

ARKC

ARK 21Shares Active On-Chain Bitcoin Strategy ETF

Fund Description

ARKC is an actively managed fund-of-fund seeking capital growth by investing in the ARKA ETF, Bitcoin (BTC) futures contracts, and cash equivalents. It optimizes performance relative to the price of BTC by using quantitative and on-chain valuation models. The fund does not directly invest in BTC, nor does it maintain direct exposure to its spot.

FactSet Analyst Report

ARKC employs a proprietary trend indicator focused on BTC futures contracts and cash equivalents. The portfolio includes ARKA ETF, BTC futures, US Treasuries, and money market instruments. The underlying ETF and futures are perceived to offer the most attractive mix of cost, liquidity, and other factors. Allocations are made by a model that blends proprietary and publicly available metrics, including historical price and on-chain data. The model generates trading signals to identify prevailing trends for BTC. In bullish markets, up to 100% may be allocated to the underlying ETF and/or BTC futures. Conversely, during bearish conditions, allocation shifts to cash and cash equivalents, up to 75% of net assets. These contracts are usually rolled at the time believed to generate the greatest roll yield. Note that a portion of the investment is through a Cayman Islands subsidiary. Despite being guided by the model, the sub-adviser retains full discretion in asset allocation decisions.

