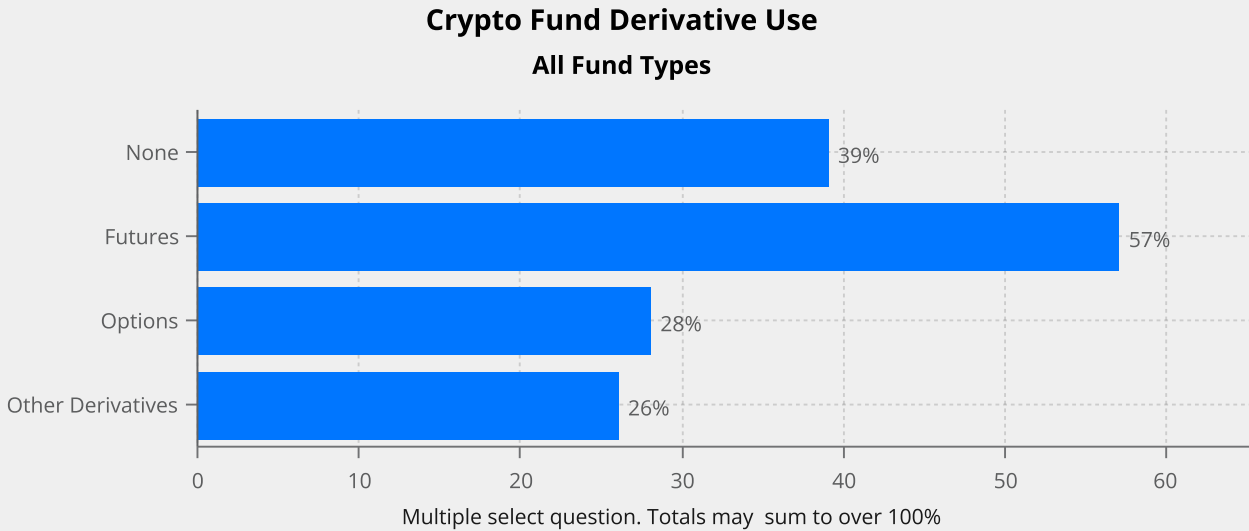
80% of venture funds surveyed anticipated making more venture investments in blockchain/crypto companies in 2022 than they did in 2021. In our 2021 survey over 90% of respondents believed they'd make more of these investments than in the previous year.

### Crypto Fund Expectations to Increase # of Blockchain Investments in 2022 vs. 2021 By Fund Type

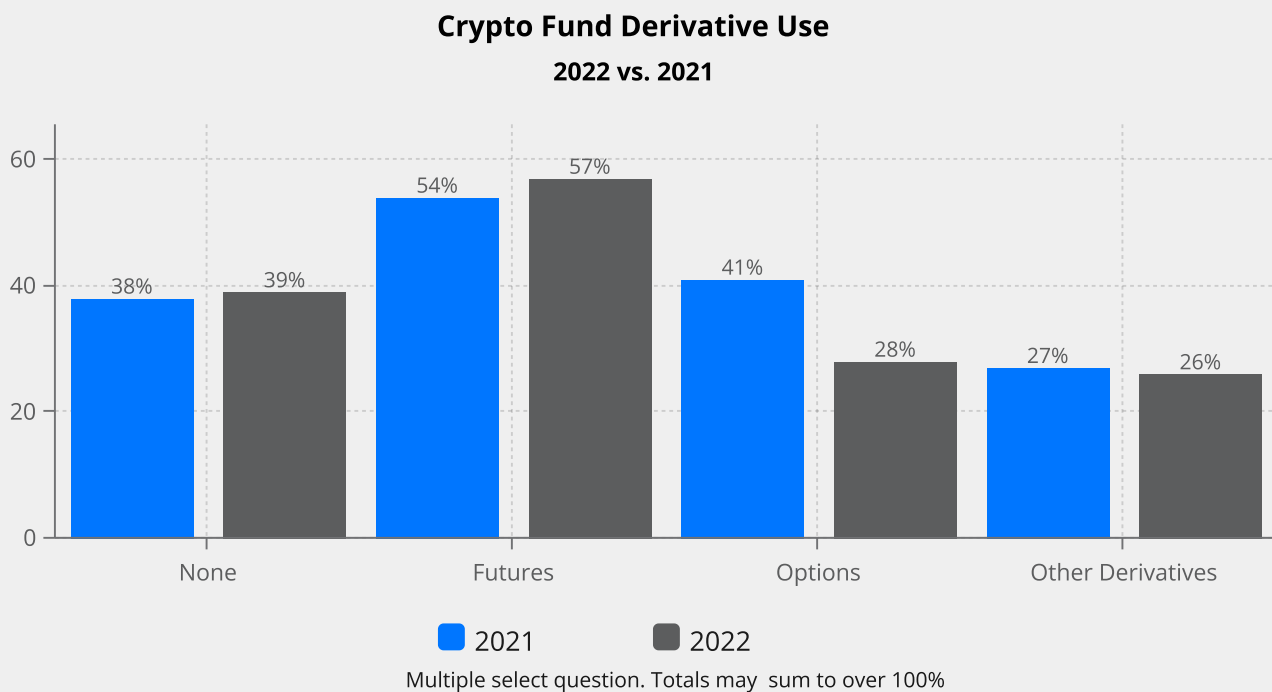


## Survey Question 5

Does your crypto fund trade cryptocurrency options, futures, or other derivatives (select all that apply)?



Just over 60% of crypto funds use at least one derivative product as part of their investment process. This is essentially unchanged from 2021 when 62% reported using at least one derivative product.



## Survey Question 5 (cont.)

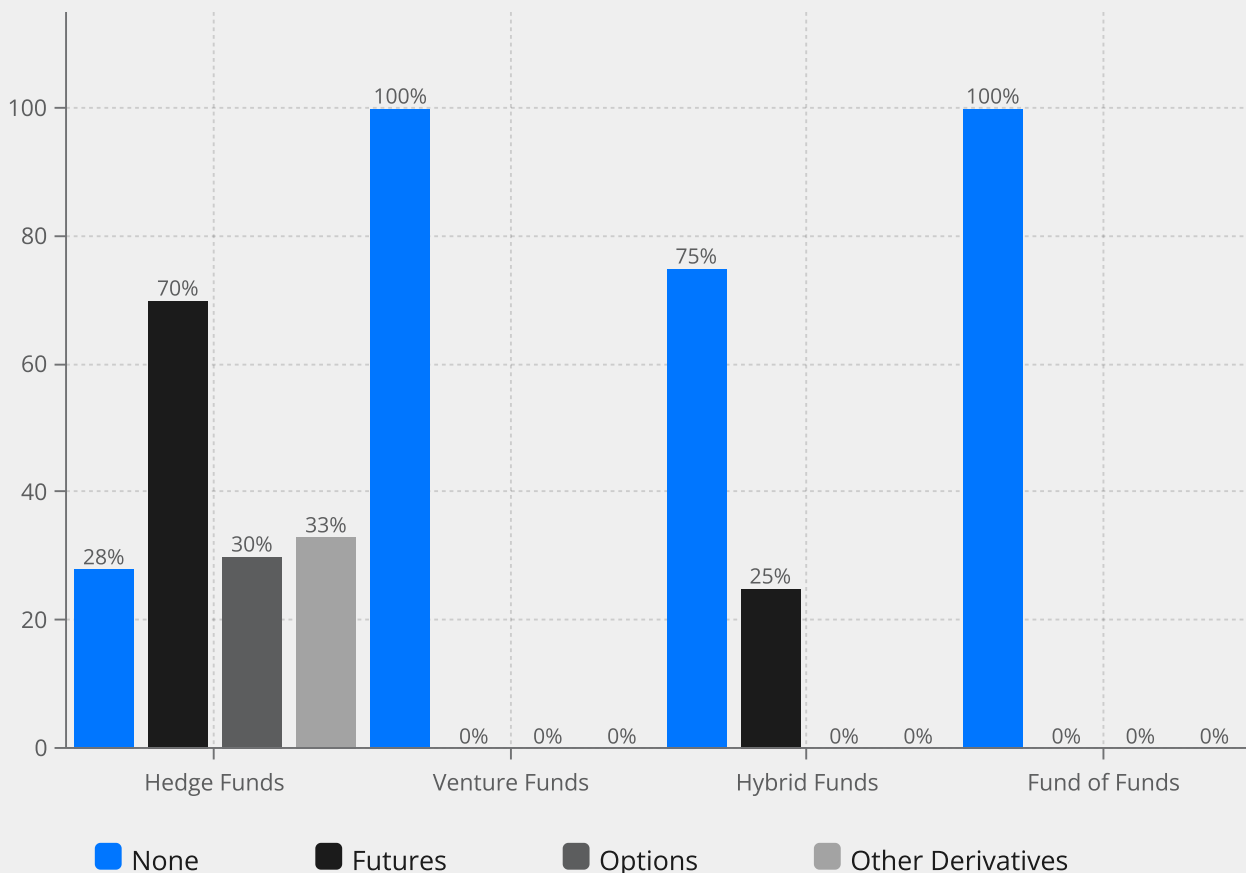
Does your crypto fund trade cryptocurrency options, futures, or other derivatives (select all that apply)?

