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Chainlink in Plain English

Why Chainlink matters for stablecoins,
tokenization, and mass-scale adoption.

Bitwise®

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Contents

Part I. The Problem Chainlink Solves

04

Part II. What Chainlink Does

05

Part III. Why the LINK Token Has Value

06

Part IV. Chainlink in Context

07

Part V. The Bitwise Chainlink ETF (CLNK)

08

VI. Risks and Considerations

09

The Problem Chainlink Solves

Blockchain networks are a revolutionary technology that democratizes global commerce by allowing anyone to transact instantly, 24/7/365. But there's just one problem: Without access to real-world information or each other, they are like computers without an internet connection.

That was fine during crypto's early years, as most crypto activity was circular—crypto investors trading crypto tokens with other crypto investors. But that's changing fast. Every day, it seems there's another announcement from a financial giant entering the crypto space: Mastercard and Stripe recently spent billions on stablecoin payment infrastructure,^{1,2} stock exchanges like Nasdaq and NYSE are moving to blockchain-based rails for round-the-clock trading,^{3,4} and S&P Dow Jones just licensed its world-renowned index to be tokenized and traded on the blockchain.⁵

As that happens, the need for blockchains to understand and interact with the real world is critical.

Chainlink solves this need. Its market-leading platform offers a diverse array of software and infrastructure solutions that help blockchains and crypto applications connect to the real world. That makes Chainlink mission-critical infrastructure for the crypto ecosystem.

Today, more than 70 of the largest financial institutions, including Swift, DTCC, Intercontinental Exchange, UBS, and Mastercard, rely on Chainlink to enable blockchain-based financial services.⁶ Not to mention roughly 70% of the Decentralized Finance (DeFi) economy depends on it, making it the dominant player in the market.⁷ And it's been running reliably, securely, and accurately for nearly a decade.

In the rest of this paper, we outline the wide range of services Chainlink provides, how they work, and what it means for Chainlink investors.

¹ Mastercard Investor Relations, "Mastercard to Acquire BVNK to Connect On-Chain Payments and Fiat Rails," March 17, 2026.

² CNBC, "Stripe Closes \$1.1 Billion Bridge Deal, Prepares for Stablecoin Push," February 4, 2025.

³ The Wall Street Journal, "Nasdaq Partners With Kraken in Tokenization Push," March 10, 2026.

⁴ Intercontinental Exchange, "The New York Stock Exchange Develops Tokenized Securities Platform," January 19, 2026.

⁵ S&P Dow Jones Indices, "S&P Dow Jones Indices Licenses S&P 500 to Trade XYZ for Perpetual Contracts on Hyperliquid," March 18, 2026.

⁶ Chainlink Blog, "Chainlink Banking and Capital Markets Announcements," November 7, 2024.

⁷ Data from DefiLlama as of March 31, 2026.

What Chainlink Does

Chainlink’s platform spans five core services that enable institutions and enterprises to build on any blockchain. Those services are Data, Compliance, Privacy, Interoperability, and Orchestration.

To walk through each service, let’s imagine we’re tokenizing a fund (that is, representing shares of the fund as tokens on a blockchain):

