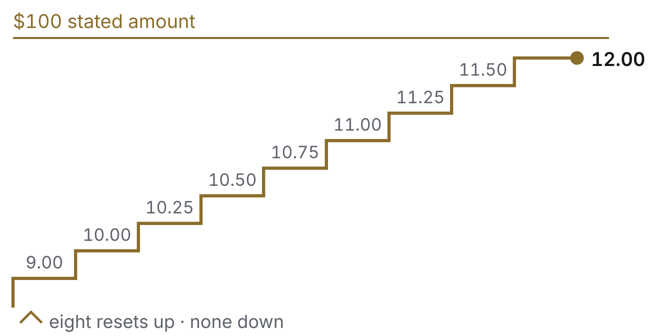
TON618 Capital

RESEARCH NOTE
AUGUST 17, 2026
DIGITAL CREDIT · STRATEGY INC

DIGITAL CREDIT · STRATEGY INC · NASDAQ: MSTR · STRC · STRF · STRK · STRD

The Last Moat Is the Coupon

The case for Strategy now rests on distribution — that its real business is wrapping bitcoin in paper that capital barred from holding bitcoin can buy. Whether that is true decides the shape of the payoff the common holder owns: a levered claim that works in a rising market, and a fixed charge paid from the collateral in every other one. We tested the claim against the only public records there are — and against what management said about it on 17 August. The buyer the story needs is not in the records; the price the market charges has only gone up; and the bill for holding the line is paid by the common.



PRICES AS OF AUGUST 12, 2026 CLOSE · FILINGS THROUGH THE 17 AUGUST 8-K · MANAGEMENT STATEMENTS THROUGH THE 17 AUGUST INVESTOR Q&A

70/30
STRC's holder base, retail to institutional, as stated by management on 17 August (80/20 in late May).

0.3%
share of STRK, the only Strategy preferred on the SEC's 13(f) list, held by an insurer or pension in Q2-2026 filings.

9.00→12.00%
STRC's coupon in twelve months: eight resets up, none down.

B–
Strategy's corporate credit rating, as stated by management on 17 August; the agency treats the bitcoin as "rated ... zero value."

TREAD 1 · 9.00%

The verdict

Strategy's common is a levered claim on bitcoin with a fixed charge attached. In a rising market the structure works for everyone: common issued above net asset value buys coins, the coupon is small against appreciation, and the equity outperforms the coin — bought at or below NAV ahead of a bull market, it has paid and can pay again. In a flat or falling market the same structure runs in reverse: the coupon is paid by diluting the common or selling the coins, and the equity underperforms the coin by the drain plus the dilution. That is not a forecast; it is the payoff shape. The question that decides how asymmetric it is — how much the down path costs relative to what the up path pays — is whether the company's funding is a franchise or a price-taker. That is what "distribution" means, and why it matters.

The company makes the franchise claim in its own words. Its *MSTR Investor Briefing*, dated 13 August and filed with the SEC on 14 August as a free-writing prospectus, describes the equity as "net bitcoin exposure with a capital-markets franchise designed to create Digital Credit," values it as "a residual claim on Net Reserves plus the franchise value of Strategy's capital-markets platform," lists "a Digital Credit issuance franchise ... brand and distribution" among what the common owns, and sets a target of annual Digital Credit sales equal to 10–20% of the bitcoin reserve — $5.4–10.8 billion a year at the current $54 billion. The argument made for that franchise by its supporters runs further: roughly 97% of institutional capital is mandated to equities or credit and cannot hold bitcoin; Strategy wraps bitcoin in listed equity and listed preferreds that this capital *can* hold; therefore its value-add is distribution, and distribution is a durable business worth more than the coins.

Three findings bear on it. First, the equity half of that business ended in January 2024 and has been measured to zero — we did that measurement on 31 July. Second, the credit half splits in two: a convertible-note channel that was real, sold to arbitrage desks, and has now been closed by the issuer; and a preferred-stock channel that is the live claim. Third, for that live claim, the evidence runs the other way — and management has now supplied the decisive number itself. On 17 August it put STRC's holder base at 70% retail and 30% institutional, up from 80/20 in late May (Section 4). The filings agree and go further: 91% of the preferred stack is not a 13(f) security and has no institutional-manager record at all; the only window into it is the registered funds' N-PORT reports, which show index ETFs, Capital Group and Fidelity income funds and no insurer general account or pension; and in the 9% that is visible to 13F, the yield-mandated buyer — insurers, pensions, investment-grade credit funds — holds three-tenths of one percent. Meanwhile the price of the product has risen 300 basis points in a year and still does not clear at par; the issuer's corporate rating is B−; and by policy the flagship is not being sold at all until the market takes it back to par.

The defensible sentence is this: *Strategy has demonstrated it can sell $15 billion of preferred stock. It has not demonstrated it can sell it at a price a franchise would command, or to the buyer the franchise* *story requires.* Ability to sell is not a moat when the price is set by refusal. And every point the coupon rises to keep the buyer is paid out of the collateral the buyer was promised — so the moat, such as it is, is defended by draining the thing it protects.

For the common holder the consequence is asymmetry, not direction. The upside case is intact and requires only that bitcoin rise enough, soon enough, for the premium to reopen; the downside case is structural and runs every day it does not. A price-taking funding stack makes the down path steeper — each reset adds to the charge — without making the up path any higher. Distribution, if it were a franchise, would be the thing that flattens the down path. On the record, it is not.

What to watch next: STRC sustained at its stated amount at 12% (management's own bar) and STRC issuance resuming; the September rate announcement; MSCI's consultation result by 16 October and its November review; the next reading of the holder split, and the Q3 13F and N-PORT rounds in mid-November; any change to the B– rating; and any bitcoin-linked income product from an investment-grade issuer crossing $1 billion. Section 8 registers each.

TREAD 2 · 10.00%

Three claims inside "distribution"

"The value-add is distribution" bundles three different claims, and they have different fates.

Access for equity mandates — funds that could hold a listed equity but not spot bitcoin. This was the 2020–2023 business, and it ended when eleven spot ETFs listed on 11 January 2024. Our July note measured it: across the three-and-a-half "monopoly" years MSTR priced in bitcoin went from 100 to 102; it then ran to 425 in the ten months after the ETFs listed, and has since given back roughly nine-tenths of that spike. At 12 August the common trades at about 1.0× its net asset value — coins less debt and preferred, on the sum-of-the-parts convention of our July valuation (not raw market capitalisation over coin value, which is a discount). Gone.

Access for credit through convertibles. Real and documented: some $8 billion of zero- and near-zero-coupon convertible notes placed with volatility funds — Wolverine, Millennium, Calamos, Advent, Linden, Marshall Wace and DeepCurrents all appear as holders in the Q2-2026 13F record. But it was a volatility trade, not a yield mandate; it required a rich and volatile common; and it is closed. Strategy completed no debt offering in the first half of 2026 and in May became a net *buyer* of its own converts, retiring $1.50 billion of the 2029s for $1.38 billion. The one credit channel with a proven institutional buyer has been shut by the issuer.

Access for credit through preferreds. The live claim: a listed perpetual preferred — STRF, STRC, STRK, STRD, and the euro STRE — that gives capital which can hold a coupon but not a coin a bitcoin-linked yield. The rest of this note is about whether that is a franchise.

