



# Solana: Infrastructure for On-Chain Capital Markets

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# Solana: Executive Summary

## Protocol Overview

- Solana is a high-throughput, low-cost L1 blockchain with an integrated architecture.
- It supports smart contracts across payments, trading, and tokenized capital markets.
- Solana processed ~\$2.7T of settlement volume in 2025, and applications generated \$4.2B in fees.

## Token

- The token has declined ~44% LTM, in line with the broader drawdown in the digital asset ecosystem.
- Solana trades at a below-median multiple of revenue and DEX volumes, but at a premium to HQA (stablecoins and other tokenized RWAs).
- Meaningful Solana share in tokenized RWAs, with the corresponding payments and trading volumes that move on-chain alongside it, could drive SOL toward the high end of an illustrative \$135–\$1,080 range by 2030.
- The pending inflation reduction proposal would double disinflation, likely pulling the 1.5% terminal target from 2032 to 2029.

## Current & Potential Growth Drivers

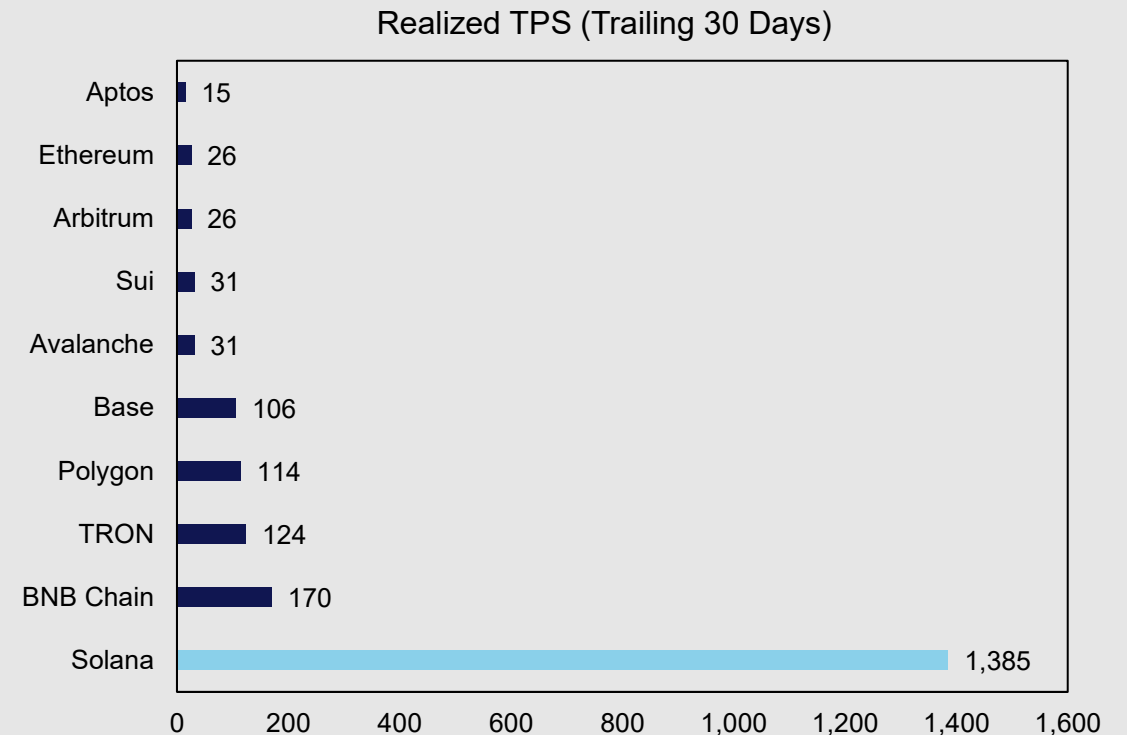
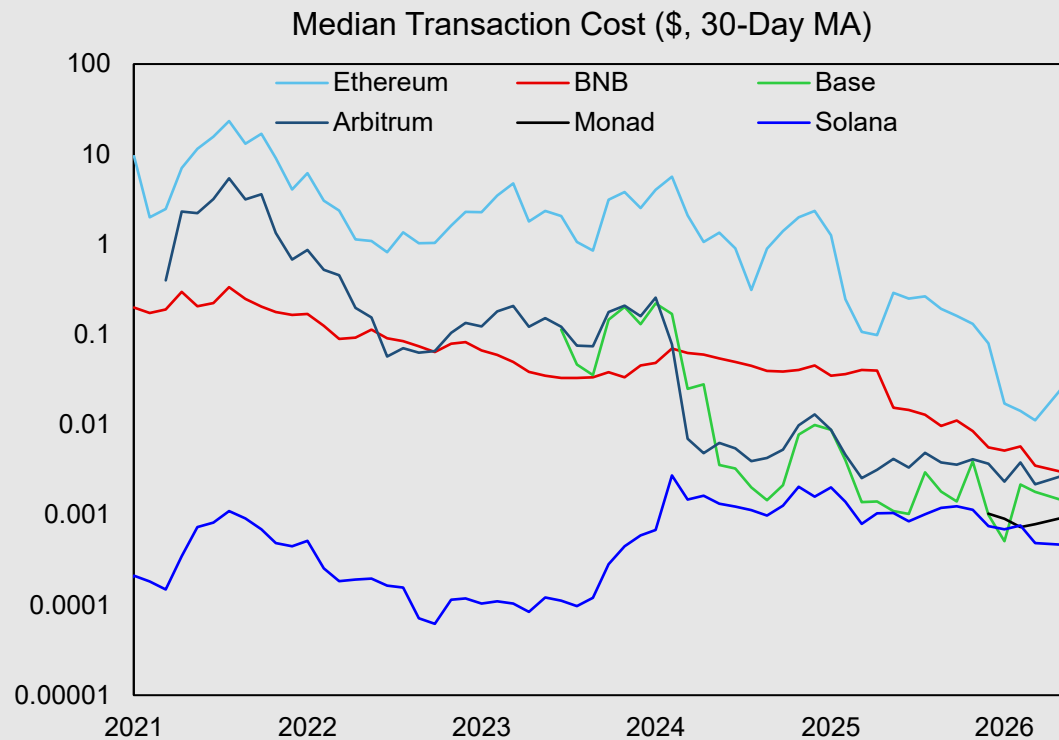
- Stablecoin supply grew ~3x in 2025.
- Tokenized equities and ownership coins are improving on-chain asset quality.
- Solana ranks among the leading chains in on-chain activity and fee generation, yet no dominant perpetual futures exchange has emerged, leaving the category open.
- The Alpenglow consensus upgrade is in the pipeline and could extend Solana's performance lead.

## Key Risks

- Revenue quality is a question, as fees are concentrated in speculative flows. Less cyclical use cases remain in the pipeline but are unproven.
- L1 competition is intensifying, with semi-permissioned, purpose-built chains and Hyperliquid chasing liquidity and developer mindshare.

# Solana: The Blockchain Built for Speed

- Solana is a Layer-1 (L1) blockchain designed to support high-throughput, low-cost decentralized applications, and digital asset transfers. Its integrated architecture processes transactions in parallel, enabling 65,000+ theoretical transactions per second (TPS) with sub-cent fees and ~400ms block times (~12.8 second finality).
- The protocol bets on speed and cost as its core differentiators. Users send transactions for fractions of a cent with near-instant confirmation, which may contribute to a smoother end-user experience and lead to better user retention.



# Solana: A Vertically Integrated Bet on Hardware

## Integrated Design Philosophy

- Execution, consensus, and data availability run on a single integrated layer, unlike Ethereum's modular, rollup-centric stack.
- Trade-off: validators require high-performance hardware (multi-core CPU, 256-512 GB RAM, multiple NVMe SSDs), raising the cost of running a node.

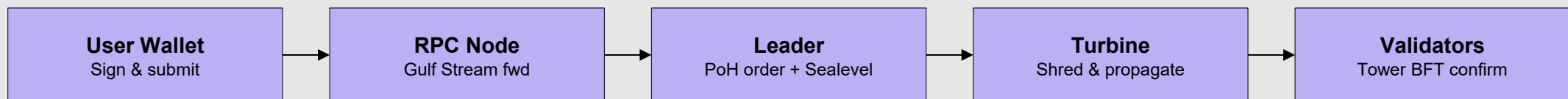
## Hardware-Aware Optimization

- Designed to scale with Moore's Law: throughput improves as hardware advances without requiring protocol changes.
- Parallel execution (Sealevel) utilizes multi-core CPUs, and block propagation (Turbine) leverages network bandwidth.

## Execution Pipeline

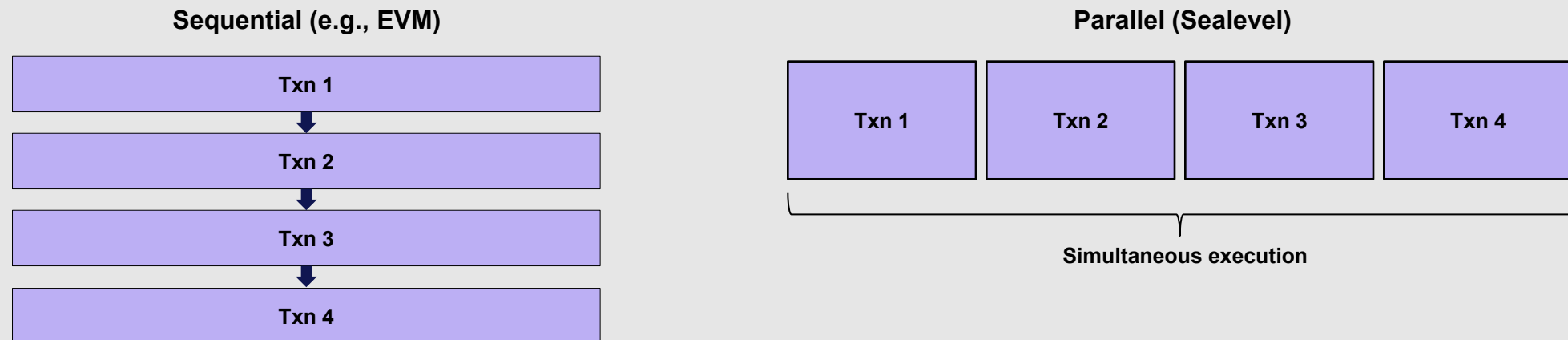
- The architecture is best understood as one pipeline, not a collection of features. Gulf Stream feeds transactions to the leader, PoH orders them, Sealevel executes them in parallel, and Turbine distributes the resulting block.
- This pipelined design means stages run concurrently: while one block is being confirmed by Tower BFT, the next is already being built and executed.

### Transaction Flow



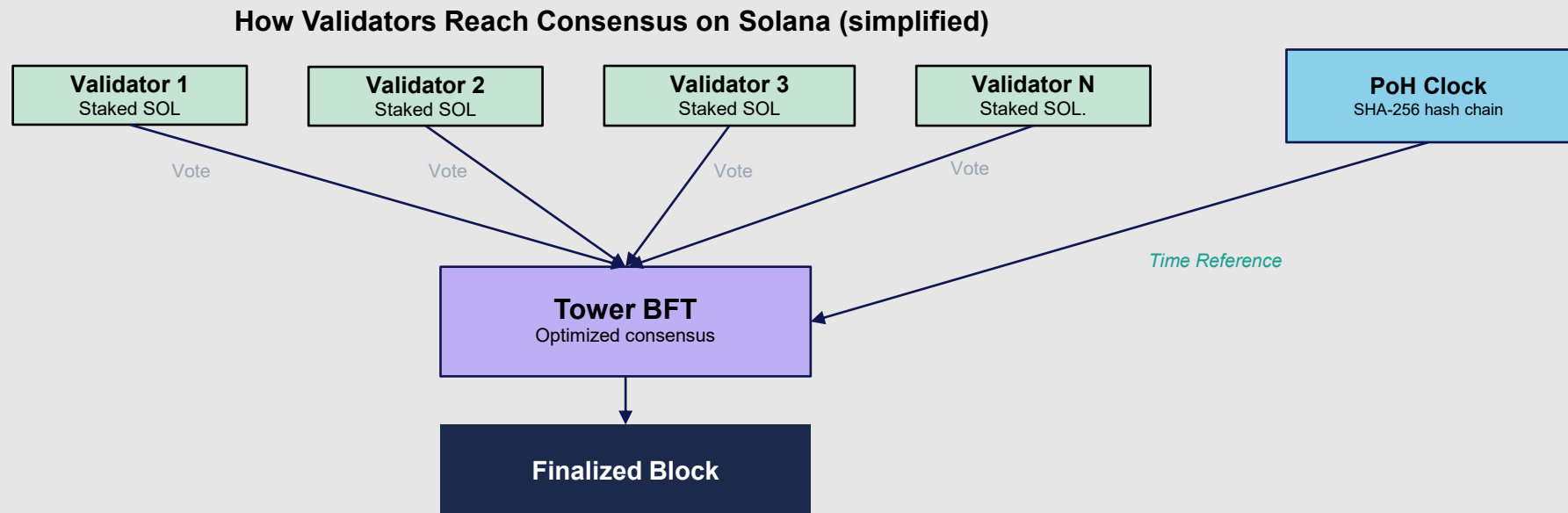
# Solana: Parallel Execution

- **Sealevel (Parallel Execution):** Most blockchains (including Ethereum) are single-threaded, meaning smart contracts execute one at a time. Solana's Sealevel runtime works differently: developers must declare which accounts a program will read or write before execution, and the runtime uses those declarations to determine which transactions do not conflict with each other. Transactions that touch separate accounts run at the same time across multiple CPU cores, and transactions that only read the same state can also proceed concurrently. Solana can process thousands of smart contracts in parallel.
- **Turbine:** Rather than broadcasting full blocks, the leader breaks data into small packets and sends each to a different validator, which relays them outward. Reed-Solomon erasure codes let nodes reconstruct the full block even if some packets are lost.
- **Gulf Stream:** There is no mempool (the shared waiting area where unconfirmed transactions typically queue on other chains), transactions are sent directly to the current and upcoming block leader (whose schedule is known each epoch), which cuts confirmation latency.



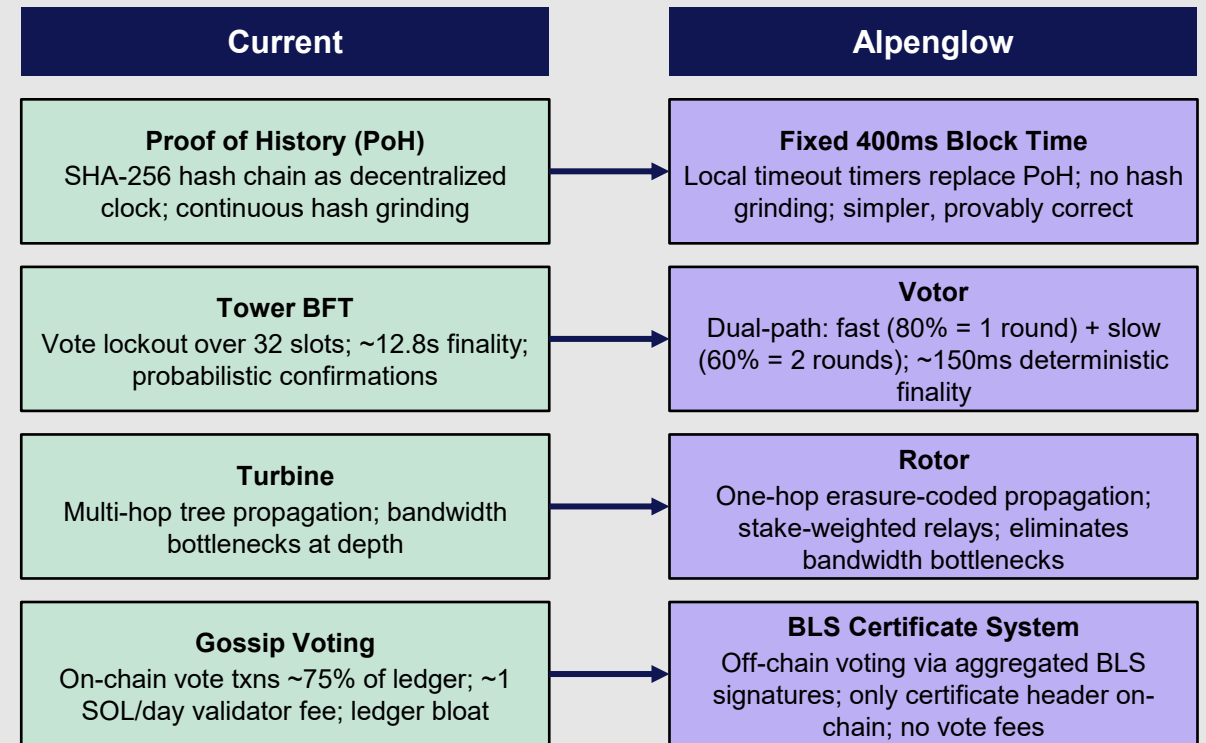
# Solana: Consensus Architecture

- Similar to Ethereum, Solana utilizes Proof of Stake (PoS) for its consensus mechanism, generating blocks through validators based on staking. Unlike Ethereum, Solana's utilization of **Tower BFT** in combination with **Proof of History (PoH)** helps achieve high TPS.
- PoH functions as a cryptographic clock, establishing a verifiable ordering of transactions before consensus begins, allowing the current block leader to sequence transactions without waiting for network-wide agreement on ordering.
- Tower BFT leverages the PoH timeline to achieve Byzantine fault tolerance (the ability to reach consensus even if some validators act maliciously or fail), reducing consensus messaging by giving validators a shared clock reference.
- Together, PoH + Tower BFT allow validators to reach consensus with minimal coordination and achieve sub-second block time, contributing to Solana's throughput advantage over traditional PoS chains.



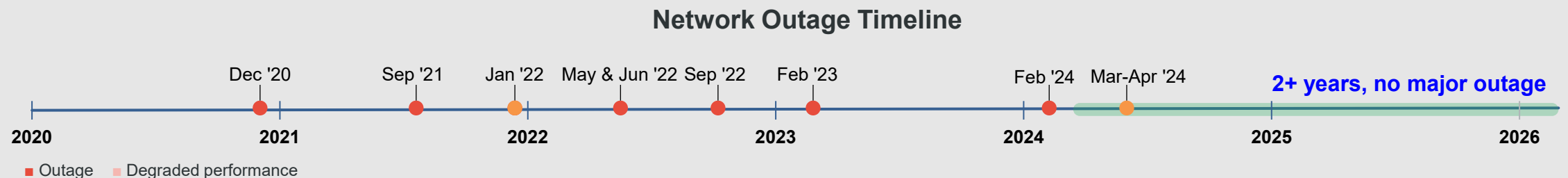
# Solana: Alpenglow Consensus Upgrade

- Solana's core developer community has historically explored ways to improve on the existing architecture. If realized, the Alpenglow proposal would meaningfully evolve the consensus layer outlined on the preceding slides while maintaining the same core design principles.
- **Alpenglow** (SIMD-0326) is Solana's most significant consensus overhaul, approved in September 2025 with 98.3% support. It replaces PoH & Tower BFT with **Votor + Rotor**. Mainnet is expected in late 2026.
  - **Targets up to ~100x finality improvement** (12.8s to 100–150ms), which could position Solana to more directly compete with centralized Web2 infrastructure on execution speed.
  - **Off-chain voting** aims to decrease validator fees and lower the on-chain bloat created by vote transactions, with the goal of reducing the capital required to operate a validator.
  - **"20+20" fault tolerance**: in theory, the network can stay live with up to 20% adversarial and 20% offline stake.



