

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2023**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number **000-56307**

Osprey Bitcoin Trust

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

37-6695894
(I.R.S. Employer
Identification No.)

1241 Post Road, 2nd Floor
Fairfield, CT 06824
(Address of Principal Executive Offices) (Zip Code)
(914) 214-4697
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act: Osprey Bitcoin Trust Units

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number Units of the registrant outstanding as of July 17th, 2023: **8,340,536**

OSPREY BITCOIN TRUST
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STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this “Quarterly Report”) contains “forward-looking statements” with respect to the financial conditions, results of operations, plans, objectives, future performance and business of Osprey Bitcoin Trust (the “Trust”). 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 plans of Osprey Funds, LLC, the sponsor of the Trust (the “Sponsor”), 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.” 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 “Item 1A. Risk Factors” of the Trust’s Annual Report on Form 10-K for the year ended December 31, 2022 (the “Annual Report”), including the particular risks associated with new technologies such as Bitcoin and blockchain technology;
- the legal challenges associated with conducting an ongoing redemption program and our plans to begin considering a limited periodic redemption program or an open-ended redemption program;
- the economic conditions in the Bitcoin industry and market, including any prolonged substantial reduction in Bitcoin prices and the impact of the failure of several prominent crypto trading venues and lending platforms on the crypto economy;
- general economic, market and business conditions;
- the use of technology by us and our vendors, including the Custodian (as defined herein), 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;
- other world economic and political developments, such as the ongoing conflict in Ukraine; and
- the Sponsor’s conflict of interest in allocating resources among its different clients and the pursuit of future business or investment opportunities by the Sponsor, its officers and/or affiliated entities.

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 Units. Should one or more of the risks discussed under “Item 1A. Risk Factors” of the Trust’s 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.

INDUSTRY AND MARKET DATA

Although we are responsible for all disclosure contained in this Quarterly Report, in some cases we have relied on certain market and industry data obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications in conjunction with our assumptions regarding the Bitcoin industry and market. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings "Statement Regarding Forward-Looking Statements."

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Osprey Bitcoin Trust
Statements of Assets and Liabilities
June 30, 2023 and December 31, 2022

(Amounts in U.S. dollars, except units issued and outstanding)

	June 30, 2023 (Unaudited)	December 31, 2022
Assets		
Investment in Bitcoin, at fair value (cost \$75,715,496 and \$75,816,514), respectively)	\$ 83,941,528	\$ 46,253,445
Cash	100	257
Other assets	148,797	24,600
Total assets	<u>84,090,425</u>	<u>46,278,302</u>
Liabilities		
Management Fee payable	33,848	19,213
Due to Sponsor	100	166,804
Other payable	75,213	77,505
Total liabilities	<u>109,161</u>	<u>263,522</u>
Net assets	<u>\$ 83,981,264</u>	<u>\$ 46,014,780</u>
Net assets		
Paid-in capital	\$ 76,978,282	\$ 76,978,282
Accumulated net investment loss	(2,780,830)	(2,316,820)
Accumulated net realized gain on investment in Bitcoin	1,556,203	911,557
Accumulated net change in unrealized appreciation (depreciation) on investment in Bitcoin	8,227,609	(29,558,239)
	<u>\$ 83,981,264</u>	<u>\$ 46,014,780</u>
Units issued and outstanding, no par value (unlimited Units authorized)	8,340,536	8,340,536
Net asset value per Unit	<u>\$ 10.07</u>	<u>\$ 5.52</u>

The accompanying notes are an integral part of these financial statements.

Osprey Bitcoin Trust
Schedules of Investment
June 30, 2023 and December 31, 2022

(Amounts in U.S. dollars, except units)

June 30, 2023 (Unaudited)

	Units	Fair Value	Percentage of Net Assets
Investment in Bitcoin, at fair value (cost \$75,715,496)	2,764.70	\$ 83,941,528	100%
Cash and other assets, less liabilities		39,736	0%
Net assets		\$ 83,981,264	100%

December 31, 2022

	Units	Fair Value	Percentage of Net Assets
Investment in Bitcoin, at fair value (cost \$75,816,514)	2,792.88	\$ 46,253,445	101%
Liabilities, less cash and other assets		(238,665)	(1)%
Net assets		\$ 46,014,780	100%

The accompanying notes are an integral part of these financial statements.

Osprey Bitcoin Trust
Statements of Operations
For the three months and six months ended June 30, 2023 and 2022

(Amounts in U.S. dollars)

	Three months ended June 30, 2023 (Unaudited)	Three months ended June 30, 2022 (Unaudited)	Six months ended June 30, 2023 (Unaudited)	Six months ended June 30, 2022 (Unaudited)
Expenses				
Management Fee	\$ 94,797	\$ 111,774	\$ 171,191	\$ 252,916
Professional fees	75,997	172,158	115,682	215,358
Custodian fees	29,055	23,209	52,609	107,743
Other	58,193	1,496	124,528	5,073
Total expenses	<u>258,042</u>	<u>308,637</u>	<u>464,010</u>	<u>581,090</u>
Net investment loss	<u>(258,042)</u>	<u>(308,637)</u>	<u>(464,010)</u>	<u>(581,090)</u>
Net realized gain and net change in unrealized appreciation (depreciation) on investment in Bitcoin				
Net realized gain on investment in Bitcoin	536,290	257,754	644,646	452,877
Net change in unrealized appreciation (depreciation) on investment in Bitcoin	4,690,582	(75,512,850)	37,785,848	(76,494,063)
Total net realized gain and net change in unrealized appreciation (depreciation) on investment in Bitcoin	<u>5,226,872</u>	<u>(75,255,096)</u>	<u>38,430,494</u>	<u>(76,041,186)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 4,968,830</u>	<u>\$ (75,563,733)</u>	<u>\$ 37,966,484</u>	<u>\$ (76,622,276)</u>

The accompanying notes are an integral part of these financial statements.