Unsurprisingly, crypto hedge funds are the most likely type of fund to use futures, options, or other derivatives. Venture funds are generally not expected to use these products.

Over two thirds of crypto hedge funds utilize futures and about a third utilize options or other derivatives.

Crypto venture and crypto fund of funds did not report using any of the above products.

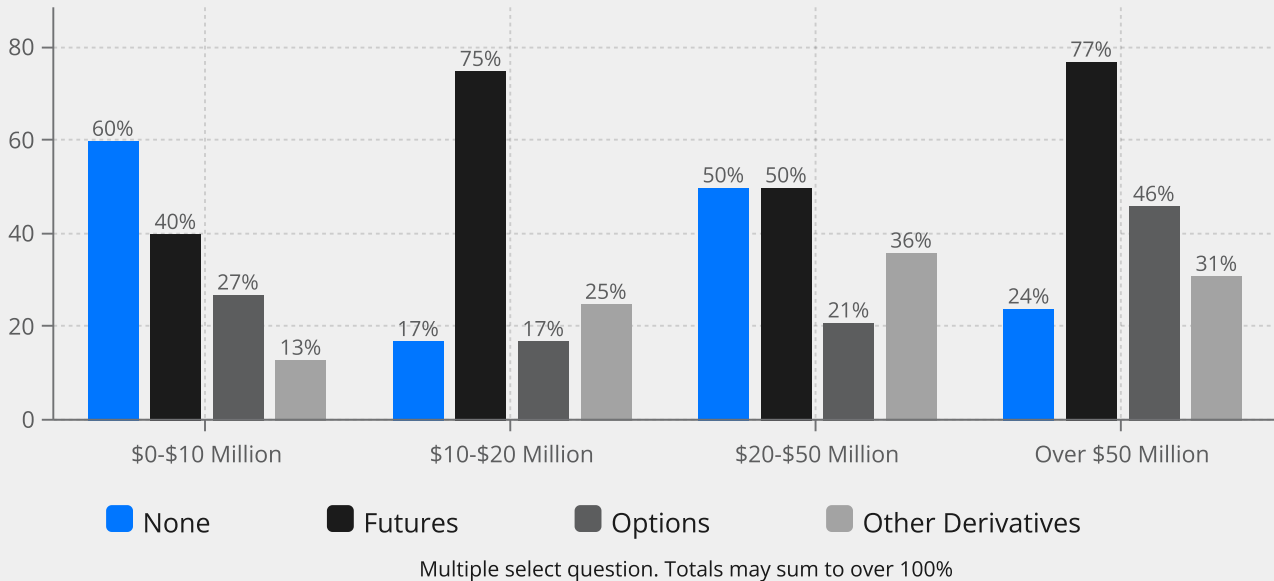
**Crypto Fund Derivative Use  
By Fund Type**



Multiple select question. Totals may sum to over 100%

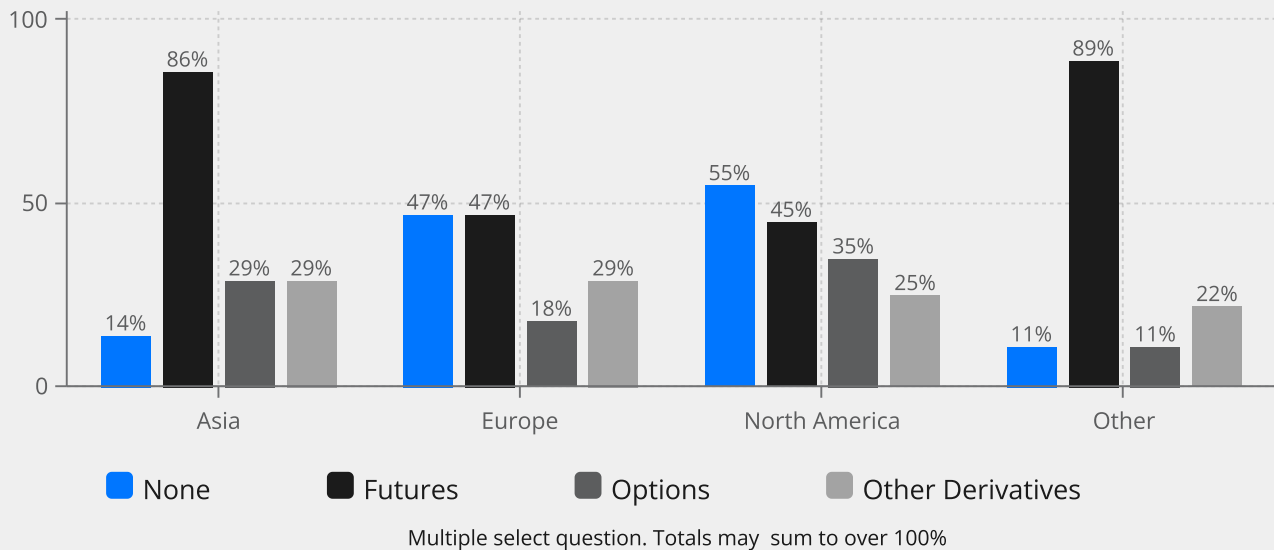
## Survey Question 5 (cont.)

**Crypto Fund Derivative Use  
By Fund Size (AUM)**



Large funds with over \$50 million in assets, and funds with between \$10 and \$20 million in assets, were most likely to use derivative products. European and North American crypto funds were the less likely to use derivatives compared with their peers in Asia and other locations.

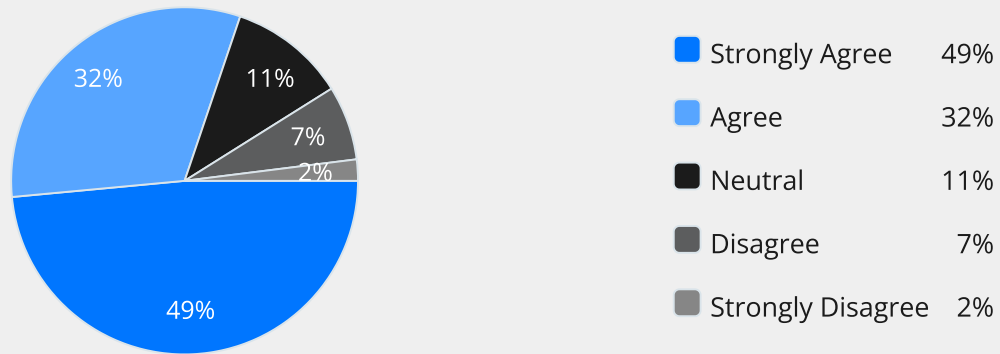
**Crypto Fund Derivative Use  
By Fund Location**



