

OSPREY BONK TRUST

A Delaware Statutory Trust

Sponsored by

Osprey Funds, LLC
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Miami, FL 33131
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Primary Standard Industrial Code: 6221

ANNUAL REPORT

For the year ending December 31, 2025
(the “Reporting Period”)

Shares Representing Common Shares of Fractional Undivided Beneficial Interest
No Par Value Per Share

10,971,047 Shares Issued and Outstanding as of December 31, 2025
10,971,047 Shares Issued and Outstanding as of September 30, 2025

Osprey Funds, LLC (the “Sponsor”), on behalf of Osprey BONK Trust (the “Trust”), is responsible for the content of this annual report for the year ended December 31, 2025 (the “Annual Report”), which has been prepared to fulfill the disclosure requirements of the OTCQX marketplace. The information contained in this Annual 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 BONK 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 (“Exchange Act”). 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 Annual Report reflects financial results through December 31, 2025. It was prepared as of March 31, 2026.

Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Amended and Restated Declaration of Trust and Trust Agreement of Osprey BONK Trust, dated as May 19, 2025 (“Trust Agreement”), as may be amended from time to time or the Confidential Private Placement Memorandum Offering Shares in Osprey BONK Trust (“PPM”), dated as of May 20, 2025.

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Cautionary Note Regarding Forward-Looking Statements

This Annual 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 Annual 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 Annual Report, including the particular risks associated with BONK and new technologies such as blockchain technology;
- the inability to redeem Shares;
- the economic conditions in the BONK industry and market;
- general economic, market and business conditions;
- the use of technology by us and our vendors, including Copper Technologies, LLC (“Copper”) and BitGo Trust Company, Inc. (“BitGo”), the Trust’s Custodians (each a “Custodian”), in conducting our business, including disruptions in our computer systems and data centers and our transition to, and quality of, new technology platforms;
- possible loss of BONK resulting from the Trust’s participation in the BONKrewards pool (“BONK rewards Pool”);
- 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 of the forward-looking statements made in this Annual 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.

PART A. GENERAL COMPANY INFORMATION

Item 1. The exact name of the issuer and its predecessor (if any).

The name of the Trust is Osprey BONK Trust.

Item 2. The address of the issuer's principal executive offices and principal place of business.

The address of the Sponsor is: Osprey Funds, LLC
777 Brickell Avenue, Suite 500
Miami, FL 33131

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

The Sponsor's website: The Sponsor maintains a corporate website <https://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
777 Brickell Avenue, Suite 500
Miami, FL 33131
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Email: IR@ospreyfund.io

Item 3. The jurisdiction(s) and date of the issuer's incorporation or organization.

The Trust was formed as a statutory trust in the State of Delaware on September 3, 2024. The Trust is currently active in the State of Delaware.

PART B. SHARE STRUCTURE

Item 4. The exact title and class of securities 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. (“OTC Markets”) is “OBNK” and the CUSIP number for its Shares is 68839W103.

Item 5. Par or stated value and description of the security.

A. Par or Stated Value

The Shares represent shares of fractional undivided beneficial interest in and ownership of the Trust and have no par value.

B. Common or Preferred Stock

General.

Each Share is a fractional undivided beneficial interest in the Trust and has no par value. The Trust is authorized under the Trust Agreement to create and issue an unlimited number of Shares.

Description of Limited Rights under Shares

The Shares do not represent a traditional investment and should not be viewed as similar to “shares” of a corporation operating a business enterprise with management and a board of directors. A Shareholder will not have the statutory rights normally associated with the ownership of shares of a corporation. Each Share is transferable, fully paid and non-assessable. But Shareholders will have no voting rights, and the Trust does not intend to pay regular dividends, although it may pay dividends, at the sole discretion of the Sponsor, such as upon the sale of BONK resulting from a fork in the Solana Blockchain, as discussed below. Moreover, the Shares do not entitle their holders to any conversion, preemptive or redemption rights or any rights to distributions, except as provided below.

No Voting Rights

Under the Trust Agreement, Shareholders will have no voting rights, including matters pertaining to the management of the Trust.

Distributions

Upon liquidation of the Trust, the Sponsor will distribute to the Shareholders any amounts of the cash proceeds of the liquidation remaining after the satisfaction of all outstanding liabilities of the Trust. Shareholders of record on the record date fixed by the Sponsor for a distribution will be entitled to receive their pro rata portion of any distribution.

