

Digital Asset Management Review

APRIL 2023

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

Bitcoin has proven itself to be a viable asset class with which investors can diversify their 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.

Overall, 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, 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. 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.

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Key Market Insights

Ethereum-Based Products Outperformed Bitcoin Products Following Successful Shapella Upgrade

In April, the assets under management (AUM) for Bitcoin and Ethereum-based products saw an increase of 6.34% and 8.72%, respectively, reaching \$24.2 billion and \$7.85 billion. The increase in AUM for Ethereum products followed the successful implementation of the Shapella Upgrade. The increase led Ethereum-based product to reach 23.4% market share, up from 23.0% in March, while Bitcoin's market share decreased from 72.4% to 72.0% over the same period.

Aggregate Digital Asset Product Volumes Record First Decline in 2023

In April, the average daily aggregate product volumes across all digital asset investment products fell 27.2% to \$277mn. This is the first decline in average trading volumes since December, however, volumes remain at an elevated level in comparison to the average trading volumes recorded in 2022.

Short Bitcoin-Based Products Record Highest Weekly Outflows in 2023

In April, net flows reversed their trend, recording weekly average net flows of \$25.4 million - the highest since January 2023. BTC-based products continued their dominance and recorded a positive net flow of \$30.78 million following a significant outflow in March.

Short Bitcoin-based products, however, recorded their highest weekly outflows in 2023, which could be attributed to the upward momentum of BTC and the significant price increase that occurred during April 2023.

Bitcoin Dominance Continues Despite Boost in ETH Product AUM

Despite experiencing notable growth in assets under management (AUM) after the successful Shapella Upgrade, Ethereum-based products are still far from dominating the AUM of digital assets, which is mostly controlled by BTC-based products.

BTC-based products have increased their market share from 69.9% in January 2023 to 72.0% in April, whereas ETH-based products have remained relatively stable, decreasing slightly from 24.8% to 23.4%.

Latest Digital Asset Investment News

COMPANY	STORY	DATE
Coinshares	CoinShares launches two zero-fee multi-crypto ETPs on Xetra	April 2
Fineqia	Fineqia receives approval to launch crypto and NFT ETNs in Europe	April 3
Grayscale	Metalpha raising \$100M to offer Grayscale Bitcoin products in Hong Kong	April 12
Grayscale	Solana (SOL) Trust by Grayscale Now Open to OTC Markets Traders	April 17
Coinshares	CoinShares partners with The Network Firm	April 25
Coinshares	CoinShares says weekly investment in Ethereum-linked products rebounds after hard fork	April 25
Grayscale	Court to Decide on Grayscale Bitcoin ETFs by Q3	April 27

Definitions

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

<i>ETF - Exchange Traded Fund</i>	Exchange traded open-ended fund that trades like an equity
<i>ETN - Exchange Traded Note</i>	Fully collateralised open-ended debt security
<i>Trust – Listed/OTC-Traded Trust</i>	Closed-ended investment fund established as a trust
<i>ETC - Exchange Traded Certificate</i>	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.

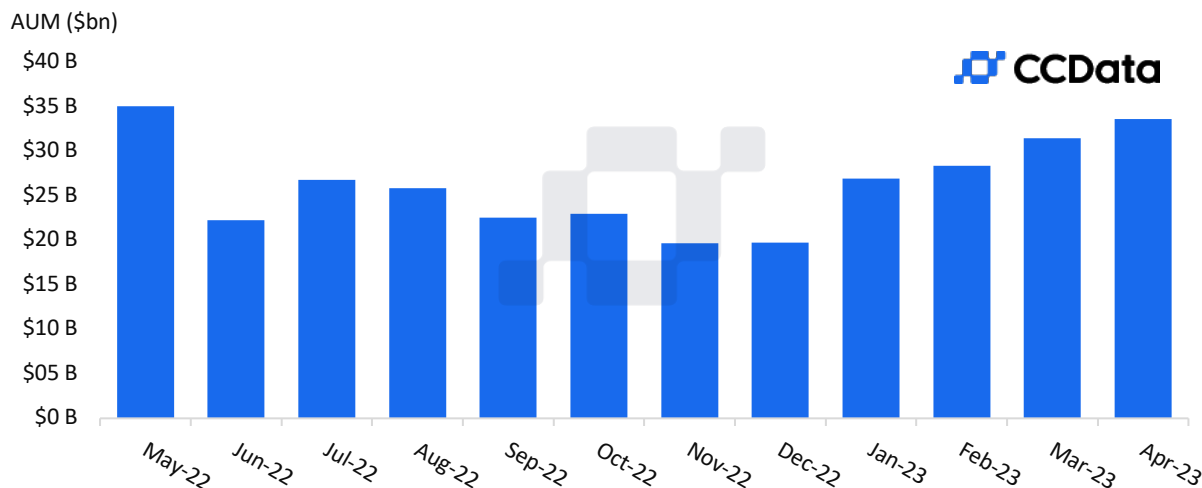
Disclaimer

Due to the nature of API endpoints and backfilling of data by exchanges, there may be discrepancies in data between previous reports. The data used in this report was collected up to the 28th of April 2023.

