



Arca Labs Study Finds 77% of Capital Market Participants Believe Traditional Securities will be Digitized in 5-10 Years

Conducted in partnership with Coalition Greenwich, this industry-first digital asset securities study cites transparency and real-time settlement as the top benefits of blockchain; lists real estate and equities as the top two designated asset classes to be represented as digital asset securities.

NEW YORK – January 20, 2022 – Arca Labs, the innovation division of digital asset management firm [Arca](#), in partnership with [Coalition Greenwich](#), a leading global provider of data, analytics, and insights to the financial services industry, recently introduced the first industry study substantiating the capital markets’ overwhelmingly positive perception of, familiarity with, and interest in digital asset securities.

During the month of July 2021, Coalition Greenwich conducted interviews with a diverse group of international market participants in financial services representing front office, technology, risk, operations, strategy and management roles to better understand the perception of digital asset securities and the potential for institutional adoption.

Key findings from *The Future of Securities: A Digital Asset Securities Study* include:

- 70% of respondents are at least somewhat focused on implementing blockchain for capital markets, with 45% citing they are very/extremely focused
- 76% are very familiar or somewhat familiar with digital asset securities, most notably in North America and those working in technology companies
- 71% of respondents are very interested, or somewhat interested, in investing in digital asset securities
- 77% agree that most securities will be digitized and settled on a blockchain in the next 5-10 years
- Real estate and equities are the top two designated asset classes to be represented as digital asset securities
- Transparency and real-time settlement are identified as the top benefits of blockchain for digital asset securities

“We’re pleased to see this broad and growing interest in digital asset securities reaffirming our belief that this industry is maturing and there is more understanding on the potential benefits of these investment products,” said Arca Labs President Jerald David. “We’ve been working over the last few years to further the ecosystem and create digital asset products that offer real-time settlement, transparency, and liquidity. As capital market participants begin to better understand digital asset market structure and stablecoin use, we believe adoption will continue to rise and eventually lead to the tokenization of every security.”



Overwhelmingly, participants indicated real-time settlement as the key benefit of blockchain-based processes for digital asset securities (97% front office; 82% tech/ops/risk; 86% management/strategy; and 86% other). Real-time settlement remains one of the top features for Arca's ArCoin.

Arca Labs launched the Arca U.S. Treasury Fund in July 2020, which is the first fund registered under the Investment Company Act of 1940 ('40 Act) to offer digital shares. ArCoin, the digital asset security issued by the Arca U.S Treasury Fund. The Arca U.S. Treasury Fund is primarily composed of short duration U.S Treasury securities, and some of the benefits of the Fund include the ability for: peer-to-peer trading over the blockchain. Arca Labs hopes to offer other registered products for the digital marketplace in the future.

Arca is committed to educating investors, industry participants and other shareholders in the digital asset space. As part of these efforts, a research paper on the benefits of pooled investment vehicles in conjunction with Coalition Greenwich will be presented on January 27 at Finance on The Blockchain, Powered By Arca Labs. Learn more and register here: <https://www.ar.ca/2022-finance-on-the-blockchain-virtual-registration-page>

To view the full results of *The Future of Securities: A Digital Asset Securities Study*, please visit www.ar.ca/btf.

About the Study

The Future of Securities: A Digital Asset Securities Study: An investor and financial services perspective on digital asset securities adoption was commissioned by Arca Labs and conducted by Coalition Greenwich online during the month of July 2021. Of the 108 interviews, 65% of participants hailed from North America, with 27% in Europe, and 8% listed as other, defined primarily as Asia Pacific. Participants represented three main sectors: the buy side (31%), Bank/Broker/Exchange/Market Infrastructure (26%), technology companies (17%), with an "other" category comprising consultants, law firms, academia, systems integrators, corporates, and other institutional market participants (27%). Fifty-six percent of participants indicated 3+ active years in the industry (17% 0-1 years; 13% 1-2 years; and 14% 2-3 years).

About Arca

Arca is an asset management firm investing and innovating in digital assets. Our mission is to offer asset management products that meet the operational, compliance, legal, and regulatory standards needed for sophisticated investors to gain exposure to digital assets. Arca's product set includes actively-managed hedge funds, passive vehicles, and first-to-market blockchain transferred funds ("BTFs"), developed by our innovation division, Arca Labs. Arca was the first registered fund to issue shares via the blockchain, which integrates blockchain's peer-to-peer technology and instant settlement features with traditional investment vehicles. Arca's founders and senior team members have worked in traditional finance and FinTech across many asset classes and are working to bring the best of traditional finance practices to digital assets to deliver the right product to the right investor at the right time. Learn more about Arca:

<https://ar.ca>



About Coalition Greenwich (a division of CRISIL)

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.

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Arca Labs Disclaimer

An investor should carefully consider the investment objectives, risks, charges, and expenses of the Arca U.S. Treasury Fund before investing.

This and other information is available in the Fund's prospectus, which should be reviewed carefully prior to investing. To obtain a prospectus, please call 1-800-445-3148.

The Funds Annual Operating Expense Ratio, as reflected in the current prospectus is 3.22%, however Management has agreed to an expense cap of .75% through an expense limitation agreement for the second year after effectiveness of the Fund's registration statement. For more details relating to the fund's expenses, please review the prospectus.

No assurance can be given that the Fund will achieve its investment objective, and investment results may vary substantially over time and from period to period.

An investment in the Fund involves risk including loss of principal. An investment in the Fund is suitable only for investors who can bear the risks associated with limited liquidity in the shares and the uncertainty of emerging technologies, and should be viewed as a long-term investment. Other risks specifically associated with the Arca U.S. Treasury Fund are detailed in the prospectus and include no history of operations risk, conflict of interest risk, interval fund risk, no minimum amount of proceeds risk, fund closure risk, liquidity risk, tax related risks, credit and non-payment risk, interest rate risk, portfolio management risk, market risk, call risk, valuation risk and issuer risk. The Arca U.S. Treasury Fund will be one of the first registered funds to offer digital securities and there are additional risks associated with this feature of the fund, including regulatory risk, liquidity risk, emerging technology risk, operational and technology risk, and risks specifically associated with the Ethereum blockchain. There is the risk that management may be unable to successfully use blockchain technology to validate ownership and transfer Arcoins.



For details regarding all of the risks described above, please review the [prospectus](#). Arca Capital Management, LLC “Arca” serves as adviser to the Arca U.S. Treasury Fund, distributed by UMB Distribution Services, LLC, Member FINRA/SIPC “UMB”. Arca and UMB are not affiliated.