Sovereign Wealth Funds in the Face of Cryptocurrencies: Strategic Diversification or Risk-Taking

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Abstract

This study aims to analyze the position of sovereign wealth funds in the face of the expansion of cryptocurrency prices. Based on their investment strategy, it was observed that these funds manage the financial reserves of States. In recent years, Bitcoin has become a means of diversifying their portfolios in order to protect against the erosion of the value of fiat currencies. On the one hand, the creation of an American sovereign wealth fund marks a change in strategy in terms of capital management, and on the other hand, the launch of Bitcoin Spot ETFs in January (2024) represented a turning point, attracting more than 102 billion dollars in assets under Blockchain management as of February 24, 2025, and allowing sovereign wealth funds to obtain direct exposure to Bitcoin. This leads us to conclude that Bitcoin is no longer merely a speculative asset, it is becoming a key component of sovereign wealth funds' investment strategies by (2030).

Keywords: Cryptocurrency, Sovereign Wealth Funds, Bitcoin, Blockchain.
Jel Classification : E42, **G15**, **E31, G11, G32.**

Résumé

Cette étude vise à analyser la position des fonds souverains face à l'expansion du prix des cryptomonnaies. En se basant sur leur stratégie d'investissement on a constaté que ces fonds gèrent les réserves financières des États. Et le Bitcoin Au cours des dernières années est devenu un moyen de diversifier leurs portefeuilles afin de se protéger contre l'érosion de la valeur des monnaies fiduciaires.

D'un coté La création d'un fonds souverain américain marque un changement de stratégie en matière de gestion du capital et d'un autre coté le lancement des ETF Bitcoin Spot en janvier 2024 a marqué un tournant, attirant plus de 102 milliards de dollars d'actifs sous gestion au 24 février 2025 et permettant aux fonds souverains d'obtenir une exposition directe au Bitcoin. Ce qui nous emmène à conclure que le Bitcoin n'est plus seulement un actif spéculatif, il devient un élément clé des stratégies d'investissement des fonds souverains d'ici 2030.

Mots clés ; Cryptomonnaie, fonds souverains, Bitcoin, blockchain.

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Jel classification ; E42, G15, E31, G11, G32.

1. Introduction

The rise of sovereign wealth funds in the landscape of international finance is spectacular, and it was above all the subprime mortgage financial crisis of (2008) that propelled sovereign wealth funds to the forefront of the international and media stage. They were the only entities capable of supporting major international banks in difficulty, such as Citigroup and Morgan Stanley. One can thus conclude their important role in international financial stability.

Another unprecedented phenomenon has marked monetary history during this decade and will undoubtedly affect the future of legal tender and its fundamentals. This concerns virtual currencies, which are attracting more and more institutional investors, in particular sovereign wealth funds, which regard them as a protection against inflation and as a strategy for diversifying their financial portfolios.

Thanks to its innovative character and its capacity to facilitate secure transactions without resorting to third parties, Bitcoin has gained growing popularity and has become a recognized investment asset, as well as a means of payment accepted by an increasing number of companies and individuals throughout the world. Its influence extends beyond the financial sector, inspiring the development of new technologies and applications based on blockchain, and paving the way for a more inclusive and decentralized digital economy.

Until recently, sovereign wealth funds entered the Bitcoin market and then the other markets of the cryptosphere. While some states remain wary of it, others are exploring the opportunities offered by these new technologies. This leads us to raise the following question:

What is the position of sovereign wealth funds in the face of the expansion of cryptocurrency prices?

_To answer the main question previously mentioned, we relied on the following hypothesis:

- The investment of sovereign wealth funds in cryptocurrency is a strategic choice rather than an obligation.

The present work is structured around five essential points:

- A general overview of sovereign wealth funds
- The emergence of cryptocurrencies
- Investment of sovereign wealth funds in cryptocurrency
- The creation of an American sovereign wealth fund in cryptocurrencies
- Two possible future scenarios.

2. A general overview of sovereign wealth funds:

a. Definition and objectives of sovereign wealth funds:

Although they have only attracted media attention in recent years, the so-called sovereign funds are by no means new. Some have existed for more than fifty years, such as the Kuwait Investment Authority, created in (1953) under British administration to counter fluctuations in oil prices. More anecdotally, the Gilbert Islands (today is recognized as Kiribati) created in (1956) a reserve fund to manage the profits from their phosphate mines.

