



DIGITAL ASSET MANAGEMENT REVIEW

October 2021

About CryptoCompare

CryptoCompare is a global leader in digital asset data providing institutional and retail investors with high-quality real-time and historical data. Leveraging its track record of success in data expertise, CryptoCompare's thought-leadership reports and analytics offer objective insights into the digital asset industry.

About This Report

Bitcoin has proven itself to be a viable asset class with which investors can diversify their existing portfolios. Over the last few years, it has attracted significant attention from investors in the traditional markets. With its limited supply schedule that cannot be manipulated by any central government, it has become a popular asset class for those concerned about inflation and monetary expansion in a post-Covid world.

On the whole, regulatory frameworks for exchanges and cryptocurrency are becoming clearer. However, compared to traditional asset classes, digital asset markets have a long way to go before more risk-averse investors are fully at ease.

Institutional investors looking to gain regulated exposure to digital assets are likely to turn to the growing number of crypto investment products, such as ETNs and ETFs, that have gained popularity over the last couple of years across Europe and the US. These products make crypto more accessible to investors because they can be traded on traditional stock exchanges, with the complexities of custody and storage abstracted away from the end user.

Given the rapid rise of available products and the lack of clarity around the size and characteristics of the major market players, CryptoCompare's Digital Asset Management Review aims to provide an overview of the global digital asset investment product landscape. Our review focuses on key developments across various product types and tracks the adoption of these products by analysing assets under management, trading volumes and price performance.

This review is conducted on a monthly basis and caters to institutional investors, analysts and regulators. For questions related to this research or any potential requests, feel free to contact CryptoCompare's research department at research@cryptocompare.com.

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Key Market Insights

In October, the price of Bitcoin and Ethereum rose by 42.0% and 35.4% respectively (data up to 21st October) following anticipation for the launch of the first Bitcoin ETF by ProShares on the 19th of October. Inflation concerns also appeared to rise over the month, with the governor of the Bank of England stating that the central bank [will have to act](#) to control inflation. Similarly, the US September CPI report quoted inflation at 5.4%, a 30-year high.

For digital asset management products, this has meant a significant increase of 45.5% in total AUM, caused by a combination of rising prices and increased weekly inflows in October. Average daily volumes also rose in October to \$802mn (43.6% increase) as higher prices led to more volatility, creating a potentially more profitable market environment for cryptocurrency traders.

Total AUM Grows 45.5% to All-Time High of \$74.7bn

AUM grew across the board in October, with total AUM reaching \$74.7bn, surpassing the previous all-time high of \$58.7bn in March 2021. This includes all-time highs for individual asset products - \$55.2bn for Bitcoin products (52.2% increase) and \$15.9bn for Ethereum products (30.0% increase). Similarly, various individual companies' AUM also reached new all-time highs - with Grayscale, XBT Provider, and 21Shares products growing to \$56.8bn (42.3% increase), \$5.5bn (42.7% increase) and \$2.3bn (32.5% increase) respectively.

Grayscale's GBTC Retakes Top Spot as Most Traded Product

After falling behind Grayscale's ETHE product in September, Grayscale's GBTC Bitcoin Trust regained the top spot as the most traded digital asset product, with average daily volumes of \$388mn, a significant 112% increase from the month prior. This is likely due to speculation surrounding Bitcoin ETFs, with Grayscale announcing that it has [applied to transform the GBTC Trust into an ETF](#). On the other hand, Grayscale's ETHE Ethereum Trust saw average daily volumes fall 9.1% to \$196mn following a record month in September.

Bitcoin Dominates October Flows With an Average Weekly Inflow of \$121mn

After returning to net positive inflows in September, flows into Bitcoin-backed digital asset products continued to rise in October, recording an average of \$121mn per week so far this month. This includes a \$225mn inflow in the week to 11th October, the largest inflow since early May. Other asset-backed products experienced marginal inflows - with Solana and Ethereum products seeing average weekly inflows of \$4.3mn and \$1.9mn respectively.

Latest Digital Asset Investment News

[October 4th](#)

Grayscale Adds Solana and Uniswap to Crypto Investment Fund

[October 7th](#)

CoinShares Invests in Switzerland-Based FlowBank

[October 7th](#)

21Shares Selects Copper to Secure its Cryptocurrency ETP's Assets

[October 8th](#)

21Shares Announces Listing of 5 Additional Crypto ETPs on Euronext Paris and Amsterdam

[October 14th](#)

Ark Invest Joins Bitcoin ETF Approval Queue With Plans to Trade Futures

[October 18th](#)

Invesco Drops Efforts to Launch Bitcoin Futures ETF

[October 19th](#)

Grayscale Files to Turn Biggest Bitcoin Fund Into an ETF

[October 20th](#)

Bitwise Launches Polygon Fund for Ethereum-Scaling Exposure

[October 20th](#)

VanEck to Join ProShares in Launching a Bitcoin Futures ETF

Definitions

In the current review we have defined the major available products types as follows:

ETF - Exchange Traded Fund	Exchange traded open-ended fund that trades like an equity
ETN - Exchange Traded Note	Fully collateralised open-ended debt security
Trust - Listed/OTC-Traded Trust	Closed-ended investment fund established as a trust
ETC - Exchange Traded Certificate	Synthetic exchange traded bearer note

An **Exchange-Traded-Fund (ETF)** is a type of financial instrument consisting of a collection of securities (e.g. stocks) and is priced relative to the underlying assets on which it is based – usually via an index. In the case of Bitcoin, a Bitcoin ETF would consist of units of Bitcoin – valued based on a Bitcoin index (e.g., MVBTC). The units of this fund can be easily traded on exchanges like stocks can. It is usually passively managed and open-ended (i.e., there is no limit to the number of shares that can be created). Physical ETFs hold the underlying assets that the fund tracks.