Osprey Bitcoin Trust
Statements of Changes in Net Assets
For the three months and six months ended June 30, 2023 and 2022

(Amounts in U.S. dollars, except units issued and outstanding)

	Three months ended June 30, 2023 (Unaudited)	Three months ended June 30, 2022 (Unaudited)	Six months ended June 30, 2023 (Unaudited)	Six months ended June 30, 2022 (Unaudited)
Increase (decrease) in net assets from operations				
Net investment loss	\$ (258,042)	\$ (308,637)	\$ (464,010)	\$ (581,090)
Net realized gain on investment in Bitcoin	536,290	257,754	644,646	452,877
Net change in unrealized appreciation (depreciation) on investment in Bitcoin	4,690,582	(75,512,850)	37,785,848	(76,494,063)
Net increase (decrease) in net assets resulting from operations	<u>4,968,830</u>	<u>(75,563,733)</u>	<u>37,966,484</u>	<u>(76,622,276)</u>
Net assets				
Net assets at the beginning of the period	79,012,434	128,614,625	46,014,780	129,673,168
Net assets at the end of the period	<u>\$ 83,981,264</u>	<u>\$ 53,050,892</u>	<u>\$ 83,981,264</u>	<u>\$ 53,050,892</u>
Change in units issued and outstanding				
Units issued and outstanding at the beginning of the period	8,340,536	8,340,536	8,340,536	8,340,536
Units issued and outstanding at the end of the period	<u>8,340,536</u>	<u>8,340,536</u>	<u>8,340,536</u>	<u>8,340,536</u>

The accompanying notes are an integral part of these financial statements.

Osprey Bitcoin Trust

Notes to the Financial Statements (unaudited)

As of June 30, 2023

1. Organization

Osprey Bitcoin Trust (the "Trust") is a Delaware Statutory Trust, formed on January 3, 2019, which commenced operations on January 22, 2019 and is governed by the Second Amended and Restated Declaration of Trust and Trust Agreement dated November 1, 2020, as amended by the Amendment to Trust Agreement dated April 15, 2022 (the "Trust Agreement"). In general, the Trust holds Bitcoin and, from time to time, issues common units of fractional undivided beneficial interest ("Units") in exchange for Bitcoin. The investment objective of the Trust is for the Units to track the price of Bitcoin, less liabilities and expenses of the Trust. The Units are designed as a convenient and cost-effective method for investors to gain investment exposure to Bitcoin, similar to a direct investment in Bitcoin.

Osprey Funds, LLC (the "Sponsor") acts as the sponsor of the Trust. Other funds under the Osprey name are also managed by the Sponsor. The Sponsor is responsible for the day-to-day administration of the Trust pursuant to the provisions of the Trust Agreement. The Sponsor is responsible for preparing and providing annual reports on behalf of the Trust to investors and is also responsible for selecting and monitoring the Trust's service providers. As consideration for the Sponsor's services, the Trust pays the Sponsor a Management Fee (as defined herein) as discussed in Notes 2 and 5.

Coinbase Custody Trust Company, LLC (the "Custodian") is the digital asset custodian of the Trust. Fidelity Digital Assets Services, LLC ("FDAS") served as our digital asset custodian until March 2022. The Custodian is responsible for safeguarding the Bitcoin held by the Trust.

The transfer agent for the Trust (the "Transfer Agent") is Continental Stock Transfer & Trust Company. The Transfer Agent is responsible for the issuance and redemption of Units, the payment, if any, of distributions with respect to the Units, the recording of the issuance of the Units and the maintaining of certain records therewith.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are expressed in US dollars and have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The Trust qualifies as an investment company for accounting purposes pursuant to the accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services – Investment Companies. The Trust is not registered with U.S. Securities and Exchange Commission ("SEC") under the Investment Company Act of 1940. The results for the three months and six months ended June 30, 2023 and 2022 are not necessarily indicative of the results for the entire year or any subsequent interim period. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

Reclassifications

Certain prior period amounts have been reclassified in order to confirm with the current period presentation. These reclassifications have no impact on the Trust's previously reported net investment loss.

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The most significant estimate in the financial statements is the fair value of investments in Bitcoin. Actual results could differ from those estimates and these differences could be material.

Cash

Cash is received by the Trust from investors and converted into Bitcoin for investment. At times, bank deposits may be in excess of federally insured limits. In accordance with ASC 230 "Statement of Cash Flows", the Trust qualifies for an exemption from the requirement to provide a statement of cash flows and has elected not to provide a statement of cash flows.

Subscriptions and Redemptions of Units

Proceeds received by the Trust from the issuance and sale of Units consist of Bitcoin deposits and forked or airdropped cryptocurrency coins from the Bitcoin Network, or their respective U.S. dollar cash equivalents. Such Bitcoins (or cash equivalent) will only be (1) owned by the Trust and held by the Custodian (or, if cash, used by the Sponsor to purchase Bitcoins to be held by the Custodian), (2) disbursed (or converted to U.S. dollars, if necessary) to pay the Trust's expenses, (3) distributed to Accredited Investors (subject to obtaining regulatory approval from the SEC described below) in connection with the redemption of Units, (4) distributed (or converted to U.S. dollars, prior to distribution) to Unitholders as dividends, and (5) liquidated in the event that the Trust terminates or as otherwise required by law or regulation.

The Trust conducts its transactions in Bitcoin, including receiving Bitcoin for the creation of Units and delivering Bitcoin for the redemption of Units (if a redemption program were to be established) and for the payment of the Management Fee.

During June 2020, the Trust began a continuous offering of up to \$5,000,000 of Units with no par value, each Unit representing a fractional undivided beneficial interest in the Trust. 154,183 Units were sold to both accredited and non-accredited investors in an offering of up to \$5,000,000 of Units, dated June 1, 2020, registered in Connecticut and qualified in New York, pursuant to Rule 504 of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") ("Rule 504 Offering"). The Rule 504 Offering closed on August 12, 2020.

On November 12, 2020, the Trust began an offering of an unlimited number of Units pursuant to Rule 506(c) under the Securities Act ("November 2020 Offering"). 4,206,224 Units were sold in the November 2020 Offering.

