

DACFP & Franklin Templeton Digital Assets Advisor Pulse Survey

Introduction

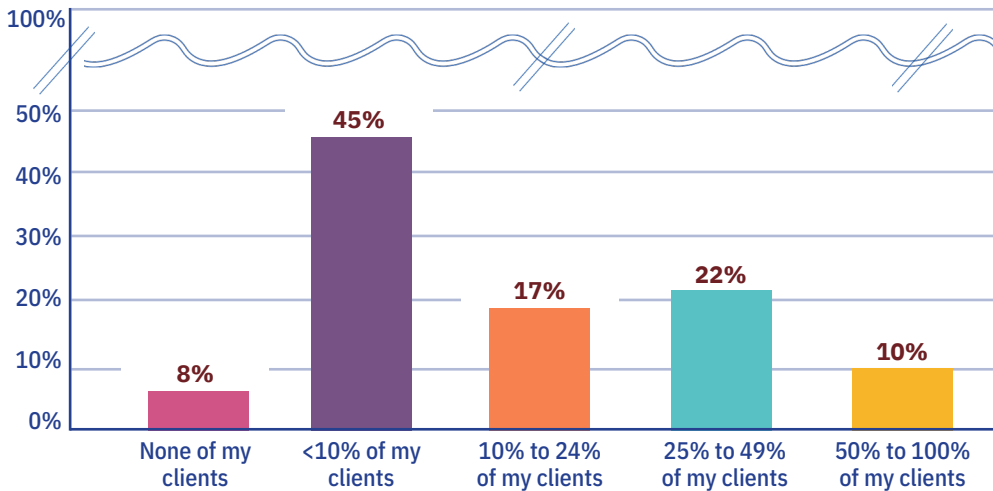
In March 2024, the Digital Assets Council of Financial Professionals surveyed financial advisors about the role of digital assets in client portfolios. 272 financial professionals answered the survey questions. The survey was sponsored by Franklin Templeton Digital Assets. The responses and recommendations provided by survey respondents are not recommendations of Franklin Templeton.

About the Survey Respondents

- ▶ 71% of the respondents are financial advisors of independent RIA firms. The remainder work for regional or independent brokerage firms (19%), wirehouses (2%), or other types of companies in the financial services industry, such as trust companies and family offices (8%). This segmentation tracks very closely to the December 2023 survey released in early 2024.
- ▶ Nearly 9 in 10 (86%) respondents have more than 10 years of experience in the financial services industry; 59% have 20+ years of experience.
- ▶ 65% of respondents mostly serve clients with \$500K to \$3.5M in assets; another 9% predominantly serve clients whose assets are in excess of \$3.5 million.
- ▶ 30% of the advisors surveyed manage more than \$100 million.

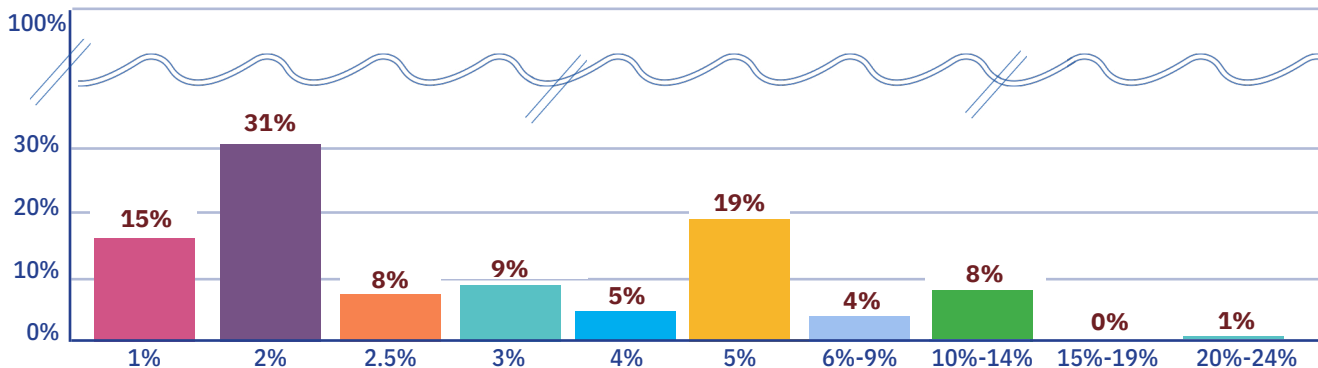
Survey Findings

What Portion of Your Clients Say They Have Invested in Crypto?



Only 30% of the financial advisors participating in the survey have asked their clients if they own crypto. Of those, 92% found clients who have invested in crypto; only 8% reported that none of their clients did so. Furthermore, 39% of advisors reported that 10% to 49% of clients own digital assets, and 10% said more than half their clients do.

What Allocation Do Advisors Recommend?



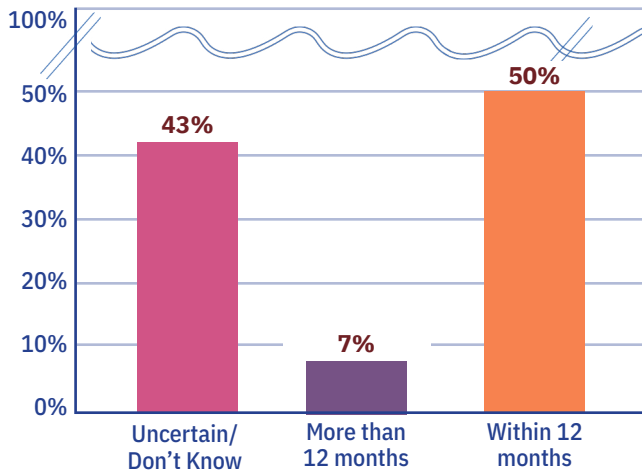
In the March 2024 survey, only 34% of the financial advisors polled said they are actively recommending crypto to clients, a decrease from 59% in the December 2023 survey. Anecdotal evidence suggests this is attributed to firms issuing new guidance to advisors during their due diligence process of evaluating the new spot bitcoin ETFs.