An **Exchange Traded Note (ETN)** is similar to an ETF in the sense that it can be easily traded on exchanges. A major distinction between the two is that you don't own the underlying for an ETN - it is a debt security backed by a bank or institution and usually comes in the form of a bearer certificate. An investor can invest their cash in this product and is entitled to returns based on the changing value of the underlying assets on which it is based. These products generally have fewer regulatory collateral requirements compared to ETFs and can be fully collateralised or unsecured. In this case, we will define an ETN as a physically-backed (collateralised) debt security.

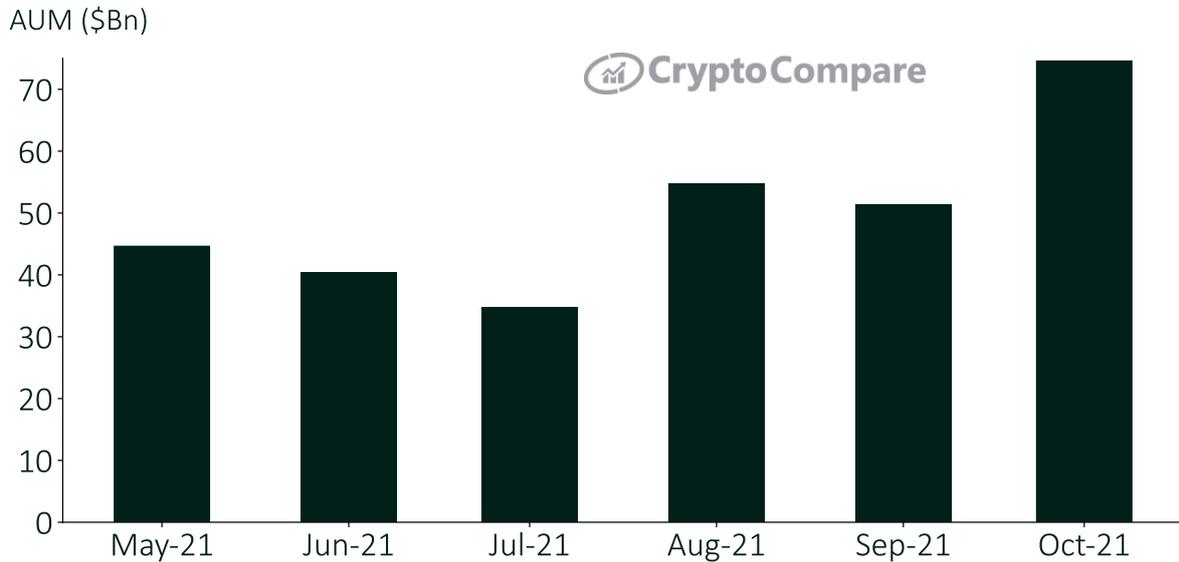
An **Exchange Traded Certificate (ETC)** or Synthetic ETN is a type of non-interest-bearing debt instrument in the form of a bearer certificate that tracks the behaviour of an underlying asset class using derivatives 1: 1. The investor does not necessarily own or is entitled to the underlying asset on which the product is built, but is entitled to returns. These products are largely uncollateralised.

An **Investment Trust** is a type of closed-ended fund set up as a company, such that its shares can be bought and sold on an exchange or OTC market. This investment trust invests in a portfolio of assets, and hence the value of the share of the company is tied to the value of the underlying assets that it holds. Given that it is closed-ended, the NAV of each share can decouple from their market prices.

AUM - Assets Under Management

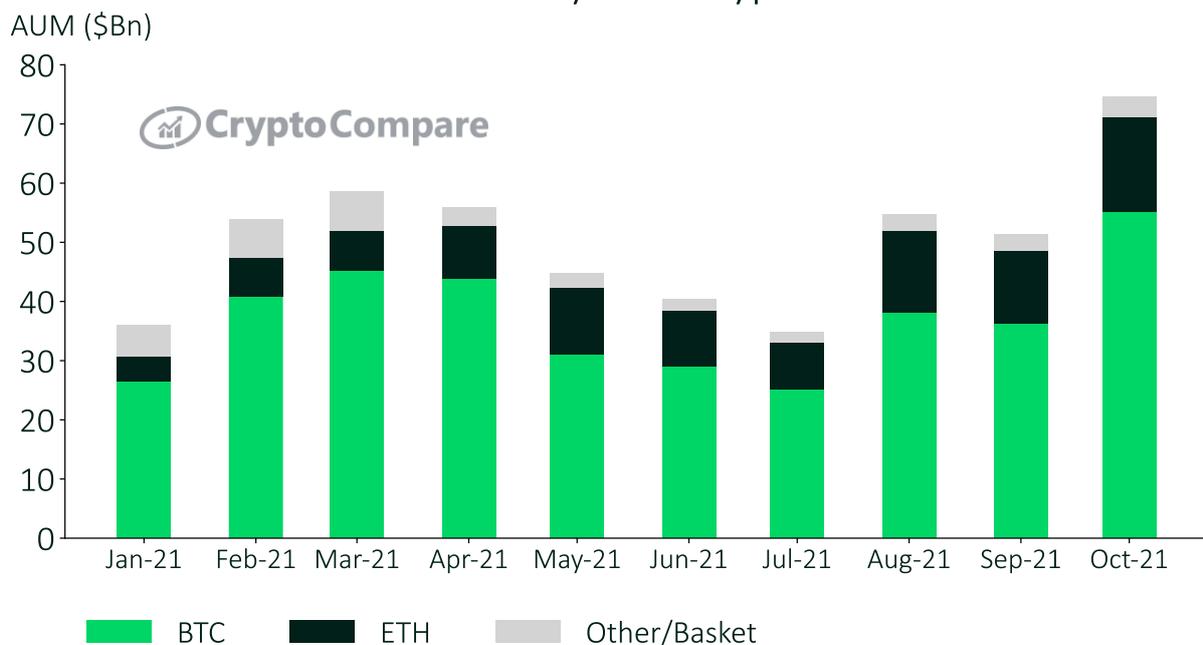
Since September 2021, total AUM across all digital asset investment products has increased 45.5% to \$74.7bn (as of the 22nd of October), an all-time high for digital asset products.

