



WisdomTree launches physically-backed Bitcoin ETP

Cryptocurrency ETP taps into WisdomTree's tradition of innovation and addresses key barriers limiting adoption by investors and regulators

London, 03 December 2019: WisdomTree, the exchange traded fund ("ETF") and exchange traded product ("ETP") sponsor, has announced the launch of its first cryptocurrency product, a physically-backed¹ Bitcoin ETP. The WisdomTree Bitcoin ETP (BTCW) listed on SIX, the Swiss Stock Exchange, today with a total expense ratio of 0.95%.

The WisdomTree Bitcoin ETP provides investors with a simple, secure and cost-efficient way to gain exposure to Bitcoin while utilising the best of traditional financial infrastructure and product structuring. As such, the ETP allows investors to access Bitcoin without the need to hold the cryptocurrency directly, store private access keys or interact with the blockchain or digital currency infrastructure in any way. Investors also get access to institutional grade storage solutions without needing to set it up with a custodian themselves.

Alexis Marinof, Head of Europe, WisdomTree, said: "We have been monitoring cryptocurrencies for some time and are excited to bring investors secure access to this developing asset class. We have seen enough to believe that digital assets, like Bitcoin, are not a passing trend and can play a role in portfolios. WisdomTree has a history of bringing innovative investment themes to a broad market through institutional-class products, allowing investors to take exposures in difficult-to-access asset classes - we see many parallels between the cryptocurrency space and commodities in this regard. The introduction of cryptocurrencies in an ETP structure will enable investors to find new ways to introduce digital assets into portfolios while still relying on the safety and security that they have come to expect from WisdomTree."

The ETP will be traded on a regulated stock exchange and shares in the ETP will settle via the International Central Securities Depository (ICSD). The listing of WisdomTree Bitcoin on the SIX Swiss Exchange will enable investors to benefit from a global access point to trade shares in the ETP and offer liquidity like any other exchange listed security. Bringing cryptocurrencies into the ETP structure could also bring a centralisation of liquidity to the asset class and benefit the underlying digital asset.

Rafi Aviav, Head of Product Development, Capital Markets and Technology, WisdomTree, added: "Cryptocurrencies are potentially the next asset class to benefit from increased interest when they become accessible in an ETP structure. We have developed a solution which addresses the difficulties investors face in accessing digital assets and are bridging the gap between the underlying decentralised online blockchain technology and traditional investment structures. The ETP wrapper will add new dimensions to the cryptocurrency universe including institutional class custody solutions for investors, easier trading incorporated into standard brokerage and account maintenance procedures, more liquid and transparent trading and a broader array of more sophisticated market participants entering the arena for these products."

WisdomTree is the market leader in physical gold ETPs in Europe having launched the world's first physically-backed gold ETP² in 2003. Today's launch of the WisdomTree Bitcoin ETP taps into WisdomTree's tradition of innovation and leverages the firm's deep expertise in physically-backed ETPs.

¹ The physically-backed ETP will track the spot price of Bitcoin, with WisdomTree purchasing Bitcoins and creating smaller sized shares, which can then be traded and redeemed on exchange

² WisdomTree obtained the world's first physically-backed gold ETP with its acquisition of ETF Securities' commodity and short and leveraged business.

Similar to physical gold ETPs, investors in the WisdomTree Bitcoin ETP will have an entitlement to an amount of Bitcoin. Investors will be able to view each share's coin entitlement and the total amount of Bitcoins secured in custody, corresponding to the total coin entitlement, on WisdomTree's website. To ensure the highest level of security, WisdomTree employ institutional-grade digital currency custodians who maintain highly secure cold storage facilities. These specialised custodians employ elaborate physical and digital security procedures and cutting-edge technology to safely generate keys, encrypt data and create and verify digital signatures required for transacting in and safekeeping of cryptocurrencies. WisdomTree's approach addresses one of the key barriers currently limiting cryptocurrency adoption by investors.

While WisdomTree is targeting professional investors only at this stage, it is WisdomTree's belief that, in the near future, a cryptocurrency ETP may receive regulatory approval for use by the wider investor community and so address another key barrier, that being regulatory.

Jonathan Steinberg, CEO, WisdomTree, concluded: "WisdomTree has always been at the forefront of innovation and we see blockchain technology and digital currencies as being transformative for the asset management industry. Much like how the ETP structure has out-shined the antiquated mutual fund structure in significant ways, blockchain and cryptocurrencies have the potential to change how investors participate in financial markets, globally."

Find out more: <https://www.wisdomtree.eu/en-gb/strategies/crypto-currency>

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About WisdomTree

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