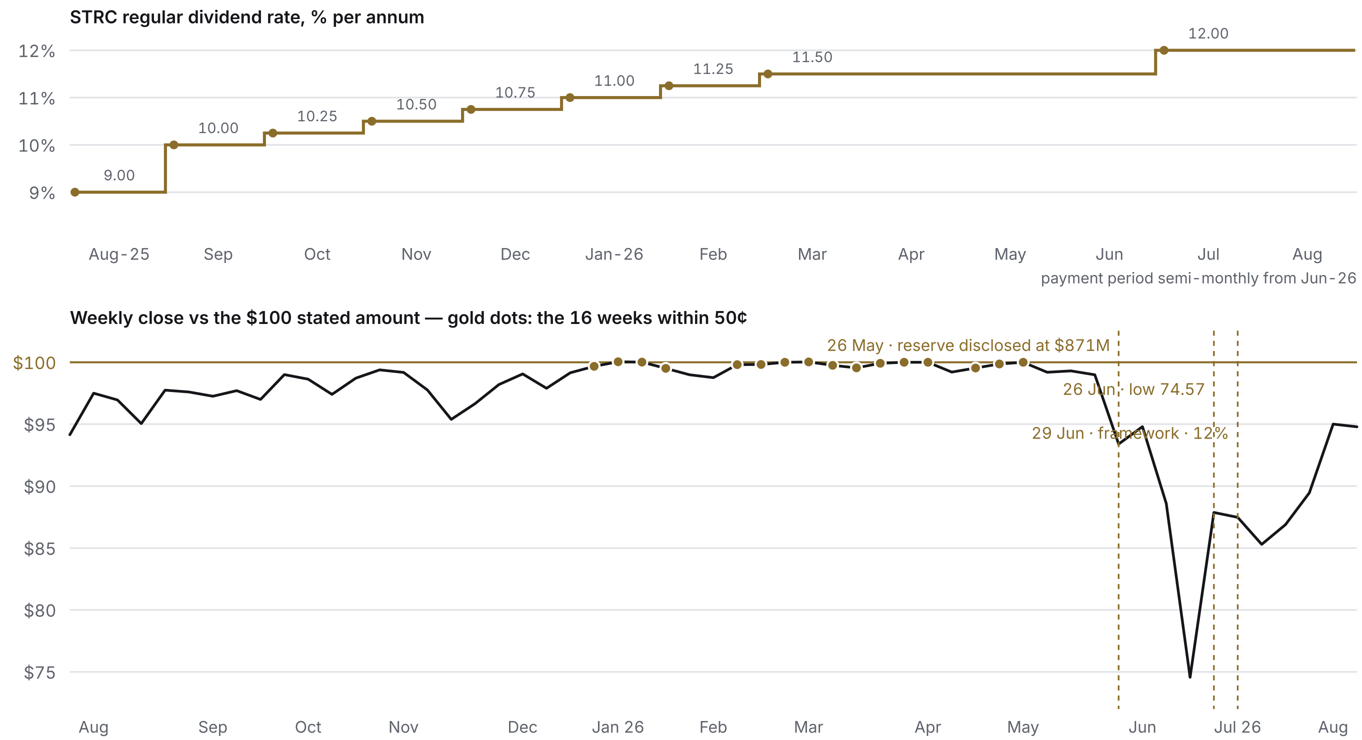
TREAD 3 · 10.25%

The price is set by refusal

The coupon path. STRC came to market on 25 July 2025 at $90 on a $100 stated amount with a 9.00% initial rate — below par by design, 10.0% on the offer price. Since then the rate has been reset eight times, every one of them upward: 10.00% for September 2025; 10.25% from 1 October; 10.50% from 1 November; 10.75% from 1 December; 11.00% for January 2026; 11.25% from 1 February; 11.50% from 1 March; and 12.00% with the 29 June capital framework, held there for August. The payment period was cut from monthly to semi-monthly in June. Management's stated rule is that the rate will not change "until STRC Stock demonstrates sustained trading at or near its $100 stated amount." Read plainly: the coupon is set by the market's refusal, not the issuer's choice. In the same June filing the mechanical rule that had raised the rate whenever STRC's VWAP slipped below par was withdrawn: the company "will not necessarily increase the STRC dividend rate solely because STRC trades below its stated amount." That is a franchise stepping back from price support for its own product.

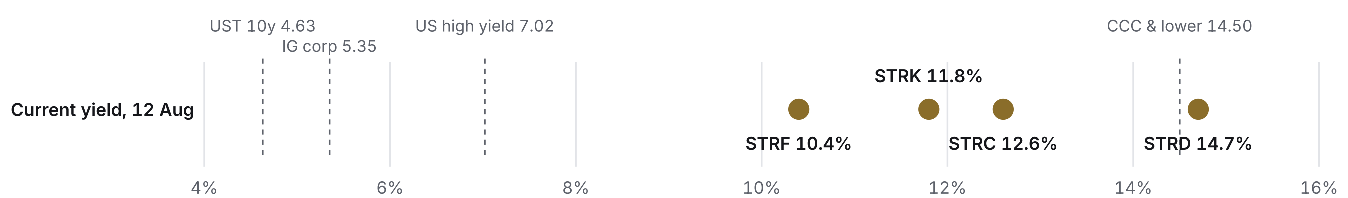
The par record. Of 55 weeks since launch, STRC closed within 50 cents of its stated amount in 16, and within a dollar in 24. All of them fall between January and mid-May 2026 — after the rate had been lifted to 10.75–11.50% and while the cash reserve was believed adequate. The reserve balance was disclosed at $871 million on 26 May; STRC ended that week at 98.99, broke to 93.40 within ten days (5 June), reached 88.59 on 18 June and 74.57 in the week of 22 June. The 29 June framework — 12%, a board-governed reserve, a repurchase program — took it back to 95.01 by late July. It closed 95.32 on 12 August and 94.78 on 14 August. Par has not been recovered at 12% with a $4.80 billion reserve and $347.0 million of STRC repurchases behind it — four consecutive weekly tranches at rising prices ($25.0M at an average $86.53, $81.2M at $89.02, $108.6M at $94.27 and, in the week to 16 August, $132.2M at $95.20), 3.74 million shares, a third of the $1.0 billion authorisation spent in a month. The bull's proof of concept is real: at eleven percent the product cleared at par for four and a half months. It has not cleared since.

EXHIBIT 1 · THE COUPON STAIRCASE, AND THE PRICE IT BOUGHT



The price against benchmarks. At the 12 August closes: STRC yields 12.6% at 95.32; STRF 10.4% at 96.01; STRK 11.8% at 68.05; STRD 14.7% at 68.18. The ICE BofA US High Yield index yielded 7.02% on 13 August; CCC-and-lower, 14.50%; US investment grade, 5.35%; the ten-year Treasury, 4.63%. STRD prices as CCC credit; the other three sit roughly 340–560 basis points over the high-yield index. The company's own briefing makes the same comparison on its own terms: at the 7 August close it puts STRC's 12.63% effective yield 684 basis points over the high-yield ETF HYG and 706 over the preferred ETF PFF, and describes the gap as compensation for "Strategy issuer risk, priority behind debt and STRF, bitcoin-sensitive enterprise value, rate-reset and redemption risk, and materially higher volatility." Our 12 August note showed Strategy's own credit model printing these spreads five to sixty-three times tighter than the market. A distribution franchise does not price its product seven hundred basis points outside the preferred market while calling it investment grade.

EXHIBIT 4 · PRICED AS WHAT



The rating agencies have reached the same place by a different route, and management said so on the record. Asked on 17 August whether a larger cash reserve would help with S&P, management answered that "we currently have a B minus corporate rating," that increasing the reserve "could over time improve our rating," but that the binding constraint is the collateral itself: what would really move the rating "is whether they deem Bitcoin as ... capital that we have in our balance sheet. Right now, they see it as not ... true capital. It's rated, you know, zero value." B– sits six notches below the lowest investment-grade rung. The company's own briefing calls the preferred stack Digital Credit and compares it to investment-grade bond ETFs; the agency that rates the issuer marks the asset behind it at nothing.