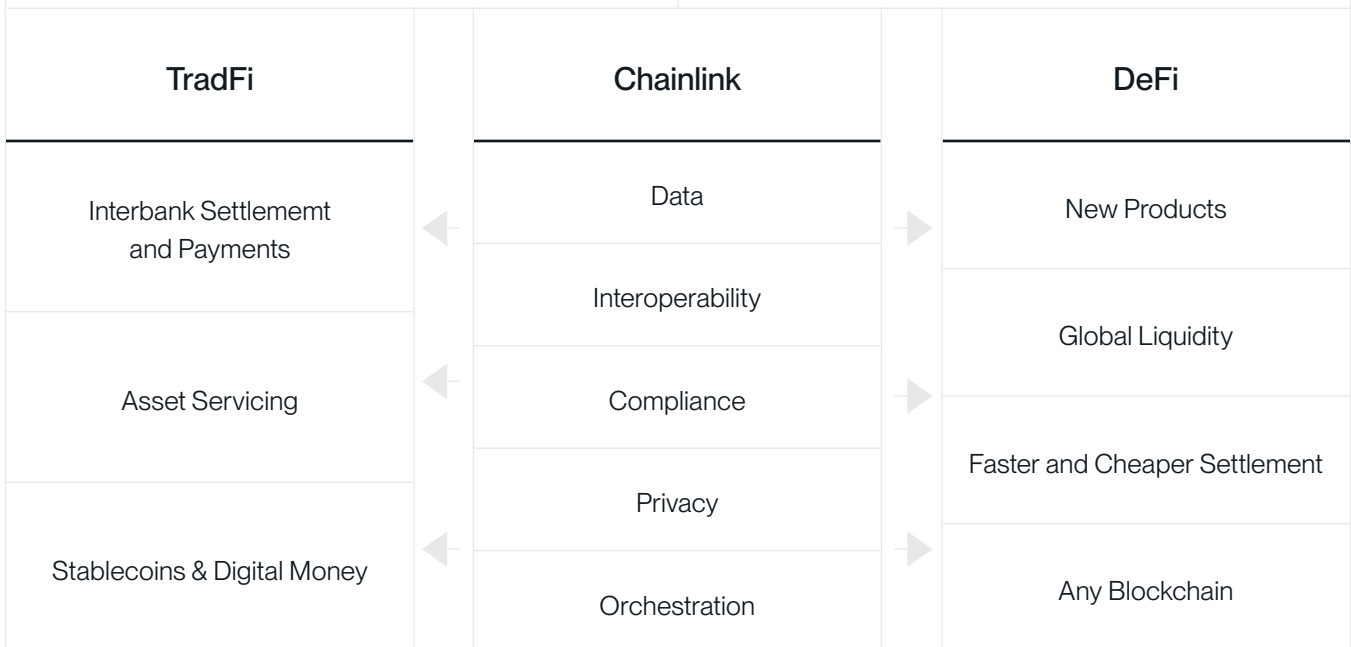
Data is Chainlink’s best-known service. For our tokenized fund, the current net asset value (NAV) of the fund is needed to value it properly on the blockchain (or “onchain”). Chainlink engages with several traditional financial (or “offchain”) data providers to retrieve the fund’s NAV, take the median, and publish the result as the value of the fund’s NAV onchain.

Compliance is crucial when someone buys or sells the fund token, and trading venues or other parties need to know whether that individual is allowed to interact with the fund. Offchain compliance verifications, like identity proofs, investor accreditations, sanctions screenings, or jurisdiction checks are brought onchain by Chainlink, so transactions involving the fund can be automatically allowed or blocked.

Privacy is needed for a public-blockchain fund where we cannot expose sensitive information like investor details, account balances, or internal transaction logic to the world. To ensure this information stays secure and hidden from the public, Chainlink creates a secure proof and publishes it onchain, so the blockchain can confirm the result without seeing the full data.

Thanks to Chainlink’s data, compliance, and privacy solutions, our fund is now operating onchain, but only on the chain where we first launched: Ethereum. What if we want to expand the fund’s reach to access the billions in liquidity on Solana or Hyperliquid? What about permissioned blockchains like J.P. Morgan’s Kinexys? Chainlink enables this kind of **Interoperability** through its Cross-Chain Interoperability Protocol (CCIP), which carries tokens and other data across blockchains, making the tokenized fund usable globally across any blockchain and crypto application.

Finally, what if we wanted to do this all in one step or repeat it for another fund? The Chainlink Runtime Environment (CRE) is the **Orchestration** layer that functions as the tie-it-all-together service: Multiple inputs and decisions go in, Chainlink coordinates the necessary sequence of actions, and the entire fund workflow executes as one automated process onchain.



