

EFUT

VanEck Ethereum Strategy ETF

Fund Description

EFUT actively manages a portfolio comprised of USD, cash-settled ether (ETH) futures contracts. Importantly, it does not directly invest in ETH or other digital assets. The fund can have levered exposure of up to 125% due to accrued tax liabilities.

FactSet Analyst Report

EFUT seeks long-term capital appreciation through ether (ETH) futures contracts. The goal is to maintain 100% economic exposure to ETH. In some cases, such as for tax liabilities, exposure may temporarily exceed 100% (up to 125%). The fund utilizes the inherent leverage in ETH futures, as well as from borrowing for potential amplified returns. However, this heightens the fund's risk, making it sensitive to fluctuations in ETH prices. To reduce risks, the fund holds a variety of short-term debts. In situations where the target exposure is not met, the fund may invest in other ether-linked investments. As an actively managed fund, engaging in frequent trading activity, the fund may experience a higher turnover rate. Structured as a C-Corp, which accrues tax expenses at the fund level, may provide increased tax efficiencies for long-term investors holding shares in a taxable account. EFUT pledges 10% of profits to Protocol Guild for a decade, expressing faith in Ethereum's future.