

HBTC

Fortuna Hedged Bitcoin Fund

Fund Description

HBTC is an actively managed ETF that invests in bitcoin-related securities. The fund's strategy employs an options strategy overlay to reduce downside risk.

FactSet Analyst Report

HBTC invests in Bitcoin-related securities with an options overlay to reduce downside risk. The fund does not directly invest in Bitcoin but invests in standardized, cash-settled BTC futures traded on the CME. The actively managed fund invests in options to create synthetic long exposure, allowing it to participate in price changes of the underlying securities. This involves purchasing a put below the current BTC price and selling a call spread above market price, offsetting costs without capping the upside potential. This limits participation in potential gains when the price of BTC goes up. The fund writes call options with 1- to 6-month terms and strike prices equal to the price at the time of purchase. HBTC typically invests in front-month contracts, rolling to the next closest expiration date. The fund invests in futures through a wholly owned Cayman Islands subsidiary. HBTC may also pursue covered calls on BTC futures contracts and similar ETFs.