

# **BTC / ETH ETF**

**April-30-2024**

01

# Introducing BTC/ETH ETFs

# BTC/ETH ETF Overview

A BTC/ETH ETF is an exchange-traded fund that tracks the price of BTC/ETH and is traded on traditional stock exchanges (e.g. New York Stock Exchange (NYSE) and Nasdaq). It allows investors to invest in BTC/ETH without the complexities of handling the cryptocurrency directly.

## BTC/ETH Future ETF

Futures ETFs **do not hold actual BTC/ETH**. Instead, futures-based ETFs **invest in contracts that speculate on BTC/ETH's future value rather than its current market value**.

The performance of these ETFs is inherently tied to the speculative dynamics of the futures market, rendering them more complex and indirect in their correlation with BTC/ETH price.

## BTC/ETH Spot ETF

A BTC/ETH spot ETF is a type of exchange-traded fund that embodies a direct investment approach, **holding actual Bitcoin/ETH as the primary asset**.

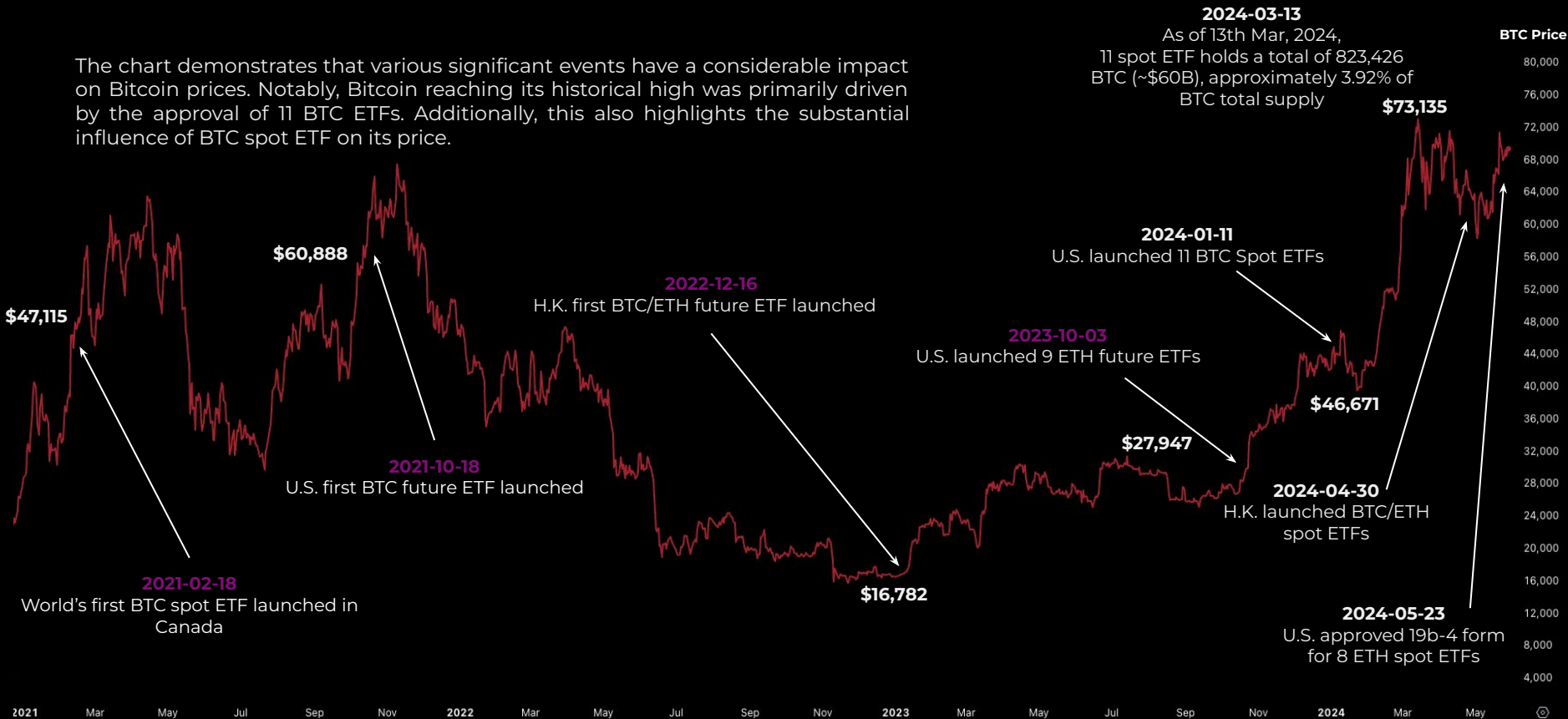
The crux of these ETFs lies in their one-to-one correlation with BTC/ETH's real-time market price, **reflecting a near-perfect mirroring of Bitcoin/ETH's market dynamics**.