## Survey Question 6

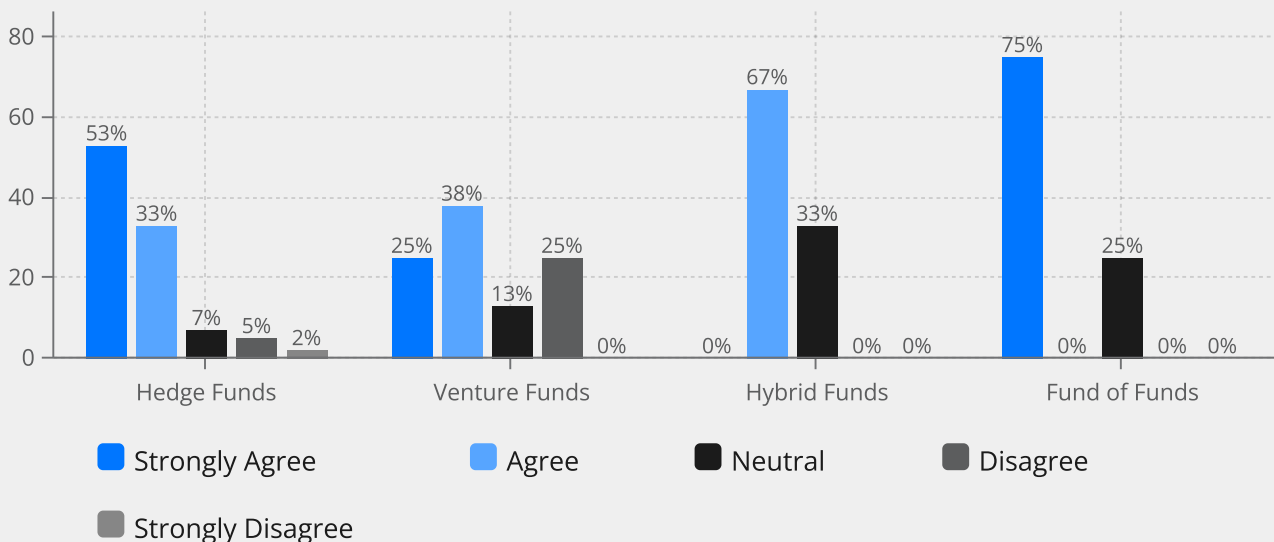
Do you agree that derivative and structured products are a healthy component of the crypto investment space?

**Crypto Funds View Derivatives as Healthy for Space**  
All Fund Types



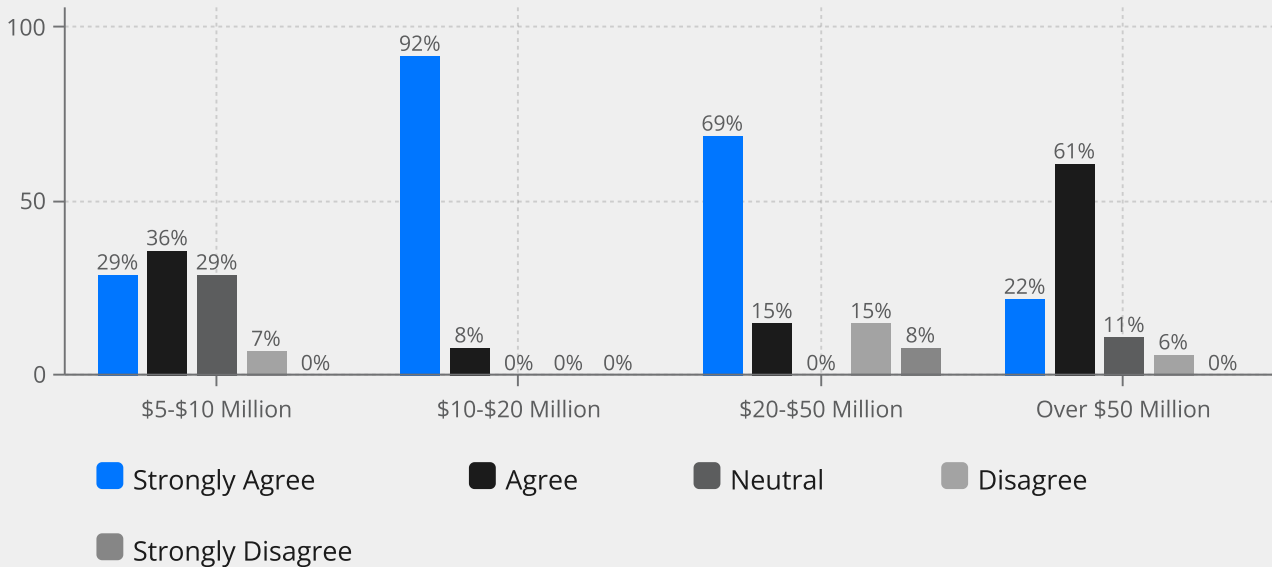
Though under two thirds of crypto funds use futures, options, or derivatives in their portfolios, nearly 82% believe they are a healthy component of the crypto investment space. This percentage is down slightly from our 2021 survey which found 88% agreed or strongly agreed that derivatives are healthy. Only around 9% believe derivatives are unhealthy.

**Crypto Funds View Derivatives as Healthy for Space**  
By Fund Type



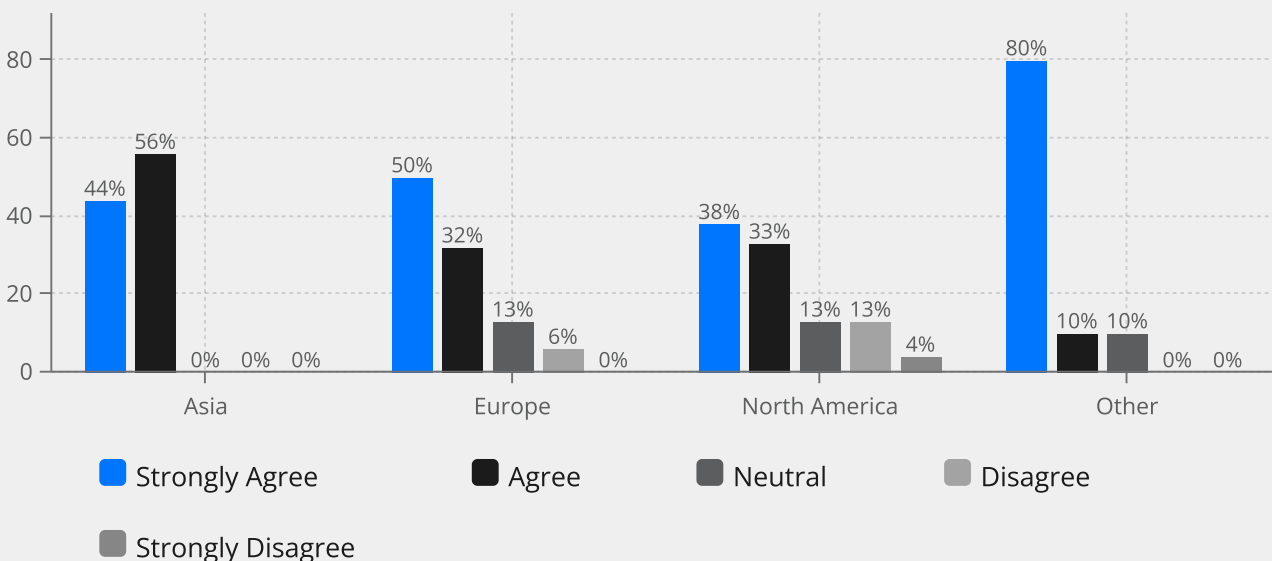
## Survey Question 6 (cont.)

**Crypto Funds View Derivatives as Healthy for Space  
By Fund Size (AUM)**



The majority of crypto funds of all sizes agree that derivatives are healthy, despite significant differences in actual utilization of derivatives. Funds based in Asia were the most likely to view derivatives as a healthy component of the space.