No Redemption of Shares

Currently, Shares may not be redeemed. In the future, redemptions may be permitted. But there can be no assurance as to whether or when redemptions may be permitted, as determined by the

Sponsor in its sole discretion. At such time as the Sponsor decides to allow redemptions, if ever, the Sponsor will amend the Trust Agreement to include Share redemption procedures.

Book-Entry Form

Individual certificates will not be issued for the Shares. Shares shall be held in book-entry form by the Transfer Agent. The Sponsor or its delegate shall direct the Transfer Agent (which may be the Sponsor or an Affiliate) to credit or debit the number of Shares to the applicable Purchaser. The Transfer Agent shall issue or cancel each Purchaser's Shares, as applicable.

Item 6. The number of Shares or total amount of the securities outstanding for each class of securities authorized.

As of December 31, 2025, the Trust had unlimited Shares authorized. As of December 31, 2025, there were 10,971,047 Shares issued and outstanding, respectively.

The following table shows the number of the Shares outstanding:

	December 31, 2025	December 31, 2024
Number of Shares outstanding	10,971,047	9,817,503
Unrestricted Shares	10,908,980	0
Number of beneficial Shareholders owning at least 100 Shares ¹	37	10
Total number of Shareholders of record ¹	37	10

¹The totals above include Cede & Co. as nominee for DTC for the Shares traded on OTC Markets. Therefore, these numbers do not include the individual holders who have bought Shares on OTC Markets or transferred their eligible Shares to their brokerage accounts. Because most of the Trust's Shares are held by brokers and other institutions on behalf of Shareholders, we are unable to estimate the total number of Shareholders represented by these record holders

Item 7. The name and address of the transfer agent.

The Trust's Transfer Agent is Continental Stock Transfer & Trust Company. The Transfer Agent's address is 1 State Street, 30th Floor, New York, New York 10004, and its telephone number is (212) 509-4000. The Transfer Agent is registered under the Exchange Act and is regulated as such by the SEC.

PART C. BUSINESS INFORMATION

Item 8. The nature of the issuer’s business.

A. Business Development

The activities of the Trust are limited to the following, among others (i) issuing Shares in exchange for cash or BONK tokens (“BONK”) transferred to the Trust as consideration in connection with the issuance of the Shares; (ii) purchasing and holding BONK for the benefit of the Shareholders; (iii) transferring or selling BONK, as necessary to cover the 2.5% Management Fee, as well as other fees and expenses such as, but not limited to, the fees and expenses of the Custodian and the Administrator, compliance fees (such as for services concerning proper sources of payment, BONK, or SOL), audit, tax preparation, and index license fees and expenses, initial offering expenses including legal and other charges, aggregate legal fees and expenses in excess of \$50,000 per annum, and expenses related to public trading on OTCQX and/or OTCQB (“Trust Expenses”), as well as indemnification expenses, government charges and fees including filing fees, taxes, and any extraordinary or non-routine expenses as determined by the Sponsor in good faith (“Extraordinary Expenses”); (iv) permitting the BONK held by the Trust to be locked to the BONK rewards Pool for purposes of receiving rewards payable to the Sponsor (see “Rewards”) and participating in community governance programs, should they be available; (v) transferring BONK in exchange for Shares surrendered for redemption (subject to obtaining regulatory approval from the SEC and approval from the Sponsor); (vi) causing the Sponsor to sell BONK on the termination of the Trust; (vii) making distributions of BONK (including virtual currency incidental to airdrops or forks) or cash from the sale thereof; and (viii) engaging in all administrative and security procedures necessary to accomplish such activities in accordance with the provisions of the Trust Agreement and the applicable Custodian Agreement.

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

Trust Objective

The investment objective of the Trust is solely for the Shares to realize long-term capital appreciation by tracking the price of BONK, non-native tokens that are compatible the Solana Network on each business day, less liabilities and expenses of the Trust. The Shares are designed as a convenient and cost-effective method for Shareholders to gain exposure to BONK without making a direct investment in BONK.

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 if traded on any secondary market, the Shares may trade at a substantial premium over, or discount to, the value of the BONK held by the Trust, less the Trust’s expenses and other liabilities.