02

## BTC/ETH ETF Timeline

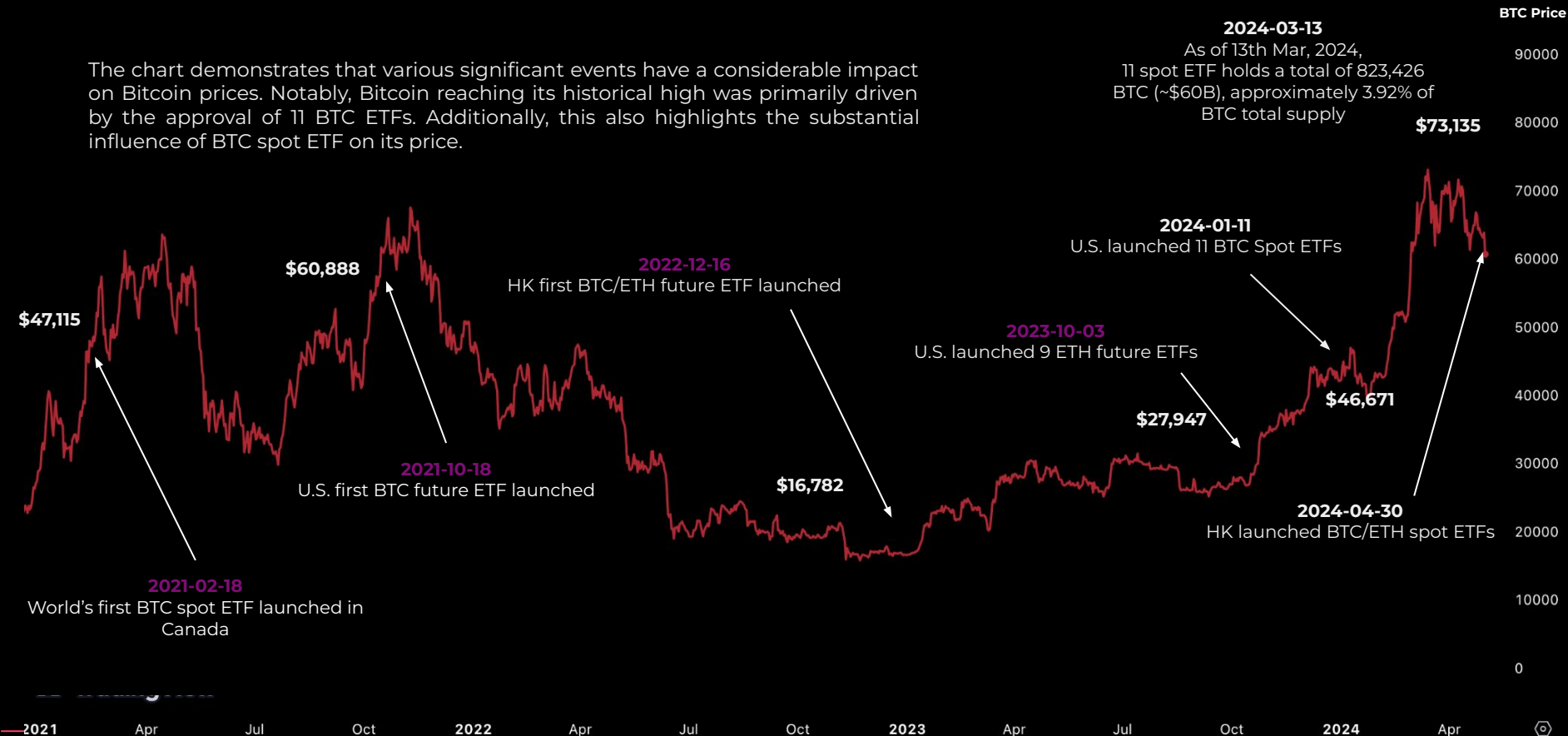
# BTC/ETH ETF Timeline

The chart demonstrates that various significant events have a considerable impact on Bitcoin prices. Notably, Bitcoin reaching its historical high was primarily driven by the approval of 11 BTC ETFs. Additionally, this also highlights the substantial influence of BTC spot ETF on its price.



# BTC/ETH ETF Timeline

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**2024-03-13**  
As of 13th Mar, 2024,  
11 spot ETF holds a total of 823,426  
BTC (~\$60B), approximately 3.92% of  
BTC total supply

