



Bitcoin ETFs or HIVE Stock: What's the Best Way for Canadians to Bet on Crypto?

Description

Bitcoin's latest rise likely has many Canadians on the fence about jumping aboard [the crypto bandwagon](#) with a miner like HIVE stock (**HIVE Blockchain Technologies** ([TSXV:HIVE](#))), a Bitcoin ETF, or the cryptocurrency itself. Indeed, there are now many ways for Canadians to bet on cryptocurrencies without the hassle of setting up a wallet or safely storing one's keys. But just because it's never been safer, more convenient, or cheaper to play Bitcoin does not mean you should.

Warren Buffett has slammed Bitcoin on numerous occasions in the past. Just because the asset is not his cup of tea doesn't mean it can't be yours, though, especially if you're looking to diversify your portfolio further.

I believe alternative assets (that's alternative to the equity markets) such as gold and Bitcoin have a spot in one's portfolio. Buffett is a fan of neither unproductive asset. But if you're not a crypto chaser who's looking to double or triple your money over a concise timeframe, it may be worth putting a 1-5% portfolio of your total assets in a mix of crypto and gold.

Cryptocurrency's risk/reward is highly suspect, as the crypto soars past all-time highs

Given Bitcoin's limited track record and its higher correlation to the stock market, I don't think it's suitable to declare that crypto is the "new gold" or some form of "millennial gold." That said, I think there are benefits for Canadians who understand the full range of pros and cons with crypto and the sky-high risks that should not be discounted.

Simply put, if you don't understand blockchain [technology](#), are unwilling to buy more crypto after the next inevitable crash, or are unwilling to hold for the long run, do yourself a favour and take a raincheck on Bitcoin and gold. If you are a true believer in Bitcoin and are willing to see your investment lose well over 70% of its value, only then would I encourage you to touch anything remotely related to Bitcoin or other cryptocurrencies.

Now that my warning out of the way, let's get into the options for Canadians to bet on Bitcoin.

With Bitcoin ETFs and miners (like HIVE stock) frequently landing on the TSX, there's never been a better (or more confusing) time to be a Canadian crypto investor. In this piece, we'll narrow down the options to the plays that I believe are the best for those who've already decided they're going to take the plunge into the world of crypto.

Bitcoin ETFs, miners (HIVE stock), and wallets, oh my!

Canada has no shortage of options. And there are more on the way!

Owning Bitcoin or other cryptocurrencies outright, I believe, is a bad idea for the average Canadian. Not just because of the tedious process of setting up a wallet and all the sort, but there's always the risk that one can lose access to their wallets through some minor fumble like losing their keys. I'm sure you've heard the horror stories of people losing access to their wallets and all the sort. People have lost millions in Bitcoin through such honest mistakes.

Like with hoarding gold bars under your mattress, you shouldn't be hoarding excessive amounts of Bitcoin, because the risks of losing it are high. You'll need a custodian, and today, you can get one on the cheap with a handful of ETFs or even shares in a miner like HIVE stock.

So, that rules out actual Bitcoin.

Given there's already far too much volatility in crypto, I'd have to scratch off the miners like HIVE stock, which are a levered way to play the price of cryptocurrencies it mines. That leaves it down to Bitcoin ETFs.

At the time of writing, I believe the third Bitcoin ETF to land in Canada, **CI Galaxy Bitcoin Fund**, is the best one to bet on for its mere 0.4% management fee and the excellent custodian in **CI Financial**, a proven Canadian wealth manager that won't let you down.

Of all the ways to bet on Bitcoin, [ETFs](#) are the way to go. And I believe CI Galaxy's option is the best of its breed.

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