On January 14, 2021, the Financial Industry Regulatory Authority ("FINRA") determined that the Trust's Units met the criteria for trading on the over-the-counter market ("OTC Market"). On February 16, 2021, the Trust's Units began trading in the OTC Market, operated by OTC Markets Group, Inc., under the ticker symbol "OBTC". On March 3, 2021, the Trust's Units began trading in the OTCQX tier of the OTC Market, under the ticker symbol "OBTC."

Effective November 1, 2021, the Trust suspended the November 2020 Offering under Rule 506(c) under the Securities Act.

As of June 30, 2023, there were 8,340,536 Units issued and outstanding. 151,411 of the Units are restricted securities that may not be resold absent registration or an exemption from registration under the Securities Act, and 8,189,125 of the Units are unrestricted securities.

The Trust is currently unable to redeem Units. On January 13, 2023, the Sponsor communicated to the Trust's Unitholders that it is considering a redemption program for investors in the Trust and that such redemption program would likely involve limited periodic redemptions of Units, although the Trust had not ruled out the possibility of an open-ended redemption program.

Investment Transactions and Revenue Recognition

The Trust identifies Bitcoin as an "other investment" in accordance with ASC 946. The Trust records its investment transactions on a trade date basis and changes in fair value are reflected as the net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using a first in first out method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Management Fee and other expenses in Bitcoin.

Management Fee

The Trust is expected to pay the remuneration due to the Sponsor (the "Management Fee" or "Sponsor Fee"). The Management Fee is charged by the Sponsor to the Trust at an annual rate of 0.49% of the daily Net Asset Value of the Trust and accrues daily in Bitcoin. The Management Fee is payable at the Sponsor's sole discretion, in Bitcoin or in U.S. Dollars for the Bitcoin Market Price (as defined herein) in effect for such Bitcoin at the time of payment.

Trust Expenses

In accordance with the Trust Agreement, the Sponsor bears the routine operational, administrative and other ordinary administrative operating expenses of the Trust (the "Assumed Expenses") other than audit fees, index license fees, aggregate legal fees in excess of \$50,000 per annum and the fees of the Custodian ("Excluded Expenses") and certain extraordinary expenses of the Trust, including 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 interest of Unitholders, indemnification expenses, fees and expenses related to public trading on OTCQX ("Extraordinary Expenses").

Fair Value Measurements

The Trust's investment in Bitcoin is stated at fair value in accordance with ASC 820-10 "Fair Value Measurements", which outlines the application of fair value accounting. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. ASC 820-10 requires the Trust to assume that Bitcoin is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. Principal market is the market with the greatest volume and level of activity for Bitcoin, and the most advantageous market is defined as the market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs. The principal market is generally selected based on the most liquid and reliable exchange (including consideration of the ability for the Trust to access the specific market, either directly or through an intermediary, at the end of each period). The Sponsor has identified Coinbase Pro as the principal market for Bitcoin.

GAAP utilizes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Trust. Unobservable inputs reflect the Trust's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, these valuations do not entail a significant degree of judgment.

Level 2 – Valuations based on quoted prices in markets that are not active or for which significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary by investment. To the extent that valuations are based on sources that are less observable or unobservable in the market, the determination of fair value requires more judgment. Fair value estimates do not necessarily represent the amounts that may be ultimately realized by the Trust.

Definition of Net Asset Value

The net asset value ("NAV") of the Trust is used by the Trust in its day-to-day operations to measure the net value of the Trust's assets. The NAV is calculated on each business day and is equal to the aggregate value of the Trust's assets less its liabilities (which include accrued but unpaid fees and expenses, both estimated and finally determined), based

on the Bitcoin Market Price. In calculating the value of the Bitcoin held by the Trust on any business day, the Trust will use the market price as of 4:00 p.m. New York time. The Trust will also calculate the NAV per Unit of the Trust daily, which equals the NAV of the Trust divided by the number of outstanding Units (the "NAV per Unit"). The Trust considers 4:00 p.m. New York time as a cut off for the end of day reporting.

3. Fair Value of Bitcoin

The investment measured at fair value on a recurring basis and categorized using the three levels of fair value hierarchy consisted of the following as of June 30, 2023 and December 31, 2022:

<u>June 30, 2023</u>	<u>Number of Bitcoin</u>	<u>Per Bitcoin Fair Value</u>	<u>Amount at Fair Value</u>	<u>Fair Value Measurement Category</u>		
				<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment in Bitcoin	<u>2,764.70</u>	<u>\$ 30,361.94</u>	<u>\$ 83,941,528</u>	<u>\$ -</u>	<u>\$ 83,941,528</u>	<u>\$ -</u>

<u>December 31, 2022</u>	<u>Number of Bitcoin</u>	<u>Per Bitcoin Fair Value</u>	<u>Amount at Fair Value</u>	<u>Fair Value Measurement Category</u>		
				<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment in Bitcoin	<u>2,792.88</u>	<u>\$ 16,561.21</u>	<u>\$ 46,253,445</u>	<u>\$ -</u>	<u>\$ 46,253,445</u>	<u>\$ -</u>

The Trust determined the fair value per Bitcoin using the price provided at 4:00 p.m., New York time, by Coinbase Pro, the Trust's principal market.

The Management Fee payable accrued in Bitcoin is converted into United States dollar amount at the period-end Bitcoin Market Price. The fluctuations arising from the effect of changes in liability denominated in Bitcoin are included with the net realized or unrealized appreciation or depreciation on investment in Bitcoin in the statements of operations.

