IMS GROUP INSIGHTS · DIGITAL ASSETS

Institutional Crypto Adoption

From whether to how much — read from the family-office seat.

Institutional crypto adoption: the integration of digital assets into the mandates of professional capital — through regulated access vehicles, qualified custody and defined allocation policy. The IMS Group view from the buy-side.

Demand, not price

The cleanest read on institutional crypto adoption is not the price; it is the flow — and the flow says the question has moved from whether to how much.

In the first half of 2025, BlackRock's spot bitcoin fund (IBIT) passed its first anniversary as the largest vehicle of its kind by assets, having scaled faster than any ETF before it (BlackRock; Bloomberg Intelligence, 2025). Read as a price story, that is noise. Read as a demand story, it is the clearest signal yet that institutional crypto adoption has stopped being a question of whether and become a question of how much.

This paper reads that shift the way an allocator reads it: demand, not price. It sizes where adoption actually stands, sourced and dated, and where it is heading, with the gap between interest and allocation named rather than glossed — through the single-family-office lens. IMS Group, a technology-forward private markets investment group and partnership of family offices, treats this as a sizing and governance question first.

What institutional crypto adoption means

Institutional adoption, in crypto, means professional allocators treating digital assets as an investable category governed by the same machinery as any other — mandate, custody, risk policy and reporting — rather than as a side bet held off the books. The marker is not whether an institution owns bitcoin; it is whether the asset has been brought inside the allocation process.

Who counts as "institutional" matters, because the standard accounts draw the circle too narrowly. Pensions, endowments, sovereign funds and asset managers belong in it. So do family offices, and increasingly they sit at its centre. A single-family office runs a discretionary mandate, defined governance and a multi-decade horizon; on the criteria that make an allocator institutional — structure, process and accountability — it qualifies as squarely as any pension.

The shift this paper tracks is a shift in the question being asked. For most of the past three years the commentary has answered "is adoption happening?" That question is now settled. The one that follows it — how much should an allocator hold, through what vehicle, under what governance — is the live one, and it is the one the field mostly leaves open.

Demand, not price: the inflow signal

The most reliable read on adoption is not the spot price; it is the flow. Price moves on sentiment, leverage and the news cycle. Sustained net inflows into regulated, institution-accessible vehicles move on something slower and more telling: allocation decisions made through an investment committee.

US spot bitcoin ETFs, approved in January 2024, drew tens of billions of dollars in net inflows across their first eighteen months, with IBIT the largest single vehicle by assets (BlackRock; Bloomberg Intelligence, 2025). What counts is the mechanism: a regulated wrapper that lets a pension, an asset manager or a family office gain exposure inside existing custody and compliance rails. Inflows demonstrate access taken up; a large share reflects existing holders migrating into a regulated wrapper alongside genuinely new allocation, so the scale of true net-new allocation is best stated as a range.

The speed record nobody is pricing in

IBIT reached its asset milestones faster than any ETF in the history of the structure (Bloomberg Intelligence, 2025). Stripped of hype, that speed is an infrastructure fact: the demand was already there, waiting for a compliant route. The variable worth watching is how little friction now stands between an institutional mandate and the asset.

How allocators gain exposure

Once the question is "how much", the next is "through what". Adapted to the family-office allocator, the practical menu looks like this.

01 **Regulated funds & ETFs**
The lowest-friction route: exposure inside familiar custody, reporting and compliance rails, with no direct key management.

02 **Direct ownership with qualified custody**
Control and flexibility at the cost of operational responsibility. This is where the custody layer matters most.

03 **Derivatives**
Regulated futures and options allow sized, hedged or time-bound exposure without holding spot.

04 **Staking & yield strategies**
Income-oriented routes that introduce their own counterparty, lock-up and protocol considerations.

05 **Tokenised assets & stablecoins**
An exposure and settlement route; dollar stablecoins increasingly function as institutional settlement rails.

06 **Active management**
Delegated mandates for allocators who want professional selection and risk management.

The custody layer underpins all of it. A handful of institutional custodians — Fidelity Digital Assets, Anchorage, BitGo and Coinbase Prime among them — now provide qualified custody at institutional standard, which is what makes the "how much" question answerable at all.

What the family-office data says

Every ranking explainer speaks to "institutions" in the generic and stops there. Almost none reads the same adoption data through the single-family-office allocator — the lens that matters most for private capital. The behavioural signal is generational, and it is sharp.

