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WisdomTree Physical Crypto Market

WisdomTree Physical Crypto Market is a physically-backed exchange-traded product (ETP) that provides investors with a simple, secure and cost-efficient way to gain diversified exposure to the crypto assets market.

Investing in crypto assets via an ETP (Exchange Traded Product) allows investors to utilise the best of traditional financial infrastructure and product structuring. Currently the ETP allows investors to access the crypto market without the need to hold the cryptocurrency directly, store private access keys or interact with either blockchain or digital currency infrastructure in any way. Platform coins also give exposure to growing parts of the digital assets eco-system such as DeFi (Decentralised Finance) and non-fungible tokens (NFTs).

The basket currently comprises some of the largest cryptocurrencies, by market capitalisation, spanning use cases such as payments (e.g. Bitcoin, Bitcoin Cash, Litecoin), platforms (e.g. Avalanche, Cardano, Ethereum, Cosmos, Polkadot, Solana) and scaling solutions (e.g. Polygon). The basket rebalances on a quarterly basis to free-float market cap, ensuring a broad, diversified and investable exposure to digital assets.

Reasons to invest in WisdomTree Physical Crypto Market:

Exposure to the crypto assets investment universe

The cryptocurrency space is merely 10 years old, very dynamic and rapidly growing. In such an environment, benefits can be seen from exposure to promising networks. The strategy offers exposure to high growth trends like Decentralised Finance (DeFi) and Non-Fungible Tokens (NFTs), through exposure to smart contract platforms like Ethereum and Solana¹. It also offers exposure to the most prominent payment coins, such as Bitcoin or Litecoin. More and more, investors are considering crypto as a thematic play and are looking to tap into the potential for growth of the Web3 transition, like they would for trends like AI or cloud technology. A broad basket is a way for investors to implement such a thematic play with a diversified exposure.

Portfolio Diversification

Crypto assets show a correlation close to zero with traditional asset classes. Low correlation with existing assets makes them a good candidate to be part of a multi-asset allocation framework. Adding crypto exposure could provide diversification benefits to multi-asset portfolios and improve their risk and return profile. Even allocations as small as 1% have historically shown a potential to provide a very notable enhancement.

Investment protection by investing in crypto assets via an ETP with WisdomTree



Portfolio Construction – The WisdomTree CF Crypto Market Index is the intellectual property of WisdomTree. It is supported by WisdomTree's Research capability, in partnership with CF Benchmarks, the industry leading data provider for institutional financial instruments. The product provides access to a diversified, free-float market capitalisation-weighted exposure to some of the largest and most liquid crypto assets.

¹ Visit our [Crypto Insight Centre](#).



Security – Safely storing digital assets is not only about protecting against hacks, but also protecting against the inadvertent loss of private keys. Investing in crypto assets through an ETP structure could allow investors to transfer the expensive and time-consuming burden of managing private keys to the issuer and to benefit from institutional-grade safeguarding of assets in cold storage².



Transparency – Transparency is a core component of the ETP structure. A crypto asset ETP could offer a core measure of confidence for investors by enabling access to an audited website from the issuer, showing exactly how many coins are represented by the outstanding fund shares. This is already standard practice in physical gold ETP structures and provides an incomparable measure of transparency for investors.



ETP Standardisation – Product standardisation is an aspect of the ETP wrapper that could benefit investors in crypto assets. Trading, holding and accounting for ETP investments are well established and the provision of crypto exposure in this format could allow such investments to fit within an investor’s existing systems, processes and risk management.



Liquidity – ETPs tend to bring a centralisation of liquidity to asset classes. This could be especially impactful in the crypto space as the current ecosystem is quite fragmented, with trading happening across many venues with no common settlement infrastructure. An investor would need to separately establish connectivity to several venues in order to access their liquidity. Investment in an ETP essentially outsources this responsibility to specialist market makers, with trading infrastructure to manage many exchange connections.



Risk Management – The WisdomTree Crypto Asset Index Committee reviews the baskets on a quarterly basis. Coins can be excluded from the basket if significant risks are identified. Coins that present no clear use cases, are not well established or recognised, or that are under regulatory investigation would typically be excluded from the investment universe.

Crypto asset exposures by WisdomTree

WisdomTree looks to address the needs of investors within the crypto asset landscape by delivering exposures to single digital assets and baskets. The WisdomTree CF Crypto Market Index taps into WisdomTree’s tradition of innovation and leverages the firm’s deep expertise in physically-backed ETPs.

Fund info: WisdomTree Physical Crypto Market						
Ticker	Exchange	ISIN	Bloomberg Code	Listing Currency	Base Currency	Total Expense Ratio %
BLOC	SIX	GB00BMTP1626	BLOC SW	USD	USD	0.70
BLOC	SIX	GB00BMTP1626	BLOCCHF SW	CHF	USD	0.70
BLOC	SIX	GB00BMTP1626	BLOCEUR SW	EUR	USD	0.70
WBLC	Xetra	GB00BMTP1626	WBLC GY	EUR	USD	0.70
BLOC	Euronext Amsterdam	GB00BMTP1626	BLOC NA	USD	USD	0.70
BLOC	Euronext Paris	GB00BMTP1626	BLOC FP	EUR	USD	0.70

² Cold storage refers to the offline storage of private keys.

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