# Solana: Changing the Reliability Narrative

- Solana experienced several major outages between 2020 and early 2024, but the network has since become significantly more resilient.
- **Seven major outages since mainnet launch in 2020:** five caused by client bugs and two by transaction spam, the latter before priority fees and local fee markets were introduced to manage congestion.
- **Stability improved dramatically starting 2023,** with only two outages in 2023–2024. The network has maintained 100% acknowledged uptime since February 6, 2024. The most notable stress test came in January 2025, when the network processed record transaction volumes without a base-layer outage.
- **Firedancer, a fully independent validator client built by Jump Crypto, went live on mainnet in December 2025.** As client diversity increases, it should reduce the single-client risk that contributed to past outages.



# Solana: Governance and Key Stakeholders

## Solana Foundation

- Non-profit based in Zug, Switzerland. Stewards protocol development, ecosystem grants, and validator operations.

## Solana Labs

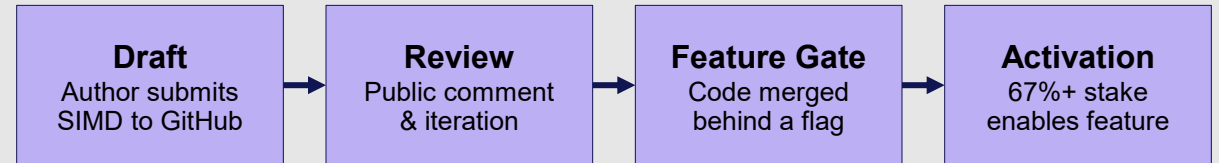
- For-profit entity that shifted focus after spinning out Anza to handle core protocol development. Now primarily a product and ecosystem company responsible for Solana Mobile, incubation programs, and strategic partnerships.

## Key Participants

- **Validators:** Secure the network and vote on upgrades by adopting (or rejecting) new client versions.
- **Core Protocol Dev (Anza):** Maintains Agave (validator client) and defines canonical protocol behavior that other clients implement against.
- **Community:** App developers and users who drive demand and propose changes through SIMDs and community forums.

## Solana Improvement Documents (SIMDs) Process

- Formal proposal framework (modeled on Ethereum EIPs) for all protocol changes.
- Large changes with economic impact require a governance vote.
- Smaller changes ship without a formal vote.

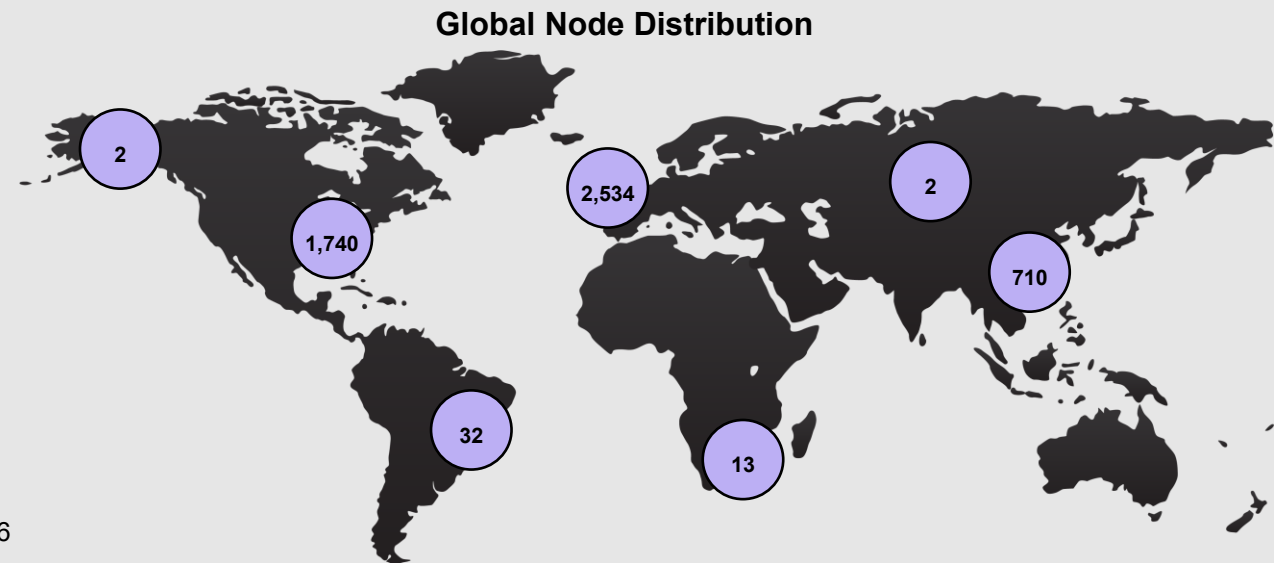
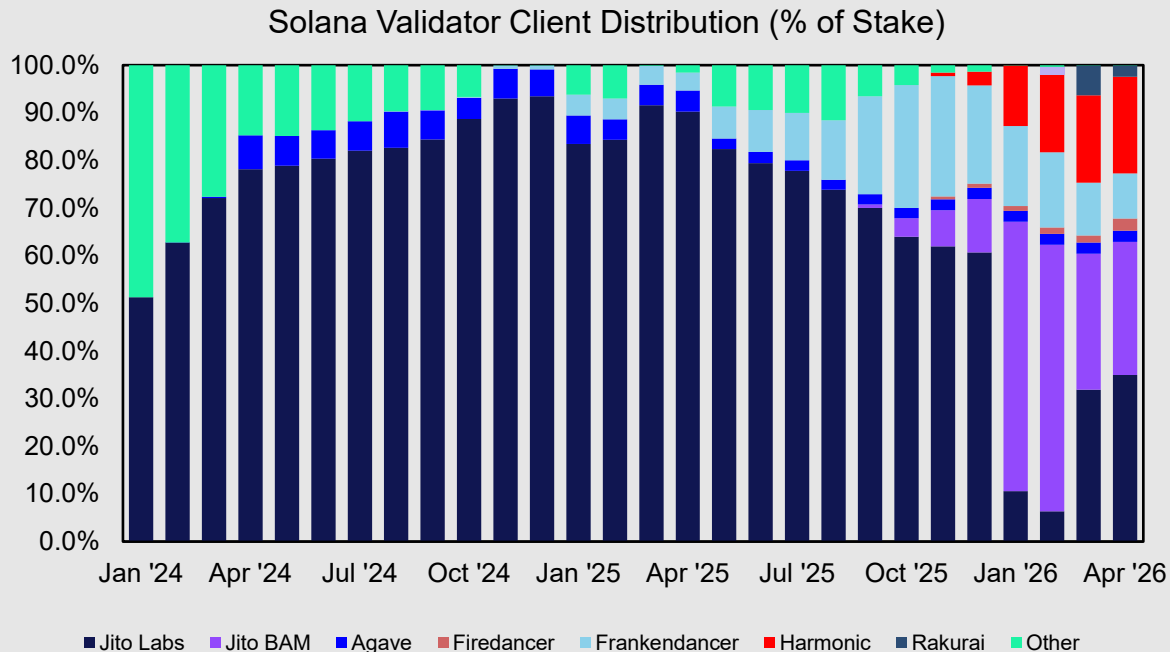


## Recent Notable SIMDs

- **SIMD-0096:** Redirected 100% of priority fees to validators, replacing the previous 50/50 split where half were burned.
- **SIMD-0228:** Market-based inflation adjustment, rejected in early 2025 vote.
- **SIMD-0411:** Pending vote that would double the disinflation rate from 15% to 30%, likely pulling the 1.5% terminal inflation target forward from 2032 to 2029.

# Solana: Meaningful Strides on Decentralization

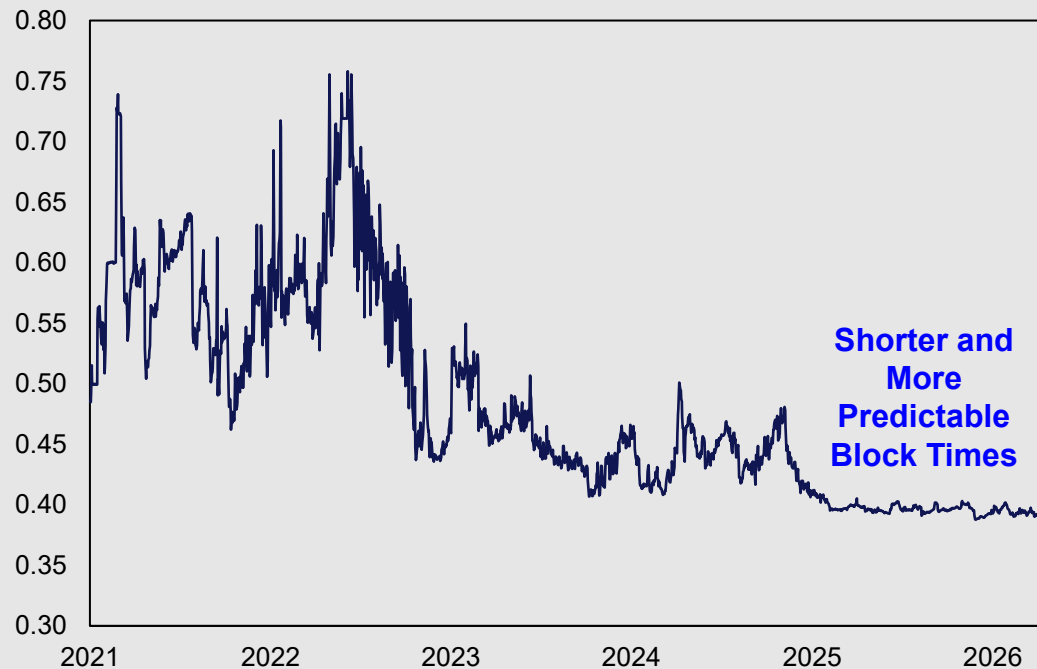
- Hardware requirements remain higher than some peers, but the network's operator footprint is broad: 4,900+ nodes across 47 countries and ~500 data centers.
- The network has ~770 active voting validators, down from a peak of ~2,500 but roughly double the 2021 count. No single validator controls more than ~3.6% of total stake. (See slide 46 for additional context on validator figures.)
- Client diversity is improving: independent validator clients like Firedancer reduce reliance on a single software stack and strengthen network resilience.



# Solana: Faster Blocks, Higher Throughput

- Decentralization gains have not come at the expense of performance. Daily average slot duration (Solana's equivalent of block time) has trended downward and become less variable, indicating that the network is producing blocks more quickly and more predictably than in prior periods.
- Throughput has scaled alongside these reliability gains. Aggregate transactions per second have increased materially since 2021 and have held up despite cyclical swings in on-chain activity.

Solana Daily Average Slot Duration (seconds)



Solana Daily Average TPS (Non-Vote)



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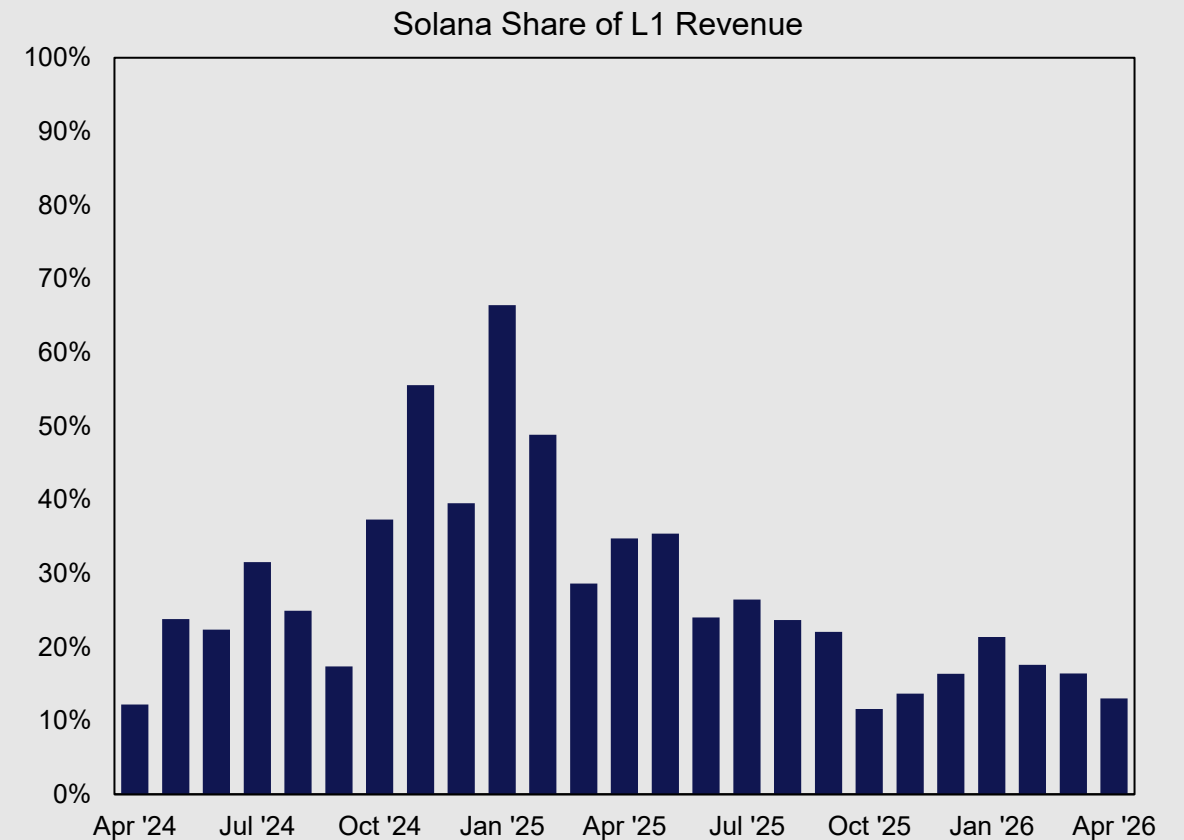
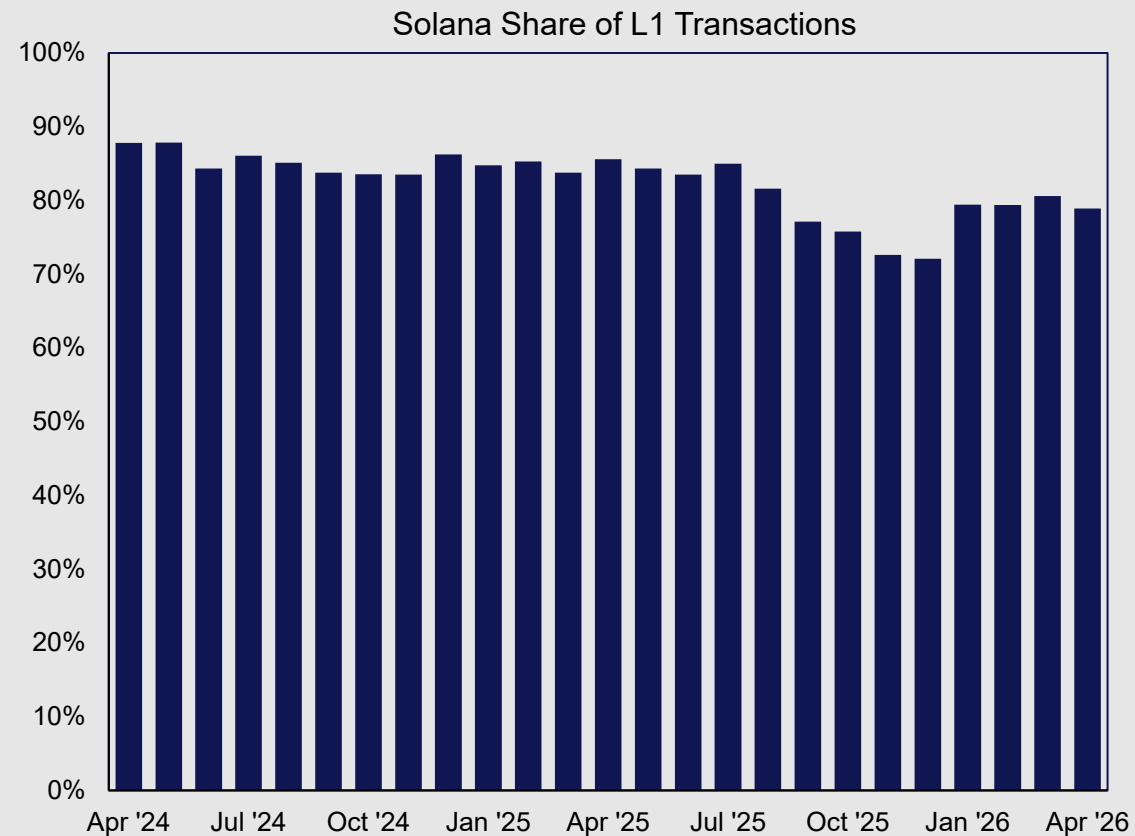
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# Adoption: Leading L1 in Volume and Activity

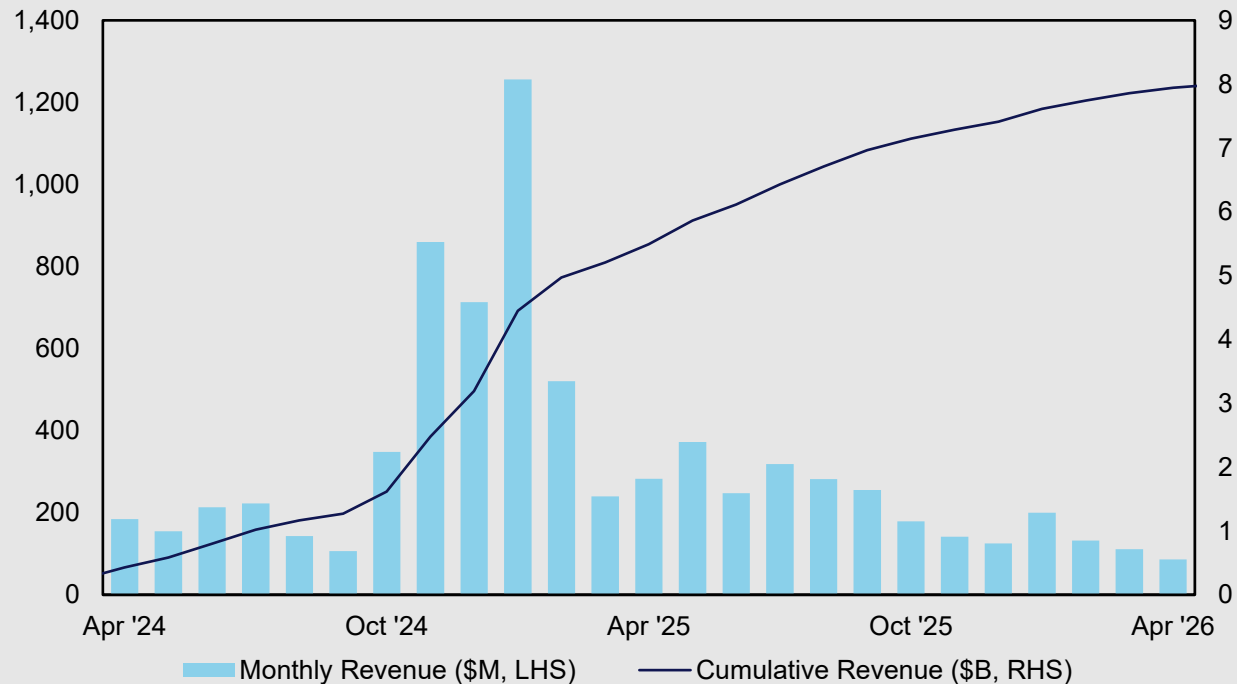
- Solana often accounts for the majority of transactions across all layer 1 networks.
- Despite offering low fees, Solana also captures a meaningful share of total L1 revenue, reflecting real economic scale.



