



Solana: Infrastructure for On-Chain Capital Markets (September Update)

September 25, 2026

Sean Farrell^{AC}
Head of Digital Asset Strategy

Solana Foundation is a client of Fundstrat and receives Fundstrat's published research reports. Solana Foundation has commissioned/paid for this specific research project and has permissions to distribute. This report is intended for research and educational purposes. Please see the Disclosures page at the end of this report for required disclosures

Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

4 Network Upgrades

5 SOL Token Overview and Financials

6 Appendix

Solana: Executive Summary

Overview and Ecosystem Update

- Solana is a high-throughput, low-cost L1 blockchain with an integrated architecture that supports payments, trading, and tokenized capital markets.
- Transactions hit a monthly record in August 2026 at 2.9B successful non-vote transactions.

Token

- The token declined 19% YTD (through August 2026), underperforming Bitcoin's drawdown of 11%.
- Solana trades at a below-median multiple of revenue and DEX volumes, but at a premium to HQA (stablecoins and other tokenized RWAs).
- Gaining meaningful market share in tokenized RWAs, and the volumes that move alongside it, could drive SOL to the high end of an illustrative \$169-\$1,109 price range by 2030.
- SGP-0002 (SIMD-0550) doubled the annual disinflation rate to 30%, adding 2.5% to the base case in our illustrative 2030 price range.

Current & Potential Growth Drivers

- Stablecoin supply reached \$15.0B in August with Solana holding 5.2% of the global stablecoin market share.
- Stablecoin lending deposits grew 64% since the last report to \$2.14B, with USDe at \$529M (25% of deposits).
- Tokenized equity supply reached \$518M by 8/31, with cumulative volume of \$9.8B, led by xStocks and Backpack.
- Perps set a single-day record of \$6.4B in volumes in May before normalizing to a \$1B-\$3B range in August.
- Alpenglw is expected in late 2026 and would reduce finality to ~150ms, bringing Solana closer to Web2 infrastructure on latency.

Key Risks

- Revenue quality remains a question, as application fees are concentrated in memecoin-based apps: Pump.fun accounted for 37% of application revenue from 5/1 to 8/31. Less cyclical use cases are scaling but remain relatively small.
- L1 competition is intensifying, with purpose-built chains and Hyperliquid chasing liquidity and developer mindshare.

Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

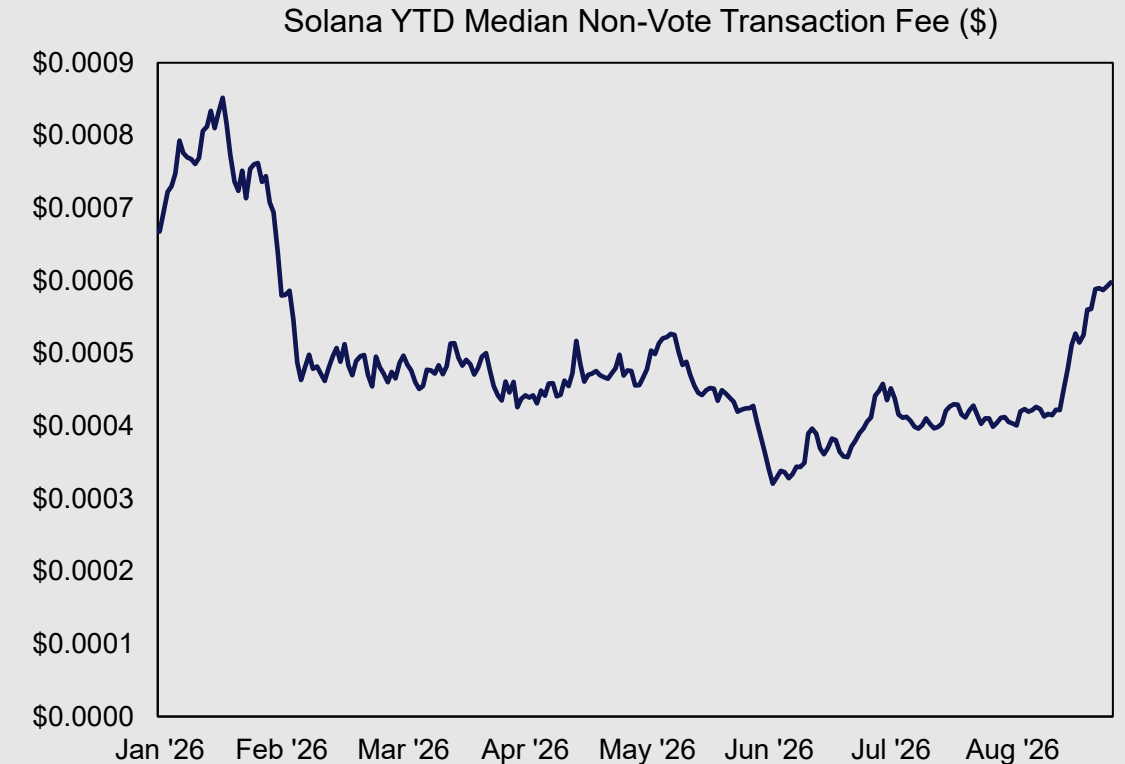
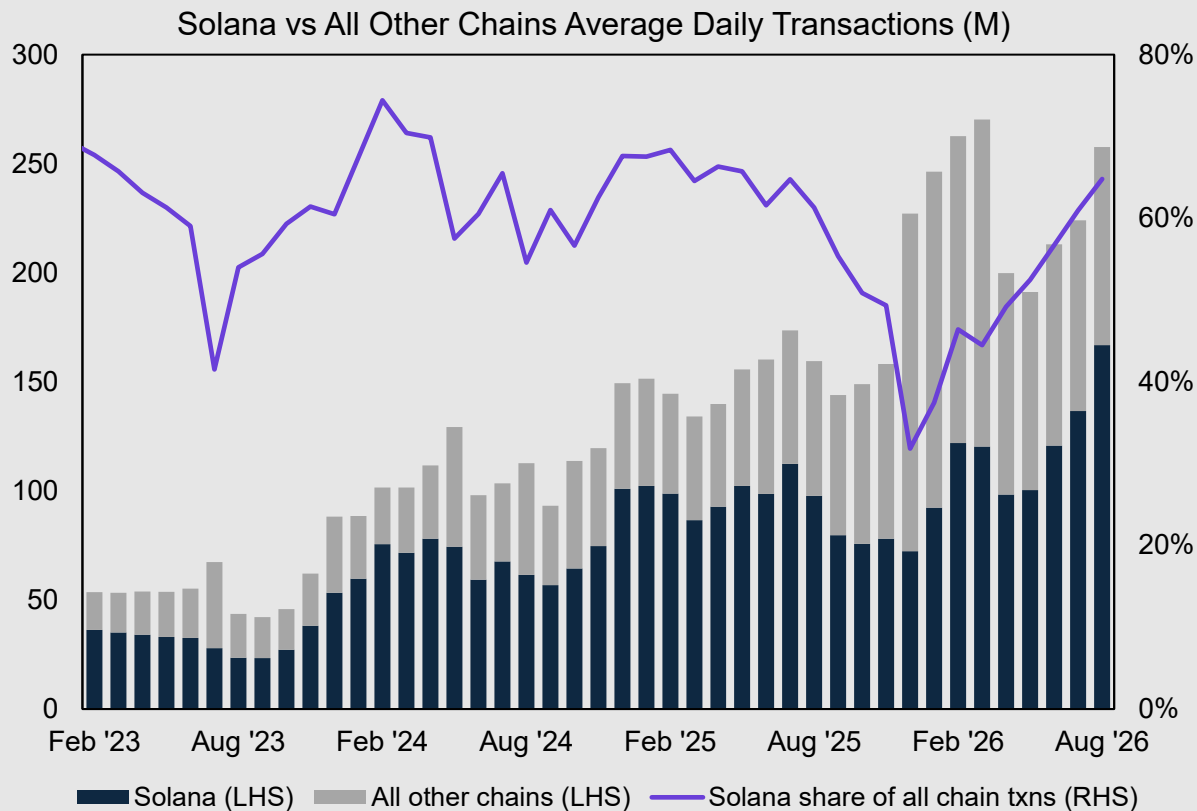
4 Network Upgrades

5 SOL Token Overview and Financials

6 Appendix

Network Snapshot: Record Throughput, Low Fees

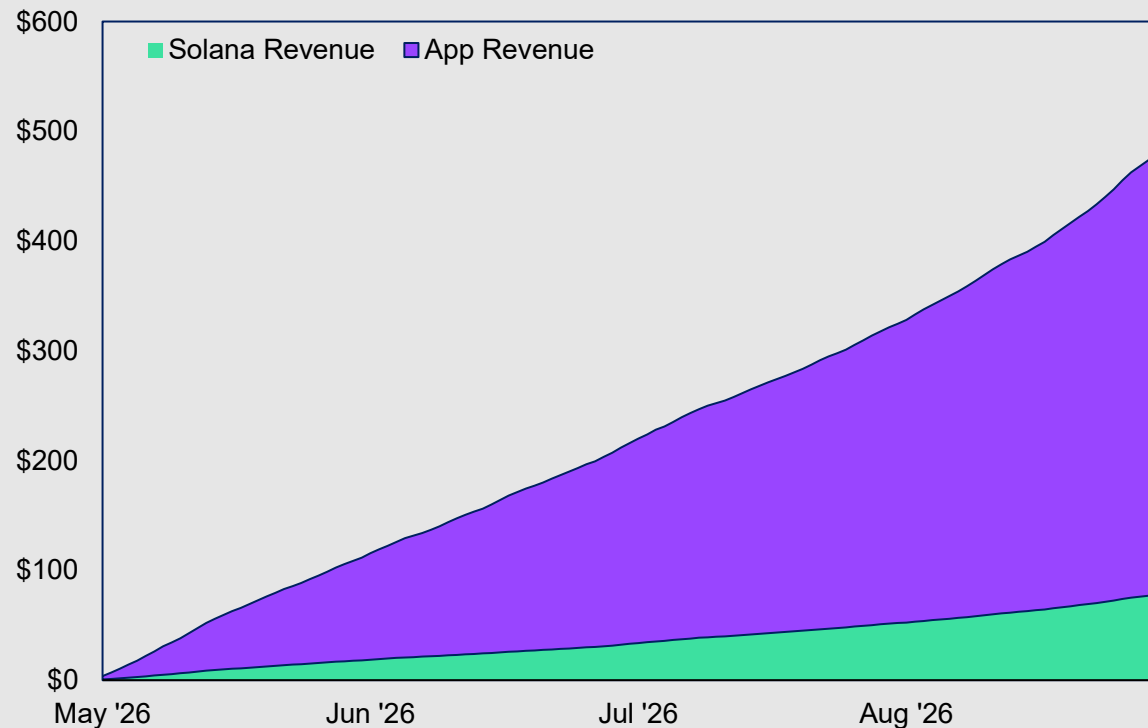
- Solana averaged 167M total non-vote transactions per day (including failed) in August 2026, 22% above the prior peak of 137M in July.
- At 29.1B non-vote transactions and \$0.00046 median fee YTD, Solana processed roughly as many daily transactions as all other chains* combined YTD at a fraction of the cost per transaction.



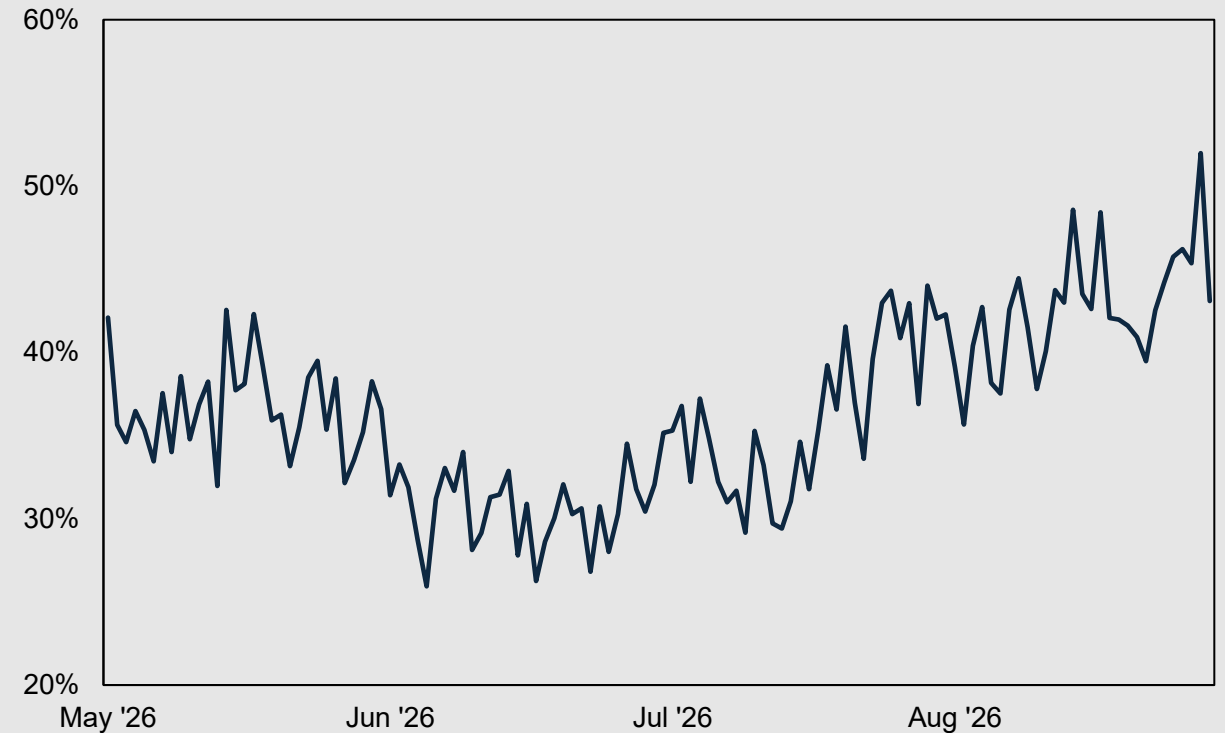
Network Snapshot: App Revenue Outpacing Other Blockchains

- Solana continues to lead total application revenue across all L1 blockchains, generating \$397M in app revenue from May through August.
- Revenue remains concentrated in memecoin-based applications, primarily Pump.fun, which accounted for 37.1% of application revenue from May through August. Fomo, a cross-chain application that supports a broader range of assets but has recently contributed to Solana's memecoin activity, has drawn significant attention since launch, accounting for 17% of Pump.fun's total volume in August 2026. See slide 8 for additional data on Fomo.

