

Yuma 

STATE OF

[VOL . 2]

BITTENSOR

## Bittensor is the World Wide Web of Intelligence

Bittensor is a global, decentralized network that provides an open-source alternative for developing, deploying, and monetizing advanced computing and AI projects. Much like the World Wide Web opened access to information, Bittensor is enabling open access to intelligence.

The internet of information has websites; the internet of intelligence has subnets. Subnets are a new paradigm in the funding of open-source AI, leveraging token emissions to coordinate and incentivize a distributed group of builders.

This report covers data through the one-year anniversary of the Dynamic TAO ("dTAO") network upgrade that introduced subnet tokens to Bittensor on Feb. 13, 2025, providing a one-year lookback on initial market activity for subnet tokens.

# A Note from Barry Silbert

In the first State of Bittensor, we talked about the shift to decentralized intelligence – how it could be built, owned, and traded across a global network. Now, past Bittensor's first halving, that vision is being realized.

Beyond the halving itself, I'm impressed by the level of coordination and collaboration across the network during these ecosystem milestones. We're seeing the community evolve and converge in new ways. I'm optimistic that upcoming gatherings with some of the largest, most involved stakeholders for ecosystem-wide discussions will lead to the next chapter of maturation, when decentralized projects begin to outperform closed-source counterparts: the tipping point.

As the decentralized AI market matures, value is beginning to concentrate in Bittensor subnets solving meaningful problems, offering viable alternatives to the closed, centralized systems controlled by tech giants. Today, these subnets are powering enterprise AI, enabling agentic software, forecasting markets, and turning decentralized intelligence into a new kind of infrastructure. A growing number of projects using subnet outputs are closing real-world customers and creating monetizable intelligence. It's still early, but we're seeing the first signs of this value flow back into subnet tokens, which are becoming more than just network incentives. They are functioning as market validation, signaling the value that each subnet provides to the overall network and the intelligence it generates.

This phase will require the network to offer institutional entry points and infrastructure. At Yuma, we're focused on enabling that to further the momentum. Since our launch in late 2024, we've introduced institutional-grade onramps to the ecosystem through our validator, which has already partnered with 12 exchanges, custodians, and wallets. Through Yuma Asset Management, we're making subnet tokens more accessible. Our Composite Fund is now outperforming TAO, creating a compelling investment opportunity.

Just as Bitcoin transformed money, Bittensor is transforming intelligence to be open and accessible. The walls around AI are starting to come down.

-Barry



**BARRY SILBERT**  
Founder & CEO, Yuma

# The Tipping Point

Subnets are quickly becoming the infrastructure behind a new class of AI companies. Some are startups utilizing the subnet outputs to build language models without needing massive upfront capital. Others are established businesses using Bittensor to tap into a global pool of talent and intelligence to power their products. Increasingly, we're seeing subnet outputs hit real benchmarks and, in some cases, progress toward outperforming their closed-source counterparts – The Tipping Point for decentralized intelligence.



**SN44** – Yuma  – COMPUTER VISION

Score operates Subnet 44 on Bittensor, a decentralized vision AI lab designed to unlock vision intelligence at scale.

Its flagship product, Manako, converts raw video streams into structured operational data across sports, retail and agriculture. Deployments include Reading Football Club, AVIA petrol stations and agricultural production with Two-a-Day.

On average, Score's Subnet 44 processes a full football match in two minutes for \$10 while maintaining 94% per-frame accuracy, delivering faster and lower-cost processing than AWS Rekognition or Hudl.



**SN54** – Yuma  – DATA

Building a repository of synthetic, adversarial data to detect and prevent financial crime.

Yanez Compliance utilizes the subnet data to power two live products – a financial crime prevention scanner and biometric data API, with a third product in beta. Within the first year of business, the team secured multibillion dollar clientele, verifying the market gap and need for adversarial, edge-case data.

Through Bittensor, Yanez can scale data types and collection, charging about 10% of the cost of traditional consultants.



**SN62** – AGENTIC AI

An open marketplace for software engineering assistants. Subnet participants submit coding agents and compete to unseat the current leader.

Ridges built a code generation tool powered by the subnet-developed agents. The results achieved parity with SOTA solutions such as Claude Code on the SWE and Polygot benchmark questions.

Participants must use open-source models to compete with centralized incumbents, passing through 70x savings to users.



**SN4** – COMPUTE

A confidential cloud compute solution backed by hardware-level verification.

Confidential computing capabilities open the gates for Targon to serve enterprise customers with the 1600 H200 GPUs on the network.

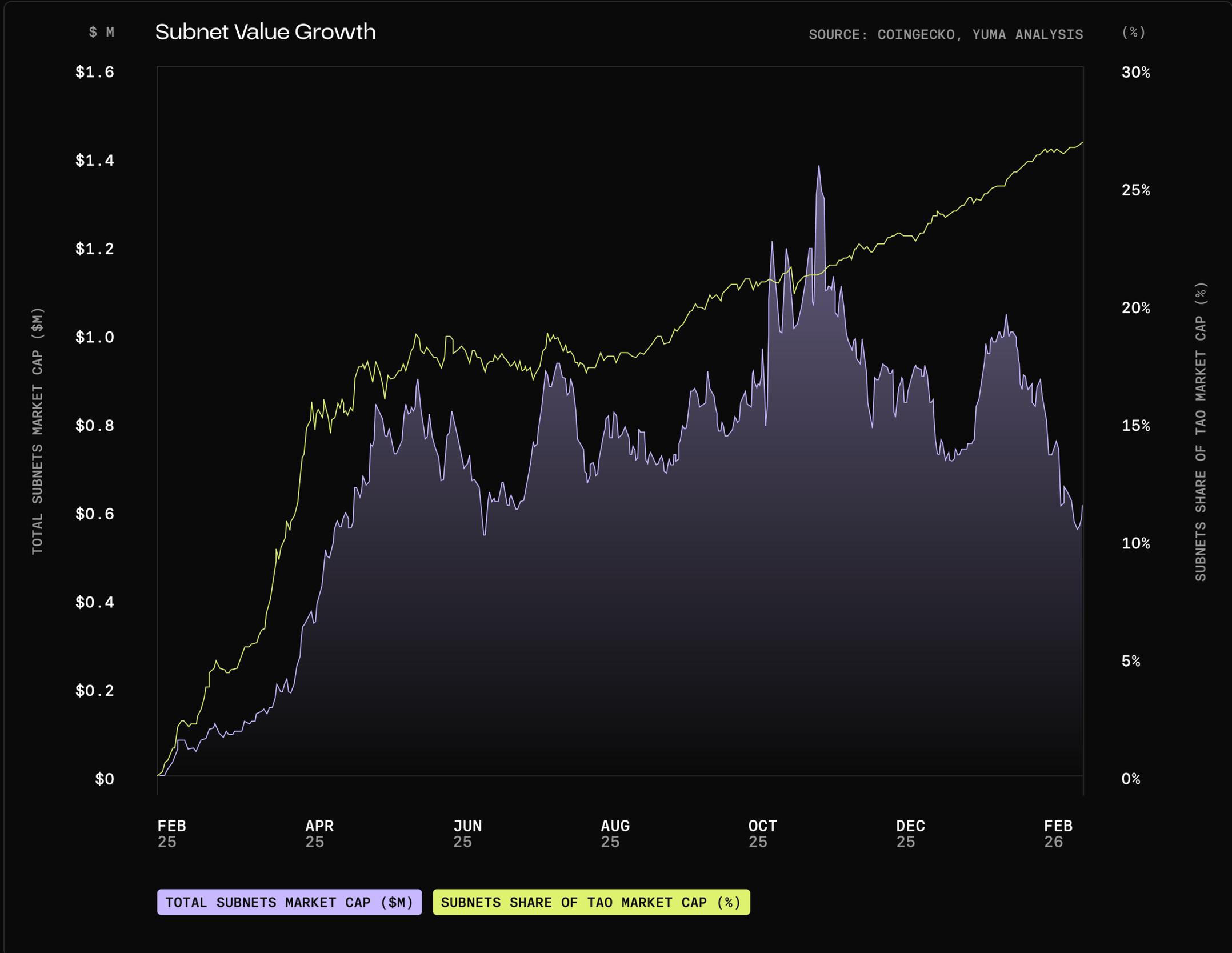
Amassing underutilized computational power allows for significant cost savings as compared to AWS or GCP. Users can rent NVIDIA H200s securely for \$2/hour.

