

Digital Asset Management Review

MARCH 2023

CryptoCompare Launches CCData

CryptoCompare, the FCA-authorised benchmark administrator and leading provider of real-time digital asset data, market insights and indices, is proud to announce the expansion of its data and index services under a new brand, CCData.

The new arm of the business will focus on the advancement of data and index solutions to empower financial institutions and accelerate the adoption of digital assets. CryptoCompare will maintain its role as the retail arm of the business. You can explore CCData's new website and data offering [here](#).

About CCData

CCData is an FCA-authorised benchmark administrator and 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, CCData's thought-leadership reports and analytics offer objective insights into the digital asset industry.

About This Report

Over the last few years, Bitcoin has proven itself to be a viable asset class with which investors can diversify their portfolios, attracting 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.

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

Given the rapid rise of available products and the lack of clarity around the size and characteristics of the major market players, CCData'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 monthly and caters to institutional investors, analysts, and regulators interested in key developments surrounding digital asset investment products. For questions related to this research or any potential requests, feel free to contact CCData's research department at research@ccdata.com.

Data Sources

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

FT WILSHIRE DIGITAL ASSET INDEXES FOR INSTITUTIONAL INVESTORS

The FT Wilshire Digital Asset Index Series brings together the pedigree of Wilshire's institutional index management expertise which is underpinned by CCData's quality and compliant market data.

- Transparent, rules-based methodology
- Genuine price discovery derived from highly rated exchanges
- Representative of only the most investable, liquid assets
- Comprehensive coverage and classification of over 1,300 digital assets
- Independent governance and guidance by the Digital Assets Advisory Group

[Find out more](#)

Content

About This Report	1
Key Market Insights	4
Latest Digital Asset Investment News	5
AUM – Assets Under Management	7
Trading Volumes	14
Price Performance & Product Information	16
CCData Index Products	17

Key Market Insights

SEC Continues to Impose Pressure on Digital Asset Providers

The SEC continues to exert regulatory pressure on providers of digital assets, evidenced by the lawsuit against Grayscale, the rejection of VanEck's spot ETF trust product, and the second denial of the Ark 21Shares' Spot Bitcoin ETF earlier this year. Despite this pressure, the recent hearing in the Grayscale case seemed to lean more in favour of Grayscale, with the SEC's allegations being called into question. The market responded as a result, with the Grayscale Bitcoin Trust discount dropping to 34.1% on March 9th, its lowest level since October 2022.

AUM for Bitcoin Based Products Rallies After a Surge in BTC Dominance

Bitcoin-based products experienced a surge in assets under management (AUM) in March, rising by 13.9% to reach \$22.7 billion. This surge in AUM saw Bitcoin-based products claim 72.4% market share, the highest dominance reached by these products since June 2022.

"Other" products, however, experienced a significant drop in AUM, falling by 13.3% to reach \$1.00 billion, causing its market share to plummet to 3.20%, a significant decline from 13.3% in January 2021. This increase in Bitcoin's market share corresponds to the recent surge in Bitcoin dominance and the investor's shift away from altcoins due to recent market turbulence.

Average Daily Aggregate Product Volumes Rise for Third Month in a Row

In March, average daily aggregate product volumes for all digital asset investment products experienced a substantial rise of 57.6%, reaching \$380 million. This growth in volume was a continuation of an upward trend that began at the start of the year, with March marking the third consecutive month of growth for aggregate product volumes. Since the start of the year, average daily aggregate product volumes have recorded an increase of 239%.

Latest Digital Asset Investment News

COMPANY	STORY	DATE
Grayscale	Alameda Sues Grayscale Over \$9 Billion Locked in Bitcoin Trust Shares	March 6
Grayscale	Judges Express Skepticism of SEC Arguments in Grayscale Bitcoin ETF Hearing	March 7
Vaneck	SEC Denies VanEck Spot BTC Trust Product, Commissioners See Double Standard	March 10
Grayscale	Post-Merge Ethereum: Grayscale Extends Review of ETHPoW Decision	March 17
21Shares	21Shares To Close Six Crypto ETFs	March 23
Nasdaq	Nasdaq To Launch Crypto Custody Service for BTC, ETH in 2023 To Inaugurate Digital Assets Arm	March 24
Coinshares	CoinShares Launches Two Crypto Basket ETPs With 0% Fees	March 27

Definitions

In the current review we have defined the major available product 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. In this case, 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. We will define an ETN as a physically-backed (collateralised) debt security in this context.

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, 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.

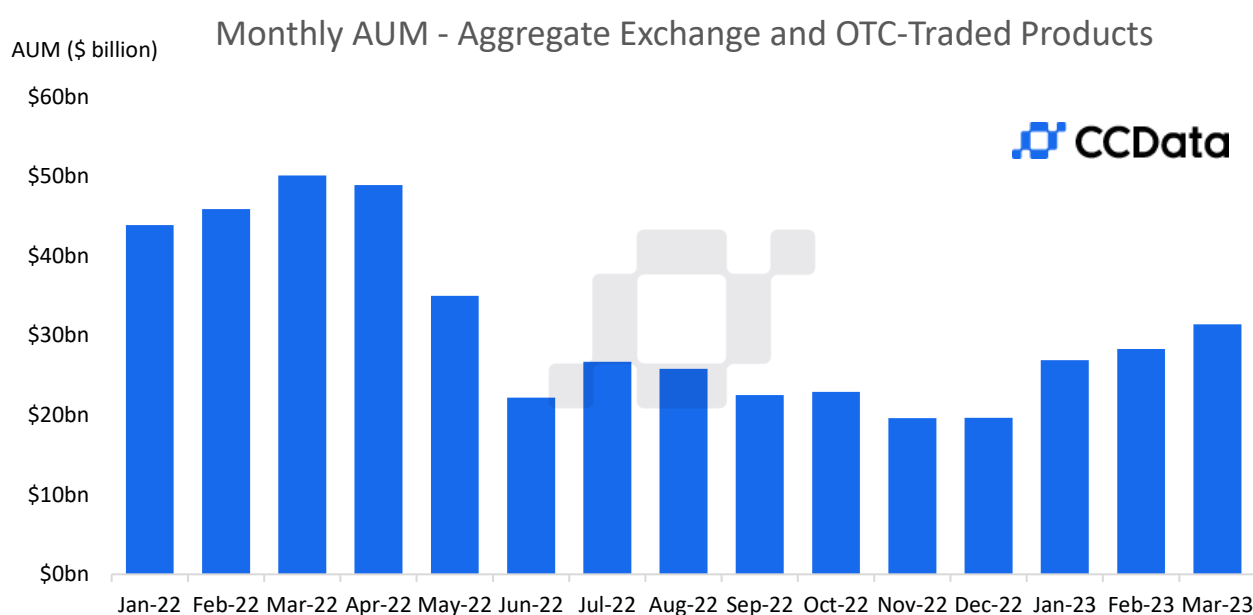
Disclaimer

Due to the nature of API endpoints and backfilling of data by exchanges, there may be discrepancies in data between previous reports. The data in this report is up to the 27th of March 2023.

