

Cryptocurrency Exchange Traded Products

Accessing digital assets through a familiar investment structure

What Is an Exchange Traded Product?

An exchange traded product (ETP) is an investment vehicle that trades on an exchange and is designed to provide exposure to an underlying asset or market. In the context of digital assets, a crypto ETP offers exposure to assets such as Bitcoin, Ethereum or Solana without requiring investors to hold the digital asset directly.¹

Crypto ETPs can be bought and sold through traditional brokerage accounts, similar to stocks or other exchange-traded investments.²

How Crypto ETPs Work

Rather than requiring investors to manage digital wallets or private keys, a crypto ETP holds the underlying digital asset within a regulated investment structure.³ The value of the ETP is designed to reflect the value of the underlying asset, subject to fees, expenses and other factors.¹ Much like a traditional ETF packages stocks or bonds into a single exchange-traded investment, a crypto ETP packages digital asset exposure into a structure that fits within established market infrastructure and familiar investment processes.³

Why Investors Should Consider Crypto ETPs

Crypto ETPs may provide value to investors for several reasons, including:



OPERATIONAL SIMPLICITY

Eliminates the need to manage wallets, private keys or direct custody



FAMILIAR BROKERAGE ACCESS

Trades through existing brokerage platforms



PORTFOLIO VISIBILITY

Allows digital asset exposure to be viewed alongside other holdings



OPERATIONAL INTEGRATION

May support portfolio management features not typically available with direct digital asset ownership

¹ SEC Investor Bulletin: Exchange-Traded Products (ETPs) Providing Exposure to Bitcoin and Ether (Sept. 9, 2024) — <https://www.investor.gov/introductioninvesting/general-resources/news-alerts/alerts-bulletins/investor-bulletins/ETPBulletinSeptember2024>

² Federal Reserve Bank of New York – Liberty Street Economics, Do Exchange-Traded Products Improve Bitcoin Trading? (May 28, 2024) — <https://libertystreeteconomics.newyorkfed.org/2024/05/do-exchange-traded-products-improve-bitcoin-trading/>

³ SEC Division of Corporation Finance: Crypto Asset Exchange-Traded Products (July 1, 2025) — <https://www.sec.gov/newsroom/speeches-statements/cf-cryptoasset-exchange-traded-products-070125>

Portfolio Context

Interest in crypto ETPs has grown alongside greater regulatory engagement and clarity in certain jurisdictions, broader global adoption of digital assets by both individuals and institutions, and continued development of market infrastructure such as custody, trading and settlement solutions.

As with any investment, suitability depends on objectives, time horizon, liquidity needs and risk tolerance. Digital assets remain subject to market volatility and evolving regulatory and technological considerations.

Tax Aware Considerations

In certain circumstances, in-kind contributions may allow investors to avoid the tax consequences that could result from selling digital assets outright, subject to individual circumstances and applicable law.^{4,5} Tax treatment depends on individual circumstances, the structure involved, and applicable law. Investors should consult their financial and tax advisors when evaluating potential implications.

Crypto ETPs vs. Direct Ownership

	CRYPTO ETP	DIRECT OWNERSHIP
Access Method	Brokerage account	Digital wallet
Custody Management	Investment vehicle	Investor managed
Operational Complexity	Lower	Higher
Portfolio Integration	Integrated with traditional assets	Separate infrastructure
Fees & Costs	Management fees and expenses	No fund fee; trading, custody, network costs may apply
Tracking	May differ from spot due to fees and structure	Direct exposure, subject to execution costs



Key Takeaway

Exchange-traded products provide a regulated and familiar way to access digital asset exposure without direct ownership. Understanding how crypto ETPs are structured—and how they differ from direct holdings—can help investors more thoughtfully assess whether this approach aligns with their broader portfolio strategy.

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⁴ SEC Press Release: SEC Permits In-Kind Creations and Redemptions for Crypto ETPs (July 29, 2025) — <https://www.sec.gov/newsroom/press-releases/2025-101-sec-permits-kind-creations-redemptions-crypto-etps>

⁵ IRS, "Digital assets" — <https://www.irs.gov/filing/digital-assets>

Risk Considerations

Digital assets are highly volatile and unpredictable. Their value is influenced by, but not limited to, supply and demand, investor confidence and their willingness to purchase it using traditional currencies, inflation, interest rates, currency exchange rates, changing regulations in the U.S. and abroad, and economic trends. Investors also face risks such as price swings, flash crashes, fraud, and cybersecurity threats. Digital assets may be more vulnerable to market manipulation than securities.

Blockchain is a shared, immutable ledger that facilitates the process of recording transactions and tracking assets in a business network.

IMPORTANT DISCLOSURES:

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market.

A separately managed account may not be appropriate for all investors. Separate accounts managed according to the Strategy include a number of securities and will not necessarily track the performance of any index. Please consider the investment objectives, risks and fees of the Strategy carefully before investing. A minimum asset level is required.

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