

*Welcome to Morgan Creek Digital's weekly digital asset update. It is comprised of a thought piece from our team followed by a summary of what we consider the most compelling digital asset news during the last week. We hope you find this content interesting. Please let us know if you have any comments or questions or if you would like to speak to a member of the [Morgan Creek Digital team](#).*

## **Gemini Expands Institutional Offerings with Acquisition of BITRIA and Omniex**



### **The Headline**

- Gemini expands its offering for the wealth management community and institutional traders by acquiring BITRIA and Omniex.
- Gemini aims to become one of the industry's first pure-play and full-service digital asset custodians for wealth advisors.
- The integration of Omniex with Gemini's existing custody, clearing, and OTC trading capabilities will provide a single point of access to multiple exchanges and OTC liquidity sources.

### **Gemini Acquisitions**

Portfolio company Gemini Space Station LLC ("Gemini"), already one of the largest service providers to crypto ETFs globally, has set its sights on expanding its institutional offering. With the recent acquisition of BITRIA, a digital asset platform for financial advisors, Gemini seeks to expand its offerings and become one of the industry's first pure-play and full-service digital asset custodians for advisors.<sup>1</sup> Gemini intends to integrate its crypto custody and exchange capabilities with BITRIA's portfolio management programs, allowing advisors to manage holdings of digital assets.<sup>2</sup> Furthermore, with the most recent acquisition of Omniex, Gemini expects to fully launch Gemini Prime, a crypto prime brokerage, in Q2, which had previously been available to a select client base.<sup>3</sup>

### **Strategic Vision**

"Create solutions that look like traditional finance but operate seamlessly in the new world of crypto."

- Chief Operating Officer at Gemini, Noah Perlman

BITRIA, which recently changed its name from Blockchange, is a five-year-old San Francisco-based start-up whose products allow advisors to manage Bitcoin holdings and other tokens. The company offers a digital asset investing platform for registered investment advisors (RIAs). The integrated platform will provide an institutional-grade option for RIAs to buy, sell, and store digital assets. The partnership between the two firms dates back to 2020, and BITRIA's employees, including co-founder and CEO Daniel Eyre, are joining Gemini.<sup>4</sup>

Omniex, founded by CEO Hu Liang and Chief Strategy Officer John Burnett, is a trading technology platform that provides order, execution, and portfolio management system solutions for institutional crypto trading. The integration of Omniex with Gemini's existing custody, clearing, and OTC trading capabilities will provide a single point of access to multiple exchanges and OTC liquidity sources. As part of this acquisition, the Omniex team will be joining Gemini to expand and drive platform capabilities for the Prime Services division.

### **The BIG Picture**

Gemini has generated traction from institutional investors with offerings that include Gemini Fund Solutions, Gemini Wealth & Investment Solutions, Hedge Fund & Liquidity Solutions, Corporate & Family Office Solutions, and soon-to-be-launched Gemini Prime.<sup>5</sup> Gemini is continuing to expand with recent acquisitions.

The growing institutional base of digital assets investors requires continued investment in security infrastructure to protect the significant vested interests. According to Bloomberg, security concerns take priority over volatility and regulatory concerns. Further, it is the most influential variable in deciding whether to "get off zero" regarding digital asset investments.<sup>6</sup> A survey conducted by Nickel Digital Asset of institutional investors and wealth managers, who collectively manage around \$108.4 billion, showed that 79% of those surveyed viewed asset custody as the critical consideration whether to invest in this space.<sup>7</sup> The survey included 50 wealth managers and 50 institutional investors across the U.S., U.K., Germany, France, and the United Arab Emirates.

As more institutional players actively participate in the crypto frontier, the institutional custodian industry will continue to expand and mature. Nevertheless, it is reasonable to believe that security will remain a top priority for institutional investors.

## **THE RUNDOWN**

**Why Brazil Is the Big Latin American Bet for Global Crypto Exchanges:** A cocktail of inflation and devaluation is generating a crypto boom that players such as Binance, Coinbase and Crypto.com do not want to waste. Amid a crypto boom in Brazil, several global exchanges see the country as Latin America's main market in 2022. [Read More.](#)

**Russia proposes ban on use and mining of cryptocurrencies:** Russia's central bank on Thursday proposed banning the use and mining of cryptocurrencies on Russian territory, citing threats to financial stability, citizens' wellbeing and its monetary policy sovereignty. [Read More.](#)

**New Fed paper hints that a US CBDC could compete with 'private digital**

**money’**: The Federal Reserve dropped a new central bank digital currency white paper on Thursday. While largely avoiding the topic of crypto, it suggests that a US CBDC could compete with “private digital money.” [Read More.](#)

**Andreessen Horowitz Looks to Raise \$4.5B for New Crypto Funds:** The \$3.5 billion targeted for a crypto venture fund would be the industry's largest. [Read More.](#)

**Meta is looking to launch NFT marketplace:** Meta, Facebook's parent company, is reportedly drawing up plans to allow users to create and display NFTs on their profiles. [Read More.](#)

<sup>1</sup> <https://www.prnewswire.com/news-releases/gemini-acquires-bitria-unlocking-the-digital-asset-ecosystem-for-wealth-and-asset-managers-301460043.html>

<sup>2</sup> <https://www.prnewswire.com/news-releases/gemini-acquires-bitria-unlocking-the-digital-asset-ecosystem-for-wealth-and-asset-managers-301460043.html>

<sup>3</sup> <https://www.gemini.com/blog/gemini-acquires-trading-technology-platform-omniex-launches-gemini-prime>

<sup>4</sup> <https://www.cnn.com/2022/01/13/crypto-exchange-gemini-pushes-into-wealth-management-with-acquisition-of-bitria.html>

<sup>5</sup> <https://www.gemini.com/blog/gemini-acquires-trading-technology-platform-omniex-launches-gemini-prime>

<sup>6</sup> <https://www.bloomberg.com/news/articles/2022-01-06/crypto-security-is-biggest-concern-for-institutional-investors>

<sup>7</sup> Ibid.

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