

BPI

Grayscale Bitcoin Premium Income ETF

Fund Description

BPI is actively managed, seeking current income through a synthetic covered call strategy on Bitcoin ETPs by investing in options rather than directly in Bitcoin. The fund aims for capital appreciation while providing monthly distributions to investors.

FactSet Analyst Report

BPI seeks current income while gaining indirect exposure to the performance of Bitcoin-linked exchange-traded products through options. The fund primarily employs a synthetic covered call strategy that avoids direct investment in Bitcoin, instead focusing on derivatives related to Bitcoin ETPs. By investing in traditional exchange-traded options contracts, BPI replicates price movements of these ETPs through a combination of call and put options. It generates income by writing deep out-of-the-money call options, which may limit potential gains if prices of the ETPs increase significantly. The fund utilizes a wholly owned subsidiary based in the Cayman Islands to facilitate tax efficiencies while maintaining exposure. Additionally, BPI invests in short-term US Treasury securities for collateral and may use reverse repurchase agreements to manage its exposure levels. Monthly distributions are planned, contributing to the fund's structured approach to income generation.

