



Private Markets Made Possible

FOR IMMEDIATE RELEASE

ADDX is first Singapore financial institution to recognise crypto assets of accredited investors

Amid rising crypto ownership, the move expands the universe of individuals who can invest in private market products

SINGAPORE, 8 JUNE 2022 – Private market exchange ADDX has become the first financial institution in Singapore to recognise cryptocurrency assets for the purposes of onboarding accredited investors.

The move opens the way for more individuals to qualify for accredited investor status. They can thereby participate in more sophisticated investment opportunities in the private markets, which tend to be more resilient in times of market volatilityⁱ. These include asset classes such as private equity and venture capital funds, hedge funds and pre-IPO companies.

In line with regulations, ADDX will implement appropriate risk management measures that take into account the price volatility of crypto assets. For example, ADDX will recognise only cryptocurrencies with a higher market capitalisation and will apply a discount rate when valuing the assets.

Under Singapore's regulatory regime, individuals have to meet any one of three criteria in order to qualify as accredited investors: their income in the past twelve months exceeds SGD 300,000, or their net financial assets exceed SGD 1 million, or their net personal assets exceed SGD 2 millionⁱⁱ. While crypto assets are not currently recognised as income or financial assets, they can be recognised under the third category of net personal assets.

As part of its process for verifying accredited investors, ADDX will begin recognising three coins – Bitcoin, Ether and USDC. The discount rates ADDX will apply when calculating the value of these crypto holdings is 50% for Bitcoin or Ether and 10% for USDC. These coins and discount rates will be reviewed at regular intervals and may be revised as market conditions change. To qualify as accredited investors, individuals can provide documents to show that the value of their net personal assets meets the SGD 2 million threshold after the inclusion of crypto assets with the discount rate applied.

The latest development comes at a time when crypto ownership rates are at record levels worldwide. According to a global survey by Gemini, crypto ownership rose by more than 80% in 2021ⁱⁱⁱ. Ownership rates have hit 30% in Singapore, 24% in Hong Kong, 20% in the US, 18% in the UK and 17% in Germany.

ADDX CEO Oi-Yee Choo said: "Cryptocurrencies are here to stay. They no longer exist only on the fringes of wealth and investment conversations. With a large minority of investors owning crypto, it is reasonable for these digital assets to be recognised as a part of one's portfolio – not unlike any other assets that can be valued in the marketplace, such as real estate or equity.



Private Markets Made Possible

In line with ADDX's mission of democratising private market investing, recognising crypto holdings helps us to serve a much wider segment of investors – not just investors with traditional holdings, but those who hold crypto as well. At a time when the markets are volatile, this move is also designed to enable crypto investors to diversify into the regulated private markets, which tend to be more stable across different phases of market cycles.”

Ms Choo added: “As a regulated financial institution that understands blockchain technology, ADDX is well-positioned to bridge the two worlds – traditional finance and digital assets. Investors increasingly expect a seamless view of their complete holdings because their traditional wealth and crypto wealth ultimately belong to a single portfolio. They want the best of both worlds. Last year, ADDX listed our first fund with exposure to crypto, and today we are recognising crypto assets for accredited investor verification. These steps form part of a more strategic and comprehensive crypto roadmap for ADDX. In time to come, we are likely to enable customers to fund their investment wallets with cryptocurrencies and to convert their assets between fiat currencies and crypto.”

Founded in 2017, ADDX is Asia's largest private market exchange. Using blockchain and smart contract technology, ADDX tokenises private market investments such as private equity funds, hedge funds, pre-IPO equity and bonds. The resulting efficiency allows the platform to reduce minimum investment sizes from USD 1 million to USD 20,000. ADDX has listed more than 30 deals on its platform involving blue-chip names such as Hamilton Lane, Partners Group, Investcorp, Singtel, UOB, CGS-CIMB, as well as Temasek-owned entities Mapletree, Azalea and SeaTown. The Singapore Exchange (SGX) backed company is regulated by the Monetary Authority of Singapore (MAS) as a digital securities exchange.

For more information, please contact:

Jolene Ang
joleneang@addx.co

About ADDX

ADDX is a full-service capital markets platform with Monetary Authority of Singapore (MAS) licenses for the issuance, custody and secondary trading of digital securities. The financial technology company has raised a total of US\$120 million in funding since its inception in 2017, including US\$50 million in its Series A round in January 2021 and US\$58 million in its Pre-Series B round in May 2022. Its shareholders include Singapore Exchange (SGX), the Stock Exchange of Thailand (SET), Temasek subsidiary Heliconia Capital, the Development Bank of Japan (DBJ), UOB, Hamilton Lane and Korea's Hanwha Asset Management. Accredited individual investors using the ADDX platform today come from 39 countries, spanning Asia Pacific, Europe, and the Americas (excluding the US). ADDX also serves wealth managers and corporate investors through its institutional service, ADDX Advantage. ADDX is owned and operated by ICHX Tech Pte Ltd. ICHX Tech has been approved by MAS as a recognised market operator (RMO). It also has a capital markets services (CMS) license to deal in securities and collective investment schemes as well as to provide custodial services. For more information, visit [ADDX.co](https://addx.co) or www.linkedin.com/company/addxco.



Private Markets Made Possible

ⁱ See following reports:

- a) https://impact.economist.com/perspectives/sites/default/files/private_markets_in_2021_eiu_and_adams_street_partners_playbook.pdf
- b) <https://www.mackenzieinvestments.com/content/dam/mackenzie/en/mutual-funds/investor-guide-investing-in-private-equity-en.pdf>
- c) <https://www.icapitalnetwork.com/insights/private-equity/private-equity-offers-resilience-in-a-downturn/>

ⁱⁱ Or its equivalent in another currency

ⁱⁱⁱ Gemini report: <https://www.gemini.com/state-of-crypto>