

BITX

2x Bitcoin Strategy ETF

Fund Description

BITX aims to provide 2x the daily price movements of an index based on rolling front-month CME bitcoin futures.

FactSet Analyst Report

BITX aims to provide 2x daily exposure to bitcoin futures. The fund seeks to track the price movement of bitcoin futures traded on the CME Futures Exchange for a single day. The fund buys cash-settled Bitcoin futures contracts and will roll the contracts on a monthly basis, as they near expiration. The expiring contracts are replaced with the next month contracts. The final trade date each month is the last Friday of the contract month. On day t-2 at market close, the index is 0% in the expiring futures contract and 100% in the next futures contract. Futures contracts can and often do trade in backwardation, meaning the costs of rolling contracts will reduce returns. The index itself is price weighted and does not rebalance. As a result, the return of BITX shares can vary significantly from 2x exposure, if held for longer than a day. As a geared product with daily resets, the fund is designed as a short-term trading tool and not a long-term investment vehicle.