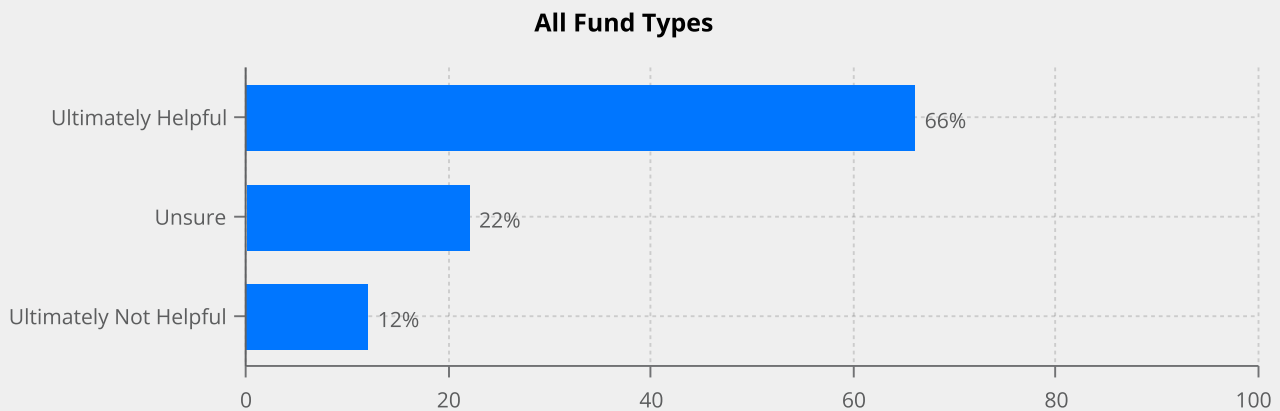
**Crypto Funds View Derivatives as Healthy for Space  
By Fund Location**



## Survey Question 7

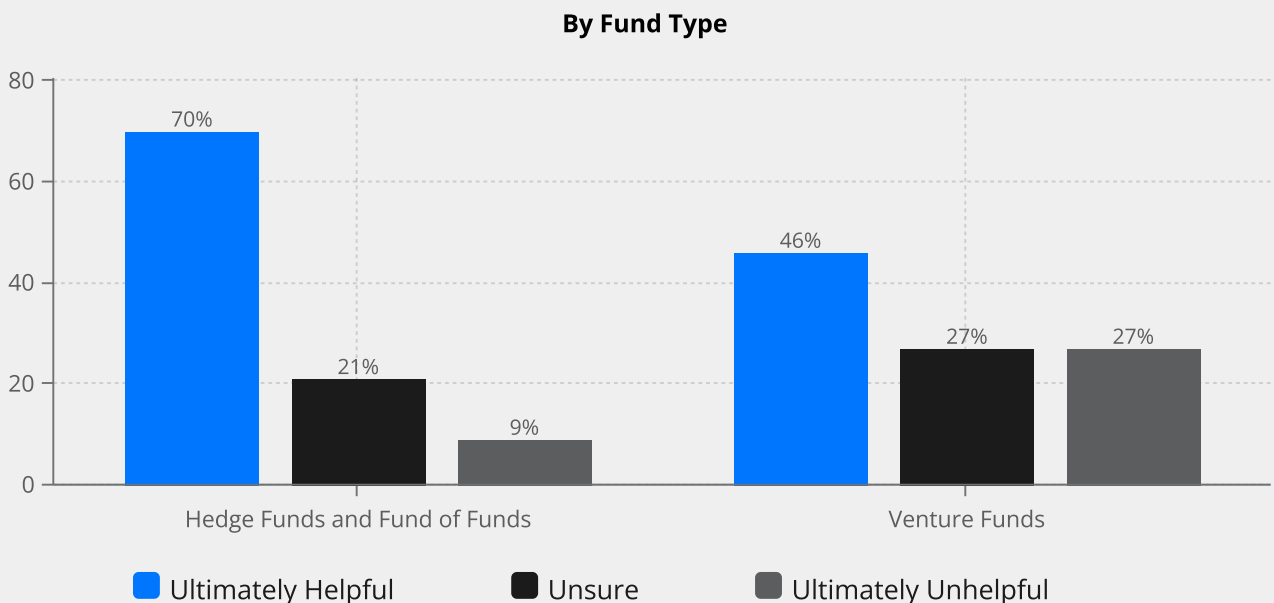
In light of recent issues with DeFi, stablecoins, and the like, would greater regulation ultimately be helpful to increasing investor confidence in the space?

**Would greater regulation ultimately be helpful to increasing investor confidence in the space?**



Nearly two thirds of crypto funds believe greater regulation will ultimately be helpful for increasing investor confidence in light of various issues in DeFi. The results are relatively consistent across fund types.

**Would greater regulation ultimately be helpful to increasing investor confidence in the space?**

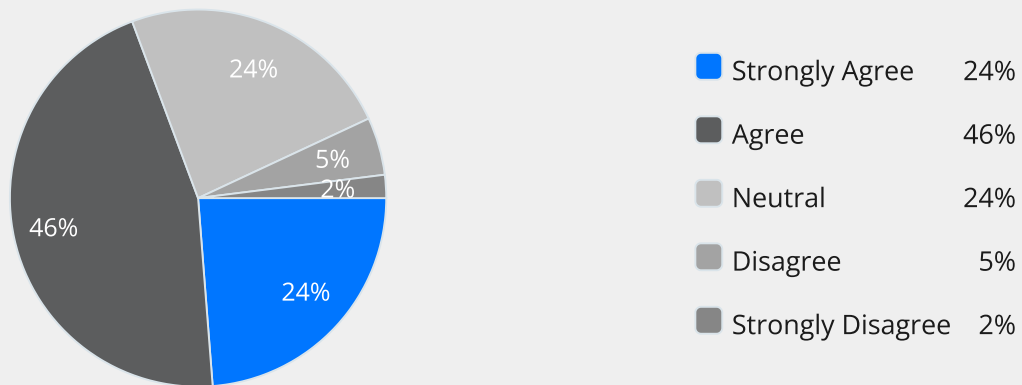


## Survey Question 8

Do you agree that institutional interest in cryptocurrencies increased in the first half of 2022?

### Crypto Funds Believe Institutional Interest in Crypto Increased in H1 2022

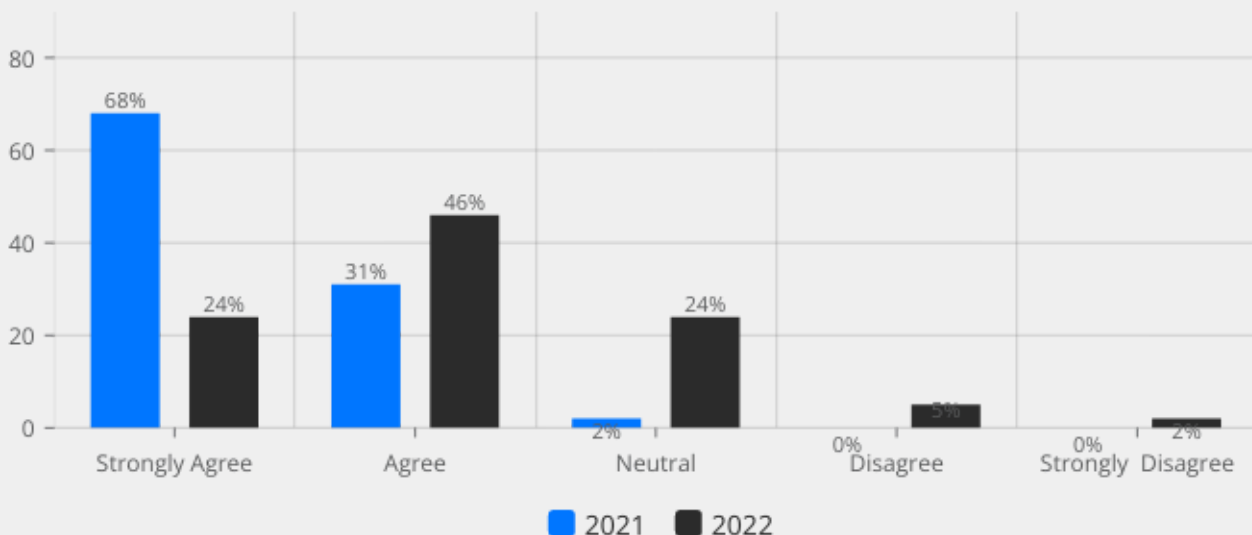
All Fund Types



While 70% of crypto funds agree that institutional interest in cryptocurrencies increased in the first half of 2022, this is down sharply from the 98% that answered affirmatively in 2021.

### Crypto Funds Believe Institutional Interest in Crypto Increased in First Half of Year

2021 vs. 2022



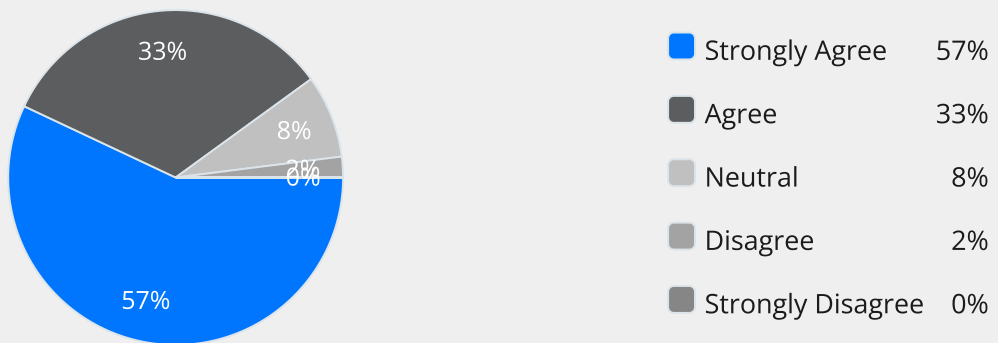


## Survey Question 9

In the next 5 years, a majority of foundations and endowments will have some cryptocurrency exposure in their portfolios. Agree or disagree?