AUM – Assets Under Management

In April, the total assets under management (AUM) for digital asset investment products rose by 6.94% to reach \$33.6 billion, marking the fifth consecutive month of growth in AUM for digital asset products. The year-to-date increase in AUM now stands at 70.7%, highlighting the renewed interest in digital assets amid traditional finance failures and market turbulence.

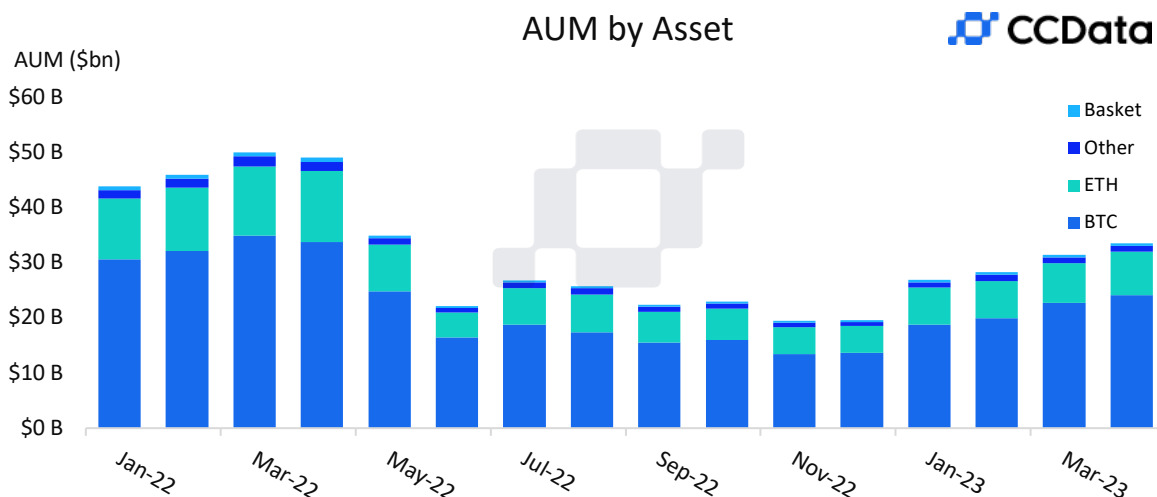
Monthly AUM - Aggregate Exchange and OTC-Traded Products



In April, the assets under management (AUM) for Bitcoin and Ethereum-based products saw an increase of 6.34% and 8.72%, respectively, reaching \$24.2 billion and \$7.85 billion. The rise in Ethereum's AUM follows the successful implementation of the Shapella Upgrade, which served as a driver for the growth in the underlying asset's price. This resulted in Ethereum-based products achieving a market share of 23.4%, compared to 23.0% in March.

AUM for “Other” products witnessed an increase of 8.41% to \$1.09 billion in April, increasing its market share to 3.24%. AUM for “Basket” also increased by 5.44%, recording a market share of 1.40% of total assets AUM.

AUM by Asset

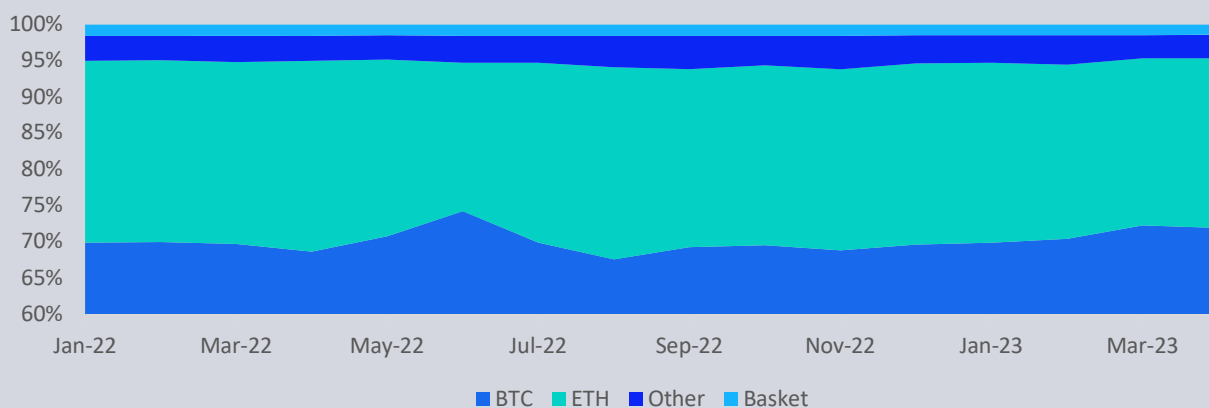


Bitcoin Dominance Continues Despite Boost in AUM for ETH-Based Products

Despite experiencing notable growth in AUM following the Shapella Upgrade, Ethereum-based products are still far from dominating the AUM of digital assets, which is mostly controlled by BTC-based products.

