From gold bars to bitcoin: the blueprint behind physically-backed ETPs

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Key Takeaways

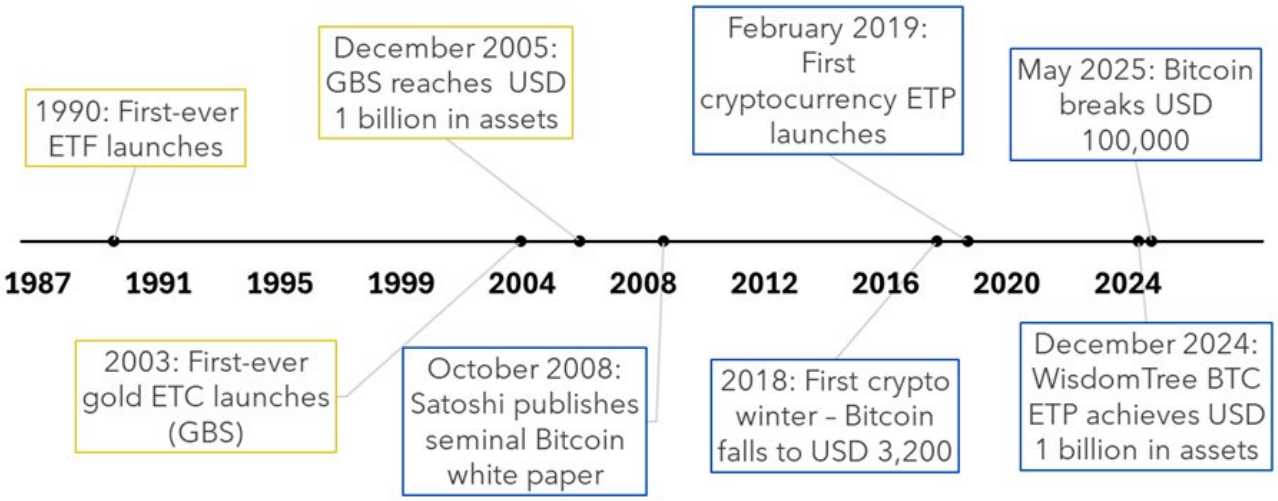
- Physically backed products transformed access to gold in 2003 and are now doing the same for digital assets like bitcoin.
- The blueprint for secure custody, fair pricing and easy access remains the foundation of today's crypto exchange-traded products (ETPs).
- Experience and diversification matter: issuers with global, diversified businesses are better placed to navigate market cycles.

At the beginning of the 2000s, the idea of buying gold through an ordinary brokerage account sounded absurd. Today, we trade bitcoin through those same accounts. And it feels normal.

It took 13 years after the first exchange-traded fund (ETF) was launched before investors also gained access to exchange-traded commodities (ETCs). That's from 1990 to 2003.

Setting sail into uncharted waters, Gold Bullion Securities (GBS)[1] became the first-ever physically backed gold ETC. GBS was listed in December 2003 and turned gold into something you could trade as easily as a share of Apple Inc.

Figure 1: From the first physical gold ETC to a US $1 billion Bitcoin exchange-traded product (ETP) in 20 years



From legacy to innovation

When WisdomTree launched the physical Bitcoin ETP in 2019, as the first crypto winter began to thaw, we drew on the same proven blueprint we established with the first gold ETC:

- **Safe storage:** Cryptocurrencies are kept with regulated custodians who use industry-grade cybersecurity systems.
- **High liquidity and fair pricing:** The ETP is as liquid as the underlying cryptocurrency and neither trades at a significant premium nor discount to the crypto asset itself.
- **Easy access:** Buy and sell cryptocurrencies through regular investment accounts. No need for wallets or private keys.
- **Cost-effective:** A simple, transparent structure that keeps costs low for all investors.

The structure has been proven. The difference now lies in who to trust to deliver it.

Here to stay: choosing an issuer that lasts

On the surface, one Bitcoin ETP might look like another. However, look closer and the differences become meaningful. The question is, who is here to stay?

Like a sailor who has crossed every ocean, an ETP provider with decades of experience has weathered every kind of market. We launched the first-ever gold ETC and were among the first to bring physical crypto ETPs to market.

When markets turn rough, breadth and diversification keep you afloat. Cryptocurrencies are volatile, and we do not bet everything on one asset class. In contrast, a pure crypto issuer might sink during the next crypto winter.

WisdomTree's European line-up consists of a wide range of UCITS funds, exchange-traded commodities, as well as tactical trading products. Cryptocurrencies are an area of focus, yet the asset class makes up less than five percent of assets under management[2], which highlights our resilience against crypto volatility.

Conclusion

The journey from gold to bitcoin highlights how far exchange-traded products have evolved. What once felt experimental is now part of everyday investing.

The same structure that opened the door to gold continues to shape how new assets are introduced, and it is experience and consistency that help investors navigate a changing market. For more crypto insights or details on WisdomTree's crypto product range, please visit our Crypto ETP Centre.

[1]Gold Bullion Securities ('GBS') was originally launched by ETF Securities Limited, whose European ETP business, including GBS, was acquired by WisdomTree Inc. in 2018.
[2]Source: WisdomTree, as of 4 November 2025.

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