A logo for a financial advisor

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**Memorandum**

Date: 1/12/2024

To: Joe Rinaldi

From: Alexandra Doncheva

**Re: Summary of the 11 Approved Bitcoin ETFs**

**Executive Summary**

The U.S. Securities and Exchange Commission (SEC) has approved 11 Bitcoin Exchange-Traded Funds (ETFs), marking a significant milestone. This decision is expected to attract both institutional and retail investors to the cryptocurrency market, leading to substantial inflows and potential price gains. The approved ETFs include products from major financial players such as Grayscale Bitcoin Trust, BlackRock’s iShares Bitcoin Trust, ARK 21Shares Bitcoin ETF, Bitwise Bitcoin ETF, and others. These ETFs will be listed on various stock exchanges, including CBOE, NYSE, and Nasdaq, and are set to commence trading soon. The approval is seen as a game-changer, overcoming past SEC rejections due to concerns about market manipulation and investor protection.

The move is expected to make it easier for investors to gain exposure to Bitcoin without direct ownership, legitimizing Bitcoin in the eyes of mainstream investors. Each ETF differs in terms of listing, expense ratio, and custodian. Analysts are optimistic about the potential influx of money into Bitcoin spot ETFs, with estimates suggesting the market could grow to $100 billion over time. Various analysts predict significant price increases for Bitcoin, ranging from $100,000 to $500,000, attributing the bullish sentiment to institutional investments and increased market legitimacy.

**ARK 21Shares Bitcoin ETF (ARKB)**

ARK 21Shares Bitcoin ETF (ARKB) has received regulatory approval, featuring an expense ratio of 0.21% and a notable fee waiver of 0% for the first six months or the first $1 billion in assets. Traded on CBOE, ARKB distinguishes itself by tracking the CME CF Bitcoin Reference Rate – New York Variant, providing investors with a unique approach to gaining exposure to Bitcoin. This ETF currently has $10.3 million AUM and 223 Bitcoin UM.

**Bitwise Bitcoin ETF (BITB)**

Bitwise Bitcoin ETF (BITB) stands out among approved spot Bitcoin ETFs with its attractive fee structure. With an expense ratio of 0.20% and a fee waiver of 0% for the first six months or the first $1 billion in assets, BITB offers investors a cost-effective entry point into the cryptocurrency market. Trading on NYSE Arca, BITB is expected to draw attention from both institutional and retail investors and currently has $2.5 million AUM with 54 Bitcoin UM.

**iShares Bitcoin Trust (IBIT)**

iShares Bitcoin Trust (IBIT) has received SEC approval with a compelling fee structure. Its annual fee stands at 25 basis points (0.25%), and there is a reduced fee of 0.12% for the initial 12 months or on the first $5 billion in assets. iShares currently has $10.4 million AUM and 228 Bitcoin UM. Listed on Nasdaq, IBIT aims to offer investors a cost-effective and accessible means to track Bitcoin's price movements, making it an attractive option for those entering the cryptocurrency market.

**Franklin Bitcoin ETF (EZBC)**

Franklin Bitcoin ETF (EZBC) has gained regulatory approval with an expense ratio of 0.29%. Traded on CBOE, EZBC aims to provide investors with a cost-effective way to access Bitcoin's performance within the ETF structure, catering to those seeking a balance between fees and market exposure. The Franklin Bitcoin currently has $2.7 million AUM and 58 Bitcoin UM.

**Fidelity Wise Origin Bitcoin Trust (FBTC)**

Fidelity Wise Origin Bitcoin Trust (FBTC) has received regulatory approval with a unique fee structure. The ETF offers a complete fee waiver until Jul 31, 2024, followed by an expense ratio of 0.25%. Traded on CBOE, FBTC stands out as an attractive option for investors looking for fee incentives in the initial years of investment. This Bitcoin currently has $20 million AUM and 433 Bitcoin UM.

**Grayscale Bitcoin Trust (GBTC)**

Grayscale Bitcoin Trust (GBTC) has earned the distinction of being the world's largest Bitcoin ETF, consisting of $28.6 billion AUM and 619,187 Bitcoin UM. With an annual fee of 1.50%, GBTC is set to trade on NYSE Arca, providing investors with a vehicle to gain exposure to Bitcoin's performance without the need for direct ownership. Grayscale's reputation and the ETF's listing on a major exchange enhance its appeal to institutional and retail investors.

**Hashdex Bitcoin ETF (DEFI)**

Hashdex Bitcoin ETF (DEFI) has obtained approval with an expense ratio of 0.90%. Trading on NYSE Arca, DEFI aims to serve as a vehicle for investors seeking exposure to the performance of Bitcoin. While featuring a slightly higher expense ratio, DEFI provides an additional option for those looking for diverse ETF choices in the cryptocurrency market. Hashdex currently has $5 million AUM and 108 Bitcoin UM.

**Invesco Galaxy Bitcoin ETF (BTCO)**

Invesco Galaxy Bitcoin ETF (BTCO) has received approval with a distinctive fee arrangement. While the annual fee is set at 39 basis points (0.39%), the ETF features a fee waiver of 0% for the first six months or the first $5 billion in assets. Listed on CBOE, BTCO aims to provide investors with exposure to Bitcoin's performance, catering to those seeking a balance between fees and potential returns. Invesco currently also has $5 million AUM and 108 Bitcoin UM.

**VanEck Bitcoin Trust (HODL)**

VanEck Bitcoin Trust (HODL) has secured approval with an annual fee of 25 basis points (0.25%). Trading on CBOE, HODL reflects the performance of Bitcoin's price, providing investors with a straightforward and traditional means to gain exposure to the leading cryptocurrency. VanEck currently has $75.2 million AUM and 1,629 Bitcoin UM.

**Valkyrie Bitcoin Fund (BRRR)**

The Valkyrie Bitcoin Fund (BRRR) has secured regulatory approval with an expense ratio of 0.49%. Trading on Nasdaq, BRRR distinguishes itself by featuring a fee waiver of 0% for the first three months. This unique feature enhances its appeal to investors seeking early cost advantages. The Valkyrie Bitcoin Fund currently has $523,000 AUM and 11 Bitcoin UM.

**WisdomTree Bitcoin Fund (BTCW)**

WisdomTree Bitcoin Fund (BTCW) has gained regulatory approval with an expense ratio of 0.30%. The ETF distinguishes itself by offering a fee waiver for the first $1 billion in assets for a six-month period starting Jan 11. Trading on CBOE, BTCW provides investors with a cost-effective avenue to participate in Bitcoin's market movements. The WidsomTree Bitcoin Fund currently has $2.4 million AUM and 52 Bitcoin UM.