Following the early examples of Kuwait and Kiribati, two sovereign wealth funds were created in the 1970s during the first oil shock, namely: the Abu Dhabi Investment Authority (ADIA) in the United Arab Emirates (1976), and the Alaska Permanent Fund in the United States (1976). The establishment of Norway's Government Pension Fund Global in (1996), signaled the emergence of the second wave in the 1990s. The trend accelerated in the early 2000s, defined by the creation of [Mubadala] in Abu Dhabi (2002), the Qatar Investment Authority (2003), as well as the China Investment Corporation (2007) . (Puel, 2012)

In the economic literature, several definitions have been proposed to define sovereign wealth funds. The term "sovereign wealth fund", English for "fonds souverains" in French, was used for the first time in (2005) by Andrew Rosanov (TALEB, 2020)

Sovereign wealth funds are defined as state investment funds, financed by the accumulation of current account surpluses, either from exports of raw materials (funds of the Middle East, Norway, and Russia), from a structural surplus of national savings (funds of Singapore), or from the transfer of part of the foreign exchange reserves of the central bank (funds of China). Their main objective is to make these budgetary and / or trade surpluses grow (PUBLIQUES, 2012)

Although there is no precise definition of sovereign wealth funds that is universally accepted, it is nevertheless observed that sovereign wealth funds are funds owned and controlled by the State and financed by foreign currency resources; therefore, their creation depends on the ability of governments to accumulate foreign currency for macroeconomic purposes (Nacima, 2013)

According to statistics from the SWF Institute, the eight largest sovereign wealth funds ranked by total assets hold more than 60% of the total assets held by these funds.

Table N. 01: The assets of the leading sovereign wealth funds. Estimates for 2025

Rank	Sovereign wealth fund	Total assets	Region
1	Norway's Sovereign Wealth Fund	$1 738 806 263 000	Europe
2	China Investment Corporation (CIC)	$1 332 071 000 000	Asia
3	SAFE Investment Company	$1 090 000 000 000	Asia

4	Abu Dhabi Investment Authority (ADIA)	$1 075 000 000 000	Middle East
5	Kuwait Investment Authority (KIA)	$1 029 000 000 000	Middle East
6	Indonesia Investment Authority (INA)	$941 000 000 000	Middle East
7	Daya Anagata Nusantara Investment Management Agency	$900 000 000 000	Asia
8	GIC Private Limited	$800 800 000 000	Asia

Source: SWF institute, Classement *des 100 plus grands fonds souverains par actif total*, 2025, https://www.swfinstitute.org/fund-rankings/sovereign-wealth-fund

The establishment of a sovereign wealth fund, in fact, originates from the existence of a providential windfall, whether derived from natural resources or other exceptional revenues, and is generally conceived to serve two major and highly rational objectives. (Genre, 2015)

- First, the purpose may simply consist in shielding the country from the adverse consequences that result from the volatility of revenues generated by the export of its raw materials. This objective is pursued through the establishment of a sovereign fund, into which a share of the proceeds from these exports is systematically allocated, and thereby creating a financial buffer intended to smooth fluctuations in national income and to preserve economic stability over time.
- A second objective of the sovereign wealth fund may be to distribute the wealth derived from non-renewable natural resources across several generations or for specific long-term projects. These savings, or intergenerational funds, are therefore intended to preserve today's wealth by placing or investing it. The IMF then distinguishes four sub-categories: funds for future generations (savings funds), reserve investment corporations, development funds, and reserve funds for pensions.

b. Investment strategy of sovereign wealth funds:

In modern portfolio theory, the diversification of assets is fundamental to risk management. From the perspective this theory, investment strategies fall into two categories: on the one hand, maximizing return for a given exposure to risk, and on the other, minimizing risk relative to an expected return. Risk reduction is made possible by spreading investments across different types of assets in order to create a balanced portfolio. (Selim, 2024)

Between long-term private investment and strategic visions, most sovereign wealth funds, even when they adopt an investment policy aimed at maximizing profitability, operate according to the logic of a rational investor. Indeed, investment

methods vary from one fund to another and are based on the notion of diversification. Some sovereign wealth funds invest massively only in the capital of local companies, while others are more open and seek gains regardless of the host country of investment. Ordinarily, investment diversification can be viewed from several perspectives that intersect with one another: it may be by region, by the nature of the asset, or by the degree of risk. In each case, it makes it possible to minimize risks and maximize profits. (CHEDAD, 2024)

