



Bitcoin's Record High: 2 Easy Ways to Buy In

Description

Bitcoin has been soaring lately, sitting at an unbelievable high of \$30,700 as of this writing. The world's largest cryptocurrency has seen an uptick in institutional interest this year, which has contributed to its massive gains. In the past, Bitcoin's price action was mostly driven by hobbyist investors and other individuals. Now, banks are very much on board.

Until recently, it's been hard for less-tech-savvy individuals to buy Bitcoin. Buying BTC isn't the easiest thing to do — at least compared to buying stocks — and that has prevented many people from getting in. Adding to that, there have been security concerns with crypto exchanges and other intermediaries that make buying BTC possible.

For the longest time, these were real barriers for individuals to [invest in BTC](#). But no more. Thanks to several new ETFs, it's possible to get Bitcoin exposure on a stock exchange just like you would any share. The following are three ways to do it.

The Bitcoin Fund

The Bitcoin Fund ([TSX:QBTC](#)) is a Bitcoin ETF offered by **3iQ Digital Asset Management**. The fund simply [buys and holds Bitcoin long term](#). It does not actively trade BTC, nor does it hold other investments. So, it's a pure play in Bitcoin that replicates the returns of the asset itself. The only difference is that with QBTC, you pay a 1.95% fee every year. Apart from that, the fund is essentially like holding Bitcoin on a stock exchange.

CI Galaxy Bitcoin Fund

CI Galaxy Bitcoin Fund (TSX:BTCG.UN) is another pure-play Bitcoin ETF. It's run by **CI Global Asset Management**. Like QBTC, its sole holding is Bitcoin. There are some differences between this fund and QBTC, though. For one thing, its fees are lower at 1.8%. Also, its NAV per unit is lower, making the fund slightly cheaper to buy one unit of. For most investors, this won't make a difference, because banks' trading fees are too high for buying just one unit to make sense. But if you're looking to

buy just one share on a no-fee platform like Robinhood “for fun,” then perhaps BTCG.UN is the better option.

On that note: we at the Motley Fool have received questions from readers about the differences between QBTC and BTCG. People have asked why the funds’ prices are different despite both holding only Bitcoin. It comes down to two things: fees and net asset value per share. QBTC has slightly higher fees than BTCG, and BTCG holds slightly less BTC per unit than QBTC does. Apart from those two things, the funds are identical.

Foolish takeaway

Bitcoin has proven to be the runaway hit of the investing world in 2020. A volatile asset, it surged forth to record highs this year. If you can handle the volatility, then perhaps buying it makes sense. But for most investors, ETFs like the two mentioned in this article are easier. You can also consider buying crypto mining stocks like **HIVE Blockchain Technologies**, which make money by mining and selling crypto.

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