The following represents the changes in quantity and the respective fair value of Bitcoin for the six months ended June 30, 2023:

	<u>Bitcoin</u>	<u>Fair Value</u>
Balance at January 1, 2023	2,792.88	\$ 46,253,445
Bitcoin distributed for Management Fee, related party	(6.79)	(166,831)
Bitcoin distributed for other fees	(21.39)	(585,855)
Net realized gain on investment in Bitcoin	-	651,668
Net change in unrealized appreciation on investment in Bitcoin	-	37,789,101
Balance at June 30, 2023	<u>2,764.70</u>	<u>\$ 83,941,528</u>

Net realized gain on the transfer of Bitcoins to pay the Management Fee and other expenses for the six months ended June 30, 2023, was \$644,646, which includes \$651,668 net realized gain on investment in Bitcoin, and \$7,022 net realized loss resulted from the changes in liabilities denominated in Bitcoin. Net change in unrealized appreciation on investment in Bitcoin for the six months ended June 30, 2023, was \$37,785,848, which includes net change in unrealized appreciation on investment in Bitcoin of \$37,789,101, and \$3,253 net unrealized depreciation due to changes in value of liabilities denominated in Bitcoin.

The following represents the changes in quantity and the respective fair value of Bitcoin for the year ended December 31, 2022:

	<u>Bitcoin</u>	<u>Fair Value</u>
Balance at January 1, 2022	2,828.93	\$ 129,756,984
Bitcoin distributed for Management Fee, related party	(13.78)	(407,612)
Bitcoin distributed for other fees	(22.27)	(531,601)
Net realized gain on investment in Bitcoin	-	809,988
Net change in unrealized depreciation on investment in Bitcoin	-	(83,374,314)
Balance at December 31, 2022	<u>2,792.88</u>	<u>\$ 46,253,445</u>

Net realized gain on the transfer of Bitcoins to pay the Management Fee and other expenses for the year ended December 31, 2022, was \$834,003, which includes \$809,988 net realized gain on investment in Bitcoin, and \$24,015 net realized gain resulted from the changes in liabilities denominated in Bitcoin. Net change in unrealized depreciation on investment in Bitcoin for the year ended December 31, 2022, was \$83,373,064, which includes net change in

unrealized depreciation on investment in Bitcoin of \$83,374,314, and \$1,250 net unrealized appreciation due to changes in value of liabilities denominated in Bitcoin.

4. Income Taxes

The Trust is a grantor trust for U.S. federal income tax purposes. Accordingly, the Trust will not be subject to U.S. federal income tax. Rather, each beneficial owner of Units will be treated as directly owning its pro rata share of the Trust's assets and a pro rata portion of the Trust's income, gain, losses and deductions will "flow through" to each beneficial owner of Units.

In accordance with GAAP, the Trust has defined the threshold for recognizing the benefits of tax return positions in the financial statements as "more-likely-than-not" to be sustained by the applicable taxing authority and requires measurement of a tax position meeting the "more-likely-than-not" threshold, based on the largest benefit that is more than 50% likely to be realized. As of June 30, 2023, the Trust did not have a liability for any unrecognized tax amounts for uncertain tax positions related to federal, state, and local income taxes.

However, the conclusions concerning the determination of "more-likely-than-not" tax positions may be subject to review and adjustment at a later date based on factors including, but not limited to, further implementation guidance and on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Sponsor of the Trust has evaluated whether or not there are uncertain tax positions that require financial statement recognition and has determined that no reserves for uncertain tax positions related to federal, state and local income taxes existed as of June 30, 2023 and December 31, 2022. The Trust's 2020, 2021, and 2022 tax returns are subject to audit by federal, state and local tax authorities.

5. Related Parties

The Sponsor pays certain expenses on behalf of, and is reimbursed by, the Trust. For the three months ended June 30, 2023, and 2022 the Trust reimbursed the Sponsor the expenses in the amount of \$522,533 and \$152,858 respectively. For the six months ended June 30, 2023, and 2022 the Trust reimbursed the Sponsor the expenses in the amount of \$585,855 and \$211,355, respectively.

For the three months ended June 30, 2023, and 2022, the Trust incurred Management Fees of \$94,797 and \$111,774 respectively, which are recorded in the accompanying statements of operations. For the six months ended June 30, 2023, and 2022, the Trust incurred Management Fees of \$171,191 and \$252,916 respectively, which are recorded in the accompanying statements of operations. As of June 30, 2023 and December 31, 2022, there were unpaid Management Fees of \$33,848 and \$19,213, respectively, which are recorded as management fee payable in the accompanying statements of assets and liabilities.

The Trust's Management Fee is accrued daily in Bitcoins and will be payable, at the Sponsor's sole discretion, in U.S. dollars or in Bitcoins at the Bitcoin Market Price in effect at the time of such payment. From inception through June 30, 2023, all Management Fees have been paid in Bitcoin to the Sponsor.

6. Risks and Uncertainties

Investment in Bitcoin

The Trust is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, Bitcoin. Investing in Bitcoin is currently unregulated, highly speculative, and volatile.

The net asset value of the Trust relates primarily to the value of Bitcoin held by the Trust, and fluctuations in the price of Bitcoin could materially and adversely affect an investment in the Units of the Trust. The price of Bitcoin has a limited history. During such history, Bitcoin prices have been volatile and subject to influence by many factors including the levels of liquidity.

If Bitcoin exchanges continue to experience significant price fluctuations, the Trust may experience losses. Several

factors may affect the price of Bitcoin, including, but not limited to, global Bitcoin supply and demand, theft of Bitcoin from global exchanges or vaults, and competition from other forms of digital currency or payment services. The Bitcoin held by the Trust are commingled and the Trust's Unitholders have no specific rights to any specific Bitcoin. In the event of the insolvency of the Trust, its assets may be inadequate to satisfy a claim by its Unitholders.

There is currently no clearing house for Bitcoin, nor is there a central or major depository for the custody of Bitcoin. There is a risk that some or all of the Trust's Bitcoin could be lost or stolen. The Trust does not have insurance protection on its Bitcoin which exposes the Trust and its Unitholders to the risk of loss of the Trust's Bitcoin. Further, Bitcoin transactions are irrevocable. Stolen or incorrectly transferred Bitcoin may be irretrievable. As a result, any incorrectly executed Bitcoin transactions could adversely affect an investment in the Trust.