BTC Price

90000

80000

70000

60000

50000

40000

30000

20000

10000

0



2021

Apr

Jul

Oct

2022

Apr

Jul

Oct

2023

Apr

Jul

Oct

2024

Apr

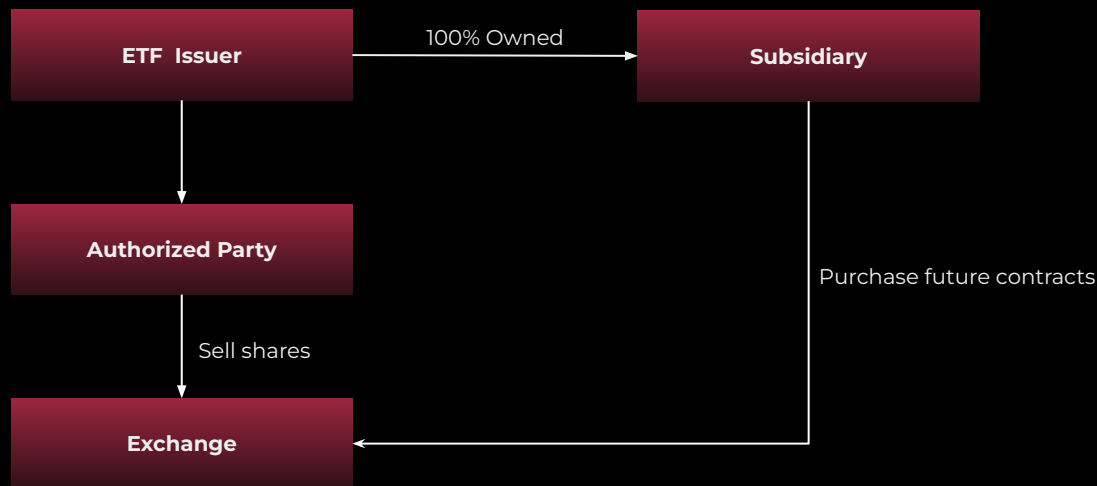
Source: TradingView

03

## BTC/ETH ETF - Workflow

## U.S. BTC/ETH Future ETF - Workflow

The BTC Futures ETF is an exchange-traded fund designed to provide investors with a new way to earn returns tied to the price movement of BTC. Different from traditional investment in BTC spot, As an ETF product, it must be supervised by regulatory agencies, and the assets are held and kept by qualified custodians. It provides investors with a regulated, tradable investment tool. The BTC Futures ETF indirectly tracks the price fluctuations of BTC by investing in BTC futures contracts.





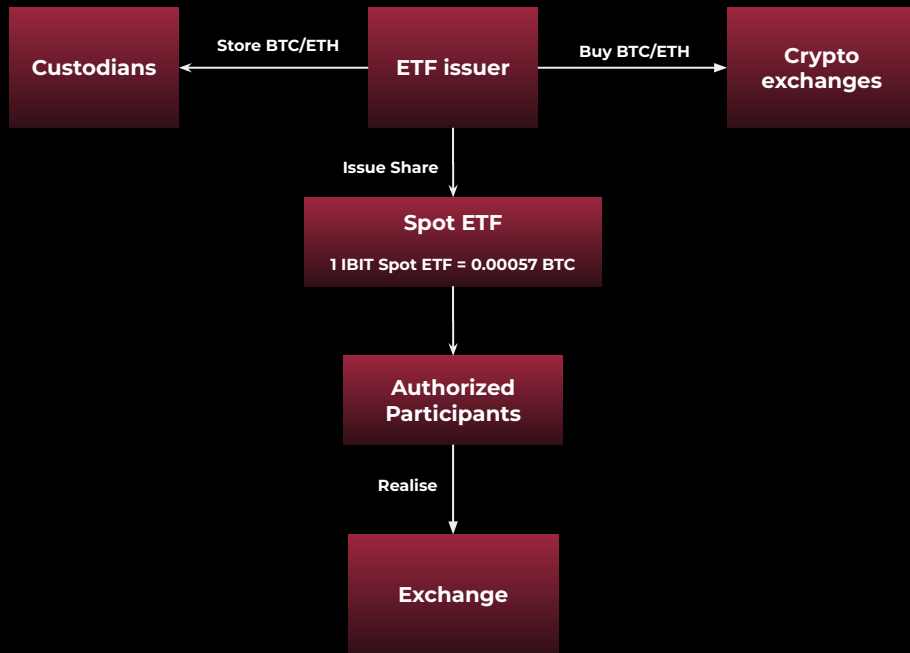
## Futures ETF vs Holding Spot

Due to the underlying assets of BTC futures ETFs being futures contracts, a rollover cost is incurred when transitioning from the current contract to the next one. Consequently, the returns of BTC futures ETFs consistently lag behind those of BTC itself. The table below better illustrates the issues with BTC futures ETFs. It shows that while BTC recently rose by 252.28%, the returns from BITO were only 134.64%, resulting in a significant gap of 117.63%.



# U.S. BTC/ETH Spot ETF - Workflow

## Workflow



## How Does a Spot ETF Maintain Its Price?

The price of a spot ETF can depart from the actual value of the underlying asset

To bring the fund back in line with the asset's actual value, **authorized participants**, otherwise known as APs, are allowed to **create or redeem** large blocks of shares. APs are typically large financial institutions that profit from the arbitrage opportunity presented when an ETF's price is higher or lower than the underlying asset's value.

## Compare BTC spot ETF and BTC future ETF

This table compares the characteristics and differences of BTC spot ETFs and BTC futures ETFs in various aspects. Through this intuitive comparison, investors can better understand the operating mechanisms and potential risks of each ETF, thus making more appropriate investment decisions.

