



BEYOND SPECULATION

**Rethinking Cryptocurrencies
as more than just an Asset Class**

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ARTEMIS
The Value of Independence

Introduction

Some of the institutional discourse around cryptocurrencies remains narrowly framed by the question of whether they constitute a legitimate asset class. Investment managers typically assess them through a prism of volatility, speculative fervour, and headlines involving so-called “meme coins” devoid of intrinsic value. These are not unjustified concerns: risk and hype are inherent in many parts of the cryptocurrency landscape. Yet, this singular lens misses the broader and arguably more profound significance of what these technologies represent.

To fully appreciate the potential of cryptocurrencies, we must revisit the foundational characteristics of money itself. These principles were eloquently articulated by William Stanley Jevons in his seminal 19th-century work *Money and the Mechanism of Exchange*. Jevons posited that money performs four critical functions:

- 1. Medium of Exchange:** Money facilitates transactions by eliminating the inefficiencies of barter.
- 2. Measure of Value:** It provides a common standard to express the value of goods and services.
- 3. Standard of Deferred Payment:** Money enables contracts and payments to be made in the future.
- 4. Store of Value:** It allows value to be preserved over time for future use.

These functions were famously summarised in the couplet: “Money’s a matter of functions four, A Medium, a Measure, a Standard, a Store.”

While modern fiat currencies generally satisfy these criteria, the emergence of decentralised digital currencies challenges us to re-evaluate how well traditional systems perform these roles in a rapidly digitising world.



*“... Its appeal as a “digital gold”
arises from its scarcity, durability,
and independence from
centralised control...”*

BITCOIN: A Medium of Exchange with Global Relevance

Bitcoin was designed not to be a speculative vehicle, but as a peer-to-peer electronic cash system. In this role, it squarely aims to fulfil Jevons's first and most essential criterion: a medium of exchange.

In countries experiencing currency collapse, capital controls, or hyperinflation, such as Venezuela, Lebanon, or Zimbabwe, Bitcoin has served as a practical alternative. For those lacking access to stable financial infrastructure, it provides a permissionless, censorship-resistant mechanism for exchanging value. Its borderless nature and relatively low transaction costs also make it ideal for remittances. For migrant workers, particularly in the Global South, Bitcoin offers an efficient means to send money home without the punitive fees levied by traditional remittance services.

However, Bitcoin's significant volatility undermines its ability to act as a stable measure of value or a reliable standard of deferred payment for everyday transactions. Its appeal as a "digital gold" arises from its scarcity, durability, and independence from centralised control, positioning it primarily as a store of value for some users rather than a transactional currency.



ETHEREUM AND BEYOND: More Than Money

While Bitcoin sought to be a decentralised alternative to currency, Ethereum introduced the concept of blockchain as a platform for decentralised computation. In doing so, it fulfilled functions that go well beyond the purview of traditional currencies.

Ethereum is often misconceived as merely another “coin.” In reality, it is a programmable platform enabling smart contracts, decentralised finance (DeFi), digital identity, and tokenised assets. The Ethereum Virtual Machine (EVM) allows developers to build applications that operate transparently and autonomously, without the need for intermediaries. This opens up new paradigms for financial infrastructure, intellectual property rights, voting systems, and supply chain logistics.

Ether (ETH), the native token of Ethereum, functions as a means of payment for computational resources – *fuel* rather than money in the conventional sense. Nevertheless, in many contexts, it still serves as a medium of exchange and a unit of account within the Ethereum ecosystem. Like Bitcoin, its price volatility limits its practical use for deferred payments or as a stable measure of value.

STABLECOINS: Bridging Volatility and Utility

Stablecoins represent a significant evolution in the cryptocurrency landscape by directly addressing the volatility challenge inherent in Bitcoin, Ether, and other digital assets. Pegged to relatively stable assets, such as the US dollar, the euro, or commodities, stablecoins aim to maintain consistent value while preserving the benefits of blockchain-based transfers.