Cumulative Solana Ecosystem Revenue (\$M)

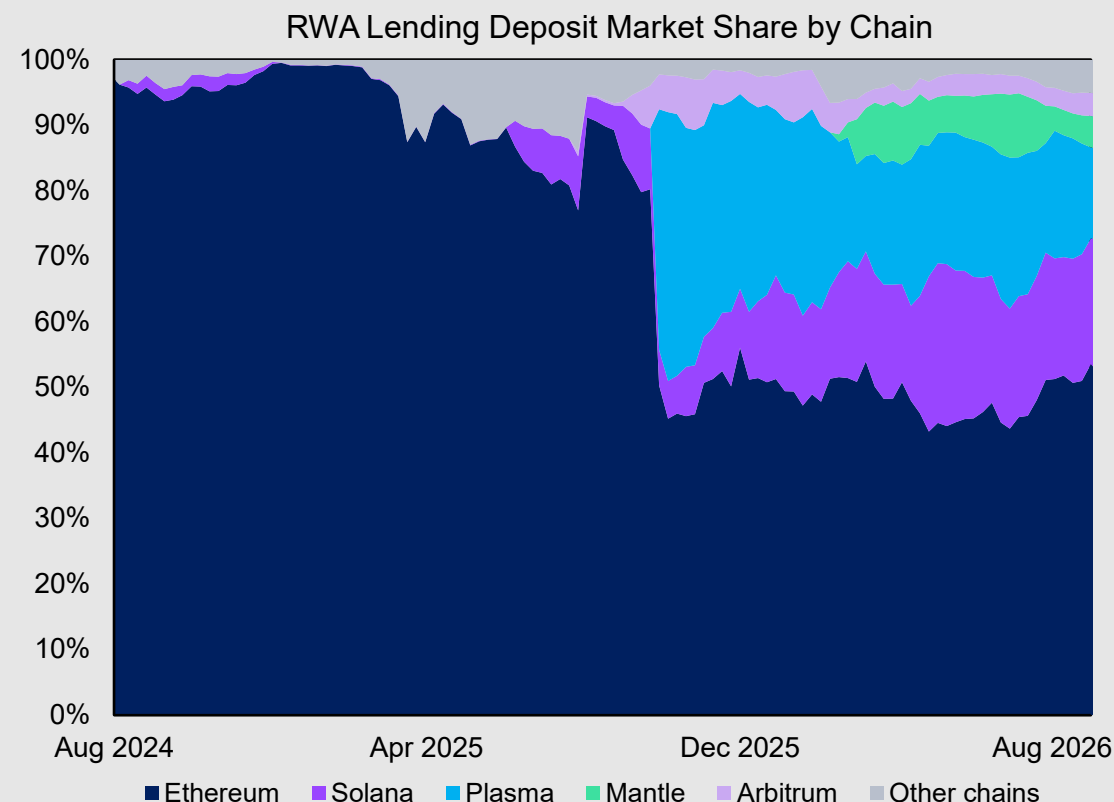
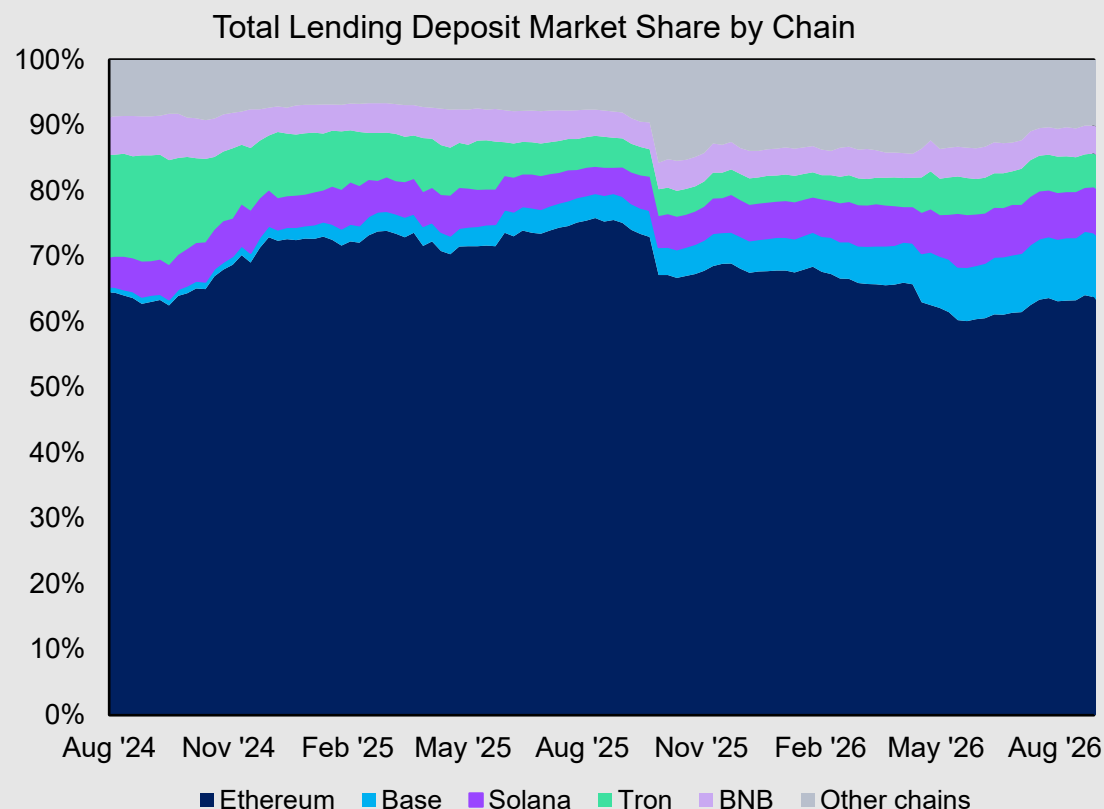


Pump.fun Share of Solana App Revenue



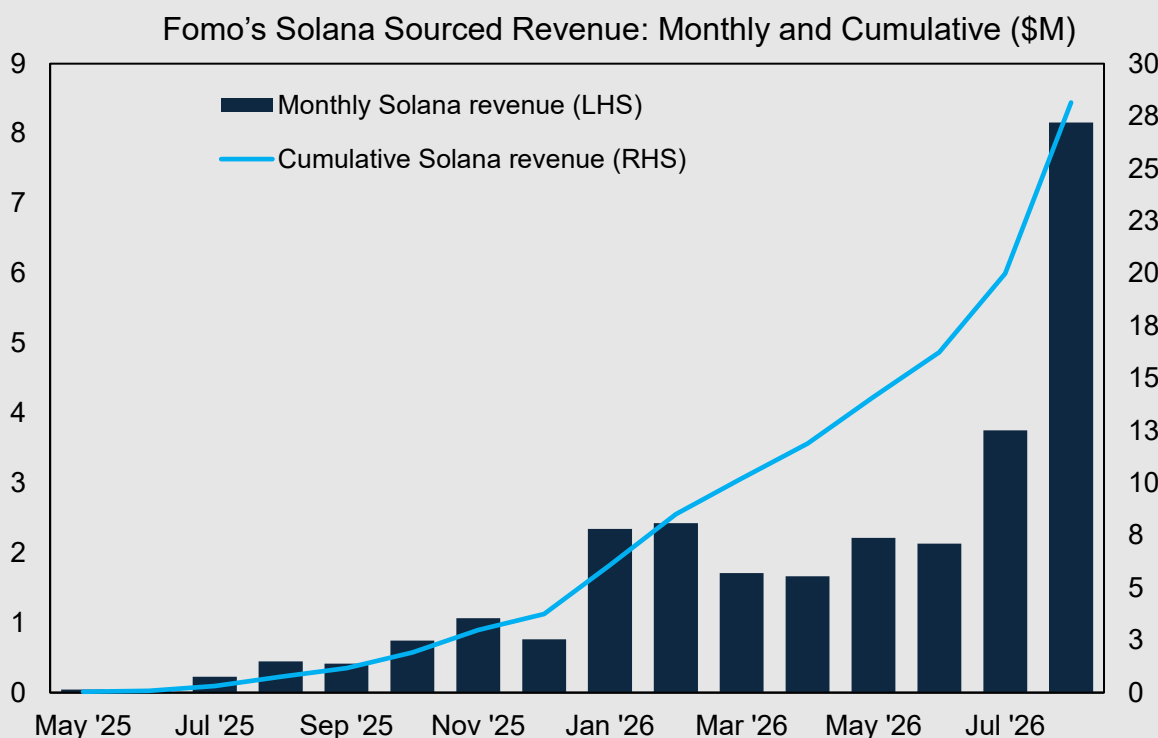
Network Snapshot: RWA Lending Driving Market Share Increase

- Borrow demand remains muted across DeFi, with lending deposits down 24.3% YTD. Solana proved comparatively resilient, contracting just 4.9% and expanding its share of the market from 5.5% to 6.9%.
- Solana's real-world-asset deposits grew 8.4%, lifting its share of RWA collateral from 15.6% to 19.2%. This was driven in large part by OnRe (tokenized reinsurance), whose ONyc collateral has grown rapidly on Kamino, where its market reached \$196M at the end of August.

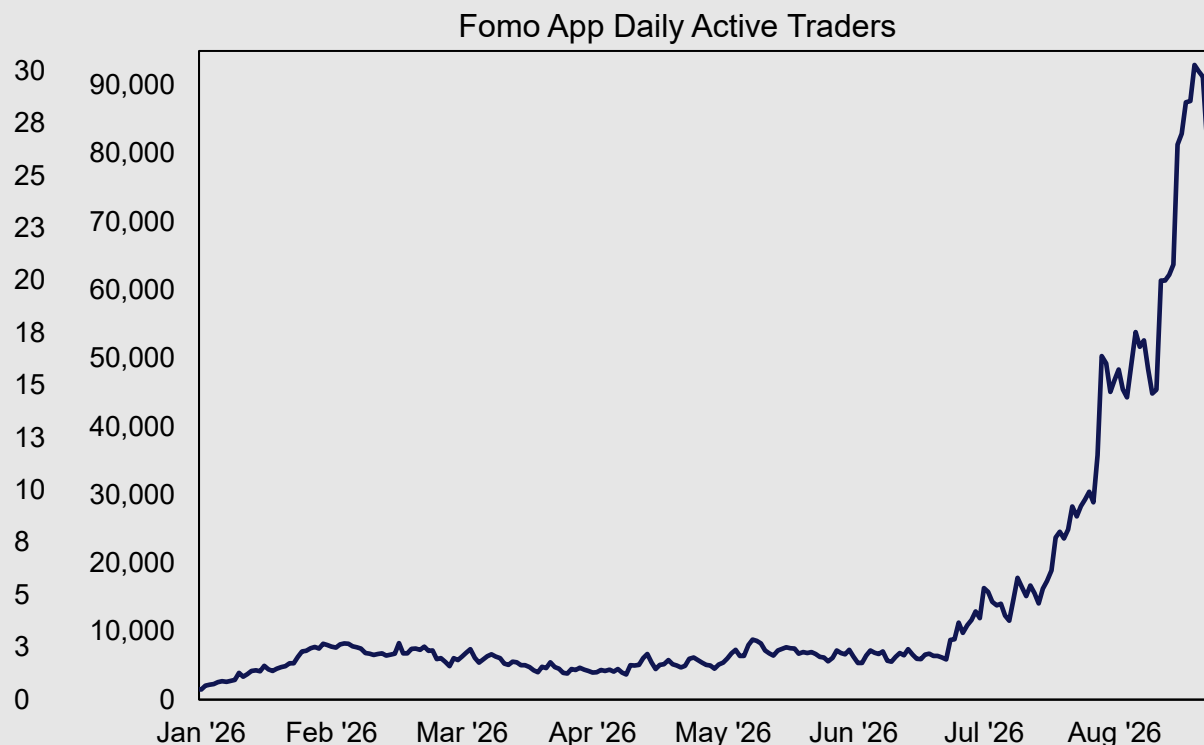


Network Snapshot: Fomo Providing New Distribution Channel

- Fomo is a cross-chain social trading app that lets users follow individual traders, see each position alongside its trade rationale, then copy the trade in-app. By combining asset discovery, social signals and execution in a streamlined interface, Fomo has become a meaningful distribution channel for on-chain markets, particularly on Solana.
- Daily active traders reached approximately 90,000 in August 2026. Solana-sourced revenue reached \$588,000 in a single day in early August and passed \$28M cumulatively between May 2025 and August 2026.