The volatility is moved, not removed. Saylor describes the design as refining a yield instrument out of a volatile asset: STRC is "semi-volatile" — "not as volatile as bitcoin, but it's more volatile than a fiat currency" — and "the primary value added of the company ... is to strip the volatility off the instrument and extract the yield," kerosene from crude, in his analogy, "the kerosene that didn't blow up in your face." Volatility on a claim is not destroyed by wrapping it; it is assigned. STRC sits on top of a levered claim on bitcoin, and its steadiness is manufactured beneath it — by a coupon that only rises, a reserve refilled by issuing common, and buybacks paid for with common and coins. The volatility the preferred does not show is absorbed by the common holder, in dilution, and by the collateral, in sales. And the company's own comparables show how much it shows anyway: in the 13 August briefing, as of the 7 August close, STRC's historical volatility is 41% over thirty days and 22% over one year, against 9% and 7% for the preferred ETF PFF, 3–4% for the high-yield ETFs and about 1% for Treasury-bill funds; the sibling preferreds run 31–43% on the thirty-day window. Bitcoin's own realised volatility over the same windows was 28% and 44%. Over a year, then, the wrapper carried half of bitcoin's volatility; over the thirty days to 7 August — the recovery from the June break — the instrument built to strip the volatility off bitcoin was more volatile than bitcoin. And in the six weeks before the 29 June framework — the reserve already thin, the automatic rate defence withdrawn, no buyback programme yet in place — the calmer ride fell a quarter in five weeks.

And the flagship product is, by policy, not currently for sale. The briefing states the company's "current July 27 intent is not to issue STRC below $100" and sets a "corporate trading objective" of $99–100. STRC has not closed at or above $99 since mid-May, and no STRC has been sold under the at-the-market programme since the June framework — every weekly filing from 6 July to 17 August shows none, and $17.5 billion of registered STRC capacity has sat unused while the company repurchased its own paper. The distribution franchise's principal product has been withdrawn from distribution until the market re-prices it to par — which is the market's decision, not the issuer's.

What the coupon costs. Strategy's own figure for annual preferred dividends plus interest is approximately $1.76 billion. Against roughly $53.3 billion of bitcoin at the 12 August close of about $63,400 that is 3.3% of the stack per year, before dilution: paid in coins, about 27,800 bitcoin a year at today's price; paid in shares at ~1.0× NAV, about 3.3% of the common's claim on the coins. Every 100 basis points added to STRC's rate on the ~$10.1 billion still outstanding is another ~$101 million a year. This is a subtraction from whatever bitcoin does; it does not depend on any view of what bitcoin will do.

TREAD 4 · 10.50%

The buyer is not who the story needs

The distribution argument is a claim about who the buyer is. There are now three sources of evidence — the company's own statement, and two independent filing records — and they agree.

The company's number. On 17 August, answering a question put to chief executive Phong Le, management said STRC's holder base has moved from 80/20 retail-to-institutional in late May to 70/30 now — "retail doubled" while institutions "increased significantly" — and that institutional money lags in a new product category because it wants "one, two, sometimes even three years of track record of the product paying dividends." He credited the June framework with creating "more confidence in institutions." Two cautions before that figure is used. It is self-reported, with no stated methodology and no definition of "institutional" — a category that on any ordinary reading includes hedge funds, registered advisers, family offices and brokerage platforms as well as the mandated pools the argument invokes. And it is a trend claim, correctly stated: institutional ownership of STRC is rising. The question the note asks is not whether it is rising but what it is, and whose money it is.

The flagship products are not 13(f) securities. The SEC's Official List of Section 13(f) Securities for the second quarter of 2026 (run date 30 June) lists, for Strategy Inc, the class A common, calls and puts, all six convertible notes — and exactly one preferred: STRK, CUSIP 594972887. STRC, STRF, STRD and STRE do not appear. Institutional managers are therefore not required to report positions in them, and none do: across 397 Q2-2026 13F filings that hold Strategy securities, there is not a single STRC, STRF or STRD line.

Put the whole credit stack on one page. Of about $22.2 billion — $6.75 billion of converts and $15.5 billion of preferreds at 30 June — $8.15 billion, or 37%, is reportable: the converts and STRK. The other 63%, some $14.1 billion, has no 13F record. Within the preferreds alone, 9% is 13F-visible and 91% is not; for that 91% the only public window is what registered funds report on N-PORT, below. Why three of four listed preferreds are absent from the list is not something we can determine from outside; the list is staff-compiled and additions lag. We state the fact and its consequence: the claim that Strategy's preferreds are the on-ramp for mandated institutional capital cannot be checked against institutional-manager records for nine-tenths of the product. From 13F it is unfalsifiable — and the burden sits with whoever makes it.

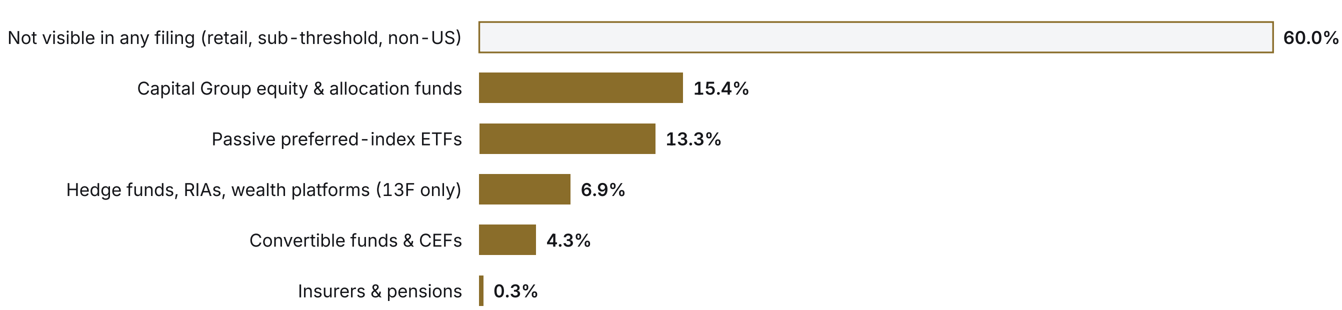
EXHIBIT 2 · WHAT CAN BE SEEN

Strategy credit stack at 30 Jun 2026, $22.2B: six convertible notes and STRK are 13(f) securities; STRC, STRF, STRD and STRE are not — only registered funds' N-PORT reports reac

For the one preferred we can see, the mandated buyer is nearly absent. STRK is the 8% convertible perpetual — the preferred most likely to attract institutional convertible desks, so this is the bull's best case. Full-text search on its CUSIP across 13F-HR filings made 1 July to 17 August 2026 returns 89 filings from 87 managers holding 5.61 million shares — 40.0% of the 14.02 million outstanding, $325 million at 30 June marks (one stale restated-March filing excluded). Sixty percent of STRK is held outside the 13F universe: retail through brokers, sub-threshold managers, non-US accounts. Among the visible forty percent: Capital Group 14.0%, BlackRock 5.3%, VanEck 2.3%, Mirae/Global X 2.0%, ParaFi 1.6%, Osaic 1.5%, Calamos 1.4%, Greenland 1.4%, Infrastructure Capital 1.4%, State Street 1.2%, FMR 1.0%, Advent 0.7%, then LPL, Morgan Stanley, Stifel and Wells Fargo wealth platforms at 0.3–0.5% each. Insurers and pensions: Manulife, 40,800 shares — 0.3% of the class. No pension fund and no other insurer appears in the top twenty-five. Norges Bank holds the common; not the preferred.