Strategy Behind the Shares

The Shares are intended to offer Shareholders an opportunity to participate in BONK markets through an investment in securities. The logistics of accepting, transferring, and safekeeping of BONK are dealt with by the Sponsor and the applicable Custodian, and the related expenses are built

into the price of the Shares. Therefore, Shareholders do not have additional tasks or costs over and above those generally associated with investing in any other comparable privately placed security.

Secondary Market Trading

While the Trust's investment objective is for the Shares to reflect the value of the BONK held by the Trust, less the Aggregate Trust Expenses and other liabilities, the Shares may trade in the secondary market on the OTCQX (or on another secondary market in the future) at prices that are lower or higher than the BONK Holdings per Share. The amount of discount or premium in the trading price relative to the BONK Holdings per Share may be influenced by non-concurrent trading hours and liquidity between OTCQX and larger BONK exchanges in the market. While the Sponsor has obtained approval for listing and trading of the Shares on the OTCQX, there is no guarantee that a liquid secondary market in the Shares will develop or be maintained. Investors should therefore be willing to risk being unable to sell their Shares in a liquid, organized secondary market, potentially leading to a reduction in Share value.

Risks of Investing in Shares

Overview – Information about BONK.

BONK is a non-native, digital “novelty token” compatible with the Solana Network. A novelty token is a type of alternative token (“altcoin”) that may not have an inherently practical purpose but that is a globally transferrable, scarce, digital novelty item. “Memecoins” are a category of altcoins usually named after internet memes or pop culture references. BONK is a memecoin that is created by and transmitted through the operations of the Solana Network. “The Solana Network” is an online, decentralized, distributed computing platform that operates on a peer-to-peer basis. The Solana Network uses Proof of Stake (“PoS”) and Proof of History (“PoH”) Blockchain technology to ensure the secure transfer and authenticity of each BONK and hosts the public transaction ledger on which all BONK is recorded (the “Solana Blockchain”). The Solana Blockchain is a decentralized digital file, or ledger, that contains all the records of BONK and is stored in multiple copies globally on the computers of users of the Solana Network. The BONK ecosystem functions similarly on the Solana blockchain and represents various use cases set up by users of BONK and innovators with respect to BONK. The original creators of BONK generally do not govern BONK or the greater BONK ecosystem. A cryptocurrency is a virtual or digital asset, often referred to as a token or coin, which can serve as virtual or digital money. Cryptocurrencies are secured by cryptography and use blockchain ledgers to record and validate transactions. As a cryptocurrency, BONK can be used as a form of payment for goods and services with merchants that accept BONK, it can be lent or borrowed, it can be used as collateral for a wide range of finance transactions and it can be used as a medium of exchange to purchase intangible assets such as other blockchain based tokens or crypto- collectibles. BONK can also be bought or sold in exchange for U.S. dollars or other fiat currencies, either through digital asset exchanges or in individual end-user-to-end-user transactions under a barter system. BONK has speculative value, and investors can buy and sell BONK or hold it as an investment. As a memecoin, it may be subject to more volatility than other types of tokens. BONK is mainly collected as a novelty token, distributed to Solana users for rewards, used as a medium of exchange within the Solana community, and used to vote in BONK’s decentralized governance apparatus, the BonkDAO. BONK is one of the most recognizable memecoins and has expanded its ecosystem on the Solana Network to include other features, such as Bonk Swap, Bonk BOT, and Bonk Rewards. These projects allow users to trade and manage tokens, as well as earn rewards. As of

March 27, 2026, BONK is the fourth-largest memecoin by market capitalization. BONK had an initial maximum supply of 100 trillion, with over 7 trillion “burned,” or removed from circulation prior to the date of this offering, and over 88 trillion of which are in circulation as of March 27, 2026. BONK is “stored” on a blockchain and is linked to a unique digital address, or wallet, that is associated with a public key and a private key. The public key is used to generate the address that is available to other users of the Solana Network. The address serves as the location to which BONK can be transferred and from which BONK can be sent. The private key authorizes the transfer or “spending” of BONK from its associated public address. Ownership of BONK is established by recording on the Solana Blockchain the unique address and the amount of BONK held. The wallet thus holds the cryptographic keys associated with BONK, rather than the BONK itself. BONK cannot be transferred by a holder unless that holder provides the private key. See “Description of BONK Transfers.”