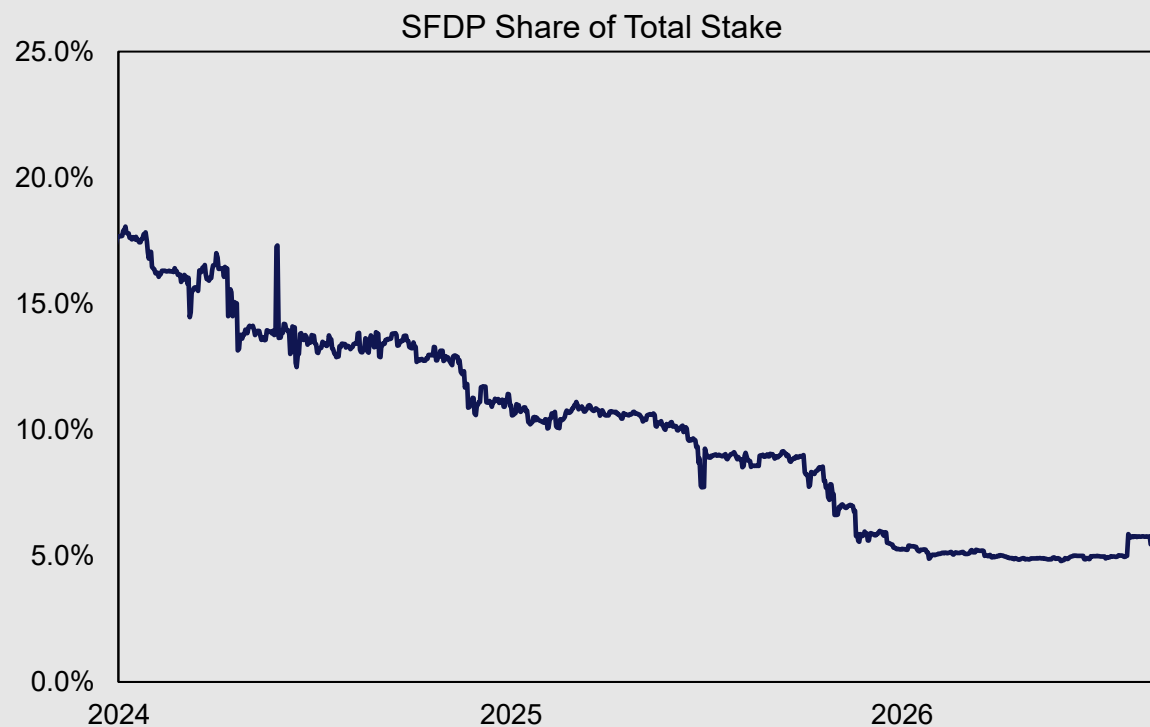
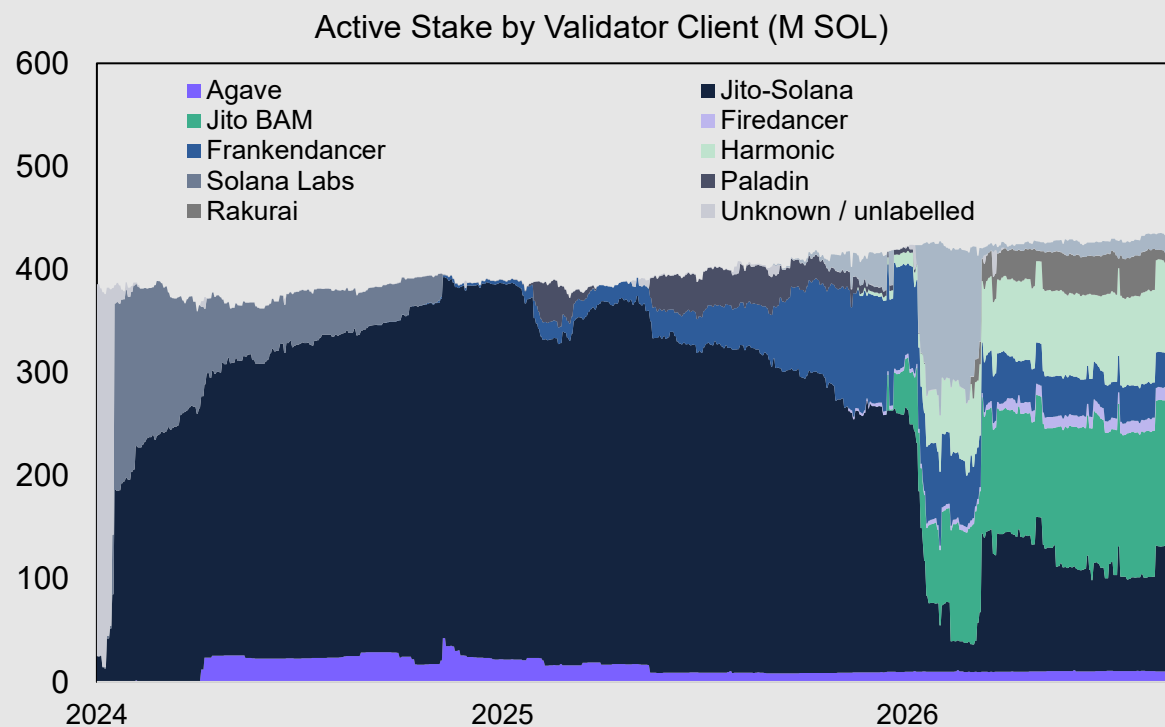


Source: Blockworks, Fomo, Fundstrat



Network Snapshot: Validator Software Mix Broadens

- The largest reported client's share of active stake fell from 57% in October–December 2025 to 32% in May–August 2026. The chart on the left includes forks and block-builder clients alongside independent implementations such as Agave and Firedancer, so a broader mix does not directly measure lower shared-code failure risk.
- SFDP's share of total staked SOL fell to 5.4% in Q2 2026, down from 21% in mid-2022 and 8% a year earlier. Foundation support also extends beyond SFDP, with some stake shifting to strategic delegations that support specific initiatives and partners.



Network Snapshot: Minor Gains in Stablecoin Market Share

- Stablecoins remain the clearest product-market fit in crypto, and supply on Solana proved relatively durable through the YTD drawdown, suggesting balances are being held for on-chain use rather than redeemed into fiat.
- Solana's stablecoin supply averaged \$15.0B in August 2026, up 5% from \$14.3B in May, gaining share while aggregate supply across chains declined 4%. Its share of global stablecoin market capitalization increased to 5.2% from 4.7%.
- The combination of rising relative supply and declining DEX turnover suggests Solana's stablecoin growth is becoming less dependent on trading activity, indicating a potentially broader and more durable on-chain liquidity base.

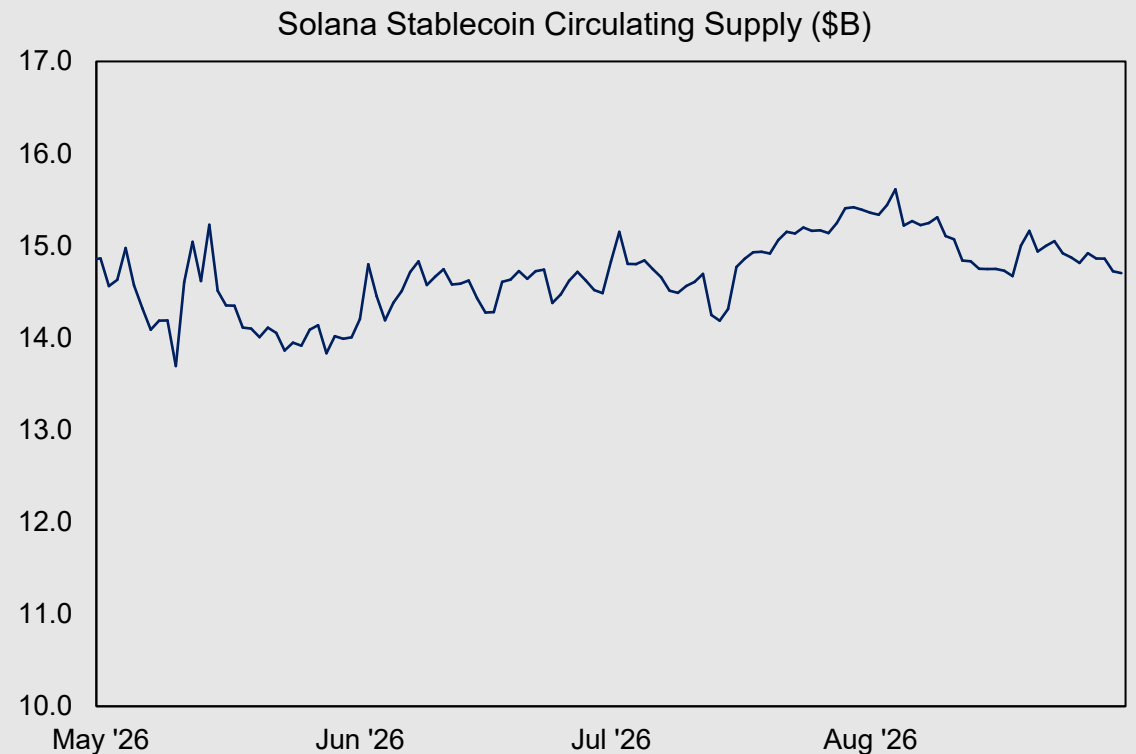


Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

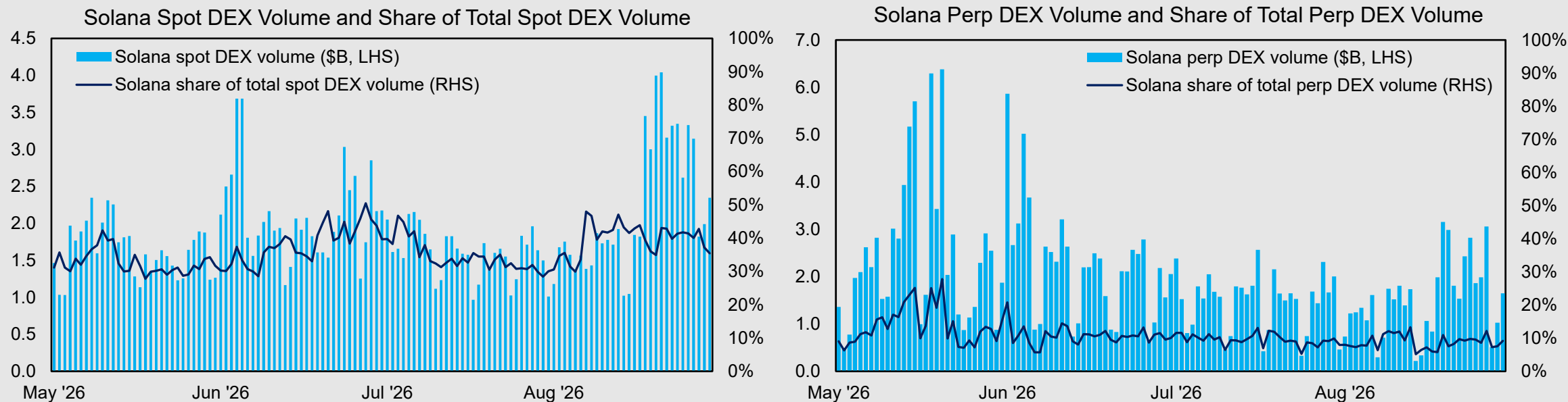
4 Network Upgrades

5 SOL Token Overview and Financials

6 Appendix

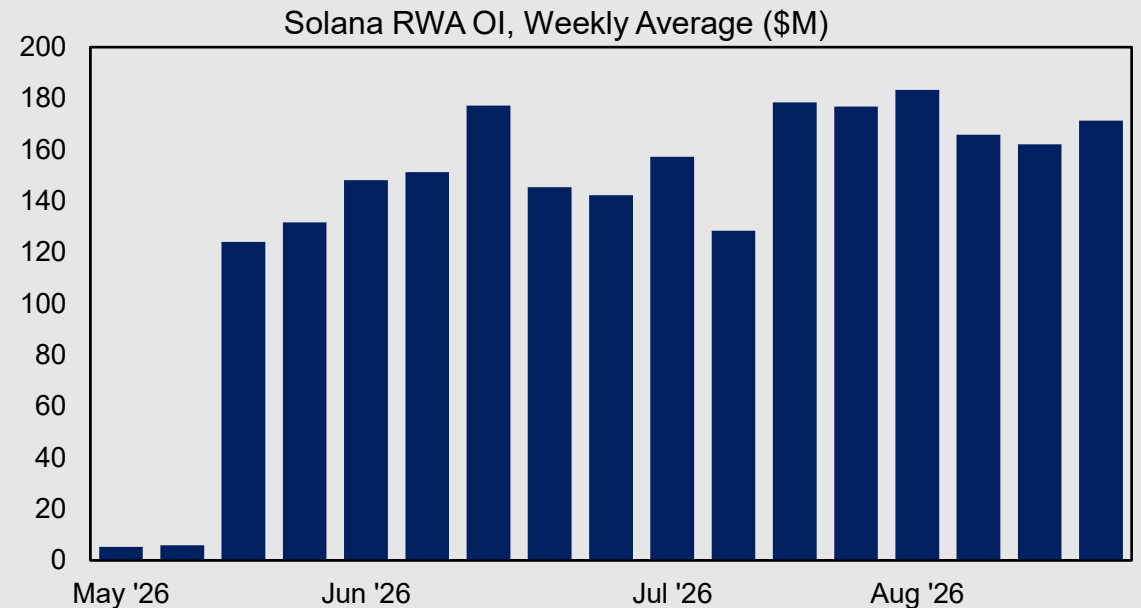
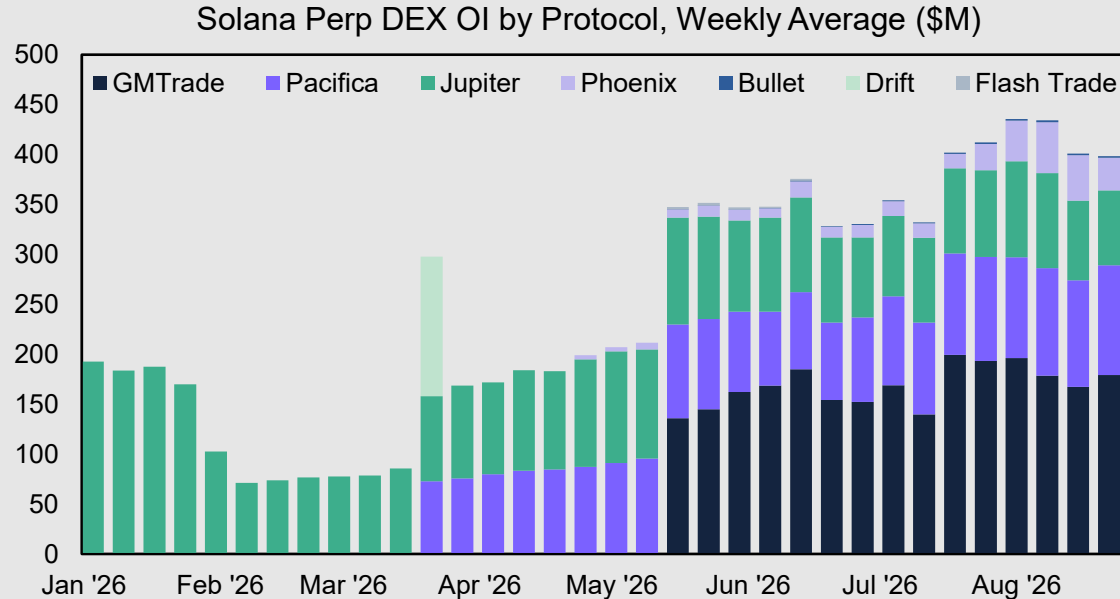
Perps: A Market-Structure Problem