AUM – Assets Under Management

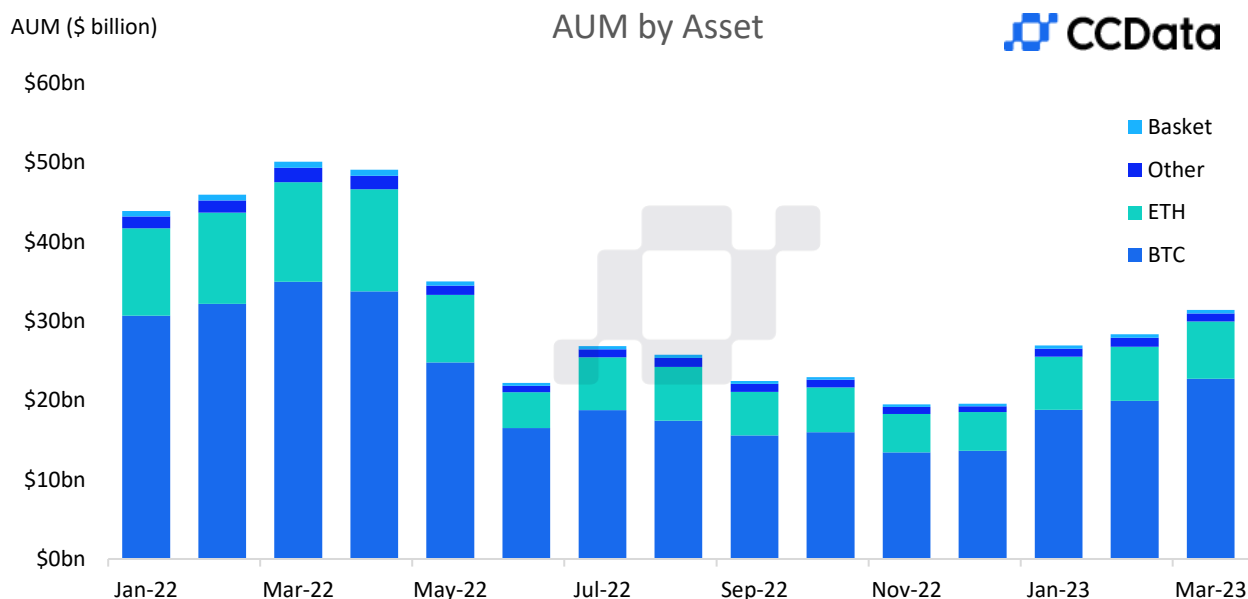
In March, the total assets under management (AUM) for digital asset investment products continued to trend upward for the fourth consecutive month, recording an increase of 10.9% compared to February, and 60.6% compared to last November (the lowest recorded AUM in 2022).

AUM, which reached \$31.4 billion in March 2023, has showcased the renewed interest in digital assets and the growth the industry has witnessed amid recent TradFi failures. The AUM growth, however, wasn't as significant as the underlying asset's price action and market capitalisation increase, partly due to the SEC's continued pressure on digital asset providers.

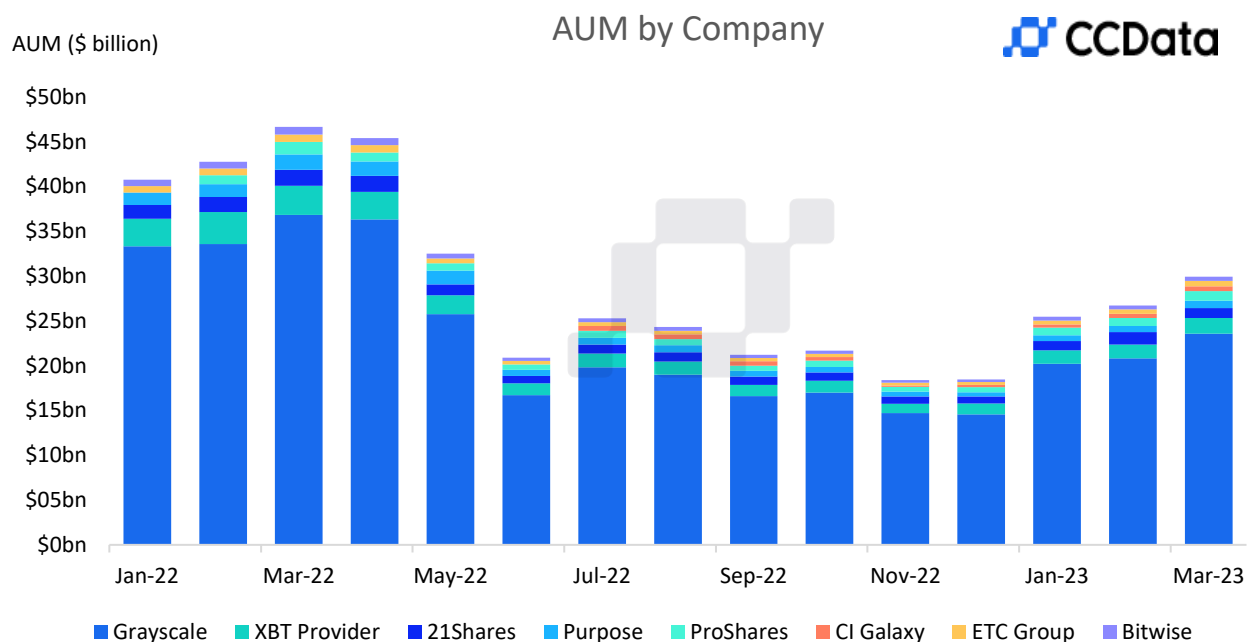


The assets under management (AUM) for Bitcoin and Ethereum-based products saw an increase of 13.9% and 6.26%, respectively, reaching \$22.7 billion and \$7.22 billion. The increase led Bitcoin-based products to reach 72.4% market share - the highest level reached since June 2022.