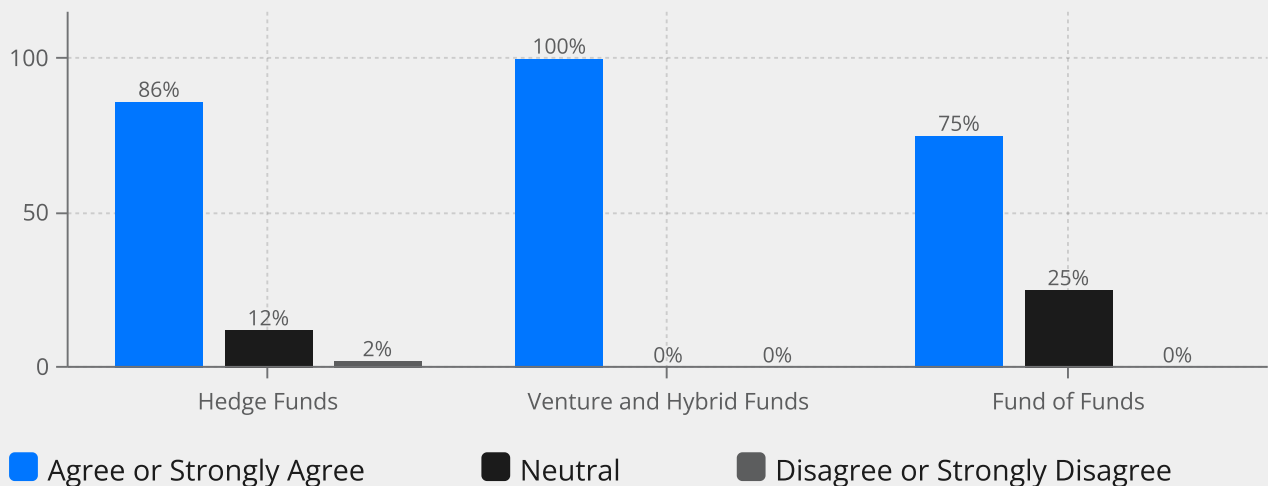
**By 2027, the Majority of Foundations and Endowments will have Cryptocurrency in their Portfolios**

All Fund Types



**By 2027, the Majority of Foundations and Endowments will have Cryptocurrency in their Portfolios**

By Fund Type



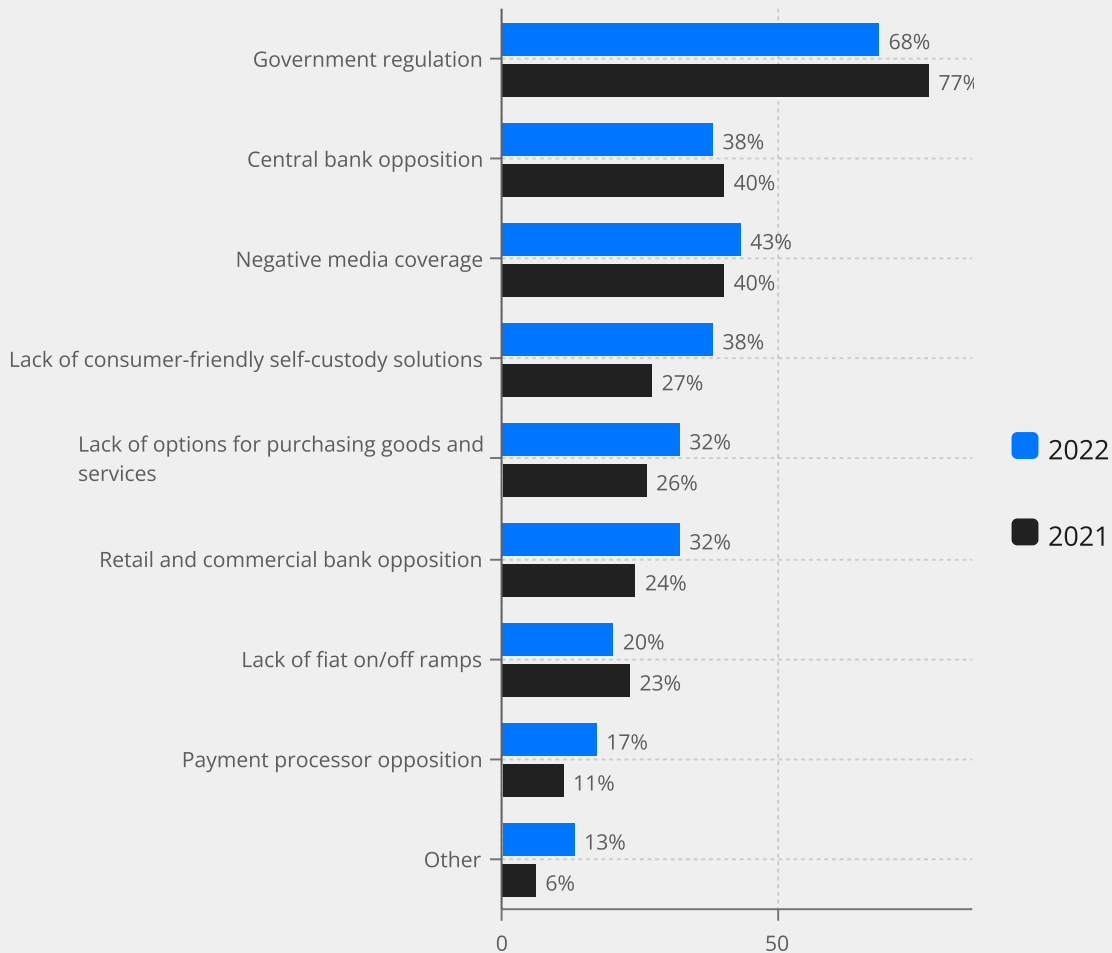
90% of crypto funds believe a majority of foundations and endowments will have some cryptocurrency exposure by 2027. Only 2% of funds disagree with this prediction and results are consistent across fund size and location.

# Survey Question 10

Which of the following are significant obstacles to widespread crypto adoption?

## Crypto Fund Views of Top Obstacles to Widespread Crypto Adoption

All Fund Types



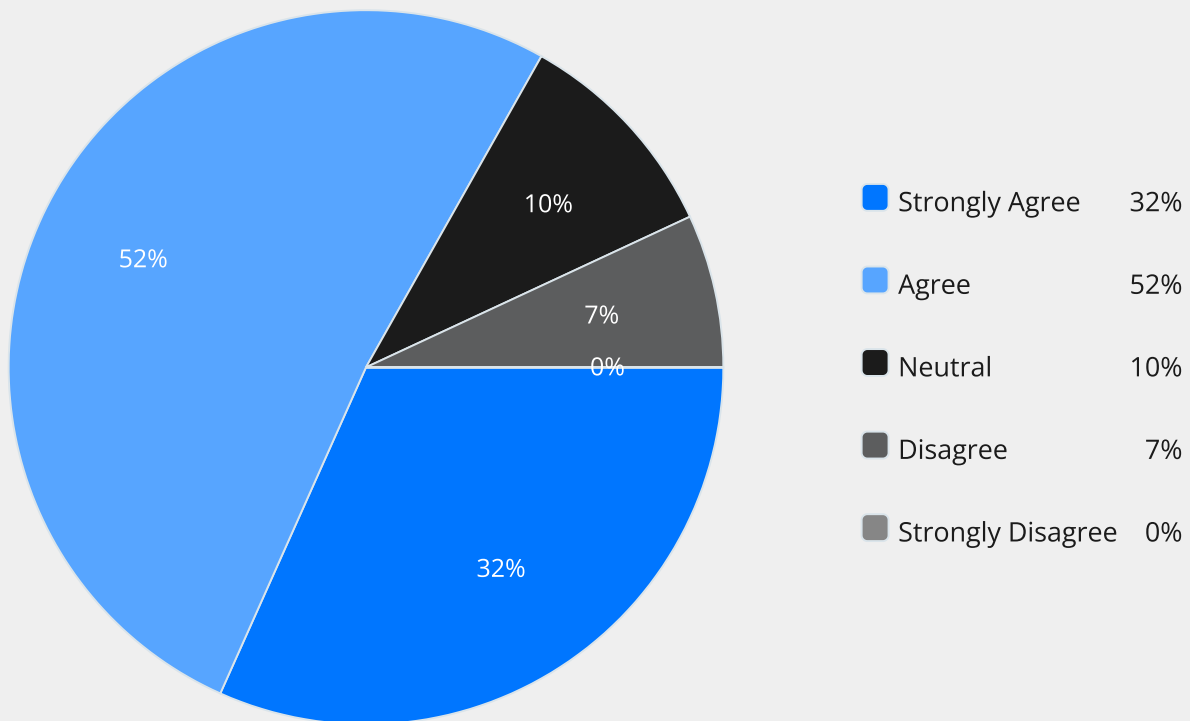
Crypto funds continue to see government regulation as the largest obstacle to widespread crypto adoption. However, somewhat fewer funds see this as a major obstacle compared with 2021.