- A spot swap is a simple token transfer and tolerates noise in transaction ordering. A perpetual futures (“perps”) order book does not. Market makers need to post a quote and reliably cancel it before newer information arrives, or they quote wide or not at all.
- On a general-purpose chain, one validator at a time assembles each block and controls the order of transactions inside it. That validator can reorder, delay, or front-run, and verifying what it did is difficult. Makers price that risk into every quote.
- Application-specific venues removed the problem by taking control of sequencing themselves, either by building a dedicated chain or by running their own sequencer. It works, but it trades an open validator set for a smaller, trusted operator.
- The result is a gap on Solana between spot and perps. Solana leads all chains in 30-day DEX spot volume with 35% global share, yet only about 9% of perp-DEX trading volume.



Perps: Validators Fixed, Progress Observed

- Validator behavior has improved, and the tools to hold it there are now in place. The Foundation's delegation program polices a 50ms scheduling rule, 35% of stake runs BAM where transaction ordering is attested and verifiable on-chain, slots are down from 400 to 250ms, and Alpenglow (~150ms finality) should activate in Q4.
- There has been observable progress YTD. Solana perp DEX open interest fell from roughly \$530M in September 2025 to a low of near \$85M in February. It has since rebuilt to the \$400–460M area. Phoenix (Ellipsis Labs) is the most notable test case thus far. It runs an on-chain orderbook and its open interest has grown from \$2M when it came online in late April to \$33M at the end of August. Depth is the gap that Solana needs to fill. Phoenix is currently 0.4% of Hyperliquid's OI.



Sources: Defillama, (7-day averages are Fundstrat calculations), Solana Foundation Delegation Program criteria, Jito Q2 2026 report, Harmonic, Anza, Solana Compass, Ellipsis Labs, Phoenix and Hyperliquid fee documentation, Blockworks Research, Crypto Briefing, CoinDesk.

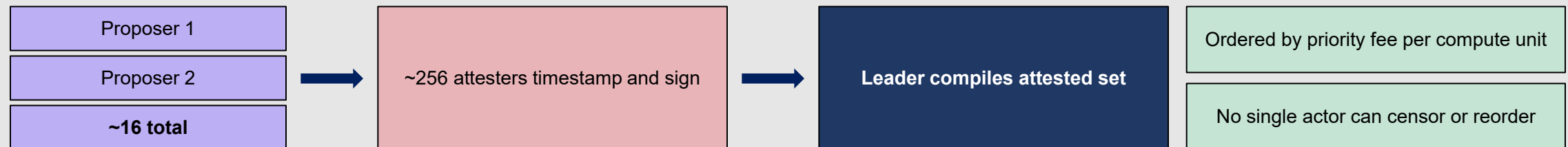
Perps: MCP as a Possible Major Unlock

- Multiple Concurrent Proposers (MCP) replaces the single block builder with multiple. Anza's "Constellation" has ~16 validators propose at once, merged every 50ms by a fixed rule that ranks transactions by fee per unit of compute. Fees go to the whole validator set, so no one validator can sell queue position or leave a transaction out.
- The unlock is enforced ordering without trusting anyone. Today's guarantees rest on a Jito-run sealed box on a third of stake and Foundation policing of the rest, the same trade application-specific venues make by shrinking to one operator. MCP puts the guarantee in the protocol on an open validator set.
- In terms of timing, the whitepaper is from March 2026, there is no SIMD or testnet, and Anza's roadmap targets an initial MCP implementation in 2026. However, given the remaining dependencies, a full Constellation rollout slipping into 2027 appears plausible.

Currently: Single Leader

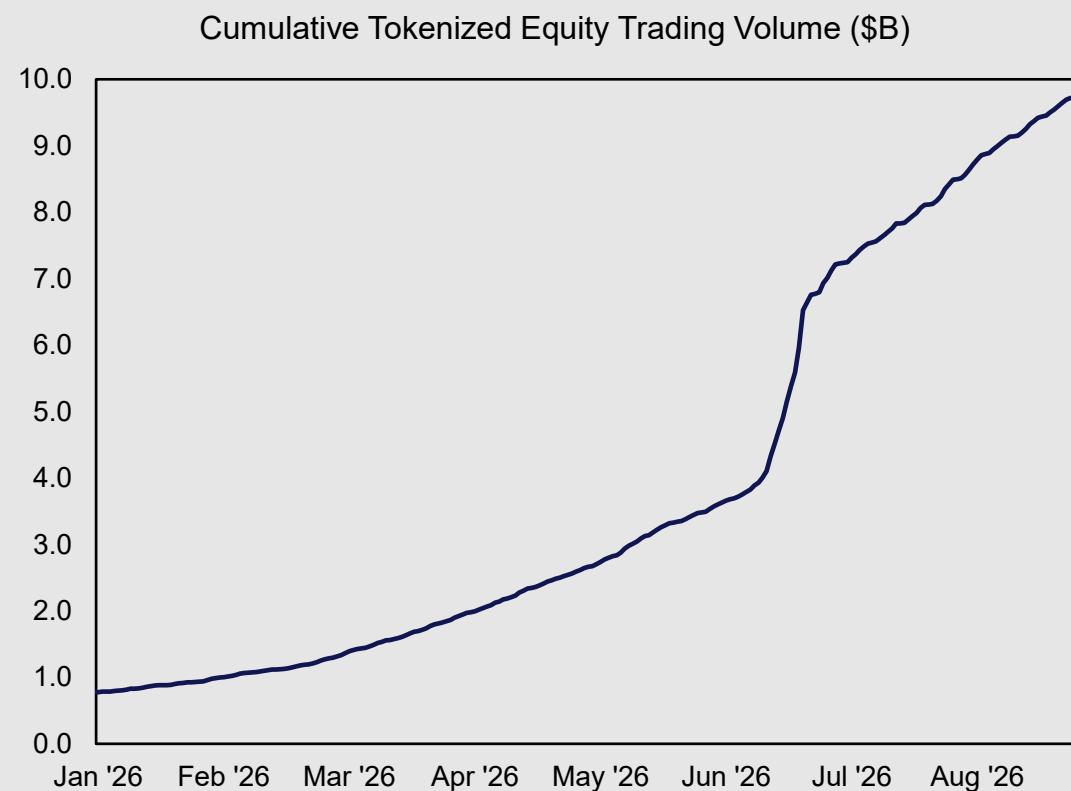
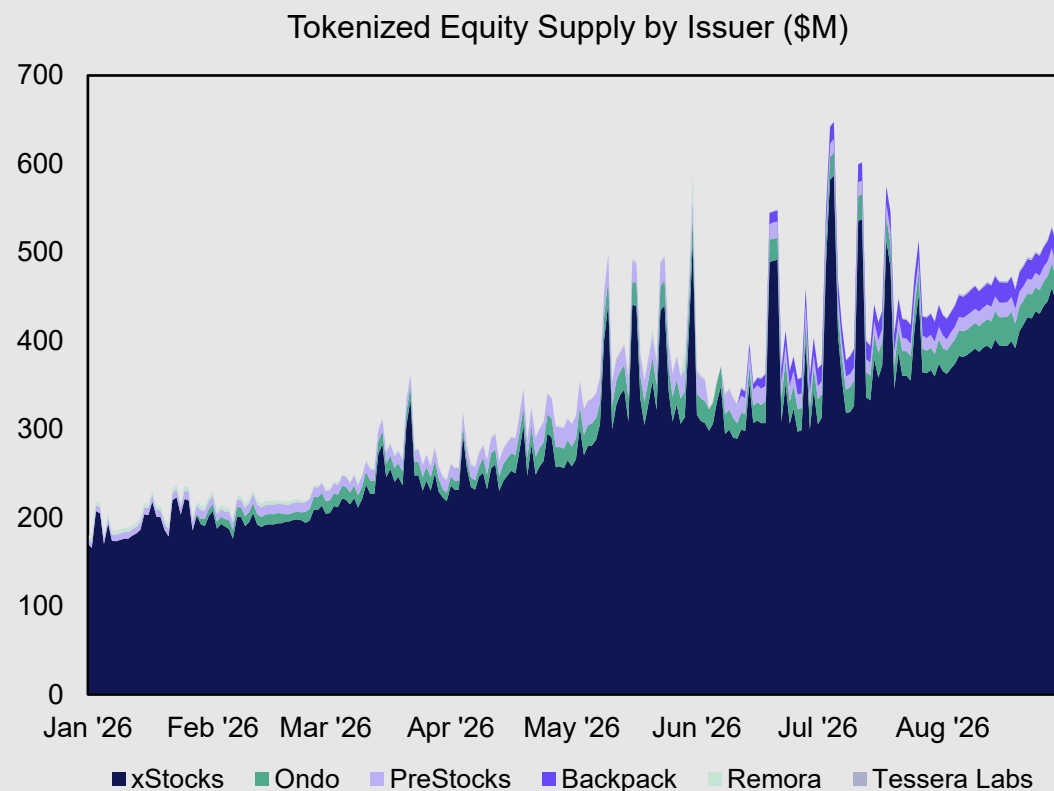


Constellation: Multiple Concurrent Proposers



Tokenized Stocks: Tokenized Equities See Record Trading Volume

- Tokenized equities are a key pillar in expanding the pool of high-quality assets (HQA) on-chain, allowing less cyclical, non-crypto exposure to serve as collateral on lending protocols and as tradable exposure alongside endogenous cryptoassets. See Appendix B for the on-chain finance flywheel framework.
- Solana saw a surge in supply and issuers YTD, with tokenized equity supply reaching \$518M by 8/31, up from \$200M in January, led by xStocks, while cumulative trading volume surpassed \$9.8B, led by Backpack.



Tokenized Stocks: Different Flavors of Tokenized Equities

- “Tokenized equities” covers three different instruments: native shares (GLXY/BLSH), redeemable claims on a custodied share (Backpack), and a collateralized wrapper with no direct shareholder rights (xStocks).*

Feature	Native Shares (GLXY / BLSH)	Custodial Claim (Backpack Securities)	Collateralized Wrapper (xStocks)
Legal structure and ownership			
What the token represents	Actual shares on-chain	Tokenized claim on SPV, redeemable into underlying security	1:1 collateralized tracker cert.
Token created by	Issuer / transfer agent	Backpack Securities	Backed Assets SPV (Jersey)
What you legally own	Actual common or ordinary share	Claim on a custodied security	Bearer debt / tracker certificate
Legally a shareholder?	Yes	Not directly while holding token	No
SPV or wrapper?	No tracker SPV required	Yes	Yes, Jersey issuer SPV
Transfer agent role	Central to the architecture	Not direct-registration	Not central to ownership
Backing and corporate actions			
1:1 backing	N/A, token is the share	Yes, custodied 1:1	Yes, stock / ETF collateral
Redeem for real share	Yes, token to book entry	Yes, into the underlying brokerage security entitlement, subject to eligibility/KYC	Yes for onboarded primary-market clients
Voting rights	Yes	No direct voting rights while tokenized	No
Dividends	Normal corporate action	Auto-reinvested into tokens	Net dividends reinvested, reflected through balance adjustments
Access and transferability			
Wallet transfers	Yes, to allowlisted wallets	Broad Solana wallet support	Permissionless
KYC to hold	Yes, wallet allowlisting	Depends on access route	No wallet-level KYC for secondary transfer
Assessment			
Counterparty risk	Transfer-agent operational risk, no wrapper exposure	SPV + brokerage / custody chain	SPV + broker + collateral
Advantage	Direct legal ownership and shareholder rights	Integrated brokerage-to-token conversion	Broad on-chain access and DeFi composability
Weakness	Allowlisting limits composability	No vote; intermediary claim	No shareholder rights at all

Tokenized Stocks: HQA Collateral Base Increasing

- Tokenized equity deposits into lending protocols rose 100% since May, led by QQQx, FWDI, and SPYx. Both legs of the high-quality asset base, stablecoins and tokenized RWAs, grew over the quarter, tying credit growth to collateral that is less exposed to the crypto cycle.
- Stablecoin lending deposits grew 64% since May to \$2.14B in August, expanding even as lending deposits/borrows across chains fell.
- The composition of that base turned over materially. USDC's share fell 21pp to 34% while Ethena's USDe scaled from an immaterial amount to \$529M, roughly 25% of deposits, after Jupiter launched a dedicated USDe lending market with Bitwise as the curator.