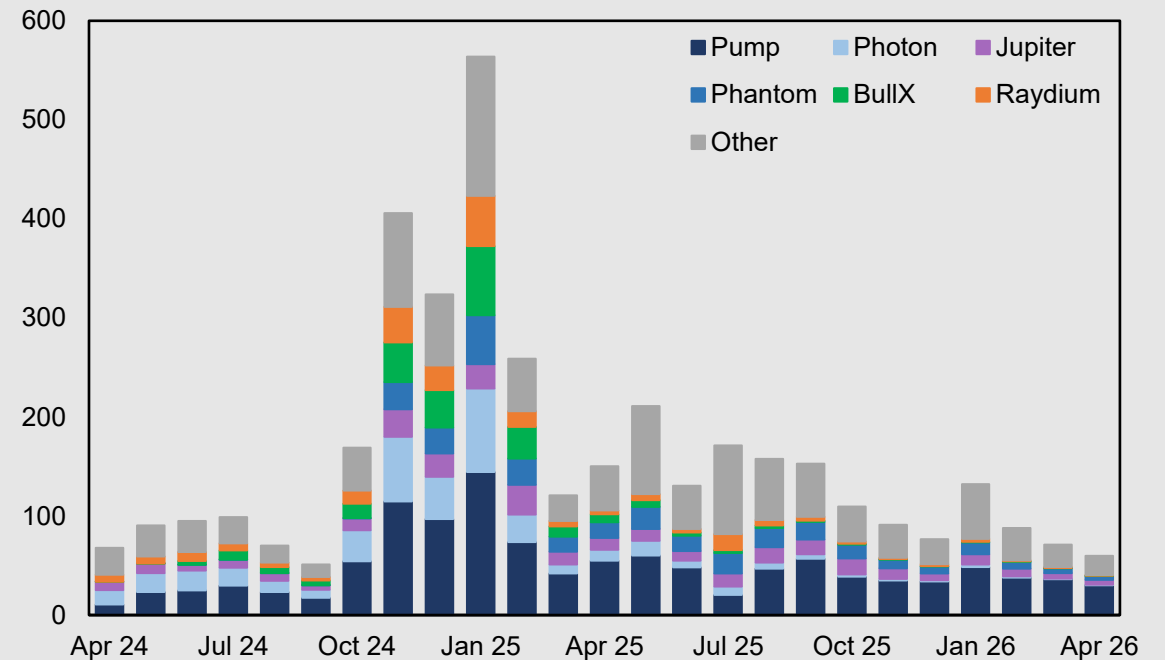
# Adoption: Applications Generated \$4.2B in Fees in 2025

- Solana application revenue reached ~\$4.2B in 2025, with multiple apps generating >\$100M each, evidence of meaningful on-chain monetization beyond base-layer fees. A profitable app layer can generate network effects that, over time, function as a competitive moat: as more founders build durable businesses on Solana, the ecosystem deepens and arguably becomes harder for competing L1s to displace.
- Revenue has been concentrated in memecoins and DEXs, both of which monetize speculative flows. Cyclicity is a real risk, but the scale of revenue and the emergence of new categories like RWAs and ownership tokens point to a maturing app layer.

Solana Application Revenue

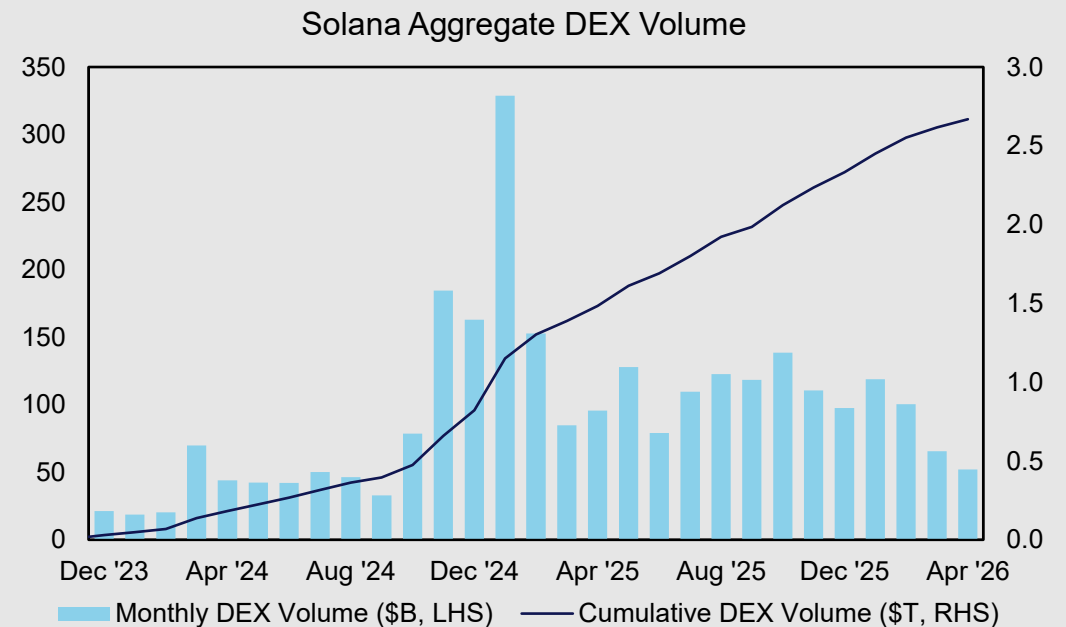
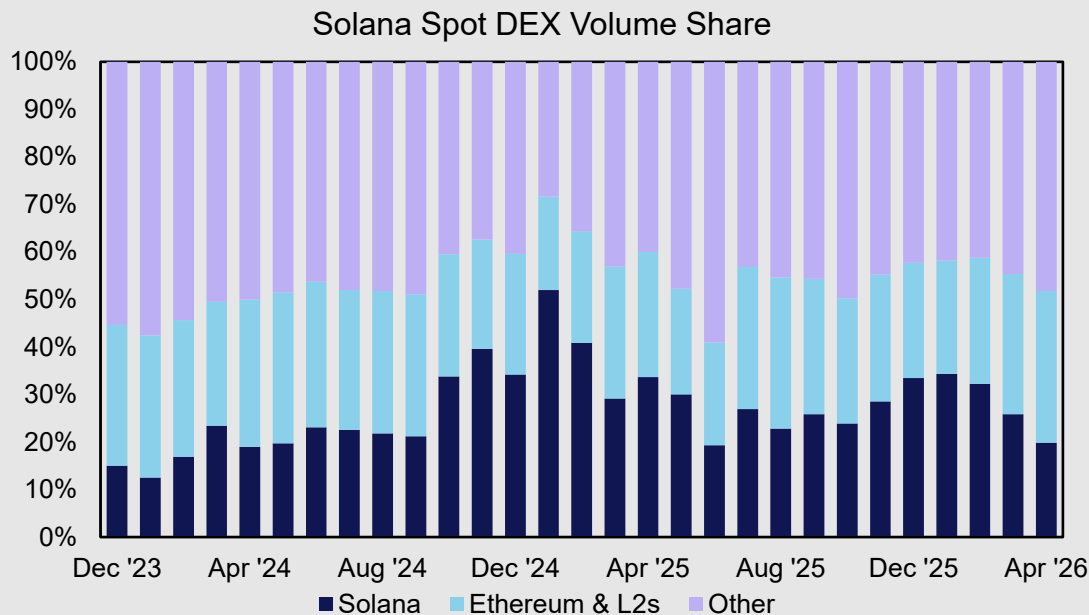


Solana Application Revenue by App (\$M)



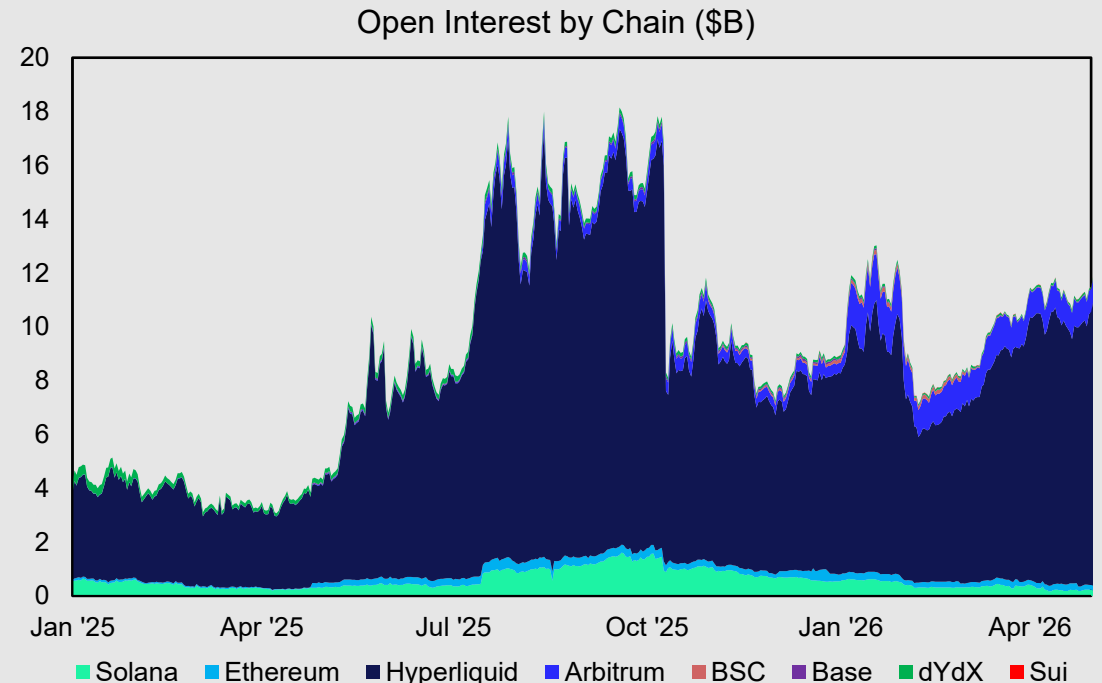
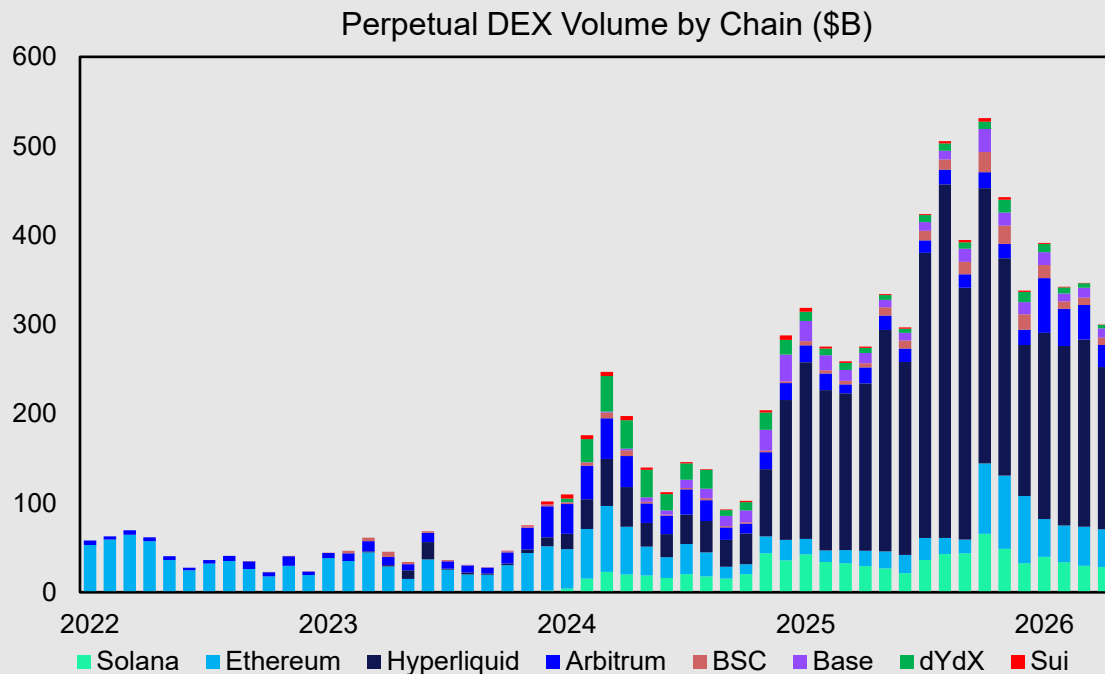
# Adoption: Spot Trading Dominance

- Solana has emerged as a leading venue for on-chain spot trading, with cumulative DEX volume surpassing ~\$2.6T since mid-2023, with volumes of ~\$60–120B in recent months.
- Solana captured ~25–34% of monthly spot DEX market share over the past 12 months, frequently matching or exceeding Ethereum and its L2s combined.
- The emergence of proprietary AMMs (prop AMMs) like HumidiFi, SolFi, and BisonFi contributed to Solana's recent outperformance. Unlike traditional constant-product or concentrated liquidity market maker (CLMM) pools that wait for arbitrageurs to correct stale quotes, prop AMMs actively manage liquidity using oracle-based pricing and proprietary strategies. By March 2026, prop AMM volume was roughly equal to traditional DEX volume.



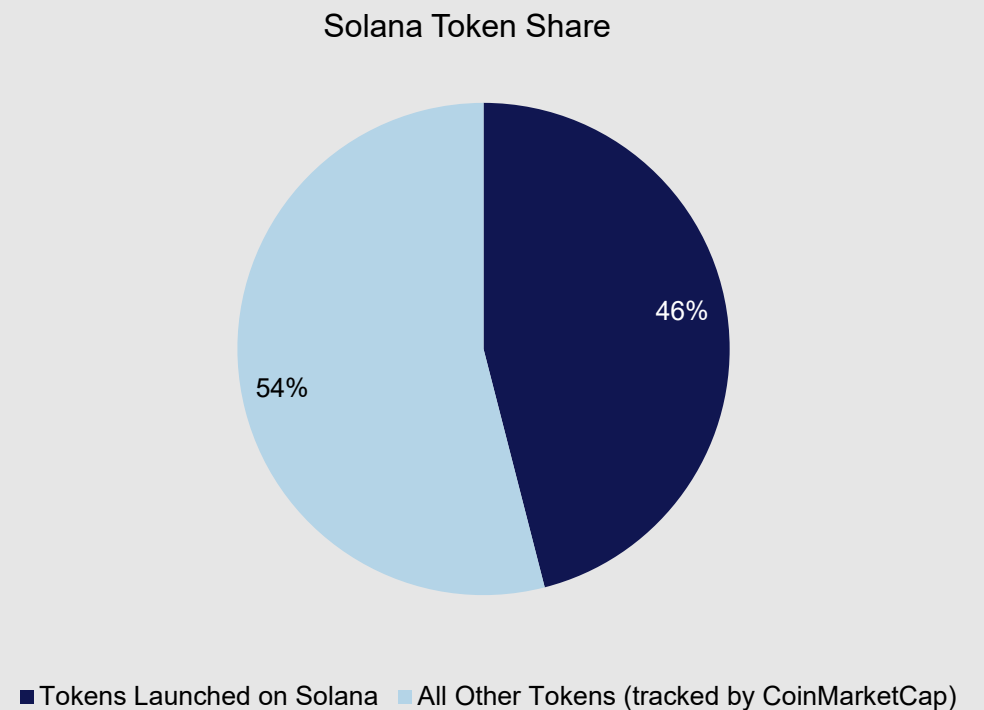
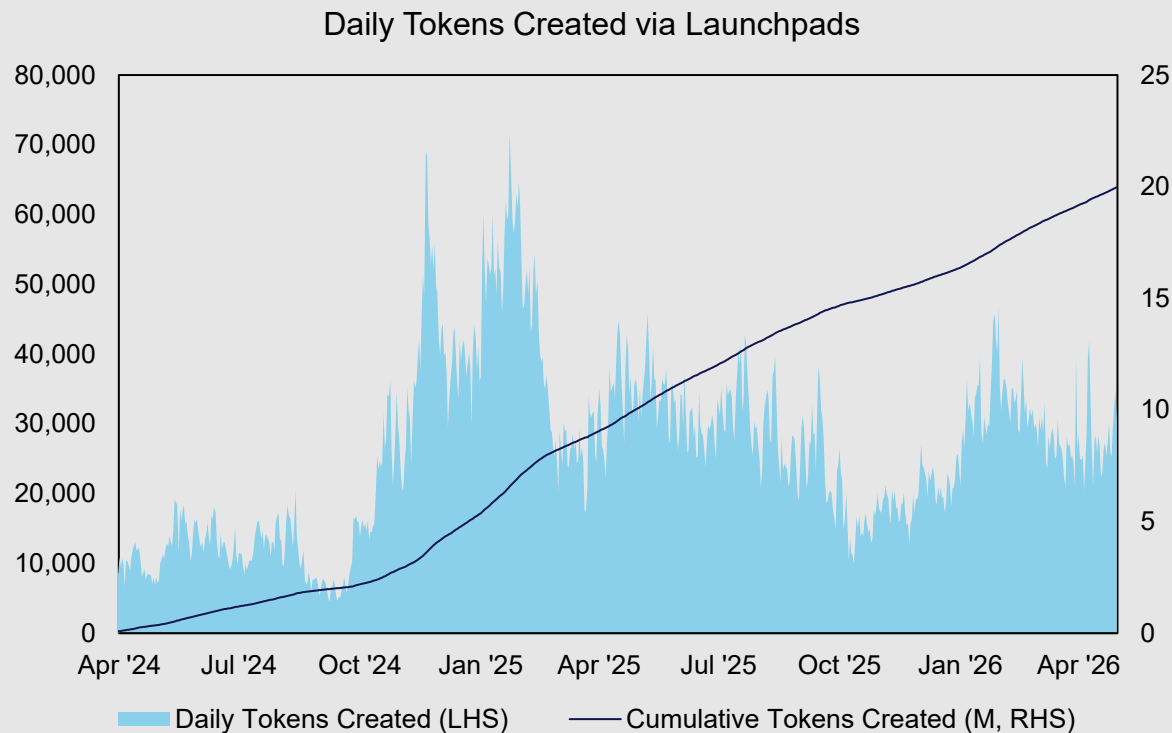
# Adoption: Derivatives Trading Trails Spot, Room to Grow

- Aggregate perpetual futures (perps) open interest peaked at ~\$1.6B in September 2025 and has since retraced to ~\$227M.
- While the derivatives market on Solana is still small relative to purpose-built chains like Hyperliquid, the ecosystem is positioning itself for institutional adoption. In February 2026, the Solana Foundation launched a dedicated trading initiative to onboard hedge funds, prop firms, and market makers to the Solana DeFi stack, with coordinated onboarding across DeFi apps and access to market data to support algorithmic strategies.
- Additionally, newer perpetual DEXs on Solana such as Phoenix Perpetuals and Bulk have gained early traction and may warrant continued monitoring as the competitive landscape evolves.