Why the LINK Token Has Value

Chainlink’s native token, LINK, is a core element of the Chainlink ecosystem and is designed to benefit from its growth in several ways.

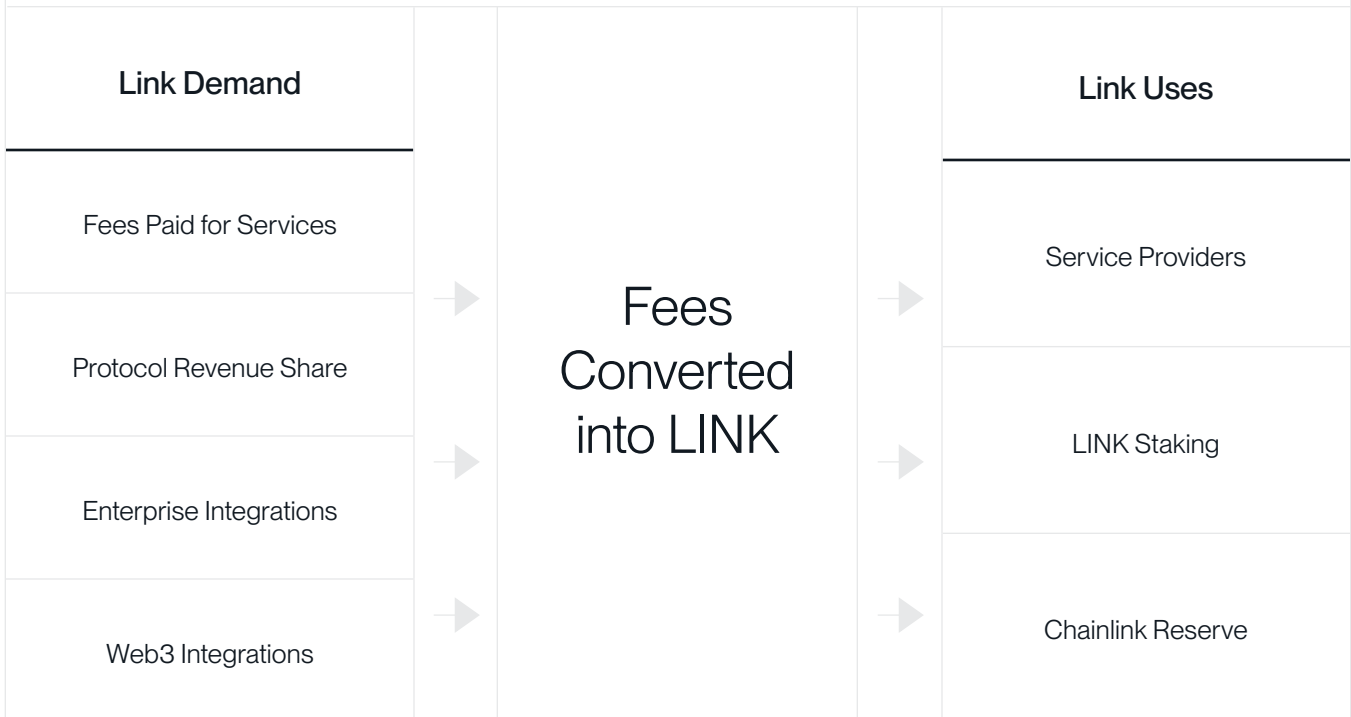
LINK is used to pay for all Chainlink services. In some cases, fees are paid directly in LINK; in others, fees are paid in dollars and automatically converted to LINK. Because of this dynamic, increases in Chainlink usage lead to buying pressure that can increase LINK’s price.

A portion of these service fees flow into the Chainlink Reserve (an onchain treasury of LINK), where it accumulates, acting as an automated buyback program aimed at benefitting LINK investors.

The remaining portion of the service fees is paid to Chainlink’s independent data aggregators and validators (known as nodes), which gather data and provide services across the Chainlink ecosystem.

