

# Crypto Investors Don't Always Prioritize Key Metrics, New Broadridge Study Finds

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First of its kind survey provides insights into how crypto investors analyze assets

NEW YORK, July 11, 2023 /PRNewswire/ -- Despite a persistent interest in crypto assets, a majority of investors don't prioritize the metrics experienced crypto traders tout when assessing the viability and attractiveness of crypto assets, according to a new **Digital Disclosure Survey** from global Fintech leader, **Broadridge Financial Solutions** (NYSE: BR).

The Broadridge study, which was conducted in conjunction with Dr. Chris Brummer, the Agnes Williams Sesquicentennial Professor of Financial Technology at Georgetown Law, surveyed 2,000 crypto market participants in the United States, UK and Canada and polled respondents on what performance metrics they look at when making an investment decision and where they find that information.

The report found that investors and prospective investors of crypto assets typically prioritize conventional metrics such as risks factors and security (54%), financial overview (e.g., cash flows) (52%) and holdings of the management team (43%) when making decisions. However, critical crypto-specific metrics such as tokenomics (16%) and network performance (28%) did not even make it to the top five of their concerns.

"The survey data reveal that many investors prefer traditional finance metrics, and emphasize them over other factors that impact crypto specifically," said Dr. Brummer.

The findings raise questions as to whether investors fully appreciate the importance of crypto-native factors that can be essential to understanding crypto assets. Network performance, for example, can provide a real-time view on how the platform behind the crypto asset is performing, how holders are engaging with the platform, as well as

the number of active projects – data any investor needs to know. In a similar vein, the tokenomics of a coin reflect and can determine the current and future supply of a particular asset.

## Combating the Knowledge Gap

Over 65% of respondents suggested their holdings represented a long-term investment, suggesting that, contrary to popular perception, most participants may not be speculators. Additionally, 47% of respondents answered that their investments in the space were being used to educate themselves, suggesting a "learning by doing" approach by investors.

"To help better inform and educate investors, metrics that track crypto asset performance should be standardized, better disclosed and made more easily accessible, especially for retail investors needing the most relevant information and support possible to make informed decisions," said Rob Krugman, Chief Digital Officer, Broadridge. "For any market to survive and grow, you need trust, and trust isn't possible without transparency."

## Where and when are Investors Finding Crypto Information?

To further understand how investors and prospective investors are staying informed and educating themselves on crypto assets, the survey also asked where respondents receive their information and their ideal timeframe on receiving new updates. Respondents indicated they look to a variety of sources for this information, including the native website of the crypto provider (39%), a broker (35%), a crypto exchange (34%) and crypto press (32%), to name a few.

Given the decentralized nature of crypto assets, prospective investors are looking broadly for performance indicators; however, more investors claiming to have experience with crypto assets indicated that they tend to look for where the off-chain data is located, usually either on the asset provider's own website or a third-party data provider, whereas prospective investors are still following the traditional finance approach and expect that data to be within their exchange app or brokerage.

In terms of frequency of information, just under half of all respondents would prefer to receive updates on at least a quarterly or monthly basis, with 27% of respondents preferring to receive updates as information changes. Given the rapid pace of the market, information needs to be provided to holders not only to ensure they are receiving timely updates on their holdings, but to also ensure they have a proper understanding of what that information means and what updates entail.

"This is the first ever study to survey the disclosure preferences of crypto holders and investors, and a project we are proud to have led during this time of intense regulatory discussion," observed German Soto Sanchez, Head of

Corporate Strategy, Broadridge.

The full results from the Digital Disclosure Study can be found **here**.

## About Broadridge

Broadridge Financial Solutions (NYSE: BR), a global Fintech leader with more than \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for banks, broker-dealers, asset and wealth managers and public companies.

Broadridge's infrastructure serves as a global communications hub enabling corporate governance by linking thousands of public companies and mutual funds to tens of millions of individual and institutional investors around the world. Our technology and operations platforms underpin the daily trading of more than U.S. \$9 trillion of equities, fixed income and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 15,000 associates in 21 countries.

For more information about us and what we can do for you, please visit <https://www.broadridge.com/>.

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