

As Bitcoin price soars, TOBAM launches the first Bitcoin mutual fund

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TOBAM, the French asset management firm, intends to raise money from institutional investors for Europe's first mutual fund investing in Bitcoin, according to a report in IPE.com.

The firm, a specialist in smart beta strategies, has developed an in-house team focused on cryptocurrency research. It said cryptocurrencies had "the potential to become durable standards in financial and saving markets." The market value of a single Bitcoin rose more than 1,000% in dollar terms in the past 12 months, to \$8,263 from \$748, according to Coindesk.

"The mutual fund's launch follows approval from the Autorité des Marchés Financiers, one of the country's top financial regulators," according to a report in the Financial Times. "PwC will perform auditing services while Caceis, the asset servicing banking group of France-based Crédit Agricole, will custody the bitcoins tied to the fund."

Bitcoin is a "highly diversifying asset," said TOBAM president Yves Choueifaty, adding that his company has already conducted research into the digital currency "from a technical, financial, economic and regulatory point of view" for a year.

The fund is available via private placements into an unregulated alternative investment fund domiciled in France.

Choueifaty told the Financial Times that he expects investors to put as much as \$400 million into the institutional Bitcoin mutual fund within the next few years.

In a prepared statement, TOBAM said its fund would allow institutional investors to access the cryptocurrency "in a more convenient and safer vehicle... Bitcoin is prone to significant risks, including a very high level of volatility, [but] it also provides diversification benefits."

TOBAM said it had "developed cybersecurity systems" and other capabilities over the past 12 years, including the management of "forks," which occur when a change or update is made to the algorithm behind Bitcoin.