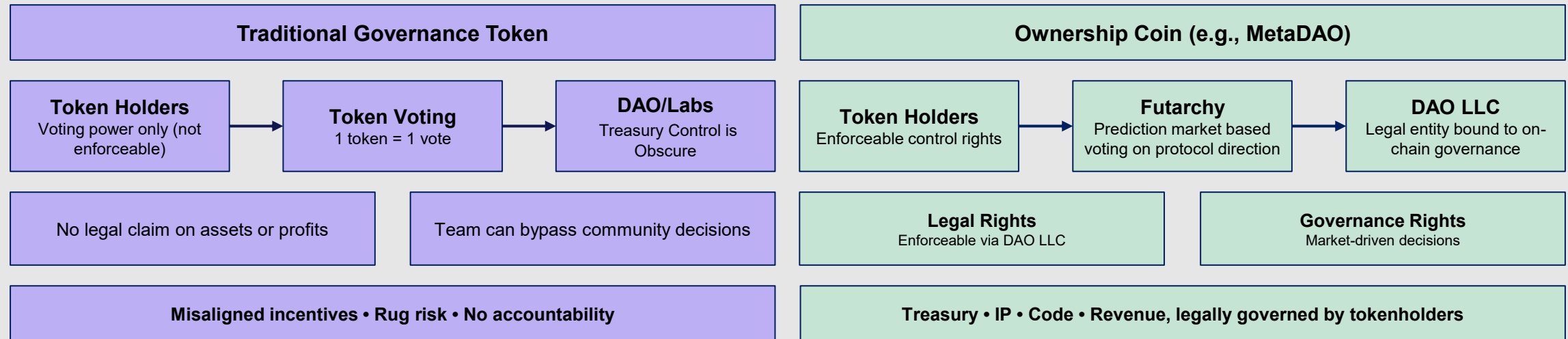
# Adoption: Memecoin Wave Proved Issuance at Scale

- Solana is the dominant venue for on-chain token issuance, with ~20M tokens created since 2024 via platforms like Pump.fun, reflecting how low-friction capital formation has become on the network. Solana-launched tokens represent ~46% of all tokens tracked by CoinMarketCap, in large part due to the popularity of launchpads on the platform.
- While most tokens created on Solana have been memecoins and other speculative issuances, this wave served as a stress test and proof of concept for permissionless token creation at scale. It demonstrated that Solana can handle massive issuance volume with sub-second settlement and negligible fees.



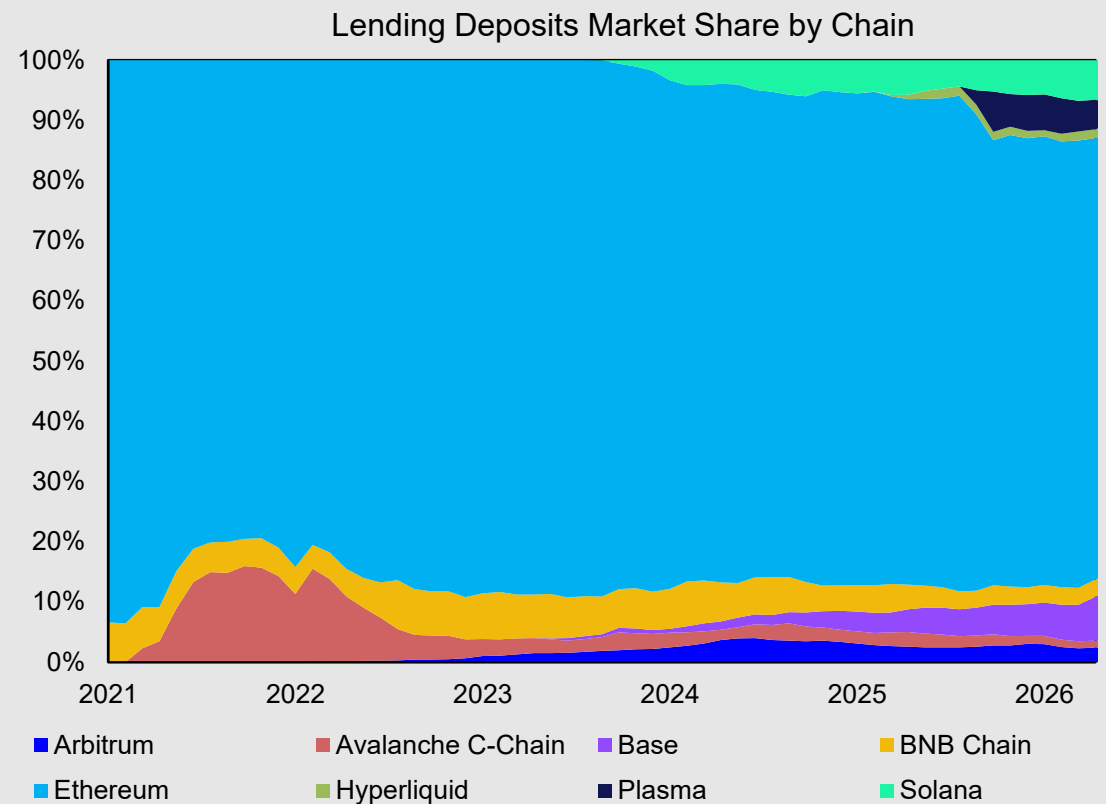
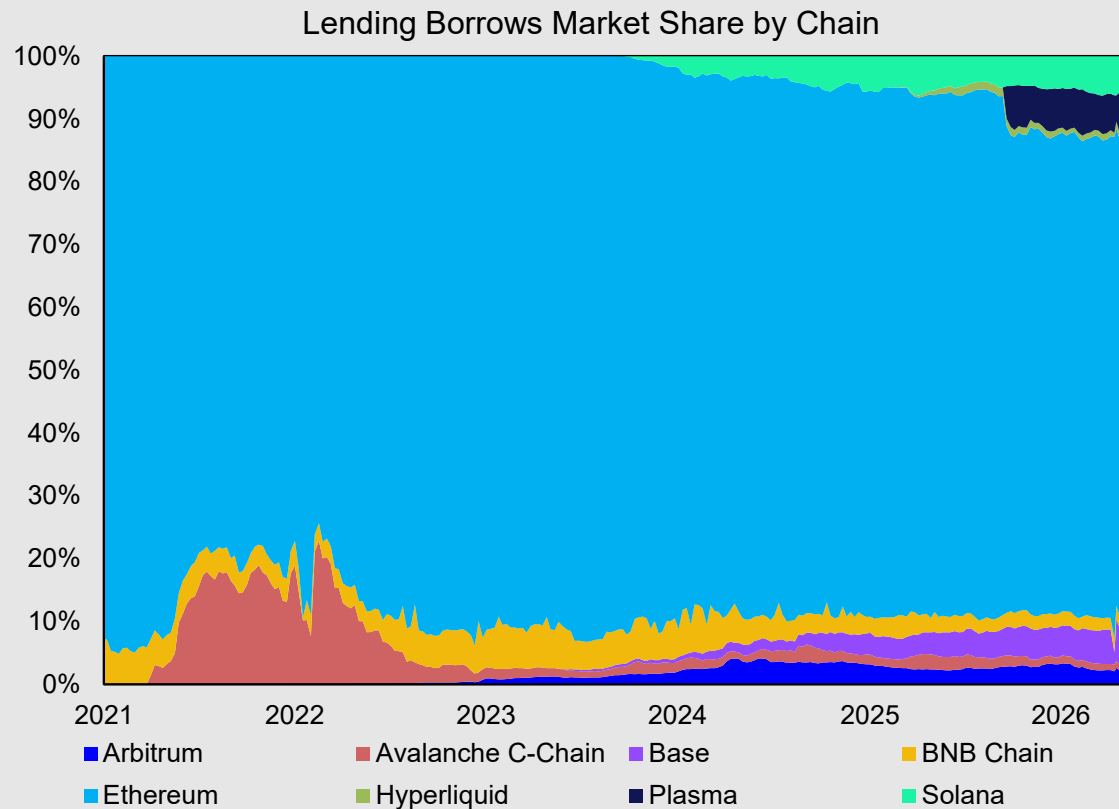
# Adoption: Ownership Coins Offer Glimpse Into a Possible Future

- A persistent problem in the digital asset ecosystem has been the disconnect between token ownership and economic rights. Traditional governance tokens typically confer only voting power with no enforceable legal claim on assets, revenue, or strategic decisions, leaving holders exposed to misaligned incentives and “rug” risk.
- Ownership coins represent an emerging model that bundles economic, legal, and governance rights into a single enforceable token. By anchoring on-chain governance to real-world legal structures, these tokens aim to give holders meaningful control over treasury, IP, and revenue.



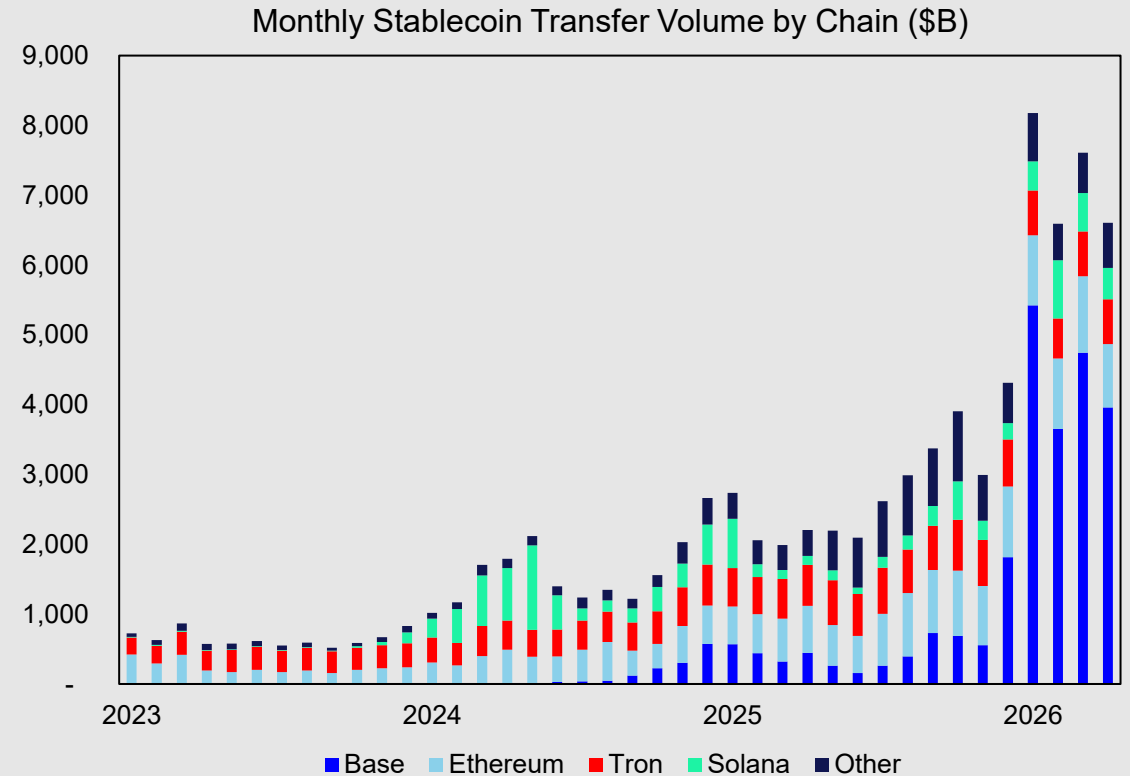
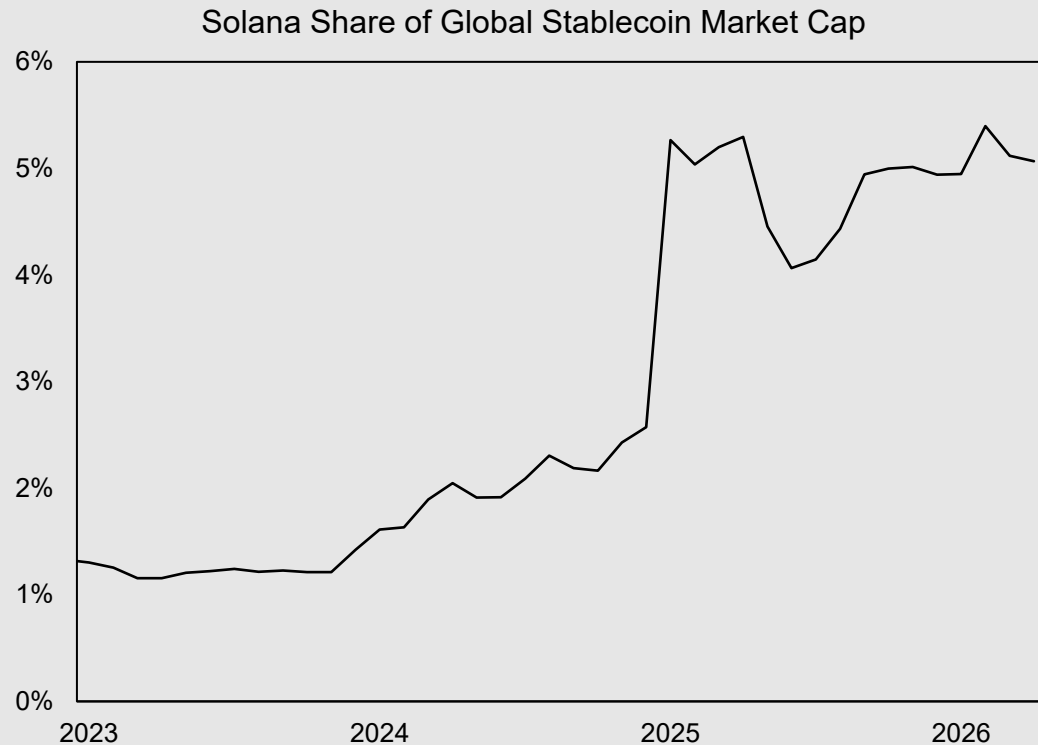
# Adoption: On-Chain Credit is Another Potential Growth Vector

- Solana's lending TVL sits at \$2.75B, up 40% YoY, led by Kamino (\$1.5B) and Jupiter Lend (\$880M).
- Despite rapid growth, Solana still holds only ~6% of total DeFi lending deposits versus Ethereum's ~75%, signaling significant room for credit expansion as the network's capital base deepens.
- Solana's borrow share has been steadily increasing, with institutional participation rising through curated vaults and tokenized RWA products on Kamino.



# Adoption: Gaining Stablecoin Market Share

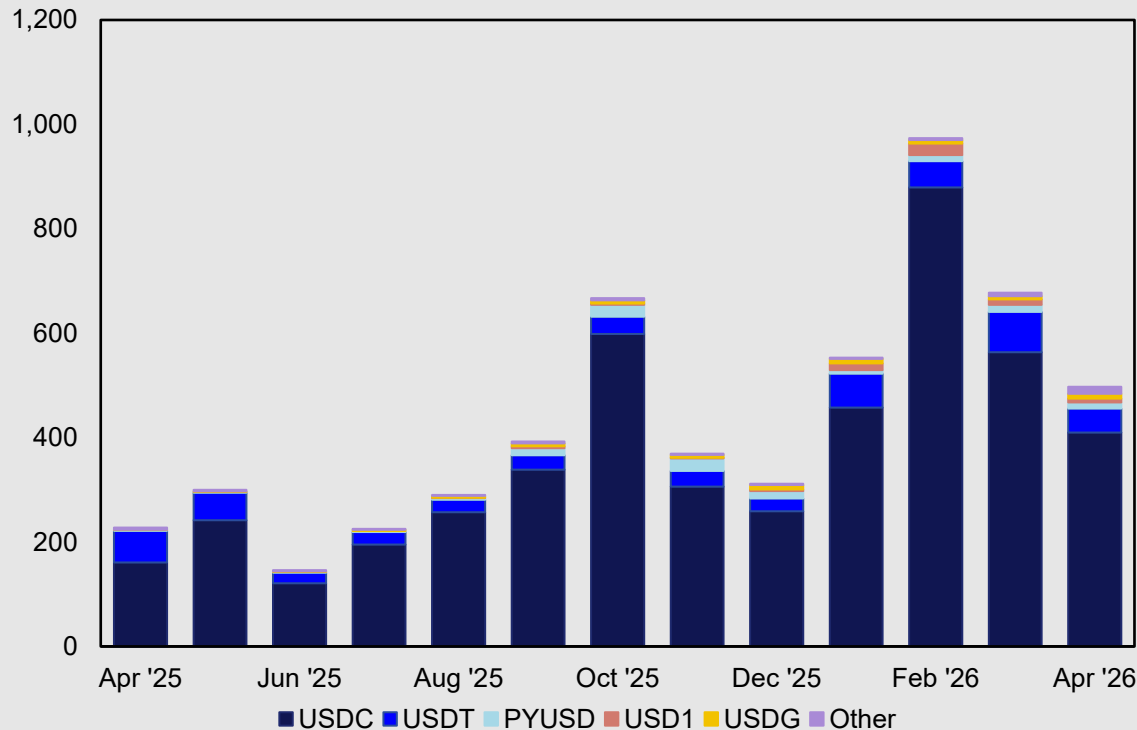
- Stablecoins remain the most tangible product-market fit in crypto. Solana appears to be increasingly well-positioned to capture incremental share, supported by sub-second finality, sub-cent fees, and a UX-first architecture that resonates across both retail and institutional users.
- Solana stablecoin supply grew ~3x in 2025 (from ~\$5B to ~\$15.0B), making it the 3rd largest network behind Ethereum and Tron. While still trailing incumbents, Solana has steadily gained share since 2023, with its portion of global stablecoin supply rising from ~1% to ~5%.



