

BTCC

Grayscale Bitcoin Covered Call ETF

Fund Description

BTCC is actively managed, seeking current income via a synthetic covered call strategy on Bitcoin ETPs through options trading. It aims to capitalize on the performance of Bitcoin while providing monthly distributions to investors.

FactSet Analyst Report

BTCC seeks to provide current income by employing a synthetic covered call strategy linked to Bitcoin exchange-traded products. The fund focuses on generating income through a combination of call and put options that replicate the price movements of these ETPs. It actively writes out-of-the-money call options with short expirations to generate monthly income, which may limit potential gains if the price of the ETPs rises significantly. BTCC does not invest directly in Bitcoin, avoiding exposure to its spot price, and operates through a wholly owned subsidiary in the Cayman Islands to enhance tax efficiencies. The fund also invests in short-term US Treasury securities as collateral for options contracts and may utilize reverse repurchase agreements to manage exposure levels. Monthly distributions are planned, aiming for a structured approach to income generation while maintaining a focus on the performance of Bitcoin-linked investments.