	BTC spot ETF	BTC future ETF
Underlying assets	Hold BTC	Hold Bitcoin-related futures contracts
Influencing factors	Directly linked to Bitcoin's real-time price	Affected by contract market dynamics
Liquidity needs	Bitcoin needs to be held and stored securely and therefore may not be traded frequently to ensure that the ETF is consistent with the spot price of Bitcoin	Trading has become more frequent, with rollovers occurring as contracts approach expiration, making the liquidity management process more complex.
Potential price differences	Bitcoin's spot price is often tracked closely	Affected by contract market dynamics and contract expiration dates, there may be significant differences from the Bitcoin spot price
Exposures and Risks	Direct exposure to Bitcoin price volatility, with risks primarily associated with fluctuations in Bitcoin's price	Indirect exposure to Bitcoin prices and risks may be influenced by Bitcoin volatility and the complexities of the contract market, such as leverage and expiration dates
Complexity	Infrastructure needed for storing Bitcoin	Requires expertise in futures contract trading and contract markets

04

# ETF Adoption

# U.S. BTC Future ETF

## Top 10 BTC Futures ETF

Total Marketcap: \$2.33B

Total AUM: \$2.17M

Last Updated: May 28, 2024

Ticker	Issuer	Future ETF Name	MarketCap	AUM
BITO	ProShares	ProShares Bitcoin Strategy ETF	\$2.10B	\$2.037B
XBTF	VanEck	VanEck Bitcoin Strategy ETF	\$50.90M	\$42.41M
BTF	Valkyrie	Valkyrie Bitcoin and Ether Strategy ETF	\$47.39M	\$38.20M
BITS	Global X	Global X Blockchain & Bitcoin Strategy ETF	\$23.85M	\$26.10M
ARKA	Ark/21 Shares	ARK 21Shares Active Bitcoin Futures Strategy ETF	\$15.97M	\$8.01M
DEFI	Hashdex	Hashdex Bitcoin Futures ETF	\$11.13M	\$5.00M
BITC	Bitwise	Bitwise Bitcoin Strategy Optimum Yield ETF	\$14.45M	\$4.55M
BETH	ProShares	ProShares Bitcoin & Ether Market Cap Weight Strategy ETF	\$7.32M	\$4.43M
BETE	ProShares	ProShares Bitcoin & Ether Equal Weight Strategy ETF	\$4.82M	\$2.45M
ARKC	Ark/21 Shares	ARK 21Shares Active On-Chain Bitcoin Strategy ETF	\$4.25M	\$1.20M

# U.S. ETH Future ETF

## Total 9 ETH Futures ETF

Total Marketcap: \$237.30M

Total AUM: \$66.94M

Last Updated: May 28, 2024

Ticker	Issuer	Future ETF Name	MarketCap	AUM
BTF	Valkyrie	Valkyrie Bitcoin and Ether Strategy ETF	\$56.21M	\$49.92M
EFUT	VanEck	VanEck Ethereum Strategy ETF	\$28.98M	\$7.84M
EETH	ProShares	ProShares Ether Strategy ETF	\$94.66M	\$6.43M
BTOP	Bitwise	Bitwise Bitcoin and Ether Equal Weight Strategy ETF	\$9.30M	626.00K
AETH	Bitwise	Bitwise Ethereum Strategy ETF	\$14.63M	\$585.75K
ARKZ	Ark Invest/ 21Shares	ARK 21Shares Active Ethereum Futures Strategy ETF	\$14.25M	\$513.58K
BETH	ProShares	ProShares Bitcoin & Ether Market Cap Weight Strategy ETF	\$8.30M	\$1.22K
BETE	ProShares	ProShares Bitcoin & Ether Equal Weight Strategy ETF	\$5.67M	\$404.00K
ARKY	Ark Invest/ 21Shares	ARK 21Shares Active Bitcoin Ethereum Strategy ETF	\$5.30M	\$614.7K

# U.S. BTC Spot ETF

These ETFs collectively hold a significant portion BTC, representing approximately 4% of the total supply. Their influence in the market continues to grow steadily.