Moreover, the very nature of the creation of sovereign wealth funds also plays a decisive role in shaping their investment strategies. A stabilization fund generally seeks a lower level of risk than a savings or pension fund, and even more so compared to a development fund, where the expected returns are considerably higher. In most cases, the flexibility of asset allocations shows a tendency to decline progressively as the maturities of the funds approach and as their obligations become more immediate. And therefore, although the specific investment strategy is subject to variation, and may differ from one sovereign wealth fund to another, it nevertheless remains grounded in a model that emphasizes certain shared principles (CHEDAD, 2024) :

- The pursuit of profitability
- A moderate degree of asset management
- A clear governance structure
- Responsible investment policies.

Due to the opacity surrounding the management of sovereign wealth funds, there are no precise global data on the composition of their investment portfolios. Geographically, the investments of sovereign wealth funds are concentrated in Asia, the United States, and Europe. The latter two account for one third of the number of operations and the equivalent of two thirds in value. In Europe, the United Kingdom stands far ahead of France and Germany. From a sectoral perspective, the financial sector -well ahead of the real estate and energy sectors- has received the largest share of sovereign wealth fund investments, with a significant portion of their value placed in equities, debt securities, or hybrid instruments (convertible bonds). Unlisted companies, through private equity funds, have also received a share of sovereign wealth fund investments, generally with the aim of supporting the economic activity of small and medium-sized enterprises (SMEs). Not to limit ourselves to this example, the Norwegian fund declares that it has allocated, on average, its entire capital 60% to bonds and 40% to equities, the latter invested in nearly 9000 companies worldwide (CHEDAD, 2024).

3. The emergence of cryptocurrencies:

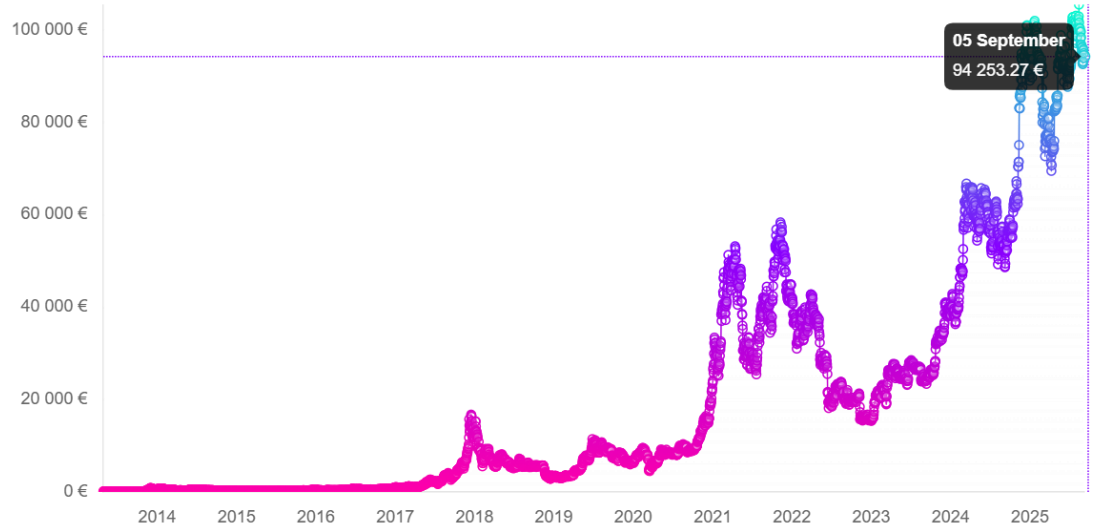
a. Definition of cryptocurrencies:

Cryptocurrency, also referred to as a crypto-asset or cybercurrency, bears the name of a currency only nominally, since it is in fact a digital asset of the private sector, based primarily on cryptography and distributed ledgers or a similar technology (Vedie, 2022). The cryptocurrency Bitcoin is a virtual currency stored on an electronic medium, allowing a community of users who accept it as payment to carry out transactions without having to resort to legal tender. (France, 2018)

