



## Bitcoin: How to Gain Exposure in Your TFSA

### Description

Over the last few decades, there has been a tonne of innovation in technology. And while most of this innovated technology gets integrated into products and inspires new innovation, one technology is still yet to be widely accepted. Both Bitcoin and the underlying technology that powers it, blockchain, offer incredible opportunities long term.

Bitcoin was launched over a decade ago and was met with a lot of skepticism. Today, it's slowly catching on with investors and institutions, yet the majority of the general public is still wary of this new technology.

In recent years, though, the wider adoption of Bitcoin and other cryptocurrencies has picked up its pace considerably. Furthermore, more and more investors have been investing in the cryptocurrency industry.

This shows that the space is becoming less of a speculative gamble and more of a long-term investment, especially if you see the potential of [cryptocurrency](#) and blockchain.

Back in 2017, Bitcoin shot up in a short-term bubble to a high of nearly \$20,000 USD. And while it came crashing back down soon after, the digital currency has continued to be a strong performer.

Some have even referred to Bitcoin as a new digital form of [gold](#), especially because of the value it holds when fiat currencies are being devalued.

So when the coronavirus pandemic hit, and the U.S amongst several other countries around the world had to print tonnes of money for stimulus, these non fiat-currencies shot up in value considerably.

This led to Bitcoin reaching a new all-time high and then some over the last month. Just four weeks ago, it reached a new all-time high, surpassing its 2017 high. Fast forward four weeks later, and the coin has already rallied by more than 40%.

The fact that more investors, including large well-known investors, have been jumping on the bandwagon only gives it more conviction. Unsurprisingly, interest in the digital currency has been

increasing rapidly as of late.

## How to gain exposure to Bitcoin in your TFSA

If you're considering trying to gain exposure to Bitcoin, there are several ways to go about it. The most popular, of course, is buying the actual coin. However, there are several other ways to gain exposure.

If you want to have your exposure to Bitcoin in your TFSA, for example, you can't buy the coin. However, there are certain stocks and ETFs that allow investors to profit off an increase in the cryptocurrency's price.

There are two highly opportune ways you can gain exposure in your TFSA today.

First off, there is **HIVE Blockchain Technologies Ltd.** ([TSXV:HIVE](#)), a cryptocurrency miner making it responsible for the blockchain infrastructure.

The company operates in Iceland, where it can keep its mining costs down. It operates around the clock, mining some major cryptocurrencies such as Ethereum, the second-largest cryptocurrency in the world.

Bitcoin has more than tripled in value this year. However, Ethereum is up by more than four times the price it started the year at.

Cryptocurrency miners can be highly profitable when the price is increasing substantially, although they do offer some significant risks over long holding periods.

## How to own Bitcoin in your TFSA

If you're looking to gain exposure to the price of the cryptocurrency alone, you may be better off investing in **The Bitcoin Fund** ([TSX:QBTC.U](#)).

The Bitcoin Fund gives investors exposure only to the price of Bitcoin. The fund buys and holds Bitcoin, then issues units to investors. This is the easiest way to gain exposure in your TFSA or other registered accounts.

For each unit of the fund, investors receive the equivalent of 0.001112 Bitcoin. While this is the optimal way to gain exposure, there are still significant fees on the fund.

The Management expense ratio is 1.95%, significantly more than many other funds on the market. However, the trading costs of Bitcoin can be considerably higher, so it's not unjustified that the fund has to charge these significant fees.

## Bottom line

Bitcoin and blockchain offer huge technological potential over the coming years, as more and more investors continue jumping on the bandwagon. So if you've been waiting on the sidelines considering

an investment, you may want to act soon.

In the last month alone, the price has skyrocketed by nearly 50%.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. TSX:HBLK (Blockchain Technologies ETF)
2. TSX:QBTC (The Bitcoin Fund)

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