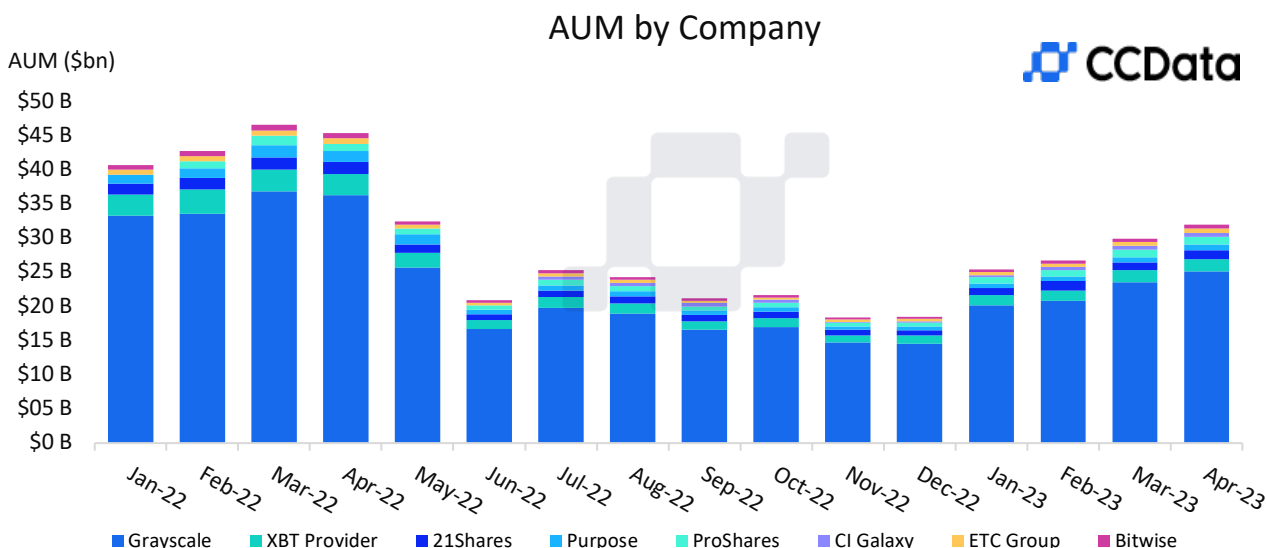
BTC-based products have increased their market share from 69.9% in January 2023 to 72.0% in April, whereas ETH-based products have remained relatively stable, decreasing only slightly from 24.8% to 23.4%. “Other” and “Basket” products have also remained low recording 3.24% and 1.40% in April, as speculation in the digital asset management industry is lower than in other markets.

Bitcoin Continues to Dominate Digital Asset AUM

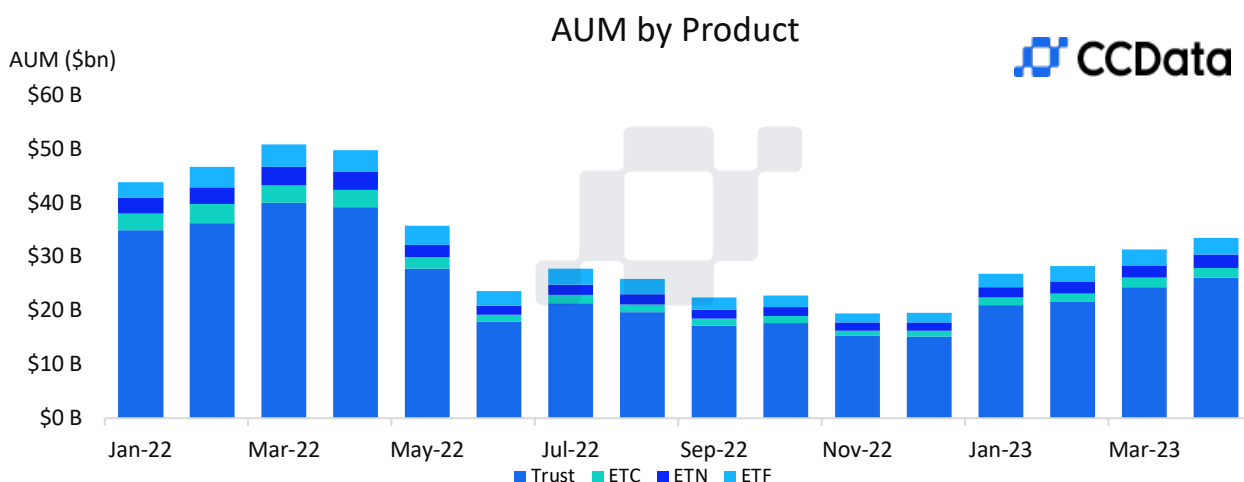


In April, 3iQ recorded the highest increase in AUM, rising 21.9% to \$430 million, followed by 21Shares and ETC Group with a 12.6% increase to \$1.28 billion and 12.05% increase to \$647 million, respectively.

