

Europe's First Bitcoin Fund

Stockholm (HedgeNordic) – France-based asset manager TOBAM announced the launch of Europe's first bitcoin mutual fund in an attempt to meet the institutional demand for the cryptocurrency. Although the TOBAM Bitcoin Fund was set up as an alternative investment fund instead of a UCITS structure, the fund provides daily liquidity similar to most UCITS mutual funds.

The TOBAM Bitcoin fund will enable qualified and institutional investors to gain exposure to bitcoin in a convenient and safer vehicle than a direct investment. The cryptocurrency continues to reach fresh all-time highs on a weekly basis, breaking through the \$8,000 price level several days ago to attain a new all-time high of \$8,362.

Financial regulators such as the U.S. Securities and Exchange Commission or the UK's Financial Conduct Authority do not regulate cryptocurrencies since digital currencies represent strings of cryptographic code and do not meet the criteria to be defined as securities. As a result, most money managers, which typically have a mandate requiring them to invest only registered securities, are restricted from making investments in cryptocurrencies.

In addition to offering exposure to bitcoin, the TOBAM Bitcoin fund also integrates the management of potential forks (i.e. changes to bitcoin's rules), as well as mitigates the risk of loss and theft using internally-developed cyber-security systems. In more detail, TOBAM assembled an in-house cryptocurrency research and development team comprised of computer specialists, engineers and others who are responsible for maintaining proper security measures, among other things.

Numerous hacks are regularly showing how insecure and easily stolen cryptocurrencies could be, so security measures are of paramount importance in cryptocurrency investing. Tether, which created a cryptocurrency pegged to the U.S. dollar, announced earlier this week that nearly \$31 million worth of funds were "improperly removed from the Tether treasury wallet through malicious action by an external attacker."

Christophe Roehri, Head of Business Development at TOBAM, said: "direct investment in Bitcoin can be operationally challenging, from dealing with the choice of the platform, to maintaining the proper security measures in terms of custody and to managing the changes made to the protocol – hard forks. Our goal is to take control of these operational challenges to facilitate access for qualified investors willing to gain exposure to Bitcoin. All of that under the format of a fund."

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