



20 Marshall Street
South Norwalk, CT 06854
Tel (203) 838-3188
Fax (203) 354-1450

Ms. Vanessa Countryman
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, D.C. 20549-0609

Re: Notice of Filing of Proposed Rule Change to List and Trade Shares of Grayscale Bitcoin Trust under NYSE Arca Rule 8.201-E

File No. : SR-NYSEArca-2021-90

Release No. : 34-93504

Dear Ms. Vanessa Countryman:

Discovery Capital Management writes the following comments in support of the proposal by NYSE Arca to list and trade shares of GBTC (“Trust”) as an exchange-traded product (“ETP”). As a current shareholder of the Grayscale Bitcoin Trust and active investor in the CME Bitcoin Futures market, we strongly urge the Securities and Exchange Commission to approve the proposed rule change.

The proposed rule change enhances and supports the Commission’s focus on investor protection, as we believe the large trading price swings in GBTC relative to its underlying asset value (based on the spot Bitcoin market) are detrimental to achieving the goal of fair and equitable shareholder value. Because GBTC is an open-ended grantor unit trust, it is not eligible to continuously create or redeem its shares which should track the spot bitcoin price. As a result GBTC prices have traded at a significant premium or discount to its NAV most of the time. Under the ETP structure, GBTC’s pricing anomalies will disappear and it will be able to have trading prices that closely track the spot Bitcoin market prices. The possibilities of fraudulent and manipulative acts and practices will be greatly reduced by the transparent pricing of the ETP. The structure change will further promote the public interest to have safe access to digital asset investment such as GBTC for retail investors in the traditional brokerage environment.

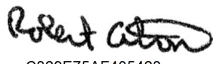
We fully support and agree with NYSE Arca’s assertion that index price by “adjusting the weights of each data input base on price deviation relative to the observable set, as well as recent and long term trading volume at each venue relative to the observable set.” and “the impact of any potential fraud, manipulation or anomalous trading activity occurring on any single venue is reduced.” Having the Index Price determined through a process in which trade data is cleansed and compiled will sufficiently mitigate the impact of manipulation.

As an active participant in the CME Bitcoin Futures market since its initial launch, we are thrilled that the methods of accessing digital assets are being expanded in the regulated markets.

However, there are shortcomings we noticed during our times of active trading. The CME Bitcoin Futures market liquidity is extremely concentrated in the front month contract which makes rolling contracts further out very difficult. This lack of market depth can easily create fair value discrepancies by small trading volumes on the exchange, which opens it up to manipulation. The Commission's prior approval of futures based Bitcoin ETPs will inherently have the same flawed trading characteristics. We are of the view that a spot Bitcoin ETP would provide a much better vehicle for investors due to the vast liquidity, lower cost, and transparent Index pricing than the current Futures based ETPs.

We appreciate the opportunity to present our views.

Sincerely,

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Robert Citrone
Founder