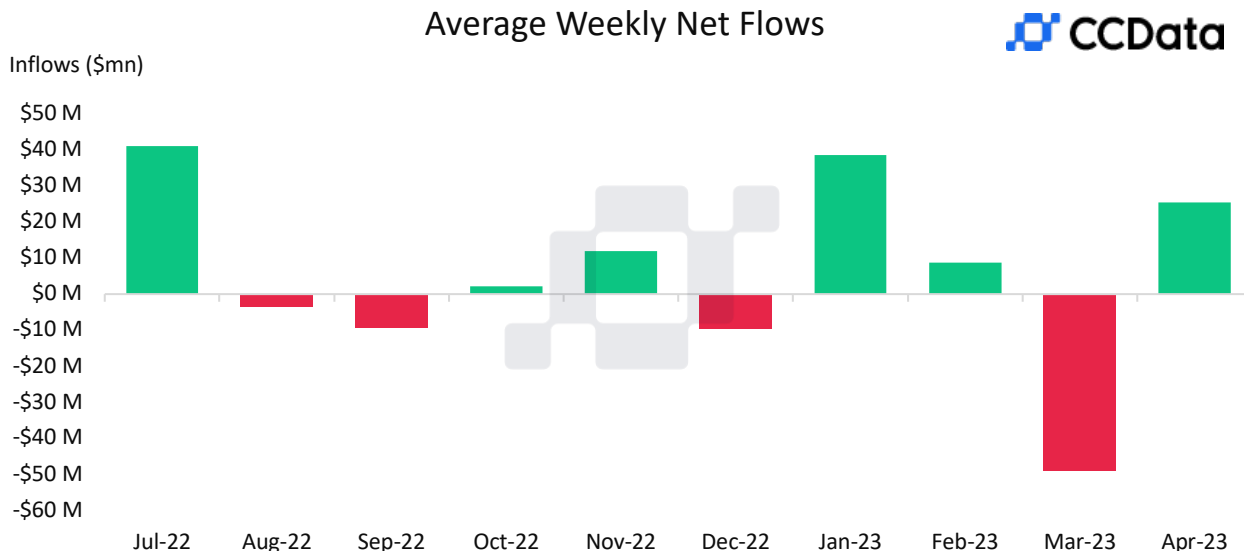
Grayscale retained its position as the dominant player with products recording a total AUM of \$25.2 billion. This marks a 6.74% increase in AUM compared to March 2023, although it recorded a slight decline in market share, decreasing 75.1% in March to 74.9% in April.



In terms of product type, AUM in all products saw a fair rise with ETNs leading the way with 11.2% to \$2.50 billion (7.43% of total AUM), followed by trust products (dominated by Grayscale) which recorded an increase of 6.96% to \$26.1 billion (77.8% of total AUM). The dominance of AUM in ETNs and trust products was succeeded by ETFs and ETCs which experienced a 5.21% increase to \$3.16 billion (9.43% of total AUM). and 4.05% to \$1.81 billion (5.38% of total AUM), respectively.

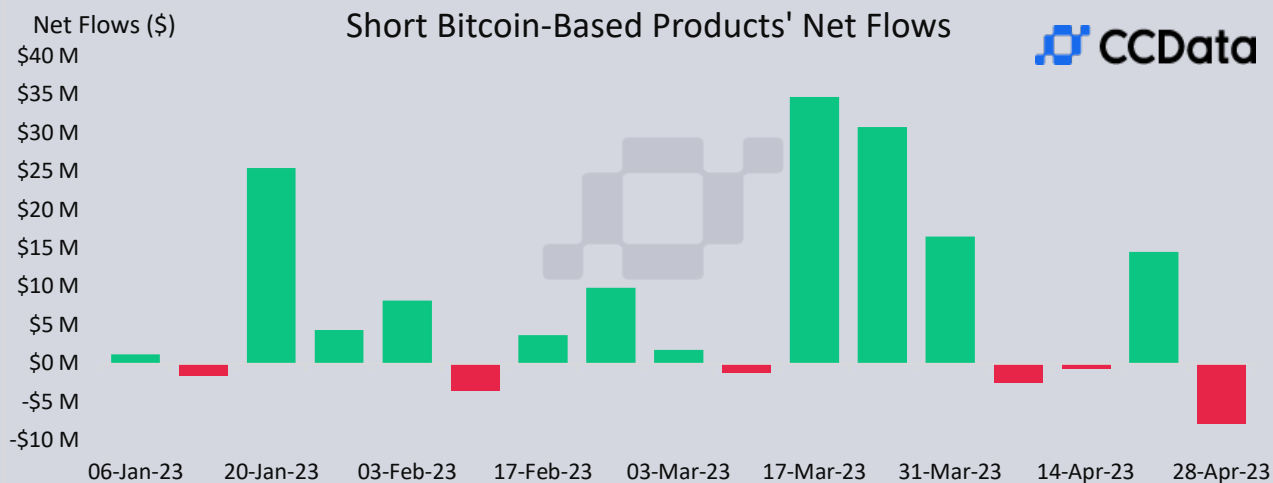


In April, net flows reversed its trend, recording weekly average net flows of \$25.4 million - the highest since January 2023. BTC-based products continued their dominance and recorded a positive net flow of \$30.78 million following significant outflows in March.