The first crypto-asset was created in 2009 by Satoshi Nakamoto. Bitcoin (BTC) remains the reference of the market with a dominant capitalization. (coinhouse, s.d.) Bitcoin is created within a community of internet users, referred to as miners, who have installed on their computer units connected to the internet a free software that, according to an algorithm, creates bitcoins, which are then allocated to each miner as a reward for their participation in the functioning of the system. Once created, bitcoins are stored in an electronic vault registered on the user's computer, tablet, or mobile phone, or even remotely. They can then be transferred via the internet and anonymously between members of the community (France, 2018)

At its creation, the price of BTC was far below the euro. Bitcoin's first recorded transaction was carried out on October 12th, 2009. On that day, 5050 BTC were purchased for $5.02 (€4.8) via a PayPal transfer, which set the Bitcoin rate at approximately $0.001. History also records that two pizzas were purchased in 2010 for 10000 bitcoins. On January 20th, 2025, the Bitcoin rate reached its highest at €10375767 (coinhouse, s.d.)

Fig N. 01: Bitcoin price (2009 - September 5th, 2025)

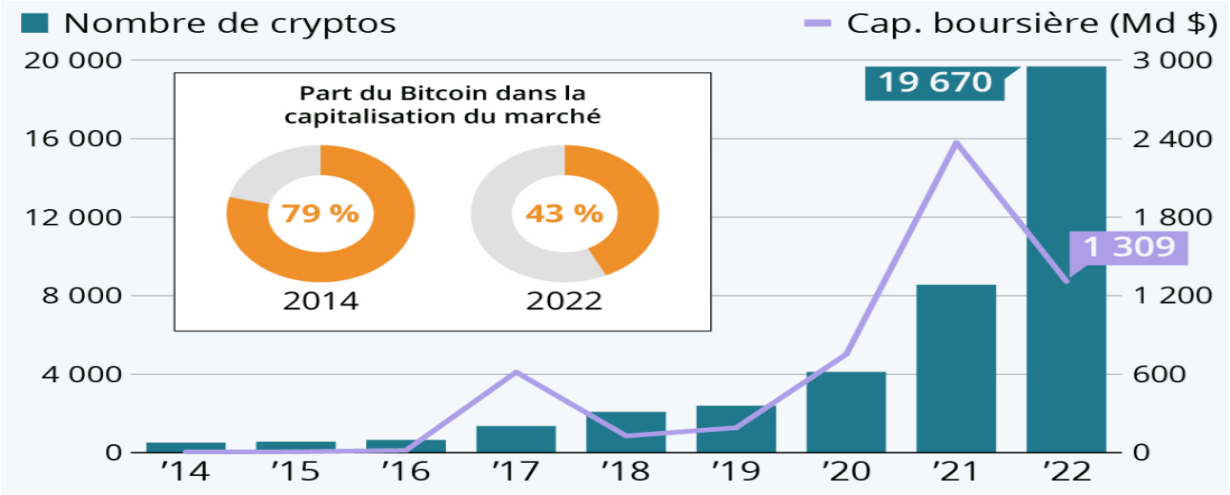


Source: coinhouse. *Cours Bitcoin (BTC)*. Consulté le 15 aout 2025, sur coinhouse: https://www.coinhouse.com/fr/cours-bitcoin

While there were only a few hundred virtual currencies at the end of (2014), the specialized website CoinMarketCap counted nearly 20000 in (2022). This spectacular explosion, particularly marked over the past three years, is notably due to the fact that creating a new cryptocurrency cost nothing and can be done in just a few clicks. The

digital assets listed by our source must, however, meet certain criteria, such as being available on an exchange platform (which allows the exclusion of a large share of fraudulent or low-quality assets) (Gaudiaut, 2022)

Fig N. 02: Number of cryptocurrencies and market capitalization (2014-2022)



Source : Tristan Gaudiaut, *Crypto-économie : quelles évolutions ?* Consulté le aout 19, 2025, sur statista: https://fr.statista.com/infographie/27547/evolution-du-nombre-cryptomonnaies-et-capitalisation-boursiere-du-marche/

As also indicated by our graph, the weight of Bitcoin, once overwhelmingly dominant in this market, tends to decline in the face of the rise of other digital assets such as Ethereum. In (2022), Bitcoin represented between 40% and 50% of the market capitalization of all cryptocurrencies, compared to approximately 80% in (2014); (Gaudiaut, 2022)

b . Bitcoin dominance:

Bitcoin dominance indicates the portion of the cryptocurrency market that Bitcoin occupies. It represents Bitcoin's market value as a fraction of the total capitalization of all cryptocurrencies. As the first widely adopted digital asset, Bitcoin has stayed at the top in terms of market value. Because of this, its dominance is closely followed by market participants. In the graph below, these assets are called crypto-assets, since the category includes both cryptocurrencies and other digital tokens, such as stablecoins (CoinMarketCap, s.d.)