## 11 Spot BTC ETH in U.S.

Total Volume \$1.63B

Total Marketcap \$59.22B

Total AUM \$58.07B

Last Updated: May 28, 2024

Rank	Ticker	Issuer	ETF Name	MarketCap	AUM	Total Bitcoin in Trust	Custodian	Exchange	Fee
1	GBTC	Grayscale	Grayscale Bitcoin Trust	\$20.00B	\$19.40B	289,041	Coinbase	NYSE Arca	1.50%
2	IBIT	BlackRock	iShares Bitcoin Trust	\$19.62B	\$19.61B	287,168	Coinbase	NASDAQ	0.25%
3	FBTC	Fidelity	Fidelity Wise Origin Bitcoin Fund	\$11.05B	\$11.09B	160,904	Fidelity	CBOE	0.25%
4	ARKB	Ark/21 Shares	ARK 21Shares Bitcoin ETF	\$3.76B	\$3.26B	48,444	Coinbase	CBOE	0.21%
5	BITB	Bitwise	Bitwise Bitcoin ETP	\$2.50B	\$2.43B	36,185	Coinbase	NYSE Arca	0.20%
6	HODL	VanEck	VanEck Bitcoin Trust	\$677.31M	\$675M	9,786	Gemini	CBOE	0.25%
7	BRRR	Valkyrie	Valkyrie Bitcoin Fund	\$592.22M	\$590M	8,561	Coinbase	NASDAQ	0.25%
8	BTCO	Invesco/Galaxy	Invesco Galaxy Bitcoin ETF	\$498.82M	\$498M	7,175	Coinbase	CBOE	0.25%
9	EZBC	Franklin Templeton	Franklin Bitcoin ETF	\$425.38M	\$424M	6,148	Coinbase	CBOE	0.19%
10	BTCW	WisdomTree	WisdomTree Bitcoin Fund	\$85.72M	\$85M	1,237	Coinbase	CBOE	0.30%
11	DEFI	Hashdex	Hashdex Bitcoin ETF	\$11.31M	\$12.51M	178	BitGo	NYSE Arca	0.90%

# HK BTC/ETH Future ETF

The volume of ETFs in Hong Kong is nothing compared to the ETFs in U.S.

## BTC Futures ETF

Last Updated: May 28, 2024

Ticker	Issuer	Future ETF Name	Marketcap	AUM	Fee	Exchange
<a href="#">3066</a>	CSOP	CSOP Bitcoin Futures ETF	\$106.92M	\$68.07M	1.99%	Hong Kong Stock Exchange – Main Board
<a href="#">3135</a>	Samsung	Samsung Bitcoin Futures Active ETF	\$18.36M	\$19.40M	0.95%	Hong Kong Stock Exchange – Main Board

## ETH Futures ETF

Last Updated: May 28, 2024

Ticker	Issuer	Future ETF Name	Marketcap	AUM	Fee	Exchange
<a href="#">3068</a>	CSOP	CSOP Ether Futures ETF	\$23.87M	\$25.38M	1.99%	Hong Kong Stock Exchange – Main Board



# HK BTC/ETH Spot ETF

The introduction of spot virtual asset ETFs in Hong Kong is the latest exciting addition to HKEX's diverse and vibrant ETP ecosystem, providing investors with access to a new asset class.

## China Asset Management

ChinaAMC (HK) is a leading Chinese asset manager in Hong Kong, established in 2008. It is a subsidiary of China Asset Management Co. Limited, one of the largest ETF providers in Mainland China with over RMB 266B in assets as of December 31, 2023.

**China Asset Management Bitcoin ETF (BUU163), stock code 03042, 09042, 83042;**

**China Asset Management Ethereum ETF (BUU164), stock code 03046, 09046, 83046;**

## Harvest Global Investments

Harvest Fund Management Co., Ltd. was established in 1999 and is one of the 10 earliest fund management companies established in mainland China. As of June 2021, the total assets under management exceeded RMB 1.3T.

**Harvest Asset Management Bitcoin Spot ETF (BUT244), stock code 03439, 09439;**

**Harvest Ethereum Spot ETF (BUU885), stock code 03179, 09179.**

## Bosera

Founded in 1998, It is one of the first 5 fund management companies established in mainland China. Total assets under management exceed RMB 1,457B.