In many cases, nodes must stake LINK before they can provide and be compensated for their services. If they provide incorrect data, they are penalized and lose a portion of the LINK they have staked. This system helps ensure the integrity of Chainlink’s services while also reducing the free-floating supply of LINK.

The value accrual story for LINK is simple: As demand for Chainlink services grows, demand for LINK grows. With supply capped at 1 billion tokens, more than 70% already circulating, and the rest only slowly coming to market over time, any meaningful increase in demand should outpace available new supply and benefit the LINK price.



Staking is the process whereby owners of a given crypto asset (like LINK) help secure the network and validate transactions or information by pledging (or “staking”) assets to the protocol. Effectively, stakers promise to process transactions or relay information truthfully, and if they try to cheat, their stake is taken from them. As long as they act truthfully, stakers earn rewards, similar to earning interest.

Chainlink in Context

As crypto continues to go mainstream and address larger markets, many of its most important use cases depend on the crucial services that Chainlink provides.

- DeFi applications need real-time asset prices to value collateral and debt; these are provided by Chainlink's data services.

- Stablecoins need offchain reserve data to verify 1:1 backing, and, to be useful, they must move across blockchains. Through its data and interoperability services, Chainlink provides both.

- Tokenized assets require market prices, NAVs, verified identity, and sometimes privacy—all foundational services Chainlink provides.

- Prediction markets need verification of real-world information to resolve event markets and payout users, solved by oracle solutions like Chainlink.

These are some of crypto's most important and fastest-growing use cases, with growth expected to accelerate as the regulatory environment improves and adoption grows. Chainlink is the dominant provider of the services and infrastructure that allow them to function.

Market Capitalization

\$6.1B

-30.6% change YoY

Transaction Value Enabled

\$28.6T

+40.9% growth YoY

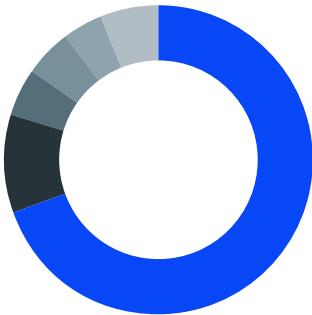
The cumulative monetary value of transactions facilitated by Chainlink oracles, measured in U.S. dollars.

Total Value Secured

\$60.9B

+41.7% growth YoY

The total value of assets deposited into or borrowed from smart contract applications secured by Chainlink oracles, measured in U.S. dollars.



Share of the Oracle Market by Total Value Secured

●	69%	Chainlink
●	10%	Chronicle
●	5%	Pyth
●	5%	Internal
●	4%	RedStone
●	6%	Others

Source: Bitwise Asset Management with data from DefiLlama, CoinGecko, and Chainlink. Data as of March 31, 2026.

Swift is the global financial messaging network that underpins cross-border banking, connecting more than 11,500 financial institutions across 220+ countries and territories. Chainlink and Swift have collaborated for more than seven years, with Chainlink helping financial institutions use existing Swift infrastructure to connect to blockchain networks and manage tokenized assets.



The Bitwise Chainlink ETF (CLNK)

The Bitwise Chainlink ETF is an exchange-traded product that allows investors to gain cost-efficient exposure to Chainlink (LINK), the oracle network that brings real-world information and critical services to blockchains. As adoption of real-world use cases like stablecoins, tokenization, prediction markets, and DeFi grows, Chainlink is uniquely positioned to benefit.

With CLNK, investors can participate in LINK's upside potential through an ETP backed by crypto specialists. In choosing CLNK, investors gain access to a team of crypto experts with the tools, insights, and specialized experience to help them navigate the space with confidence.

