

TLDR: BITCOIN ETF

Bitcoin has arrived on Wall Street. The introduction of Bitcoin Exchange-Traded Funds (ETFs) has been a long-awaited event by many, but why? We're going to dive into this in the most time-efficient way.

- Fast reader: 3 minutes
- Medium reader: 5 minutes
- Sloth: 10 minutes

We're going to focus on the basics of ETFs, primarily the Bitcoin ETFs and what impact they can have on the price and adoption of Bitcoin.

What is an ETF?

An Exchange-Traded Fund (ETF) is a type of investment fund that mirrors the performance of an underlying asset or a collection of assets. In the case of Bitcoin, it is only one asset. Traded on stock exchanges like regular shares, ETFs provide a straightforward approach to investing in the underlying asset.

Think of Spotify as an Exchange-Traded Fund (ETF). When you use Spotify, you get access to a vast array of songs and artists, all in one platform. You don't have to buy each song or album individually. Instead, with a single subscription, you have a diversified range of music at your fingertips. This is a super simplified way of thinking about it.

ETF vs. Buying Bitcoin

While a Bitcoin ETF mirrors the price movements of Bitcoin, it's crucial to understand that investors in such an ETF **don't actually own the real Bitcoin**. Instead, they hold a security that tracks the market price of Bitcoin.

When discussing ETFs versus Bitcoin, it's important to note that the company issuing the ETF is required to buy and hold Bitcoin. This Bitcoin legally belongs to the investors who own shares in the ETF. However, the ETF currently doesn't allow investors to directly exchange their shares for Bitcoin. Instead, if an investor decides to sell their shares, they will receive cash in USD.

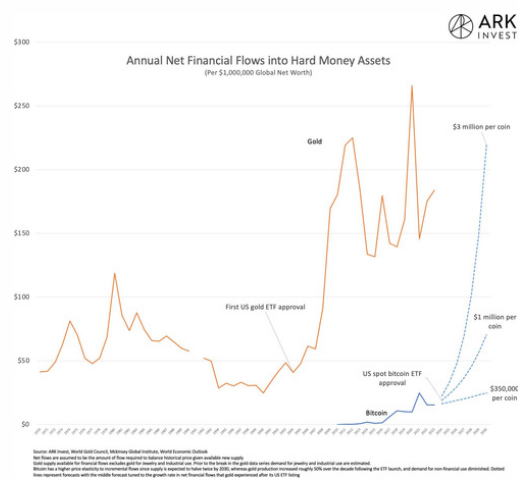
Who Got Approved ETFs?

With the first Bitcoin ETF application being filed back in 2013 by the Winklevoss twins, it's been a long winding road to getting an ETF approved in the US.

The gates have now been opened to institutions to offer Bitcoin to their clients and we're not talking about a small amount of money. From the initial ETF approvals, there is \$17 Trillion under management from these companies. Initial Approvals include: Bitwise, Grayscale, Hashdex, BlackRock, Valkyrie, BZX, Invesco, VanEck, WisdomTree, Fidelity and Franklin.

Wild ride

Bitcoin, the world's largest cryptocurrency, has taken a rollercoaster path to the approvals of the first spot exchange-traded funds tracking the token.



Compare this to the Gold ETF

The launch of the Bitcoin ETFs is anticipated to have a considerable effect on Bitcoin's price in the long term. Primarily because it broadens accessibility to a more diverse group of investors, particularly those more comfortable with conventional investment methods.

Ark Invest has overlaid the gold market and the approval of the first US Gold ETF with potential scenarios for Bitcoin.

Just as the gold market experienced a significant increase in investor interest and accessibility following the advent of gold ETFs, Bitcoin could see a similar surge.

Conclusion

This is a pivotal moment for Bitcoin as it opens the door to institutions who previously struggled to gain exposure to Bitcoin. The introduction of Bitcoin ETFs represents a crucial milestone in integrating Bitcoin into the mainstream of the financial world.

The advent of Bitcoin ETFs signifies a transformative shift in 21st-century investment practices and emphasises the increasing relevance of Bitcoin within the global economic framework.

Bitcoin has gone from being a speculative asset to something that is now accepted in the mainstream. Want to read more on this, Jordan (Co-Founder of The Bitcoin Collective) wrote a piece called: [Crazy is a numbers game](#).

IMPORTANT: If you purchase the Bitcoin ETF, remember you are not buying Bitcoin, you are purchasing a security that tracks the market price of Bitcoin.

As people say in the space **“not your keys, not your coins”**

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