To the extent private keys for Bitcoin addresses are lost, destroyed or otherwise compromised and no backup of the private keys are accessible, the Trust may be unable to access the Bitcoin held in the associated addresses and the private keys will not be capable of being restored. The processes by which Bitcoin transactions are settled are dependent on the Bitcoin peer-to-peer network, and as such, the Trust is subject to operational risk. A risk also exists with respect to previously unknown technical vulnerabilities, which may adversely affect the value of Bitcoin.

The Custodian

The digital assets owned by the Trust are held by the Custodian and secured in a segregated custody account. All digital asset private keys are stored in offline storage, or "cold" storage. "Cold" storage is a safeguarding method by which the private keys corresponding to digital assets are disconnected and/or deleted entirely from the internet. As a result of digital assets being stored in "cold" storage, any withdrawal and subsequent transaction request to the Custodian by the Trust requires up to twenty-four (24) hour prior notice to process. Such time delay between the withdrawal request and processing of the withdrawal may negatively impact the price of the digital asset upon sale. The Custodian provides the Trust with monthly account statements. The Custodian is independent from the Sponsor.

7. Indemnifications

In the normal course of business, the Trust enters into contracts with service providers that contain a variety of representations and warranties and which provide general indemnifications. It is not possible to determine the maximum potential exposure or amount under these agreements due to the Trust having no prior claims. Based on experience, the Trust would expect the risk of loss to be remote.

8. Financial Highlights

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Per Unit Performance (for a unit outstanding throughout the period)				
Net asset value per unit at beginning of period	\$ 9.47	\$ 15.42	\$ 5.52	\$ 15.55
<i>Net increase (decrease) in net assets resulting from operations</i>				
Net realized gain (loss) and change in unrealized appreciation (depreciation) on investment	0.63	(9.03)	4.61	(9.13)
Net investment loss	(0.03)	(0.03)	(0.06)	(0.06)
Net increase (decrease) in net assets resulting from operations	0.60	(9.06)	4.55	(9.19)
Net asset value per unit at end of period	\$ 10.07	\$ 6.36	\$ 10.07	\$ 6.36
Total return	<u>6.34%</u>	<u>(58.75)%</u>	<u>82.43%</u>	<u>(59.10)%</u>
Ratios to average net asset value				
Expenses	<u>1.29%</u>	<u>1.28%</u>	<u>1.32%</u>	<u>1.08%</u>
Net investment loss	<u>(1.29)%</u>	<u>(1.28)%</u>	<u>(1.32)%</u>	<u>(1.08)%</u>

An individual Unitholder's return, ratios, and per Unit performance may vary from those presented above based on the timing of Unit transactions. Total return and ratios to average net asset value are calculated for the Unitholders taken as a whole. Ratios have been annualized for the partial periods ended June 30, 2023 and 2022.

9. Subsequent Events

On June 29, 2023, an affiliate to the Sponsor entered into an agreement to purchase 2,932,321 units from an unaffiliated investor in a private transaction. This purchase represented approximately 35% of Units of the Trust. The transaction settled on July 14, 2023.

There are no events that have occurred that require disclosure other than that which has already been disclosed in these notes to the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited financial statements and related notes included elsewhere in this Quarterly Report, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. 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 Part II in this Quarterly Report.

Trust Overview

The Trust is a passive investment vehicle, and its assets will not be actively managed. As a result, 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 Bitcoins. The investment objective of the Trust is for the Units to reflect the performance of Bitcoin as measured by reference to Coin Metrics CMBI Bitcoin Index (the "Index"), less the aggregate Trust expenses and other liabilities. To date, the Trust has not met its investment objective.

The Units are intended to constitute a cost-effective and convenient means of gaining investment exposure to Bitcoin. However, an investment in the Units may operate and perform differently over time, and at any given time, than an investment directly in Bitcoin due to such factors as Trust fees and expenses, the quantity of Units available for trading, and the relative liquidity, and differences in the markets trading Bitcoin from the markets trading the Units (e.g., hours of operation, marketplace rules, clearance and settlement, market participants). Although the Units will not be the exact equivalent of a direct investment in Bitcoin, they provide investors with an alternative that constitutes a relatively cost-effective way to participate in Bitcoin markets through the securities market. The Units have been quoted on OTC Markets since February 12, 2021, and on OTCQX under the symbol "OBTC" since February 26, 2021, and to date have not met their investment objective.

At this time, the Trust is not operating a redemption program for Units and therefore Units are not redeemable by the Trust. On January 13, 2023, the Trust informed investors that it was considering a redemption program for the Units, which would likely involve limited periodic redemptions of Units, however, the possibility of an open-ended redemption program was not ruled out, and the Trust was working with legal counsel to offer a redemption program. To date, there have been no material developments regarding a redemption program for the Units. The Trust may halt issuances of Units for extended periods of time. As a result, the value of the Units of the Trust may not approximate, and when traded on any secondary market, the Units may trade at a substantial premium over, or discount to, the Trust's NAV per Unit.

Critical Accounting Estimates

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of Bitcoin for Units creations and the delivery of Bitcoin for Units redemptions or for payment of expenses in Bitcoin. At this time, the Trust is not accepting redemption requests from unitholders. The Trust records its investment transactions on a trade date basis and changes in fair value are reflected as the net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using a first in first out method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Management Fee and other expenses in Bitcoin.

Principal Market and Fair Value Determination

To determine which Bitcoin market will serve as the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's NAV, the Trust follows FASB ASC 820-10, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for Bitcoin in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that Bitcoin is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact.