Central bank opposition and negative media coverage also remain significant concerns for crypto funds.

## Survey Question 11

Do you agree that increases in money supply and inflation expectations will drive adoption of cryptocurrencies as stores of value.

### Crypto Funds Agree Increases in Money Supply and Inflation will Drive Crypto Adoption All Fund Types



There was widespread agreement among crypto funds that increases in money supply and inflation expectations would drive cryptocurrency adoption. However, possibly due to slumping prices at the time of the survey, the number of funds that strongly agreed in 2022 (32%) was down from 2021 (47%).

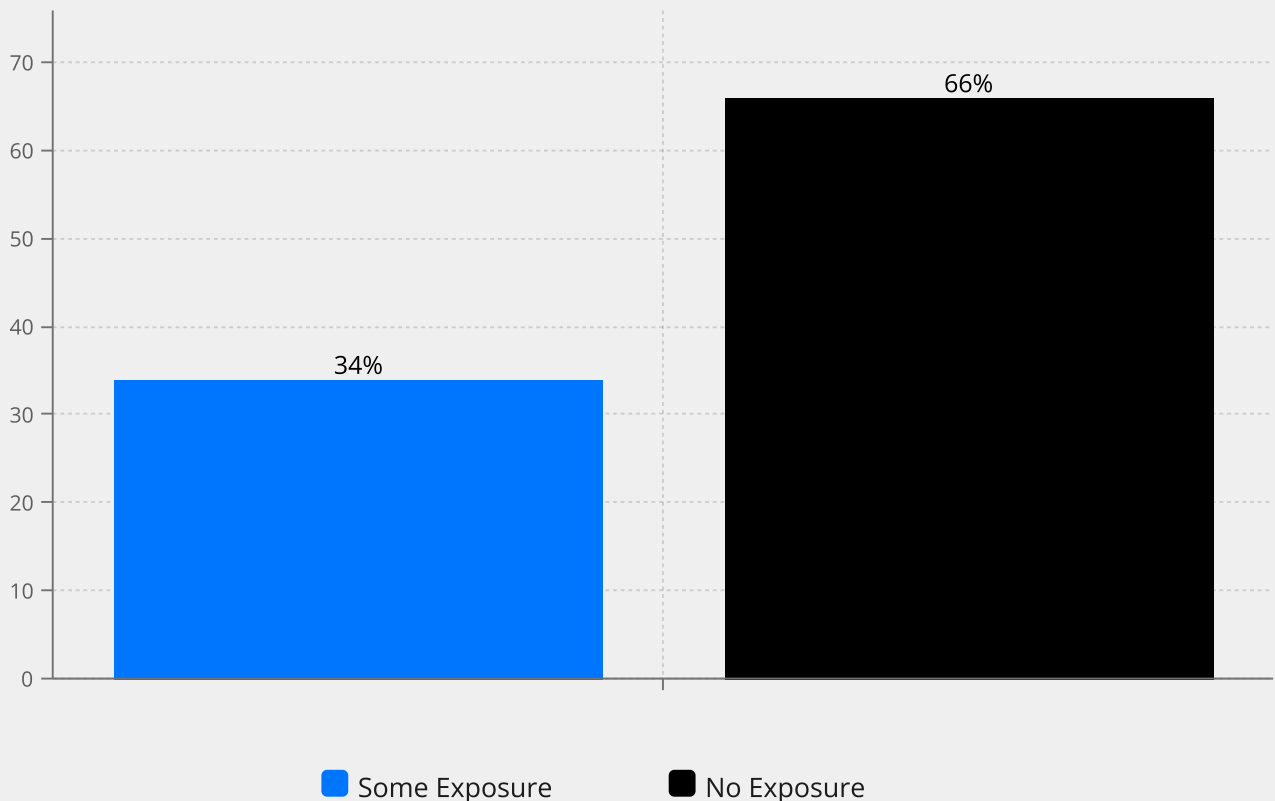
# FTX Fallout: Survey Addendum

The 2022 Crypto Fund Survey was conducted between August 24 and September 15, 2022. However, as the survey was being prepared for publishing, the collapse of FTX and subsequent bankruptcy sent ripples through the crypto fund industry. Several prominent funds announced they had significant assets trapped on FTX's exchanges or related entities. In light of this development, between November 20th and November 28th, 2022 Crypto Fund Research polled over 40 crypto funds to get a better sense of crypto funds' exposure and the potential ramifications on the industry.

## Survey Question 12 (FTX)

Did your fund(s) have any assets on the FTX exchange or custodied by FTX or its subsidiaries at the time news broke of the FTX bankruptcy?

**Proportion of Crypto Funds with Direct Exposure to FTX**  
All Fund Types

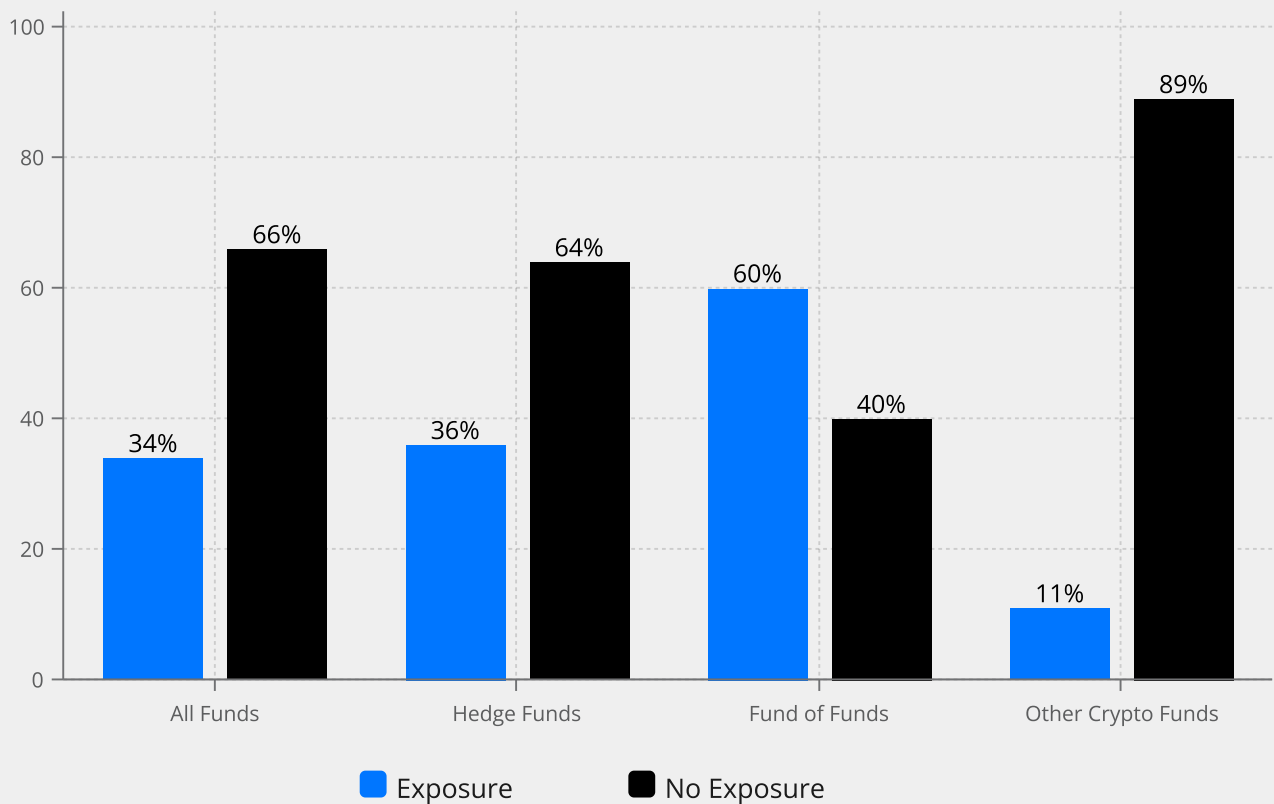


# FTX Fallout: Survey Addendum

## Survey Question 13 (FTX cont.)

Did your fund(s) have any assets on the FTX exchange or custodied by FTX or its subsidiaries at the time news broke of the FTX bankruptcy?

