



2 Ethereum ETFs to Buy the Merge With

Description

The second-largest cryptocurrency by market cap, **Ethereum** ([CRYPTO:ETH](#)) is about to undergo the “Merge,” an upgrade that will reduce its power consumption by 99%. Ethereum will accomplish this by switching from a proof-of-work model to a proof-of-stake system.

Ethereum bulls are highly anticipating this event and expect it to bring about strong price action for the beleaguered cryptocurrency. Year to date, Ethereum is still down over 57%, but the “Merge” might act as a catalyst for further growth and investor interest.

Still, Ethereum bulls are likely welcoming the current correction as a buying opportunity to accumulate cheap coins. Ethereum is one of the most heavily used blockchains in decentralized finance (De-Fi) and Web 3.0 applications, especially for non-fungible tokens (NFTs).

How to buy Ethereum in a TFSA/RRSP

Traditionally, [Canadian investors bought Ethereum on coin exchanges](#) like Wealthsimple Crypto. However, these brokerages only offer taxable accounts for crypto, meaning that when you sell, you have to pay capital gains tax. Bummer.

An alternative is using a Ethereum [exchange-traded fund \(ETF\)](#). These funds hold physical Ethereum in offline cold storage. When you buy shares of a Ethereum ETF, you receive proportional exposure to the underlying Ethereum. Best of all, these ETFs can be held in a [Tax-Free Savings Account \(TFSA\) or Registered Retirement Savings Plan \(RRSP\)](#) for tax-advantaged gains!

Ethereum ETF options

Two fund managers in Canada, Purpose Investments and CI Global Asset Management operate the most popular Ethereum ETFs. Their flagship funds are as follows:

1. **CI Galaxy Ethereum ETF** ([TSX:ETHX.B](#)): 0.40% management fee and \$452 million in assets

under management.

2. **Purpose Ethereum ETF** (TSX:ETHH.B): 1.00% management fee and \$232 million in assets under management.

Both ETFs are highly liquid and can be bought/sold at most brokerages. They track the price of Ethereum quite well during regular trading hours. As of right now, ETHX is the more popular and low-cost option, although the ETHH is a great alternative pick as well.

Risks of Ethereum ETFs

The biggest risk to be aware of is high volatility. If you want to invest in Ethereum, you have to be aware of this. Like most cryptocurrencies, the price of Ethereum can swing heavily on an intra-day or overnight basis. Corrections of more than 8% are not uncommon. Prices can remain depressed for years on end, which is called “crypto winter.” Thus, Ethereum ETFs are best suited for risk-tolerant investors.

Further, unlike Ethereum, these ETFs do not trade 24/7. This means that after-hour and weekend fluctuations in the price of Ethereum can leave you with sudden losses or gains at the opening bell when it comes to the ETF. Be aware of this if you’re trading Ethereum using ETFs and hold a position over the weekend, as there’s no easy way to exit until the next trading day.

CATEGORY

1. Cryptocurrency
2. Cryptocurrency

TICKERS GLOBAL

1. CRYPTO:ETH (Ethereum)
2. TSX:ETHH (Purpose Ether ETF)
3. TSX:ETHX.B (CI Galaxy Ethereum ETF)

PARTNER-FEEDS

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