

December 1, 2025

RE: New Category Proposal

The CIFSC continuously monitors fund categorization, category definitions and structures, and emerging trends in the investment funds industry. The purpose of the review is to ensure the logical, consistent categorization of investment funds and to maximize the similarity of investment strategies and risk–return profiles within each category. Categories should have enough funds to allow for meaningful comparisons and rankings within the category.

Over the past few years, a new type of investment exposure has gained traction in Canada—funds that hold or track digital assets such as Bitcoin, Ethereum, and other blockchain-based instruments. These funds operate differently from traditional alternatives. Their underlying assets trade around the clock, use distinct valuation and custody processes, and exhibit unique volatility patterns.

1.0 Proposal

To improve clarity for investors and data users, the CIFSC proposes to:

- (1) Formally define Digital Assets as a component of the “Other” asset class grouping;
- (2) Create a new category, **Alternative Digital Assets**, within the broader Alternative categories group; and
- (3) Update the CIFSC classification flow chart to reflect the addition of this new category.

The “Other” asset class currently captures a broad mix of securities that do not fit neatly into the cash, fixed income, equity, or commodity categories—such as derivatives, real estate, and structured notes. Digital assets now represent a growing portion of assets and funds that do not belong to any of these traditional categories but exhibit distinct characteristics that are well understood by both investors and regulators.

By explicitly defining “Digital Assets” within the “Other” asset class, CIFSC would recognize that these instruments behave in a unique manner, driven by decentralized networks and global trading activity. This change would not alter the overall classification structure but would make the system clearer, more precise, and easier to interpret for anyone analyzing funds with crypto-asset exposure. The CIFSC also notes that digital assets were referenced in the [Balanced Category Proposal](#) (dated September 30, 2025), consistent with this proposal.

Following the 30-day comment period the committee will review the comments and determine, by private vote, whether to proceed with the changes. To submit comments please use the ‘Contact’ link on the home page of CIFSC.org or click [here](#).

The deadline to submit comments is December 31st, 2025. Upon approval, changes will **go into effect March 31st, 2026**.

1.1 Definition of Digital Assets

The definition below will be added to the *Notes on Classification Methodology* in the CIFSC Retail Investment Fund Category Definitions document.

Digital assets are digitally native units of value or ownership recorded on a blockchain. They include:

- Cryptocurrencies, such as Bitcoin, Ethereum, and other network tokens;
- Derivatives or structured instruments linked to the price of digital assets; and
- Funds that seek to track the performance of these assets through direct or synthetic exposure.

Digital assets differ from traditional securities or commodities in that they do not represent a claim on a company or a physical asset. Their value is instead driven by supply and demand dynamics and the operation of the underlying blockchain network.

1.2 Treatment of Stablecoins

The Committee notes the emergence of stablecoins, which are digital tokens pegged to traditional currencies and typically backed by reserves in cash or government bonds. While the Committee recognizes their growing use, it has not yet formed a view on how these assets should be classified. By design, stablecoins do not exhibit the same volatility or return characteristics as digital assets such as Bitcoin and are expected to behave more similarly to traditional currency.

For this reason, stablecoins will not be classified at this time. The Committee will revisit their treatment as they become more prominent in retail portfolios.

1.3 Classification of Digital Assets

The below illustrates changes to the broad asset class table outlined in the CIFSC definitions document including the highlighted proposed change.

Cash	Cash and Short-Term Notes
Fixed Income	Mortgages, Mortgage-Backed Securities, and Asset-Backed Securities
	Bonds (bonds with a term to maturity of less than one year are considered cash)
	Convertible Bonds
	Preferred Shares
	Convertible Preferred Shares
	Floating Rate Notes
	Private Credit*
Equity	Common Equities
	Income Trusts
	Private Equity*
Commodity	Physical Commodities
	Commodity Derivatives

Other	Futures
	Options
	Other Derivatives
	Rights
	Warrants
	Real Estate
	Infrastructure*
	Investment Funds
	Digital Assets*
	Other Assets and Liabilities

*NB: At the time of this proposal (November 2025), Digital Assets, Private Credit, Private Equity, and Infrastructure are proposed to move into Fixed Income, Equity and Other as part of the Balanced Category Proposal. <https://www.cifsc.org/wp-content/uploads/2025/10/CIFSC-Balanced-Category-Proposal-2025.pdf> and if passed, will take effect March 31, 2027.