Monthly AUM - Aggregate Exchange and OTC-Traded Products



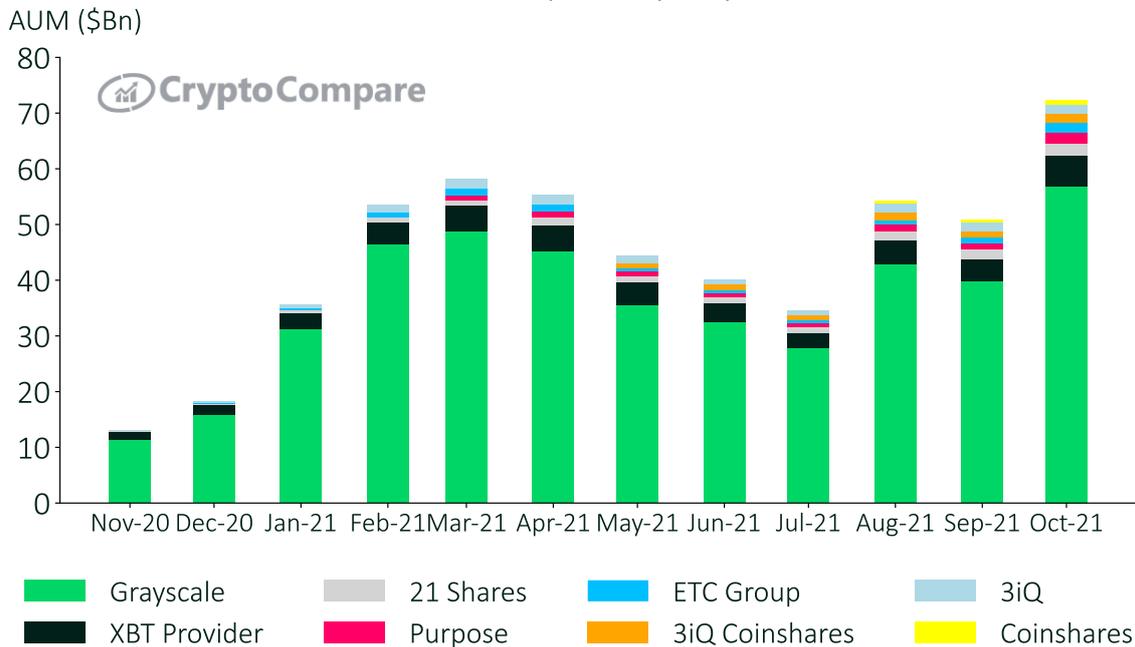
In October, Bitcoin's AUM rose 52.2% to \$55.2bn. As a result, it gained market share for the first time in three months (now 73.9% of total AUM vs. 70.7% last month). Ethereum's AUM also rose 30.0% to \$15.9bn while Other/Baskets rose 26.5% to \$3.6bn.

AUM by Asset Type



Grayscale products represent the vast majority of AUM at \$56.8bn (76.1% of total) followed by those of XBT Provider (\$5.5bn, 7.4% of total) and 21Shares (\$2.3bn, 3.1% of total).