# Bittensor Beyond the Halving

Subnet tokens account for a growing share of total network value

Bittensor is the incentive layer for the decentralized AI movement, powered by the TAO token, and a network of 120+ subnets, each with a protocol-issued subnet token.

As we begin 2026, it is clear Bittensor's economic engine has kicked into gear, with aggregate subnet value climbing to a record high 27% of the TAO market cap since launching one year ago.

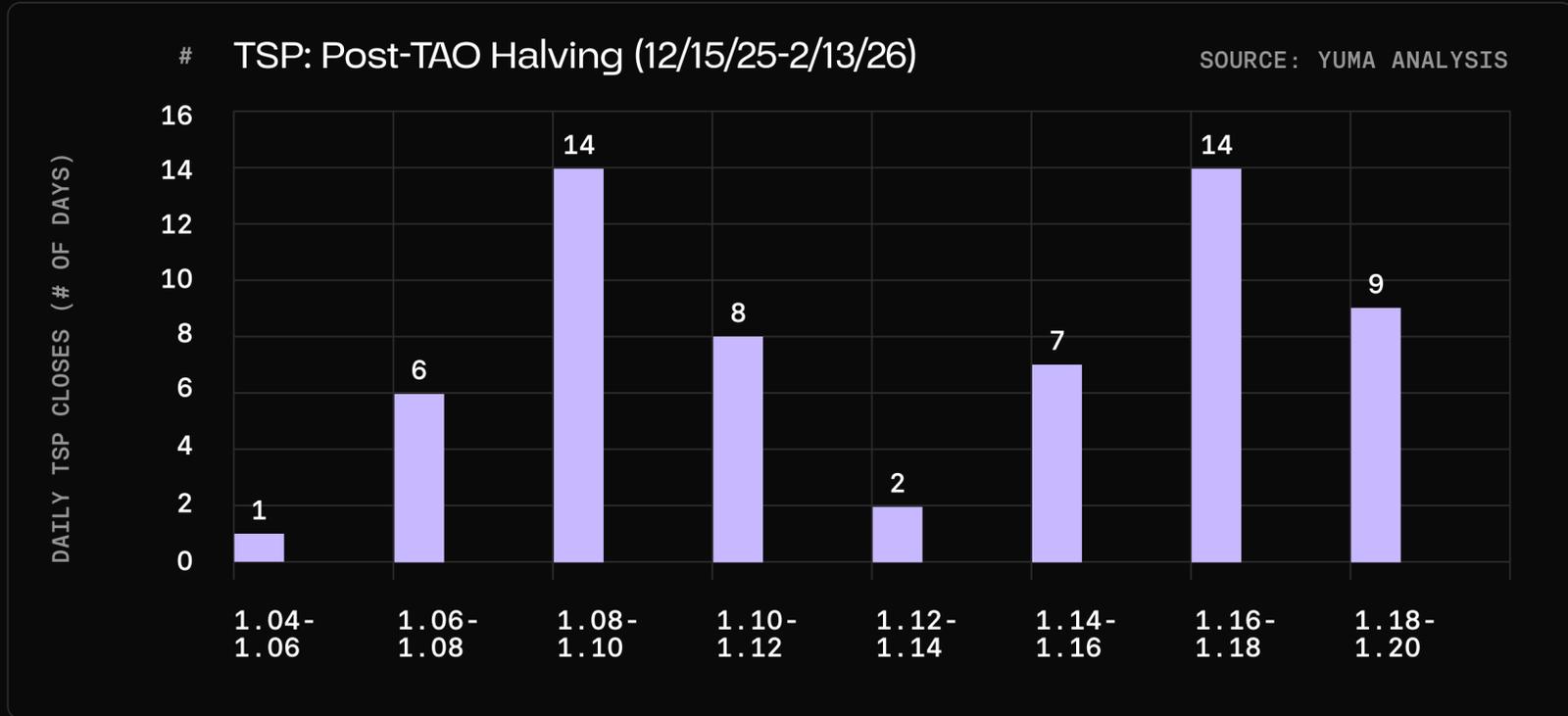
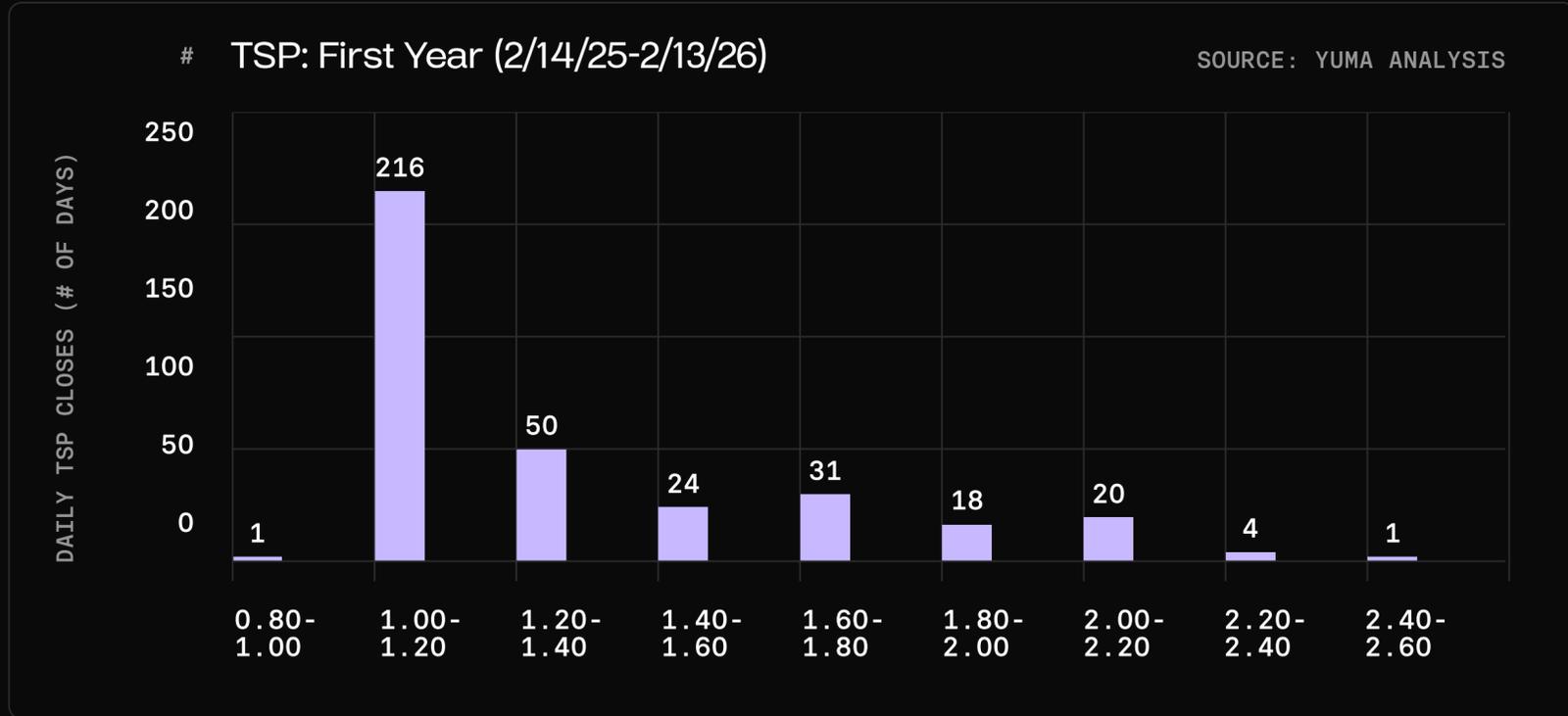
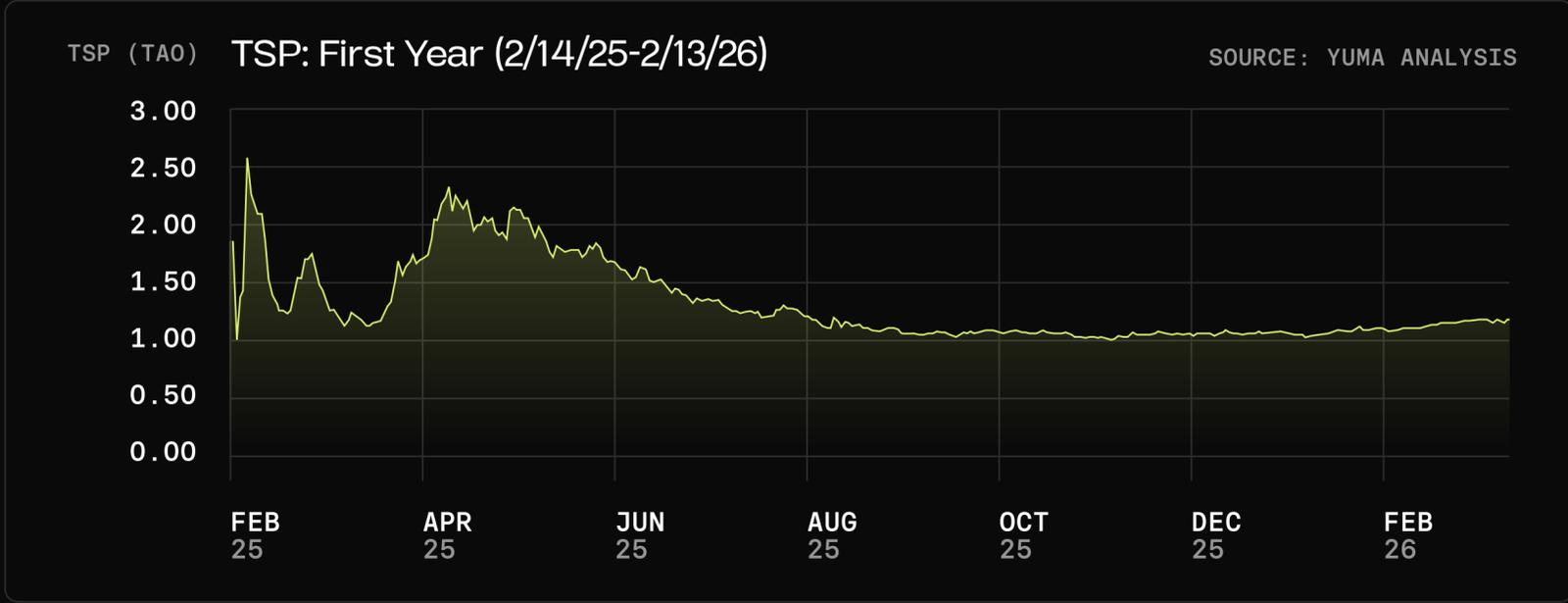




