

LP Update - Q1 2026

As we've said many times, crypto has never been in a better spot. The technology has never been as widely adopted and regulatory clarity never as solid.

A lot of our focus right now is centered on DeFi, which continues to be adopted by TradFi at an accelerated pace. That's where we expect much of the entrepreneurial energy and funding to concentrate, but we're keeping our eye out for opportunities elsewhere too. [We shared some of our thinking the other week.](#)

More broadly, real world assets are having their moment and institutions are taking their first steps to deeply integrate with the technology and industry at large. A year ago we covered how we thought DeFi would converge with TradFi. Now this year, we're excited to be covering the progress as it plays out in real time.

Real world assets

The dominant theme to kick off this year has been the proliferation of assets coming onchain and with it, the continued maturation of DeFi. What began as infrastructure for transacting between and adding utility to crypto-native assets has paved the way for the world to access all currencies via stablecoins and real world assets (RWA) via their tokenized equivalents.

The breadth and diversity have been notable - from commodities, equities, currencies and yield-bearing instruments to alternatives such as collectibles. These traditional asset classes are finding success leveraging crypto to accelerate their velocity, create greater utility, and open up access to a global capital base.

Total RWAs onchain today stand at \$32bn, up from just over \$6bn at the start of 2025 and \$2bn in 2024. Looking closer, this quarter was a story of establishing commodities and equities markets onchain. While US treasuries have continued to represent the bulk of total RWA value with \$13bn onchain, tokenized equities crossed the \$1bn mark this quarter. But more telling has been their trading volume. Combined, equities and commodities now make up over \$50bn in monthly volume on decentralized perpetual exchanges and represent 30-50% of their total volume, up from nearly zero six months ago.

Another emerging category we've been watching closely are stablecoins for currencies other than the US dollar. We highlight the Euro as the clear second in market adoption after USD. EUR-denominated stablecoins, driven by Circle's EURC, saw growth as high as 80% month-over-month in 2025 to reach €2bn in monthly volume and €400m outstanding onchain. Tokenized EUR money market funds also crossed the €800m mark this quarter, up from €50m at the start of 2025, demonstrating the appetite for more accessible yield options from both consumers and businesses across the EU.

Outside of major traditional assets, Q1 was a standout quarter for tokenized collectibles marketplaces led by Pokemon cards and dominated by our portfolio company Courtyard. Monthly GMV grew to \$200m with more than \$10m in net revenue generated across the sector. It has been exciting watching Courtyard find PMF with a digital product that could only be built on crypto rails. It required a specific combination utilizing tokenization for verifiable assets, instant settlement through stablecoins, and programmable wallets to power their buyback mechanism. We believe their success will encourage others to experiment with novel assets and marketplace mechanisms to build the next consumer breakout app accelerated by crypto.

Institutional integration

On an institutional level, the start of this year felt remarkably different from prior years. After 2025's sweeping regulatory changes and dramatic switch in tone from regulators to be collaborative rather than combative with crypto as an industry, this quarter saw institutions laying much of the necessary foundation to begin their adoption of the technology.

Most prominent have been the infrastructure investments from the largest financial institutions, spanning asset managers like Apollo and BlackRock, exchanges like ICE and Nasdaq, and infrastructure players like the DTCC and Mastercard. Apollo, BlackRock, and Citadel respectively invested in the tokens of DeFi protocols Morpho, Uniswap, and LayerZero to align with the protocols they were partnering with for tokenizing and distributing their own products onchain. ICE, the owner of NYSE, announced a \$200m investment into OKX in its effort to build a 24/7 tokenized equities exchange while Nasdaq chose to partner with Kraken to enable tokenized equities trading later in 2026. Finally, Mastercard made a landmark \$1.8bn acquisition of London-based BVNK to integrate its stablecoin processing capabilities, capping off the largest acquisition in the space and surpassing Stripe's \$1bn purchase of Bridge in late 2024.

On the stablecoin front, following last year's passing of the GENIUS Act, much of the activity has centered around applications and approvals for federal OCC (Office of the Comptroller of the Currency) charters by the largest crypto firms and stablecoin issuers. An OCC charter issued under the GENIUS Act grants holders the ability to provide services related to stablecoin issuance, reserve management, real world asset tokenization, and crypto custody across all 50 states and, importantly, is seen as a prerequisite to acquiring a Federal Reserve master account. In rapid pace, the OCC conditionally approved five charters last December for Circle, Ripple, BitGo, Paxos, and Fidelity, with several more following in Q1 including Coinbase, Nubank, Bridge, and Crypto.com. This sets the stage for all of these firms to begin their integration into the US financial system in the same fashion as any other federally regulated bank.

Finally, in what may be the most important regulatory advancement for the industry this quarter, Kraken received its Federal Reserve master account five years after the initial application in late 2020. Holding a master account at the Fed allows Kraken to directly access the US' core financial rails, including depository and payment flows, without going through an intermediary financial institution. While Kraken's master account is initially limited in scope, the implications of being granted one are significant. It effectively ends the informal policy that was known as Operation Chokepoint 2.0, which sought to restrict and deplatform the crypto industry from US banking.

Taking a step back, it's striking how much has changed in just one year. We see this next phase as one of integration on top of crypto's now-proven infrastructure and are excited to see the first steps landing this quarter.