Short Bitcoin-Based Products Record Highest Weekly Outflows in 2023

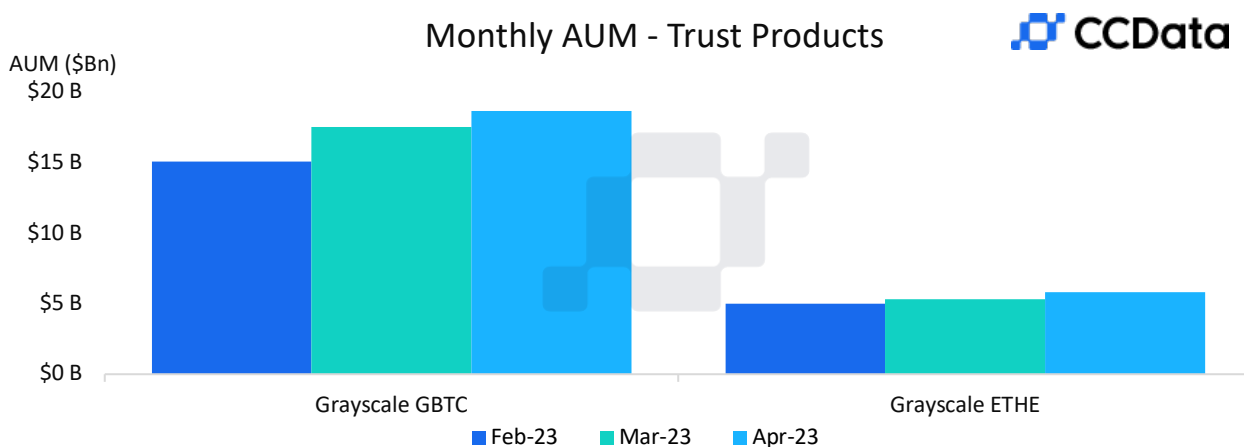
In April, short Bitcoin-based products recorded their highest weekly outflows in 2023, which could be attributed to the upward momentum of BTC and the significant price increase that occurred during April 2023.



Trust Products

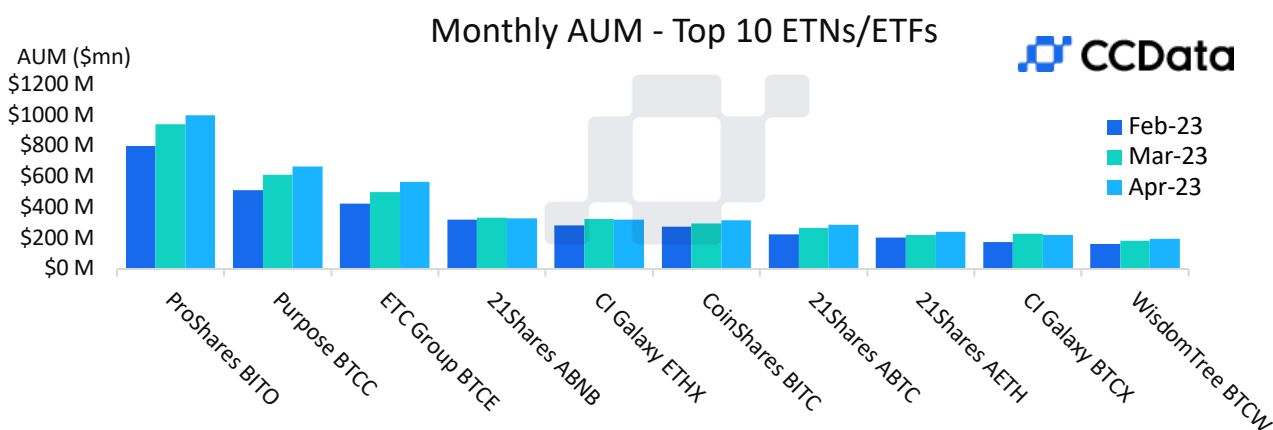
In April, Grayscale's Bitcoin Trust (GBTC) continued to be the dominant trust product in terms of assets under management (AUM), with a significant market share of 71.4% (Down from 71.8% in March) across all trust products. The product recorded an increase of 6.39% to \$18.6 billion AUM in April.

Similarly, Grayscale's Ethereum Trust (ETHE) saw a positive return of 8.65%, with AUM increasing to \$5.79 billion with a market share of 22.2% (Up from 21.8% in March). The third highest trust product by AUM continued to be Bitwise's Index Product (BITW), which saw its AUM increase 7.14% to \$525 million.