AUM for "Other" products witnessed a significant drop of 13.3% to \$1.00bn in March, leading its market share to decline to 3.20%; a significant decrease compared to 13.3% in January 2021. The increase in Bitcoin market share was consistent with the surge in Bitcoin dominance and the shift away from altcoins that investors have been making in response to the recent market turbulence.

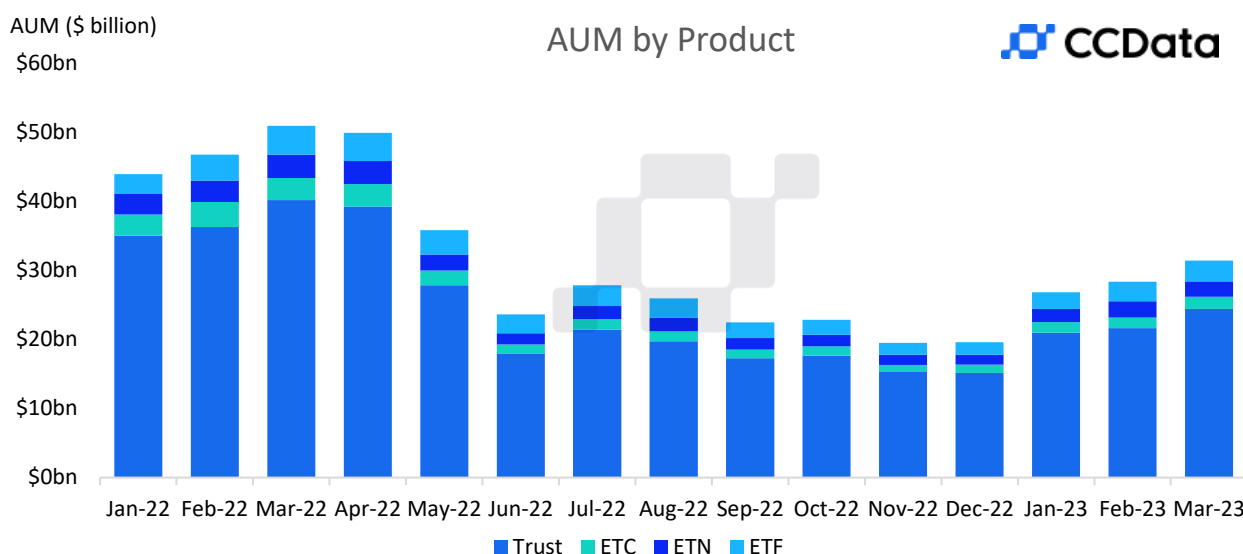


In March, CI Galaxy recorded the highest increase in AUM for the second consecutive month, rising 20.3% to \$553 million, followed by ProShares with a 19.1% increase to \$1.08 billion. Grayscale remained the dominant player with products recording a total AUM of \$23.6 billion; a 13.2% increase compared to February, followed by XBT Provider and 21Shares, recording a total AUM of \$1.74 billion and \$1.13 billion respectively.

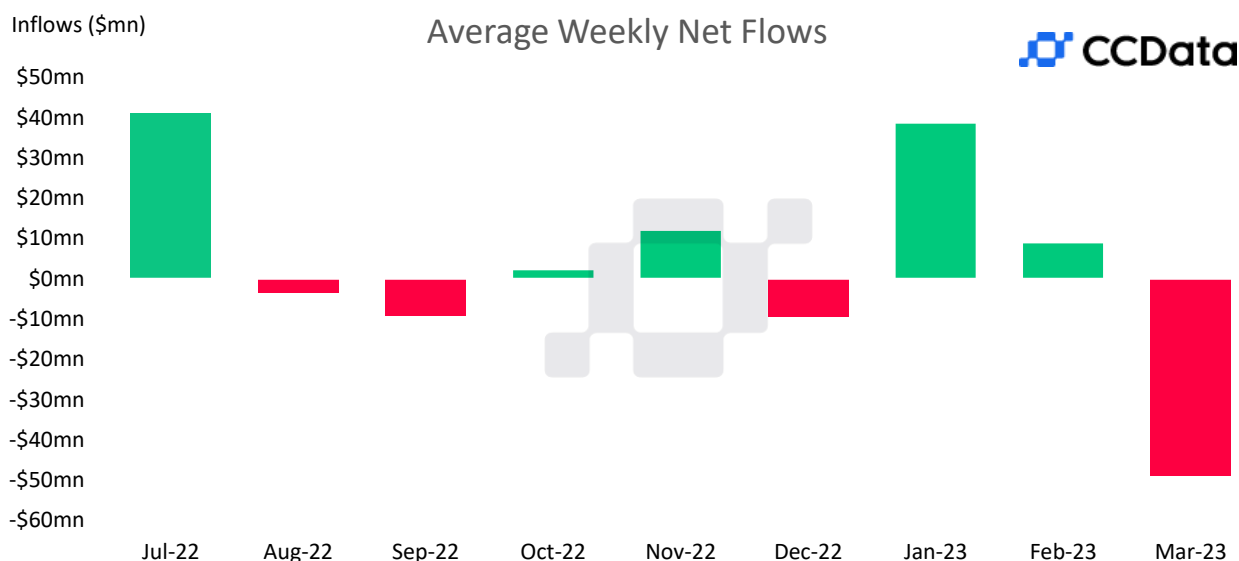


In terms of product type, AUM in trust products (dominated by Grayscale) saw the biggest rise among digital assets products, recording an increase of 13.0% to \$24.4 billion (77.7% of total AUM, up from 76.3% in February).

