

# BHDG

## Nicholas Bitcoin Tail ETF

### Fund Description

BHDG is an actively managed, providing indirect bitcoin exposure through an options-based strategy aiming to hedge against significant declines in the price of bitcoin and/or bitcoin-related investments. It seeks long-term capital appreciation.

### FactSet Analyst Report

BHDG employs an ETF strategy with options-based hedging against bitcoin price declines. It actively invests in exchange-listed options and sold call options or call spread positions on i) US-listed bitcoin-tracking ETPs and/or ETFs or 2) a bitcoin index for downside protection. The adviser rolls option exposure and adjusts strike prices, maturities, and positioning based on market conditions, with option maturities generally under one year. The fund does not have nor seek direct exposure to bitcoin or other digital assets. Investors seeking direct bitcoin exposure should consider other options. BHDG holds collateral as part of its investment strategy, including US Treasury bills, money market funds, high-quality commercial paper, and cash equivalents to provide liquidity and margin. The fund aims to provide gains during significant bitcoin declines, limits losses if bitcoin rises, and may incur losses up to the net premium paid if bitcoin remains stable.