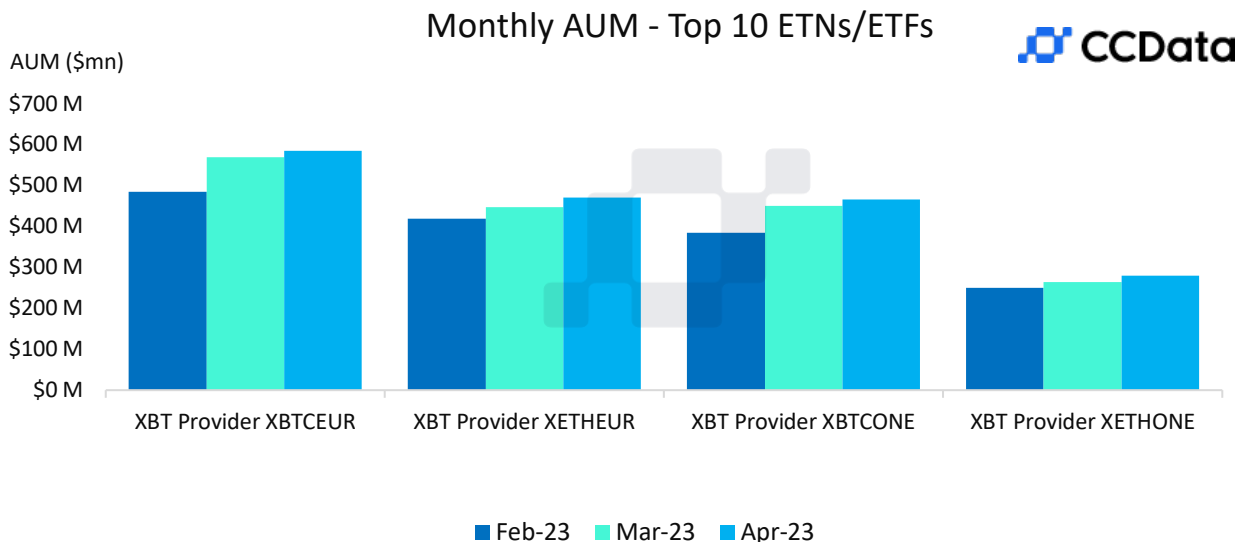
Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

In April, ProShares BITO product maintained the top spot among ETN/ETF products, with AUM increasing 6.52% to \$1.00 billion, resulting in a market share of 17.7% (a slight decrease compared to 18.0% recorded in March). This was followed by Purpose's BTCC, which saw an increase of 19.7% to \$667 million, and ETC Group's BTCE, which recorded a major increase of 13.0% to \$569 million, recording a market share of 11.8% and 10.0% respectively. (Up from the 11.7% and 9.57% AUM recorded in March)



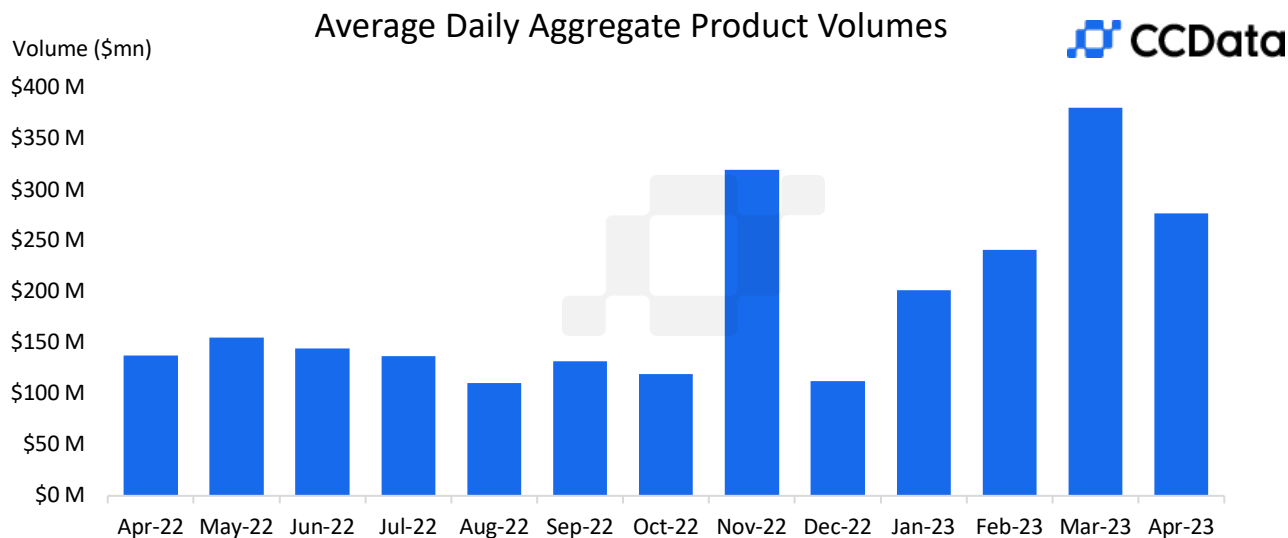
Exchange Traded Certificates (ETCs)

XBT Provider by CoinShares continued to represent the majority of AUM across all ETCs. In April, its Bitcoin Tracker Euro product XBTCEUR continued to hold the top spot for the highest AUM amongst ETCs after rising 2.78% to \$586 million. This was followed by its Ether tracker Euro product XETHEUR which recorded an increase of 5.06% to \$472 million. In the third place came its Bitcoin Tracker One product XBTCONE which also saw an increase of 3.32% to \$467 million.