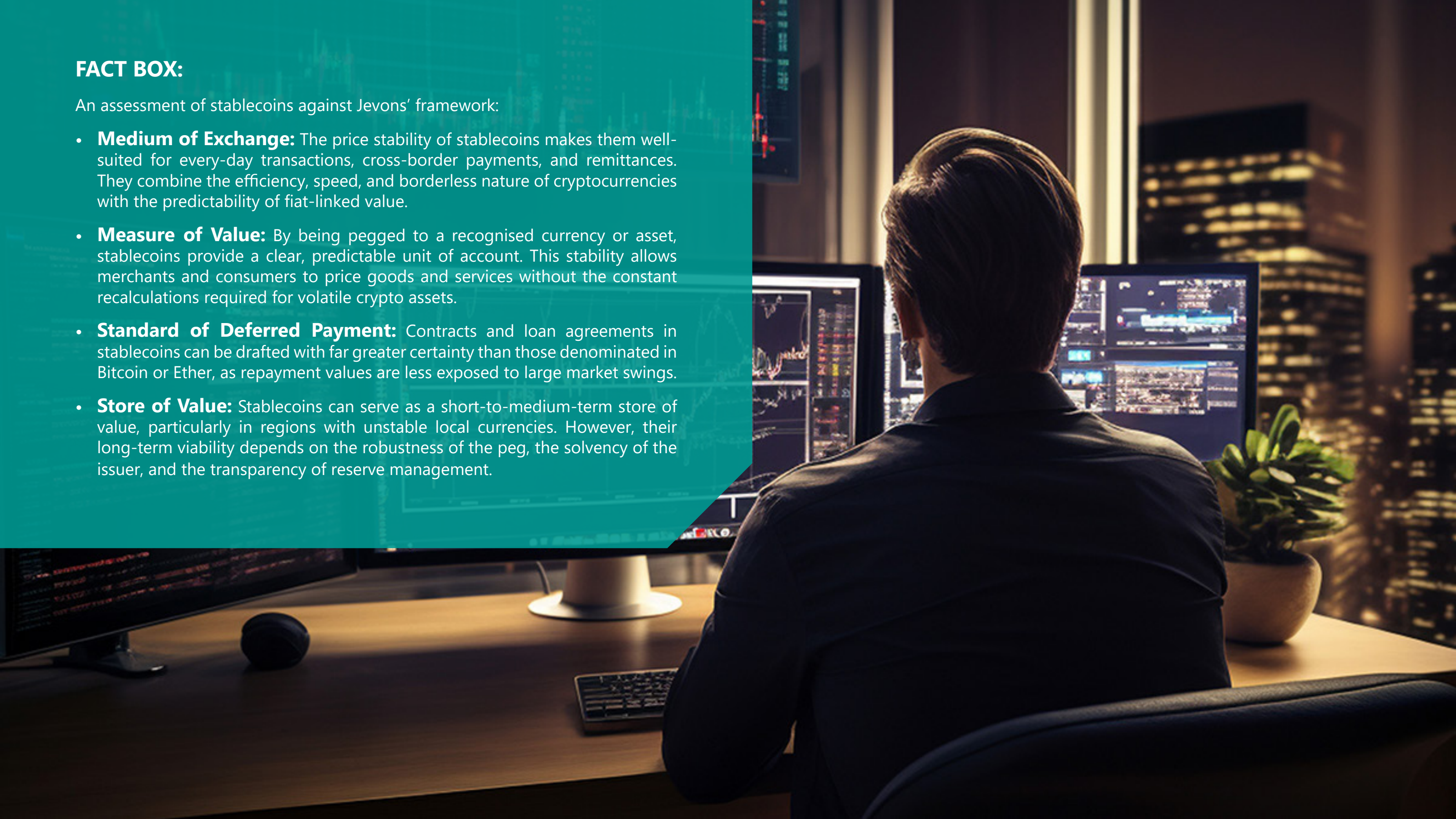
Stablecoins are increasingly recognised as a potential bridge between traditional financial systems and decentralised networks, especially where central bank digital currencies (CBDCs) are not yet operational. Nevertheless, questions around issuer credibility, reserve adequacy, and jurisdictional oversight remain critical to their adoption and trustworthiness.



FACT BOX:

An assessment of stablecoins against Jevons' framework:

- **Medium of Exchange:** The price stability of stablecoins makes them well-suited for every-day transactions, cross-border payments, and remittances. They combine the efficiency, speed, and borderless nature of cryptocurrencies with the predictability of fiat-linked value.
- **Measure of Value:** By being pegged to a recognised currency or asset, stablecoins provide a clear, predictable unit of account. This stability allows merchants and consumers to price goods and services without the constant recalculations required for volatile crypto assets.
- **Standard of Deferred Payment:** Contracts and loan agreements in stablecoins can be drafted with far greater certainty than those denominated in Bitcoin or Ether, as repayment values are less exposed to large market swings.
- **Store of Value:** Stablecoins can serve as a short-to-medium-term store of value, particularly in regions with unstable local currencies. However, their long-term viability depends on the robustness of the peg, the solvency of the issuer, and the transparency of reserve management.