The Trust purchases Bitcoin directly from various counterparties, such as Galaxy Digital, Jane Street, and Cumberland DRW LLC, and does not itself transact in any Bitcoin markets. The purchase price of Bitcoin from our counterparties may vary significantly. The Trust looks to these counterparties when assessing entity-specific and market-based volume and the level of activity in the Bitcoin markets. The Trust determines the value of Bitcoin at any given time by reference to the market price of Bitcoin traded on Coinbase Pro, the Trust's principal market, as determined at 4:00 p.m., New York time on each business day (the "Bitcoin Market Price"). The Trust evaluates its principal market selection (or in the absence of a principal

market the most advantageous market) at least annually and conducts a quarterly analysis to determine (i) if there have been recent changes to each bitcoin market's trading volume and level of activity in the trailing twelve months, (ii) if any Bitcoin markets have developed that the Trust has access to, or (iii) if recent changes to a Bitcoin market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Trust's determination of its principal market. The Trust does not anticipate changing its principal market more frequently than annually, in connection with its annual evaluation of its principal market selection and annual financial audit. Each annual evaluation will take into account the findings from the Trust's quarterly reviews.

The cost basis of a Trust investment in Bitcoin recorded by the Trust for financial reporting purposes is the fair value of the Bitcoin at the time of contribution to the Trust. The Bitcoin cost basis recorded by the Trust may differ from the value of the proceeds collected by the Sponsor from the sale of the corresponding Units to investors.

Investment Company Considerations

The Trust is an investment company for GAAP purposes and follows accounting and reporting guidance in accordance with the FASB ASC Topic 946, *Financial Services – Investment Companies*. The Trust uses fair value as its method of accounting for Bitcoin in accordance with its classification as an investment company for accounting purposes. The Trust is not a registered investment company under the Investment Company Act of 1940. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates and these differences could be material.

Review of Financial Results (unaudited)

Financial Highlights for the Three and Six Months Ended June 30, 2023 and 2022

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net realized and unrealized gain (loss) on investment in Bitcoin	\$ 5,226,872	(75,255,096)	\$ 38,430,494	(76,041,186)
Net increase (decrease) in net assets resulting from operations	\$ 4,968,830	(75,563,733)	\$ 37,966,484	(76,622,276)
Net assets	\$ 83,981,264	53,050,892	\$ 83,981,264	53,050,892

Net realized and unrealized gain on investment in Bitcoin for the three months ended June 30, 2023 was \$5,226,872 which includes a realized gain of \$536,290 on the transfer of Bitcoins to pay the Management Fee and other expenses and net change in unrealized appreciation on investment in Bitcoin of \$4,690,582. Net realized and unrealized gain on investment in Bitcoin for the period was driven by Bitcoin price appreciation from \$28,467.79 per Bitcoin as of March 31, 2023 to \$ 30,361.94 per Bitcoin as of June 30, 2023. Net increase in net assets resulting from operations was \$4,968,830, for the three months ended June 30, 2023, which consisted of the net realized and unrealized gain on investment in Bitcoin, less the Management Fee of \$94,797 and other expenses of \$163,245. Net assets increased to \$83,981,264 at June 30, 2023, a 6% increase for the period. The increase in net assets resulted from the aforementioned Bitcoin price appreciation which was partially offset by the Trust's expenses of \$258,042 for the period.

Net realized and unrealized loss on investment in Bitcoin for the three months ended June 30, 2022 was \$75,255,096 which includes a realized gain of \$257,754 on the transfer of Bitcoins to pay the Management Fee and other expenses and net change in unrealized depreciation on investment in Bitcoin of \$75,512,850. Net realized and unrealized loss on investment in Bitcoin for the period was driven by Bitcoin price depreciation from \$45,595.55 per Bitcoin as of March 31, 2022 to \$18,895.01 per Bitcoin as of June 30, 2022. Net decrease in net assets resulting from operations was \$75,563,733 for the three months ended June 30, 2022, which consisted of the net realized and unrealized loss on investment in Bitcoin, less the Management Fee of \$111,774 and other expenses of \$196,863. Net assets decreased to \$53,050,892 at June 30, 2022, a 59% decrease for the period. The decrease in net assets resulted from the aforementioned Bitcoin price depreciation and the Trust's expenses of \$308,637 for the period.

Net realized and unrealized gain on investment in Bitcoin for the six months ended June 30, 2023 was \$38,430,494 which includes a realized gain of \$644,646 on the transfer of Bitcoins to pay the Management Fee and other expenses and net change in unrealized appreciation on investment in Bitcoin of \$37,785,848. Net realized and unrealized gain on investment in Bitcoin for the period was driven by Bitcoin price appreciation from \$16,561.21 per Bitcoin as of December 31, 2022 to \$ 30,361.94 per Bitcoin as of June 30, 2023. Net increase in net assets resulting from operations was \$37,966,484, for the

six months ended June 30, 2023, which consisted of the net realized and unrealized gain on investment in Bitcoin, less the Management Fee of \$171,191 and other expenses of \$292,819. Net assets increased to \$83,981,264 at June 30, 2023, a 83% increase for the period. The increase in net assets resulted from the aforementioned Bitcoin price appreciation which was partially offset by the Trust's expenses of \$464,010 for the period.

Net realized and unrealized loss on investment in Bitcoin for the six months ended June 30, 2022 was \$76,041,186 which includes a realized gain of \$452,877 on the transfer of Bitcoins to pay the Management Fee and other expenses and net change in unrealized depreciation on investment in Bitcoin of \$76,494,063. Net realized and unrealized loss on investment in Bitcoin for the period was driven by Bitcoin price depreciation from \$45,867.86 per Bitcoin as of December 31, 2021 to \$18,895.01 per Bitcoin as of June 30, 2022. Net decrease in net assets resulting from operations was \$76,622,276 for the six months ended June 30, 2022, which consisted of the net realized and unrealized loss on investment in Bitcoin, less the Management Fee of \$252,916 and other expenses of \$328,174. Net assets decreased to \$53,050,892 at June 30, 2022, a 59% decrease for the period. The decrease in net assets resulted from the aforementioned Bitcoin price depreciation and the Trust's expenses of \$581,090 for the period.

