

CRYPTO INVESTING 101

Why Invest in Digital Assets

An introduction for investors considering digital assets

Cryptocurrencies are decentralized, digital assets that are increasingly being considered as core parts of a modern portfolio. Here are a few reasons why digital assets are gaining traction

Diversification

Low correlation to traditional assets—like stocks and bonds—means even a small allocation can improve diversification and enhance risk-adjusted returns.¹





Growth Potential

Despite volatility, digital assets have shown strong long-term growth. Since 2009, Bitcoin has reached a market cap of over \$2 trillion USD, trading at around \$100,000 USD as of May 12, 2025.² Ethereum has also become a foundational platform for decentralized finance, with a market cap over \$278 billion USD.³ Solana's market cap was over \$9 billion.²

Traditional Finance Alternative

Digital assets offer an alternative to traditional finance by enabling decentralized systems that are transparent, programmable, and borderless. Some investors view them as a hedge against inflation or systemic financial risk.

Popular Digital Assets

- | | | | |
|---|--|---|--|
|  Bitcoin
Often called “digital gold,” Bitcoin is prized for its limited supply and potential as a long-term store of value. |  Ether
The native currency of the Ethereum network, used to power smart contracts and decentralized apps. |  Solana
A high-speed, low-cost blockchain designed for scalable applications in gaming, finance, and beyond. |  XRP
A digital asset built for one job: moving money—fast, efficiently, and across borders. |
|---|--|---|--|





How Crypto Could Fit Into a Portfolio

For investors, digital assets can serve as a complement to core holdings, particularly in the alternative sleeve of a traditional 60/40 portfolio. According to recent research based on Modern Portfolio Theory:

- 1 Crypto's low correlation to traditional assets may help reduce overall portfolio risk.¹
- 2 Small allocations (1–5%) have been shown to improve risk-adjusted returns (i.e., Sharpe ratios) in portfolios.¹
- 3 Back-tested portfolios with modest crypto exposure (e.g., Bitcoin) often outperformed traditional-only mixes.⁴

Ways to Invest

At Purpose, you can get exposure to Bitcoin, Ether, and Solana through ETFs such as:

	Purpose Bitcoin ETF	BTCC
	Purpose Core Bitcoin ETF	BTCO
	Purpose Bitcoin Yield ETF	BTCY
	Purpose Ether Staking ETF	ETHC
	Purpose Core Ether ETF	ETHO
	Purpose Ether Yield ETF	ETHY
	Purpose Solana ETF	SOLL
	Purpose XRP ETF	XRPP

Why Use Purpose Crypto Funds?

Investing in crypto through Purpose ETFs is simple, secure, and accessible:

- **Invest with Global Crypto Innovators:** We launched the world's first spot Bitcoin ETF, are Canada's leaders in crypto ETF management by AUM,⁵ and offer cost-efficient staking powered by in-house infrastructure.
- **No Digital Wallets or Passwords Needed:** No need to navigate the complexities of investing in these assets natively with our ETFs.
- **Direct Spot Exposure:** Each unit is physically settled 1:1 with Bitcoin, Ether, Solana, or XRP.
- **Registered Account Eligible:** Invest in OSC-regulated ETFs via RRSPs, TFSAs, RESPs, and more.
- **Institutional Security:** Your crypto is stored offline (in "cold storage") with top-tier institutional-grade custodians such as Gemini Trust Company and Coinbase Custody Trust Company.

Talk to your financial advisor about whether crypto fits your investment goals.
Learn more at purposeinvest.com

Sources:

1. "Crypto in Diversified Portfolios," *Grayscale Research Report*, 2023. Uses simulations to show small Bitcoin allocations (1–5%) can increase portfolio Sharpe ratio and returns, with diminishing benefits beyond ~5%.
2. CoinMarketCap: Bitcoin and Solana Price History: <https://coinmarketcap.com/currencies/bitcoin/> and <https://coinmarketcap.com/currencies/solana/>
3. CoinMarketCap: Ethereum Price History: <https://coinmarketcap.com/currencies/ethereum/>
4. "Bitcoin in a Portfolio: The Impact and Opportunity," *Galaxy Fund Management Report*, 2023. Highlights Bitcoin's low correlation (~0 over long term) and its asymmetric return profile that can enhance portfolio outcomes.
5. Purpose Investments has the largest total AUM for digital asset ETFs in Canada as of May 15, 2024.

Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. The prospectus contains important detailed information about the investment fund. Please read the prospectus before investing. There is no assurance that any fund will achieve its investment objective, and its net asset value, yield, and investment return will fluctuate from time to time with market conditions. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. The indicated rate of return is the historical annual compounded total return including changes in share/unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns.

This information is provided for illustrative and discussion purposes only. This material is not intended as a formal research report and should not be relied upon as a basis for making an investment decision. Historical trends do not imply, forecast or guarantee future results. Information is as of the date indicated and subject to change without notice. Nothing herein constitutes a prediction or projection of future events or future market behavior.

If the securities are purchased or sold on a stock exchange, you may pay more or receive less than the current net asset value. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Crypto assets can be extremely volatile and there is no guarantee that the amount invested will be returned to you.