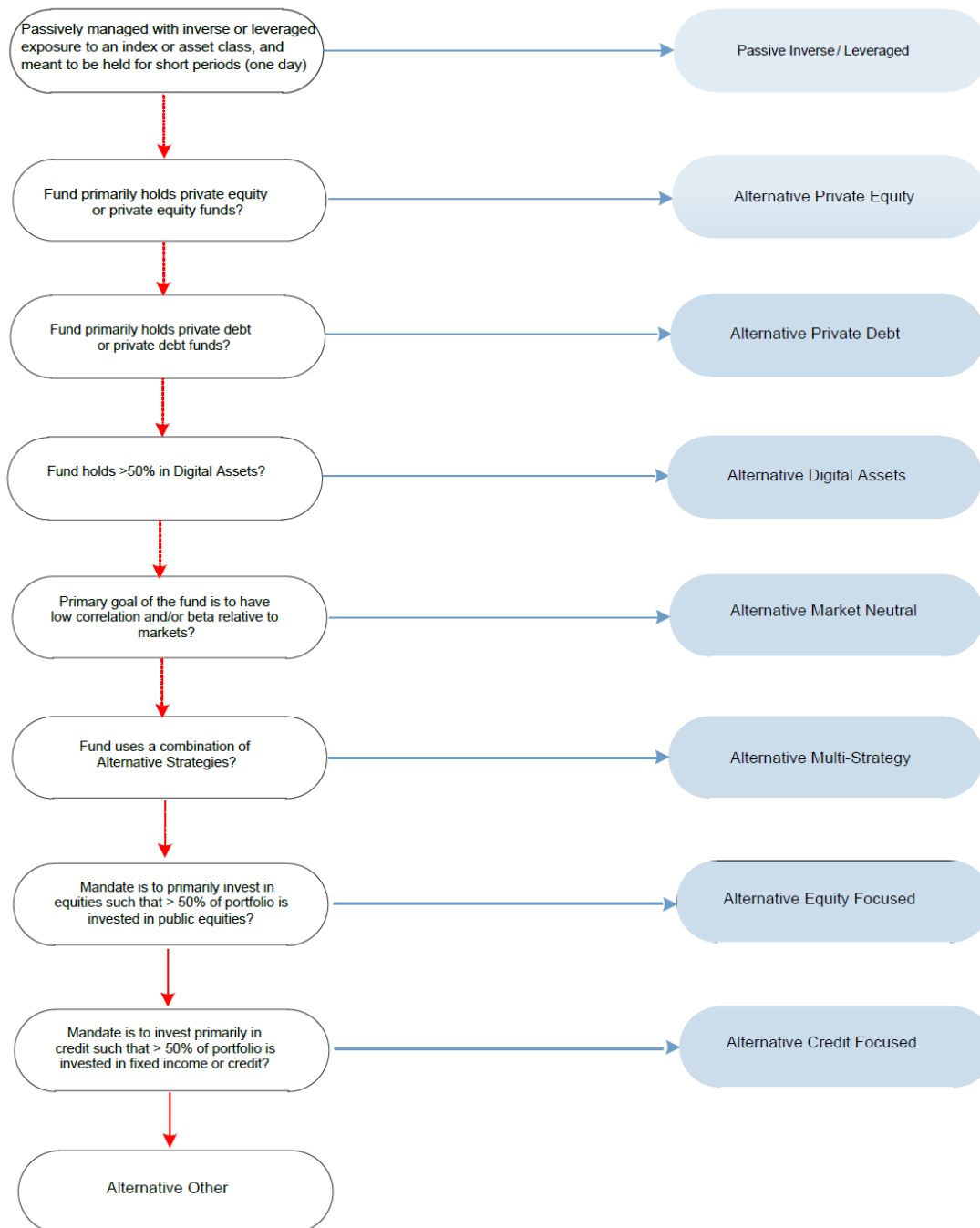
1.3. New Category: Alternative Digital Assets

Funds in the Alternative Digital Assets category must invest at least 50% of their portfolios in digital assets.

Funds in this category primarily invest in digital or tokenized assets recorded on a blockchain, or in derivatives designed to mirror their performance. These funds may also hold short-term fixed income or cash for liquidity and collateral management. Funds in this category will not be ranked.