The Solana Blockchain is the decentralized, publicly distributed ledger that holds BONK and the mechanism that allows people to exchange BONK. All transactions on the Solana Network are recorded on the Solana Blockchain. Like other blockchains, the Solana Blockchain can be thought of as a collective chain of digital signatures that reflect transaction history. The Solana Blockchain is downloaded and stored, in whole or in part, on the computers of each user of the Solana Network. The Solana Blockchain is public and accessible to all, and includes a record of every BONK, every transaction in BONK in order and every public address on the Solana Network. Every computer on the Solana Network is a “node”, and collectively all of the nodes ensure that each new transaction in BONK adheres to certain rules before it is added to the Solana Blockchain. Transaction data is permanently recorded on the Solana Blockchain in data files called “blocks,” which reflect transactions that have been recorded and authenticated by Solana Network participants. Each newly recorded block of transactions refers back to and “connects” with the immediately preceding recorded block in the ledger. Each new block records outstanding BONK transactions, and outstanding transactions are settled and validated through such recording. Although there are size limits to each block, the Solana Blockchain is designed to represent a complete, transparent, secure and unbroken history of all the transactions that have occurred on the Solana Network. The Solana Network and associated software programs can view the Solana Blockchain to determine the exact balance, if any, of BONK associated with any public address listed on the Solana Blockchain. *Founding of Solana*

The concept for the Solana Network was originally outlined in a 2017 white paper by software engineer Anatoly Yakovenko describing the concept of Proof of History, a technique for keeping time between computers that do not trust one another. Blockchains such as Bitcoin and Ethereum do not rely on a calculation of time as part of their core technologies, resulting in limitations to transaction processing speeds. Yakovenko proposed integrating a PoH operation prior to the consensus mechanism of a blockchain, thereby increasing the transaction throughput of the network.

Development of the Solana Network began with the creation of the Solana Labs, Inc. (Solana Labs) in 2017 and the Solana Foundation in 2020. Solana Labs is focused on enabling Enterprise application adoption on the Solana Blockchain. The Solana Foundation is a Swiss based non-profit organization that focuses on education, development, and research in the field of decentralized technologies as well as supporting the continued development of the Solana Protocol as the sole owner of the Solana Protocol’s intellectual property. The Solana Network launched with a testnet in June of 2018 and a beta mainnet in March of 2020.

The Solana Network

Because the Solana Network is managed as an open-source project, the infrastructure of the Solana Network is not operated by a central source, but is instead maintained by the Solana Network’s user base. As a result, the Solana Network is fully autonomous and is not owned by any group. No intermediary is required to transact in BONK. The Solana Network includes the Solana Blockchain and the source code that comprises the basis for the cryptography and digital protocols governing the Solana Network.

Solana uses a governance mechanism that allows it to evolve over time at the ultimate behest of its assembled stakeholders. Other blockchain technology risks major disruption when the community of users disagrees on the future path of the network via updates. In those circumstances, if a modification is not accepted by a significant percentage of nodes, a split in the network will occur, with one group running the pre-modification source code and another running the modified source code. Such a split is known as a “hard fork.” Both Ethereum and Bitcoin, in their operating histories, have experienced hard forks that have resulted in separate chains, Ethereum Classic and Bitcoin Cash, respectively. The Solana Network’s technology is built to avoid the disruption and inefficiencies that are created by hard forks.

There is no official company or group that is responsible for making modifications to the Solana Network. However, the Solana Network’s development has been overseen historically by the Solana Foundation. The developers at Solana Foundation are able to access and modify the Solana Network source code and, as a result, they are responsible for official releases of updates and other changes to the Solana Network’s source code through the release of new “features” (the Solana Network’s executable files) which have, to date, been run through an on-chain voting process using a 67% acceptance of Validators threshold where Validator votes are allocated on a stake-weighted basis.

BONK Token

BONK is a non-native currency on the Solana Network and is considered a “novelty token,” a type of token that may not have an inherently practical purpose but that is a globally transferrable, scarce, digital novelty item. Novelty tokens are alphanumeric sequences, or lines of code, that adhere to the underlying blockchain’s fungible token standard format. Some novelty tokens are colloquially referred to as “memecoins”—coins created based on cultural phenomena. BONK is branded with a cartoon dog and is compatible with the Solana Blockchain. Like other Solana-compatible digital assets, BONK adheres to Solana’s open-source Solana Programming Library (“SPL”) standard format.