Family-office allocations to digital assets, where they exist, remain modest — typically a low single-digit share for those who allocate at all, and a meaningful number hold none. Interest is high and rising, actual allocation is early and uneven, and the gap between the two is the real story.

What still holds allocators back

Adoption is settling in direction, but real friction remains. None of it is collapse; all of it is the ordinary friction of an asset class maturing into institutional use.

Regulatory clarity has advanced unevenly across jurisdictions, leaving multi-market mandates to work through a patchwork that is converging but not yet settled. Custody and security carry a related weight: institutional-grade custody now exists, yet key management, operational controls and counterparty diligence demand more than listed assets do. Governance and reputation are the quieter constraint — an investment committee has to be comfortable owning a volatile, headline-prone asset and able to explain it to principals. Volatility closes the list.

Read together, these are the conditions of an asset class being absorbed into institutional process, not signs that the process is failing. They are exactly the questions a governance-led allocator should expect to work through rather than avoid.

From whether to how much: the sizing question

If the direction is settled, the live work is sizing — and sizing for a family office is a governance question before it is a market call. Position-sizing discipline comes first: an allocation sized so that its volatility is survivable within the whole-portfolio risk budget, held as a deliberate, bounded position rather than an open-ended bet.

Risk budgeting sits alongside it: the allocation is a draw on a finite budget, competing with every other alternative the family office holds. Custody cannot be separated from sizing, because the route chosen sets the operational and governance load the position carries. Governance frames the rest — a clear policy on what is held, why, through what vehicle and within what limit, owned by the investment committee.

> Direction is clear; magnitude is contested — and saying so is the discipline, not a hedge.

None of this is advice to hold a particular percentage. "How much" is answerable with the same rigour a family office applies to any private-market position: sizing in ranges, not targets, with projections flagged as projections.

From alternative to allocation staple

The trajectory is legible without forecasting a number. Across the next several years, the credible expectation is a continuation of what the flows already show: rising allocations from a low base, wider participation as governance and custody questions resolve, and an access infrastructure that keeps maturing toward the standard of any other asset class.

Stated as a direction rather than a destination, digital assets are moving from an alternative that allocators consider toward a line that allocators routinely hold — slowly, unevenly, and to a degree no one can yet put a firm number on. The question has moved from whether to how much, and the family-office answer is a governance and sizing question, not a price call. That is the allocator-grade read, and it is the one IMS Group takes.

Frequently asked questions

What does institutional adoption mean in crypto?

Professional allocators — banks, asset managers, custodians and family offices — treating digital assets as an investable category governed by formal mandate, qualified custody, risk policy and reporting, rather than speculative retail participation. The marker is whether the asset has been brought inside the allocation process under proper governance.

Which crypto are institutions buying?

Bitcoin dominates institutional exposure, accessed largely through regulated vehicles such as spot bitcoin ETFs and qualified custody, with ether a secondary holding. Dollar stablecoins are used increasingly as an institutional settlement rail rather than a directional position.

What is the best institutional custody for crypto?

There is no single "best"; custody is a governance decision each allocator makes on its own diligence. The field includes Fidelity Digital Assets, Anchorage, BitGo and Coinbase Prime, all providing qualified custody, segregation and institutional controls.

Sources & important information

1. BlackRock (2025). iShares Bitcoin Trust (IBIT) — assets under management and flow data; largest US spot bitcoin ETF by assets. Point-in-time.

2. Bloomberg Intelligence (2025). US spot bitcoin ETF flows and asset-growth analysis — IBIT as the fastest ETF to reach its asset milestones; cumulative net inflows across the first eighteen months.

3. Bank of America (2024). Private Bank Study of Wealthy Americans — 72% of investors aged 21–43 vs 28% of those aged 44+ doubt stocks and bonds alone can deliver above-average returns.

4. Family-office allocation surveys (2024) — e.g. UBS Global Family Office Report; Goldman Sachs family-office survey — digital-asset allocations remain a low single-digit share where they exist, with a meaningful share holding none.

5. US Securities and Exchange Commission (2024). Approval of US-listed spot bitcoin exchange-traded products, January 2024.

Point-in-time figures are volatile and should be re-verified on the date of publication.

Important information

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A partnership of family offices, sizing digital assets as a governance question — not a price call.

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