

[Home](#) > [Financial News](#) > [Markets](#)

Bitcoin fund plan gets thumbs-down from experts

David Thorpe 4 Jul 2013 | [News](#) - [Comment now](#)

A plan to create the first ever exchange traded fund (ETF) in the 'virtual currency' Bitcoin has been greeted with scepticism by two prominent professors.

Bitcoin is a virtual currency not linked to any central bank or government. It is accepted by a limited number of online retailers.

The Winklevoss brothers, who helped to create Facebook, hold \$10 million (£6.6 million) of Bitcoin and have announced plans to create an **ETF** that allows investors to bet on the future value of Bitcoin without buying the currency directly. They plan to raise \$20 million from investors.

Professor Campbell Harvey, an expert in international business at the Fuqua School of Business at Duke University, said that the idea of investing in a Bitcoin ETF is laughable.

'Bitcoin does not have any tangible backing to it,' said Harvey, 'so the idea of an ETF investing in Bitcoin is about as far away from the idea of value investing as you could get.'



Bitcoin's fortunes have fluctuated over recent years

This site uses 'cookies' to provide you with the best visitor experience. Without them you may find this site does not work properly and many features may be unavailable. For more information about cookies and the types that we use, please [click here](#). Enjoy your visit.

ed by Professor John Business School, who is an ex-ckRock.

think of Bitcoin as a "get e better its chances of

... targets commodity demand boom

survival. For its own sake, it needs publicity for its qualities as a neutral and universally accessible currency with a transparent exchange rate and immunity from central bank manipulation.'

Rushman added, 'it will be interesting to see how many investors it attracts, as it would seem that anybody keen on Bitcoin as an investment will already hold them. Why would someone want a security offering all the same risks as the Bitcoin, but with an extra layer of management and fees inserted?'

The virtual currency has become progressively more popular since the financial crash and its proponents say it will revolutionise banking. It is created by the application of a mathematical formula and was invented four years ago by a person or group using the name Satoshi Nakamoto. The price of Bitcoin, which is limited to 21 million in circulation, has swung between \$14 and \$266 this year.

Related topics: [Alternatives](#), [Currencies](#), [Passive funds](#)

[Previous article](#)

[Next article](#)

Esoteric assets
offer no protection
in a crash, investors
warned

'Rust-belt tigers'
likely to power US
growth says top fund
manager

[about us](#) | [contact us](#) | [privacy policy](#) | [advertise with us](#) | [comment guidelines](#) | [disclaimer](#) | [copyright](#)