The same search run on the first-quarter filings gives the direction of travel. At 31 March, 93 managers in 96 filings reported 6.44 million STRK shares — 45.9% of the same 14.02 million-share class, $413 million at March marks (six late catch-up filings reporting 2025 positions excluded). At 30 June it was 87 managers and 5.61 million shares, 40.0%. Over the quarter in which management says institutional ownership of the preferreds "increased significantly," 13F-reporting institutions cut their STRK by about 825,000 shares, or 13% of what they held, on an unchanged share count. Millennium and Kovack Advisors exited (about 206,000 and 202,000 shares); ParaFi cut 202,000, LPL 189,000, Capital International 304,000, BlackRock 230,000. Osaic added 204,000, Greenland 122,000, Infrastructure Capital 38,000; Manulife went from 24,300 to 40,800 — still three-tenths of a percent. Management's claim is about STRC, which cannot be tested; the one preferred that can be tested moved the other way.

EXHIBIT 3 · WHO HOLDS STRK



Share of STRK's 14.02M shares. Within the categories: Fundamental Investors 10.4% · PFF 7.1% · Manulife 0.3%.

N-PORT says which vehicles. Registered funds report holdings by CUSIP monthly. Fifty NPORT-P filings in 2026 carry STRK; the latest period for each of 28 funds sums to 4.63 million shares, 33.1% of the class, and resolves the 13F names into vehicles. Capital Group's position is three *equity and allocation* mutual funds — American Funds Fundamental Investors alone holds 1.45 million shares, 10.4% of all STRK, as 0.07% of a large-cap equity fund; with New Economy Fund and Asset

Allocation Fund the complex holds 15.4% of the class. Passive preferred-index ETFs hold 13.3%: iShares PFF 7.1%, VanEck PFXF 3.0%, Global X PFFD 1.8%, InfraCap PFFA 1.2%, with Global X SPFF and Fidelity's preferred ETF making up the rest — mechanical index inclusion whose end owners are the ETFs' retail and advisor shareholders. Convertible funds, closed-end funds and other income funds — Calamos, SPDR CWB, Fidelity Convertible, the Virtus and Advent CEFs, Harbor Ares, Fidelity Strategic Dividend & Income — hold about 4.3%. Insurers, pensions and investment-grade credit funds: 0.0%; the only "insurance" line is a 2,000-share variable-annuity convert sleeve.

N-PORT also reaches the three preferreds 13F cannot. Registered funds' latest reports show them holding roughly half of STRF (24 funds, 6.1 million of 12.8 million shares) and of STRD (19 funds, 7.9 million of 14.0 million — American Funds Fundamental Investors alone holds 5.7 million, forty percent of the class), but only a small slice of STRC: 43 funds, 7.3 million shares — about 7% of the June class, 15% of the March class before the ATM doubled it. STRC's fund holders are iShares PFF (2.0 million, index inclusion), Capital Group's American Balanced Fund (1.5 million), VanEck PFXF and InfraCap PFFA, and a cluster of Fidelity income funds — Advisor Multi-Asset Income, Capital & Income, Strategic Income, Floating Rate High Income — totalling about 2.1 million shares. That Fidelity cluster is the first genuinely yield-mandated money in any record, and it is high-yield bond money — the buyer a 12.6% coupon at CCC-adjacent pricing should attract. No insurer general account, pension or investment-grade fund holds a material stake in any of the three. The insurer-affiliated positions that do exist are retail vehicles: John Hancock — Manulife's US brand — holds about 2.6% of STRD across five preferred-income closed-end funds and an ETF, and variable-annuity sub-accounts at Allianz, MassMutual, Lincoln and Jackson National hold immaterial amounts of STRC and STRF. (Two 13F filers report STRC voluntarily; the amounts are immaterial.)

The records agree on the shape. Management puts STRC at seventy percent retail; the registered funds that must report hold well under a fifth of it. The filings show that the institutional holders of the visible preferreds are equity and balanced funds, index ETFs that own them because an index does, convert desks buying the option, and — for STRC and STRD — high-yield bond funds. The insurer general account, pension or investment-grade mandate the distribution argument invokes appears in none of them; the nearest thing is John Hancock's retail preferred funds holding 2.6% of STRD.

The distinction matters because the company uses "institutional" in the broader sense. In the same session management described STRF, STRK and STRD as "all institutional offerings" whose holders "have been comfortable with a quarterly payout." Take STRK, the only one of the three that public filings can test. Its institutional holders are real, and they are institutions — Capital Group, BlackRock, State Street, Fidelity, Calamos, Advent. They are not yield mandates. They hold it inside large-cap equity funds, preferred-index ETFs and convertible portfolios. Between them, insurers and pensions hold three-tenths of one percent. Both statements are true at once: these are institutional offerings, and the institutions buying them are not the ones the franchise story needs.

The same session supplied the demand test. Asked why STRC is managed to a tight band rather than allowed to trade freely, Saylor pointed to the sibling instrument that is allowed to: "if somebody really wants a product that will trade between 95 and 105, we have one. It's called STRF." STRF, he added, is "actually less risky... more collateralized... longer duration" — and "the demand and liquidity for it is 20x less than STRC." The most conservative, most institutional-looking instrument in the stack has an order of magnitude less demand than the one whose holders are seventy percent retail. That is the distribution franchise, measured on its own terms.

Retail-heavy is not an insult; it is the answer. Distribution to retail income seekers through brokers and index ETFs is a real business, and the least defensible one, because that buyer is the most yield-elastic and least mandate-bound buyer in the market. It walked in June. It has to be paid 300 basis points more than a year ago to stay.

0.3%

of STRK — the one Strategy preferred visible in public filings — is held by an insurer or pension. The other 91% of the preferred stack has no 13F record; the funds that must report hold under a fifth of the flagship.

TREAD 5 · 10.75%

Where the buyer can go instead — small today, and every door already open

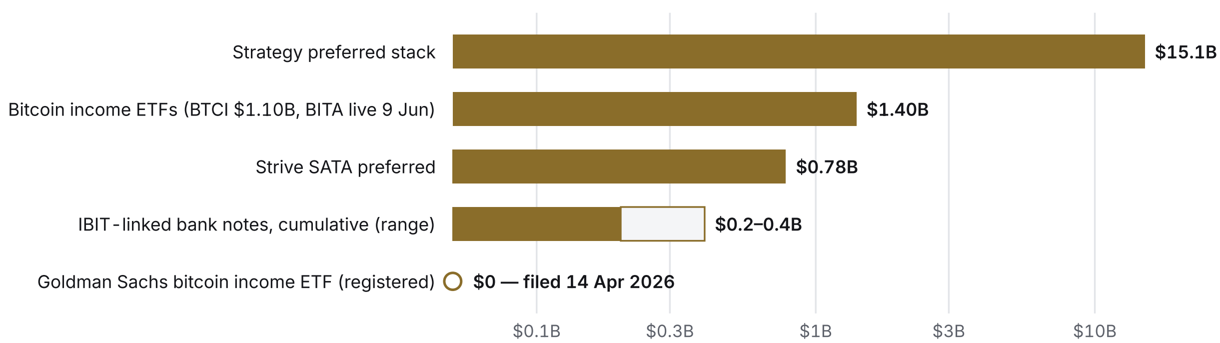
If the product is a bitcoin-linked coupon sold to income buyers, three sets of competitors are already in the room. Their size says the moat is intact today; their names say it is not a moat.