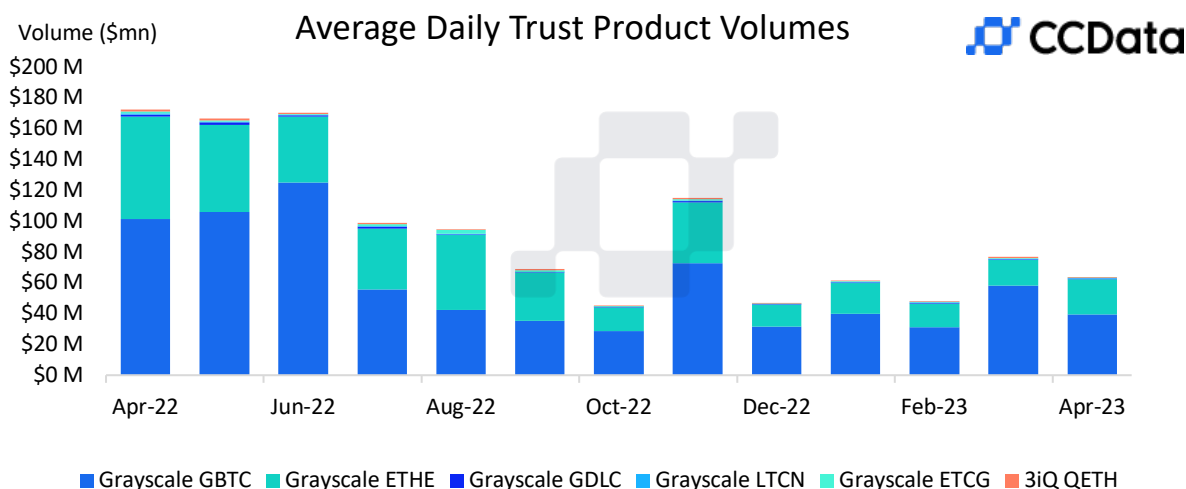
Trading Volumes

In April, the average daily aggregate product volumes across all digital asset investment products fell 27.2% to \$277mn. This is the first decline in average trading volumes since December, however, volumes remain at an elevated level in comparison to the average trading volumes recorded in 2022.



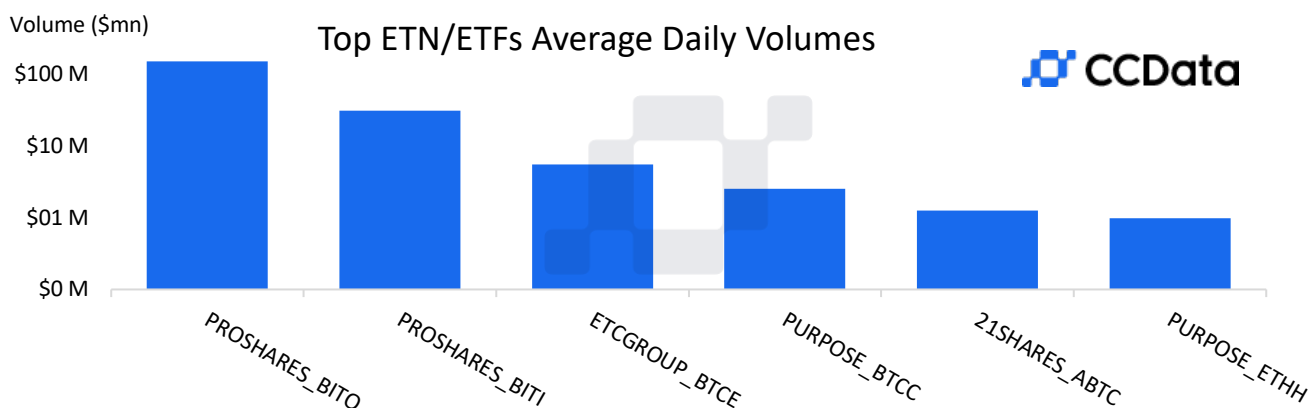
Trust Products

Grayscale's Bitcoin Trust product, GBTC, saw its volumes fall 31.9% to \$39.6mn, however, it remains the largest traded Trust product in the industry, accounting for 61.4% of the volumes. On the other hand, Grayscale's Ethereum product ETHE saw a significant uptrend, recording a 35.4% increase in volume to \$22.7mn, which places the product as the second largest traded crypto trust product, accounting for 35.1% of the volumes.