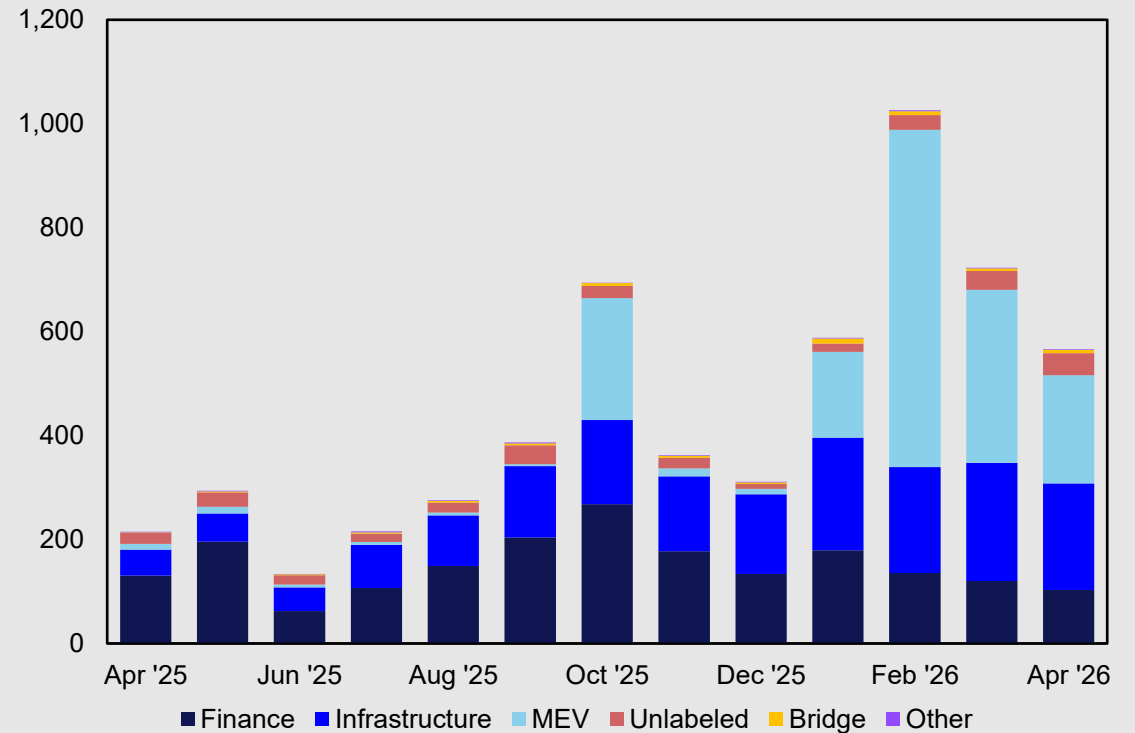
# Adoption: DeFi and Enterprise Stablecoins

- USDC accounts for the vast majority of Solana's stablecoin volume, reflecting a preference for regulated issuers on the network. This stands in contrast to USDT-dominant chains like Tron (~95% USDT).
- There are promising signs of enterprise adoption. The Solana Foundation is building a developer platform with Mastercard, Western Union, and Worldpay as early partners, enabling stablecoin settlement, cross-border payments, and tokenized asset workflows through standardized APIs.

Monthly Stablecoin Volume by Token (\$B)

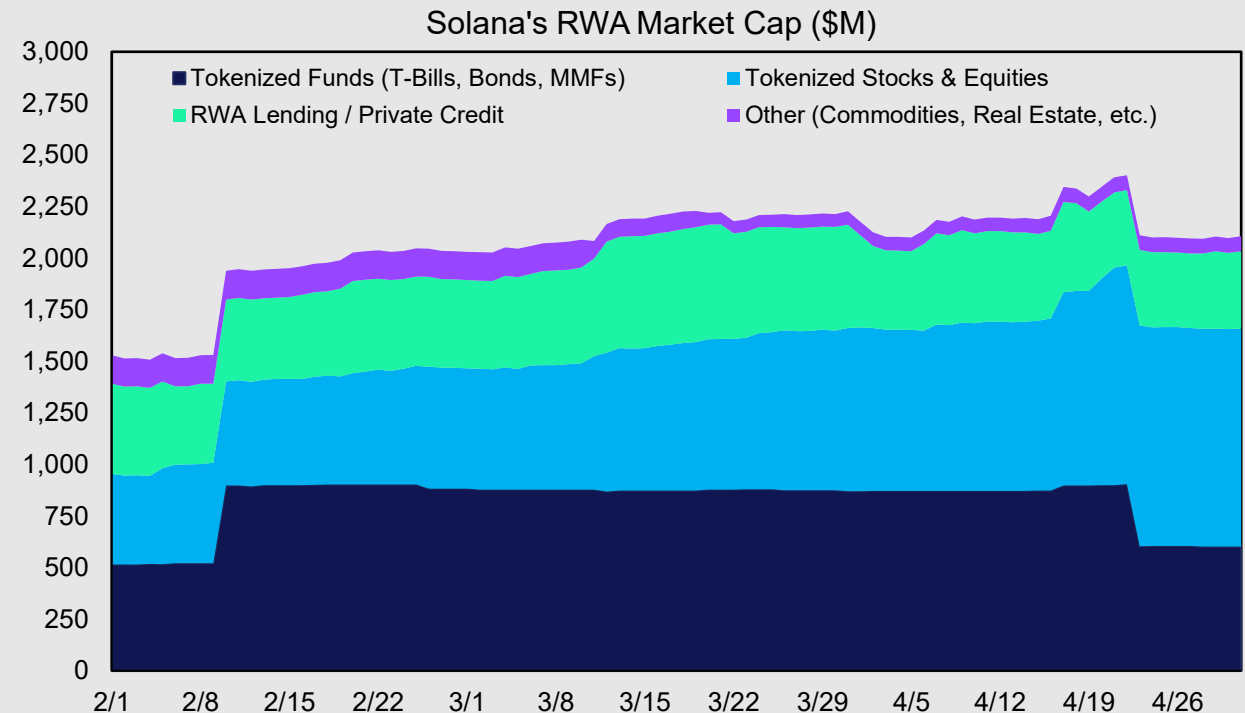
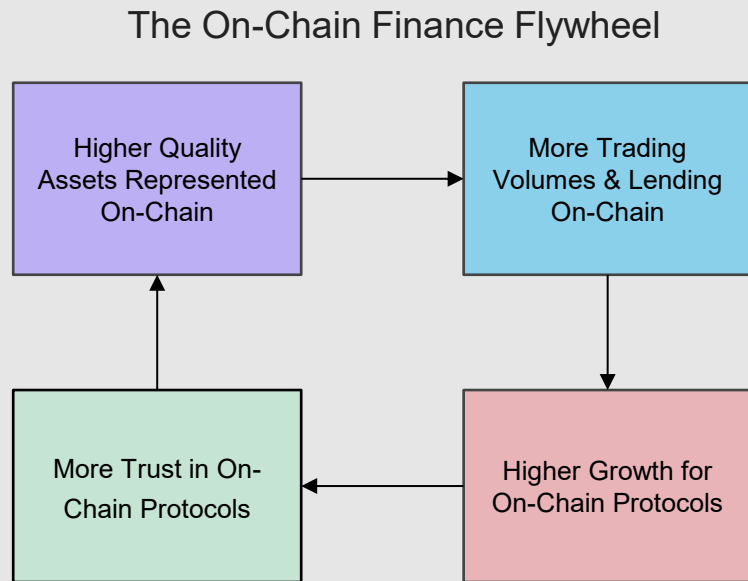


Monthly Stablecoin Volume by Sector (\$B)



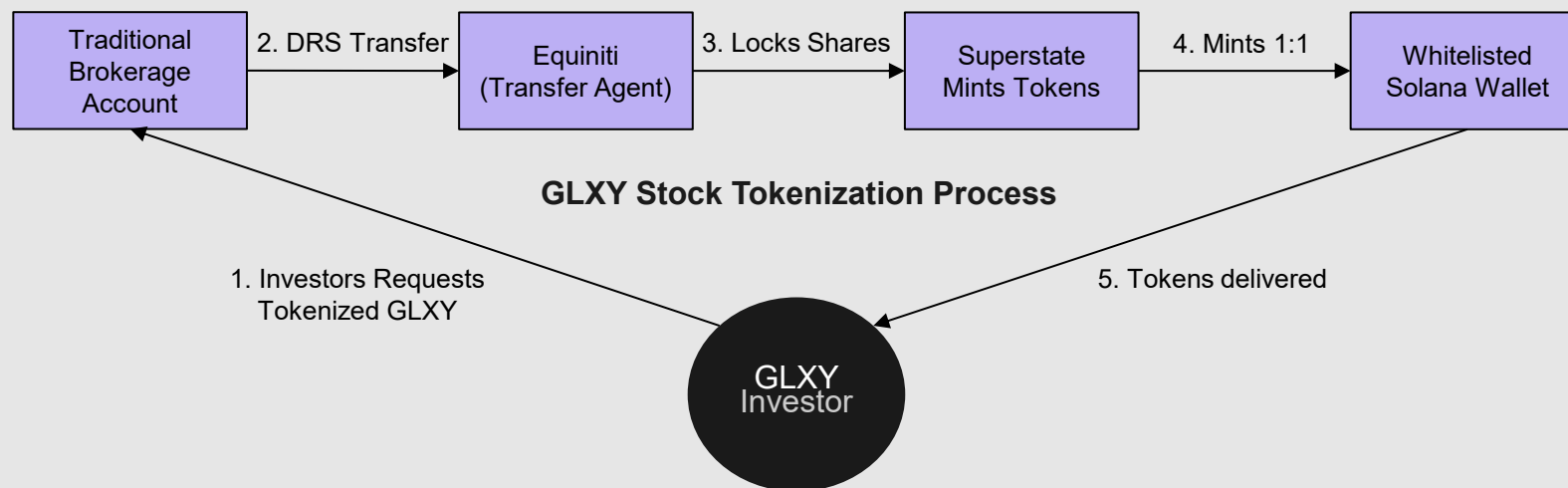
# Adoption: Tokenized Real-World Assets (excl. Stablecoins)

- High-quality assets (HQA) on-chain improve collateral quality and unlock more sophisticated DeFi activity, creating a self-reinforcing loop where better collateral supports more lending and trading, which in turn attracts incremental HQA onto the chain.
- Early traction is meaningful but still nascent: products such as PRIME (\$321M), BUIDL (\$230M), and USDY (\$180M) highlight growing institutional interest, with Solana RWAs reaching ~\$2.1B in April 2026.
- Capital markets scale with balance sheet capacity, and yield-bearing RWAs used as collateral may enable structurally deeper liquidity, higher leverage, and broader DeFi participation.



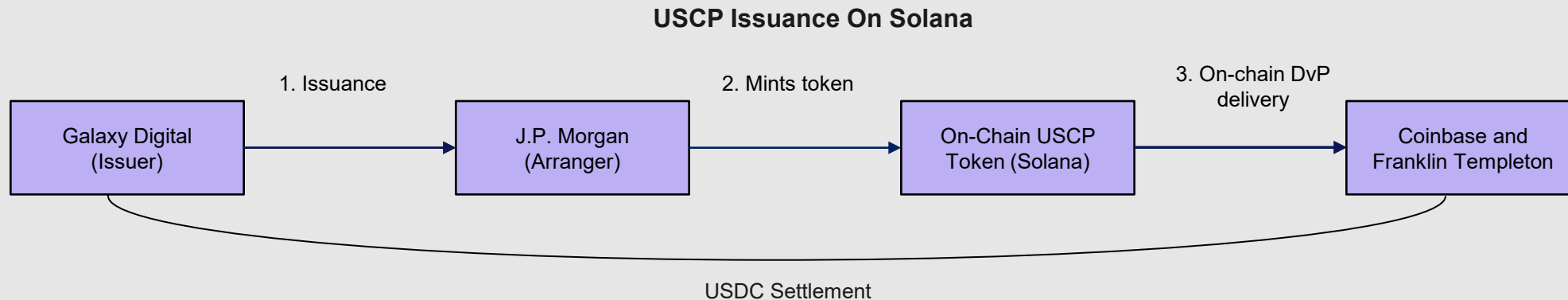
# Adoption: GLXY Case Study

- In September 2025, Galaxy Digital (GLXY) became the first Nasdaq-listed company to tokenize its SEC-registered equity directly on a public blockchain.
- Unlike most tokenized equities, these are not derivatives or synthetics, instead they are SEC-registered shares with legal and economic rights. Superstate acts as the digital asset transfer agent, updating Galaxy's shareholder registry in real time as tokens move between KYC'd wallets.
- DeFi utility is already live as of April 2026. Tokenized GLXY shares can be used as collateral on Kamino allowing holders to borrow USDC against their equity.
- Galaxy partnered with Broadridge (April 2026) to pilot proxy voting for tokenized shareholders, the first instance of on-chain corporate governance for a Nasdaq equity.
- Superstate's framework is already expanding with Forward Industries (FWDI) currently having ~8% of its market cap tokenized.



# Adoption: JPM Galaxy Case Study

- In December 2025, J.P. Morgan arranged a \$50M U.S. commercial paper (USCP) issuance for Galaxy Digital on Solana, marking Galaxy's first USCP offering and one of the earliest institutional debt issuances natively on a public blockchain.
- J.P. Morgan created the on-chain USCP token and facilitated delivery-versus-payment settlement. Coinbase and Franklin Templeton purchased the notes, with Coinbase also providing wallet and custody services. Both issuance and redemption proceeds settle in USDC.
- This issuance substantiates Solana as production-grade institutional infrastructure, with a Tier-1 bank arranging real money-market debt on a public chain, with token creation, DvP, and USDC settlement all running on Solana. It extends the on-chain tokenization thesis from equities (GLXY) into money-market instruments.



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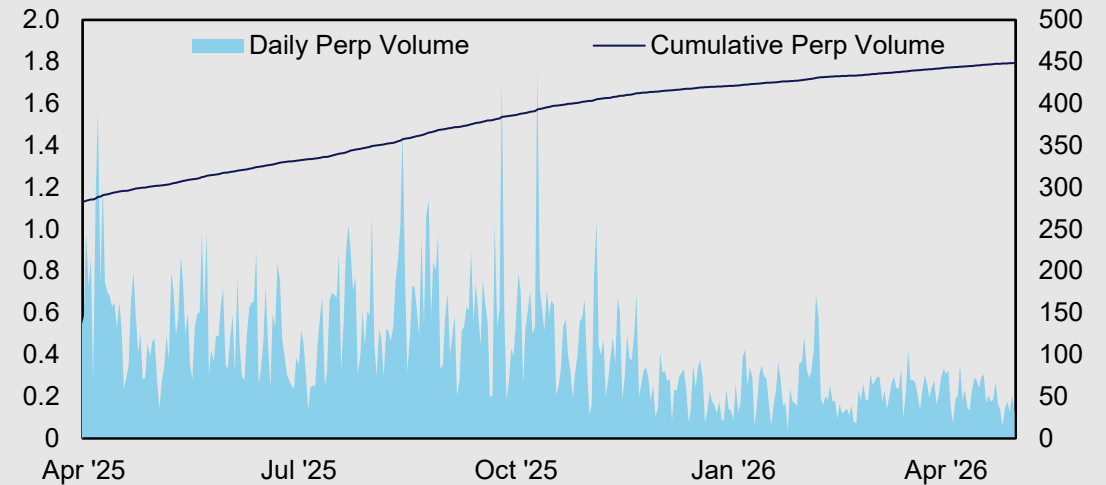
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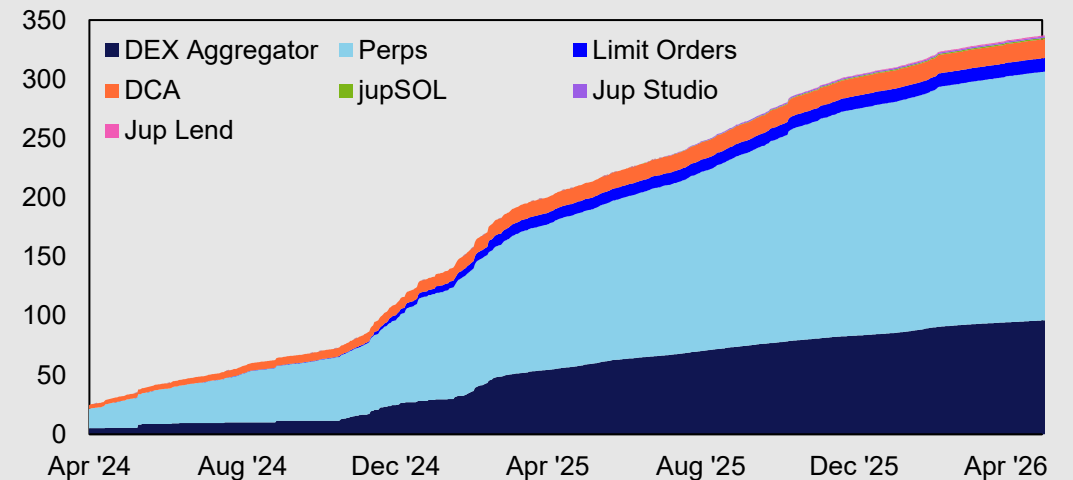
# Application Spotlight: Jupiter (JUP)

- Jupiter began as a DEX aggregator but is building toward a full-stack DeFi “super-app” on Solana spanning spot, perps, lending, stablecoins, and prediction markets. It is now the largest DeFi protocol on Solana by TVL and one of the highest-revenue protocols on the network.
- **Scale:** #1 Solana protocol by TVL (\$2.5B, 26% market share on Solana as of Q4 2025), \$800B+ cumulative spot volume processed in 2025.
- **Perps:** \$494M avg daily perps volume in 2025 (31% Solana perp market share).
- **Lending:** Jupiter Lend launched Aug 2025, hit \$500M TVL within 24 hours and reached \$1B TVL by Q4 2025, now Solana’s second-largest lending protocol by TVL, revenue, and fees.
- **Product expansion:** JupUSD stablecoin, JupSOL liquid staking. Jupnet omnichain network in beta, ICO Launchpad, acquired Moonshot, SolanaFM, Coinhall, SonarWatch, Ultimate Wallet, Rain.fi.