Three halvings behind BTC, TAO reached its first halving at a higher price level

TAO follows the same issuance trajectory as Bitcoin, with only 21M that will ever be in circulation. As part of that same design, TAO recently experienced its first halving event, whereby the amount of TAO issued each block was cut in half on Dec. 15, 2025, in accordance with the original design of the protocol.

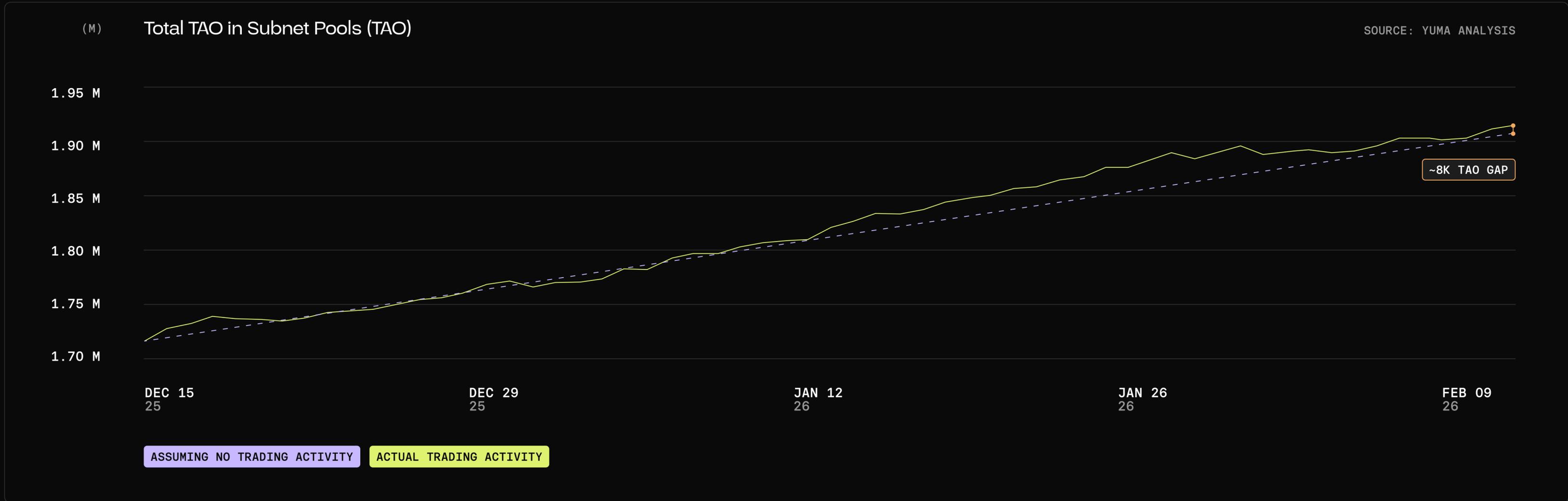
The TAO price trended down to the \$150-\$200 range in early February 2026 alongside the broader crypto market sell-off. However, the industry is closely watching to see if TAO will follow the upward post-halving trajectory repeatedly witnessed in Bitcoin after the rate of new supply was halved.