1.4 Updated Flow Chart (Alternatives)

ALTERNATIVE FUND TESTS



1.5 Proposed “Alternative Digital Asset” Funds

Fund Name	Current Category	Proposed Category
3iQ Bitcoin ETF (BTCQ)	Alternative Other	Alternative Digital Assets
3iQ Ether Staking ETF (ETHQ)	Alternative Other	Alternative Digital Assets
3iQ Solana Staking ETF (SOLQ)	Alternative Other	Alternative Digital Assets
3iQ XRP ETF (XRPQ)	Alternative Other	Alternative Digital Assets
CI Bitcoin Fund	Alternative Other	Alternative Digital Assets
CI Ethereum Fund	Alternative Other	Alternative Digital Assets
CI Galaxy Bitcoin ETF (BTCX)	Alternative Other	Alternative Digital Assets
CI Galaxy Core Multi-Crypto ETF (CCCX)	Alternative Other	Alternative Digital Assets
CI Galaxy Ethereum ETF (ETHX)	Alternative Other	Alternative Digital Assets
CI Galaxy Multi-Crypto Navigator ETF (CMCX)	Alternative Other	Alternative Digital Assets
CI Galaxy Solana ETF (SOLX)	Alternative Other	Alternative Digital Assets
CI Solana Fund	Alternative Other	Alternative Digital Assets
Evolve Bitcoin ETF (EBIT)	Alternative Other	Alternative Digital Assets
Evolve Cryptocurrencies ETF (ETC)	Alternative Other	Alternative Digital Assets
Evolve Ether ETF (ETHR)	Alternative Other	Alternative Digital Assets
Evolve Levered Bitcoin ETF (LBIT)	Alternative Other	Alternative Digital Assets
Evolve Levered Ether ETF (LETH)	Alternative Other	Alternative Digital Assets
Evolve Solana ETF (SOLA)	Alternative Other	Alternative Digital Assets
Evolve XRP ETF (XRP)	Alternative Other	Alternative Digital Assets
Fidelity Advantage Bitcoin ETF (FBTC)	Alternative Other	Alternative Digital Assets
Fidelity Advantage Bitcoin ETF Fund	Alternative Other	Alternative Digital Assets
Fidelity Advantage Ether ETF (FETH)	Alternative Other	Alternative Digital Assets
Fidelity Advantage Ether ETF Fund	Alternative Other	Alternative Digital Assets
Global X Bitcoin Covered Call ETF (BCCC)	Alternative Other	Alternative Digital Assets
Global X Enhanced Bitcoin Covered Call ETF (BCCL)	Alternative Other	Alternative Digital Assets
Harvest Bitcoin Enhanced Income ETF (HBIX)	Alternative Other	Alternative Digital Assets
iShares Bitcoin ETF (IBIT)	Alternative Other	Alternative Digital Assets
Purpose Bitcoin ETF	Alternative Other	Alternative Digital Assets
Purpose Bitcoin ETF (BTCC)	Alternative Other	Alternative Digital Assets
Purpose Bitcoin Yield ETF	Alternative Other	Alternative Digital Assets
Purpose Core Bitcoin ETF	Alternative Other	Alternative Digital Assets
Purpose Core Ether ETF	Alternative Other	Alternative Digital Assets
Purpose Ether ETF	Alternative Other	Alternative Digital Assets
Purpose Ether ETF (ETHH)	Alternative Other	Alternative Digital Assets
Purpose Ether Staking Corp ETF (ETHC)	Alternative Other	Alternative Digital Assets
Purpose Ether Yield ETF	Alternative Other	Alternative Digital Assets

Purpose Solana ETF (SOLL)	Alternative Other	Alternative Digital Assets
Purpose XRP ETF (XRPP)	Alternative Other	Alternative Digital Assets
JRivemont Crypto Fund	Alternative Other	Alternative Digital Assets
The Ether Fund (QETH)	Alternative Other	Alternative Digital Assets
The Bitcoin Fund (QBTC)	Alternative Other	Alternative Digital Assets

CIFSC has identified the above 42 funds that fit the proposed criteria and would [welcome suggestions](#) on additions or deletions.

The CIFSC welcomes stakeholder feedback on the proposed Alternative Digital Assets category until December 31, 2025. [Comments may be submitted through the CIFSC contact form here.](#)

Sincerely,

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