

QBF

Innovator Uncapped Bitcoin 20 Floor ETF - Quarterly

Fund Description

QBF seeks to provide returns that participate in a percentage of any positive price returns of bitcoin, while providing an approximate maximum loss of 20% of any bitcoin price return over successive three-month periods.

FactSet Analyst Report

QBF aims to provide a defined outcome strategy using FLEX options tied to ETPs linked to bitcoin or the CBOE Bitcoin US ETF Index. The goal is to mirror bitcoin's price return, capped at a certain percentage, with a 20% maximum loss over three months. The strategy employs a participation rate set at the start of each period, expected to capture 65-75% of bitcoin's gains, though not guaranteed. To achieve this, the fund invests in US Treasuries and, via a subsidiary, engages in FLEX options. It buys in-the-money call options for bitcoin exposure and sells at-the-money calls to offset some gains. A floor activates if bitcoin drops over 20%, leaving the fund with US Treasuries amounting to 80% of its assets. This outcome is only achieved by buying QBF shares on the first day and holding them until the last day of the period.