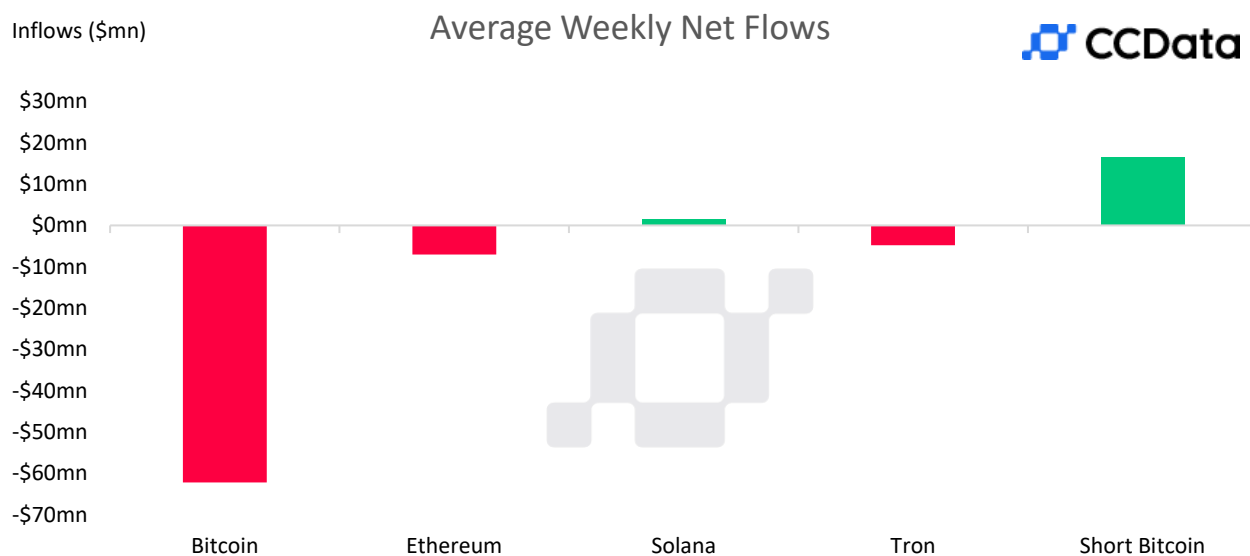
The dominance of AUM in trust products was succeeded by ETFs, which experienced a 6.76% increase, reaching \$3.01 billion and representing 9.58% of the total market share (a decline from 9.96% in February). ETNs also witnessed a 4.08% decrease, with a total AUM of \$2.24 billion, accounting for 7.14% of the overall AUM. ETCs followed, registering a 12.4% growth to \$1.73 billion, which accounted for 5.52% of the combined product AUM.



In March, outflows saw a significant rise fuelled by the panic that followed Silicon Valley Bank's (SVB) collapse and the depeg of Circle's USDC. Outflows recorded a weekly average of \$52.7 million, the highest since June 2022.

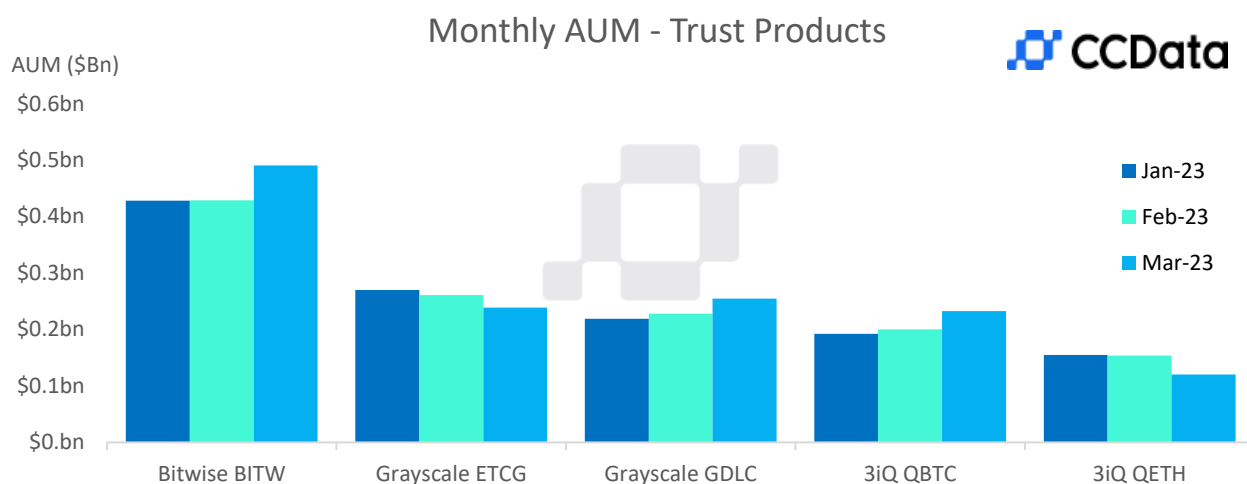
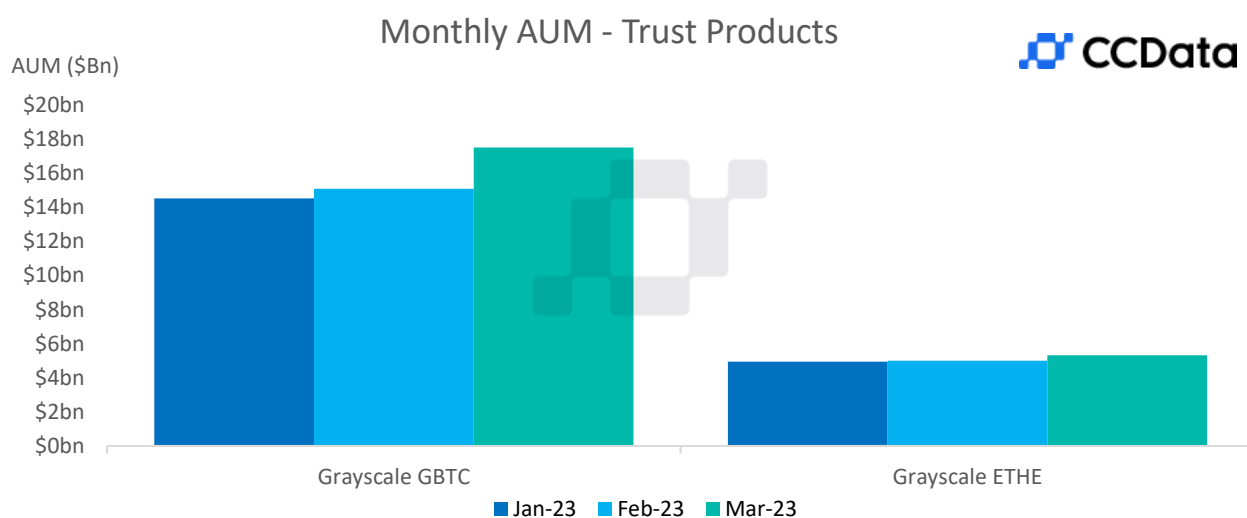


During March 2023, BTC-based products remained dominant in terms of weekly net flows, with BTC-based products and Short-BTC products recording net flows of negative \$62.2 million and positive \$16.5 million, respectively. Solana-based products sustained their momentum with a slight positive net flow, receiving \$1.43 million in inflows. Ethereum-based products experienced negative net flows of \$7.05 million as well as multi-asset products with negative net flows of \$0.50 million.