Fig N. 03: Bitcoin Dominance (2013 – August 18th, 2025)



Source: CoinMarketCap. *Domination du Bitcoin*. Consulté le 08 18, 2025, sur CoinMarketCap: https://coinmarketcap.com/charts/bitcoin-dominance/

c. The Blockchain:

The concept of the blockchain was created in (1991) by two researchers, Stuart Haber and W. Scott Stornetta, and was later used by an unknown person acting under the pseudonym Satoshi Nakamoto, who published a "white paper" in (2008) (Guechi, 2023).

The Blockchain, or "chain of blocks," is a technology for storing and transmitting information that operates without a central controlling body. Originally, it was designed to create this new financial asset - called a crypto-asset - managed by an algorithm without the intervention of a central authority. (France b. d., 2025)

Private Blockchains are often used on closed networks, operating with a limited number of participants. These Blockchains allow for faster procedures and flexible management of confidentiality. They provide a framework for governance and collective action among partners who wish to cooperate on an equal footing. They potentially have numerous applications in securities settlement, cross-border payments, supply chain management, international trade financing, land registry maintenance, and the protection of civil status and medical records (Landau, 2018). In all these areas, Blockchain is used for two functions: (France b. d., 2025)

- **First function, "recording and storage":** the Blockchain allows the recording and storage of values and transactions, much like a notary. Any value or information that enters the Blockchain through a transaction is included in a block cryptographically linked to the previous blocks. Since the blocks cannot be altered, the Blockchain forms an immutable database containing the history of all exchanges carried out on the Blockchain since its creation.
- **Second function, "issuance and transfer":** building on this capacity to record and store data, the Blockchain allows the issuance and transfer of native digital assets,

such as Bitcoins, as well as existing assets enhanced through a process called "tokenization."

4. Sovereign wealth fund investment in Cryptocurrency:

Sovereign wealth funds manage the financial reserves of states. Bitcoin has clearly become a way to diversify their portfolios in order to protect against the erosion of the value of fiat currencies.

a. Direct investment of sovereign wealth funds in Cryptocurrencies:

Direct state investments in cryptocurrencies through sovereign wealth funds remain limited (CoinShares, 2025). Previously, the few sovereign wealth funds that ventured into cryptocurrencies focused mainly on Bitcoin mining or investments in cryptocurrency-related companies. They can now gain direct exposure without major obstacles. The remarkable rise of Bitcoin in (2024) can be largely attributed to this evolving dynamic. (CoinShares, 2025)

Until recently, only a few sovereign wealth funds had ventured into direct investments in Bitcoin or other cryptocurrencies.

The best-known example is the Bhutanese sovereign wealth fund, Druk Holding and Investments. Ranked 76th worldwide, it held 10 635 BTC at the end of February (2025), with a value of over one billion dollars (CoinShares, 2025).

However, in recent months, a notable change has been observed. More and more sovereign wealth funds are now gaining direct exposure to cryptocurrencies. The introduction of Bitcoin Spot ETFs in January 2024 has played an important role in accelerating this trend. (CoinShares, 2025)

b.The launch of Bitcoin Spot ETFs in January 2024:

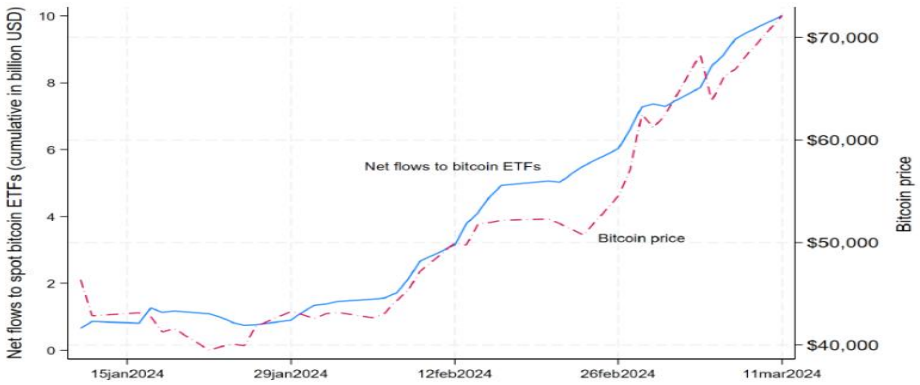
ETFs, or Exchange Traded Funds, are financial products also known as trackers. An ETF simply replicates the performance of an underlying asset, whether it is a stock market index or, in this case, Bitcoin. They can be likened to listed investment funds. (Ifrah, 2024)

