



## Want Bitcoin at a 25% Discount? Buy This TSX Stock

### Description

The price of Bitcoin is down approximately 25% from its all-time highs set earlier this year. For those bullish on cryptocurrencies, now might seem like a great time to buy the dip. After all, this is an asset class that has historically rebounded from every rapid short-term decline in the past.

In this article, I'm going to discuss one of the easiest ways for Canadian investors to get access to Bitcoin. The bonus is: this is a publicly traded stock.

### The Bitcoin Fund

One of the easiest ways investors can get access to Bitcoin is through a **TSX-listed stock, The Bitcoin Fund (TSX:QBTC)**. This fund buys and holds Bitcoin for the long-term, and doesn't rebalance over time, allowing for very high correlation returns to the actual cryptocurrency, a benefit for those looking to take advantage of the rise in cryptocurrencies right now.

One of the key reasons I like this form of investment in Bitcoin is the liquidity this stock provides. Investors can get in and out of Bitcoin easily and at a relatively low cost. Trading fees do apply, and this fund does have an expense ratio of around 2% a year to own, so there are some costs. That said, the ease at which investors can access cryptocurrencies and trade this asset class is worth consideration for those so inclined.

### Risks are high with this investment, so trade carefully

The problem with investing in [highly speculative assets](#) like cryptocurrencies is volatility works in both directions. As we've seen with prior corrections in this sector, the downturns can be violent. Of course, the upside Bitcoin and its cryptocurrency peers have provided of late has more than made up for such dips.

Those who have bought the dips in the past have done well, and this is an asset class that appears to have a tremendous amount of momentum. For those who believe the momentum trade will be alive

and well this year, The Bitcoin Fund could turn out to be a great investment.

That said, cryptocurrencies have intrinsic values that are inherently hard to define. I've seen a number of economic analyses done on the subject, and still scratch my head at how some of these numbers are produced. As a conservative, fundamentals-oriented investor, this is an asset class that doesn't fit my risk profile. Accordingly, I'd encourage most investors to steer clear of these assets. Only those with extremely high levels of conviction about these assets and who truly understand them should invest.

Taking a Warren Buffett approach and only investing in assets that one understands is a great way to stay grounded in these times. Indeed, deviating from one's realm of competency can be dangerous. This goes double for those with a long-term investing time horizon.

## CATEGORY

1. Investing

## POST TAG

1. investing
2. market
3. Stocks
4. technology

## TICKERS GLOBAL

1. TSX:QBTC (The Bitcoin Fund)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## Category

1. Investing

## Tags

1. investing
2. market
3. Stocks
4. technology

## Date

2025/08/23

**Date Created**

2021/01/24

**Author**

chrismacdonald

default watermark

default watermark