

OSPREY POLKADOT TRUST

A Delaware Trust

Sponsored by

Osprey Funds, LLC
1241 Post Road, 2nd Floor
Fairfield, CT 06824
Telephone: (914) 214-4697
www.ospreyfund.io

Primary Standard Industrial Code: 6221

QUARTERLY REPORT

For the period ending June 30, 2022

(the “Reporting Period”)

Shares Representing Common Shares of Fractional Undivided Beneficial Interest

No Par Value Per Share Unlimited Shares Authorized

5,104,747 Shares Issued and Outstanding as of June 30, 2022

5,104,747 Shares Issued and Outstanding as of March 31, 2022

Osprey Funds, LLC (the “Sponsor”), on behalf of Osprey Polkadot Trust (the “Trust”), is responsible for the content of this quarterly report for the quarter ended June 30, 2022 (the “Quarterly Report”), which has been prepared to fulfill the disclosure requirements of the OTCQX U.S. marketplace. The information contained in this Quarterly Report has not been filed with, or approved by, the U.S. Securities and Exchange Commission (the “SEC”) or any state securities commission. Any representation to the contrary is a criminal offense.

All references to “the Trust,” “the Sponsor,” “the Issuer,” “Osprey Polkadot Trust,” “we,” “us” or “our” refers to the Trust or the Sponsor, as the context indicates. The Trust is a passive entity with no operations, and where the context requires, we provide disclosure with respect to the Sponsor, which administers the Trust.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 (“Securities Act”) and Rule 12b-2 of the Securities Exchange Act of 1934).
Yes No

Indicate by check mark whether the company’s shell status has changed since the previous reporting period. Yes No

Indicate by check mark whether a change in control of the company has occurred over this reporting period. Yes No

This Quarterly Report reflects financial results through June 30, 2022. It was prepared as of August 11, 2022.

Capitalized terms used herein shall have the meanings ascribed to them in the Amended and Restated Declaration of Trust and Trust Agreement of Osprey Polkadot Trust, dated as of May 1, 2022 (“Trust Agreement”) or the Confidential Private Placement Memorandum Offering Shares in Osprey Polkadot Trust (“PPM”), dated as of June 30, 2022.¹

¹ The Current version of the PPM is available from the Sponsor at ospreyfund.io.

Table of Contents

Item 1. The exact name of the issuer and the address of its principal executive offices	6
Item 2. Shares outstanding.....	6
Item 3. Interim financial statements.....	7
Item 4. Management’s discussion and analysis.....	7
Item 5. Legal proceedings.....	8
Item 6. Defaults upon senior securities.....	8
Item 7. Other information.....	8
Item 8. Exhibits.....	9
Item 9. Issuer’s certifications.....	10

Exhibit 1 Unaudited financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains “forward-looking statements” with respect to the Trust’s financial conditions, results of operations, plans, objectives, future performance and business. Statements preceded by, followed by or that include words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of these terms and other similar expressions are intended to identify some of the forward-looking statements. All statements (other than statements of historical fact) included in this Quarterly Report that address activities, events or developments that will or may occur in the future, including such matters as changes in market prices and conditions, the Trust’s operations, the Sponsor’s plans and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially from such statements. These statements are based upon certain assumptions and analyses the Sponsor made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. You should specifically consider the numerous risks outlined under “Risk Factors” in our Annual Report. Whether or not actual results and developments will conform to the Sponsor’s expectations and predictions, however, is subject to a number of risks and uncertainties, including:

- the risk factors discussed in this Quarterly Report, including the particular risks associated with Polkadot and new technologies such as blockchain technology;
- the inability to redeem Shares;
- the economic conditions in the Polkadot industry and market;
- general economic, market and business conditions;
- the use of technology by us and our vendors, including Coinbase Custody Trust Company, LLC, the Trust’s Custodian, in conducting our business, including disruptions in our computer systems and data centers and our transition to, and quality of, new technology platforms;
- changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies;
- the costs and effect of any litigation or regulatory investigations;
- our ability to maintain a positive reputation
- lack of an organized trading market for the Shares and the risk that any organized trading market that seeks to provide liquidity for the sale of Shares in the future will not provide sufficient liquidity for Shareholders seeking to sell their Shares or otherwise does not operate efficiently; and
- other world economic and political developments.