Clone preferreds. The digital-asset-treasury cohort has copied the instrument. Our July sector audit found Strive's SATA — $783 million at a 13% rate, ratcheting liquidation preference, issued daily through a $2.6 billion at-the-market program — and BitMine's 9.5% preferred sold at $80 on a $100 ratcheting face. On 12 August SATA closed at 99.40 while STRC closed at 95.32: the clone at 13% clears nearer par than the original at 12%. The buyer is pricing coupon, not franchise. Each clone raises the clearing rate for the class.

Yield wrappers on the ETF. Covered-call and premium-income funds give any mandate that can hold an ETF and options a bitcoin coupon without single-issuer credit. From issuer pages and filings as of 14 August: NEOS BTCI $1.10 billion; Roundhill YBTC $157 million (31 March); YieldMax YBIT $47 million; Grayscale BTCC and BPI, Amplify BAGY, Global X BCCC each under $16 million; and **iShares BITA — BlackRock's Bitcoin Premium Income ETF, which commenced operations on 9 June 2026** at a 0.65% fee and reported $42.6 million of net assets at 30 June. Bitcoin-referenced income wrappers total roughly $1.4 billion — under a tenth of the preferred stack. (YieldMax MSTY, $726 million, overwrites MSTR common; it competes for the same buyer but depends on Strategy's equity, so we count it separately.) On 14 April 2026 Goldman Sachs ETF Trust registered a Goldman Sachs Bitcoin Premium Income ETF — spot-bitcoin ETPs plus written calls, overwrite 40–100% — which has not launched as of mid-August. BTCI alone is now larger than STRF, STRK, STRD or STRE individually, and two of the three largest asset managers in the world have decided the income buyer for bitcoin exposure is worth a product.

Bank notes. JPMorgan Chase Financial priced IBIT-linked notes as early as January 2025 (36 final supplements that month, then nothing for five months); from July 2025 the channel became general, and every major US structured-products desk now wraps IBIT: 321 final pricing supplements since January 2025 from JPMorgan, Morgan Stanley Finance, GS Finance, Citigroup, Barclays and five others — running sixty to ninety a month in late 2025, twenty to thirty a month this year. They are retail-sized: median deal about $0.5 million, the largest $21.7 million, perhaps $0.2–0.4 billion cumulative, sold through wealth channels as two- to three-year principal-at-risk notes with buffers, autocalls and, in about a third of cases, contingent coupons — a bitcoin coupon with a bank credit behind it, at a scale that is a test rather than a competitor. No investment-grade issuer has brought a bitcoin-linked bond at size.

EXHIBIT 5 · THE ROOM THE BUYER IS IN



Log scale. Sizes as of mid-August 2026 (see Sources & Method).

The pattern is the same in all three: the roster is the fact, the volume is the timing. Every substitute is small; every category has been entered by an issuer with a stronger credit and a broader shelf than Strategy's. A fixed-income mandate that can hold STRC can, by the same logic, hold any of these — and the moment one comes in size, Strategy's preferred is the high-yield tranche of that market, not the market.

TREAD 6 · 11.00%

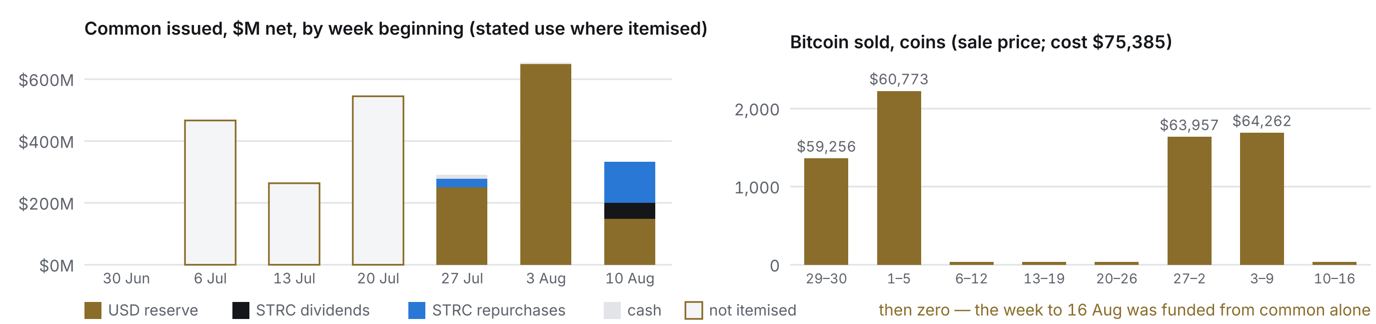
The two customers, and the asymmetry they create

Strategy now has two customers with opposite needs. The preferred holder wants the coupon paid and the reserve full. The common holder wants bitcoin per share to rise. In a rising bitcoin market one act serves both: issue common above net asset value, buy coins, and the coupon is small against the appreciation. At or below 1.0× NAV the same act becomes a transfer: every dividend is paid either by diluting the common at NAV or by selling the coins the common thinks it owns.

The record from 30 June to 16 August is the transfer, made explicit in seven weekly filings. 26.0 million new common shares — 7% of the count, about $2.55 billion of proceeds — of which roughly $2.25 billion went into the USD reserve (which, coincidentally also starting at $2.55 billion when the framework launched, rose to $4.80 billion) and the rest to STRC dividends, STRC repurchases and cash. Zero coins bought. 6,916 coins sold across four tranches from the 847,363 peak, at $59,256, $60,773, $63,957 and $64,262, every one 15–21% below the $75,385 average cost, with the stated use migrating from "fund dividends and replenish the reserve" to "repurchase STRC." Bitcoin per share fell 6.4% over the quarter to 9 August, before the latest week's issuance.

The week to 16 August completed the migration. Strategy sold no bitcoin at all, and funded everything from the common: $333.7 million of stock issued, of which the filing allocates $52.4 million to STRC dividends, $132.2 million to STRC repurchases and $149.1 million to the reserve. For the first time the coupon, the price support and the buffer were paid entirely by the common holder in a single week — 3.46 million shares, about 0.9% of the count, for a preferred class that neither grew nor cost less. The company describes the same week as increasing "USD Duration by 41 days to 2.8 yrs" and tightening "STRC's BTC Credit by 4 bps to 114 bps": the credit improved, and the improvement was bought with equity. The 29 June framework did not resolve the conflict; it institutionalised it — a board-governed reserve for the pref, a monetization program that sells the common's collateral to fill it, and repurchase programs that may not touch the reserve.

EXHIBIT 6 · THE TRANSFER, SEVEN WEEKS



That is what "distribution" is in a flat-to-down bitcoin market: the common paying the pref to exist.

Management does not dispute the order of priority; it describes it as a plan. Asked on 17 August by a shareholder whose position had fallen from $73,000 to $20,000 whether common holders were the company's lowest priority, Saylor answered that the company is "in investment mode to build the credit" and that "the equity will ... actually come later"; that "the single most important thing is for us to stabilize the credit business"; and that shareholders should "be prepared to have difficult years — might be one year, it might be two years, we wouldn't think it would be four years — but we might have to actually ride through some number of months or a year or two in order to get to the point where things start to work to the benefit of the equity." Later in the same session, answering a different question, management stated the trade plainly: "we're willing to bet that Bitcoin will outperform our hurdle rate. Right now, our hurdle rate is 10.5% or something" — the briefing filed four days earlier puts it at 10.77%. That is the asymmetry, described by the person running it — a fixed charge borne by the common now, against a credit franchise that pays the common later if bitcoin clears the cost of the credit.