Trust Products

In March, Grayscale's Bitcoin Trust (GBTC) continued to be the dominant trust product in terms of assets under management (AUM), with a significant market share of 71.8% (Up from 69.8% in February) across all trust products. The product recorded an increase of 16.1% to \$17.5 billion AUM in March. Similarly, Grayscale's Ethereum Trust (ETHE) saw a positive return of 6.64%, with AUM increasing to \$5.33 billion with a market share of 21.8% (down from 23.2% in February). The third highest trust product by AUM continued to be Bitwise's Index Product (BITW), which saw its AUM increase 14.4% to \$490 million.

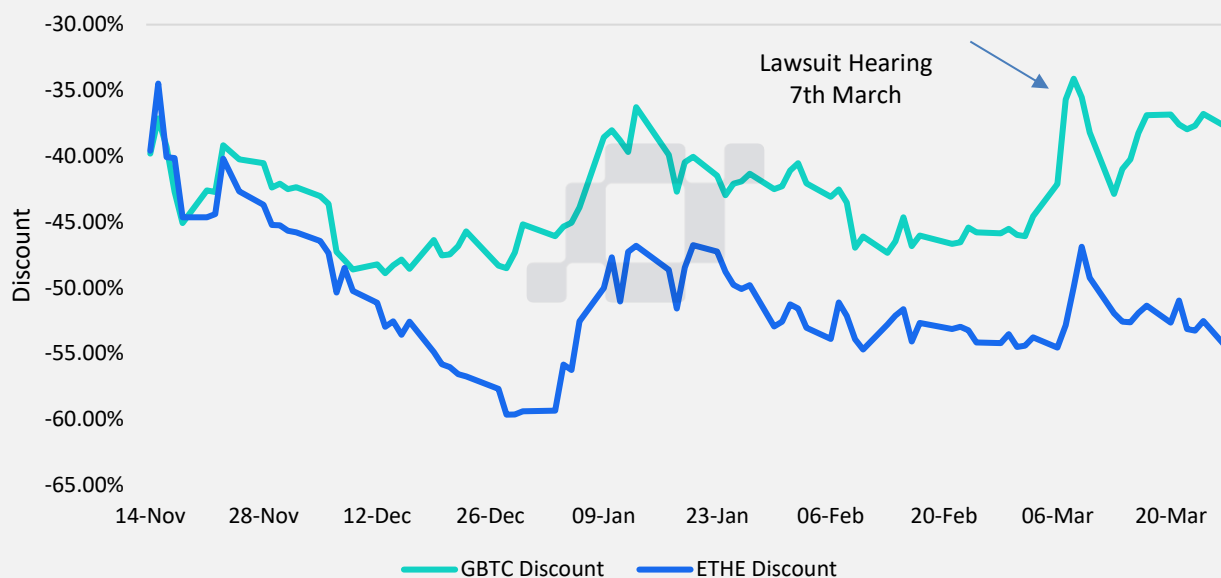


Grayscale Position Enhances SEC Allegations Put into Questions

The recent hearing in the Grayscale case that took place on Tuesday March 7th seemed to lean more in favour of Grayscale, with the SEC's allegations being called into question. In response, the Grayscale Bitcoin Trust GBTC's discount dropped to its lowest level since October 2022, reaching 34.1% on March 9th, the Trust product also saw its AUM increase 16.1% to \$17.5 billion.