Redefining the Role of Currency in a Digital Age

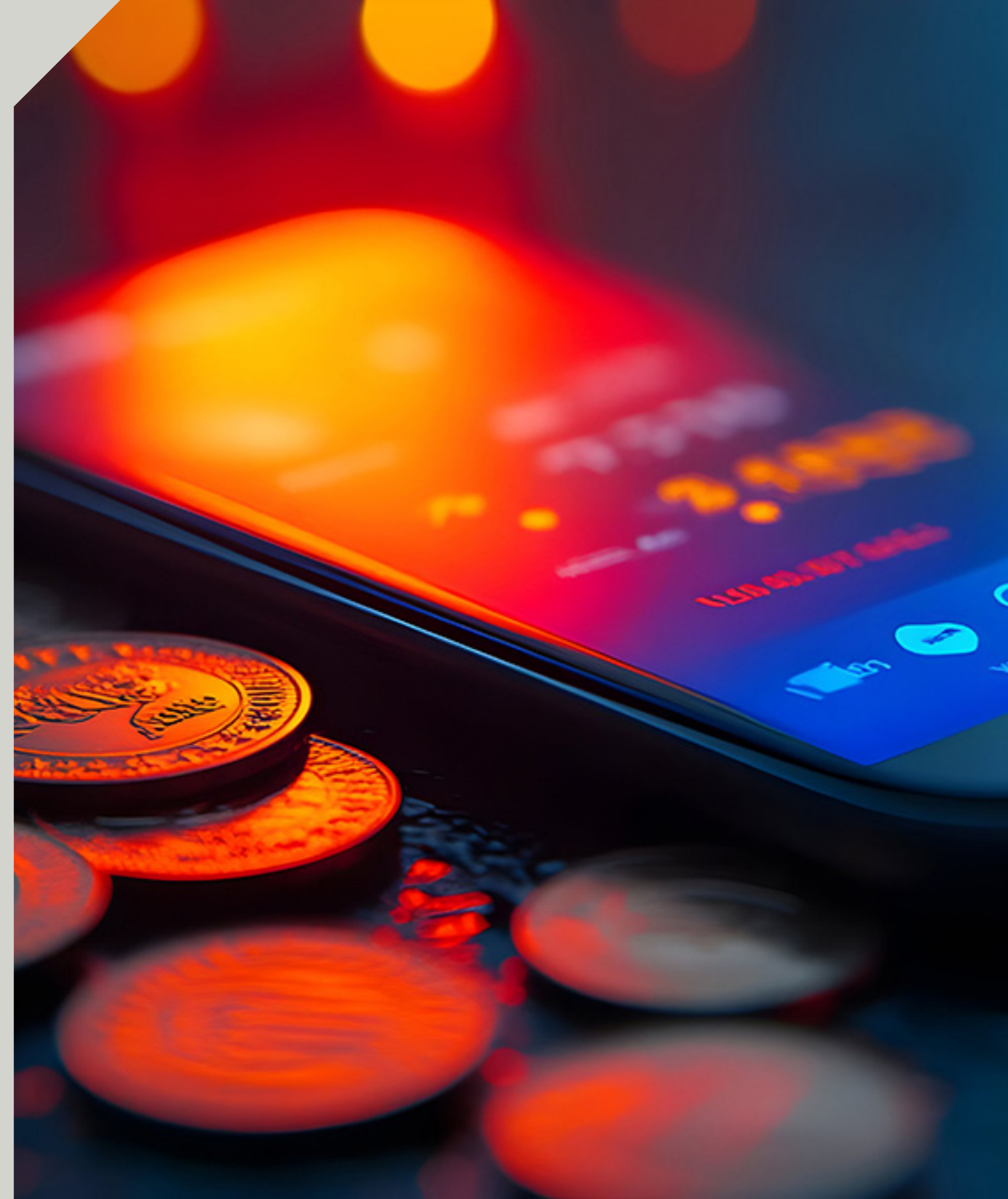
When assessed through Jevons's framework, it becomes evident that cryptocurrencies should not be confined to the status of speculative assets. In different ways, they each reimagine what currency can be: borderless, programmable, and accessible to anyone with an internet connection.

Stablecoins, in particular, illustrate how the benefits of decentralised technologies can be married with the stability of fiat currencies. In doing so, they create practical pathways for mass adoption, not only in speculative markets but also in daily commerce and financial inclusion initiatives.

We are witnessing a quiet but seismic shift. In parts of the world, decentralised currencies are not a novelty but a necessity. Simultaneously, the evolution of blockchain technology, from Bitcoin's scarcity to Ethereum's programmability and stablecoins' stability, is redefining not just how we transfer value, but how we build trust in digital environments. This is not a repudiation of existing financial systems but a complementary, and in some cases, superior, alternative where traditional models fall short.

It is time for the financial services sector to broaden the narrative. To do so requires moving beyond the speculative noise and engaging with the structural, philosophical, and humanitarian dimensions of this technology.

As CEO of Artemis Fiduciaries, I am proud that our firm is at the forefront of this evolving landscape. We are delighted to sponsor the **Guernsey Digital Assets Conference**, taking place on 10 September 2025. We hope it serves as a forum for honest dialogue, thoughtful innovation, and informed exploration of digital assets and their role in the future of finance.



For more information

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