Jupiter Cumulative Perpetuals Volume (\$B)



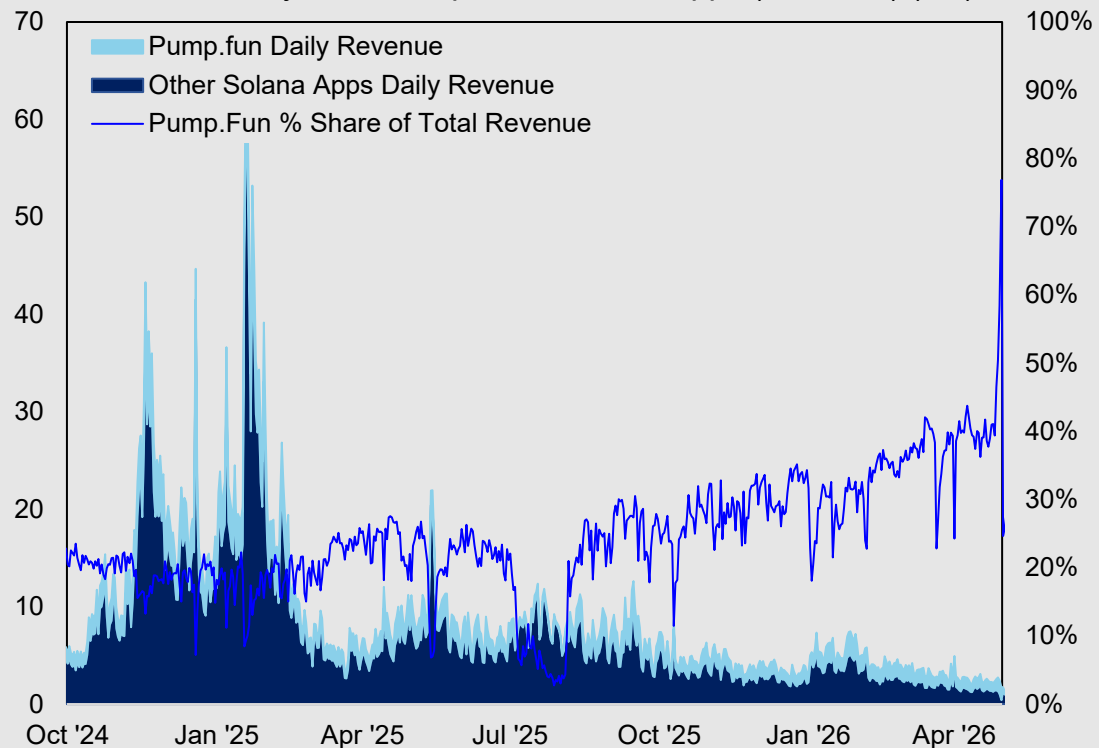
Jupiter Cumulative Fees by Revenue Stream (\$M)



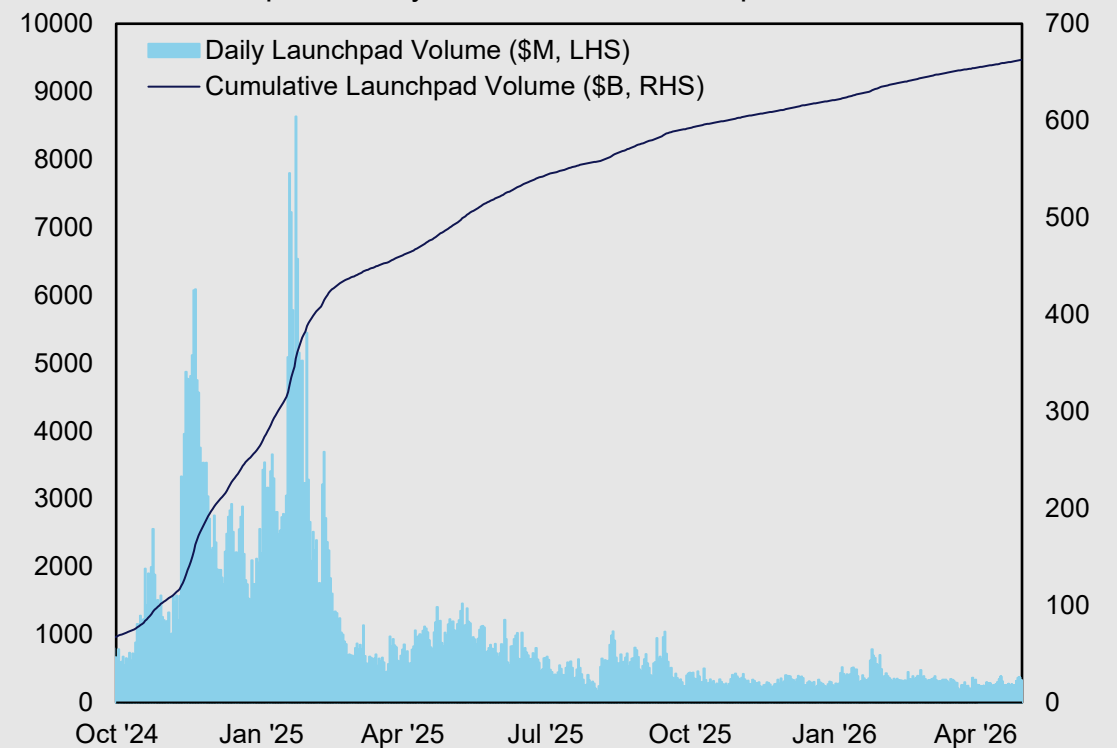
# Application Spotlight: Pump.Fun (PUMP)

- Pump.Fun (PUMP) is a memecoin launchpad that became Solana's first application to surpass \$1B in cumulative revenue. It cemented Solana as the destination chain for memecoin trading while driving substantial network fee generation.
  - Revenue: ~\$1.18B cumulative (\$398M in 2024, \$660M in 2025, \$119M YTD 2026): one of the highest revenue generating apps across all ecosystems.
  - Scale: 17M tokens launched, up to 62% of all Solana daily transactions at peak. PumpSwap AMM has \$212M TVL.

Solana Ecosystem: Pump.Fun vs Other Apps (Revenue) (\$M)

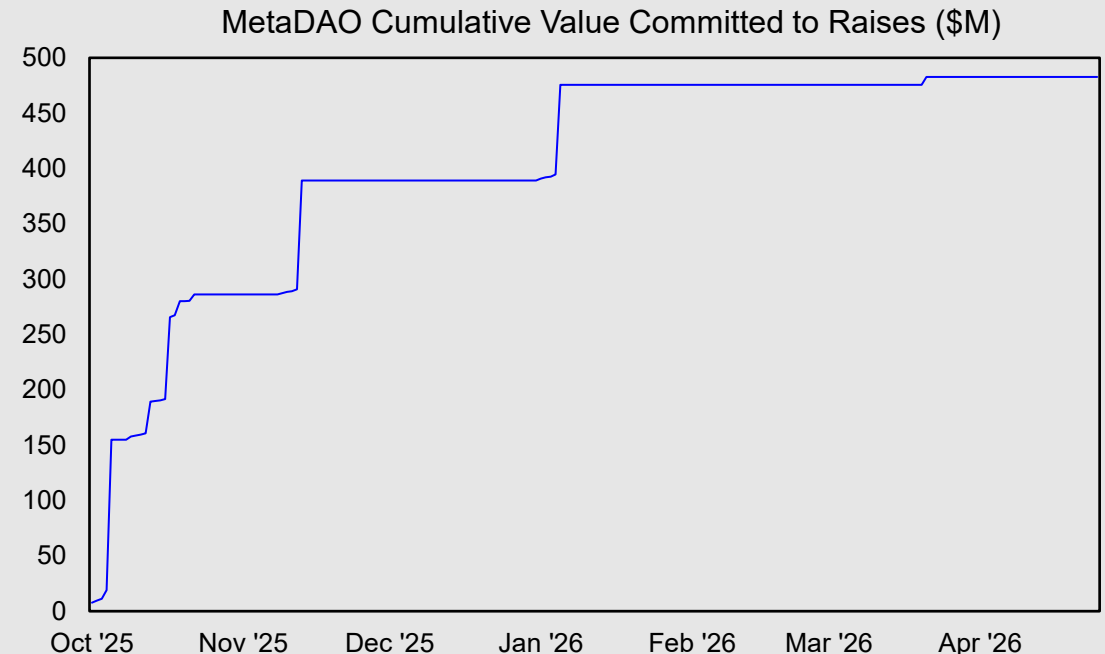
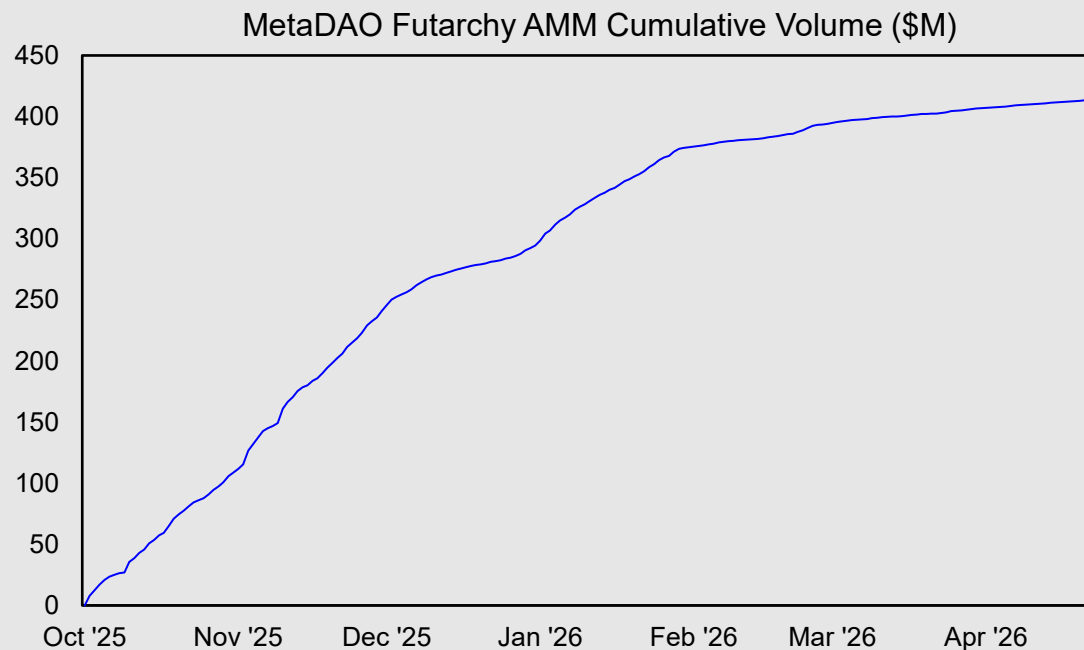


Pump.Fun Daily & Cumulative Launchpad Volumes



# Application Spotlight: MetaDAO (META)

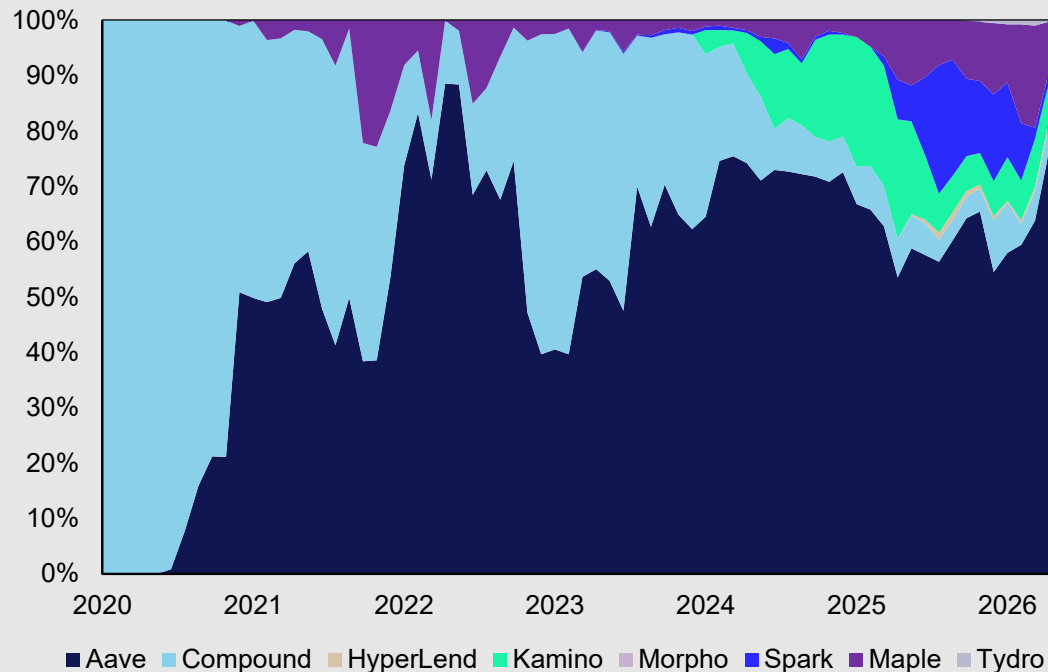
- Since April 2025, MetaDAO has hosted 10 ICOs raising ~\$40M with ~\$480M committed to raises, signaling strong appetite for a capital formation model that protects investors from rugs and aligns founder incentives.
- Pioneered by MetaDAO on Solana, this model uses futarchy (market-driven governance) and DAO LLCs to give tokenholders real, legally-backed control over treasury assets, IP, and strategic decisions.
- Ownership coins may represent the next evolution of tokenholder rights and on-chain organizational design. With MetaDAO's legal and governance infrastructure native to Solana, and early traction validating the model, Solana is positioned as the leading platform for this emerging standard as it scales.



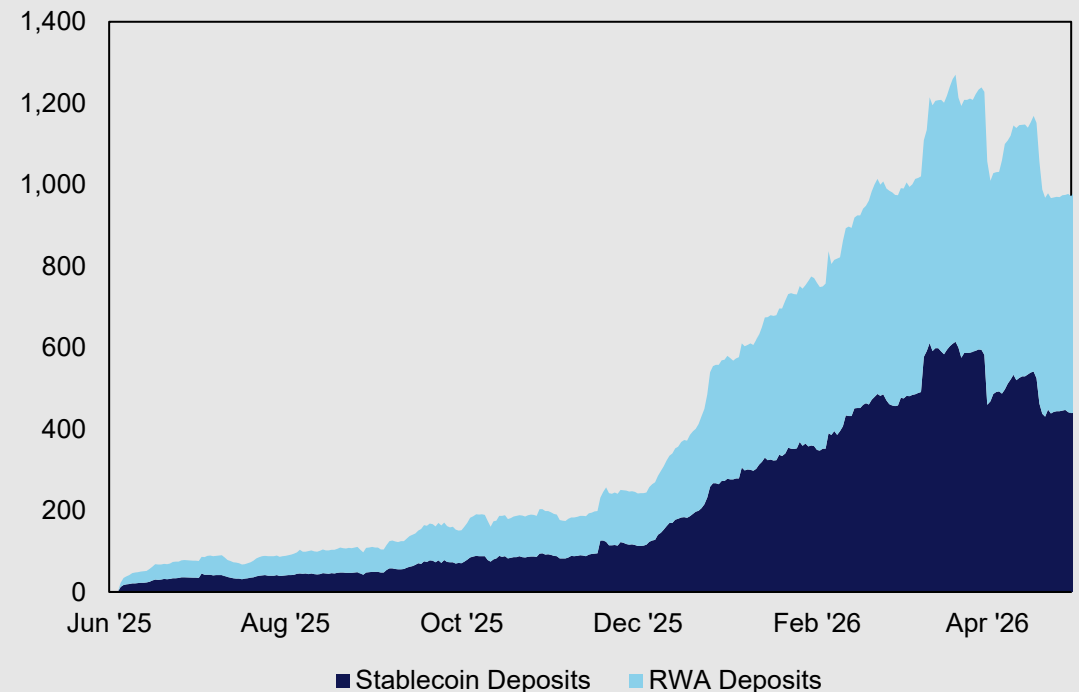
# Application Spotlight: Kamino (KMNO)

- Kamino (KMNO) is the largest lending protocol on Solana and a top 6 DeFi lending platform globally (by revenue and TVL).
- Kamino holds the largest on-chain RWA lending market at \$970M in total RWA deposits (April 2026). This may suggest a deposit base skewed toward yield-bearing and lower-volatility assets rather than purely speculative collateral.
- Their roadmap is focused on RWA/institutional investors. Kamino was the first major DeFi lender to accept tokenized equities (xStocks) as collateral and their V2 roadmap includes fixed rates, private credit, RWA DEX.

Lending Revenue Market Share by Protocol



Kamino Total Deposits: Stablecoins vs RWAs (\$M)



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**4** SOL Token Overview and Financials

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**5** Institutional Access

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**6** Appendix

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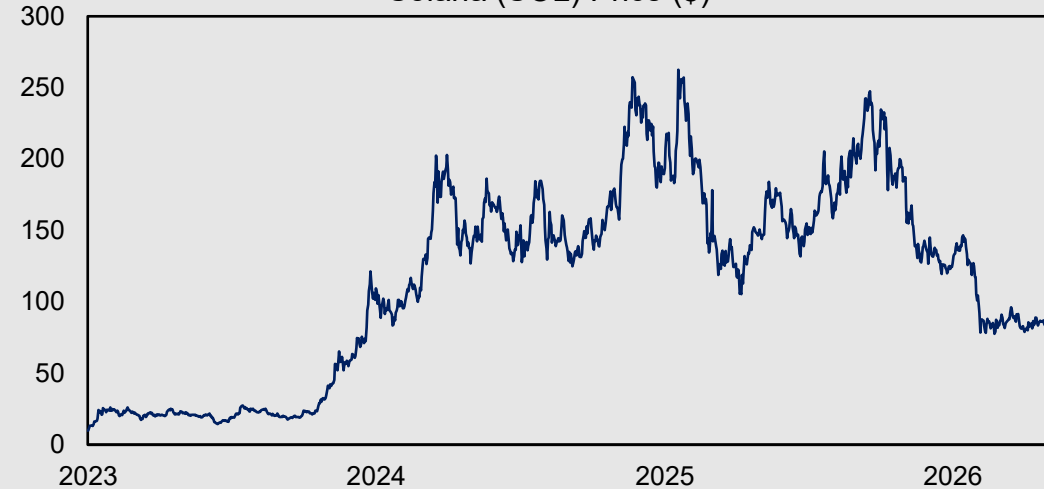
# SOL: Summary

- SOL (the native token on Solana) has retraced from its early-2025 highs alongside the broader market, though it remains a consistent top five L1 by revenue generated.

