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DIGITAL ASSETS

A Portfolio Perspective

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Abstract: From the perspective of an investor, digital assets are an alternative class of assets. They have several features that differentiate them from traditional investments. This makes them well-suited for a diversified portfolio. The question is how to accommodate them in such a portfolio, how to manage their potential and risk, and how to evaluate them. This short Element explains how to include digital assets in a diversified portfolio. It focuses on their differentiating use cases, their idiosyncracies, and how they relate to other types of investment. This is a Element for practitioners and students in finance, asset management, or portfolio construction.

This Element also has a video abstract: www.cambridge.org/EBUS_Schneider

Keywords: digital assets, crypto assets, blockchain, distributed ledger, decentralized finance, bitcoin

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