Consequently, all the forward-looking statements made in this Quarterly Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Sponsor anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Trust's operations or the value of the Shares. Should one or more of the risks discussed under "Risk Factors" in our Annual Report or other uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those described in forward-looking statements. Forward-looking statements are made based on the Sponsor's beliefs, estimates and opinions on the date the statements are made and neither the Trust nor the Sponsor is under a duty or undertakes an obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, other than as required by applicable laws. Moreover, neither the Trust, the Sponsor, nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Investors are therefore cautioned against relying on forward-looking statements.

The risk factors included in our Annual Report continue to apply to us, and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. There have not been any material changes from the risk factors previously described in our Annual Report, except for as provided in "Item 7 – Other Information."

Item 1. The exact name of the issuer and the address of its principal executive offices.

The name of the Trust is Osprey Polkadot Trust.

The address of the Sponsor is: Osprey Funds, LLC
1241 Post Road, 2nd Floor
Fairfield, CT 06824

The Sponsor's telephone number is: (914) 214-4697

The Sponsor's website: The Sponsor maintains a corporate website, www.ospreyfund.io, which contains general information about the Trust and the Sponsor. The reference to our website is an interactive textual reference only, and the information contained on our website shall not be deemed incorporated by reference herein.

Investor relations contact: Osprey Funds, LLC
1241 Post Road, 2nd Floor
Fairfield, CT 06824
Telephone: (914) 214-4697
Email: IR@ospreyfund.io

Item 2. Shares outstanding.

The only class of securities outstanding is common shares of fractional undivided beneficial interest ("Shares"), which represent ownership in the Trust. The Trust's trading symbol on the over-the-counter ("OTC") Market of the OTC Markets Group Inc. is "ODOT" and the CUSIP number for its Shares is 68841K105.

During April 2021, the Trust began a continuous offering of an unlimited number of Shares with no par value, pursuant to Rule 506(c) under the Securities Act. All of the shares issued pursuant to this offering are restricted securities, subject to a minimum holding period of twelve months, unless the Trust becomes the SEC reporting entity, in which case the minimum holding period could be reduced to six months.

During June 2021, the Trust commenced an offering of Shares with no par value, up to \$10,000,000, each Share representing a fractional undivided beneficial interest in the Trust. All shares were sold to accredited investors in an offering of to \$10,000,000 of Shares, dated June 1, 2021, registered in Connecticut and qualified in New York, pursuant to Rule 504 of Regulation D under the Securities Act ("Rule 504 Offering"). The Rule 504 Offering closed on July 23, 2021.

As of June 30, 2022, there were unlimited Shares authorized, 5,104,747 Shares issued and outstanding. 257,842 of the Shares are restricted securities that may not be resold absent registration or an exemption from registration under the Securities Act, and 4,846,905 of the Shares are unrestricted securities. As of June 30, 2022, there were 63 Shareholders owning at least 100 Shares, and 63 Shareholders of record.

Item 3. Interim financial statements.

The Trust's unaudited interim financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022 are attached as Exhibit 1 to this Quarterly Report. The historical results presented herein and therein are not necessarily indicative of financial results to be achieved in future periods. The Trust's unaudited financial statements attached as Exhibit 1 to this Quarterly Report are incorporated herein by reference and are considered as part of this Quarterly Report.

Item 4. Management's discussion and analysis.

The following discussion and analysis of our financial condition and results of operations should be read together with, and is qualified in its entirety by reference to, our unaudited financial statements and related notes attached as an exhibit to this Quarterly Report, which have been prepared in accordance with GAAP. The following discussion may contain forward-looking statements based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those set forth under "Risk Factors" or in other sections of our Annual Report, and under "Cautionary Note Regarding Forward-Looking Statements."

Trust Overview

The investment objective of the Trust is solely for the Shares to realize long-term capital appreciation by tracking the price of DOT tokens, the native token to the Polkadot Network, as defined below ("DOT") on each business day, less liabilities and expenses of the Trust. The Shares are designed as a convenient and cost-effective method for investors to gain investment exposure to DOT without making a direct investment in DOT.

The Trust will not be actively managed. It will not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the market prices of DOT.