The first advantage of an ETF is that it facilitates acquisitions within a given sector. There are ETFs that track the performance of an industry, such as healthcare. Instead of purchasing individual shares one by one to build a balanced portfolio in that sector, the investor only needs to acquire a single security through the ETF. It is therefore much more practical and incurs lower costs. (Ifrah, 2024)

There are different Bitcoin ETFs, such as the Purpose Bitcoin ETF, the Bitcoin ETF EBIT, the QR Capital Bitcoin ETF, and the CI Galaxy Bitcoin ETF.

A Bitcoin ETF is a fund that mirrors the performance of Bitcoin. It enables investors to participate in the Bitcoin market with greater ease and security.

Fig N. 04: Growth of Bitcoin and Bitcoin ETFs



Source: Mazur, Mieszko. *Spot Bitcoin ETF.* Journal of Alternative Investments. 2024, Récupéré sur file:///C:/Users/CP/Downloads/Spot_Bitcoin_ETF_ResearchGate_SSRN_31.10.2024.pdf

The spot Bitcoin ETF market has become a preferred gateway into the cryptosphere for traditional investors. However, the success of these exchange-traded funds is largely concentrated on its leader, IBIT (iShares Bitcoin Trust ETF), managed by the asset management giant BlackRock.[2]

The sovereign fund of the US state of Wisconsin was the first to invest in Spot ETFs through the iShares Bitcoin Trust ETF, currently holding 6 million shares valued at approximately 321 million dollars as of February 14th, 2025. (CoinShares, 2025)

Abu Dhabi, through its sovereign wealth fund Mubadala Investment Company, has just made history by investing 461.2 million dollars in BlackRock's iShares Bitcoin Trust (IBIT) in (2025). This is a global first: never before had a sovereign wealth fund committed such a substantial amount to a Bitcoin ETF. This strategic move could redefine the future of institutional investment in cryptocurrencies. (AbcBourse, 2025)

By investing in the iShares Bitcoin Trust, Abu Dhabi is pursuing a strategy of portfolio diversification while operating within the UAE's evolving regulatory framework for digital assets. The move stands out as a significant step in the institutional embrace of cryptocurrencies and may set a precedent for other sovereign wealth funds to enter the market. (AbcBourse, 2025)

Abu Dhabi's initiative could trigger a snowball effect and prompt other sovereign wealth funds to follow the same path. Already, some giants of global finance have begun to take an interest in cryptocurrencies such as ; (AbcBourse, 2025)

- **Norges Bank Investment Management (Norway):** Investment of 500 million dollars in shares of MicroStrategy, which holds Bitcoin.
- **GIC and Temasek (Singapore):** Indirect exposure through Coinbase, Amber Group, and other Bitcoin-related infrastructures.

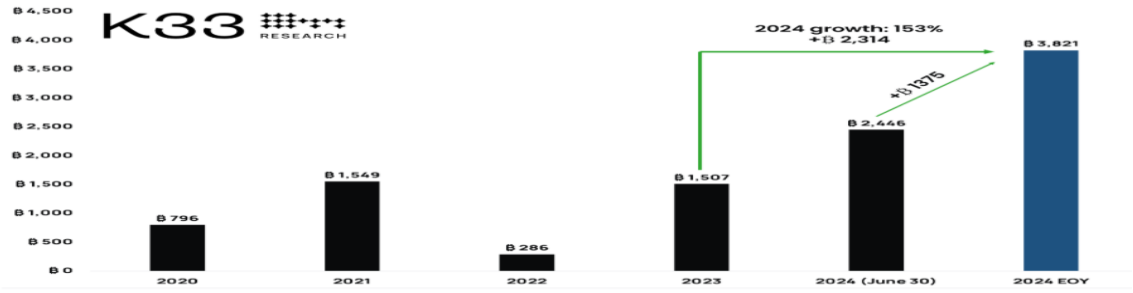
[2] BlackRock is an American multinational company specializing in asset management, with its headquarters located in New York. Founded in (1988), it has become the largest asset manager in the world.