Bitwise Chainlink ETF Details

Ticker	CLNK
Inception Date	JANUARY 13, 2026
AUM (4/21/26)	\$18.3M
Expense Ratio	0.34%

The Bitwise Chainlink ETF (CLNK) is not suitable for all investors. An investment in CLNK is subject to a high degree of risk, has the potential for significant volatility, and could result in significant or complete loss of investment. CLNK is not an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act") and therefore is not subject to the same protections as ETFs and mutual funds registered under the 1940 Act. An investment in CLNK is not the same as a direct investment in Chainlink (LINK).

Risks and Considerations

As with any early technology, the future holds risks for Chainlink. The competitive landscape is still evolving. While Chainlink today dominates the oracle market and is the primary provider offering additional services like compliance and privacy, the market is still young and the technology is evolving. Competitors may emerge and challenge Chainlink's position, and its success will depend on its ability to retain market share and see sustained demand for its services.

Regulation is also a potential challenge. Though things have taken a positive turn in recent years with a friendlier SEC and CFTC, and legislation both passed and in progress, future regulatory hurdles in emerging markets like DeFi, tokenization, and prediction markets could weigh on Chainlink.

Lastly, Chainlink's tokenomics remain a future variable. As the industry and competitive landscape evolve, and as the Chainlink system itself evolves, its tokenomics may change. Any future changes could refine or reshape the investment thesis for LINK.

Risks and Important Information

This material must be accompanied by a prospectus. Please read the prospectus carefully before investing. To obtain a current prospectus visit clnkett.com/welcome.

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Shares of ETPs are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions will reduce returns. The NAV may not always correspond to the market price of LINK and, as a result, creation units may be created or redeemed at a value that is different from the market price of the shares. Authorized participants' buying and selling activity associated with the creation and redemption of Creation Units may adversely affect an investment in the Shares.

The amount of LINK represented by a Share will continue to be reduced during the life of the Fund due to the transfer of the Fund's LINK to pay for the sponsor's management fee, and to pay for litigation expenses or other extraordinary expenses. This dynamic will occur irrespective of whether the trading price of the Shares rises or falls in response to changes in the price of LINK.

There is no guarantee or assurance that the Fund's methodology will result in the Fund achieving positive investment returns or outperforming other investment products.

Investors may choose to use the Fund as a means of investing indirectly in LINK. Because the value of the Shares is correlated with the value of the LINK held by the Fund, it is important to understand the investment attributes of, and the market for, LINK.

LINK Risk. There are significant risks and hazards inherent in the LINK market that may cause the price of LINK to fluctuate widely. The Fund's LINK may be subject to loss, damage, theft, or restriction on access. Investors considering a purchase of Shares should carefully consider how much of their total assets should be exposed to the LINK market, and should fully understand, be willing to assume, and have the financial resources necessary to withstand the risks involved in the Fund's investment strategy.

Liquidity Risk. The market for LINK is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Possible illiquid markets may exacerbate losses or increase the variability between the Fund's NAV and its market price. The lack of active trading markets for the Shares may result in losses on investors' investments at the time of disposition of Shares.

Regulatory Risk. Future and current regulations by a U.S. or foreign government or quasi-governmental agency could have an adverse effect on an investment in the Fund.

Blockchain Technology Risk. Certain of the Fund's investments may be subject to the risks associated with investing in blockchain technology. The risks associated with blockchain technology may not fully emerge until the technology is widely used. Blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest. Because blockchain technology systems may operate across many national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation.

Nondiversification Risk. The Fund is nondiversified and will hold a single issue. As a result, a decline in the market value of a particular issue held by the Fund may affect the Fund's value more than if it invested in a larger number of issuers.

Recency Risk. The Fund is recently organized, giving prospective investors a limited track record on which to base their investment decision. If the Fund is not profitable, the Fund may terminate and liquidate at a time that is disadvantageous to Shareholders.

Bitwise Investment Advisers, LLC serves as the sponsor of the Fund. Foreside Fund Services, LLC serves as the Marketing Agent for CLNK, and is not affiliated with Bitwise Investment Advisers, LLC, Bitwise, or any of its affiliates.