**Proportion of Crypto Funds with Direct Exposure to FTX  
By Fund Type**



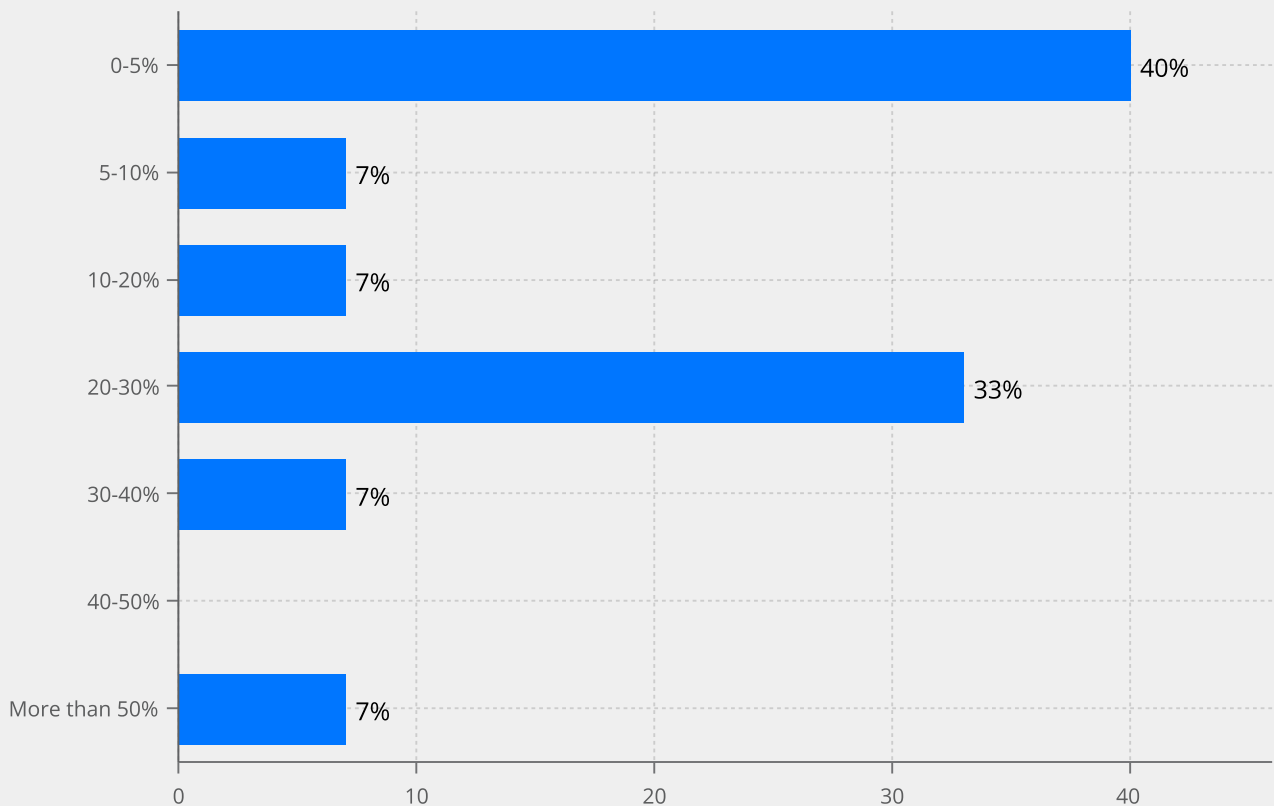
Just over one third of all crypto funds responding had some direct exposure to FTX - typically assets frozen on the exchange(s). Crypto fund of funds, due to their multi-manager approach, were more likely to have exposure than single manager funds. Other managers, which include index funds, venture funds, hybrid funds, and separately managed accounts (SMAs), were least likely to have had exposure to FTX.

# FTX Fallout: Survey Addendum

## Survey Question 14 (FTX)

If your fund had direct exposure to FTX, what percentage of assets were exposed.

**Percentage of Assets (AUM) Exposed to FTX Among Funds Reporting Some Exposure**  
All Fund Types



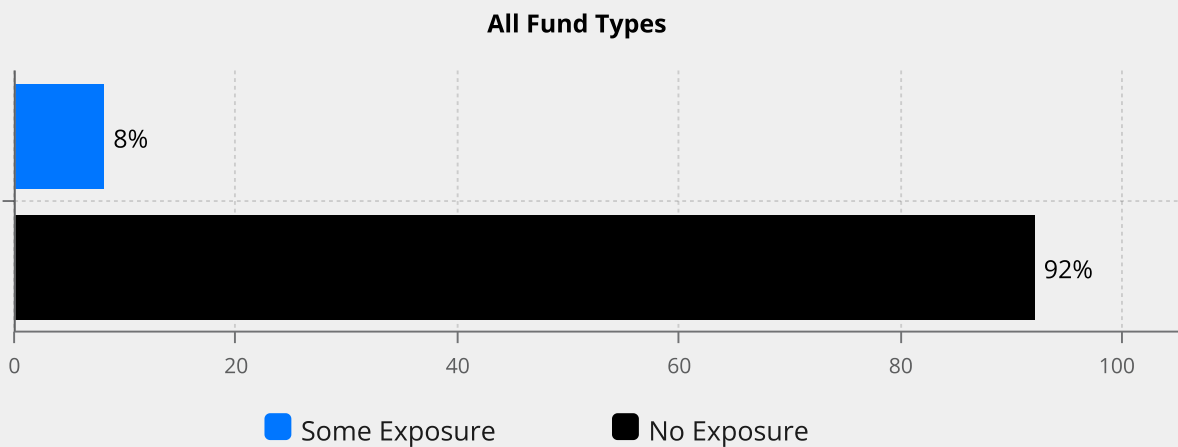
Among funds with some exposure to FTX, just under half had less than 10% of total AUM at risk. Likewise, a similar proportion had more than 20% of assets stuck on FTX exchange or otherwise exposed. Though not shown, 75% of the fund of funds (FoF) that were exposed via their sub-managers had total exposure of less than 5% fund assets. Despite fund of funds being the most likely to have at least some exposure, on average they actually had less overall exposure in terms of AUM than single-manager funds.

# FTX Fallout: Survey Addendum

## Survey Question 15 (FTX)

Was your fund indirectly exposed to FTX via FTT, BlockFi, Genesis, or another FTX related product or counterparty?