BONK was created in December of 2022 by twenty-two individual contributors. 100 trillion BONK tokens were initially generated and allocated for several discrete purposes, with the allocations of the contributors subject to certain restrictions on their transferability (“lockups”). The allocations are detailed as follows:

- Initial Airdrop – 52%. The individual contributors “airdropped,” or gave away for free, 52% of the newly-created BONK tokens to Solana developers, ordinary end-users, digital art creators, and others involved in the Solana community. The tokens allocated in the initial airdrop were not subject to lockups.

- Early Contributors – 22%. A portion of the BONK tokens were allocated to the initial contributors as compensation for creating the BONK tokens and conducting the initial airdrop. Tokens allocated to the early contributors were restricted for 36 months, with the first one-third unlocking one year after the creation of BONK, and the remaining two-thirds unlocking in equal monthly installments for 24 months such that all BONK tokens under this allocation will be unlocked three years after they were initially created.
- BonkDAO – 15%. A portion of the BONK token supply was allocated to be used for initiatives conceived by and in support of the wider BONK community. BonkDAO is the “decentralized” arm of BONK through which BONK token-holders manage BONK’s on-chain treasury by voting on how this portion of the token supply will be allocated.
- The BONK Treasury – 5%. A portion of the BONK tokens were allocated to the BONK Treasury for future giveaways.

Initial Liquidity – 5%. The remaining portion of BONK tokens were placed into liquidity pools on decentralized exchanges for initial liquidity. In January of 2023, the developers of BONK decided to reduce the circulating supply of BONK by removing from the market and permanently destroying 5 trillion BONK tokens, (known as “burning”). In April of 2024, the BonkDAO announced a proposal to burn 278 billion BONK tokens had been approved. The April burn was followed by another burn in July of 2024, during which 84 billion BONK tokens were burned from the BonkDAO treasury. Token burning is a strategy used by digital currencies to boost the value of the tokens. After the aforementioned BONK burns, and additional burns that have taken place, the maximum supply has dropped to 93 trillion. As of March 27, 2026, the circulating supply is approximately 88 trillion with a market capitalization of approximately \$525 million.

Reward Distribution

Holders of BONK are eligible to lock their BONK to the BONK rewards Pool and are therefore subject to “rewards” distributed to them in the form of BONK.

BONKrewards was built and deployed by an independent third-party software developer. BONKrewards is a set of smart contracts that automatically distributes Tokens from the BONKrewards Pool, a pool of Tokens funded by third-party BONK-related applications such as BONKbot and BonkSwap. Third party groups of software developers unaffiliated with BONK’s initial developers or the BONK Treasury have built several blockchain-based decentralized applications that use BONK as the novelty token of choice in giving away Tokens as rewards to users. For example, BONKbot is an automated application that lets users purchase and sell SPL tokens through the Telegram messaging application and charges users a small fee. A portion of BONKBot’s fees is routed to the BONKrewards Pool, and another portion is routed to the BonkDAO treasury. Additionally, BonkSwap is a community-developed DEX protocol that lets users swap Tokens for other digital assets. A portion of the fees charged for swapping on BonkSwap is distributed to the BONKrewards Pool.

Description of BONK Transfers

For one party to transfer BONK to another over the Solana Blockchain, both parties must have Solana Network addresses, or “wallets,” as described above. Each wallet has an associated public key, as well as an associated private key. In general, in order to obtain a Solana Network wallet, a user generally must first install on a computer or mobile device a Solana Network software program. Wallets that are used to store cryptographic keys can be “hot” or “cold.” A hot wallet is

connected to the internet, and is thus readily available to facilitate trading, but may be more vulnerable to hacking. A cold wallet is a wallet that stores cryptographic keys offline, such as on a computer that has no internet access, a segregated piece of hardware, or a piece of paper.

The transaction process is different for the sender and the recipient. To receive BONK, the recipient must provide its public address to the sender. The recipient does not disclose its private key as part of this process.