## Total Subnets Price (TSP) is reversing trend since the TAO halving

Within the Bittensor ecosystem, a broadly referenced metric is Total Subnets Price (TSP) – the cumulative value of subnets as denominated in TAO. TSP offers concise insight into the value flow between TAO and subnet tokens.

Following the initial introduction of subnet tokens in February 2025, the TSP reached above 2.5 before stabilizing just above 1 in late summer. The TSP briefly dipped below 1 in mid-October 2025, was 1.05 as of the TAO halving on Dec. 15, 2025, and has since climbed to 1.18 as of Feb. 13, 2026.



## Chain buys continue to provide active price support for subnet tokens

TAO in subnet liquidity pools increased by ~196K TAO since the TAO halving. In the absence of trading activity, total TAO in pools would be expected to rise by ~188K TAO over this period, reflecting emissions of 3.6K TAO per day, net of TAO that is automatically swapped for TAO stakers. The additional ~8K TAO, or ~130 TAO per day on average, can therefore be attributed to the net trading activity.

By comparison, the protocol itself has been purchasing roughly 800-900 TAO per day of subnet tokens that are recycled, funded directly out of TAO emissions. These chain buys occur when a subnet's emissions exceed its average price (e.g., 10% emissions vs. 0.09 TAO price).

The chain itself, particularly following the TAO flow update, has been the primary driver of rising TSP. Chain buys continue to provide active price support, encouraging (but not guaranteeing) the TSP to stay above 1. In addition, if the TSP falls below 1, the protocol temporarily halts rewards to TAO stakers, removing the associated sell pressure.

As TSP rises, it becomes increasingly difficult for emissions to exceed price, and chain support should naturally taper off. Emissions are always capped at 100%, whereas price is unbounded; however, chain support can still occur if positive TAO inflows, and therefore emissions, are concentrated in a smaller number of subnets.

INDEX LVL

## Yuma Composite Index (YCX)

SOURCE: YUMA ANALYSIS



## Yuma's new market-cap-weighted subnet benchmark

TAO has historically captured all Bittensor's network value, but the rise of subnet tokens means an expanding share is now represented by the subnet market itself. Network inflation previously awarded to TAO stakers is now primarily captured by subnet token holders.

We recently launched the Yuma Composite Index (YCX), a market-cap-weighted benchmark designed to track the full universe of Bittensor subnets, using weightings that serve as a reference for Yuma's Subnet Composite Fund.

Similar to the NASDAQ Composite for U.S. equities, YCX provides investors with a reference point to track the growth of the overall subnet market. Like the Total Subnet Price (TSP), YCX is a price-based index and does not incorporate staking yield components, focusing solely on market price performance. While TSP is calculated by summing subnet token prices in TAO, YCX incorporates both prices and circulating supply to more accurately reflect aggregate market value. In addition, by applying a divisor adjustment consistent with traditional index construction, YCX delivers a continuous time series of market performance, whereas TSP can experience step changes when events such as subnet registrations or deregistrations occur.

# Subnet Token Supply + Rewards

In Bitcoin, miners get paid for securing the network. In Bittensor, emissions go to those building intelligence. Subnet tokens are how the network decides where that value flows, rewarding the subnet stakeholders based on free-market dynamics.

When participants move their TAO into subnet tokens, they are exposed to the price risk of the subnet tokens and can earn higher staking rewards than TAO. These price changes and staking rates reflect demand, scarcity, emissions, and utility, creating a powerful signal of value across AI use cases.

While the TSP stabilized and appears to be reversing trend, significant movement continues between subnet cohorts. Total incentive value, measured by TSP, is concentrated at the top 20% of subnets.

**BITCOIN**

CIRC. SUPPLY: ~20.0M      MAX SUPPLY: 21M

ANNUALIZED REWARDS:  
 $450 \times 365 = 164,250 \text{ BTC}$   
 ~\$16B @ \$100K BTC

**CHUTES** SN64

CIRC. SUPPLY: ~4.4M      MAX SUPPLY: 21M

ANNUALIZED REWARDS:  
 $7,200 \times 365 = \sim 2.6 \text{M SN64 TOKENS}$   
 ~\$105M @ \$400/TAO & 0.10 TAO/SN64

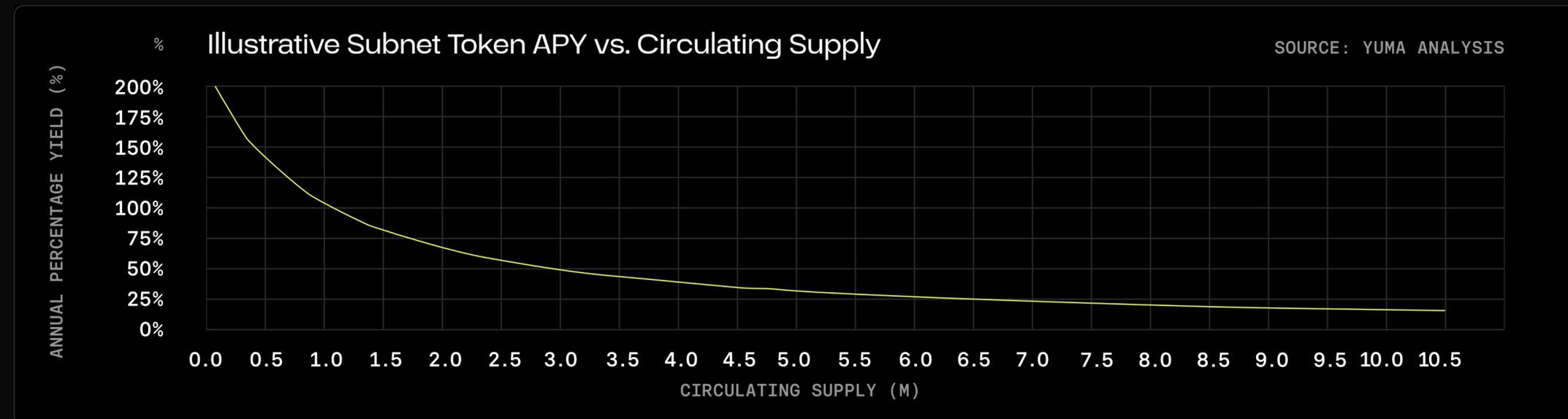
**RIDGES** SN62

CIRC. SUPPLY: ~4.2M      MAX SUPPLY: 21M

ANNUALIZED REWARDS:  
 $7,200 \times 365 = \sim 2.6 \text{M SN64 TOKENS}$   
 ~\$32M @ \$400/TAO & 0.03 TAO/SN62

Bitcoin pays its miners ~\$16B/year for computationally guessing numbers to secure the network (i.e., ~450 BTC/day x 365 days x ~\$100K). Similarly, Bittensor is emitting an annualized incentive value to subnet stakeholders of roughly \$1B/year in subnet tokens under certain assumptions (i.e., 7,200 TAO/day worth of subnet tokens x 365 days x \$400)<sup>1</sup>. Bittensor takes that incentive value and pays the network participants to produce intelligence, rather than only using its inflation to secure the network.

