

May 2025 crypto basket rebalance

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Key Takeaways

- No changes to crypto basket constituents—reinforcing conviction in high-liquidity, high-utility assets.
- Weight adjustments reflect disciplined adherence to index methodology and market cap trends.
- CoinDesk 20 index updated to institutional-grade standards with Coinbase custody filter.
- Altcoins outperformed with high volatility—XRP surged 347.5% over a 1 year period, highlighting risk-return trade-offs.
- Related Products [WisdomTree Physical CoinDesk 20](#), [WisdomTree Physical Crypto Mega Cap Equal Weight](#), [WisdomTree Physical Crypto Mega Cap](#), [WisdomTree Physical Crypto Altcoins](#) Find out more

In an increasingly fluid crypto market, WisdomTree's Crypto Index Committee executed its quarterly review with precision, reaffirming core convictions while recalibrating exposures across three crypto basket exchange-traded products (ETPs): [WisdomTree Physical Crypto Mega Cap Equal Weight \(MEGA\)](#) , [WisdomTree Physical Crypto Market ETP \(BLOC\)](#) , and [WisdomTree Physical Crypto Altcoins ETP \(WALT\)](#)

These disciplined, rules-based reviews are more than routine. They are foundational to keeping our exposures aligned with market realities and the strategic intent of each product.

Conviction holds, allocations shift

Conviction does not mean standing still. It means knowing what to hold and when to adjust.

Following a thorough evaluation of the underlying cryptocurrencies, the Committee concluded that no changes were necessary to the building blocks of any of the three crypto baskets. This decision underscores our continued conviction in the existing selection—a mix of high-liquidity, high-utility assets that represent the most investable segments of the crypto universe.

However, while the constituents remained intact, portfolio weights were adjusted in line with each ETP's index methodology, reflecting market capitalisation dynamics and methodological rebalancing rules. These shifts are not cosmetic, they are structural. Realigned weights ensure each basket stays true to its design mandate, adapting to market cap movements without sacrificing strategic clarity.

Figure 1: Actual pre-rebalance and target post-rebalance building block weights

Source: WisdomTree. 16 May 2025. Historical performance is not an indication of future performance and any investment may go down in value.

As a result of these adjustments, the two-way turnover for each product was:

- 6.0% for [WisdomTree Physical Crypto Mega Cap Equal Weight \(MEGA\)](#)
- 9.4% for [WisdomTree Physical Crypto Market ETP \(BLOC\)](#)
- 8.3% for [WisdomTree Physical Crypto Altcoins ETP \(WALT\)](#)

Rebalancing is far more than procedural; it is a strategic lever. It is how we translate index methodology into precise, real-world exposure, adapting to market realities without compromising on rigour.

CoinDesk 20 index: April 2025 rebalance and methodology update

A few weeks earlier, the [WisdomTree Physical CoinDesk 20 ETP \(WCRP\)](#) underwent its scheduled quarterly rebalance in line with the CoinDesk 20 index's structured approach to reconstitution, which occurs on the last business day of January, April, July, and October.

Although the April reconstitution resulted in no changes to index constituents, several weight adjustments were implemented to maintain compliance with the index's weighting rules.

More importantly, this rebalance marked the rollout of a key methodology enhancement: as of April 2025, only assets with custody support by Coinbase Custody Trust Company are eligible for inclusion. This enhancement marks a decisive step toward institutional-grade integrity—filtering for custody readiness and reinforcing investability.

Figure 2: April 2025 reconstitution constituents and preliminary weights

Source: CoinDesk Indices, WisdomTree. 02 April 2025. *Shows exposures in the index but not in the ETP. Historical performance is not an indication of future performance and any investment may go down in value.

Performance

Over the past year, altcoins¹ have dominated the narrative. Bitcoin remained the institutional cornerstone, notching an impressive 56.2% return over the one-year period ending 21 May 2025². Yet it was the altcoin space, led by XRP, that delivered truly explosive gains, with XRP surging 347.5% over the year to 21 May 2025³.

But such spectacular gains came with a price: volatility. Altcoins may deliver eye-popping returns, but they often trade on sentiment rather than substance. It is a high-stakes game: the potential for extraordinary returns matched by equally dramatic downside risk.

Figure 3: Crypto basket performance

Source: WisdomTree. 21 May 2025. Volatility is calculated using 3-month daily USD returns and is annualised. 1M = One month. 3M = Three months. YTD = Year to date. 1Y = One year. Mega Cap = WisdomTree CF Crypto Mega Cap Equal Weight Index. Large Cap = WisdomTree CF Crypto Market Index. Altcoins = WisdomTree CF Crypto Altcoins Index. CoinDesk 20 = CoinDesk 20 Index. Historical performance is not an indication of future performance and any investment may go down in value.

Against this backdrop of high-return, high-volatility altcoins, the CoinDesk 20 index offers a smart middle ground for investors. Rather than going all-in on bitcoin or chasing speculative altcoin rallies, it provides broad crypto market exposure while capping bitcoin at 30% to prevent dominance and ensure that altcoin momentum is not left off the table. It is a balanced, rules-based way to harness the market's upside without losing sight of risk.

Final thoughts: diversification with discipline

As crypto markets evolve, precision is not optional, it is essential. Rebalancing is not a nice-to-have, it is the mechanism that keeps exposures aligned with market realities, strategy, and intent.

In crypto, volatility is a feature, not a flaw. The challenge is not avoiding it but mastering it. Our rebalanced crypto basket ETPs are built to do just that: deliver strategic exposure while keeping chaos in check.

This is not about reacting. It is about anticipating. Do not just stay in the market, stay ahead of it. With structure. With strategy. With conviction.

1Alternative coins (NB often means any coin except bitcoin but, increasingly, also excludes Ethereum).

2Artemis Terminal. 22 May 2025.

3Artemis Terminal. 22 May 2025.

Important Risks Related to this Article

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