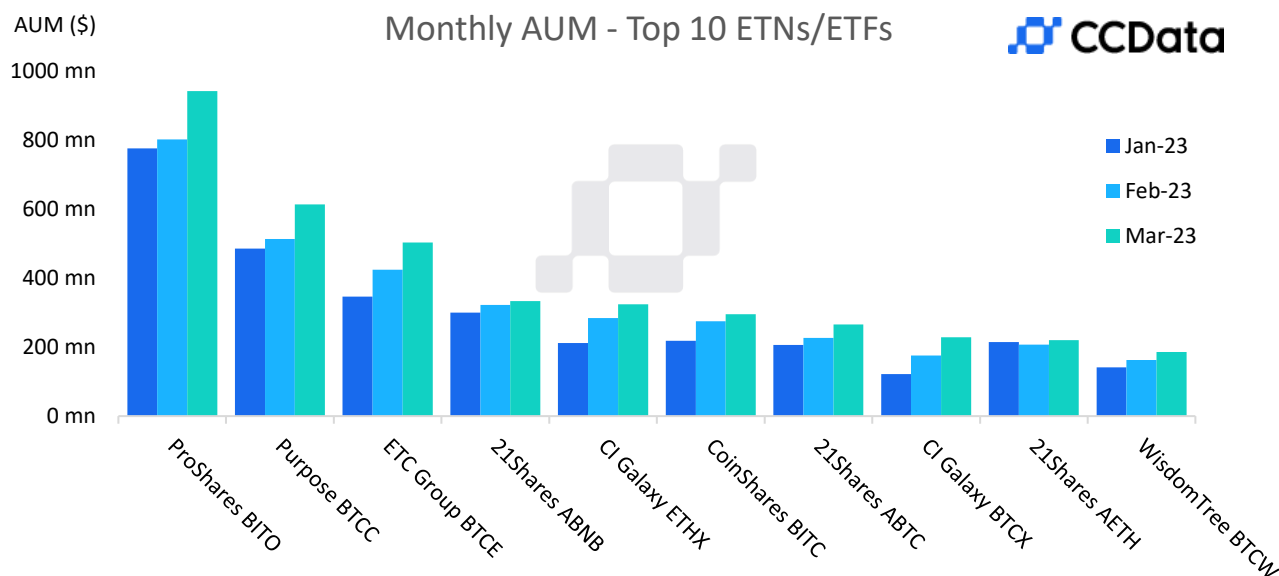
GBTC & ETHE Discount

CCData



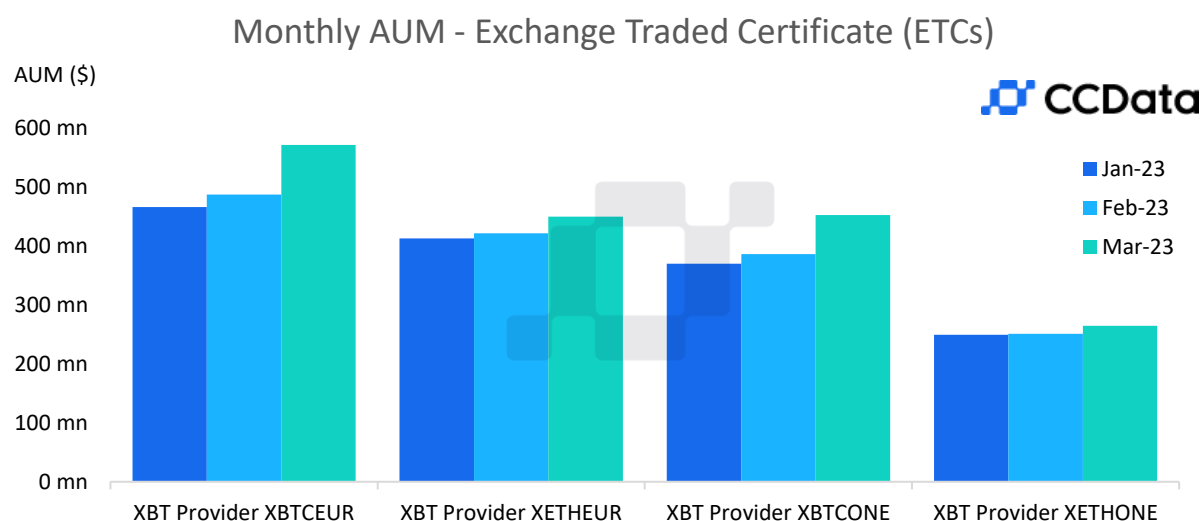
Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

In March, ProShares BITO product maintained the top spot among ETN/ETF products, with AUM increasing 17.45% to \$942 million, resulting in a market share of 18.0% (a notable increase from 15.5% in February). This was followed by Purpose's BTCC, which saw an increase of 19.7% to \$614 million, and ETC Group's BTCE, which increased 9.57% to \$503 million, recording a market share of 11.7% and 9.57% respectively (up from the 9.91% and 8.20% AUM in February).



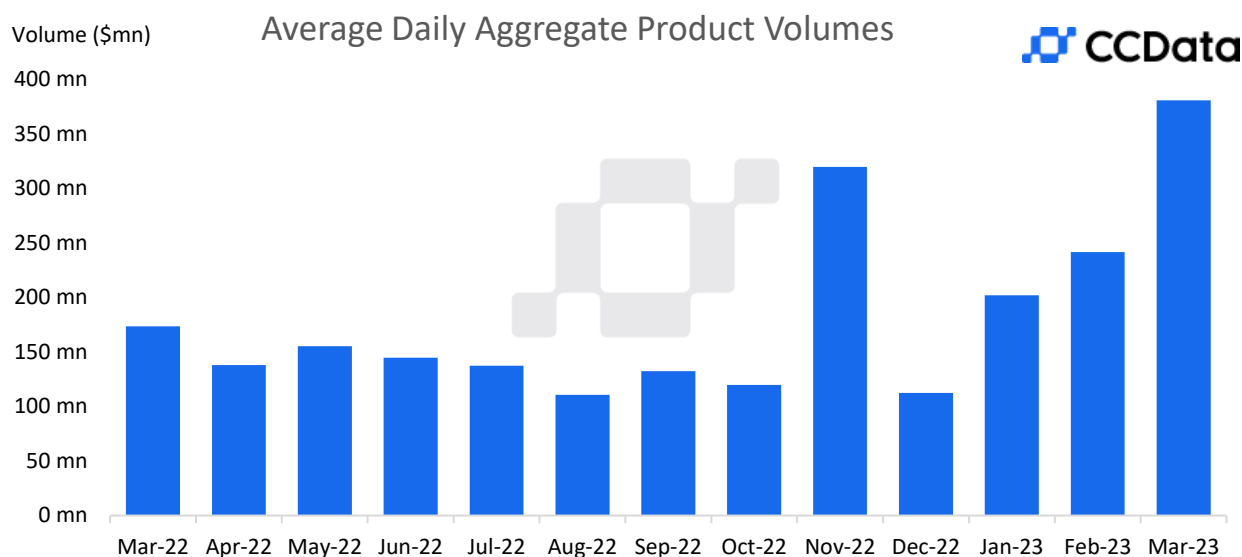
Exchange Traded Certificates (ETCs)

XBT Provider by CoinShares continued to represent the majority of AUM across all ETCs. In March, its Bitcoin Tracker Euro product XBTCEUR continued to hold the top spot for the highest AUM amongst ETCs after rising 17.2% to \$571 million. This was followed by its Bitcoin Tracker One product XBTCONE which also saw an increase of 17.2% to \$452 million.