Of the advisors who are recommending crypto, 8% are recommending it to all their clients, a slight increase from the December 2023 survey. Another

24% of advisors have recommended crypto to more than half of their clients and about a third of them (35%) say they have recommended crypto to fewer than 10% of clients.

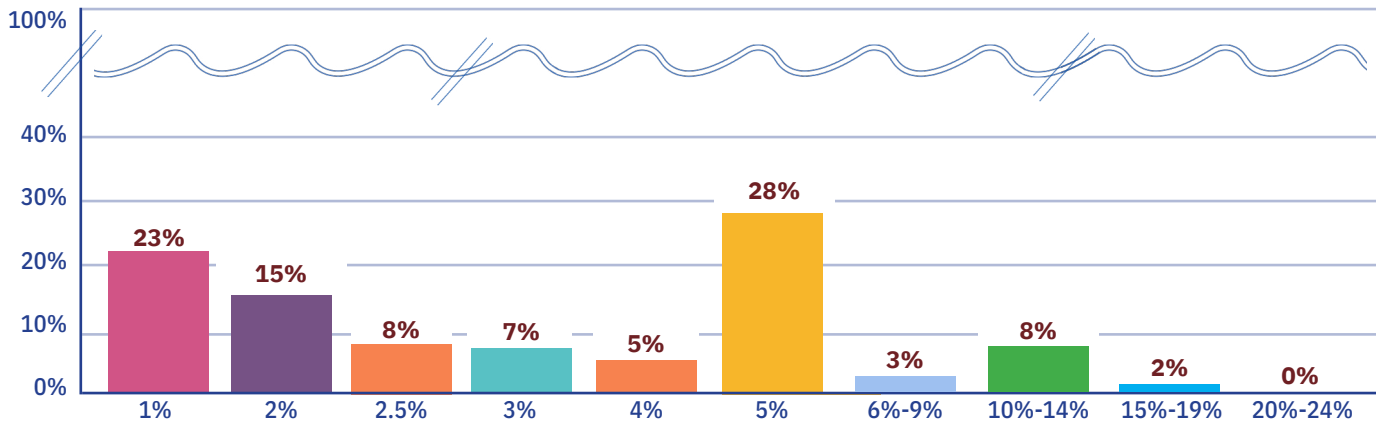
Overall, nearly 9 in 10 advisors (87%) are recommending that clients allocate 1% to 5% of their assets to crypto. Another 8% recommend allocations of 10% to 14% and 1% of advisors are recommending more than 20%.

When Do Advisors Plan to Start Recommending Crypto?



Compared to the December 2023 survey, there was a ~70% increase in the number of financial advisors who said they will begin recommending crypto within six months (35% in the March survey vs. 21% in the December survey). Anecdotally, the availability of spot bitcoin ETFs appears to be fueling this increased engagement.

What Crypto Allocation Will Future Engagers Recommend?



Of the financial advisors who have not yet allocated to crypto but said they plan to do so, 28% say they plan to allocate 5% of assets to client portfolios.

Summary

The recent availability of spot bitcoin ETFs is clearly [spurring more financial advisors to add digital assets to client portfolios](#), and to invest more in this asset class than they previously indicated. Further research will determine the speed with which advisors move from the “intention” stage to the “implementation” stage.



About DACFP

Founded by Ric Edelman, the [Digital Assets Council of Financial Professionals](#) is the leading provider of crypto education. DACFP connects the financial services industry and digital assets communities with leading experts via live and online events, webinars, blogs and other educational content. Its flagship program, the Certified in Blockchain and Digital AssetsSM, is the first and largest certification program of its kind – an online self-study program featuring a world-class faculty and 18 Continuing Education credits. Thousands of financial professionals from 37 countries have enrolled.

About Franklin Templeton Digital Assets



Franklin Templeton Digital Assets has been active in the digital asset ecosystem since 2018, building blockchain-based technology solutions, developing a range of investment strategies, and running node validators. Franklin Templeton Digital Assets' dedicated digital assets research team leverages

fundamental “tokenomic” analysis, insights from an imbedded data science team, and deep industry connections to help inform product development and investment decisions. For more information, please visit [Franklin Templeton Digital Assets](#) and follow the team on [Twitter](#).

Franklin Templeton Digital Assets is a part of Franklin Resources, Inc. [NYSE:BEN], a global investment management organization with subsidiaries operating as Franklin Templeton and serving clients in over 150 countries. Through its specialist investment managers, the company offers specialization on a global scale, bringing extensive capabilities in fixed income, equity, alternatives and multi-asset solutions. With more than 1,500 investment professionals, and offices in major financial markets around the world, the California-based company has over 75 years of investment experience and more than \$1.6 trillion in assets under management as of March 31, 2024. For more information, please visit [franklintempleton.com](#) and follow us on [LinkedIn](#), [Twitter](#) and [Facebook](#).

What are the risks? There are risks associated with the issuance, redemption, transfer, custody, and record keeping of shares maintained and recorded primarily on a blockchain. For example, shares that are issued using blockchain technology would be subject to risks (including the following: blockchain is a rapidly-evolving regulatory landscape in the United States and in other countries, which might result in security, privacy or other regulatory concerns that could require changes to the way transactions in the shares are recorded.

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