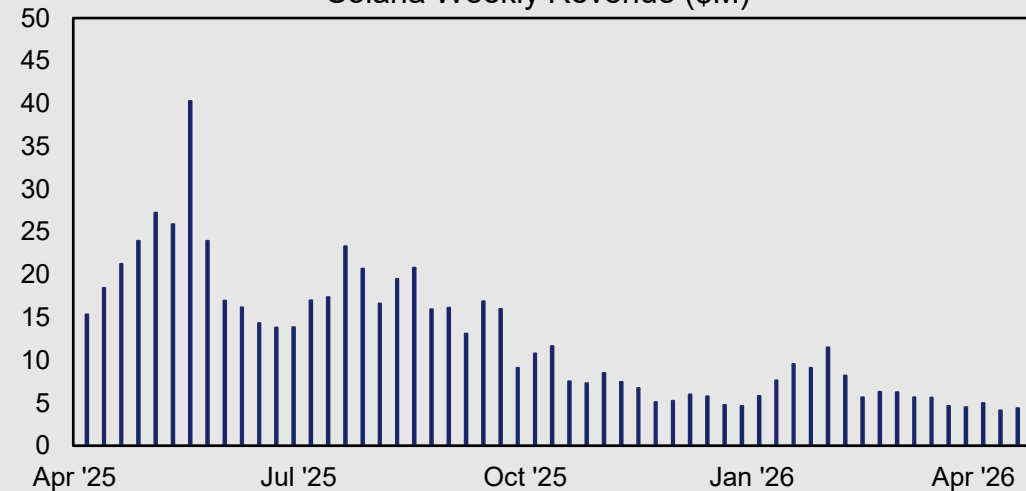
## Token Summary

Date	4/30/2026
Name	Solana
Ticker	SOL
Price	\$83.01
Market Cap (B)	\$47.6
Circulating Supply (M)	573
Total Supply (M)	637
Fully Diluted Valuation (M)	\$52,878
Float %	90%
Category	Smart Contract Platform
Comparables	ETH, BNB, HYPE
LTM Revenue (M)	\$605
MC/Revenue (LTM)	79x

Solana (SOL) Price (\$)



Solana Weekly Revenue (\$M)

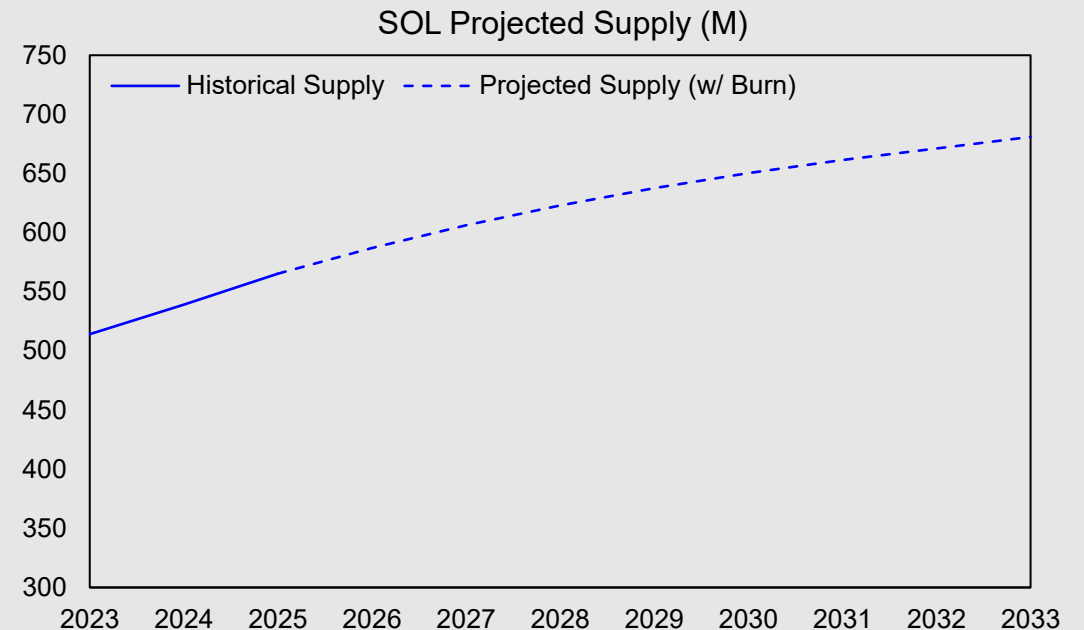
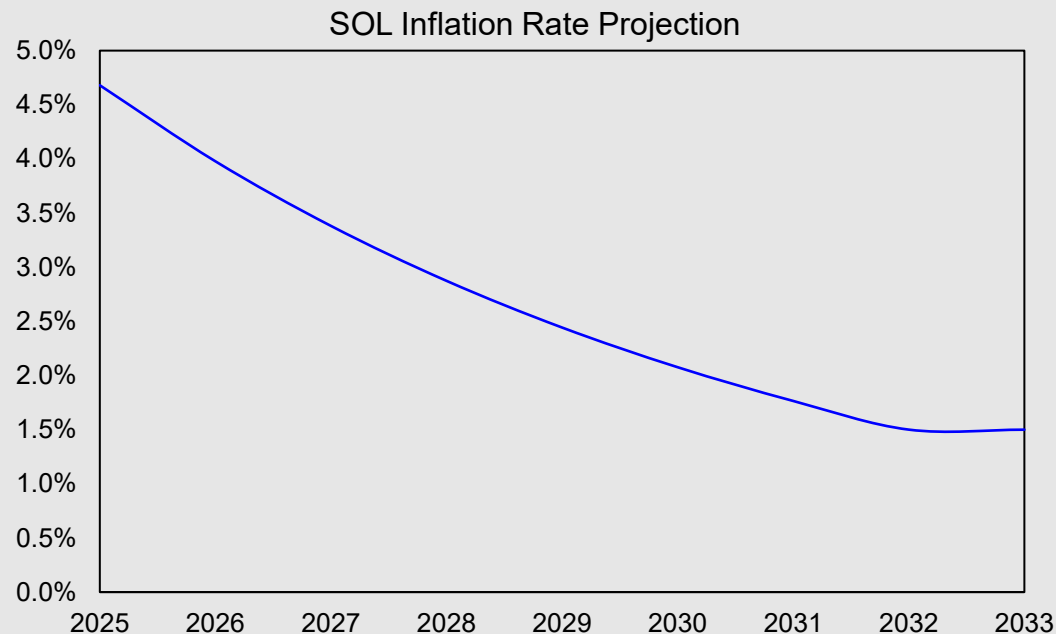


# SOL: Utility

- The core utility of SOL includes:
  - **Transaction Fees (Gas):** Every transaction on Solana requires SOL to pay fees. Solana's local fee markets isolate congestion. Heavy demand in one program (e.g., a popular token mint) does not spike fees for unrelated transactions. 50% of base fees are burned.
  - **Staking & Network Security:** SOL holders can stake their tokens with validators to secure the network and earn rewards. Over 65% of circulating SOL is staked. Liquid staking (via Jito, Marinade, etc.) lets users stake while maintaining DeFi liquidity.
  - **Rent & Account Storage:** On-chain data storage requires a refundable SOL deposit.
  - **DeFi Base Currency:** SOL serves as one of the primary routing currencies across Solana DeFi. Most liquidity pools pair assets with SOL (similar to ETH on Ethereum).

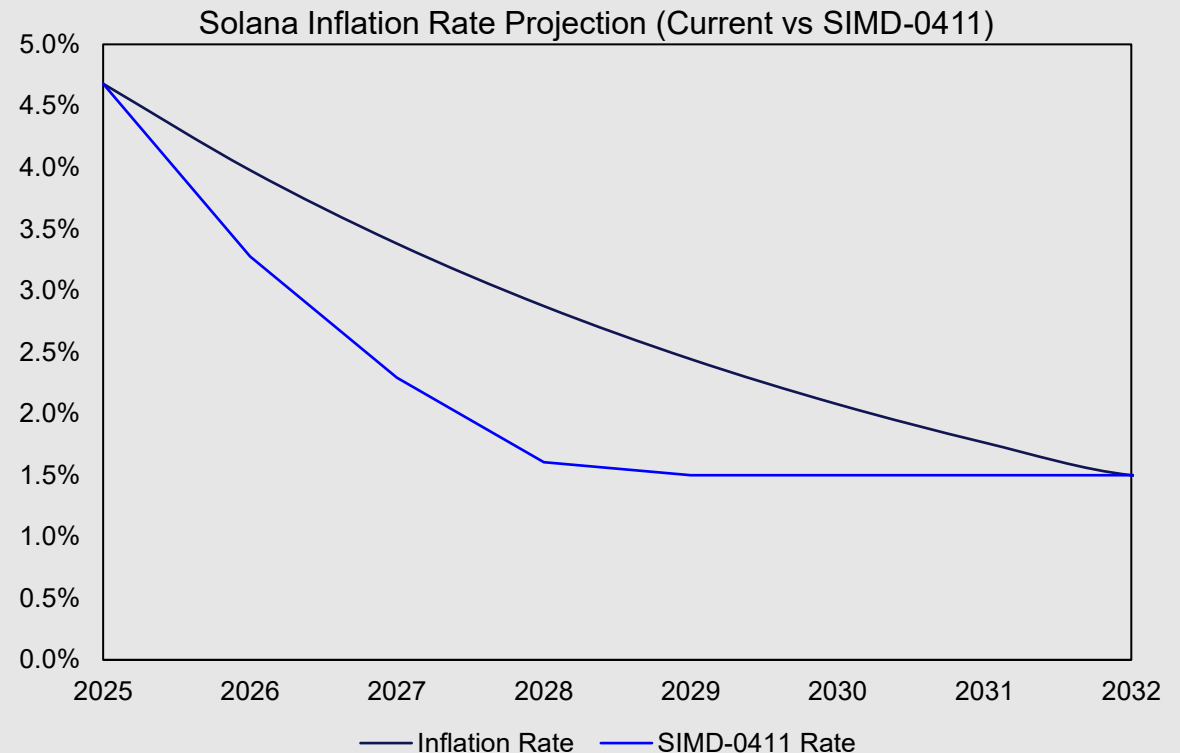
# SOL: Supply Dynamics

- SOL has no fixed supply cap, instead it uses an inflationary model with a declining emission schedule. Key supply dynamics:
  - **Current Supply:** 573M SOL in circulation (April 2026). Total supply grows via staking rewards paid to validators.
  - **Inflation Schedule:** Started at 8% annually, decreasing 15% per year until reaching 1.5% floor. Current rate: ~3.9%. Inflation is subject to change if SIMD-0411 passes (more information on SIMD-0411 on the following slide).
  - **Fee Burn:** 50% of all transaction base fees are burned, creating deflationary pressure. High network activity = higher burn rate.
- With 65%+ of supply staked, effective inflation for non-stakers is high, while stakers earn rewards that roughly match or exceed inflation.



# SOL: Supply Dynamics (Inflation Reduction Proposal)

- SIMD-0228, proposed by Multicoin Capital, sought to replace Solana's fixed inflation schedule with a dynamic, market-based emission mechanism tied to staking participation. Proponents argued it could reduce emissions by up to 80%, while critics warned of risks to validator economics. The proposal failed in March 2025, receiving less than the 66.67% approval threshold required.
- Helius Labs proposed SIMD-0411, a simpler approach to reducing SOL emissions:
  - **Core change:** Double the disinflation rate from 15% to 30% annually.
  - **Emission reduction:** 22.3M SOL over 6 years (~\$1.85B reduction at current prices).
  - **Timeline acceleration:** Potentially reach 1.5% terminal inflation by early 2029 (vs. 2032 under current schedule).
  - **Staking yield impact:** Nominal yields decline.
  - **Status:** Pending vote. If approved, implementation expected late-2026 following Alpenglow consensus upgrade.



# Solana: Competitive Analysis

- Below we compare Solana to its peers on fundamental metrics spanning economic throughput, monetization, and asset quality. The peer set comprises leading L1 smart contract platforms, high-throughput competitors, and L2 networks.
- Note: SC = Stablecoin, RWA = Real-World Asset (non-stablecoin), HQA = High-Quality Assets, MC = Market Cap, FDV = Fully Diluted Market Cap.

Summary Statistics for the 12 Months Ended 4/30/26										LTM Multiples		
Ticker	FDV	Circ. MC	Txns	DEX Volumes	Revenue	Avg SC MC	Avg RWA MC	Avg HQA	% Float	FDV / DEX Volumes	FDV / Revenue	FDV / Avg HQA
SOL	52,877	47,565	34,942	1,279,197	605	14,200	1,090	15,290	90%	0.04x	85.8x	3.5x
ETH	272,269	272,336	650	861,939	348	157,705	11,332	169,037	100%	0.32x	782.5x	1.6x
BNB	123,034	82,906	5,403	784,485	223	13,316	1,253	14,569	67%	0.16x	551.3x	8.4x
TRX	30,938	30,935	3,584	34,787	505	81,393	NA	81,393	100%	0.89x	61.3x	0.4x
POL	1,014	1,013	2,014	69,423	17	2,865	445	3,310	100%	0.01x	58.0x	0.3x
ARB	1,238	761	954	216,402	11	7,959	656	8,615	61%	0.01x	107.7x	0.1x
HYPE	39,669	9,461	2,263	114,716	835	NA	NA	NA	24%	0.35x	47.5x	NA
SUI	9,081	3,589	1,621	114,999	14	579	18	596	40%	0.08x	640.5x	15.2x
APT	2,086	802	1,401	37,767	1	1,254	221	1,475	38%	0.06x	2280.2x	1.4x
MON	2,738	322	320	0	1	NA	NA	NA	12%	NA	3190.9x	NA
Minimum	1,014	322	320	0	1	579	18	596	12%	0.01x	47.5x	0.1x
Median	20,009	6,525	1,817	114,858	120	10,638	656	11,592	64%	0.08x	329.5x	1.5x
Average	53,400	44,995	5,315	351,372	256	34,909	2,145	36,786	63%	0.21x	780.6x	3.9x
Maximum	272,269	272,336	34,942	1,279,197	835	157,705	11,332	169,037	100%	0.89x	3190.9x	15.2x
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# Solana: Competitive Analysis

- Blockchains are asset ledgers built to store, transfer, and trade value, so economic throughput is a core lens for evaluating smart contract platforms.
- Solana leads its peers in spot DEX volumes and transactions, yet trades at a multiple of DEX volumes well below the peer median and at ~13% of ETH's 0.32x multiple.

Summary Statistics for the 12 Months Ended 4/30/26										LTM Multiples		
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# Solana: Competitive Analysis

- Revenue generation is a key lens for evaluating smart contract platforms, as it directly ties network usage to token value beyond simple store-of-value dynamics.
- Solana ranks second only to Hyperliquid in revenue generation, yet trades at a multiple well below the peer median and at roughly 11% of ETH's.

Summary Statistics for the 12 Months Ended 4/30/26										LTM Multiples		
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# Solana: Competitive Analysis

- The quality of assets held on-chain matters: higher-quality assets support larger transactions, reflect ecosystem trust, and ultimately enable greater credit creation. We define HQAs as stablecoins and non-stablecoin real-world assets (RWAs) and view them as a potential driver of monetary premium.
- Solana ranks above the peer median on both absolute HQAs and the valuation multiple applied to them, suggesting the market is pricing in continued RWA and stablecoin growth. Ethereum, however, remains well ahead on the absolute HQA base.

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# SOL: A Fundamental Framework

- Historical P&L and forward USD estimates for both active (staked) and passive (unstaked) SOL holders. See slide 43 for the valuation framework and slide 44 for underlying assumptions.

Solana P&L										
Year	2021 A	2022 A	2023 A	2024 A	2025 A	2026 E	2027 E	2028 E	2029 E	2030 E
<i>in \$millions</i>										
<b><u>Asset Base &amp; Economic Throughput</u></b>										
Total Settlement Volume	1,916,526	187,293	231,048	1,502,785	2,693,991	6,210,142	11,472,755	20,347,222	33,830,922	50,000,000
Avg TVL	3,649	2,448	370	4,697	9,338	20,700	45,891	101,736	225,539	500,000
Capital Efficiency Ratio	525x	77x	624x	320x	289x	300x	250x	200x	150x	100x
<b><u>Staking P&amp;L</u></b>										
Protocol Fees	28	26	25	756	683	1,490	2,753	4,883	8,119	12,000
VAT Fees	-	-	-	-	-	28	42	48	48	48
Jito Tips	-	0	4	675	722	1,863	3,442	6,104	10,149	15,000
Network Revenue	28	26	29	1,431	1,405	3,382	6,237	11,035	18,317	27,048
Validator Commissions & Management Fees	14	13	38	637	732	1,346	2,407	4,208	6,950	10,241
Jito MEV Take	-	0	0	34	39	75	138	244	406	600
Network Expenses	14	13	39	671	770	1,420	2,545	4,452	7,356	10,841
Staking Tokenholder Earnings	14	13	(10)	760	634	1,961	3,692	6,583	10,961	16,207
<b><u>Non-Staking P&amp;L</u></b>										
Fees Burned	14	13	13	378	197	75	128	200	302	423
Non-Staking Tokenholder Revenue	14	13	13	378	197	75	128	200	302	423
SOL Issuance	2,198	1,423	839	4,235	4,593	2,103	1,788	1,519	1,292	1,098
Non-Staking Tokenholder Earnings	(2,184)	(1,410)	(826)	(3,857)	(4,397)	(2,028)	(1,659)	(1,319)	(990)	(675)

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**Earnings Sensitive to Activity Levels:** Net of validator and infrastructure commissions, staking participants earned \$760M in 2024 and \$634M in 2025 (-17% YoY). Staking income is directly levered to network usage.

**Active Participation Captures the Full Economic Stack:** Staked SOL holders earn the full fee stream (including fee burns) plus inflation rewards and MEV. This positions stakers as the primary beneficiaries of on-chain activity, while passive holders only see indirect benefit through fee burns.

# SOL: A Fundamental Framework

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Network Revenue	28	26	29	1,431	1,405	3,382	6,244	11,375	18,607	27,048
Validator Commission	14	13	38	637	732	1,346	2,419	4,355	7,671	11,000
Jito MEV Take	-	0	0	34	39	75	140	249	440	600
Network Expenses	14	13	39	671	770	1,420	2,762	5,004	8,782	12,600
Staking Tokenholder Earnings	14	13	(10)	760	634	1,961	3,482	6,371	9,825	14,448
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Non-Staking Tokenholder Earnings	(2,184)	(1,410)	(826)	(3,857)	(4,397)	(2,028)	(1,659)	(1,319)	(990)	(675)

**Tokenholder Value Accrual:** For unstaked SOL holders, value accrues primarily through fee burns. This mechanism allows passive holders to participate in the network's economic activity without staking, effectively linking tokenholder returns to on-chain usage.

**Inflation Offsets Burn:** SOL's ~3.9% annual inflation introduces ~\$2B+ of new supply per year (at current prices), which more than offsets current burn levels. As a result, net tokenholder dilution remains positive, and sustained growth in network activity is required for burns to fully counterbalance issuance.

# SOL: A Fundamental Framework

- **Exchange + Payments Hybrid:** Solana functions as both a financial marketplace (CME / ICE) and a global settlement rail (Visa / Mastercard). While these comps trade at ~19x 2028E earnings and imply compression into 2030, Solana's higher growth and structurally lower cost base justify a premium, supporting a 20–30x multiple on 2030E active tokenholder earnings.
- **Key Drivers & Valuation Framework:** Solana's value is driven by (1) the quantity and quality of assets on-chain, (2) economic throughput from transfers and trading activity, and (3) supply dynamics (inflation vs. burn). Our scenarios vary assumptions around tokenized asset penetration, throughput, and real inflation. Applying a 20–30x multiple to 2030E earnings yields a valuation range of ~\$135 to ~\$1,080 per SOL. Analysis is for illustrative purposes only.

Ticker	Company	P/E (2026)	P/E (2027)	P/E (2028)
ICE	Intercontinental Exchange Inc.	19.7x	18.1x	16.3x
CBOE	Cboe Global Markets, Inc.	23.9x	22.7x	21.4x
NDAQ	Nasdaq, Inc.	23.4x	20.7x	18.2x
CME	CME Group Inc.	23.5x	22.4x	21.1x
V	Visa Inc.	25.3x	22.3x	19.8x
MA	Mastercard Incorporated	25.7x	22.1x	19.1x

Low	19.7x	18.1x	16.3x
Median	23.7x	22.2x	19.4x
Average	23.6x	21.4x	19.3x
High	25.7x	22.7x	21.4x

## Trading Data

Date	4/30/2026
SOL Price	\$83
Fully-Diluted Supply (M)	637
SOL Fully-Diluted Market Cap (M)	\$52,867

## Illustrative Valuation

Scenario	Base	Bear	Bull
2030 Earnings (M)	\$16,207	\$4,867	\$24,318
P/E Multiple	25.0x	20.0x	30.0x
Implied Fully-Diluted Market Cap (M)	\$405,166	\$97,333	\$729,542
Projected Total Supply (M)	712	719	675
Implied Price Per SOL	\$569	\$135	\$1,080
Illustrative Cumulative Return	585%	63%	1,201%

## Key Assumptions

Scenario	Base	Bear	Bull
2030 Avg TVL (M)	\$500,000	\$100,000	\$1,500,000
2030 Capital Efficiency	100.0x	150.0x	50.0x
5-Year Annualized Supply Inflation	2.5%	2.7%	1.4%

# SOL: Illustrative Forecast Assumptions

## Market sizing

- Tokenized assets reach \$5T by 2030, at the optimistic end of third-party estimates (\$1T–\$4T per [McKinsey](#) and [Citi](#) by 2030; \$9.4T per [BCG](#)). Solana TVL pegged to its share: bear ~\$100B (2%), base ~\$500B (10%), bull ~\$1.5T (30%). Note that this TVL figure would include endogenous cryptoassets as well, which renders the assumption slightly less blue sky.
- Capital efficiency (settlement volume / TVL) ratchets down as the asset base matures: 150x bear, 100x base, 50x bull by 2030. Protocol take rate held flat at 3 bps of settlement volume.