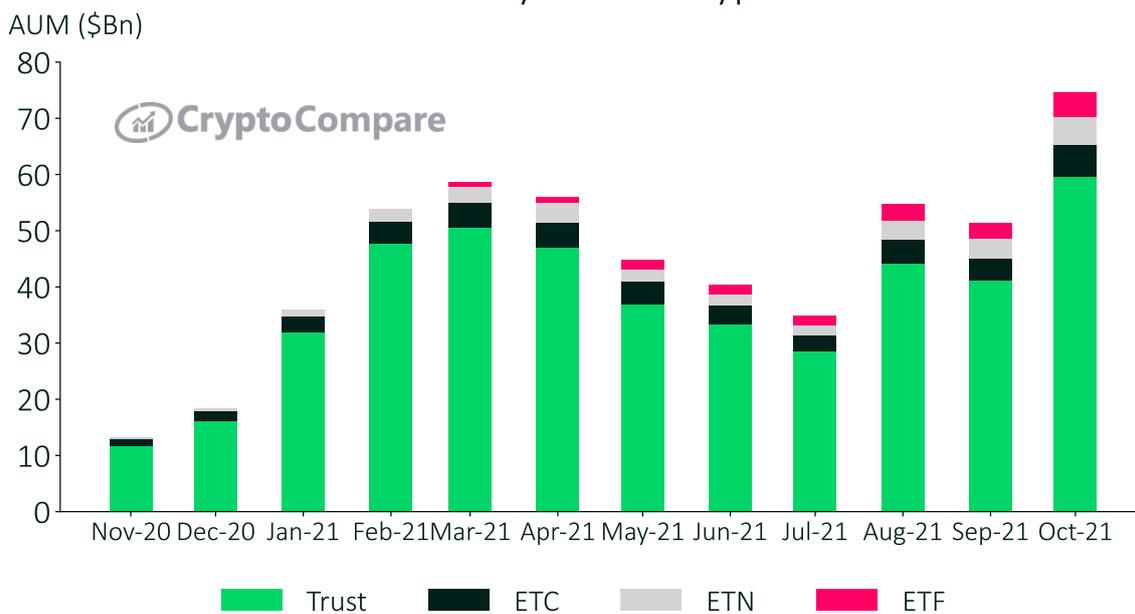
AUM by Company



In terms of product type, AUM in trust products (dominated by Grayscale) increased by 45.5% to \$59.7bn (79.9% of total AUM). Similarly, AUM represented by ETCs (led by XBT Provider) increased 42.7% to \$5.5bn (7.4% of total AUM).

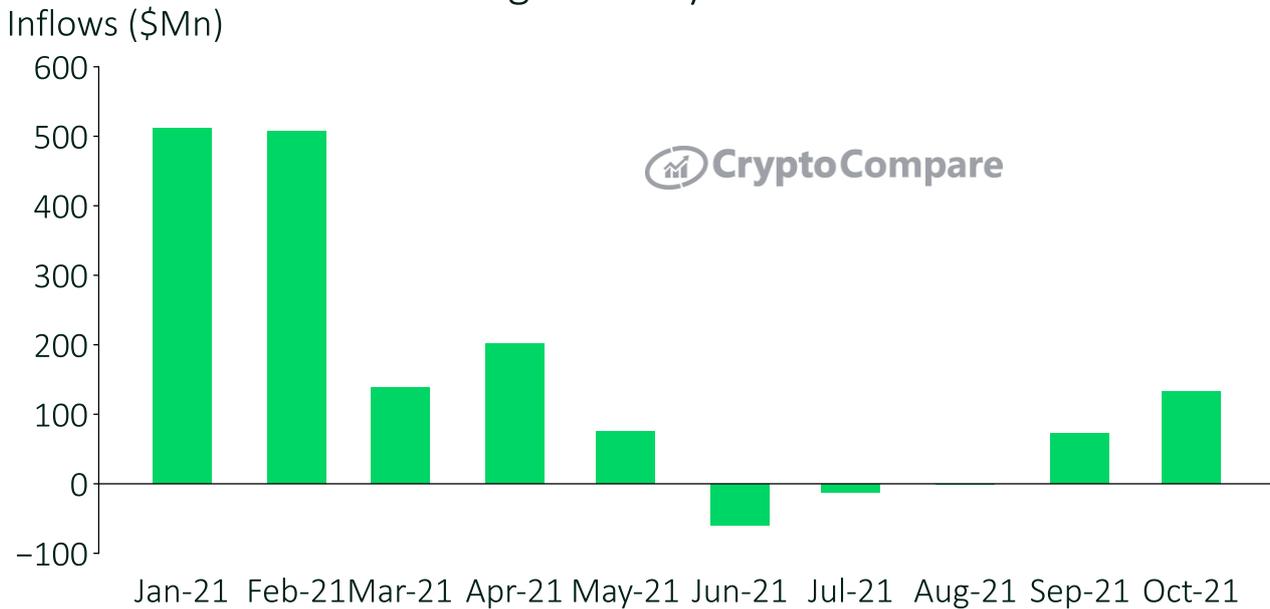
ETNs grew 58.3% to \$5.1bn (6.8% of total AUM). ETFs experienced the smallest increase in AUM across product types, rising 38.4% to \$4.4bn (5.8% of total AUM). All product types reached an all-time high in AUM in October.

AUM by Product Type



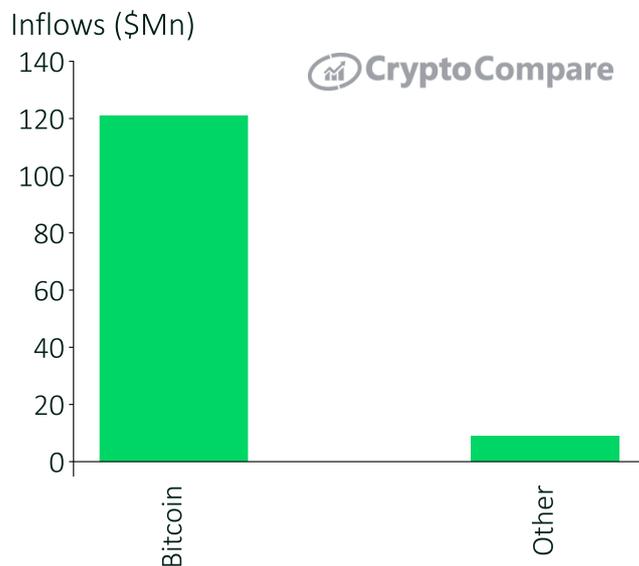
Average weekly net inflows were positive in October for the second month in a row as inflows averaged \$132mn*, the highest level since April 2021.

Average Weekly Net Inflows



Weekly flows into Bitcoin-based products in October averaged \$121mn*, while those of Ethereum-based products averaged \$1.9mn. This was followed by Solana-based products (\$4.3mn) and Cardano-based products (\$2.5mn).