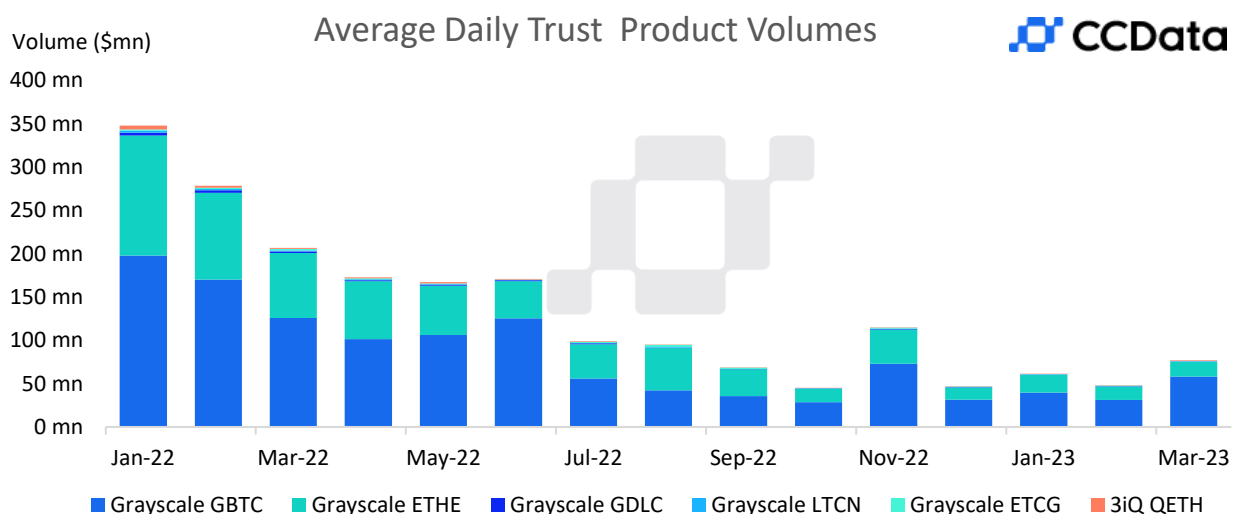
Trading Volumes

In March 2023, average daily aggregate product volumes across all digital asset investment products saw a significant increase of 57.6% to \$380 million. This volume growth was a continuation of an upward trend that began at the start of the year, with March marking the third consecutive month of growth and a recorded increase of 239% since the beginning of the year.



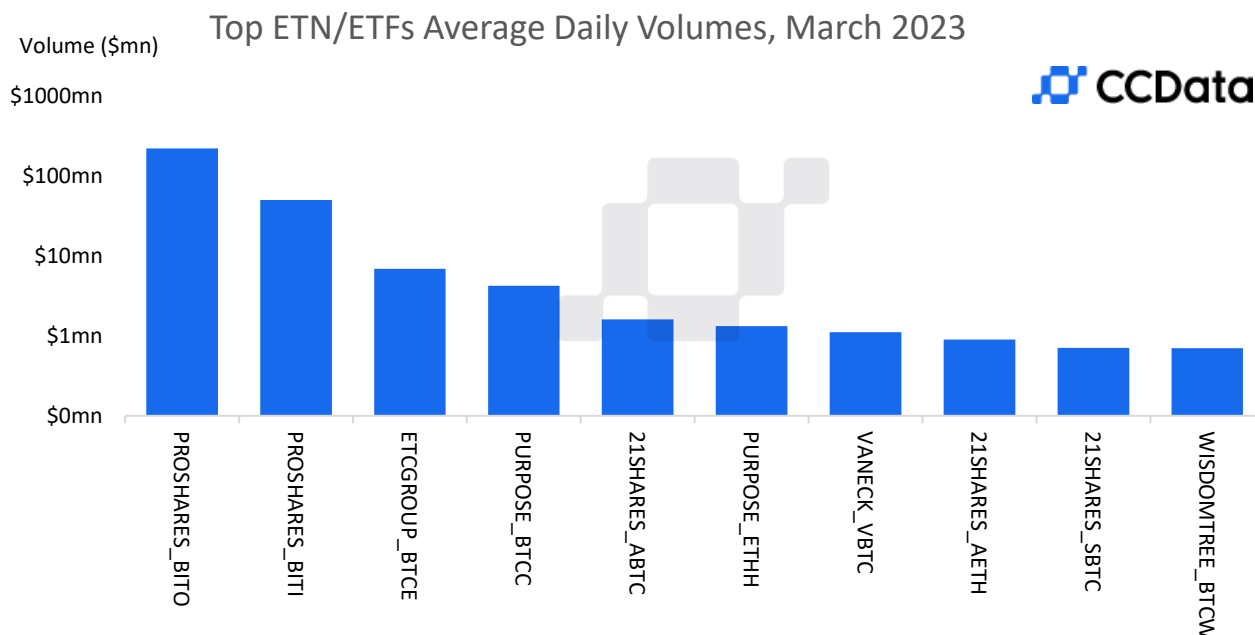
Trust Products

Grayscale's Bitcoin Trust product, GBTC, maintained its dominance in the trust product market, recording an increase of 87.8% in average daily volumes to \$58.2 million, as a result, its market share has increased to 74.6% in March (up from 63.5% in February). Grayscale's Ethereum product ETHE saw a similar but less significant uptrend, recording a 7.13% increase in volume to \$16.1 million, which put the product at a 21.5% market share compared to 32.0% in February.



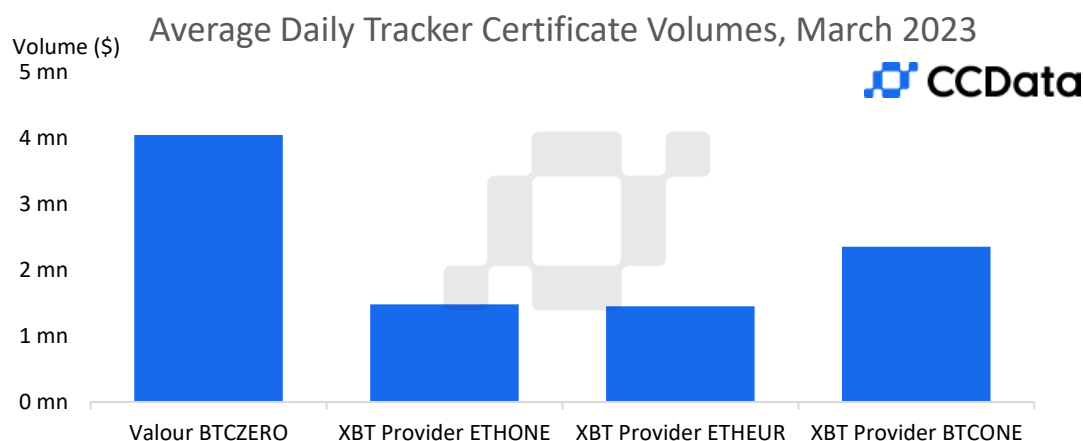
Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

In March, ETNs and ETFs saw an increase in average daily volumes, reaching \$292 million with Bitcoin-based products continuing to dominate volumes. ProShares's (BITO), ProShares's (BITI), ETC Group's (BTCE), and Purpose's Bitcoin product (BTCC) led the way with recorded volumes of \$221 million, \$50.1 million, \$6.92 million, and \$4.24 million respectively.