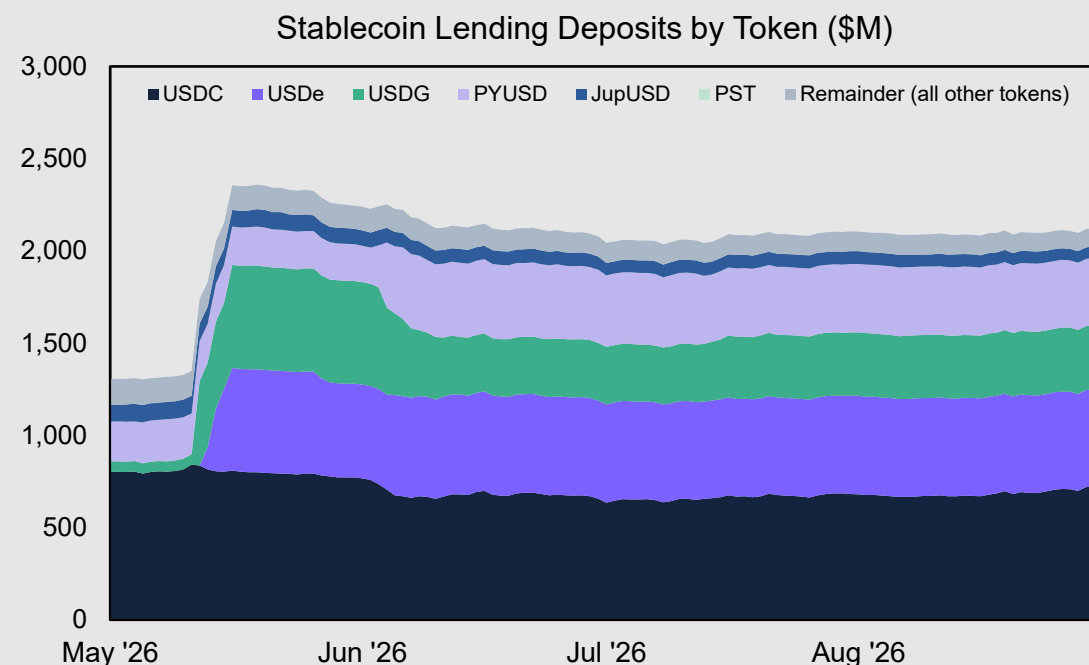
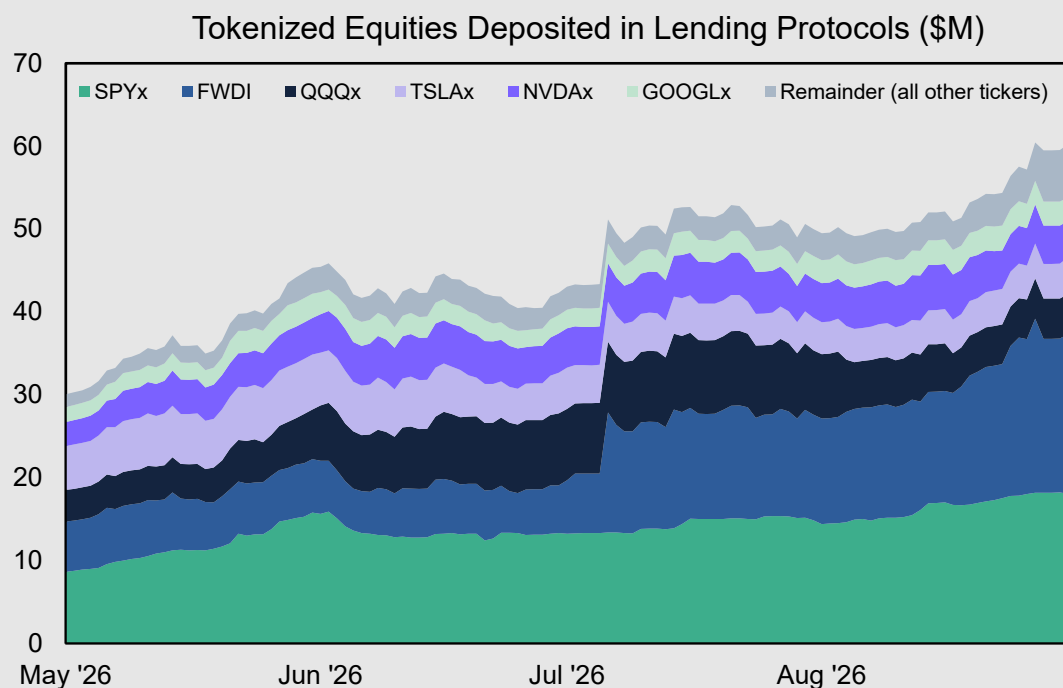


Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

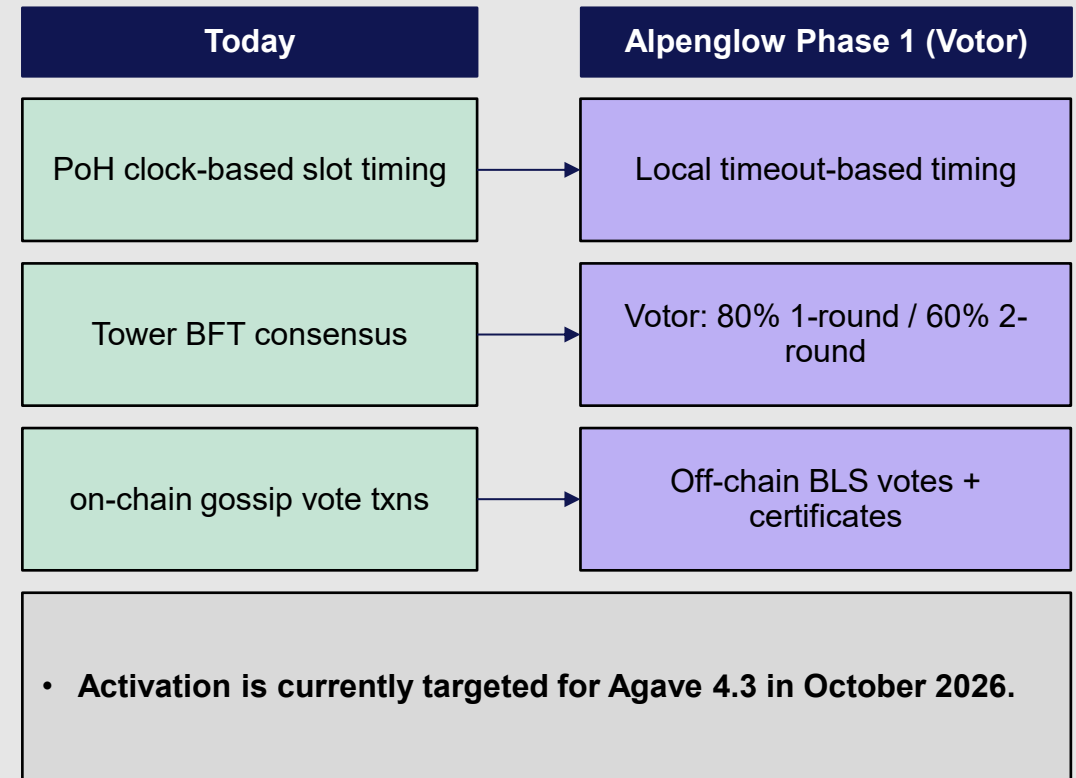
4 Network Upgrades

5 SOL Token Overview and Financials

6 Appendix

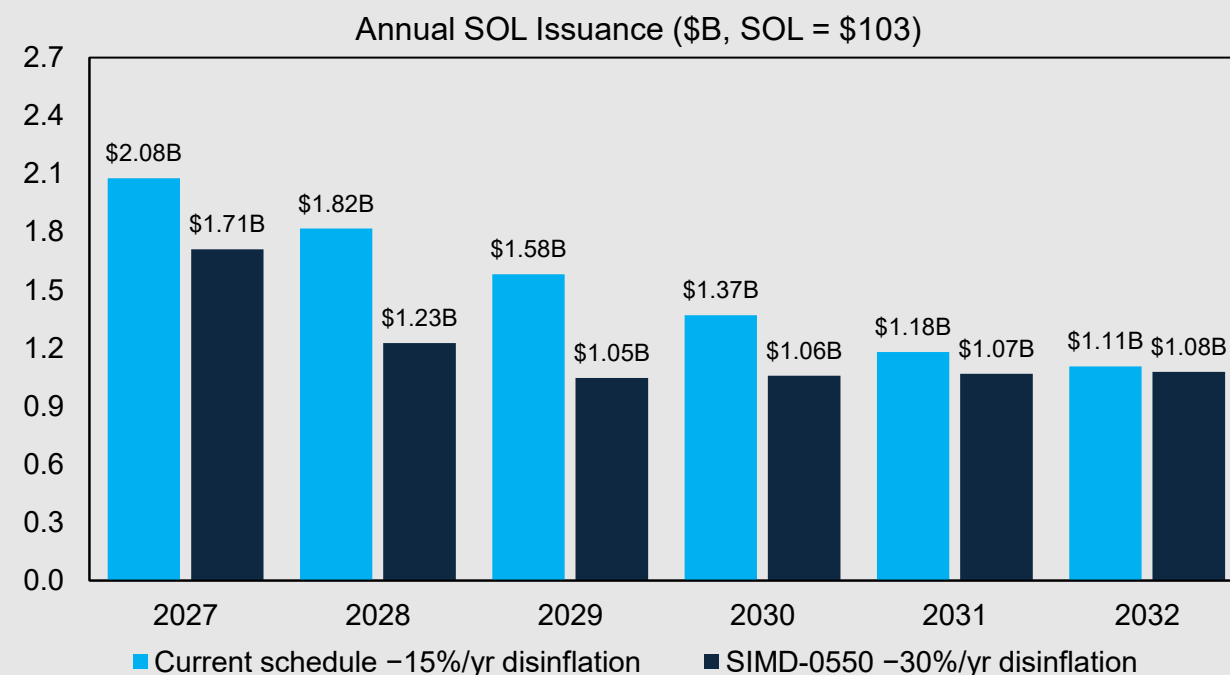
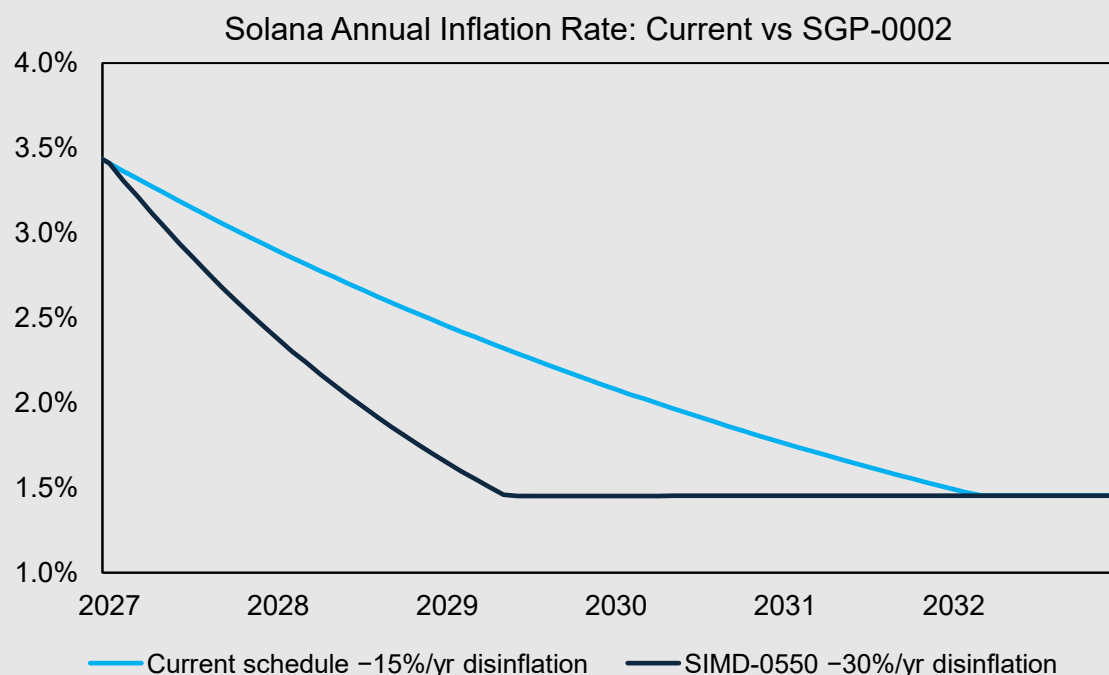
Network Upgrades: Alpenglow Moving Closer to Activation

- Alpenglow (SIMD-0326), approved in September 2025 with 98.3% support, is a major redesign of Solana's consensus process. The first phase replaces Tower BFT with Votor, targeting 150ms finality vs 8 seconds today. Turbine will remain in place initially, while Rotor will be introduced separately (see Appendix A for additional commentary on pre-Alpenglow architecture).
- Votor moves validator voting off-chain and combines votes into compact BLS certificates. This removes vote transactions that currently consume a large share of block space. Validators instead pay a 1.6 SOL-per-epoch admission fee, and the active validator set is capped at 2,000.
- Several prerequisites are already live. BLS pubkey registration went live on July 8th and Validator Admission Ticket gating followed on July 22nd, though neither activates Alpenglow itself.
- Implementation is progressing toward activation. Agave 4.2 shipped the Alpenglow code with activation disabled in July.