The same session supplied a stress test of the ordering, in management's own hypothetical. Asked why STRC would not be allowed to trade above $101, Saylor said that if the instrument "falls to 95 or 90, the company is going to use all of its resources to bring it back to the trading range and to bring it back to par," and then turned to the people betting against it: "we're putting the interest of the $10 billion ... of credit investors ahead of the interest of the $300 million of short investors ... if someone wants to short $10 billion of this thing when it hits a hundred, then we will have $10 billion of credit and someone else will be paying 12% interest on their 10 billion ... someone else would be paying $1.2 billion of dividends to make STRC a $20 billion AUM instrument." The $300 million is right: FINRA short interest at the 31 July settlement was 3.39 million shares, about $320 million and 3.2% of the class then outstanding, down from a 3.67 million-share peak into the June break — though as a share of the class it was higher, 6.2%, at 31 March, when the class was half the size; the short shrank relative to STRC mostly because STRC doubled. The rest does not survive arithmetic. STRC outstanding is $10.1 billion, so a $10 billion short is the entire issue — roughly ninety-five days of volume against a class that is seventy percent retail and whose lendable supply shrinks with every share the company retires — no borrow of that scale is evident in the market. And a short raises the company nothing: it creates a synthetic long whose coupon the short seller pays to the lender, while Strategy pays every record holder exactly as before. "Someone else pays the dividend" is true of the short's own carry — twelve percent plus the borrow, against a coupon the issuer can raise at will and a $101 call it can exercise at will — consistent with a position that is small and has been getting smaller. It is not true of the defense. What "all of its resources" meant in the week to 16 August is itemised in the filing above: $52.4 million of common sold to pay the coupon, $132.2 million of common sold to buy STRC at $95.20, $149.1 million of common sold to fill the reserve. The ordering management stated was credit investors first, short sellers second. The filing supplies the party the ordering left out — the one that pays for the win, in the only scenario in which the defense wins.

Put the two regimes side by side and the payoff shape is explicit. Above NAV, the machine is accretive on both sides and the common is the geared way to own a rising coin — the case for buying it low ahead of a bull market is exactly that, and nothing in the record refutes it. At or below NAV, the machine is a transfer whose rate is set by the coupon, and the coupon has only moved one way. The two paths are not mirror images: the up path is capped by whatever premium the market will re-grant, the down path is uncapped and compounds. Leverage of that shape is a call option whose premium is paid daily out of the underlying. Whether the premium shrinks depends on whether the funding stack can ever be repriced downward — which is the distribution question again, and the record answers it.

TREAD 7 · 11.25%

What Strategy is when the coupon is the business — and who else is asking

Absent a franchise, the company is a closed-end bitcoin fund with a perpetual $1.76 billion fixed charge that grows with every preferred sold, no premium to issue into, a coupon that must rise to clear against a widening set of substitutes, and a board-restricted cash reserve that is refilled from the collateral or from dilution. The stated plan is to sell $5.4–10.8 billion more preferred a year; at the current STRC rate that adds roughly $0.65–1.3 billion a year to the charge. Closed-end funds with permanent fixed charges and no premium trade below net asset value; the discount is the capitalised drain. On the sum-of-the-parts frame in our July valuation, the common's fair value converges on the coins, less the senior claims, less the drain — which is approximately where MSTR trades: ~1.0× net asset value on that convention, ~$94 against a $93–95 screen. The market has already priced the company as that fund; the distribution story is the argument for why it should be worth more. The record does not support the argument. The company's own briefing states the consequence in its own units: it defines a "BTC Hurdle ARR" of 10.77% as "Strategy's current effective cost of credit," and its illustrative table shows the spread per $1 billion of Digital Credit as negative at any bitcoin return below that hurdle (−$108 million at 0%, −$58 million at 5%, −$8 million at 10%) and positive only above it. We make no forecast of bitcoin's return; the company's own arithmetic says the credit machine subtracts from the common unless bitcoin compounds faster than the coupon.

The index provider is asking the same question. In August 2026 MSCI opened a consultation on making "Non-Operating Companies" ineligible for its Global Investable Market Indexes — companies that, in its words, "create value by accumulating and holding non-operating assets," "spend and generate little cash from running an actual business," whose "performance [is] driven by market movements, not other revenue-generating activities," and that are "reliant on external capital, not their own operations, to grow." The test is mechanical: a core screen (operating assets above 50% of total assets), and for companies that fail it five ratios — operating-asset intensity, expense intensity, a cash-flow screen, fair-value intensity, capital dependence — with ineligibility on four of the five; existing constituents get looser thresholds and must fail on two consecutive annual filings. Applied to May 2026 data, MSCI's own simulation deletes three companies from ACWI IMI — Strategy, at a $23.9

billion free-float capitalisation, Yellow Cake and Metaplanet — and puts three more on a watchlist. Feedback closes 30 September; results by 16 October; implementation, if any, at the November 2026 review. It is MSCI's second attempt: an October 2025 proposal aimed at companies with digital assets of 50% or more of total assets was, on 6 January 2026, not implemented at the February review; MSCI said instead that it would open this broader consultation and, in the interim, limit increases in the number of Strategy-type shares included in its indexes — a limit the company's filings describe and nothing since suggests has been lifted. This is index deletion, not exchange delisting; the Nasdaq listing is not in question.

Management's answer, on 17 August: MSCI indices "represent somewhere between 3 and 4% of our current shares"; exclusion means "you could expect that to create some selling pressure over a period of time, but it's really immaterial to us"; MSCI is "taking a position against general[ly] accepted accounting principles"; the company will respond formally. Its public position was already on record — a statement on 14 August, three days before the call: "Digital assets are assets. Index providers should measure markets, not decide which assets companies are allowed to own ... Bitcoin doesn't need MSCI. Neither does Strategy."

On the flow, management is right. Three to four percent of the shares is roughly 11 to 15 million — $1.0 to 1.4 billion at the 12 August close — three-quarters to one day of MSTR's average volume, or roughly two to five weeks of the ATM at its recent pace. Three things matter more than the flow. First, it is the mandated equity buyer leaving: index funds are the one part of the "97%" that holds MSTR because a rule says so, and a rule that says otherwise removes them — the interim share caps already mean new ATM shares are not being absorbed by passive money. Second, it lands on the funding channel: the common ATM is what has paid the coupon, the buyback and the reserve, and a known overhang dated to the November review is a discount to that ATM at the moment it is doing all the work. Third, the classification itself: five ratios written by an index provider to separate operating companies from vehicles that accumulate assets with external capital reach, by a different route, the conclusion this section reaches by valuation — and, if adopted, are a precedent other providers can copy. The larger passive pools are the Nasdaq-100 and Russell memberships; neither provider has proposed a comparable screen.

The scenarios at the November review are three. Adopted as proposed: Strategy is deleted, ten to fifteen million shares of passive supply arrive around the effective date alongside the rest of the treasury cohort, and the ATM prices against them. Adopted with buffers — the January precedent — a watchlist rather than a deletion, or the share caps extended: no forced selling, but the index weight is frozen and passive money is not a marginal buyer of new issuance. Withdrawn again: the status quo, caps included, and the question returns at the next annual filing review. Under all three the reserve, the coupon and the buyback are funded through the ATM; the index decides who is on the other side of it.

TREAD 8 · 11.50%

What would change our mind

We register these as house-view triggers and will score them.