**Bosera HashKey Bitcoin ETF (BUU104)#, stock code 03008, 09008;**

**Bosera HashKey Ethereum ETF (BUU105), stock code 03009, 09009;**

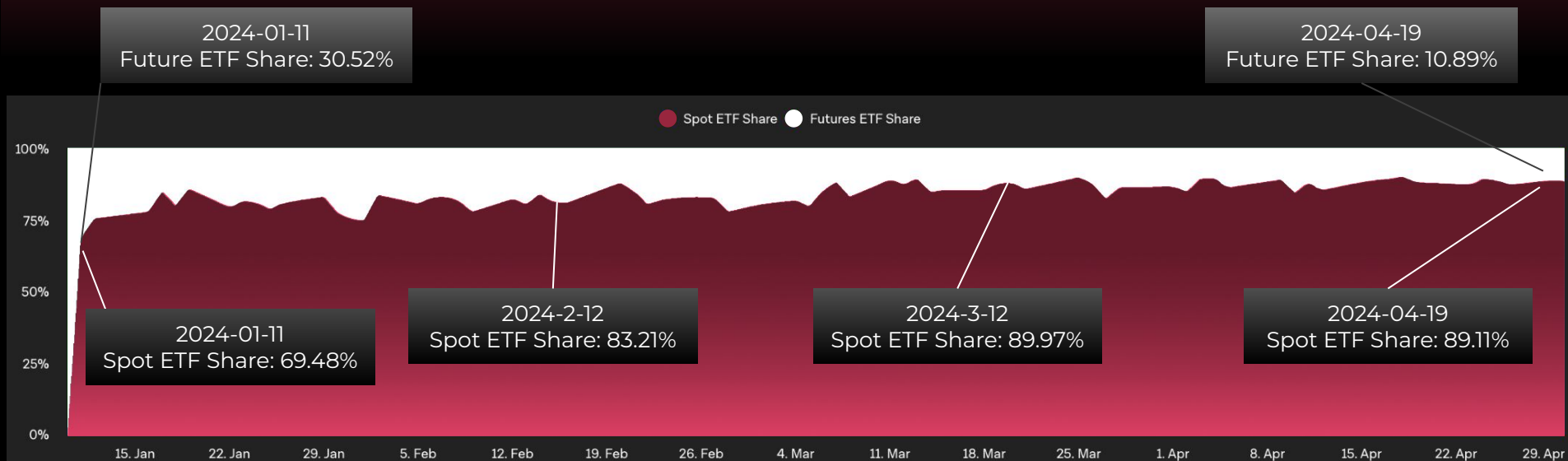
# HK BTC/ETH Spot ETF

BTC Spot ETFs			
Last Updated: May 28, 2024			
ETF Issuer	ChinaAMC	Harvest	Bosera
AUM	\$107.31M	\$60.83M	\$80.80M
Trading Volume (daily)	\$1.36M	\$1.89M	\$0.99M
Custodian	BOCI-Prudential	BOCI-Prudential	BOCI-Prudential
Virtual Asset Trading platform	OSL	OSL	Hashkay Exchange
Management Fee	0.99%	0.3%	0.6%

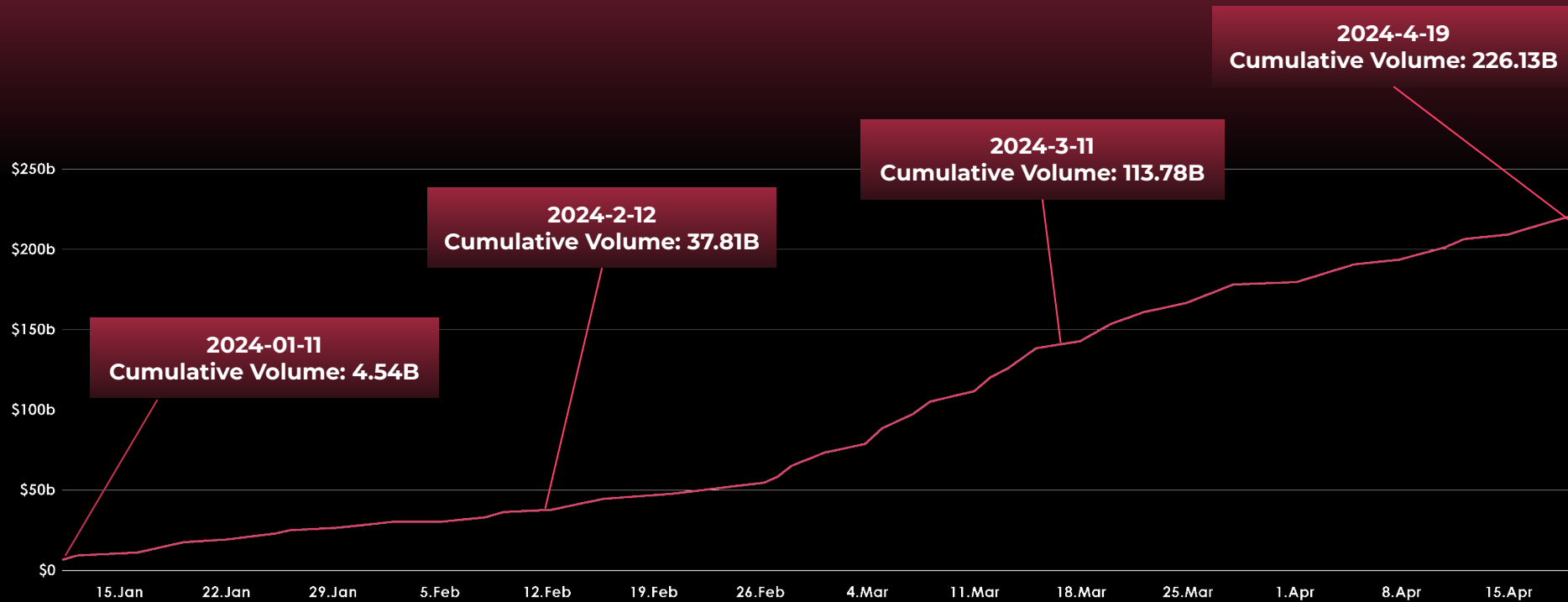
ETH Spot ETFs			
Last Updated: May 28, 2024			
ETF Issuer	ChinaAMC	Harvest	Bosera
AUM	\$18.10M	\$9.59M	\$23.11M
Trading Volume (daily)	\$462.9K	\$281.05K	\$115.28K
Custodian	BOCI-Prudential	BOCI-Prudential	BOCI-Prudential
Virtual Asset Trading platform	OSL	OSL	Hashkay Exchange
Management Fee	0.99%	0.3%	0.6%