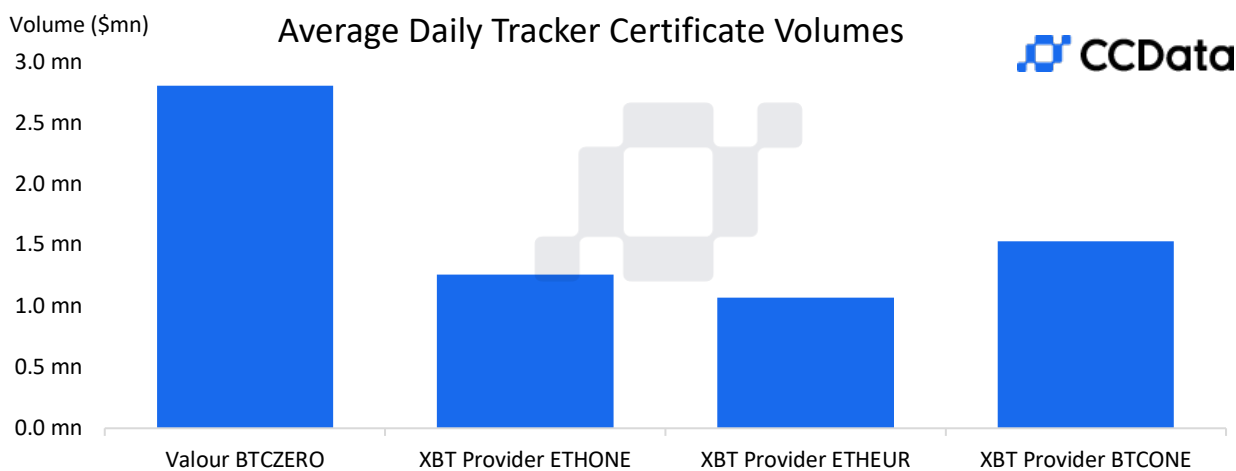
Exchange Traded Notes (ETNs) and Exchange Traded Funds (ETFs)

Keeping with the general trend of decline in ETP volumes this month, ETNs and ETFs saw their average daily volumes fall 29.8% to \$205mn. Bitcoin-based products continued to dominate volumes with ProShares’s (BITO), ProShares’s (BITI), ETC Group’s (BTCE), and Purpose’s Bitcoin product (BTCC) leading the way with recorded volumes of \$157mn, \$31.8mn, \$5.68mn, and \$2.59mn respectively. Meanwhile, other assets-based products including 21Shares’ (ASOL) and (AADA) and CoinShares’ (CLTC) saw an uptick in volumes, rising 57.7%, 62.3% and 111%, respectively.



Exchange Traded Certificates (ETCs)

Valour’s Bitcoin product (BTCZERO) continued to dominate ETCs’ average daily volumes, recording an average daily volume of \$2.81mn and accounting for 37.4% of the trading volumes among ETCs. It was followed by XBT’s Bitcoin Tracker One (BTCONE) and XBT Tracker’s Ether Tracker One (ETHONE) recording \$1.53mn and \$1.26mn respectively in average daily volumes.



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	157374799	-25.1%	-1.3%
GRAYSCALE GBTC	T	OTC-TRADED	39643069	-27.5%	2.0%
PROSHARES BITI	ETF	EXCHANGE-TRADED	31795758	-33.7%	-2.7%
GRAYSCALE ETHE	T	OTC-TRADED	22650466	41.5%	6.9%
ETCGROUP BTCE	ETN	EXCHANGE-TRADED	5677421	158.6%	0.3%
VALOUR BTCZERO	ETC	EXCHANGE-TRADED	2812495	-36.6%	-4.7%
PURPOSE BTCC	ETF	EXCHANGE-TRADED	2559877	-36.7%	2.2%
XBTPROVIDER XBTCONE	ETC	EXCHANGE-TRADED	1533579	-36.1%	1.8%
XBTPROVIDER XETHONE	ETC	EXCHANGE-TRADED	1261308	-13.6%	4.3%
21SHARES ABTC	ETN	EXCHANGE-TRADED	1260105	-18.4%	1.5%
PURPOSE ETHH	ETF	EXCHANGE-TRADED	1002441	-18.9%	4.0%
VANECK VBTC	ETN	EXCHANGE-TRADED	959810.1	-19.8%	1.2%
21SHARES AETH	ETN	EXCHANGE-TRADED	940205.8	15.6%	4.0%
3IQ QBTC	T	EXCHANGE-TRADED	796327.2	-29.3%	2.5%
VANECK VETH	ETN	EXCHANGE-TRADED	581532.3	-17.9%	3.8%
GRAYSCALE GDLC	T	OTC-TRADED	429516.5	2.5%	-3.0%
3IQ QETH	T	EXCHANGE-TRADED	342194.5	-23.3%	4.6%
GRAYSCALE LTCN	T	OTC-TRADED	334105.9	-23.1%	2.6%
ETCGROUP ZETH	ETN	EXCHANGE-TRADED	300469.1	-41.4%	2.7%
WISDOMTREE BTCW	ETN	EXCHANGE-TRADED	287617	-12.2%	1.7%
BTC/USD	CCCAGG INDEX	CCData	---	---	4.65%
ETH/USD	CCCAGG INDEX	CCData	---	---	5.51%
MVDA Index	MVIS INDEX	MVIS	---	---	3.05%

The MVDA index experienced a rise of 3.05%. 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

The MVIS CCData 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 CCData Digital Assets Indices 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

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.

Recurring Reports:

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.