Average Weekly Net Inflows by Asset

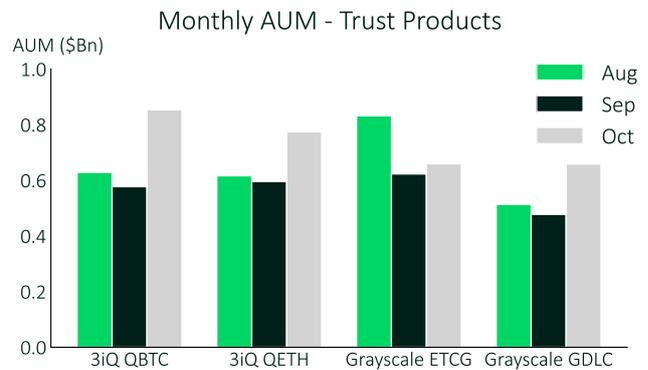
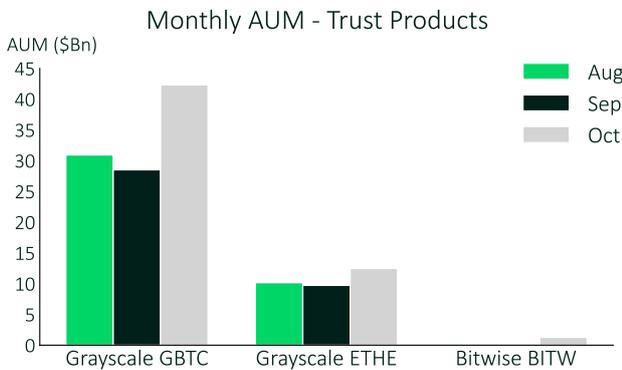


*October Inflows exclude Bitcoin Futures ETFs

Trust Products

The majority of AUM for trust products continues to reside in Grayscale’s Bitcoin (GBTC - \$42.3bn - up 48.4% since September) and Ethereum (ETHE – \$12.5bn- up 28.2%) products.

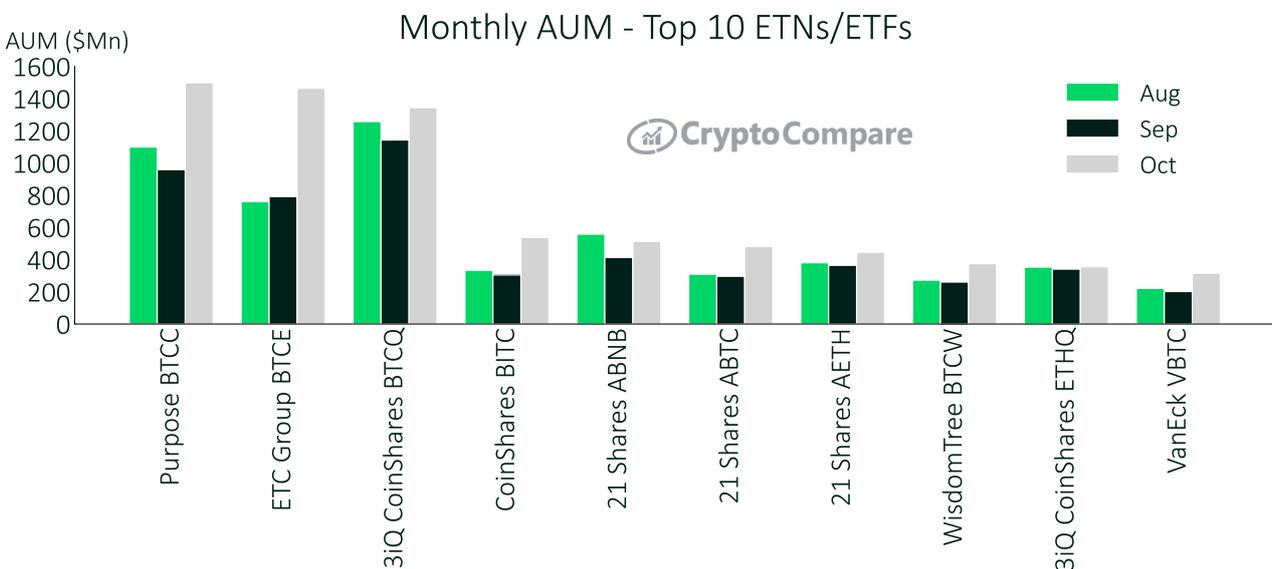
Other trust products include 3iQ’s Bitcoin Fund (QBTC), which increased 47.9% to \$854mn in October.



Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

In October, Purpose’s Bitcoin ETF (BTCC) and ETC Group’s BTCE product overtook 3iQ Coinshares’ Bitcoin ETF (BTCQ) in terms of AUM, with a 56.3% and 84.9% increase to \$1.5bn and \$1.5bn respectively. 3iQ Coinshares’ BTCQ increased just 17.6% to \$1.3bn over the month.