Subnets are the way for the network to let builders create their own incentive mechanisms, rewarding miners for providing GPU compute, modeling training, inference, financial prediction, drug discovery, storage, etc. Subnet tokens were the answer to determining how to appropriately allocate the network inflation across the Bittensor network to each of the 120+ different subnet use cases, allocating more to subnets providing the most value back to the network.



### STAKING REWARDS<sup>2</sup>

Subnet tokens can and do earn 100%+ APYs from the protocol. APYs are different for each subnet, calculated by annualizing the 'total staking rewards per day' divided by the 'total subnet tokens held by participants,' which are earning staking rewards. For example, if there are 1,350 subnet tokens awarded to subnet token holders per day, and 500K total subnet tokens held by participants, then the APY is  $(1,350/500,000) \times 365 = \sim 99\%$ .

Based on the market-cap-weighted average APYs for all subnets, the current Composite Fund rewards rate can be calculated as more than 50%. By comparison, the TAO staking yield is expected to continue decreasing from ~6% currently to ~1-3% by year-end 2026.

The most significant drivers in determining subnet token APYs are (i) time since subnet launch and (ii) the share of subnet tokens in circulation held by participants versus used for protocol-owned liquidity. In both cases, this is because APYs can be significantly higher when daily staking rewards are split among a small number of subnet tokens held by participants.

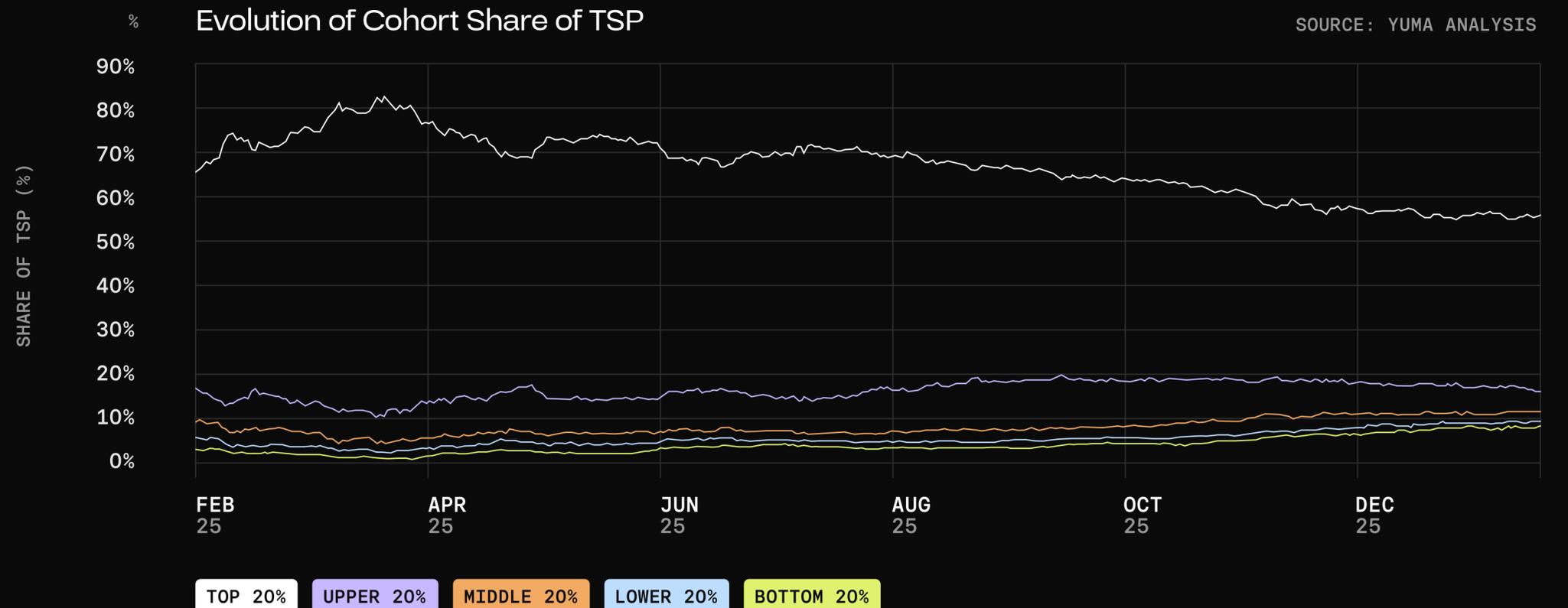
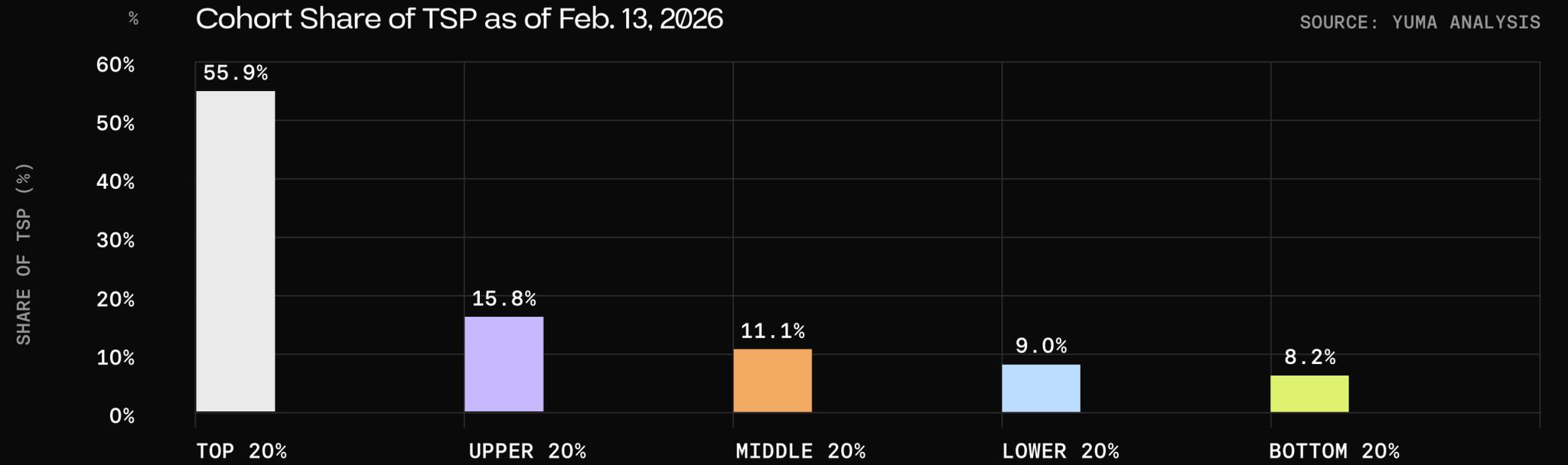
<sup>1</sup> Prior to any subnet token halvings, 7,200 TAO/day is equivalent to 7,200 subnet tokens/day per subnet across all subnets, assuming a TSP of 1.00 TAO and no miner burn emission. TAO price generally traded in a range from approximately \$200-\$600 throughout 2025.

<sup>2</sup> The figure shows estimated APY, assuming 7,200 subnet tokens per day per subnet to participants, of which 41% is awarded to stakers, and of which an assumed 9% of such amount is retained by validators; also assuming 50% of subnet tokens are held outside of the pool, with 5.5M TAO staked to root.

# Value Distribution

As we saw previously, Chutes and Ridges represented 0.13 TAO out of the total TSP (or ~11%, assuming a TSP of 1.18 TAO). Another way to assess the subnet token market is based on how the total incentive value is allocated across subnets.