- **The 17 August investor Q&A and 8-K are incorporated.** The next scheduled inputs are the weekly 8-Ks (Mondays) and the STRC rate announcement for the September periods; a change to the no-issuance-below-$100 policy, or STRC issuance resuming, would be the first sign the franchise is being tested again rather than defended.
- **STRC sustained at its stated amount at 12%** — ten consecutive closes at or above $99.50 — is management's own bar and would weaken the verdict.
- **Net STRC issuance resuming and coin purchases resuming without common issued below 1.05× NAV** — two of three would be a recovery of the credit franchise on both sides.
- **The holder split is now a series management updates in public: 80/20 in late May, 70/30 on 17 August — and the filings now give a second series: 13F-reported STRK 45.9% at 31 March, 40.0% at 30 June.** A further move toward institutions, a disclosed methodology, or any insurer or pension appearing at size in the Q3 13F and N-PORT round (mid-November) would weaken the holder finding. Continued absence of yield mandates from the filings while the reported ratio improves would sharpen the distinction the note draws.
- **MSCI's consultation result, due by 16 October, and the November review.** Adoption as proposed — Strategy deleted from the Global Investable Market Indexes — strengthens the funding-channel finding; a second withdrawal is neutral; any comparable screen proposed by Nasdaq or FTSE Russell would be a larger version of the same event.
- **A change in Strategy's B– corporate rating**, or any statement that the rating agency has begun assigning value to the bitcoin, would go to the heart of §3.
- **STRC short interest** (FINRA, semi-monthly) rising above about 10 million shares — a tenth of the class — with days-to-cover above five on normal volume (days-to-cover alone has printed above five on thin winter volume with the short unchanged) would mean the credit is being tested from outside, and the bill for defending it, paid through the common's ATM, would rise with it. Short interest falling toward zero while STRC still trades below $99 would confirm the opposite: the discount is the buyer's, not the shorts'.
- **A coupon above 12%**, another DAT preferred of $1 billion or more at or below STRC's rate, an investment-grade bitcoin-linked note of $1 billion or more, IBIT-linked bank notes running above $100 million a month, or the Goldman fund launching — each strengthens the substitution finding.

TREAD 9 · 12.00%

The strongest counter, answered

THE COUNTER	ANSWERED
"Fixed income is $40 trillion; even one percent is $400 billion; the preferred stack is $15 billion; the runway is enormous."	Size of a pool is not demand for a product. The market has been offered this product for thirteen months at rising coupons and, where we can see it, holds it in equity funds, index ETFs and convert desks. Demand is revealed by price, and price says CCC.
"The coupon resets show flexibility, not weakness."	Management's own rule ties the rate to par, and the market has not delivered par at 12%. A franchise sets its price; a price-taker accepts one.
"The reserve solves the two-customer problem."	The reserve is filled by diluting the common at NAV or selling coins. It moved the conflict onto the balance sheet; it did not remove it.
"Retail is sticky."	Retail income buyers are the least mandate-constrained buyers in the market: they can own BTCI, SATA or a JPMorgan note tomorrow. Their stickiness was tested in June, at $74.57.
"Issuing equity to pay the coupon is not dilution — it is accretive."	This is management's own answer, given on 17 August: issuing stock above net asset value ("we're currently about 1.07") to buy bitcoin raises bitcoin per share; issuing it above NAV to repurchase STRC at $95 retires a $100 claim at a discount; issuing it above NAV to hold dollars strengthens the balance sheet. Each of those trades is accretive in isolation, and the arithmetic is correct. Two things qualify it. The premium doing the work is 1.06–1.07× on the company's own measure — a margin thin enough that the accretion from any one trade is small, and one that disappears entirely if the common trades at or below NAV, at which point the same transactions run in reverse. And the aggregate is measurable regardless of how any single trade is characterised: bitcoin per share fell 6.4% over the quarter to 9 August. A sequence of individually accretive trades that leaves the common holder with fewer coins per share is a description of the fixed charge, not a refutation of it.

↥	*"97% of institutional capital is mandated to equity or credit."*	Granted — and irrelevant unless that capital is buying. Section 4 measured whether it is.
↥	*"Shorts are good for us — a $10 billion short is $10 billion of credit, and someone else pays the coupon."*	Management's own hypothetical, 17 August. A short creates a synthetic long that the short seller finances; it issues nothing and raises the company nothing. The borrow for $10 billion does not exist — the class is $10.1 billion and the short interest is $320 million. And the cash that actually defends par — coupon, repurchase, reserve — came, in the latest filed week, entirely from selling common. Someone else does pay; Section 6 names them.
↥	*"None of this matters if you buy the low ahead of a bull market — the leverage pays."*	Correct, and the note does not say otherwise: bought at or below NAV, the common is a levered claim that outperforms the coin in a rising market. What the note says is what that position costs while you wait — 3.3% of the stack a year plus dilution at NAV, rising with each coupon reset — and that the funding stack the bull case relies on to shrink that cost is, on the record, a price-taker. The trade is a call on timing; the asymmetry is the premium paid for it.

APPENDIX

Sources & Method

Company statements. Strategy investor Q&A, 17 August 2026, 12:00 ET, streamed on X and YouTube (Michael Saylor, Phong Le; moderated by Natalie Brunell; 1:02:50). Quotations are transcribed from the automatic captions of the replay. Every quoted passage was cross-checked against a second, independently uploaded recording of the same event and is identical in both; timestamps for each quotation are recorded in the note's verification log. Two limitations are disclosed rather than papered over: the quotations were not checked against the audio recording — both caption tracks are machine-generated, so a recognition error common to both would not have been caught, and while the author has read every quoted passage in context and believes them accurate, they may contain transcription errors; and the captions carry no speaker labels — attributions to a named executive are made only where the moderator addressed the question to that person or named the speaker on closing the same unbroken answer (as with the 0:46:14–0:53:46 answer, closed "thanks so much for that Michael"), and are given as "management" otherwise. Filler ("uh," "you know") is elided with ellipses and a single repeated word is silently dropped; no words have been added or reordered. Where a passage follows an unmarked speaker change it is attributed to "management" even when context makes the speaker likely. Statements relied on: the "semi-volatile" and "strip the volatility off the instrument" descriptions of STRC (Saylor, opening answer and the 46:14–53:46 turn), the STRC holder split (80/20 to 70/30), the reason given for institutional lag, STRF's relative demand and liquidity, the B– corporate rating and the agency's zero valuation of bitcoin, the accretion argument for equity issuance, the 10.5% hurdle rate, the $99–100 trading objective, the statements on the timing of equity returns, and the par-defence and short-seller passage (0:49:52–0:52:02: "all of its resources," "$10 billion ... of credit investors ahead of ... the $300 million of short investors," the $10 billion short hypothetical).

Index methodology. MSCI, *Consultation on Eligibility of Non-Operating Companies for the MSCI Global Investable Market Indexes Methodology*, August 2026 (13 pp.; the core and exclusion screens, thresholds and buffers, the ACWI IMI simulation as of May 2026 naming Strategy at USD 23,931M FIF market cap, and the 30 Sep / 16 Oct / November 2026 timeline); Strategy Q2-2026 10-Q risk factor on the October 2025 MSCI proposal, MSCI's 6 January 2026 decision not to implement it at the February review, and the interim limits on share-count increases (the statement that those limits are still operative is our inference from the absence of any announced change); management's 17 August Q&A answer (0:27:28–0:29:24 of the replay; the caption reads "general accepted accounting principles," an evident recognition error corrected in brackets); Strategy's public statement on X, 14 August 2026, as reported identically by two outlets — no primary capture. Passive-flow arithmetic: 3–4% of 371.6M basic shares (Q2 10-Q) at the 12 August close, against FINRA-reported average daily volume of 15.1M shares (31 July settlement) and ATM issuance of 3.0–6.6M shares a week (8-Ks 27 Jul–17 Aug).