- **Public Investment Fund (Saudi Arabia):** Participation in cryptocurrency exchange platforms and blockchain-based financial services.

c. Indirect investments:

The world's leading sovereign wealth funds have begun allocating assets to cryptocurrencies, particularly Bitcoin. For instance, according to data from K33[3], the Norwegian Government Pension Fund, the largest sovereign wealth fund in the world, indirectly holds 3821 BTC. As of June 30th, 2024, the fund had increased its Bitcoin holdings by 1375 BTC, representing an annual increase of 2314 BTC. Compared with its Bitcoin holdings at the end of (2023), this corresponds to a growth of 153% . (Jones, 2025)

Fig N. 05: NBIM's year-end indirect exposure to BTC



Source: Sam Bourgi, *Crypto : Le plus grand fonds souverain du monde renforce son exposition au bitcoin*. 31-01-2025, Récupéré sur Cointelegraph: https://fr.cointelegraph.com/news/norway-sovereign-wealth-fund-indirect-bitcoin-exposure-k33

The sovereign wealth fund of Norway, administered by Norges Bank Investment Management (NBIM), has reinforced its exposure to Bitcoin through indirect investments in a diversified portfolio of companies favorable to cryptocurrencies.

According to K33 Research, NBIM's indirect exposure to the digital asset reached 3821 BTC, equivalent to 356 million dollars, at the end of (2024), reflecting an annual gain of 153%. The Norwegian sovereign wealth fund saw its indirect exposure to Bitcoin increase by 1375 BTC between June and December (2024) (Figure 1).

Despite this growing interest, most sovereign wealth funds exposed to Bitcoin and cryptocurrencies are still doing so indirectly. The Abu Dhabi fund, for example, has financed Blockchain and cryptocurrency startups through venture capital funds. It has also invested in exchange platforms such as Coinbase and DeFi platforms. The Norwegian pension fund has invested in shares of Coinbase and Strategy (formerly MicroStrategy), the largest publicly listed cryptocurrency exchange platform and the private company holding the largest amount of Bitcoins.

[3] K33 Research is a Norway-based company specializing in digital asset research.

Temasek Holdings, based in Singapore, has invested in Blockchain companies and cryptocurrency infrastructures, such as FTX (which turned out to be a failed investment) and Binance . (CoinShares, 2025)

5. The creation of a US sovereign wealth fund in cryptocurrencies:

a. The potential of Bitcoin as a national strategic asset:

In the coming years, the United States could officially recognize Bitcoin as a strategic asset, recognized in the same category as gold or oil reserves.

Proponents of this view suggest that Bitcoin's scarcity (capped at 21 million BTC) and its anti-inflationary properties establish it as a solid means of preserving value over time. At the (2024) Bitcoin Conference, Donald Trump remarked that if the United States accumulated a substantial amount of Bitcoin, it could "never need to sell it," and thereby strengthening economic resilience. Senator Cynthia Lummis's proposal for a national reserve of 1 million BTC -representing 5% of the global Bitcoin supply- could have a significant impact on market dynamics if implemented.

Sovereign wealth funds may also contribute to this approach. By adding Bitcoin to diversified portfolios, the United States could take advantage of its increase in value to reduce public debt or support infrastructure spending. Norway's sovereign fund has already gained indirect exposure of almost $400 million to Bitcoin, setting an example that might encourage wider institutional adoption if the United States were to follow suit . (Jones, 2025)

b. The American sovereign wealth fund:

The United States Sovereign Wealth Fund was established on February 3th, 2025, though it will not become operational until late (2025) or early (2026). President Donald Trump signed an executive order mandating its creation. The fund was conceived as an "alternative strategy" in case relying solely on cryptocurrencies as strategic reserves were to prove ineffective.

According to the executive order, the United States Department of the Treasury and the Department of Commerce were given 90 days to submit a detailed plan, outlining key elements such as financing mechanisms, investment strategies, the fund's structure, and governance models. The plan also stipulates that the fund must be fully established within one year.

At the federal level, the United States has never had a sovereign wealth fund. However, 20 states have already created similar funds, such as the Alaska Permanent Fund and the North Dakota Legacy Fund, which draw their capital primarily from energy or land revenues.

