

Hybrid Finance

The new architecture of capital markets

The new portfolio playbook

>\$35B

Tokenized real-world assets on-chain in 2025 — more than double 2024 levels

Rwa.xyz, CoinShares, data as of close 31 December 2025

>\$600B

Monthly decentralised trading (DEX) trading volume — rivalling Visa and Mastercard combined

Artemis, CoinShares, data as of close 31 December 2025

>\$300B

Stablecoin market cap as of end-2025, functioning as digital settlement rails

DefiLlama, CoinShares, data as of close 31 December 2025

“This convergence between digital assets and traditional finance is more than cosmetic. It represents the early foundations of a financial system where tokens can be true equity-like instruments, powering platforms and rewarding participants.”

Jean-Marie Mognetti
CEO of CoinShares
The Node Magazine, 2025

Why hybrid finance matters for your clients

Infrastructure is shifting

Public blockchains now underpin real settlement activity. Ethereum and Solana generated ~\$1.2B in fees in 2025 (TokenTerminal, data available as of close 31 December 2025). J.P. Morgan moved institutional payments onto Ethereum's Base network. These are infrastructure decisions by incumbents — not experiments.

Tokenization is operational

Private credit, US Treasuries, and money market funds are live on-chain. BlackRock's BUIDL and Franklin Templeton's fund are not concepts — they settle trades and distribute yield via smart contracts. The technology works at an institutional scale.

Revenue creates new valuations

A growing cohort of on-chain protocols generates hundreds of millions in annual fees — with lean teams and built-in buyback mechanisms. Hyperliquid alone generated >\$1B in annualised fees in 2025 ((TokenTerminal, data available as of close 31 December 2025)). Tokens are beginning to trade on fundamentals, not narrative.

How to frame this for clients

Hybrid finance is not a bet on crypto speculation — it is an observation about where financial infrastructure is heading. Traditional institutions are already using public blockchains to settle trades, issue funds, and move money across borders: First token-settled trades are potentially expected by the end of Q3 2026 on Nasdaq, which is building a parallel native venue with different rails entirely, including stablecoin funding and 24/7 trading; NYSE announced development of a platform for trading and on-chain settlement of tokenized securities; Stablecoins now move more volume than Visa and Mastercard combined (according to the data published by Artemis Analytics (2026), Visa (2025) and Mastercard (2025) Advisors who understand this shift can help clients position for the mainstream adoption curve and explain why regulated digital assets products providing exposure in this space differ fundamentally from speculative altcoin bets.

“The next generation for markets, the next generation for securities, will be the Tokenization of securities.”

Larry Fink
CEO of BlackRock
Dealbook, 2022

The three pillars of hybrid finance

-
- | | | |
|----------|---------------------------|------------------------|
| 1 | Settlement infrastructure | Stablecoins & layer-1s |
|----------|---------------------------|------------------------|
- \$300B stablecoin market cap settling global transactions 24/7.
 - Ethereum, Solana, BNB and Hyperliquid the dominant settlement layers for institutional tokenization and trading volume.
 - For advisors: this is where the plumbing is being built. Products accessing these rails may gain settlement speed, transparency, and global reach.
-
- | | | |
|----------|-----------------------------|---------------|
| 2 | Tokenized Real-World Assets | RWA protocols |
|----------|-----------------------------|---------------|
- \$35B in Tokenised assets on-chain (2025). Private credit and US Treasuries lead.
 - BlackRock BUIDL, Franklin Templeton OnChain, and Ondo OUSG are live, yield-bearing, and on-chain.
 - For advisors: Tokenized treasuries can offer the same yield profile as money markets — with near-instant settlement and weekend liquidity. Other Tokenised assets can easily be fragmented to provide cheaper entry points and potentially gain a greater reach.
-
- | | | |
|----------|---------------------------------|--------------------|
| 3 | Revenue-Generating applications | On-chain protocols |
|----------|---------------------------------|--------------------|
- \$1B annualised revenue for Hyperliquid alone (2025), with 99% used to buy back its token.
 - Uniswap & Lido both enacted fee-sharing/buyback mechanisms in 2025 — tokens begin to trade on fundamentals.
 - For advisors: this is the equity-like layer of crypto. Cash-flow-generating protocols with transparent financials — a new category for portfolio analysis.

Disclosures US

For Investment Adviser Use Only. This communication is intended solely for investment advisers and other financial intermediaries for informational and discussion purposes. It is not intended for distribution to, or reliance by, retail investors.

General. This guide was prepared by CoinShares Group and is distributed in the US by Valkyrie Funds LLC d/b/a CoinShares Valkyrie. This guide is provided for informational purposes only and does not constitute a recommendation of any investment strategy or product for a particular investor. There is no guarantee that any investment strategy or objective will be achieved. Investors should consult a financial advisor / financial consultant before making any investment decisions. Investing involves risk, including possible loss of principal. The information and data in this guide is current as of the date of this guide. Past performance is not indicative of future results. Any references to performance, whether express or implied, are provided for illustrative purposes only and do not represent actual client results unless otherwise expressly stated.

Evolving Asset Risk. Digital assets are a new technological innovation with a limited history. There is no assurance that usage of digital assets will continue to grow. Investing in alternative cryptocurrencies (“altcoins”) involves a high degree of risk and is speculative in nature. Altcoins are subject to a variety of unique and evolving risks that may adversely affect their value, including extreme price volatility, limited liquidity, and heightened risk of loss, including the potential loss of the entire investment. Each of these Altcoins is the native token of a distinct blockchain network, and the value of each token is highly dependent on the continued development, adoption, and security of its underlying protocol. The networks supporting these Altcoins are relatively new, rapidly evolving, and may be subject to significant technological, regulatory, and market uncertainties. Altcoins are typically associated with emerging technologies and early-stage projects that may not achieve widespread adoption or functionality. Many such assets lack a long operating history, and their value may be influenced by factors that are difficult to predict or evaluate, including technological developments, market sentiment, and competitive dynamics.

Regulatory treatment of digital assets remains uncertain and continues to evolve. Certain altcoins may be deemed securities or otherwise subject to regulation by authorities such as the U.S. Securities and Exchange Commission or other domestic and international regulators. Changes in applicable laws, regulations, or enforcement priorities may adversely impact the value, liquidity, or legality of certain digital assets.

The digital asset market is subject to increased risk of fraud, manipulation, cybersecurity breaches, and operational failures. Investors may be exposed to risks including, but not limited to, hacking incidents, loss of private keys, smart contract vulnerabilities, and failures of exchanges or custodians.

Fees. Investors may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the valuation or return figures.