Proceeds received by the Trust from the issuance and sale of Shares will be used to acquire DOT. The Trust may accrue staked, forked or airdropped cryptocurrency coins from the Polkadot Network, or their respective U.S. dollar cash equivalents. Such DOT will in all cases be (1) owned by the Trust and held by the Custodian (other than Staked Rewards payable to the Sponsor; see "Staking Rewards" below), (2) disbursed (after conversion to U.S. dollars, as applicable) to pay the Trust's expenses, (3) distributed (after conversion to U.S. dollars, as applicable) to holders of the Trust's Shares ("Shareholders") in connection with the redemption of Shares, if and when redemptions of Shares are ever permitted, (4) distributed (after conversion to U.S. dollars, as applicable), to Shareholders as dividends, if and when dividends are ever paid and/or (5) liquidated in the event that the Trust is terminated or as otherwise required by law or regulation.

At this time, the Trust is not operating a redemption program for Shares and therefore Shares are not redeemable by the Trust. In addition, the Trust may halt issuances of Shares for extended periods of time. As a result, the value of the Shares of the Trust may not approximate, and when traded on any secondary market, the Shares may trade at a substantial premium over, or discount to, the value of the DOT held by the Trust, less the Trust's expenses and other liabilities.

Trust Expenses

The Trust's only ordinary recurring charge is expected to be the remuneration due to the Sponsor (the "Management Fee"). The Management Fee equals 2.50% of the Trust assets per annum. The Sponsor expects that the Trust will pay the Management Fee in monthly installments in arrears. The Sponsor agrees to waive the management fee until January 1, 2023. The Sponsor may extend this waiver annually, in whole or in part, at its sole discretion.

The Sponsor will bear the routine operational, administrative and other ordinary fees and expenses of the Trust (the "Assumed Expenses"); provided, however, that the Trust shall be responsible for any non-routine and ordinary expenses, including in addition to the Management Fee (and Staking Rewards), fees and expenses such as, but not limited to, taxes and governmental charges, expenses and costs, expenses and indemnities related to any extraordinary services performed by the Sponsor (or any other Service Provider, including the Trustee) on behalf of the Trust to protect the Trust or the interests of Shareholders, indemnification expenses, fees, and expenses related to public trading on OTCQX, as defined below ("Extraordinary Expenses").

Staking Rewards

The Sponsor is committed to supporting the Polkadot community and ecosystem. To this end, the Sponsor will ensure that a portion of DOT held by the Trust will be bonded by the Custodian to the Polkadot Network ("staked") for purposes of running a node or multiple nodes on the network. DOT staked to the Polkadot Network receives network inflation and transaction fees in the form of DOT. Such rewards ("Staking Rewards") are variable and will accrue to the benefit of the Sponsor only (i.e., paid entirely, promptly by the Trust to the Sponsor as received), and will be used, in part, to cover expenses related to operating the Trust. Any staking activity will have no material impact on the investment objective of the Trust which is to track the price of DOT.

Review of Financial Results

Unaudited financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022 are attached.

Item 5. Legal proceedings.

There are no current, past, pending or, to the Trust's knowledge, threatened legal proceedings or administrative actions either by or against the Trust or the Sponsor that could have a material effect on the Trust's or the Sponsor's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

Item 6. Defaults upon senior securities.

None.

Item 7. Other information.

The risk factors included in our Annual Report continue to apply to us and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. In addition to such risk factors, investors should consider carefully the risks described below before making an investment decision.

Item 8. Exhibits.

Exhibit 1 Unaudited financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022.

Item 9. Issuer's certifications.

Certification

I, Gregory D. King, certify that:

1. I have reviewed this quarterly disclosure statement, exhibits, and all notes thereto of Osprey Polkadot Trust;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: August 11, 2022

/s/ Gregory D. King

By: Gregory D. King

Title: Chief Executive Officer of
Osprey Funds, LLC

Certification

I, Robert J. Rokose, certify that:

1. I have reviewed this quarterly disclosure statement, exhibits, and all notes thereto of Osprey Polkadot Trust;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Dated: August 11, 2022

/s/ Robert J. Rokose

By: Robert J. Rokose

Title: Chief Financial Officer of
Osprey Funds, LLC

Exhibit 1

Unaudited financial statements as of June 30, 2022 and for the three and six months ended June 30, 2022.