



## 1 Bitcoin ETF to Buy if You Love Cryptocurrency

### Description

Bitcoin is notorious for its [high volatility](#). The digital currency has no supervision by a central entity. Also, there's no physical asset that backs it up, because it's 100% digital. Likewise, the mining of the coin has limitations up to 21 million only to protect the value.

Investors can purchase and trade Bitcoin on a cryptocurrency exchange, which is similar to a stock market. Besides Bitcoin, you can access other cryptos through the platform. Some people buy digital tokens from regular investing apps like Robinhood. A Bitcoin purchase could either be an investment or an alternative currency.

However, those who love or are interested in Bitcoin might find the investing process tedious and unsafe. You need to set up a digital wallet (hardware or web-based) that contains a private key. If the key is lost or stolen, you can kiss your digital currency goodbye.

Fortunately, the TSX allowed Bitcoin exchange-traded funds (ETFs) in 2021. Canadians can gain exposure to Bitcoin, including its value but without actual ownership. Another attraction is that the ETF is an eligible investment in a Tax-Free Savings Account (TFSA), Registered Retirement Savings Plan (RRSP), and non-registered accounts.

### Pioneer Bitcoin ETF

Canada is the first to include Bitcoin ETFs in North America's stock market. The three prominent names are **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)), **Evolve Bitcoin ETF**, and **CI Galaxy Bitcoin ETF**. If you plan to invest today, the pioneer Purpose Bitcoin is the logical choice.

Regulators gave the green light to Purpose Investment Inc. to launch the Purpose Bitcoin ETF on the TSX for regular investors. The official first trading was February 18, 2021, and the fund collected a total of \$421.8 million AUM (assets under management) a day later.

Purpose Investment, the fund manager, explains that when you buy units of the ETF, they purchase or invest directly in physically settled Bitcoin, not derivatives. Investors can then add actual Bitcoin to their

investment portfolios then choose to buy and sell BTCC as they would a regular stock.

## ETF rating

Purpose Investments reminds overzealous crypto investors about investing in the ETF. The fund manager rates BTCC as a high-risk, high-reward ETF. Since it mimics Bitcoin's performance, there are potential gains as well as [potential losses](#). However, Purpose's Fact Sheet also describes the ETF as appropriate for investors with a high-risk tolerance and who want capital growth over the long term.

Bitcoin's nature is unstable, so the underlying asset is generally a high-risk investment. The risk factors include price volatility, increasing need for regulation, legislation changes, and attacks by hackers on trading platforms. The world's most popular digital currency suffered a major setback in May 2021, following a 35% month-over-month decline.

The drop reflects in BTCC's performance, because the ETF fell by 36% during the same period. As of June 18, 2021, the price is \$7.36 from a peak of \$12.01 on May 7, 2021. BTCC currently holds 20020.7098 Bitcoin coins in cold storage.

## Next-best alternative

Bitcoin investors should understand that Purpose Bitcoin ETF is very new. You'll only know the return performance one year after its inception. Likewise, every investor must pay a 1.00% management fee when investing in the ETF.

While Bitcoin remains a speculative asset, North America's first Bitcoin ETF is the next-best alternative to owning the digital currency. According to crypto investors, Bitcoin still has the potential to become an enduring store of wealth.

### CATEGORY

1. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:BTCC.B (Purpose Bitcoin ETF)

### PARTNER-FEEDS

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

7. Yahoo CA

**Category**

1. Investing

**Tags**

1. Editor's Choice

**Date**

2025/08/28

**Date Created**

2021/06/22

**Author**

cliew

default watermark

default watermark