



## \$10,000 Invested in This Bitcoin ETF in February Is Worth This Much Today

### Description

Canadian investment firm Purpose Investments launched the first-ever Bitcoin [exchange-traded fund](#) (ETF) in North America on February 21, 2021. During the market debut of **Purpose Bitcoin ETF** ([TSX:BTCC.B](#)), the world's most popular digital currency was on a blazing rally. Bitcoin (BTC) reached an all-time high of US\$63,503.46 on April 13, 2021.

The frenzy came back until the [crypto spiraled in May](#) and then plunged by as much as 50% towards the last week of June. As of July 10, 2021, BTC's price is \$33,520.52, or 47.21% lower than its peak. Meanwhile, three more Bitcoin ETFs began trading on the TSX.

Aside from Purpose Bitcoin ETF, investors who want to have a crypto portfolio can also invest in **Evolve Bitcoin ETF**, **CI Galaxy Bitcoin ETF**, and **3iQ CoinShares Bitcoin ETF**. However, investors in BTCC.B seem to be losing year to date.

### Successful IPO

Purpose Bitcoin ETF's IPO was a resounding success. According to *Bloomberg Intelligence* analyst James Seyffart, the trading volume (9.6 million) was well above an ETF's typical first day on the TSX. *Bloomberg* data reports that \$165 million worth of shares that changed hands reflect strong demand.

Som Seif, Purpose Investments' CEO, said, "We are so happy to be able to offer this innovation to investors, making the process of owning Bitcoin easier than ever." BTCC.B lets investors track the digital currency's performance and invest directly in the cryptocurrency itself.

The trading volume approached nearly \$400 million worth of shares in just two days — a feat not seen even in the largest ETF market. Seif added, "Canada has proven that it has a process that leads to innovation, and the systems to allow for it."

### Premier vehicle for Bitcoin

On its one-month fund anniversary, the assets under management (AUM) of the world's first Bitcoin ETF backed by physically settled Bitcoin crossed \$1 billion. Purpose Investments believe its ETF is the premier vehicle for exposure and safe access to BTC.

Regular investors can buy and sell BTCC.B like common stocks. The ETF uses your money to buy real Bitcoin, and the physically settled digital coins are safely held in cold storage. The transaction is simple, too. Since it doesn't require a digital wallet or keys, investors do away with the self-custody and security management hassle.

Moreover, BTCC is eligible for registered accounts. You can hold it in a Tax-Free Savings Account and a Registered Retirement Savings Plan.

## ETF performance

BTCC.B closed at \$10.09 on its first trading day. The ETF went on a roller-coaster ride before rising to \$11.92 in mid-April 2021. Somehow, the movement seems to mirror BTC's fluctuations. On July 9, 2021, the closing price is \$6.21, or 38% lower than the ending price on opening day.

Had you invested \$10,000 in BTCC.B on February 18, 2021, your money would be worth \$6,154.61 today — a loss of \$3,845.39. The fund AUM stands at \$0.9 billion. Remember, this ETF works the same as other ETFs, except that Bitcoin is the underlying asset — not stocks or bonds. While the risk is lower, it could still be significant.

## Stumbling blocks

Bitcoin faces several [stumbling blocks](#), which could impact crypto ETFs like BTCC.B. Besides the extreme price volatility, there's a lack of central authority, security threats from hackers, and government crackdowns. These factors could prevent broad adoption, especially by institutional investors.

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