## Fee stack

- Base fees at 5% of protocol take, mirroring the trailing two-year equilibrium. Priority fees at 80%, reflecting priority-ordering dominance in mature L1 fee markets.
- Vote fees re-specified under the Alpenglow Validator Admission Ticket (VAT) mechanism. Jito tips retained as a structural revenue line.

## Burns and emissions

- SIMD-0096: historically 50% of all transaction fees burned; going forward, 50% of base fees burned and 100% of priority fees redirected to validators.
- Alpenglow: 1.6 SOL per validator per epoch × 180 epochs/year, 100% burned. Validator count grows ~50% YoY post-Alpenglow as lower capital requirements broaden participation (validator cap = 2,000).
- Bear and base scenarios assume the current emission curve continues. Bull assumes SIMD-0411 inflation reduction, the cleanest single-lever differentiator versus base.

## Validator and LST economics

- Validator commission: 60% on transaction fees (50–70% range), 10% on Jito tips, 3% on SOL issuance. Jito's own MEV take held flat at 5%. LST management fees: ~0.75% of total issuance.

# SOL: Key Catalysts to Watch

## **Stablecoin Gap Closure**

- If Solana stablecoin supply closes the gap versus Ethereum and Tron, it would signal durable, non-speculative demand and reframe Solana as a payments and settlement layer in addition to a speculative trading venue.

## **Derivatives Institutional Onboarding**

- If the ecosystem scales perps OI well above current levels, it diversifies revenue beyond spot flows and challenges Hyperliquid's category lead.

## **RWA and Tokenized Capital Markets**

- If the pipeline behind Galaxy expands, it validates Solana as institutional-grade infrastructure and grows the HQA base.

## **SIMD-0411 Inflation Reduction**

- If SIMD-0411 (or a similar proposal) passes, the disinflation rate doubles (15% to 30%), pulling the 1.5% terminal target from 2032 to 2029. This dampens net dilution and is a clean single-lever upside to base case value accrual.

## **Alpenglow Activation**

- If Alpenglow ships to mainnet on schedule (late 2026), finality drops from 12.8s to ~150ms. The performance step-change positions Solana to compete with Web2 infrastructure on responsiveness.

## **ETF Demand and DAT Leadership**

- If US spot ETF inflows (\$2B+ cumulative) accelerate and a DAT emerges as a leader, it improves SOL's structural demand profile and broadens the pool of natural buyers via traditional brokerage rails.

# SOL: Risks

- **Revenue Quality:** A disproportionate share of Solana's fee revenue has been driven by memecoin speculation (Pump.fun, memecoins). Network revenue has declined >95% from its Jan 2025 peak once speculative activity cooled. If sustainable use cases (payments, RWA) fail to complement speculative-driven volume, protocol revenue may remain cyclical and sentiment-dependent. It is also unlikely that Solana benefits from any monetary premium in this scenario.
- **Token Inflation Overhang:** SOL's inflationary issuance schedule continues to expand circulating supply meaningfully. Adoption of an expedited inflation reduction schedule would mitigate this overhang.
- **Intensifying L1 Competition:** Ethereum's rollup ecosystem, Hyperliquid's purpose-built perps chain, and emerging semi-permissioned purpose-specific chains (Tempo, Arc, Plasma) are all competing for developer mindshare, liquidity, and institutional capital. Solana's lead in throughput and fees may narrow as competitors ship comparable performance.
- **Decentralization vs. Sustainability Trade-Off:** Active voting validators have dropped ~68% (from 2,500+ to ~770). The decline largely reflects the April 2024 Solana Foundation Delegation Program (SFDP) redesign, in which the Foundation turned off stake subsidies and removed Sybil validators from the program, deliberately prioritizing validator quality over raw count. Still, further inflation cuts or price decline may make validator economics unviable, deteriorating network security.

# SOL: Risk Mitigants

- **Proven Scale and Throughput:** Solana processed ~\$2.7T in on-chain settlement volume in 2025 with sub-cent fees and ~400ms block times, demonstrating real capacity to support high-frequency, cost-sensitive applications at scale. Applications on Solana generated \$4.2B in fees in 2025, with multiple apps individually exceeding \$100M.
- **DEX Market Leadership:** Solana has captured 25-34% of spot DEX market share per month over the past 12 months, with cumulative volume surpassing \$2.6T since mid-2023. The emergence of proprietary AMMs is further differentiating Solana's trading infrastructure from competing chains.
- **Stablecoin and Capital Markets Traction:** Stablecoin supply on Solana grew ~3x in 2025, signaling deepening on-chain liquidity. Tokenized equities and ownership coins are opening new capital markets verticals native to Solana.
- **Network Maturity and Reliability:** Solana has maintained 100% acknowledged uptime since February 2024, a significant improvement from prior years. The network runs 4,900+ nodes across 47 countries, and the Alpenglow consensus upgrade in the pipeline should further improve performance.
- **Institutional On-Ramps:** US spot Solana ETFs have attracted over \$2B in cumulative inflows. Net inflows remained positive through March 2026 despite significant price volatility.
- **Improving Supply Dynamics:** SOL is consumed as gas on every transaction, generating structural demand proportional to network activity. SIMD-0411 is currently pending and would double the disinflation rate, pulling the 1.5% terminal target from 2032 to 2029 and tightening supply as usage-driven demand grows.
- **Conservative Valuation Relative to Peers:** Despite outsized economic throughput and monetization of flow, Solana trades at a conservative multiple of revenues and transaction volumes relative to other L1s. This likely reflects differences in asset base and the cyclicity of speculative flows; improvements on the latter may open the door to multiple expansion.

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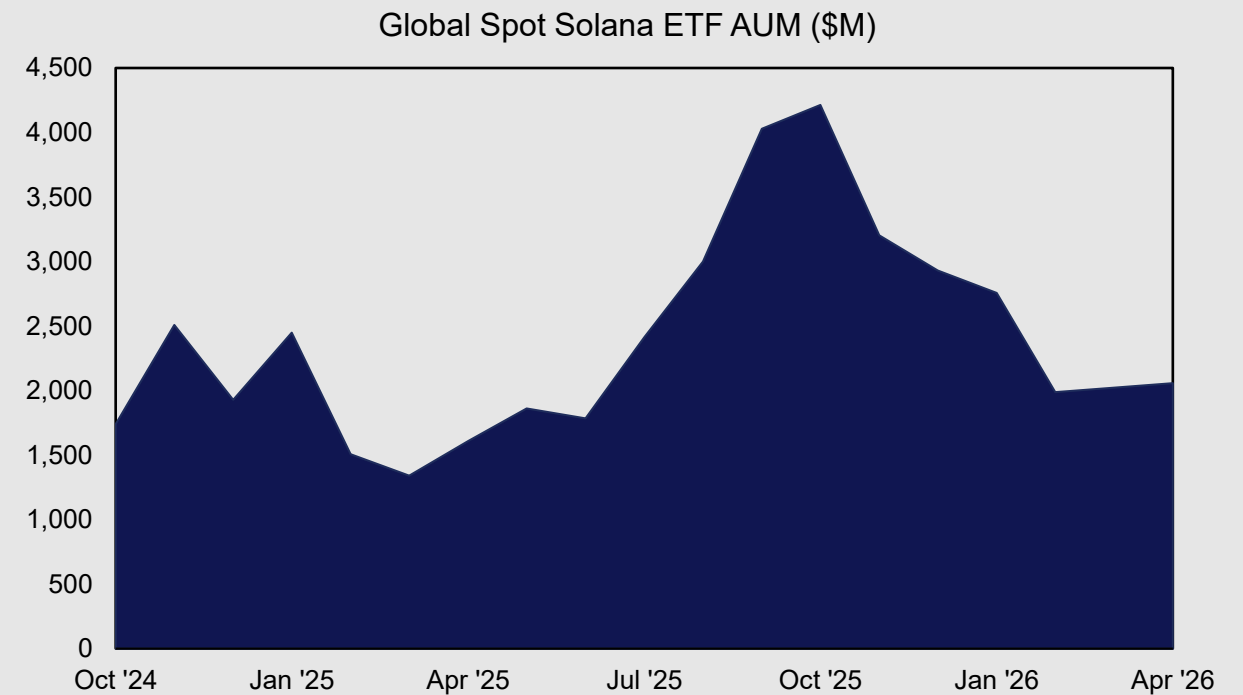
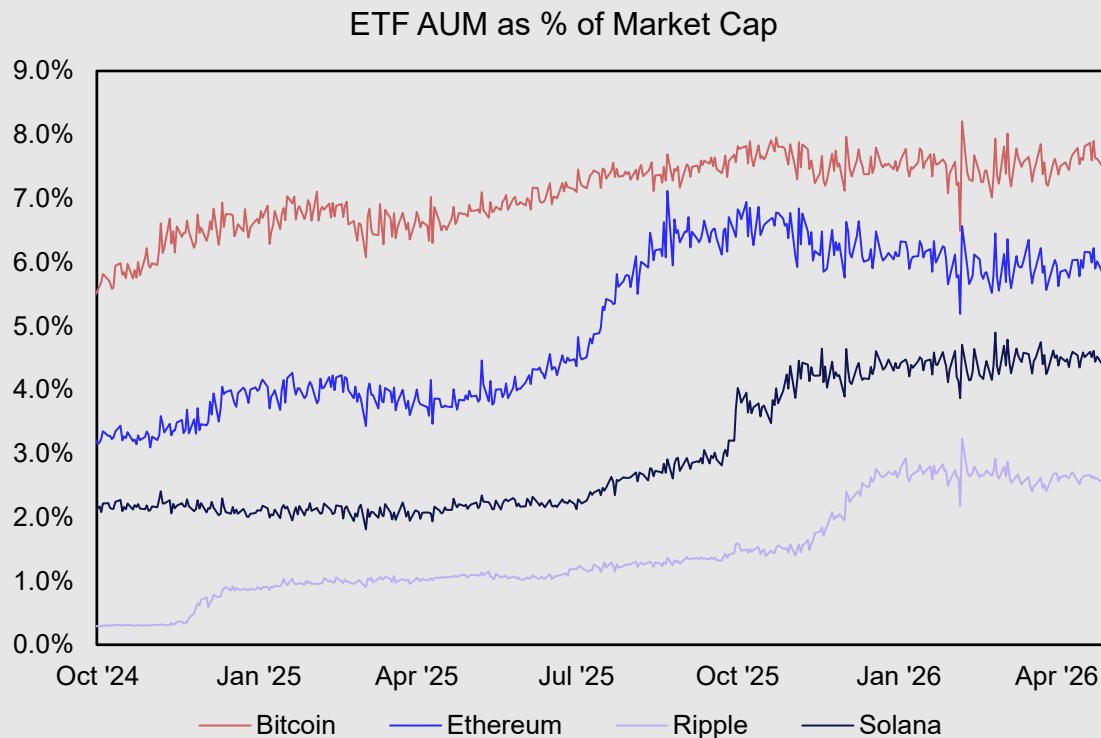
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**6** Appendix

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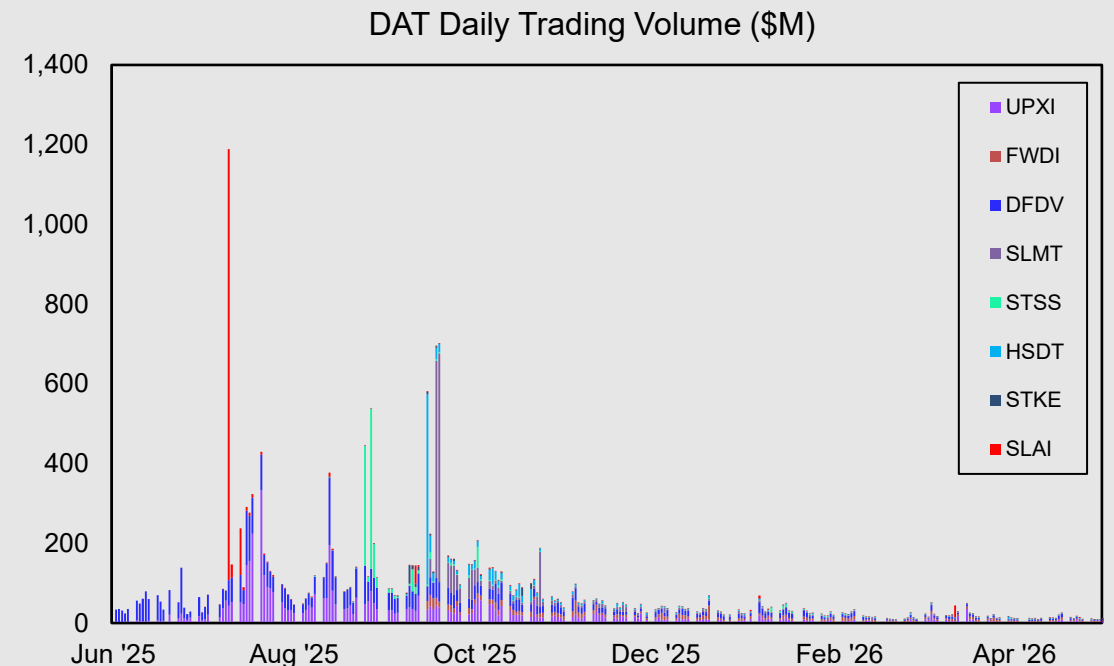
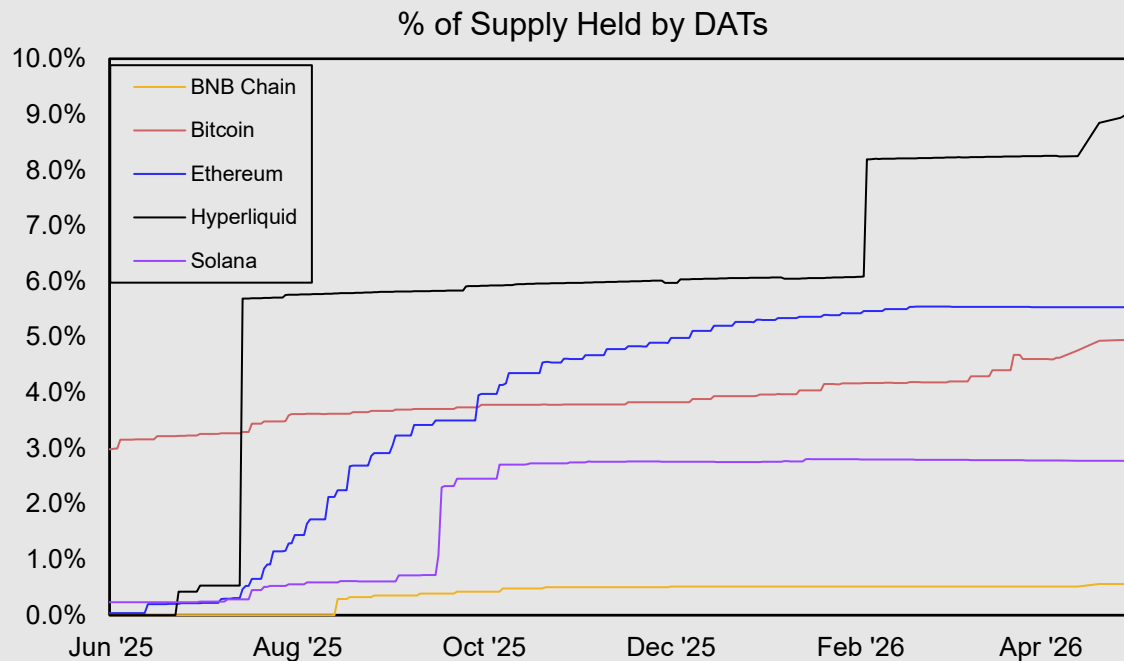
# Institutional Access: Traditional Financial Products

- U.S. spot SOL ETFs launched Oct 2025 (~\$1.2B AUM across all funds as of April 30<sup>th</sup>), but the broader ecosystem remains underdeveloped:
  - **ETFs:** BSOL leads in AUM (~\$640M); staking-enabled ETFs are 75%+ of AUM, offering ~6% net yield; inflows positive through March 2026 despite price decline.
  - **CME futures:** Launched March 2025. Hit \$1B OI in 5 months (vs. 10 for ETH, 3 yrs for BTC) but activity has since retreated well below September 2025 peak of \$2.1B notional OI.



# Institutional Access: Digital Asset Treasury Companies

- Digital Asset Treasuries (DATs) are public companies that hold crypto assets on their balance sheet, offering TradFi investors regulated equity exposure to digital assets. DATs seek to outperform the benchmark asset by increasing token per share.
  - **Leading SOL DATs:** 8 public companies now hold SOL, led by FWDI, DFDV, and UPXI; combined holdings total ~17M SOL (~2.8% of supply) as of April 30<sup>th</sup>.
  - **Room for a leader:** Unlike BTC (Strategy) or ETH (BitMine), no single SOL DAT has established clear market leadership. A breakout DAT that narrows the NAV discount and drives liquidity may be a meaningful catalyst for the SOL investment landscape.



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# Appendix: Solana P&L Definitions

- **Total Settlement Volume:** Includes all transfer and exchange volumes.
- **Avg TVL:** The average daily value of all assets secured by the Solana network.
- **Capital Efficiency Ratio:** The ratio of total settlement volume to average TVL.
- **Protocol Fees:** Inclusive of base and priority fees. Base fees are a fixed per-signature fee, half of each fee is burned by the protocol. Priority fees are optional fees users pay for faster transaction inclusion, distributed to the block-producing validator.
- **Fees:** Validator Activity Tax (VAT) is a fixed per-epoch fee of 1.6 SOL per validator that is 100% burned, introduced under Alpenglow to replace the on-chain vote transaction fees that disappear once consensus voting moves off-chain.
- **Jito Tips:** Off-chain tips paid to validators via Jito's MEV auction for transaction ordering preferences.
- **Validator Commissions & Management Fees:** Comprised of payments to validators that include commission on transaction fees, LST staking reward fees, commission on SOL issuance, and commission on Jito tips.
- **Jito MEV Take:** Jito protocol's fee on MEV tips (~5%) for operating the block-space auction infrastructure.
- **Staking Tokenholder Earnings:** Net income/value accrual earned by SOL stakers after all operator commissions and fees are deducted.
- **Non-Staking Tokenholder Earnings:** Value accruing to non-staking SOL holders, primarily through base fee burns reducing total supply.
- **Revenue:** The metric crypto-natives call Real Economic Value (REV), a blockchain's "top line" measure of economic production. Includes both in-protocol value (base, priority, and vote fees) and out-of-protocol value (tips, largely MEV-related such as Jito tips) accruing to stakers.

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