The figure to the right shows that the top 20% of subnets by price represent 55.9% of the TSP (i.e., 25 of the 128 subnets account for ~0.66 TAO of the TSP of 1.18), as of Feb. 13, 2026. The prices follow a Pareto distribution that is typical in markets, though slightly less skewed than the commonly cited 80/20 Pareto (i.e., 80% of value from 20% of subnets). Further, we can observe how the top 20% dominance has evolved since the launch of subnet tokens, reaching as high as 82.4% and recently crossing below 60% for the first time, ceding relative TSP share to lower-priced subnets.



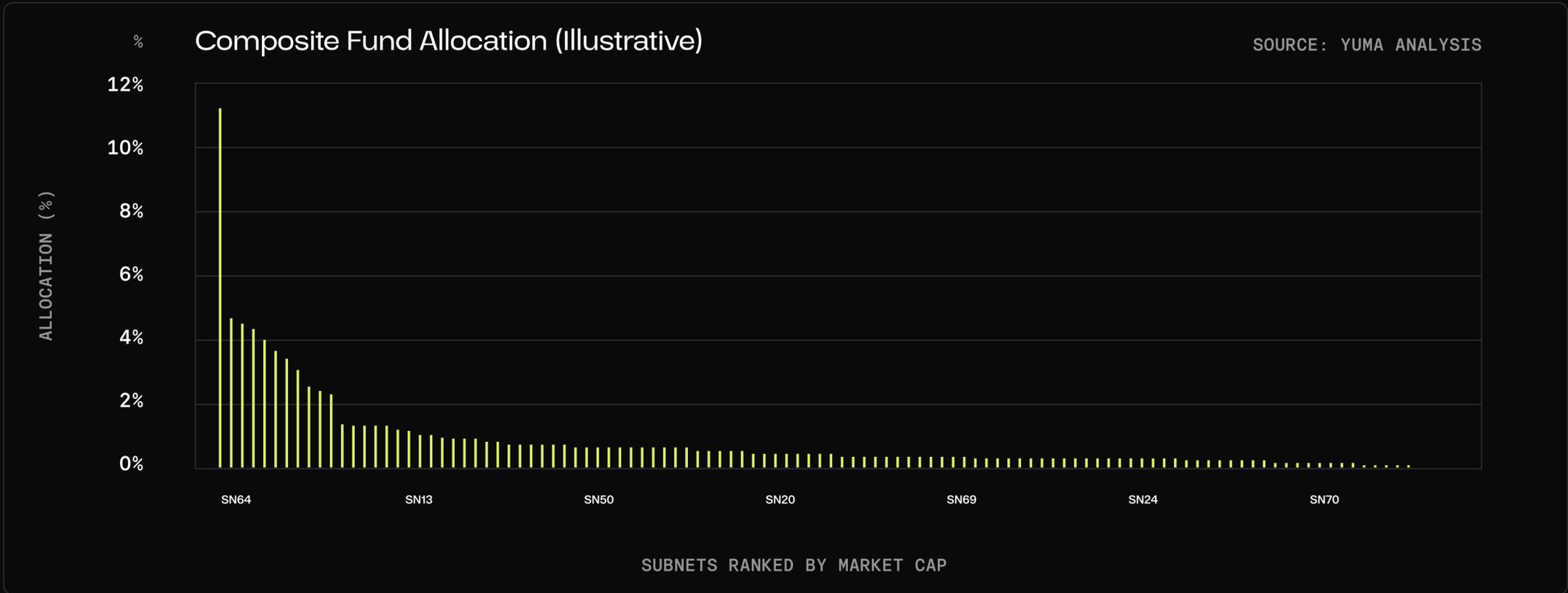
# Yuma Asset Management

In 2025, Yuma launched Yuma Asset Management, now one of the largest asset managers in Bittensor, with two flagship strategies.

- The Yuma Subnet Composite Fund (“Composite Fund”): Similar to the “NASDAQ Composite” for subnet tokens, this fund is designed for market-cap weighted exposure across all active subnets.
- The Yuma Large Cap Subnet Fund (“Large Cap Fund”): Similar to the “Dow Jones Industrial Average” for subnet tokens, this fund is designed for targeted exposure to the top subnets.