Cash Resources and Liquidity

When selling Bitcoins to pay expenses, the Sponsor endeavors to sell the exact number of Bitcoins needed to pay expenses in order to minimize the Trust's holdings of assets other than Bitcoin. As a consequence, the Sponsor expects that the Trust will not record any cash flow from its operations and that its cash balance will be zero at the end of each reporting period. The prices of digital assets, specifically Bitcoin, have experienced substantial volatility, which may reflect "bubble" type volatility, meaning that high or low prices may have little or no relationship to identifiable market forces, may be subject to rapidly changing investor sentiment, and may be influenced by factors such as technology, regulatory void or changes, fraudulent actors, manipulation, and media reporting. Bitcoin may have value based on various factors, including their acceptance as a means of exchange by consumers and others, scarcity, and market demand.

In exchange for the Management Fee, the Sponsor has agreed to bear the routine operational, administrative and other ordinary fees and expenses incurred by the Trust. The Trust is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs.

Selected Operating Data

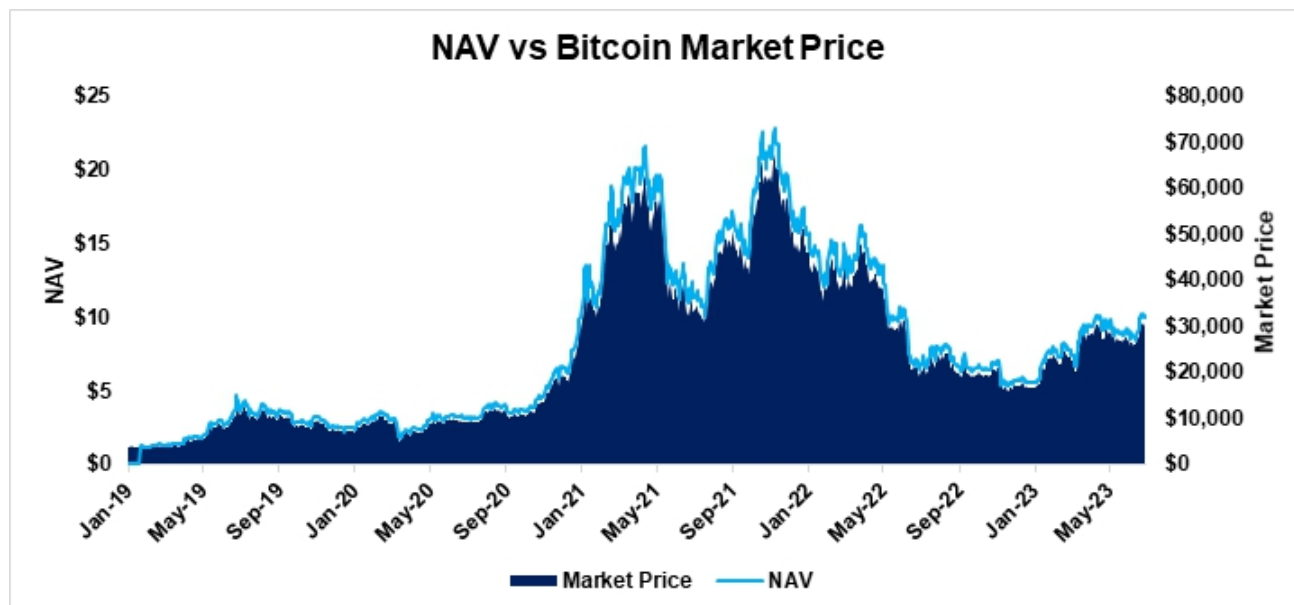
	Three Months June 30,		Six Months June 30,	
	2023	2022	2023	2022
Bitcoins:				
Opening balance	2,786.69	2,823.99	2,792.88	2,828.93
Management Fee, related party	(3.43)	(3.48)	(6.79)	(6.90)
Other Expenses	(18.56)	(4.44)	(21.39)	(5.96)
Closing balance	2,764.70	2,816.07	2,764.70	2,816.07
Other assets	4.90	0.01	4.90	0.01
Accrued but unpaid Management Fee, related party	(1.11)	(1.13)	(1.11)	(1.13)
Accrued but unpaid other expenses	(2.49)	(7.30)	(2.49)	(7.30)
Net closing balance	2,766.00	2,807.65	2,766.00	2,807.65
Number of Units:				
Opening balance	8,340,536	8,340,536	8,340,536	8,340,536
Closing balance	8,340,536	8,340,536	8,340,536	8,340,536

	As of June 30,	
	2023	2022
NAV per Unit	\$ 10.07	\$ 6.36
Bitcoin Market Price	\$ 30,361.94	\$ 18,895.01
Bitcoin Holdings per Unit	0.00033	0.00034

Historical Digital Asset Holdings and Bitcoin Prices

As movements in the price of Bitcoins will directly affect the price of the Units, investors should understand recent movements in the price of Bitcoin. Investors, however, should also be aware that past movements in the Bitcoin price are not indicators of future movements. Movements may be influenced by various factors, including, but not limited to, government regulation, security breaches experienced by service providers, as well as political and economic uncertainties around the world.

The following chart illustrates the movements in the NAV and the Bitcoin Market Price (referred to in the chart as “Market Price”) from the beginning of the Trust’s operations on January 3, 2019 to June 30, 2023.



The table below illustrates the movements in the Bitcoin Market Price since the beginning of the Trust’s operations on January 3, 2019. From the beginning of the Trust’s operations to June 30, 2023, the Bitcoin Market Price has ranged from \$3,358.67 to \$67,371.70, with the straight average being \$23,775.51. The Sponsor has not observed a material difference between the Bitcoin Market Price and average prices from the constituent Bitcoin exchanges individually or as a group.

