

To Whom It May Concern:

My name is Boris Hristov and I have been a GBTC investor for the last several years and I see it as a long term investment. I am a former investment professional and understand the nuances between different types of fund structures that can be used as investment vehicles. As a long term investor I am looking for exposure to asset that is backed by actual bitcoin as close to NAV as possible. The reason is that futures and futures based funds may track bitcoin prices well in the short term but these instruments have implicit time-premium decay which erode the principal compared to the underlying asset. Over long periods of time this serves to erode the performance dramatically compared to holding the underlying assets directly.

That leaves only GBTC in the US which as a closed end fund is subject to premiums and discounts to NAV based on short term buying and selling pressures. This inherently increases volatility compared to a similar move in the underlying bitcoin spot prices because premium increases in bull markets and decreases in bear markets. Without an adequate redemption mechanism to remove NAV discrepancies, this leaves a fund with more volatility for equivalent risk when compared to holding bitcoin outright. This added volatility is a direct detriment to any investor in GBTC and directly harms investors.

Once more investors see this they will be less willing to trust these funds entirely and opt to own bitcoin directly which again introduces other risks to investors that have to learn how to hold and protect digital assets and can be subject to theft or loss. Therefore, to minimize risk to long term holders and to retain their capital in the current financial system it is necessary to have a spot backed ETF similar to GLD and SLV which ensures both trade at NAV.

I would implore the SEC, as a guardian of smaller investors, to provide some way to arbitrage differentials to NAV in GBTC to both to decrease its volatility and keep long term investors in the current regulated market framework and not pushing novice investors onto less regulated crypto exchanges. If no such mechanisms is allowed this only hurts current investors. Thank you for your attention.

Sincerely:

Boris Hristov