



## Bitcoin ETFs: Canadians Invest \$150 Million in 1 Month!

### Description

Canadians are putting record amounts of money into Bitcoin ETFs.

That's the takeaway of a recent *Bloomberg* story, which revealed that a Bitcoin fund had the second-largest inflows of any Canadian fund in February. It was a record month for Canadian ETFs overall, with \$5.2 billion in inflows. Global stocks were strong in February, with the S&P 500 posting a 3.39% return that month. That may help explain why Canadian funds saw record inflows. The fact that a Bitcoin fund was second among all of them also points to the increasing popularity of Bitcoin as it sets new record highs.

### Second-largest inflows of any Canadian fund

In February, the two Canadian funds with the highest inflows were

- **TD Global Technology Leaders ETF** with \$950 million in inflows; and
- **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)) with \$150 million in inflows.

It's not surprising that these two funds should top the list, as they both play to current trends. The **TD** fund is a high-growth tech ETF similar to Cathie Wood's popular funds, and Purpose Bitcoin ETF plays to the bullishness in crypto. Overall, TD's Global Technology Leaders fund is a pretty standard tech fund. Purpose Bitcoin ETF is more unorthodox. In the next section, I'll explore its holdings in detail.

### What's actually in this fund?

Given that [Purpose Bitcoin ETF](#) is a fund, you might think it has a wide variety of holdings. Fund managers are normally expected to diversify their portfolios, and there's no shortage of cryptocurrencies to invest in. So, you'd expect at least a few different cryptocurrencies in Purpose's portfolio. However, based on its [holdings sheet](#), it appears the fund really only holds Bitcoin — that is, a direct position in Bitcoin and no other cryptocurrencies nor crypto stocks/derivatives. The total number of Bitcoin the fund held as of March 19 was 14,195. As of this writing, that gave the fund

approximately \$1 billion in assets under management.

## What's the value proposition?

On the surface, Purpose Bitcoin ETF appears to lack a clear value proposition. As a pure play in Bitcoin, it doesn't seem significantly different from owning BTC itself. In fact, the fund's returns are guaranteed to be lower than BTC's, because BTCC has fees while BTC doesn't. However, BTCC does offer investors one important thing: security.

When you hold Bitcoin in a wallet, you're responsible for remembering your password and keeping your coins safe. If someone hacks your wallet or you forget your password, you're out of luck. While services like Coinbase tout their "account insurance," this insurance only covers their physical data centres. It doesn't protect you, the holder, from hacking or lost passwords.

## Foolish takeaway

As February's data shows, Canadian ETFs had a great month last month. And Bitcoin funds were among the biggest winners of the bunch. Giving investors an easier, safer way to invest in the world's largest cryptocurrency, it's no surprise that they've become popular. With luck, they'll keep gaining momentum in the year ahead.

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