Network Upgrades: Disinflation Vote Passes

- On August 28, 2026, Solana validators and stakers voted to double the disinflation rate of Solana, passing SGP-0002 (the formal proposal that tracks SIMD-0550). The annual disinflation rate doubles from 15% to 30%, leaving the 1.5% terminal floor unchanged.
- The change pulls the floor forward to 2029 from 2032, removing an estimated 18.9M SOL of issuance through 2032.
- The new inflation schedule, which we assume begins January 2027, removes a theoretical \$1.95B in supply-side pressure from the market (spot = \$103). While there may eventually be some validator churn from the reduced inflation, we view this as a healthy development that shifts the focus toward real earnings for validators vs. earnings subsidized via inflation. See Section 5 for the impact on our SOL price framework.



Network Upgrades: Other SIMDs Target Latency and State Costs

- Beyond the supply proposal, three technical upgrades in Agave 4.2 target lower latency, lower state costs, and larger transactions. SIMD-0525 has already reduced mainnet slot times from 400ms to 250ms, while SIMD-0437 rent reduction had its first stage activated in early September along with SIMD-0296's larger transaction format. Commentary below reflects proposal text.

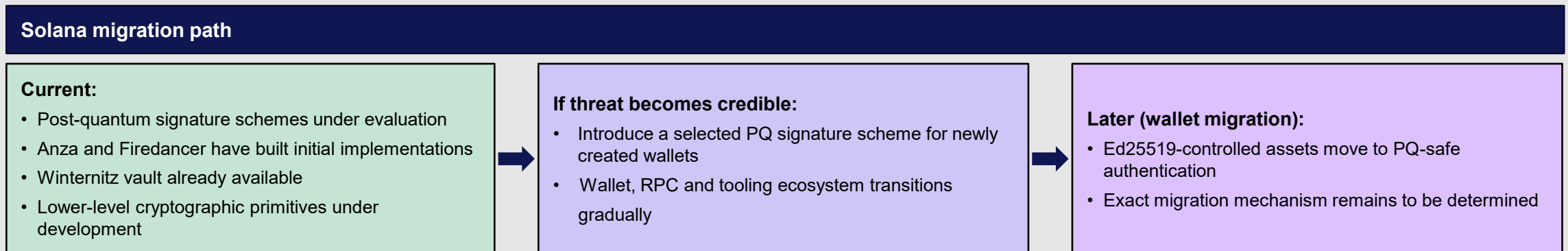
Current		Proposed/Activated
SIMD-0525: Slot Times 250ms target slot time; probabilistic pacing across 432,000-slot epochs	➔	200ms Target Slot Time Four feature-gated steps (350, 300, 250, 200) with faster confirmation and finer granularity for oracles and market makers
SIMD-0437: State Costs 6,960 lamports_per_byte deposit to allocate account state	➔	696 Lamports Per Byte Five steps (6,333, 5,080, 2,575, 1,322, 696) roughly a tenfold cut in the deposit to allocate state
SIMD-0296: Message Size 1,232-byte IPv6 MTU ceiling used since launch	➔	Higher Message Ceiling Larger messages (4,096 bytes) may improve delivery efficiency and provide throughput headroom as activity grows

Network Upgrades: Preparing for Quantum Risk

- Most blockchains rely on elliptic-curve signatures to prove ownership of assets. A sufficiently powerful quantum computer running Shor's algorithm could derive a private key from its public key, allowing an attacker to sign transactions and take control of exposed funds. Google's March 2026 research materially lowered the estimated resources required for such an attack.
- [Google estimates](#) that breaking 256-bit elliptic-curve cryptography could require fewer than 500,000 physical qubits, roughly 20x fewer than prior estimates. The necessary hardware does not exist today, but the lower estimate increases the importance of preparing migration paths well before it does.
- Solana currently uses Ed25519 signatures, which are not quantum-resistant. Anza and Firedancer have independently researched post-quantum alternatives and are evaluating signature schemes that keep signatures small enough for Solana's throughput.
- Quantum-resistant protection exists at the application layer. Blueshift's Winternitz Vault lets users place SOL into a program-controlled vault secured by hash-based one-time signatures rather than Ed25519. It protects assets held in the vault, but it is not a network-wide upgrade and the signing keys must be rotated after each spend.

Network Upgrades: Quantum Resistance Migration Path

- Solana does not currently have a scheduled post-quantum migration, but the developer community has done considerable research and planning. The Foundation's contingency plan is to continue researching post-quantum signatures today, introduce them for new wallets if quantum risk becomes a credible threat, and migrate existing wallets thereafter. No signature scheme or activation dates have been finalized.



Solana's Progress on Quantum Tracks or Exceeds Peers

Network	Current progress	Status
Solana	Post-quantum signature schemes under research by Anza and Firedancer; Winternitz vault live; scheme-specific syscall paused in favor of broader crypto primitives	Research and readiness; no migration date
Bitcoin	BIP-360 proposes P2MR to reduce long-exposure quantum risk and prepare for future PQ signatures; BIP-361 outlines a subsequent migration away from legacy signatures	Draft proposals
Ethereum	Dedicated EF post-quantum team; multi-client PQ devnets; hash-based consensus signatures and account-level migration paths in development	Core PQ infrastructure targeted 2029; broader migration later

Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

4 Network Upgrades

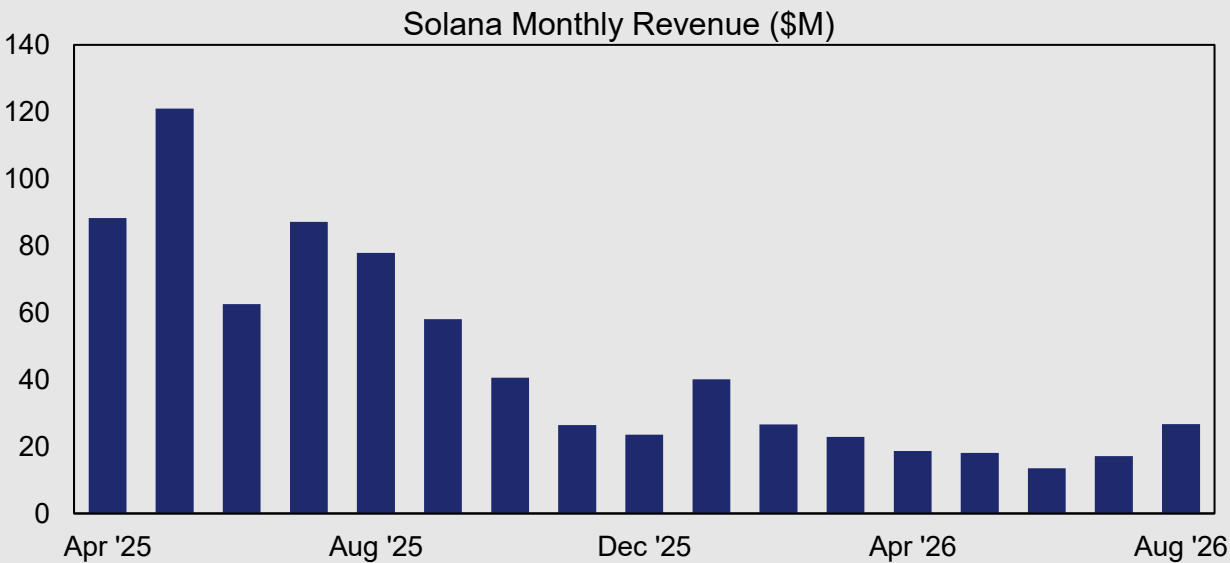
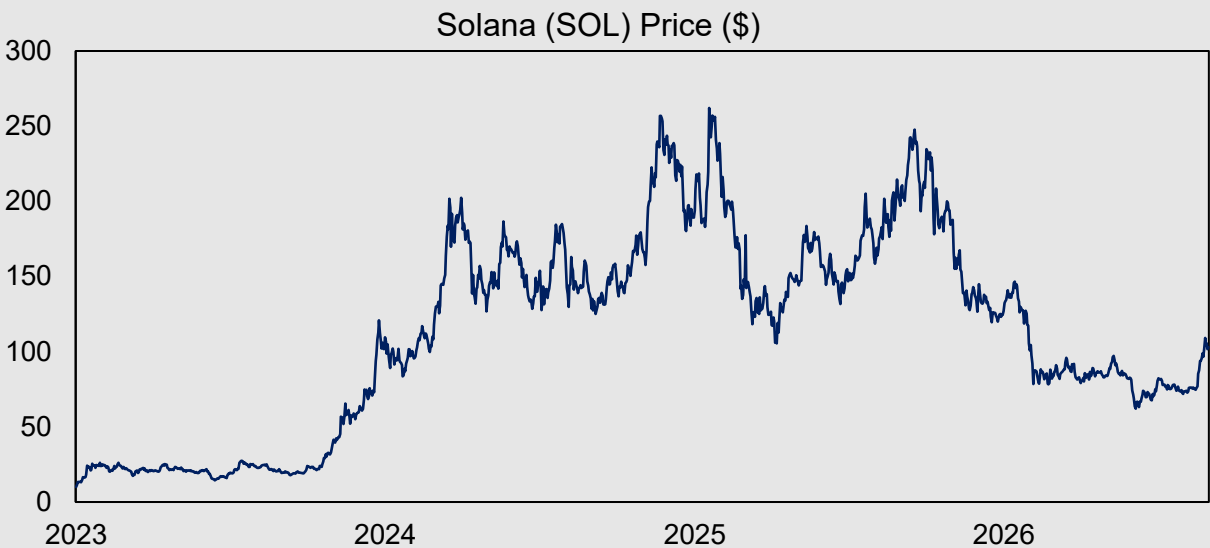
5 SOL Token Overview and Financials

6 Appendix

SOL: Summary

- SOL (the native token on Solana) gained 41% in August to \$103, its first up month in 2026 and 66% above the June low of \$62.

Token Summary	
Date	8/31/2026
Name	Solana
Ticker	SOL
Price	\$103
Market Cap (B)	60.27
Circulating Supply (M)	585.1
Total Supply (M)	644.7
Fully Diluted Valuation (B)	66.41
Float %	91%
Category	Smart Contract Platform
Comparables	ETH, BNB, HYPE
LTM Revenue (M)	336.9
FDV/Revenue LTM	197.1x



Solana: Competitive Analysis

- Solana continues to lead the peer set in economic activity, ranking first in both transactions and spot DEX volume over the last 12 months. Revenue remains comparatively strong, while stablecoin, RWA, and high-quality asset balances continue to deepen.
- Note: RWA = Real-World Asset (non-stablecoin), HQA = High-Quality Assets, FDV = Fully Diluted Market Cap.

Summary Statistics for the 12 Months Ended 8/31/26 (\$M)										Multiples		
Ticker	FDV	Circulating Market Cap	Transactions	DEX Volumes	Revenue	Avg Stablecoin Market Cap	Avg RWA Market Cap	Avg High Quality Assets	% Float	FDV / LTM DEX Volumes	FDV / LTM Revenue	FDV / Avg HQA
SOL	66,407	60,270	38,676	1,178,109	337	15,185	2,190	17,375	91%	0.06x	197.1x	3.8x
ETH	301,009	297,668	760	662,968	226	169,271	17,904	187,175	99%	0.45x	1330.6x	1.6x
BNB	138,228	92,034	5,912	617,958	223	15,446	2,839	18,285	67%	0.22x	620.5x	7.6x
TRX	31,560	31,555	4,076	23,297	367	85,034	NA	85,034	100%	1.35x	85.9x	0.4x
POL	970	970	2,482	86,094	28	3,332	629	3,962	100%	0.01x	34.4x	0.2x
ARB	1,093	730	867	157,525	4	4,099	868	4,967	67%	0.01x	247.6x	0.2x
HYPE*	84,158	18,720	2,781	80,307	705	4,948	13	4,961	22%	1.05x	119.4x	17.0x
SUI	7,265	2,960	1,744	71,381	7	679	19	698	41%	0.10x	974.2x	10.4x
APT	1,125	460	2,368	23,107	1	1,259	230	1,489	41%	0.05x	1035.1x	0.8x
MON	2,664	313	817	18,688	2	350	200	550	12%	0.14x	1392.2x	4.8x
Minimum	970	313	760	18,688	1	350	13	550	12%	0.01x	34.4x	0.2x
Median	19,413	10,840	2,425	83,201	125	4,523	629	4,964	67%	0.12x	434.0x	2.7x
Average	63,448	50,568	6,048	291,944	190	29,960	2,766	32,450	64%	0.34x	603.7x	4.7x
Maximum	301,009	297,668	38,676	1,178,109	705	169,271	17,904	187,175	100%	1.35x	1392.2x	17.0x
SOL	66,407	60,270	38,676	1,178,109	337	15,185	2,190	17,375	91%	0.06x	197.1x	3.8x

SOL: A Fundamental Framework

- Historical and forecast USD P&L for the Solana network. See slide 28 for the valuation framework, and Appendix D for assumptions, definitions and model changes since the last report.