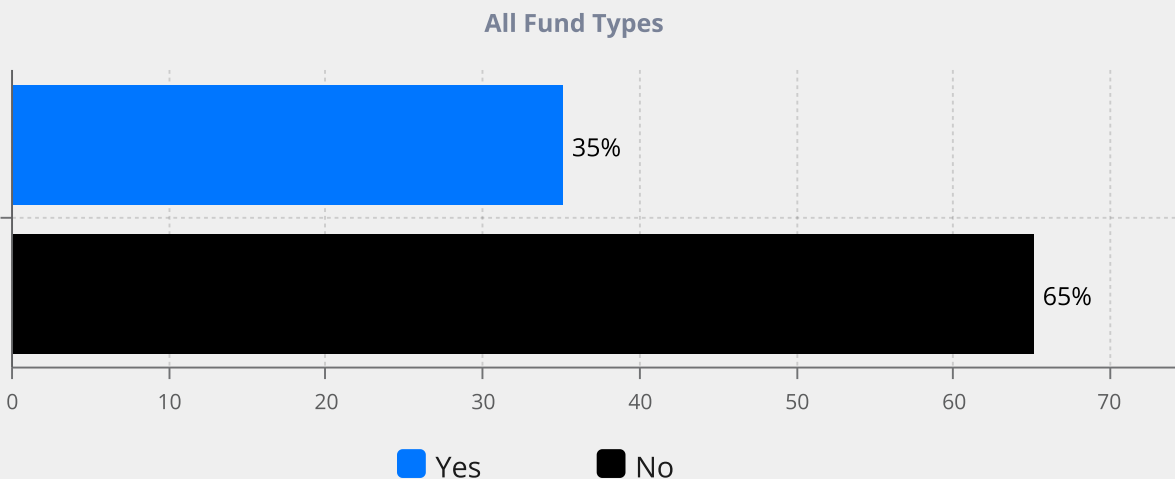
### Percentage of Crypto Funds with Indirect Exposure to FTX via BlockFi, Genesis, or Related Counterparties



## Survey Question 16 (FTX)

Has your fund updated, or does it intend to update, its risk protocols as a direct result of the FTX collapse?

### Percentage of Crypto Funds Updating Risk Protocols Due to FTX Collapse

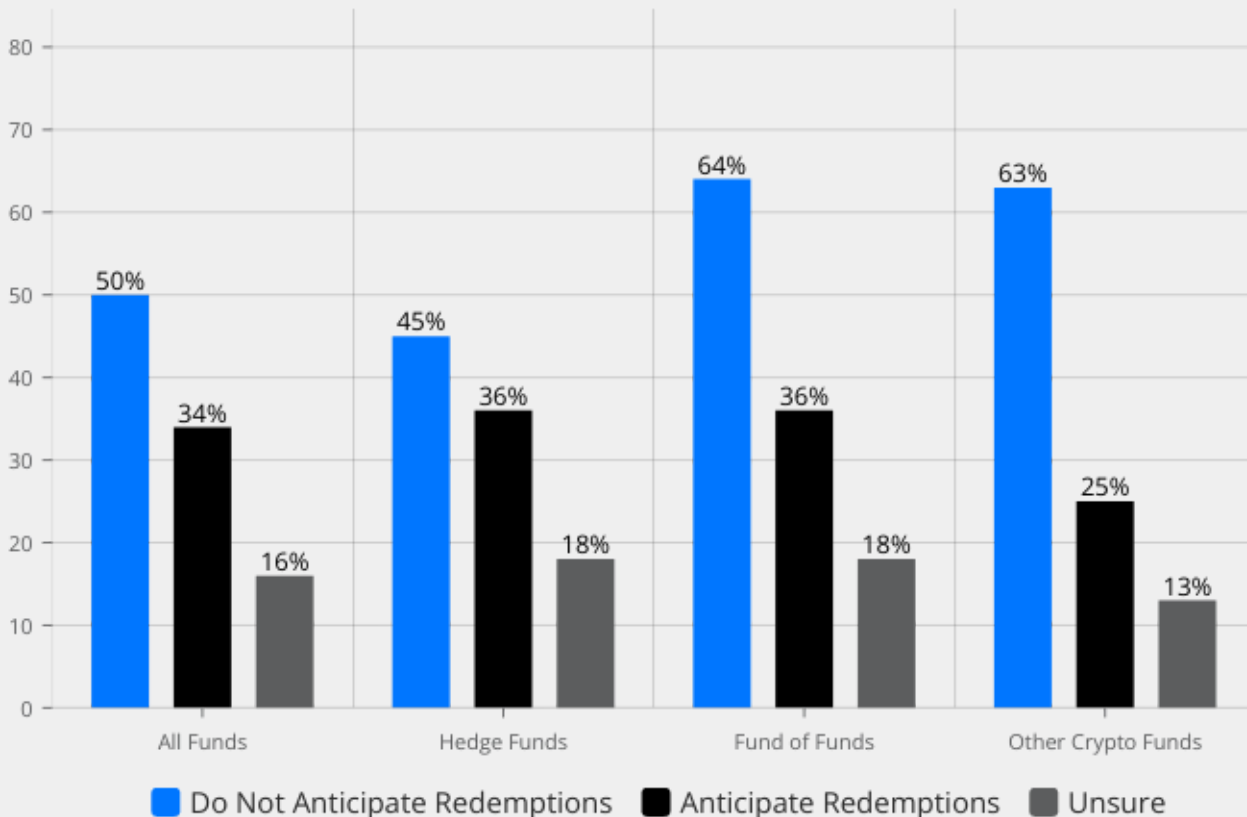


# FTX Fallout: Survey Addendum

## Survey Question 17 (FTX)

Regardless of any specific exposure of your funds, do you anticipate investor redemptions as a result of decreased investor confidence in the sector?

**Crypto Fund Redemption Expectations as Result of FTX Collapse**  
By Fund Type



Crypto Fund Research predicts a record amount of investor redemption requests in November (redemptions may be processed later according to individual fund policies). However, half of all crypto funds do not anticipate their investors will seek redemptions based on the FTX collapse and related fallout.

More info on the impact of the FTX on crypto funds can be found in our [FTX Special Report](#).



# Crypto Fund Survey

Thank you to the more than 60 crypto fund respondents that completed our 2022 crypto fund survey including:



A100x  
 Agga Capital BV  
 Algo Capital - Millennials Multi Strategy Fund  
 Alchemy Master Fund  
 Apollo Capital  
 Appia Long/Short Fund, LP  
 Arca Investments  
 Arena Digital Capital Partners, LP  
 Axon Global Fund LP  
 Berkley Capital Management  
 BitBull Fund LP  
 Bitcoin & General  
 Bitrock Capital  
 Block by Block Capital Fund  
 Blockchain Coinvestors  
 Blockchain Strategies Fund  
 Bohr Arbitrage Crypto Fund, LP  
 Campsor Ltd  
 Capriole Investments Limited  
 ChainLink Capital  
 DeFiance Capital  
 Eltican Capital SPC  
 Genesis Block Fund Ltd.  
 Hartmann Capital  
 Icoinic Algorithmic Fund  
 iVi Crypto Quant Fund  
 JKL Capital  
 JKRB Investments

Genesis Block Fund Ltd.  
 Hartmann Capital  
 Icoinic Algorithmic Fund  
 iVi Crypto Quant Fund  
 JKL Capital  
 JKRB Investments  
 Leonidas Cryptocurrency Fund  
 Liquibit USD Market Neutral Arbitrage Fund  
 M31 Capital  
 MaiCapital Limited  
 MVPQ Capital  
 Nickel Digital Asset Management  
 p-hat fund  
 Permian Capital Fund, LP  
 Plutus21 Blockchain Platform, LLC  
 Portal Digital FundProChain Capital  
 Protein Capital Fund  
 Pythagoras Investment Management LLC  
 Q21 Capital Zerobeta  
 S2F Capital  
 Statistica Fund Ltd  
 Stylus Quantitative Cryptoasset Strategies  
 Sustany Capital  
 SwissRex Crypto Fund  
 tendex  
 TRYM Capital  
 ValidOne  
 WhiteTower Digital Assets Fund

## About the Survey

### About Crypto Fund Research:

Crypto Fund Research is an independent research firm founded in 2017. The firm focuses exclusively on crypto funds including crypto hedge funds, venture capital funds, hybrid funds, index funds, and managed accounts. Crypto Fund Research provides a variety of free [research and market intelligence reports](#), maintains the [CFR Crypto Fund Index](#), and provides the largest and most comprehensive [database of crypto fund performance](#).

Additional [crypto funds reports are available](#).

For partnership opportunities, or to be included in our next survey, please contact us at [institutional\(at\)cryptofundresearch.com](mailto:institutional@cryptofundresearch.com)

Media inquiries should be directed to [media\(at\)cryptofundresearch.com](mailto:media@cryptofundresearch.com)

The content contained in this survey is for general information purposes only and should not be used as a substitute for consultation with professional advisors. Material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. The material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. Crypto Fund Research does not provide asset management services or recommendations. Data may be subject to errors and revision.

© 2022 Crypto Fund Research

Charts, graphs and other figures extracted from this report for use by the media must be accompanied by a statement identifying Crypto Fund Research as the publisher along with a link [to this report](#).