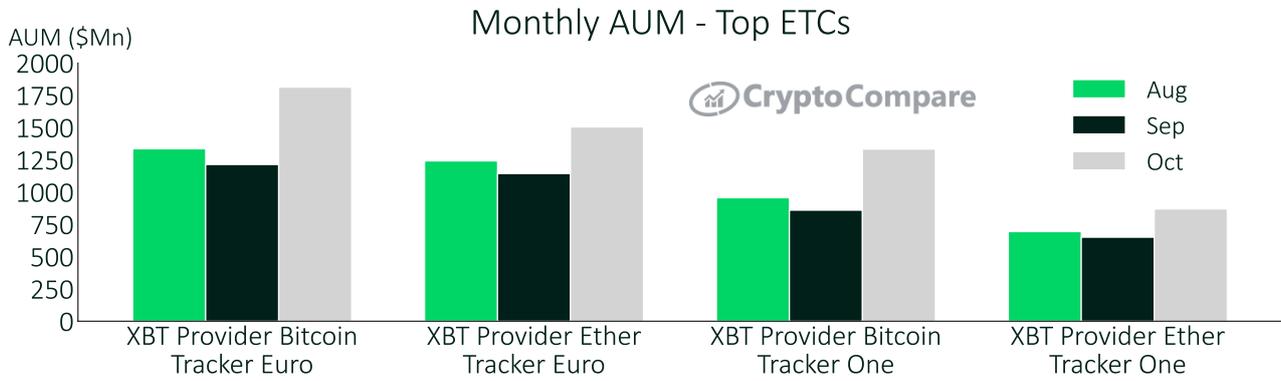
This is followed by Coinshares’ BITC product which saw an increase of 76.4% to \$537mn in AUM, and 21Shares’ ABNB which saw an increase of 24.1% to \$512mn in AUM.



Exchange Traded Certificates (ETCs)

XBT Provider by CoinShares represents the majority of AUM across all ETCs. Its Bitcoin Tracker Euro product holds the highest AUM and saw an increase of 49.4% to \$1.8bn in October.

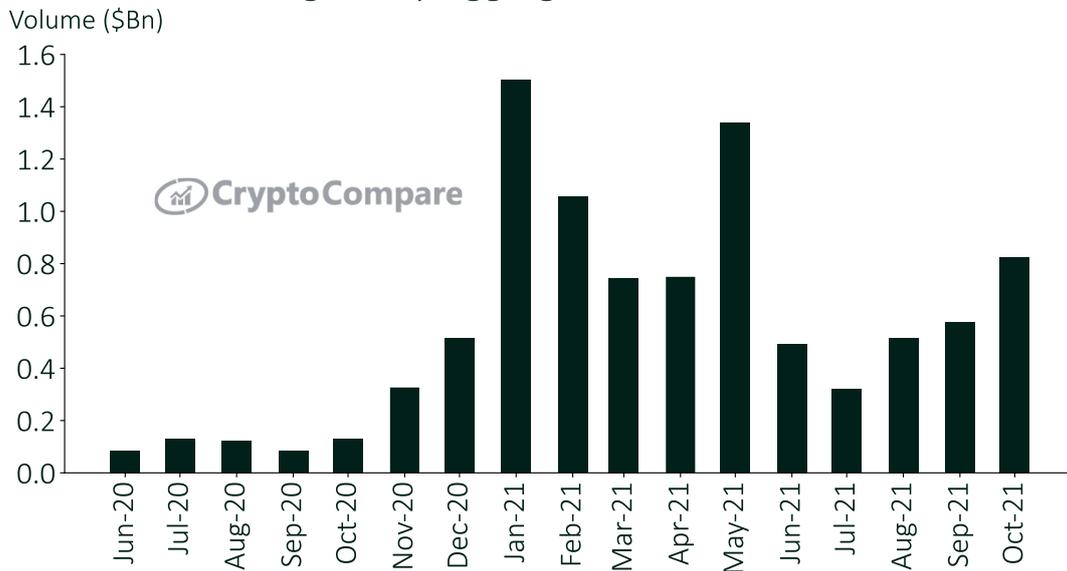
This is followed by its Ether Tracker Euro product at \$1.5bn (up 31.6%) and its Bitcoin Tracker One product at \$859mn (up 55.0%).



Trading Volumes

Aggregate daily volumes across all digital asset investment product types increased by an average of 43.4% from September to October. Average daily volumes now stand at \$826mn.