From the sender's perspective, once the sender has the recipient's public address (or public key), the sender can initiate the transfer by executing a transaction that includes the recipient's wallet address, the amount of BONK to be sent and the private key of the sender's wallet that is transferring the BONK. To execute a transaction, the sender must have internet access. The sender does not reveal their public key in verifying the transaction to the Solana Blockchain, but the sender does not reveal their private key publicly. The private key serves as validation that the transaction has been authorized by the holder of the associated public key. The resulting transaction is sent by the user's Solana Network software program to the decentralized Solana Network for eventual inclusion in the Solana Blockchain. Once the transaction is added to a new block that is included in the Solana Blockchain, the Solana Network software program of both parties will show confirmation of the transaction on the Solana Blockchain and reflect an adjustment to the BONK balance associated with each party's public key, completing the transaction. Once a transaction is confirmed on the Solana Blockchain, it is irreversible.

A private key is like a password to a bank account. Neither the sender nor the recipient reveal the private keys associated with their wallets because the private key gives anyone who has access to the private key the ability to transfer BONK from that wallet to other users. Therefore, if a user were to lose their private key irretrievably without any backup, the user would permanently lose access to the BONK contained in that wallet.

Some transactions in BONK are conducted "off-Blockchain," such as through a digital asset exchange, and are therefore not recorded on the Solana Blockchain. "Off-Blockchain transactions" may involve, for example, the reallocation of ownership of an amount of BONK in a pooled-ownership digital wallet, such as a digital wallet owned by a digital asset exchange, from one exchange participant to another. Therefore, off-Blockchain transactions do not involve the transfer of transaction data on the Solana Network and do not reflect a movement of BONK between addresses recorded in the Solana Blockchain. For these reasons, off-Blockchain transactions are not protected by the protocol behind the Solana Network or recorded in, and validated through, the Solana Blockchain mechanism. In addition, information and data regarding off-Blockchain transactions are generally not publicly available. Transactions in BONK that are executed "off-Blockchain" do not require the payment of a fee, but may require a payment, for example, to the entity controlling a pooled-ownership digital wallet. Such transaction payments may or may not be required or allowed to be made in BONK.

BONK Applications & Adoption

There are three well-known fundamental functions of digital assets: a medium of exchange (i.e., a means to transport value), a store of value (i.e., a trusted place to park value), and a unit of account (i.e., a metric to define value). A digital asset such as BONK may be used, among other things, to perform any of these three functions. Many forms of these applications are under development on the Solana Network.

BONK Governance

The BonkDAO is comprised of all BONK holders. The BonkDAO is empowered to vote for BONK token denominated grants held in the BonkDAO treasury. The BonkDAO treasury holds the 15% of the BONK token supply allocated for this purpose. The BonkDAO's tokens are held in smart contracts on the "Realms" governance platform which lets BONK holders authorize disbursements by voting their BONK tokens through the Realms interface. The BonkDAO is also active in a second governance forum on the "Align" platform. Anyone holding BONK tokens can propose disbursements from the BonkDAO treasury by submitting a proposal to the Realms public discussion forums. After deliberation in these forums, BonkDAO members can submit "Proposals" to the governance module for voting. Proposals require a minimum quorum of 1% of the total BONK supply and a minimum of 66% of participating BONK tokens to be considered approved and slated for implementation. The Council, a group of eleven individuals elected by the BonkDAO, is tasked with administering BONK token denominated grants authorized by the BonkDAO. When the BonkDAO approves a proposal suggesting a treasury grant, Realms' smart contracts automatically verify that quorum has been met with enough votes cast in favor of the grant, then programmatically routes those BONK tokens to an 8-of-11 multisignature smart contract (the Multisig) controlled by the Council. Each of the eleven Council members have partial signing authority on the Multisig. The Multisig acts as an on-chain (and thus publicly-visible), transparent escrow account for the Council to administer milestone-based payments to the third-party grant recipients as compensation for carrying out the BonkDAO's will outlined in approved Proposals. We understand that four of the initial contributors are members of the Council and the other seven seats are occupied by independent individuals involved in the Solana developer community. The BonkDAO has the ultimate authority to elect Council members, revoke their Multisig signing authority, or abolish the Council altogether at any time through its normal governance process.

