

# IETH

## Bitwise Ethereum Option Income Strategy ETF

### Fund Description

IETH is actively managed, employing a synthetic covered call strategy on Ether (ETH) ETPs. The fund aims to generate income by capping gains, while leaving losses uncapped. It uses both standardized exchange-traded options and FLEX options. Ether powers transactions and smart contracts on the Ethereum blockchain as its native cryptocurrency.

### FactSet Analyst Report

IETH provides exposure to the price returns of Ether-related (ETH) ETPs through a synthetic covered call strategy. The fund employs both standardized exchange-traded and FLEX options, comprising three key components: (i) synthetic long exposure, (ii) covered call writing, and (iii) US Treasuries used as collateral. The strategy begins by buying call options and selling put options on Ether ETPs, creating synthetic long exposure that participates in both price increases and decreases. To generate income, the fund writes call options with strike prices approximately 0-15% above the current market price, which caps upside gains beyond those levels. The fund regularly rolls these standardized and FLEX options upon expiration, potentially resulting in higher turnover. While this approach limits participation in potential gains if ETH appreciates, the short put positions expose investors to the full downside risk. The fund does not invest directly in ETH.