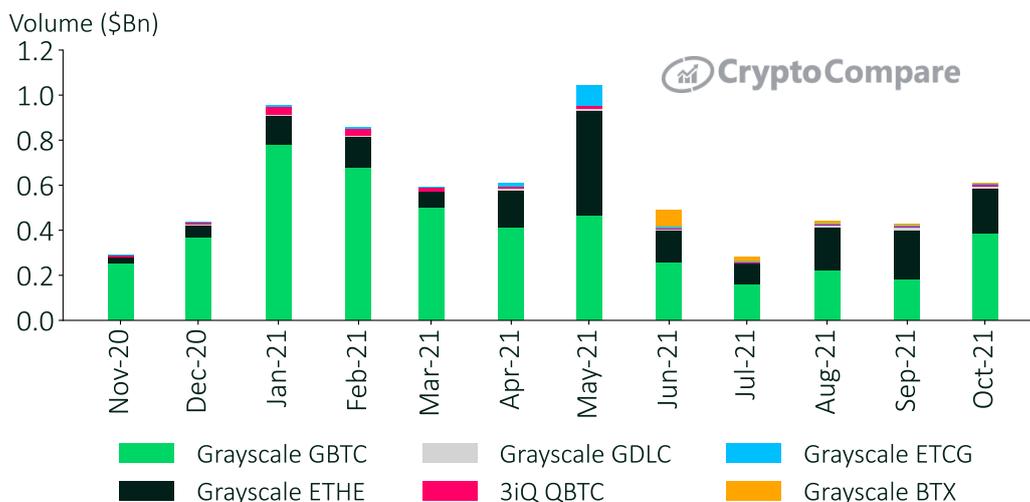
Average Daily Aggregate Product Volumes



Trust Products

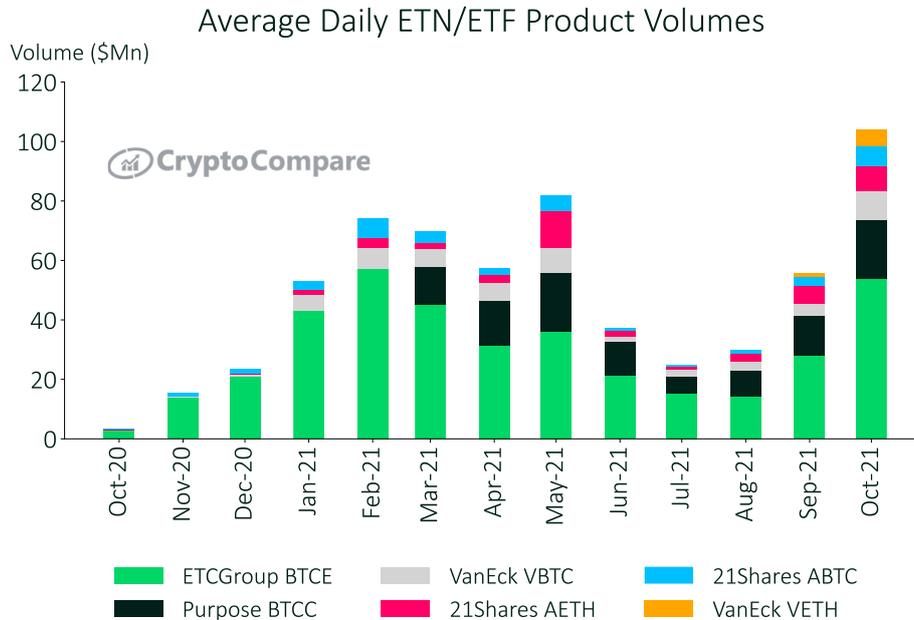
Grayscale’s Bitcoin trust product (GBTC) regained its majority market share of trust product volume in October at 63.1% after a stellar month where average daily volumes rose 112% to \$388mn. Average daily volume for Grayscale’s ETHE and GDLC stood at \$196mm (down 9.1%) and \$124mn (down 18.0%) respectively. All trust product volume rose by an average of 39.6% to a total of \$616mn.

Average Daily Trust Product Volumes



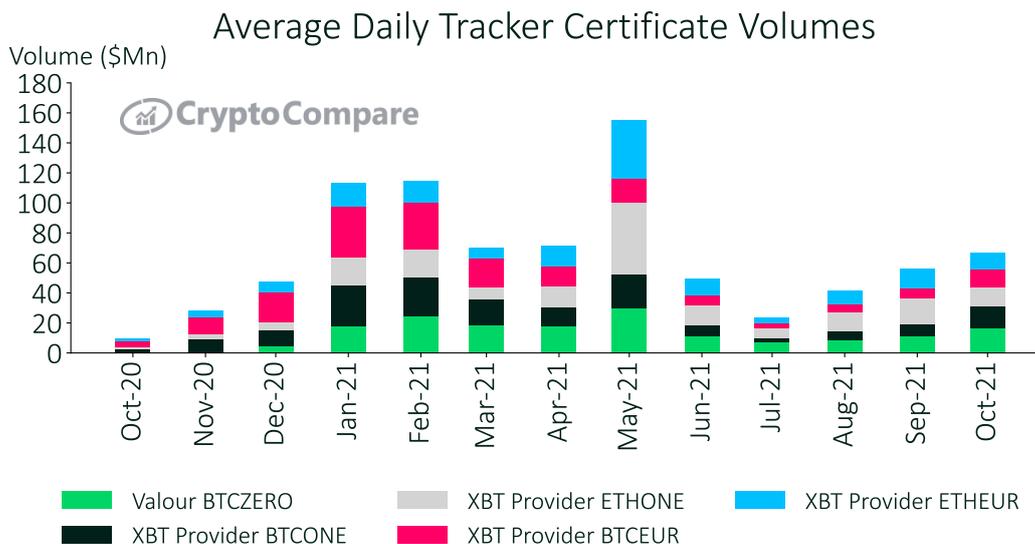
Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

Among the top ETNs/ETFs, ETC Group’s BTCE product traded the highest daily volume in October at \$53.9mn (up 92.1%), followed by Purpose’s Bitcoin product (BTCC) at \$19.9mn (up 47.5%) and VanEck’s Bitcoin product (VBTC) at \$9.5mn (up 154%). Average daily volumes of all ETNs/ETFs increased by an average of 87.9% in October. Coinshares’ Bitcoin product (BITC) experienced the largest percentage increase in trading volume, up 622% to \$4.9mn following its debut in September.



Exchange Traded Certificates (ETCs)

There was significant movement amongst the largest ETCs in October, as Valour’s Bitcoin product (BTCZERO) became the highest traded ETC product in October, with an average daily volume of \$16.3mn (up 49.0%). This was followed by XBT Provider’s Bitcoin Tracker One (BTC/SEK) and their Ether Tracker One (ETH/SEK) at \$14.6mn (up 83.3%) and \$12.8mn (down 28.2%) respectively.