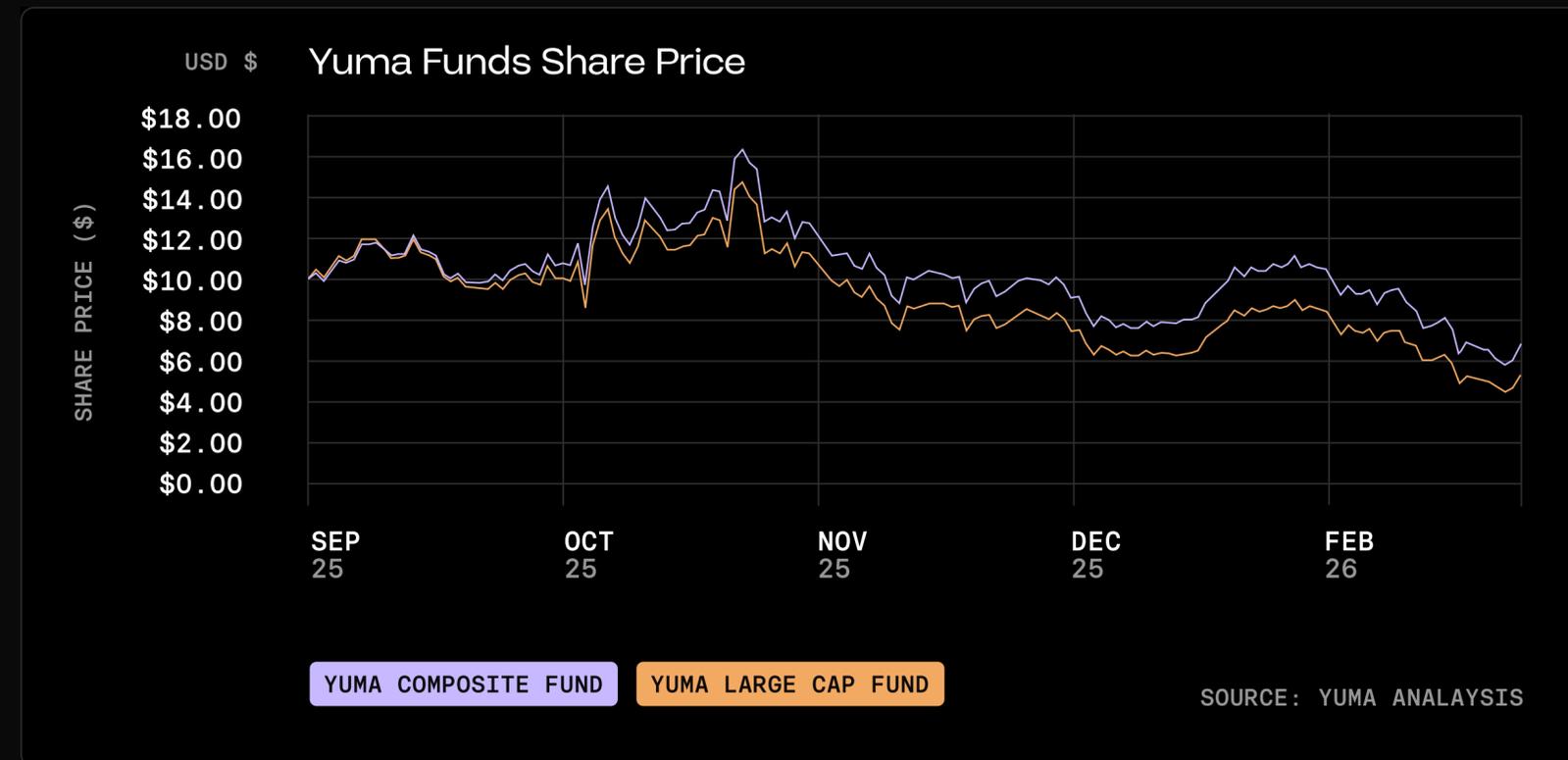
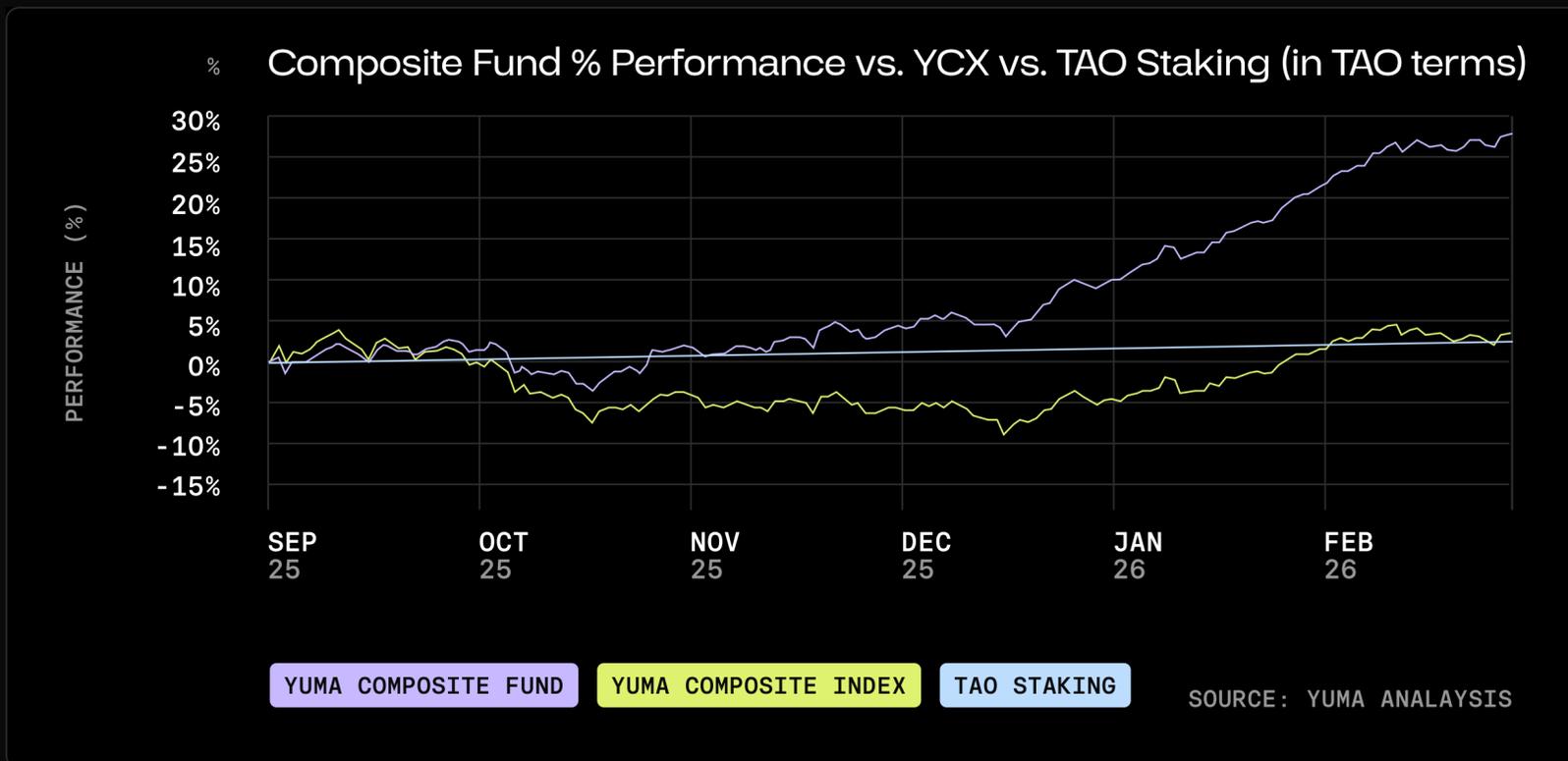
The funds have been maintaining momentum with notable investors since their October launch, including Connecticut Innovations and TAO Synergies (TAOX).

To learn more about Yuma’s subnet token funds, visit us [here](#).



# Fund Performance

## Yuma's Composite Fund Outperforms TAO



The Composite Fund has outperformed the change in TAO price, reflecting the market-cap weighted subnet token price change, plus reinvestment of subnet token yield. Since launching the Composite Fund on Sep. 4, 2025, through Feb. 13, 2026, the fund decreased by 31.9%, while the TAO price fell 46.1% over the same period. The Composite Fund also outperformed TAO including TAO staking rewards. For the first time, the market has an investible alternative to TAO staking, absorbing high subnet token staking rewards while smoothing subnet-level volatility and mitigating idiosyncratic token risk.

The Composite Fund is primarily weighted to the largest subnets, so the Large Cap Fund can be viewed as a more concentrated expression of the Composite Fund, overlaying an investment filter for size – overweight subnets with the highest potential for breakout uses cases.

# Fund Performance

Illustrative 12 Month Return Multiple for Composite Fund (in TAO terms)

SOURCE: YUMA ANALYSIS

TSP in 12 Months

		0.88	0.98	1.08	1.18	1.28	1.38	1.48
Next 12 Months Avg. APY	30%	0.97x	1.08x	1.19x	1.30x	1.41x	1.52x	1.63x
	40%	1.04x	1.16x	1.28x	1.40x	1.52x	1.64x	1.76x
	50%	1.12x	1.25x	1.37x	1.50x	1.63x	1.75x	1.88x
	60%	1.19x	1.33x	1.46x	1.60x	1.74x	1.87x	2.01x
	70%	1.27x	1.41x	1.56x	1.70x	1.84x	1.99x	2.13x

## Illustrative returns in TAO terms supported by APYs and chain buys

Using the change in TSP as a proxy for the average change in subnet token prices in the Composite Fund, assuming the TSP remains flat over the next 12 months at 1.18, an average blended APY of 50% (consistent with expected and realized performance in the Composite Fund since inception) would imply an estimated 1.50x return multiple in TAO terms. This compares to an expected ~1.03x return multiple in TAO terms for simply staking TAO without holding the Composite Fund, assuming an average TAO staking APY of 3% over the next 12 months.

In an illustrative downside scenario, where the TSP trades at a level with significant chain support at 0.98, a lower average blended APY of 30% would correspond to an estimated 1.08x return multiple in TAO terms. However, subnet token APY and price are inversely related: lower prices result from subnet token sales, which concentrate daily staking rewards across fewer circulating subnet tokens held by participants. Since these return multiples are denominated in TAO, movements in the TAO/USD price would be layered onto the returns shown.