# BTC Spot vs Future ETF Market Share

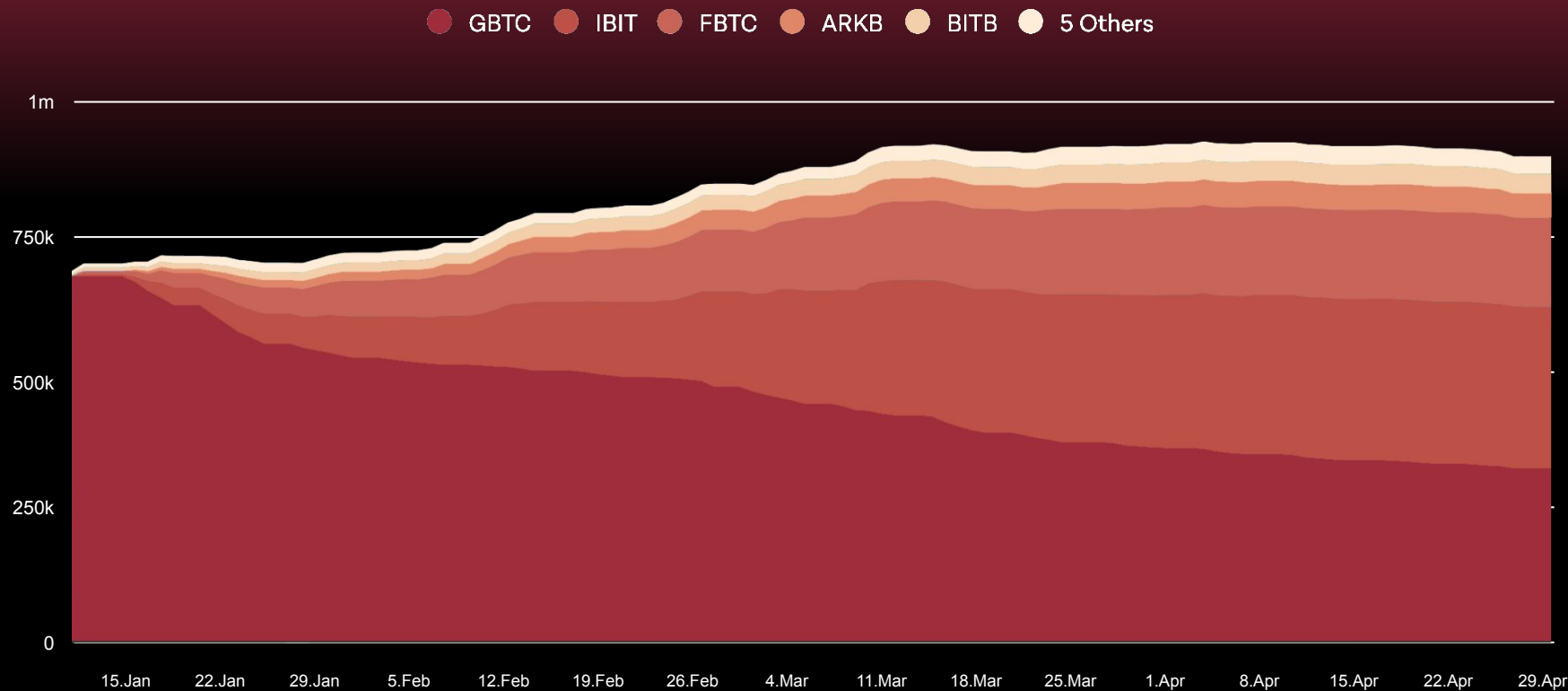
Immediately after the launch of spot ETF, the volume has outgrown that of futures ETF, attracting more capital inflow into the virtual asset market.