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>										
<u>Asset Base & Economic Throughput</u>										
Total Settlement Volume	1,916,526	187,293	231,048	1,502,785	2,693,991	4,706,124	7,569,016	13,442,573	25,708,920	50,000,000
Avg TVL	3,649	2,448	370	4,697	9,338	15,687	30,276	67,213	171,393	500,000
Capital Efficiency Ratio	525x	77x	624x	320x	289x	300x	250x	200x	150x	100x
<u>Staking P&L</u>										
Protocol Fees	28	26	25	756	683	1,129	1,817	3,226	6,170	12,000
VAT Fees	-	-	-	-	-	-	52	59	59	59
Jito Tips	-	0	4	675	722	1,412	2,271	4,033	7,713	15,000
Network Revenue	28	26	29	1,431	1,405	2,541	4,140	7,318	13,942	27,059
Validator Commissions & Management Fees	14	13	13	469	572	960	1,544	2,742	5,245	10,200
Jito MEV Take	-	0	0	34	39	56	91	161	309	600
Network Expenses	14	13	13	502	611	1,017	1,635	2,904	5,553	10,800
Token Holder Earnings	14	13	16	928	794	1,525	2,505	4,415	8,389	16,259

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 (median) and imply compression into 2030, Solana's higher growth and structurally lower cost base justify a premium, supporting a 20–30x multiple on 2030E 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 \$169 to \$1,109 per SOL. Analysis is for illustrative purposes only.

Ticker	Company	P/E (2026)	P/E (2027)	P/E (2028)
ICE	Intercontinental Exchange Inc.	19.2x	17.7x	15.8x
CBOE	Cboe Global Markets, Inc.	20.5x	19.3x	17.7x
NDAQ	Nasdaq, Inc.	22.3x	19.7x	17.3x
CME	CME Group Inc.	22.4x	21.2x	19.8x
V	Visa Inc.	27.8x	24.4x	21.5x
MA	Mastercard Incorporated	28.3x	24.5x	21.0x

Low	19.2x	17.7x	15.8x
Median	22.4x	20.5x	18.8x
Average	23.4x	21.1x	18.9x
High	28.3x	24.5x	21.5x

Trading Data	
Date	8/31/2026
SOL Price	\$103
Fully-Diluted Supply (M)	645
SOL Fully-Diluted Market Cap (M)	\$66,407

Illustrative Valuation			
Scenario	Base	Bear	Bull
2030 Earnings (M)	\$16,259	\$5,878	\$25,318
P/E Multiple	25.0x	20.0x	30.0x
Implied Fully-Diluted Market Cap (M)	\$406,483	\$117,562	\$759,543
Projected Total Supply (M)	691	695	685
Implied Price Per SOL	\$588	\$169	\$1,109
Illustrative Cumulative Return	471%	64%	977%

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 (2025-2030)	1.9%	2.0%	1.7%

SOL: New Supply Schedule Sensitivity

- Holding all else equal, disinflation reduces 2030 year-end SOL supply by 2.5%, naturally lifting implied price 2.5% to \$588 from \$574. On the margin, lower emissions shift value from stakers to non-staking holders.
- Beyond the fundamental uplift within our \$169–\$1,109 scenario range, a 2.5% reduction in supply may have some knock-on effects where reduced sell pressure from stakers leads to more constructive price action.
- The table compares the 2030 outcome for one SOL held today (\$103) under SGP-0002 against the legacy schedule it replaced. The table is static, holding network earnings, the 25.0x multiple and the staking ratio constant.

SGP-0002 Sensitivity (Base Case)			
2030 Metric	No SGP-0002	SGP-0002 Passed	Change
SOL Issuance (\$M)	\$1,370	\$1,058	(22.8%)
Fees Burned (\$M)	\$434	\$434	-
Year-End Supply (M SOL)	708.3	690.8	(2.5%)
2030 Network Earnings (\$M)	\$16,259	\$16,259	-
Earnings per SOL (\$)	\$22.96	\$23.54	2.5%
P/E Multiple	25.0x	25.0x	-
2030 Price per SOL (\$)	\$574	\$588	2.5%
Spot SOL Price Today (\$)	\$103	\$103	-
Illustrative Total Return to 2030*			
Staked	547.9%	542.0%	(5.8pp)
Unstaked	457.1%	471.3%	14.1pp

**2030 price per SOL is 2030 base-case network earnings divided by projected year-end 2030 supply, times a 25x P/E. Each year's issuance is that year's inflation rate times the prior year-end supply; year-end supply adds issuance and subtracts fees burned. No SGP-0002 uses the prior 15% annual disinflation schedule; SGP-0002 Passed uses the approved 30% schedule. Both floor at 1.5% inflation. The staked return assumes 1 SOL staked on 8/31/2026 with all rewards restaked through 2030. Staking yield is the issuance rate divided by the 70% of supply staked, less a 3% validator commission, so 1 SOL grows to 1.16 SOL without SGP-0002 and 1.12 SOL with it. The unstaked return assumes the holder keeps 1 SOL. Returns are measured from the \$103 spot price on 8/31/2026 and are illustrative, not a forecast; return changes are shown in percentage points.*

SOL: Key Catalysts to Watch

Disinflation Activation

- SGP-0002 (SIMD-0550) passed on 8/28/2026 with 67.0% support against a 66.7% threshold, doubling annual disinflation from 15% to 30%. While the removal of subsidies may result in validator churn, it shifts the network's focus to real yield and reduces supply overhang.

Alpenglow Activation

- If Alpenglow ships to mainnet on schedule in October 2026, finality drops from 8s to 150ms, better positioning Solana to compete with traditional (non-blockchain) infrastructure.

HQA Collateral Flywheel

- If high-quality assets (HQA) continue to scale on-chain, improved collateral quality supports deeper lending and trading, which may attract incremental HQA and compound the base.

Prediction Markets

- While not addressed in depth in this report, prediction markets could be a source of growth for the network. If prediction market volume scales on Solana, it adds event-driven activity that is less correlated with token speculation and broadens the fee base beyond financial asset trading. World.xyz is a closely watched prediction market application that launched in July 2026.

Perp DEX Liquidity

- If Alpenglow's 150ms finality ships, faster settlement and liquidation lower the risk market makers carry per quote on perp DEXs.

Agentic Economy

- If AI agents increasingly pay one another for services, Solana's low fees could support frequent, small-value transactions. If Alpenglow ships as planned, it could make the network better suited to these payments and broaden its fee base beyond trading.

SOL: Risks

- **Revenue Quality:** Application revenue remains concentrated in memecoin-centric applications, primarily Pump.fun. If payments and tokenized asset activity fail to complement speculative volume, protocol revenue may remain cyclical and sentiment-dependent, and Solana is unlikely to benefit from any monetary premium in that scenario.
- **Volume Cyclical:** Perpetual futures notional volume peaked in May 2026 and has since normalized to a materially lower daily range, while stablecoin volumes on decentralized exchanges declined over the quarter.
- **Infrastructure Concentration:** A routing failure at a Miami data center propagated to European and Asian facilities, taking 102 of 699 validators and roughly 29% of staked SOL offline, within about four points of the 33% that would stall finality. Despite this, blocks kept producing and there was no chain pause/halt.
- **Intensifying L1 Competition:** Ethereum's rollup ecosystem, Hyperliquid's purpose-built perps chain, and emerging purpose-specific chains, some of them semi-permissioned (Tempo, Arc, Plasma), are competing for developer mindshare, liquidity, and institutional capital. Solana's lead in throughput and fees may narrow as competitors ship comparable performance.

SOL: Risk Mitigants

- **Scale at Low Cost:** Solana processed a record 2.9B successful non-vote transactions in August 2026 and 29.1B (including failed) YTD at a \$0.00046 median fee, roughly matching the daily transaction count of all other tracked chains combined at a fraction of the cost.
- **Revenue Broadening Beyond Memecoins:** Solana led all L1s with \$397M of application revenue from May through August. Pump.fun still accounts for 37%, but less cyclical activity is scaling: tokenized equity supply reached \$518M from \$200M in January, and RWAs reached \$4.1B from \$2.3B in April.
- **Collateral Base Less Exposed to the Cycle:** Lending deposits on Solana fell 4.9% YTD against 24.3% across DeFi, lifting its share to 6.9% from 5.5%. Stablecoin lending deposits grew 64% since May to \$2.14B, and stablecoin supply rose to \$15.0B while aggregate supply fell 4%.
- **Network Resilience:** The largest validator client's share of stake fell to 32% from 57%, and slot times dropped to 250ms from 400ms. When a data center failure took roughly 29% of stake offline, blocks kept producing. Alpenglowl, targeted for October 2026, would cut finality to ~150ms.
- **Perps Market Structure:** Solana leads spot DEX volume with 35% share but holds about 9% of perps. Validator ordering is now policed, and perp open interest has rebuilt to \$400–460M from ~\$85M in February. MCP would build fair ordering into the protocol itself, potentially addressing the liquidity depth gap that remains.

Table of Contents

1 Executive Summary

2 Network Snapshot

3 Perps & Tokenized Stocks

4 Network Upgrades

5 SOL Token Overview and Financials

6 Appendix

Appendix

Contents

A How Solana Works

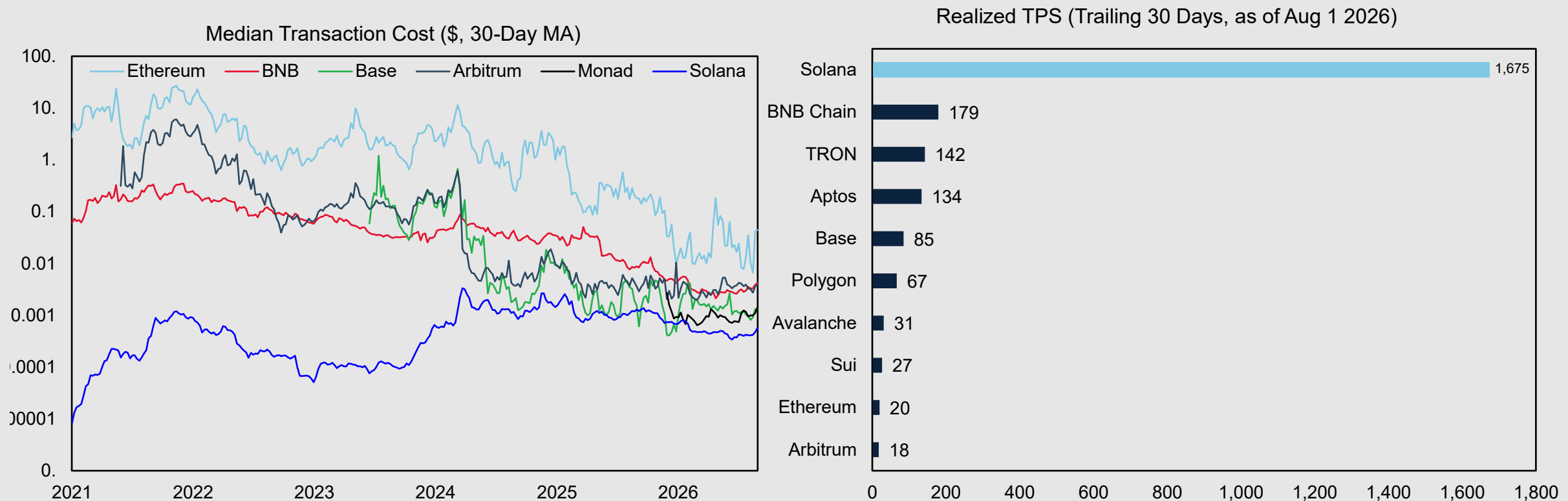
B Adoption Baseline

C Token Mechanics & Governance

D Framework, Methodology & Definitions

Appendix A: 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 250ms block times (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.



Appendix A: 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.

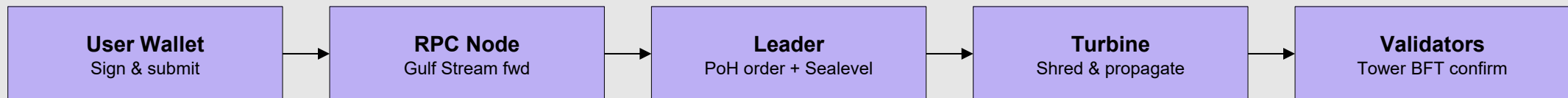
Hardware-Aware Optimization

- 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

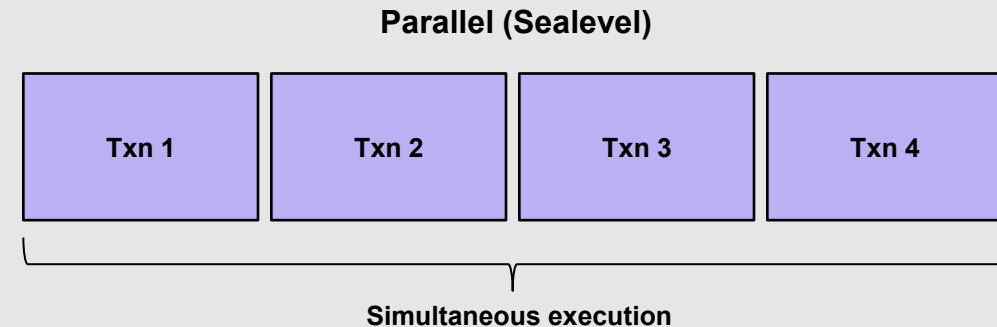
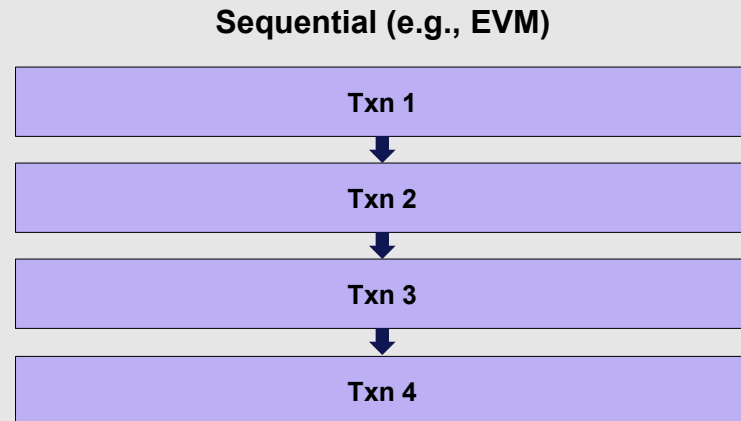
- The architecture is best understood as one pipeline, not a collection of features. Gulf Stream feeds transactions to the leader, PoH orders them, Sealevel executes them in parallel, and Turbine distributes the resulting block.
- This pipelined design means stages run concurrently: while one block is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