If Trump's proposal materializes, it would be the very first national-level sovereign wealth fund in the history of the United States, representing a significant shift in the country's economic policy.

Moreover, 23 US states have introduced legislation related to Bitcoin and digital assets, with 15 of them actively implementing laws to regulate and integrate cryptocurrencies into their financial systems. (Jones, 2025)

6. Two possible future scenarios:

Based on current trends, two possible scenarios can be distinguished for the future:

a. Optimistic scenario:

According to John D'Agostino, "there is a very short list of assets that reflect the characteristics of gold, and Bitcoin is one of them." This dynamic could well support its growth in the coming years. (H, 2025)

Bitcoin becomes a national strategy by (2030). The United States could accumulate hundreds of thousands of BTC, integrating them into sovereign funds or independent reserves. Long-term holding strategies could reduce Bitcoin's volatility, and position it as a hedge against inflation and national debt. State and federal Bitcoin funds collaborate, attracting global capital. The United States leads in digital asset policy, reinforcing the dominance of the dollar.

According to PANews, Jamie Coutts, chief cryptocurrency analyst at Real Vision, highlighted the rapid growth of the staking market value on the blockchain. He predicts that sovereign wealth funds, tasked with protecting national prosperity, will become the largest holders of Bitcoin and its related industries, such as mining. These funds are expected to use Bitcoin not only as a store of value but also as a key element for optimizing power grids and balancing energy in the era of artificial intelligence. (Binance, 2025)

Furthermore, it is anticipated that these funds will engage in large-scale blockchain staking operations to generate income from the on-chain[4] tokenized economy. In a world where artificial intelligence replaces entire industries, staking returns could evolve into a form of indirect universal basic income -a sovereign "digital dividend" redistributed to citizens. Just as oil royalties financed social projects in the 20th century, blockchain revenues could potentially fund welfare and stability in the 21st century. (Binance, 2025)

b. Pessimistic scenario: The Bitcoin reserve experiment fails

Public and political resistance could put an end to the initiative if the price of Bitcoin collapses or if security flaws are exposed. Regulatory inconsistencies and funding shortages could also delay implementation, making Bitcoin reserves a "costly

[4] Staking is a practice in the field of cryptocurrencies that consists of immobilizing a portion of one's cryptocurrencies in a digital wallet to participate in the validation of transactions on a blockchain and, in exchange, receive rewards. It is an alternative to traditional mining."On-chain tokenization" designates the representation of assets in the form of digital tokens on a blockchain. These assets can be of diverse nature: shares, real estate, commodities, etc.

lesson." Other countries could seize the opportunity to fill the gap, which would weaken the financial influence of the United States.

7. Conclusion:

Sovereign wealth funds, traditionally focused on conventional assets, are now diversifying into digital assets. Direct investments by these funds in cryptocurrencies are still limited. Previously, the few sovereign wealth funds that ventured into cryptocurrencies concentrated mainly on Bitcoin mining or on investing in cryptocurrency-related companies.

The creation of a US sovereign wealth fund marks a change in capital management strategy. This could fortify fiscal resilience and impact the global financial system if it is implemented successfully. However, although Bitcoin combines decentralization with resistance to inflation and comes with certain advantages, it still faces issues such as market volatility and other regulatory challenges.

However, in recent months, a notable change has been observed. More and more sovereign wealth funds are now gaining direct exposure to cryptocurrencies thanks to the launch of Bitcoin Spot ETFs in January (2024), which marked a turning point, attracting more than 102 billion dollars in assets under management as of February 24, 2025, allowing sovereign wealth funds to obtain direct exposure to Bitcoin.

Based on current trends, two possible future scenarios can be distinguished: a first, optimistic and more realistic scenario, assuming that Bitcoin becomes a national strategy by (2030). The United States could accumulate hundreds of thousands of BTC, integrating them into sovereign funds or independent reserves; and a second, pessimistic and less realistic but possible scenario, assuming that the Bitcoin reserve experiment fails. Public and political resistance could end the initiative if the price of Bitcoin collapses or if security flaws are exposed.

The future will tell which of the two scenarios will become predominant, but one thing is now certain: Bitcoin is no longer just a speculative asset; it is becoming a key element of institutional investment strategies. It has clearly become a means to diversify portfolios in

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