Filings. Strategy Inc Form 8-K dated 2026-08-17 (ATM, BTC, repurchase and USD Reserve updates for the week to 16 August; no bitcoin bought or sold; $333.7M of MSTR stock sold and allocated $52.4M/$132.2M/$149.1M to STRC dividends, STRC repurchases and the reserve; 1,388,720 STRC repurchased for $132.2M; USD Reserve $4.80B; $653.0M of the Digital Credit repurchase authorisation remaining). Strategy Inc Free Writing Prospectus filed 2026-08-14 (acc. 0001193125-26-352145; "MSTR / STRC / STRF Investor Briefing" dated 13 August 2026 — franchise language, 10–20% Digital Credit sales target, BTC Hurdle ARR and spread table, STRC yield and historical-volatility comparables at the 7 Aug close (30-day and one-year volatility for STRC, STRF, STRK, STRD, SGOV, HYG, JNK, PFF, PGX, LQD, IEF, BIL), $99–100 objective and no-issuance-below-$100 intent, $15.24B preferred and 2.7-year coverage on the company's 10 Aug snapshot); Strategy press release 2026-08-11 announcing the 17 August investor Q&A. Strategy Inc Forms 8-K dated 2025-08-28, 2025-09-30, 2025-10-06, 2025-10-30, 2025-12-01, 2026-02-02, 2026-03-02, 2026-04-01, 2026-05-01, 2026-05-15, 2026-05-26, 2026-06-01, 2026-06-15, 2026-06-29, 2026-07-06, 2026-07-13, 2026-07-20, 2026-07-27, 2026-08-03, 2026-08-10 (Items 8.01/7.01: ATM sales, bitcoin holdings and sales, repurchases, USD Reserve balances, STRC dividend-rate announcements); Form 10-Q for the quarter ended 30 June 2026 (filed 2026-08-03; preferred notional and rates, convert principal, expected annual dividends and interest, USD Reserve policy); STRC prospectus supplement 424B5 dated 2025-07-25 (offering price, initial rate). SEC Official List of Section 13(f) Securities, 2026 Q2 (run 30 June 2026), pp. 478–479. Form 13F-HR filings 1 Jul–17 Aug 2026 located by EDGAR full-text search on CUSIP 594972887 and on Strategy preferred titles (91 and 397 filings respectively; one filing could not be retrieved; one Wells Fargo filing restating a March position excluded, leaving 89), info tables parsed programmatically; positions deduplicated by filing, shares and value. The same CUSIP search over 13F-HR filings 1 Apr–30 Jun 2026 (102 filings; six late catch-up filings by Morgan Stanley and Independent Financial Group reporting 2025 periods excluded, leaving 96 with positions at 31 March 2026) provides the quarter-on-quarter comparison; STRK shares outstanding were 14,021 thousand at both 31 March and 30 June per the Q1 and Q2 10-Qs. NPORT-P filings 1 Jan–15 Aug 2026 located by full-text search on the same CUSIP (50 filings, 28 fund series; latest period per series, Nov-2025 to May-2026); and NPORT-P filings 1 Jan–17 Aug 2026 located by full-text search on CUSIPs 594972853 (STRC), 594972879 (STRF) and 594972861 (STRD) — 127 filings, 43 / 24 / 19 fund series respectively, latest period per series (Dec-2025 to Jun-2026); STRC class size taken as 50.2M at 31 March and 104.9M at 30 June from the 10-Qs; STRF/STRD series identified by title ("junior") and by price per share. Rule 424(b)(2) pricing supplements referencing "iShares Bitcoin Trust"/IBIT, 1 Jan 2025–15 Aug 2026 (703 supplements from ten issuers; 321 final; deal sizes parsed for 64 finals — amounts of $100,000 or more, excluding per-note $1,000 denominations, see data/aggregate424.py; cumulative issuance is an extrapolation at the median-to-mean deal size and is presented as a range). Goldman Sachs ETF Trust 485APOS 2026-04-14 (acc. 0001193125-26-154126). iShares Bitcoin Premium Income ETF 10-Q filed 2026-08-11 (acc. 0001437749-26-027004).

Bitcoin realised volatility. Standard deviation of daily log returns of BTC-USD composite closes (Massive), annualised by √365, over the 30 and 365 calendar days ending 7 August 2026 (the as-of date of the company's comparables table): 28.4% and 43.5%; on a √252 convention 23.6% and 36.2% — either way below STRC's thirty-day 41% and above its one-year 22%. Computation archived in data/btc_realised_vol_2026-08-07.json.

Prices. Daily closes 12 Aug 2026 for STRC, STRF, STRK, STRD, MSTR, SATA and BTC-USD, and the STRC close of 14 Aug 2026; STRC weekly closes 28 Jul 2025–10 Aug 2026, and the STRC close of 17 Aug 2026 (Massive market data). STRC short interest and average daily volume: FINRA semi-monthly short-interest reports, settlements 15 May–31 Jul 2026, via Massive; the percentage of class uses the STRC shares outstanding in force at each settlement (104.6M at 31 Jul per the Q2 10-Q; 50.2M at 31 Mar per the Q1 10-Q), not the current count; days-to-cover is short interest over FINRA-reported average daily volume, unfloored; positioning was run through the house short-interest module (research/positioning/STRC/2026-07-31/), which also shows MSTR common short interest at 8.9% of Class A on 31 Jul, the 12th percentile of its two-year range and down 28% in ninety days; borrow fee and utilization are not observable from any free source; the $320 million figure is 3,386,069 shares at the 17 Aug close, and the 3.3% is against 101.2 million shares outstanding (the $10,115 million notional shown on strategy.com on 17 Aug); the "ninety-five days of volume" is $10 billion against the 30-day average of ~1.1 million shares a day. Yields: FRED BAMLH0A0HYM2EY (ICE BofA US High Yield effective yield), BAMLH0A3HYCEY (CCC & lower), BAMLC0A0CMEY (US corporate), DGS10 — observations of 13 Aug 2026. Current yields on the preferreds are stated coupon on the $100 stated amount divided by the 12 Aug close.

Fund assets. Issuer web pages as of 14 Aug 2026 (NEOS BTCI; YieldMax MSTY, YBIT; Amplify BAGY; Global X BCCC); N-PORT net assets at 31 Mar 2026 (Roundhill YBTC; Grayscale BTCC, BPI); BITA net assets at 30 Jun 2026 from its 10-Q.

Prior notes relied on. *The MSTR Era vs the ETF Era* (31 Jul 2026) for the equity-premium history; *The Drain, Made Visible* (31 Jul) for the sum-of-the-parts frame and the ~$20,000 common-wipe price; *The Drained Reservoir* (8/10 Aug) for the reserve drawdown and buyback funding; *The Solvency Map Is Not the Credit* (12 Aug) for the model-vs-market spread comparison; *The MicroStrategy Trade, Cloned Forty Times* (4 Jul) for SATA and BitMine terms; *How Big Does the Bid Get?* (11 Jul) for the credit-channel framing.

Method notes and limits. "Weeks at par" counts weekly closes within $0.50 (16) and $1.00 (24) of the $100 stated amount over 55 weeks. The 13F share of STRK (40.0%) is a floor for managers who tag the CUSIP; the eight title-based queries added no further STRK holders. Filings whose reported period is not the quarter-end in question (late catch-up filings, restated prior periods) are excluded from both quarters; the exclusion list is archived with the data. STRK is convertible and therefore skews *more* institutional than the non-convertible preferreds would; the inference to STRC/STRF/STRD is directional, not measured. N-PORT periods differ by fund;

the 33.1% is a latest-available composite, not a single date. Structured-note sizes were parsed for 64 of 321 final supplements; the "Coinbase" references in those supplements are IBIT's custodian, not an underlier. Fund-asset figures from issuer pages are as displayed on the date shown and were not independently audited. No forecast of bitcoin's return is made or implied; the fixed charge is presented as a subtraction from whatever the coin does. All estimates are labeled as such.

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