Transaction Flow



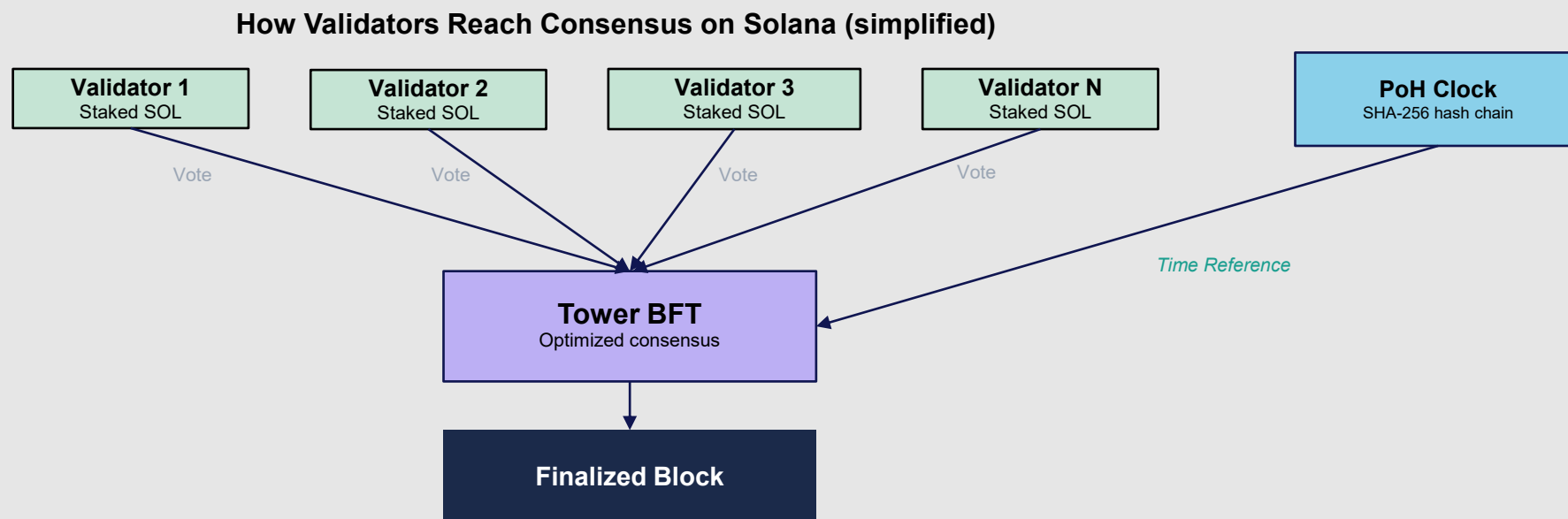
Appendix A: Parallel Execution

- **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.



Appendix A: Consensus Architecture

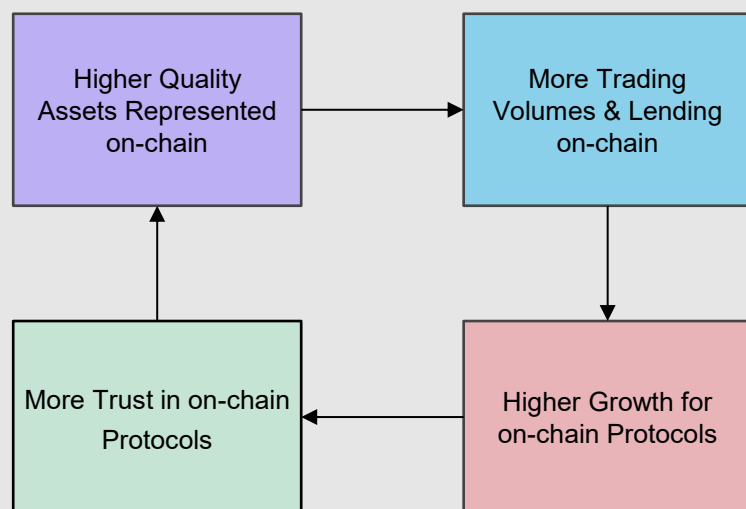
- Similar to Ethereum, Solana utilizes Proof of Stake (PoS) for its consensus mechanism, generating blocks through validators based on staking. Unlike Ethereum, Solana's utilization of **Tower BFT** in combination with **Proof of History (PoH)** helps achieve high TPS.
- PoH functions as a cryptographic 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.



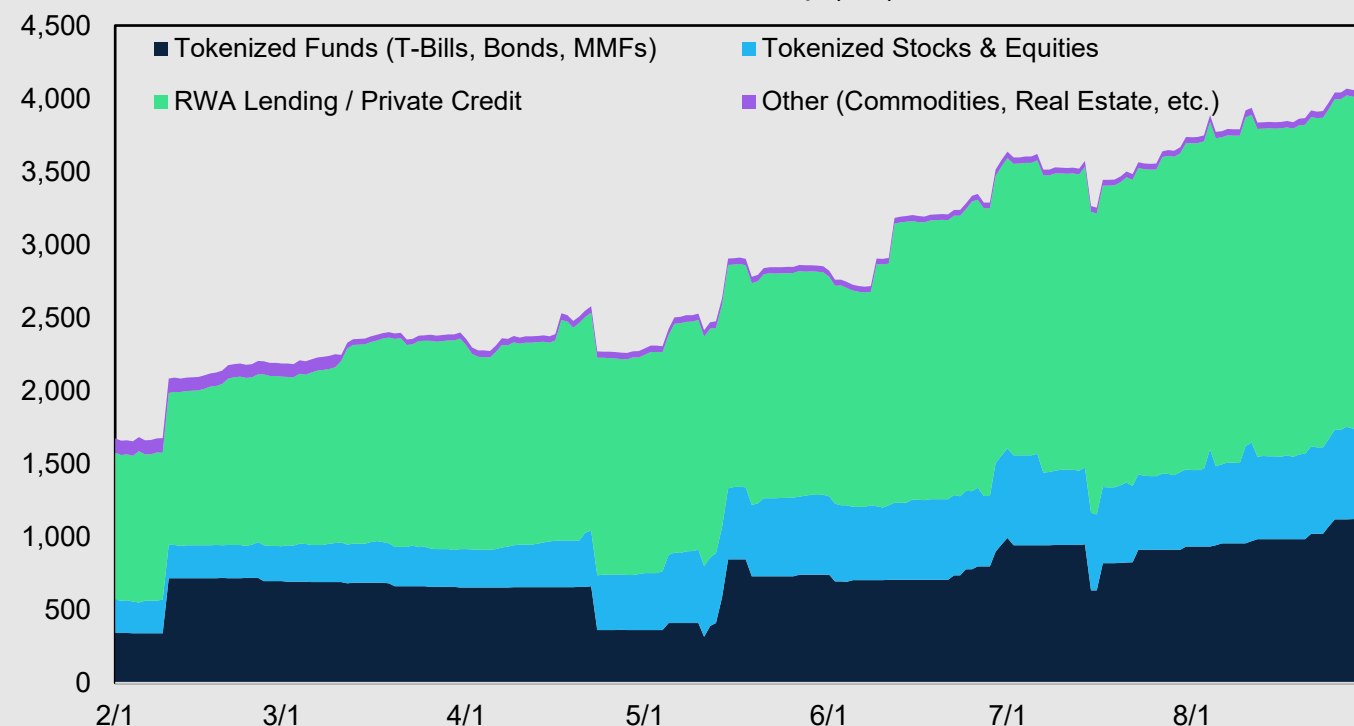
Appendix B: Tokenized Real-World Assets (excl. Stablecoins)

- 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 BUIDL (\$841M), Titan III (\$362M), and Hera I (\$342M) highlight growing institutional interest, with Solana RWAs reaching \$4.1B as of August 2026, up from \$2.3B in April.
- 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.

The On-Chain Finance Flywheel



Solana's RWA Market Cap (\$M)



Appendix C: 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).

Appendix D: 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.
- SGP-0002 begins disinflation schedule at the beginning of 2027.
- 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).

Validator and LST economics

- Validator commission: 60% on transaction fees (50–70% range), 10% on Jito tips. Jito's own MEV take held flat at 5%.

Appendix D: Updates to the Model Since Last Report

- **Earnings definition:** The P&L now shows a single line, Token Holder Earnings, covering all economic value the network produces. Validator commission on SOL issuance and the liquid staking management fee have been removed from network expenses. Both are charged against issuance, and since issuance is excluded from revenue, as it was in the Q2 report, the costs derived from it are excluded too.
- **Non-staking P&L removed:** Prior reports carried a separate non-staking block showing fees burned less SOL issuance. It duplicated the main P&L, where every fee the network collects already appears. Issuance is not earnings to either group. It transfers token ownership between holders and is captured in total supply, the denominator of the valuation. The staked versus unstaked comparison now appears on slide 29 as a total return.
- **Growth path updated:** TVL and settlement volume now ramp rather than compound at a constant rate, which lowers near-term throughput estimates. Terminal 2030 assumptions are unchanged at \$500B TVL and 100x capital efficiency in the base case.

Appendix D: 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 Admission Ticket (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.
- **Revenue (REV):** in-protocol value (base and priority fees; through 2025, vote fees) plus out-of-protocol tips. From 2027 on-chain vote fees are replaced by the Validator Admission Ticket, which is 100% burned.

Disclosures

This research is for the clients of Fundstrat Direct only. For important disclosures and rating histories regarding sectors or companies that are the subject of this report, please contact your sales representative or Fundstrat Direct at 150 East 52nd Street, New York, NY, 10022 USA.

Analyst Certification (Reg AC)

Sean Farrell, the research analyst denoted by an “AC” on the cover of this report, hereby certifies that all of the views expressed in this report accurately reflect my personal views, which have not been influenced by considerations of the firm’s business or client relationships.

Neither I (Sean Farrell), nor a member of my household is an officer, director, or advisory board member of the issuer(s) or has another significant affiliation with the issuer(s) that is/are the subject of this research report. There is a possibility that we will from time to time have long or short positions in, and buy or sell, the securities or derivatives, if any, referred to in this research

Conflicts of Interest

This research contains the views, opinions and recommendations of Fundstrat Direct. This report is intended for research and educational purposes.

This report is intended for research and educational purposes. Solana Foundation is a client of Fundstrat and receives Fundstrat's published research reports. Solana Foundation has commissioned/paid for this specific research project and has permissions to distribute. This report is intended for research and educational purposes.

Analyst Industry/Sector Views

Positive (+): The analyst expects the performance of his industry/sector coverage universe over the next 6-18 months to be attractive vs. the relevant broad market benchmark, being the S&P 500 for North America.

Neutral (N): The analyst expects the performance of his or her industry/sector coverage universe over the next 6-18 months to be in line with the relevant broad market benchmark, being the S&P 500 for North America.

Negative (-): The analyst expects his or her industry coverage universe over the next 6-18 months to underperform vs. the relevant broad market benchmark, being the S&P 500 for North America.

General Disclosures

Fundstrat Direct is an independent research company and is not a registered investment advisor and is not acting as a broker dealer under any federal or state securities laws. Fundstrat Direct is a member of IRC Securities' Research Prime Services Platform. IRC Securities is a FINRA registered broker-dealer that is focused on supporting the independent research industry. Certain personnel of Fundstrat Direct (i.e. Research Analysts) are registered representatives of IRC Securities, a FINRA member firm registered as a broker-dealer with the Securities and Exchange Commission and certain state securities regulators. As registered representatives and independent contractors of IRC Securities, such personnel June receive commissions paid to or shared with IRC Securities for transactions placed by Fundstrat Direct clients directly with IRC Securities or with securities firms that June share commissions with IRC Securities in accordance with applicable SEC and FINRA requirements. IRC Securities does not distribute the research of Fundstrat Direct, which is available to select institutional clients that have engaged Fundstrat Direct.

As registered representatives of IRC Securities our analysts must follow IRC Securities' Written Supervisory Procedures. Notable compliance policies include (1) prohibition of insider trading or the facilitation thereof, (2) maintaining client confidentiality, (3) archival of electronic communications, and (4) appropriate use of electronic communications, amongst other compliance related policies.

Fundstrat Direct does not have the same conflicts that traditional sell-side research organizations have because Fundstrat Direct (1) does not conduct any investment banking activities and (2) does not manage any investment funds.

This research is for the clients of Fundstrat Direct only. Additional information is available upon request. Information has been obtained from sources believed to be reliable but Fundstrat Direct does not warrant its completeness or accuracy except with respect to any disclosures relative to Fundstrat Direct and the analyst's involvement (if any) with any of the subject companies of the research. All pricing is as of the market close for the securities discussed, unless otherwise stated. Opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. Past performance is not indicative of future results. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The opinions and recommendations herein do not take into account individual client circumstances, risk tolerance, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies. The recipient of this report must make its own independent decision regarding any securities or financial instruments mentioned herein. Except in circumstances where Fundstrat Direct expressly agrees otherwise in writing, Fundstrat Direct is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice, including within the meaning of Section 15B of the Securities Exchange Act of 1934. All research reports are disseminated and available to all clients simultaneously through electronic publication to our internal client website, FundstratDirect.com. Not all research content is redistributed to our clients or made available to third-party aggregators or the media. Please contact your sales representative if you would like to receive any of our research publications.