



## Bitcoin ETF: Should You Join the Crypto Investor Club Now?

### Description

When it comes to rapid or short-term growth, few investment assets can hold a candle to Bitcoin and some other crypto assets. But this growth comes at a considerable price: volatility and a risk of losing everything. And the definition of everything for Bitcoin is very different from what it is for other investment assets.

That's because, unlike stocks of companies that are backed by actual tangible assets and resources, Bitcoin gets its value from speculation. But even if the crypto itself has no core value because of its intangible nature, several tangible businesses that are created around Bitcoin give it a certain "mass" as an investment asset.

And now, Canada has become home to the world's first Bitcoin ETF, the **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)).

### World's first Bitcoin ETF

The Purpose [Bitcoin ETF](#) has a little over 11,352 Bitcoin and an AUM value of about \$693 million. The company proudly claims that when you buy their ETF, you buy real Bitcoin that's kept in their cold storage, though realistically, the \$10 per-share value of the ETF makes up just a small portion of the value of a full Bitcoin.

The fund is too young to divine its growth prospects from its historical patterns. But since the fund is *based* on the actual asset, its value will most likely trail the same pattern. If you want a more affordable exposure to Bitcoin with the legitimacy of a stock exchange behind it, this ETF might be the way to go.

We might see more such ETFs cropping up if more investment firms and institutional investors start considering Bitcoin as an effective investment and diverting some of their funds into this lucrative asset.

### An exposure angle

Another way to gain exposure to Bitcoin is to invest in a “mining” company like **Hut 8 Mining** ([TSX:HUT](#)). It's a Toronto-based company with a market capitalization of \$916.9 million. The company has 94 data centres, consumes 104 MW at max, and has a hash rate (computational power when it comes to mining Bitcoin) of 1,031 Peta Hash per Second.

As of June 2020, the company had mined over 16,000 bitcoin. While that's a significant number, so is the fact that with every new Bitcoin mined the mining difficulty increases. On the bright side, the company can turn its considerable computing power to mining other cryptos as well.

The company has grown its share price by over 600% in the last 12 months. And even though it's now coming down, it might have the potential to earn you a decent profit by spiking alongside Bitcoin price. For maximum returns, consider buying it when the hype around [Bitcoin cools down](#) a bit.

## Foolish takeaway

Bitcoin *is* volatile, but that's not necessarily a weakness. From a short-term growth perspective, it's Bitcoin's power. But the problem is that Bitcoin has grown too much too fast, and the growth you would have seen if you had bought it when it had a three-digit price-tag, might not be possible again. Still, you can wait for its cyclical dip to maximize your returns from Bitcoin-related investments.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)
2. TSX:HUT (Hut 8 Mining)

### PARTNER-FEEDS

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

### Category

1. Investing
2. Tech Stocks

### Date

2025/08/26

### Date Created

2021/03/10

**Author**  
adamothonman

default watermark

default watermark