Period	Average	High	Date	Low	Date	End of period
From January 3, 2019 to December 31, 2019	\$ 7,379.15	\$ 13,724.33	6/26/2019	\$ 3,358.67	2/7/2019	\$ 7,153.38
Year ended December 31, 2020	11,131.27	29,026.66	12/31/2020	4,956.92	3/16/2020	29,026.66
Year ended December 31, 2021	47,524.08	67,371.70	11/9/2021	29,785.71	7/20/2021	45,867.86
Year ended December 31, 2022	28,203.59	47,982.33	3/28/2022	15,766.93	11/21/2022	16,561.21
Six months ended June 30, 2023	25,536.71	30,906.40	6/23/2023	16,655.42	1/3/2023	30,361.94
January 3, 2019 (the inception of the Trust’s operations) to June 30, 2023	\$ 23,775.51	\$ 67,371.70	11/9/2021	\$ 3,358.67	2/7/2019	\$ 30,361.94

Secondary Market Trading

The Trust’s Units have been quoted on OTC Markets since February 12, 2021, and on OTCQX since February 26, 2021 under the symbol “OBTC.” The price of the Units as quoted on OTCQX (and OTC Markets) has varied significantly from the NAV per Unit. From February 12, 2021 to June 30, 2023, the maximum premium of the closing price of the Units quoted on OTCQX (and OTC Markets) over the value of the Trust’s NAV per Unit was approximately 240% and the average daily discount since the Units were first traded on OTC Markets on February 12, 2021 was approximately 13%. As of June 30, 2023, the Trust’s Units were quoted on OTCQX at a discount of approximately 30% to the Trust’s NAV per Unit.

The historical premium of the closing price of the Units quoted on OTCQX and OTC Markets as compared with the NAV per Unit has varied, from a high of 240% on February 16, 2021 (closing price \$56.39 per Unit on OTCQX (and OTC Markets) and NAV per Unit \$16.58) to a low (i.e., discount) of 46% on November 18, 2022 (closing price \$3 per Unit on OTCQX (and OTC Markets) and NAV per Unit \$5.56). The historical premiums and discounts at times reflect a material deviation from the Bitcoin Market Price.

The following table sets out the range of high and low closing prices for the Units as reported by OTCQX (or OTC Markets) and the Trust's NAV per Unit for the period from February 12, 2021 to June 30, 2023. The Trust's Bitcoin Holdings per Unit for the period was 0.00033.

High		Low	
OTC Markets	NAV per Unit	OTC Markets	NAV per Unit
2/16/2021	11/9/2021	11/18/2022	11/21/2022
\$ 56.39	\$ 22.86	\$ 3.00	\$ 5.28

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including the Sponsor's Chief Executive Officer (who serves as our principal executive officer) and Chief Financial Officer (who serves as our principal financial and accounting officer), to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, the Sponsor's Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2023. Based upon their evaluation, the Sponsor's Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the fiscal quarter ended June 30, 2023, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed under “Item 1A. Risk Factors” of the Trust’s Annual Report on Form 10-K for the year ended December 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information as to the purchases of the Trust’s Units during the three months ended June 30, 2023 by the Trust or by any affiliated purchaser (as defined by Rule 10b-18 of the Exchange Act). During the monthly periods presented, the Trust did not have any publicly announced repurchase plans or programs.

<u>Period (fiscal month)</u>	<u>Total Number of Units Purchased</u>	<u>Average Price Paid per Unit</u>
April 1 – April 30, 2023	-	-
May 1 – May 31, 2023	-	-
June 1 – June 30, 2023	2,932,321 ¹	\$6.75
Total	2,932,321	\$6.75

¹ All units identified in this column were purchased by Anax Trading, LLC in a private transaction. The purchase agreement was executed on June 29, 2023 and settlement occurred on July 14, 2023. Anax Trading, LLC is 100% owned by Rex Shares, LLC. Rex Shares, LLC is under common control with the Sponsor.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of the Sponsor’s officers responsible for overseeing the business and operations of the Trust adopted, modified, or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Trust’s fiscal quarter ended June 30, 2023.

Item 6. Exhibits

Exhibit Number	Exhibit Description
31.1	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.</u>
31.2	<u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.</u>
32.1	<u>Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.</u>
32.2	<u>Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Trust's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.</u>
101.INS	XBRL Instance Document, filed herewith. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document, filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document, filed herewith
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document, filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document, filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document, filed herewith
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities* indicated, thereunto duly authorized.

Osprey Funds, LLC as Sponsor of Osprey Bitcoin Trust

By: /s/ Gregory D. King

Name: Gregory D. King

Title: Chief Executive Officer*

By: /s/ Robert J. Rokose

Name: Robert J. Rokose

Title: Chief Financial Officer*

Date: August 1, 2023

* The Registrant is a trust and the persons are signing in their capacities as officers or directors of Osprey Funds, LLC, the Sponsor of the Registrant.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)
AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory D. King, certify that:

1. I have reviewed this quarterly report of Osprey Bitcoin Trust;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the auditors of the registrant:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves persons who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2023

/s/ Gregory D. King
Gregory D. King *
Chief Executive Officer

* The Registrant is a trust and Mr. King is signing in his capacity as Chief Executive Officer of Osprey Funds, LLC, the Sponsor of the Registrant.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a)
AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert J. Rokose, certify that:

1. I have reviewed this quarterly report of Osprey Bitcoin Trust;
2. Based on my knowledge, this report 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the auditors of the registrant:
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves persons who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2023

/s/ Robert J. Rokose

Robert J. Rokose*

Chief Financial Officer

* The Registrant is a trust and Mr. Rokose is signing in his capacity as Chief Financial Officer of Osprey Funds, LLC, the Sponsor of the Registrant.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Osprey Bitcoin Trust (the "Trust") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory D. King, Chief Executive Officer of Osprey Funds, LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Trust.

/s/ Gregory D. King

Gregory D. King *
Chief Executive Officer

August 1, 2023

* The Registrant is a trust and Mr. King is signing in his capacity as Chief Executive Officer of Osprey Funds, LLC, the Sponsor of the Trust.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Osprey Bitcoin Trust (the "Trust") on Form 10-Q for the period ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert J. Rokose, Chief Financial Officer of Osprey Funds, LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Trust.

/s/ Robert J. Rokose

Robert J. Rokose*
Chief Financial Officer

August 1, 2023

* The Registrant is a trust and Mr. Rokose is signing in his capacity as Chief Financial Officer of Osprey Funds, LLC, the Sponsor of the Trust.
