maining neutral to the individual return risk. For example, a hedge fund might buy a basket of tech stocks while shorting the Nasdaq 100, which is presumably less volatile while delivering a similar return profile. I'm going to explain why these strategies have potentially fatal poison pills and then show what can be done to eliminate those risks, while monetizing bitcoin's superior returns in the process. I'll also suggest potential ETFs that can be created to accomplish those tasks. I will call it a hedging strategy because the primary purpose is to remove the unwanted risk.

The hedging strategy is grounded in the first commandment of investing, which is **"Thou shalt not be short bitcoin exposure."** After reading the section on bitcoin's returns and the potential for funds using only microscopic amounts of bitcoin, you might be wondering, "Who in their right mind would ever short bitcoin exposure?" The answer is that a shocking amount of hedge funds knowingly short bitcoin outright, as well as their proxy securities like the ETF, Strategy (MSTR), and mining stocks, though I'm not here to opine on them. It is their strategy, and it is what it is. Their investors know what they are up to. The investors I want to address are those who don't know they are short. It's like not knowing that you have enriched uranium in your bed, and I believe this will be the silent killer of many hedge funds during the next cycle boom. Imagine making a winning long bet on bitcoin while not knowing that you were also short its proxies and being undermined by that exposure.