# U.S. BTC Spot ETF Volume



## U.S. BTC Spot ETF on chain holdings in BTC



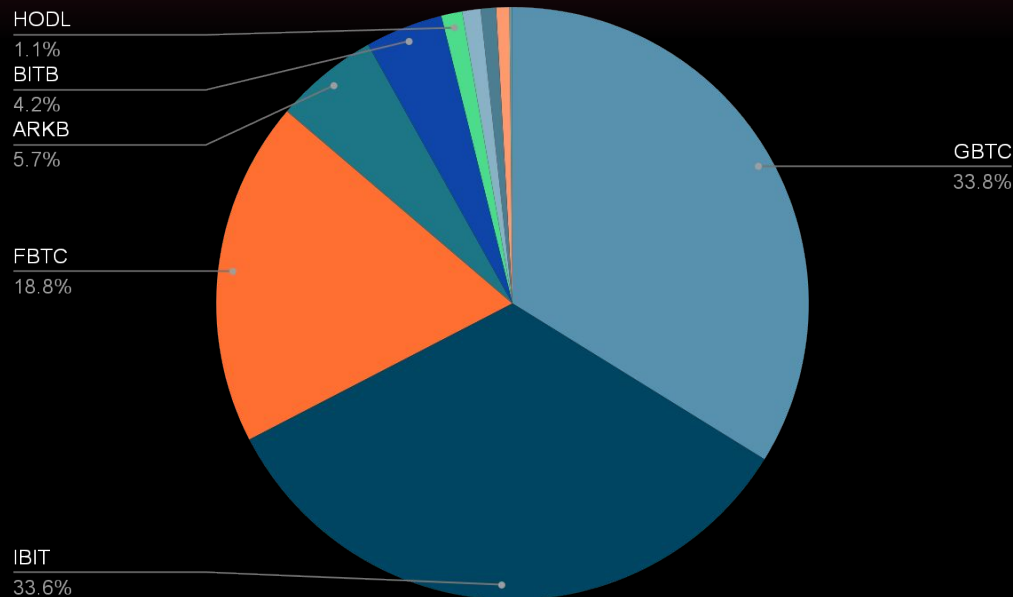
# Number of BTC owned by 11 Spot Bitcoin ETF

The total number of Bitcoins owned by 11 spot Bitcoins ETF

**832,813 BTC | 4% of 21M Bitcoin Supply**

Last Updated: May 28, 2024

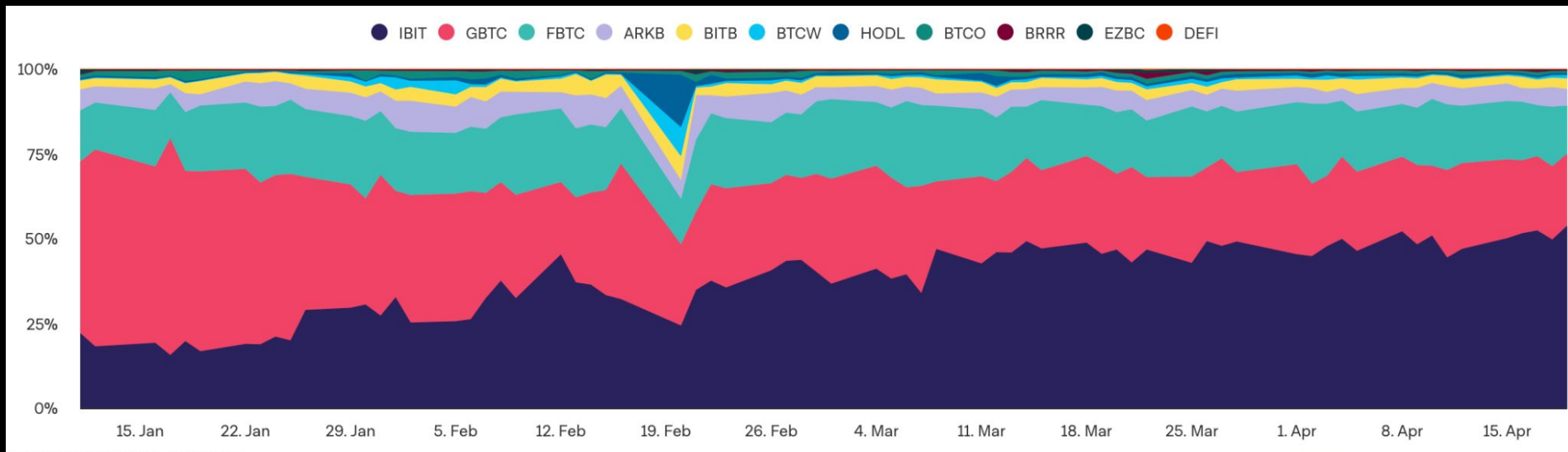
Rank	Issuer	Ticker	Market Share	Total Bitcoin hold
1	Grayscale	GBTC	21.22%	289,041
2	BlackRock	IBIT	53.77%	287,168
3	Fidelity	FBTC	14.19%	160,904
4	Ark/21 Shares	ARKB	4.91%	48,444
5	Bitwise	BITB	3.06	36,185
6	VanEck	HODL	0.62%	9,786
7	Valkyrie	BRRR	0.33%	8,561
8	Invesco	BTCO	0.6%	7,175
9	Franklin Templeton	EZBC	0.26%	6,148
10	WisdomTree	BTCW	1.03%	1,237
11	Hashdex	DEFI	0.01	178





Thank You

# Spot Bitcoin ETF Volume Market Share



**IBIT: 53.77%**

**ARKB: 4.91%**

**HODL: 0.62%**

**EZBC: 0.26%**

**GBTC: 21.22%**

**BITB: 3.06%**

**BTCO: 0.6%**

**DEFI: 0.01%**

**FBTC: 14.19%**

**BTCW: 1.03%**

**BRRR: 0.33%**



## Reference Link

- <https://www.bocpt.com/media/2352/news-release-spot-va-etf-apr-2024-chinese.pdf>