Price Performance & Product Information

PRODUCT	PRODUCT TYPE	TRADING TYPE	OCTOBER AVG DAILY VOLUME (\$)	MONTHLY % AVG DAILY VOLUME CHANGE	30-DAY RETURNS
GRAYSCALE GBTC	TRUST	OTC-TRADED	388,371,765	112.3%	40.4%
GRAYSCALE ETHE	TRUST	OTC-TRADED	196,340,295	-9.1%	29.7%
ETCGROUP BTCE	ETN	EXCHANGE-TRADED	53,837,326	92.1%	46.5%
PURPOSE BTCC	ETF	EXCHANGE-TRADED	19,925,912	47.5%	40.1%
VALOUR BTCZERO	ETC-CERT	EXCHANGE-TRADED	16,303,076	49.0%	44.9%
XBTPROVIDER XBTCONE	ETC-CERT	EXCHANGE-TRADED	14,587,688	83.3%	48.1%
XBTPROVIDER XETHONE	ETC-CERT	EXCHANGE-TRADED	12,832,857	-28.2%	39.2%
GRAYSCALE GDLC	TRUST	OTC-TRADED	12,355,183	-18.0%	6.1%
XBTPROVIDER XBTCEUR	ETC-CERT	EXCHANGE-TRADED	11,874,537	95.5%	49.2%
XBTPROVIDER XETHEUR	ETC-CERT	EXCHANGE-TRADED	10,664,827	-17.7%	41.0%
VANECK VBTC	ETN	EXCHANGE-TRADED	9,515,340	153.8%	47.5%
21SHARES AETH	ETN	EXCHANGE-TRADED	8,324,725	32.2%	37.6%
21SHARES ABTC	ETN	EXCHANGE-TRADED	6,796,575	134.8%	47.8%
VANECK VETH	ETN	EXCHANGE-TRADED	5,655,212	371.8%	40.4%
COINSHARES BITC	ETF	EXCHANGE-TRADED	4,928,331	622.0%	47.3%
3IQ QBTC	TRUST	EXCHANGE-TRADED	4,444,819	60.7%	43.4%
21SHARES ASOL	ETN	EXCHANGE-TRADED	4,365,877	159.3%	32.5%
GRAYSCALE ETCG	TRUST	OTC-TRADED	4,261,115	-29.1%	-10.5%
GRAYSCALE BTX	TRUST	OTC-TRADED	4,153,509	-52.2%	-1.1%
WISDOMTREE BTCW	ETN	EXCHANGE-TRADED	3,761,752	158.4%	46.3%
BTC/USD	CCCAGG INDEX	CRYPTOCOMPARE	---	---	42.9%
ETH/USD	CCCAGG INDEX	CRYPTOCOMPARE	---	---	32.0%
MVDA Index	MVIS INDEX	MVIS	---	---	24.4%

BTC-based and ETH-based products experienced gains over the last 30 days, ranging from 40% to 49% for BTC products and 30% to 40% for ETH products. XBTProvider's Bitcoin Euro Tracker product experienced the largest gain at 49%, while Grayscale's ETCG product experienced the largest loss at 11% over the period.

The MVDA index experienced 24% returns. The MVDA index is a market cap-weighted index that tracks the performance of a basket of the 100 largest digital assets. The index serves as a benchmark and universe for the other MVIS CryptoCompare Digital Assets Indices.

PROVIDER	FEE RANGE	CHEAPEST FUND AVAILABLE	FUNDS AVAILABLE
Grayscale	2.00% - 3.00%	Grayscale® Bitcoin Trust	15
21Shares	1.49% - 2.50%	21Shares Bitcoin ETP, Ethereum ETP	15
XBTProvider	2.50%	Tracker Products	4
ETC Group	1.49% - 2.00%	Ethereum ETC	3
Valour	0.00% - 1.90%	Bitcoin Zero, Ethereum Zero	4
Purpose	1.00%	Purpose Bitcoin ETF	2
3IQ	0.75% - 1.95%	3iQ Global Cryptoasset Fund*	5
VanEck	1.00%	VanEck Bitcoin ETN	1
WisdomTree	0.95%	WisdomTree Bitcoin ETF	1
Bitwise	0.85% - 2.00%	Bitwise Crypto Industry Innovators ETF	7

*0.75% fee available for institutional investors. 1.25% for all other investors

CryptoCompare Index Products

The MVIS CryptoCompare Digital Assets Indices track the financial performance of the largest and most liquid digital assets and serve as the underlying platform for financial products globally. See all available indices [here](#). Get in touch to learn more about how our indices can help you build innovative products.

The MVIS CryptoCompare Digital Assets Indices can be licensed to clients for a variety of purposes, including:

- Performance measurement and attribution
- Investment product development, as the basis for structured products such as ETNs and futures contracts
- Asset allocation
- Research

Conclusion

October was a strong month for digital asset products. Speculation surrounding Bitcoin's ETF launch in the US along with inflation concerns led to upward movements in price, particularly for Bitcoin and Ethereum. This led to AUM reaching all-time highs across the board – both total AUM (\$75.7bn), for individual assets such as Bitcoin (\$55.2bn) and Ethereum (\$15.9bn), and for individual companies such as Grayscale (\$56.8bn) and XBT Provider (\$5.5bn). Average daily volumes also increased by 43.4%, likely due to the higher volatility caused by the aforementioned speculation.

Data Sources

Financial Times, 21Shares, Coinshares, XBT Provider, Grayscale, OTC Markets, HanETF, Yahoo Finance, 3iQ, Purpose, VanEck, Nordic Growth Market, Bloomberg, CryptoCompare