Crypto ETPs – a secure vault for your crypto

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Key Takeaways

- Crypto investing is growing quickly as more individuals and institutions add digital assets to their portfolios.
- Many investors are worried about security, as attacks on personal wallets continue to rise.
- Physically backed crypto ETPs offer a safer option, combining regulated access, strong cybersecurity and professional custody while removing the need for personal wallets.

The growing appeal of crypto investing

Investing in cryptocurrencies has gained huge popularity in Europe, with investments in crypto funds growing from just $526 million at the beginning of 2020 to $21 billion as of August this year[1].

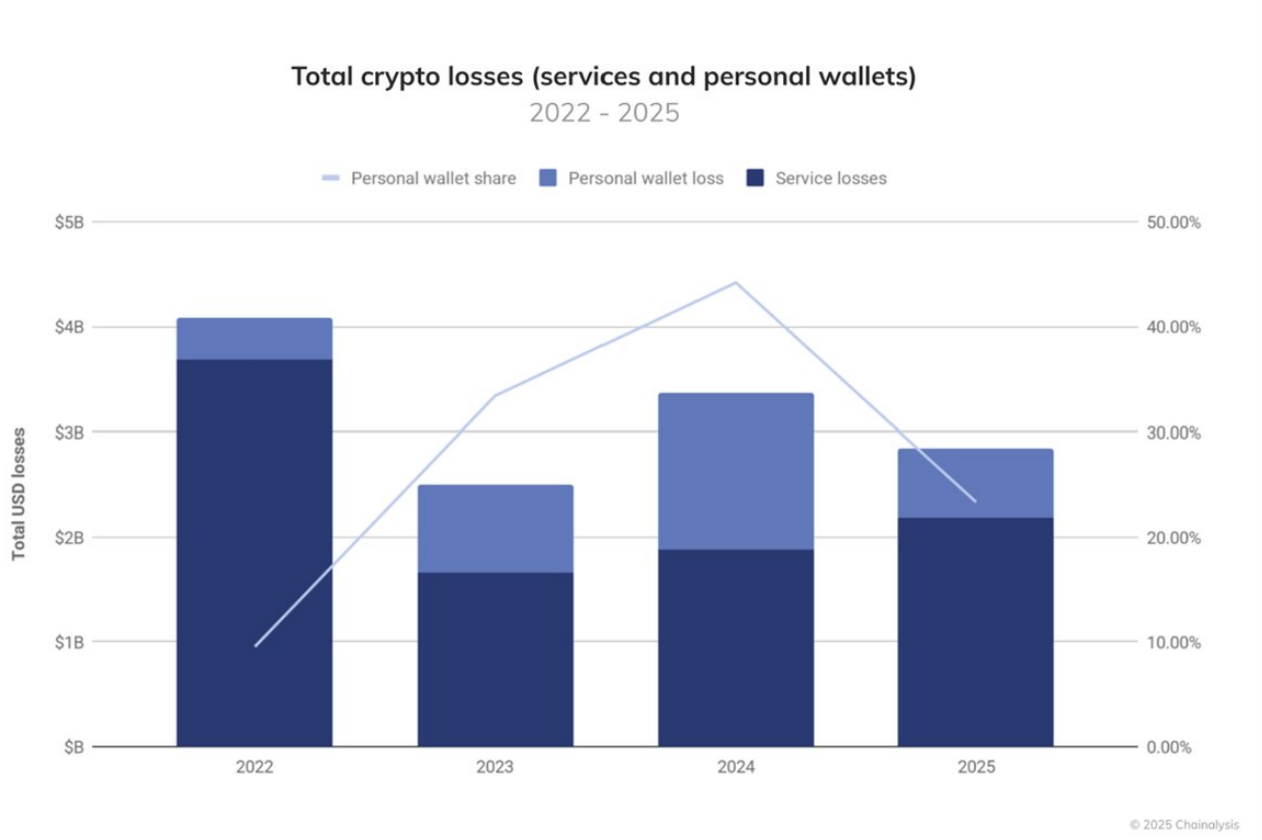
The drivers of this growth are numerous: rising government debt levels, waning trust in once stable fiat currencies such as the US dollar, and the intriguing growth promise of a decentralised financial system, to name just a few.

Adoption has been broad across the investor landscape: from sovereign wealth funds and foundations to pension funds and individual savers. As more investors consider crypto for their portfolios, the attention is turning to how to invest safely and efficiently.

The security challenge of self-managing crypto

According to a WisdomTree investor survey[2] conducted in 2025, 79% of investors are concerned about security when thinking about investing in cryptocurrencies.

And with good reason: A recent report[3] from Chainalysis indicates that over 40% of crypto thefts in 2024 took place in personal wallets[4].



The authors of the report see a growing trend of personal wallets being attacked and attribute this to:

1. Better security at professionally managed wallets, which pushes attackers toward individuals seen as easier targets.
2. The growing number of individual crypto holders.
3. The rising value of crypto held in personal wallets, as prices have increased.
4. The use of smarter targeting methods, often supported by artificial intelligence.

A secure vault for your crypto

As threats to personal crypto wallets increase, investors are turning to physically backed crypto exchange-traded products (ETPs), which remove the need for a personal wallet and instead offer custody under institutional-grade security standards.

Cryptocurrency ETPs provide investors with simple access to assets such as Bitcoin and Ethereum, or to a diversified mix of cryptocurrencies through an index. Our crypto ETPs are physically backed, meaning each product is fully supported by the actual crypto assets held behind it.

The assets that underlie our physically backed crypto ETPs are stored with regulated custodians who use industry-grade cybersecurity systems and are secured in what is called ‘cold storage’ wallets. These are completely offline wallets, disconnected from the internet, and kept in secret, geographically scattered locations. To authorise a transaction, multiple personnel must physically access the storage device, much

like depositing or withdrawing gold from a vault. Each ETP has its own dedicated cold storage wallet, creating vault-like security for crypto and minimising the risk of hacks.

Conclusion

As crypto adoption grows, so too does the importance of secure and reliable access. Direct ownership brings responsibility and risk, particularly as personal wallets become frequent targets for cyberattacks. Physically backed crypto ETPs offer an alternative by combining regulated access with institutional-grade custody. For investors seeking exposure to crypto without the operational burden, ETPs provide the safest and most convenient path forward. For more crypto insights or details on WisdomTree's crypto product range, please visit our Crypto ETP Centre.

[1]Source: Morningstar, WisdomTree as of 31 August 2025.
[2]Source: WisdomTree survey conducted by Opinium carried out on 3,000 adults with £/€ 5,000 in savings or investments based in the UK, Germany and Italy, with 1,000 respondents per country.
[3]Source: Chainalysis, Personal wallets: The underdocumented frontier for crypto crime, 17 July 2025.
[4]Service wallets are operated by service providers, such as centralised exchanges, custodians, or other crypto platforms that hold assets on behalf of users. Personal wallets refer to wallets controlled directly by individual users.

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