

BTG Pactual Launches First Public Crypto Fund for Investors in Chile

For the first time, Chilean investors now have an opportunity to participate in the market via a new cryptocurrency fund offered through BTG Pactual's regulated, secure digital platform.

Launched on August 31, 2022, the BTG Pactual Hashdex Nasdaq Crypto Index Fund is a public investment fund for retail investors. Investors do not have to be accredited, and the minimum investment is only US\$50 equivalent – anyone in Chile can participate.

"What we're trying to do is to offer an accessible digital asset fund that will comply with all the local regulations and security levels that the regulators here in Chile require," says Francisco Bize, Associate Director at BTG Pactual. "No other financial institution is providing these services in our market."

Inflows in the BTG Pactual Hashdex Nasdaq Crypto Index Fund will be invested in the Hashdex Nasdaq Crypto ETF ([HASH11](#)), which was launched in April 2021 and is one of the largest ETFs on Brazil's B3 exchange. HASH11 is a passive strategy that tracks the investment results, before taxes and expenses, of the Nasdaq Crypto Index™ ([NCI](#)™). The NCI comprises market weighted large capitalization crypto assets and is the definitive benchmark for the crypto asset class. As of June 1, 2022, the top holdings are Bitcoin (BTC), Ethereum (ETH), Litecoin (LTC), Chainlink (LINK), Polkadot (DOT), Bitcoin Cash (BCH), Stellar Lumens (XLM), Uniswap (UNI), Axie Infinity (AXS), The Sandbox (SAND) and Filecoin (FIL). A key advantage of the strategy is that it enables investors in Chile to diversify their portfolios without having to buy individual cryptocurrencies and store them in a wallet.

Generally, cryptocurrencies and the underlying blockchain or digital ledger technology are unregulated and not well understood in the Chilean market. Cryptocurrencies play a small role in the nation's payment system, although the Banco Central de Chile has acknowledged they could alter the functioning of the financial market and transmission of monetary policy if their use becomes widespread. The central bank has delayed its plans to test a digital Chilean peso until it does a deeper analysis of the benefits and risks. However, the Santiago Stock Exchange is working on some blockchain projects to improve operational efficiency.

That said, BTG Pactual has been testing the fund's strategy for the past two years with investors and partners, and it has found significant interest in this asset class. As such, the bank is working with Hashdex to develop educational materials to raise awareness among various stakeholders. Ideally, the bank hopes to list the fund as an ETF on the Santiago Stock Exchange in the future.

BTG Pactual offers investment banking, wealth management, corporate lending, asset management, research and third-party distribution services. With more than [\\$200 billion in assets under custody](#), it is one of the largest independent asset managers in Latin America with offices in Brazil, Chile, Colombia, Mexico, Argentina and Peru. It also has offices in the U.S., the U.K.

and Portugal. Its digital bank, BTG+, enables customers to take advantage of a customizable card, transfers and payments, a digital wallet and premium plans with no minimum balance. In August 2022, BTG Pactual [launched](#) a bitcoin and cryptocurrency exchange in Brazil. Its new trading platform is called Mynt and will enable users to have direct access to Bitcoin, placing it among the first leading financial institutions in Brazil to do so. Additionally, the bank will provide educational content for all its users about Bitcoin once users have established an account.

Further, BTG Pactual is a key partner for Nasdaq in Latin America. Through a partnership with Nasdaq, BTG Pactual launched a semiconductor mutual fund that tracks the [PHLX Semiconductor Index™ \(SOX\)](#) as well as a biotech mutual fund that tracks the Nasdaq Biotechnology Index™ ([NBI™](#)). Other funds that track Nasdaq indexes are under development as well.

Nasdaq and Hashdex are pioneers in the crypto space. In addition to HASH11, the two companies worked together to launch the Hashdex Nasdaq Crypto ETF ([HDEX](#)) on the Bermuda Stock Exchange in February 2021. They partnered on the [Victory Hashdex Nasdaq Crypto Index Fund](#), which was launched as a private fund for U.S. accredited investors in August 2021. In May 2022, the Hashdex Nasdaq Crypto Index Europe ETP ([SIX: HASH SW](#)) was launched on the Six Swiss Exchange. Tracking the Nasdaq Crypto Index Europe™ ([NCIE™](#)), the ETP represents Hashdex's first European product and gives investors access to the latest and most well capitalized blockchain technologies. Nasdaq launched the index the same day as the ETP.

"Hashdex was the first asset manager in the world to launch a crypto exchange traded fund (ETF), the Hashdex Nasdaq Crypto Index ETF," notes Brian Sweeney, Head of Latin America Index Sales, Investment Intelligence at Nasdaq. "Our partnership with BTG Pactual in Chile is a continuation of our collaboration with Hashdex, making crypto products accessible to the Latin American and global investment community."

Ultimately, BTG Pactual has teamed up with Nasdaq and Hashdex to bring best-in-class, regulated crypto products to the Chilean market, adds Bize. "We want our funds to be accessible to everyone," he says.

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