Exchange Traded Certificates (ETCs)

Valour's Bitcoin product (BTCZERO) continued to dominate ETCs' average daily volumes, leaving XBT's Bitcoin Tracker One (BTCONE) and XBT Tracker's Ether Tracker One (ETHONE) in second and third place. The three ETCs recorded volumes of \$4.04 million, \$2.35 million, and \$1.48 million, respectively.



Price Performance & Product Information

PRODUCT	PRODUCT TYPE	TRADING TYPE	AVG DAILY VOLUME (\$) 30-DAY	% AVG DAILY VOLUME CHANGE	30-DAY RETURNS
PROSHARES BITO	ETF	EXCHANGE-TRADED	2.21E+08	44.7%	14.6%
GRAYSCALE GBTC	T	OTC-TRADED	58222161	87.8%	32.6%
PROSHARES BITI	ETF	EXCHANGE-TRADED	50132352	138.9%	-19.8%
GRAYSCALE ETHE	T	OTC-TRADED	16730878	7.1%	3.9%
ETCGROUP BTCE	ETN	EXCHANGE-TRADED	6925294	4294.7%	15.7%
PURPOSE BTCC	ETF	EXCHANGE-TRADED	4247221	48.6%	15.1%
VALOUR BTCZERO	ETC	EXCHANGE-TRADED	4040760	-4.0%	15.3%
XBTPROVIDER XBTCONE	ETC	EXCHANGE-TRADED	2348166	70.5%	16.7%
21SHARES ABTC	ETN	EXCHANGE-TRADED	1606592	73.6%	14.1%
XBTPROVIDER XETHONE	ETC	EXCHANGE-TRADED	1478429	5.6%	4.2%
XBTPROVIDER XETHEUR	ETC	EXCHANGE-TRADED	1447800	67.9%	1.6%
PURPOSE ETHH	ETF	EXCHANGE-TRADED	1322783	24.3%	4.4%
3IQ QBTC	T	EXCHANGE-TRADED	1133821	109.1%	17.9%
VANECK VBTC	ETN	EXCHANGE-TRADED	1113996	48.8%	13.9%
XBTPROVIDER XBTCEUR	ETC	EXCHANGE-TRADED	993447.8	63.3%	14.7%
21SHARES AETH	ETN	EXCHANGE-TRADED	898877.5	7.0%	3.6%
21SHARES SBTC	ETN	EXCHANGE-TRADED	706668.7	59.4%	-21.2%
WISDOMTREE BTCW	ETN	EXCHANGE-TRADED	702639.4	-19.3%	14.6%
VANECK VETH	ETN	EXCHANGE-TRADED	618044.6	65.0%	2.8%
ETCGROUP ZETH	ETN	EXCHANGE-TRADED	494788.4	77.9%	2.8%
BTC/USD	CCCAGG INDEX	CCData	---	---	14.4%
ETH/USD	CCCAGG INDEX	CCData	---	---	5.95%
MVDA Index	MVIS INDEX	MVIS	---	---	7.08%

The MVDA index experienced a rise of 7.08%. 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 MarketVector™ Digital Assets 100 Large-Cap IndexAssets Indices.

PROVIDER	FEE RANGE	CHEAPEST FUND AVAILABLE	FUNDS AVAILABLE	FUNDS ANALYZED
Grayscale	2.00% - 3.00%	Grayscale® Bitcoin Trust	17	16
21Shares	1.49% - 2.50%	21Shares Bitcoin ETP, Ethereum ETP	39	23
XBTPProvider	2.50%	Tracker Products	4	4
ETC Group	1.49% - 2.00%	Ethereum ETC	14	3
Valour	0.00% - 1.90%	Bitcoin Zero, Ethereum Zero	12	1
Purpose	1.00%	Purpose Bitcoin ETF	5	2
3IQ	0.75% - 1.95%	3iQ Global Cryptoasset Fund	6	4
VanEck	1.00%	VanEck Bitcoin ETN	13	5
WisdomTree	0.95%	WisdomTree Bitcoin ETF	7	2
Bitwise	0.85% - 2.00%	Bitwise Crypto Industry Innovators ETF	12	1

CCData Index Products

MarketVector Indices, created in collaboration with CCData, 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. MarketVector Indices, created in collaboration with CCData, can be licensed to clients for a variety of purposes, including:

- Performance measurement and attribution
- Investment product development is the basis for structured products.
- Asset Allocation
- Research

CCData Indices in the News

On September 28, CCData and Blockdaemon, the leading institutional-grade blockchain infrastructure company for node management and staking, announced the launch of their industry-first family of Staking Yield Indices, enabling more informed and sophisticated investment strategies in a regulated and secure environment.

The CCData Blockdaemon Staking Yield Index Family is designed to measure the annualised daily staking yield generated by the digital asset, allowing institutional investors to create total return and yield swap products, benchmark portfolios, conduct research, and more. The Index Family will initially feature five regulated indices that capture the annualised daily staking yield of the top performing PoS digital assets: Avalanche, Cardano, Cosmos, Polkadot, and Solana. Learn more [here](#).

Access More of Our Research and Insights

As the digital asset markets continue to grow, so does the need for high-quality research that brings greater clarity and transparency to this rapidly evolving industry. CCData's suite of research reports provides market participants with trusted, high-quality data and analysis.

Report	Description
Exchange Review	Captures key developments within the cryptocurrency exchange market — providing readers with an in-depth analysis of exchange volumes, trading activity, and derivatives open interest.
Digital Asset Management Review	Tracks and analyses the most innovative institutional products in the industry, assessing volumes, assets under management (AUM), and product flow trends.
Exchange Benchmark	Brings clarity to the crypto asset exchange sector. Two years on, it has become the industry standard for assessing and evaluating cryptocurrency exchanges, with the methodology and rankings now being utilised to help create financial products and indices.
Asset Report	Provides professionals in the financial services space, particularly the investment management industry, with a summarised analysis of the latest movements in five of the largest cryptocurrencies.
Market Outlooks	A quarterly report that identifies the most important developments of the last quarter, which may thereafter set the tone for key trends to look out for in the following months. This includes references to the macroeconomic environment, DeFi, NFTs, stablecoins, and more.
Stablecoins Report	Provides insight into the latest developments in the stablecoin and CBDC sector, focusing on analysis that relates to market capitalization, trading volume, and stablecoins, segmented by their type based on collateral, type of pegged asset, and more.