# Subnets Powered by Yuma

The Yuma Accelerator strengthens Bittensor by equipping teams with the capital, technical expertise, and ecosystem access to effectively scale and monetize a subnet and its outputs.

**NUMINOUS**   **SN06**

**TRISHOOL** **NEW**  **SN23**

Trishool stress-tests AI models to find failures such as deception, manipulation, or power-seeking behaviors. Powered by Subnet 23 outputs, their simple API solution provides a continuous alternative to traditional AI alignment, a manual process riddled with inefficiencies.

**GOPHER**  **SN42**

**SCORE**  **SN44**

**YANEZ MIID**   **SN54**

**BABELBIT** **NEW**   **SN59**

Babelbit is building the backbone for real-time translation that works as fast as people talk, or faster. Today's tools often lag behind, struggling to translate a sentence before the speaker finishes. Subnet 59 participants compete to train models that translate with the speed and fluency of a native speaker, with their outputs unlocking translation technology that has the potential to radically improve communication across language barriers- from video calls to live events.

**BITSEC**   **SN60**

**REDTEAM** by Innerworks  **SN61**

**VERICORE** by dFusion AI  **SN70**

**HERMES** by SubQuery   **SN82**

**STREETVISION** by NATIX  **SN72**

**LOOSH** **NEW**   **SN78**

Loosh is building AI to better understand humans - their tone, intent, and ethical views. The subnet will power modular cognitive systems including empathy, memory, and reasoning to unlock opportunities in robotics, telehealth, and digital companions.

**FLOCK OFF**  **SN96**

**NIOME** by Genomes.io **NEW**   **SN55**

NIOME is building pioneering genomic intelligence on Bittensor without compromising privacy. Unlike legacy providers that centralize genomic data behind closed systems, Genomes uses privacy-safe synthetic DNA subnet outputs to power AI predictions for developing personalized medicines. By shifting genomic data into a decentralized architecture, Genomes gives researchers and developers a new way to build intelligent systems without surrendering data ownership for one of the most personal datasets you have.

- KEY:
-  NEW
  -  AGENTIC AI
  -  SECURITY
  -  DATA
  -  PREDICTIVE SYSTEMS
  -  INFERENCE
  -  DESC I
  -  DECENTRALIZED TRAINING
  -  VISION AI
  -  AI POWERED TOOL
  -  ROBOTIC AI

Are you a startup, enterprise, investor, or AI researcher looking to shape the future of decentralized intelligence? Yuma is calling for pioneers with bold ideas in privacy, novel data markets, and general open innovation.

If your team has the vision, technical edge, and grit to make an impact, join the Bittensor ecosystem. Apply to our accelerator [here](#) to unlock funding, Bittensor technical expertise, and a global network of contributors.

# Expanded Market Access

Yuma's institutional-grade validator has onboarded 12 partners to the Bittensor ecosystem. Through them, thousands of institutions and hundreds of millions of users are now able to stake TAO and participate in the Bittensor network.

# 142M+

RETAIL CUSTOMERS NOW HAVE ACCESS TO TAO THROUGH YUMA VALIDATOR PARTNERS

SOURCE: YUMA

# 7K+

INSTITUTIONAL CUSTOMERS NOW HAVE ACCESS TO TAO THROUGH YUMA VALIDATOR PARTNERS

SOURCE: YUMA

## Subnet Coverage

The Yuma validator covers nearly all active subnets with **owned, actively managed infrastructure** and provides missed rewards for partners and delegates.



# Ecosystem Update

DECEMBER 9, 2025

## MEV SHIELD TRANSACTION PROTECTION

MEV (Maximum Extractable Value) attacks are something many blockchain networks deal with, and Bittensor launched an industry-leading approach to address the challenge. MEV Shield is a transaction encryption that prevents attackers from seeing transaction requests and potentially taking advantage of the market impact. It is currently an optional configuration, but it is expected to be added as native for all transactions.

TARGETED 1H 2026

## GOVERNANCE UPDATE

A governance update is being rolled out to formalize transparent chain management and software upgrade processes. The update introduces a representative governance model in which validators and subnet owners vote on proposals that update the network. This builds on the existing structure where the Triumvirate proposes and implements core changes with approval from top TAO delegates. In the new model, the Triumvirate will transition from foundation-appointed members to community-rotated representatives.

NOVEMBER 4, 2025

## TAO FLOW

Bittensor introduced a new system for distributing TAO emissions into liquidity pools called TAO Flow. This shifted subnet rewards from being based on subnet token price to the actual net "flow" of TAO into each individual subnet, determined by how much TAO participants are contributing versus withdrawing. This shift aims to reward sustained interest.

DECEMBER 15, 2025

## BITTENSOR'S FIRST HALVING

Bittensor features "halving" events for the emission of its TAO token, following the same issuance trajectory as Bitcoin. Bittensor's first halving triggered when exactly half the total 21M maximum supply was circulating, 10.5M TAO. The halving cut the rate at which new TAO tokens are emitted into liquidity pools from 7,200 per day to 3,600. Importantly, while the TAO halving halved the rate of new liquidity growth, it did not directly change rewards to network participants, which will be halved in accordance with subnet token halvings in the coming years.

TARGETED 1H 2026

## PROOF OF STAKE MODEL

The Bittensor blockchain processes and stores all the transactions and parameters that enable the subnets and broader ecosystem. This framework is called Proof of Authority, where only select participants are permitted to approve changes to the ledger. Bittensor is shifting to a Nominated Proof of Stake model, where the validating responsibility will be shared by multiple entities. Yuma is participating as a first-wave tester, and this initiative is currently in early stages.

# Disclosure

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The charts, graphs, and figures presented herein are for illustrative purposes only and reflect hypothetical scenarios based on assumptions that may not occur in practice. These figures do not represent actual historical performance and should not be relied upon as an indication of future results. All assumptions underlying these hypothetical examples are subject to significant limitations, including but not limited to third party actions, market volatility, liquidity constraints, and changes in market conditions. Hypothetical performance is inherently speculative and involves numerous risks and uncertainties. Actual results may differ materially from those shown. No representation or warranty is made as to the accuracy, completeness, or reasonableness of the assumptions or projections contained herein. Past performance is not indicative of future results. Recipients should conduct their own independent analysis and consult with professional advisors before making any investment or financial decisions.

Opinions expressed herein are current as of the date made and subject to change. Yuma and its affiliates and their respective employees and representatives may have financial interests in the products, assets, or technologies discussed herein.

Investments in subnet tokens and other digital assets on the Bittensor network involve substantial risks, including but not limited to: extreme price volatility, liquidity constraints, potential technological failures, cybersecurity threats, network governance disputes, regulatory enforcement risks, and loss of principal. Tokens related to Bittensor subnets do not represent ownership in a legal entity and may lack traditional investor protections and disclosures.

An investment in any Fund involves significant risk, volatility, and illiquidity. There is no guarantee that any Fund's investment objective will be achieved. There is the possibility of loss, and all investment involves risk, including the loss of entire principal.

Nothing contained herein should be considered investment advice. Please consult your own advisors for any investment decisions.

Comparison to the "NASDAQ Composite" and the "Dow Jones Industrial Average" are for illustrative purposes only and are intended merely to analogize to familiar index funds. It does not imply any relationship or connection to those indexes or any trademark holders thereof and is not intended to suggest any specific return or performance profile.