

August 2025 crypto basket rebalance

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Key Takeaways

- Macro backdrop strengthens bitcoin's case: US deficits, looming rate cuts and liquidity tailwinds boost demand for scarce monetary assets.
- Ether leads performance: +73% in three months, reaffirming its dominance in tokenisation and institutional decentralised finance.
- Altcoins surge with volatility: 122% gain in 1-year, highlighting both potential and risk.
- Rebalance remains disciplined: weight shifts across the three crypto basket ETPs reflect index methodology, not market chasing.
- Investor implication: ETP structures deliver transparent, rules-based exposure without the need for tactical crypto trading.
- 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

Macro tailwinds put bitcoin in the spotlight

While crypto markets remain volatile, the macro backdrop strengthens the case for structural exposure. The US fiscal deficit exceeds 6% of gross domestic product (GDP), with total debt surpassing US \$34 trillion¹. Markets are already pricing in rate cuts by September 2025, suggesting liquidity tailwinds may return quickly. This raises the risk of dollar debasement and enhances the investment case for scarce monetary assets such as bitcoin.

This is not just a bitcoin story:

- Ethereum continues to anchor tokenisation and institutional decentralised finance.
- Solana is pushing into consumer-grade applications.
- XRP is scaling as a global settlement layer.

If liquidity conditions ease further, the rest of 2025 could accelerate crypto's integration into the real economy. For investors, crypto basket exchange-traded products (ETPs) provide the most effective way to capture these broad macro themes, offering diversified, rules-based exposure that channels structural tailwinds into a single, institutional-grade allocation.

Rebalance adjusted weights

Against the backdrop of fiscal stress and liquidity shifts, the August 2025 rebalance served as a timely fine-tuning of exposures, ensuring that each crypto basket ETP remained aligned with its methodology rather than market noise.

Constituents across the three crypto basket ETPs held steady, but weight shifts reflected market capitalisation dynamics and index methodology.

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

Source: WisdomTree. 8 September 2025. MEGA = WisdomTree Physical Crypto Mega Cap Equal Weight ETP. BLOC = WisdomTree Physical Crypto Market ETP. WALT = WisdomTree Physical Crypto Altcoins ETP. Historical performance is not an indication of future performance and any investment may go down in value.

The two-way turnovers were:

- 21.3% for [MEGA: WisdomTree Physical Crypto Mega Cap Equal Weight ETP](#)
- 12.3% for [BLOC: WisdomTree Physical Crypto Market ETP](#)
- 9.1% for [WALT: WisdomTree Physical Crypto Altcoins ETP](#)

This process underscores how index-based crypto basket ETPs adapt seamlessly to market conditions while maintaining an institutional-grade design. As such, it is natural to examine recent performance trends.

Performance snapshot

Over the past three months, Ether has taken the spotlight, surging 73% and outpacing peers across the digital asset landscape. Its rally reflects growing traction in tokenisation and decentralised finance.

Over the past year, altcoins have stolen the show, delivering a staggering 122% gain. This broad-based performance highlights a maturing market where networks like Solana, XRP and others are increasingly rewarded for real-world utility in payments, consumer-grade applications or infrastructure.

Figure 2: Crypto basket performance

Source: WisdomTree. 31 August 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.

Altcoins' higher returns come with higher volatility. This dispersion underscores a trade-off for investors: altcoins can accelerate returns when structural themes play out, but the path is far less stable.

Conclusion

The August 2025 rebalance signals more than a technical adjustment. It reflects crypto's structural maturation in a shifting macro environment.

- Rebalancing is strategic, ensuring exposures align with market realities and fund intent.
- Volatility is inherent, but disciplined methodology captures upside while anchoring risk.
- Macro cycles matter. As liquidity returns and institutional adoption deepens, crypto basket ETPs provide transparent, rules-based access to long-term growth themes.

This structure offers allocators a strong alternative to tactical trading: disciplined, institutional-grade exposure to crypto adoption. By fine-tuning weights while preserving design, WisdomTree's crypto basket ETPs give investors transparent, efficient access to long-term adoption themes as digital assets integrate further into the financial system.

1 Source: Congressional Budget Office. The Long-Term Budget Outlook: 2025 to 2055.

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