Value of BONK

The value of BONK, as with most assets, is influenced by several factors, including but not limited to the supply of and demand for BONK, the distribution of Rewards, transaction fees, the number of competing digital assets, how BONK trades, and regulations governing its sale and trade. See "Risk Factors and Potential Conflicts of Interest—Risks Associated with Investing Directly or Indirectly in BONK—Valuation Risk." Due to the dynamic of these factors as well as others, the value of BONK is difficult to determine, and the price of BONK can fluctuate. Demand for BONK can also be influenced by the applications that are built on the Solana Network. Although it is not possible to predict with certainty the price trajectory of BONK, the investment objective of the Trust is solely long-term capital appreciation by tracking the price of BONK.

The most common means of determining the value of BONK is by reviewing price data on one or more digital asset exchanges where BONK is traded publicly and transparently. The largest digital asset exchanges by trading volume of BONK include Coinbase, Kraken, Binance, HTX, and Kucoin.

Regulation of BONK

Certain Historical Developments

In the United States, federal and state approaches to regulation and oversight of digital assets have varied significantly as between states, the states and the federal government and among federal agencies. The regulation on both the state and federal level generally come into focus upon the sale of digital assets that may constitute the sale of a security or when the sale can be considered to have constituted a money transmission under state law or under Financial Crimes Enforcement Network (“FinCEN”) regulations, as part of a money services business.

Many state legislatures have passed crypto-friendly laws hoping to inspire growth in their local economies with the use of digital assets and the underlying blockchain technology. For example, Wyoming currently exempts digital assets from property taxation and has adopted regulations that allow state-chartered banks to opt-in to providing custody services for digital assets. Other crypto-friendly laws that have passed include exemptions from state securities laws, money transmission statutes and other regulatory requirements. Other states have taken a more cautious approach in order to mitigate the risks associated with digital assets. For example, New York has passed laws generally considered restrictive of digital assets, while several large digital asset service providers, such as Gemini and Fidelity Digital Asset Services, have received New York State trust company charters.

The Federal government has focused its regulation at the administrative agency level (including FinCEN, the SEC, the Commodity Futures Trading Commission (the “CFTC”), the Financial Industry Regulatory Authority (“FINRA”), the Consumer Financial Protection Bureau (the “CFPB”), the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, and the Internal Revenue Service (“IRS”). The Federal government’s focus has been, in part, on the extent to which digital assets like BONK can be used to launder the proceeds of illegal activities or fund criminal or terrorist enterprises, and on the safety and soundness of exchanges or other third-party service providers that hold digital assets for users.

In addition, the CFTC has expressed the position that certain digital assets like Ether or DOGE are commodities, like Bitcoin. It is possible that BONK, as a token analogous to DOGE, Bitcoin or Ether, may therefore be considered a commodity as well. Futures, options, swaps and other derivative contracts that make reference to the price of a “digital asset” may constitute a commodity interest and thus are subjected to regulation by the CFTC under the Commodity Exchange Act (the “CEA”). The CFTC has granted licenses for designated contract markets to list futures relating to digital assets. In light of the CFTC’s designation of Bitcoin and Ether as generally being commodities, BONK futures contracts could be launched on a CFTC-regulated platform in the future. The CFTC has announced that it would develop a “holistic framework” to promote responsible innovation in digital assets.

The SEC staff takes the position that certain digital assets may be considered investment contracts, or in some cases transferable shares, and therefore often are securities. However, the Director of the SEC’s Division of Corporation Finance explicitly stated in June 2018 that he did not believe that Ether and Bitcoin are securities because they are sufficiently decentralized so that purchasers would no longer reasonably expect any person or group to perform essential managerial or entrepreneurial efforts with respect to those digital currencies. The SEC could, by analogy, treat

BONK similarly to Bitcoin or Ether in its analysis of whether BONK is a security, although that cannot be certain. In addition, the SEC has granted effectiveness to securities offerings by issuers that hold or invest in certain cryptocurrency futures or spot holdings. As of the date of this Memorandum, the SEC has not asserted regulatory authority over the Solana Network or BONK trading or ownership.

Additionally, the IRS has classified certain virtual currencies – which it defined as a digital representation of value that functions as a medium of exchange, a unit of account and/or a store of value – as property that is not currency for U.S. federal income tax purposes. The IRS indicated that virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, can be referred to as convertible virtual currency. The IRS stated that convertible virtual currency was not “real” currency because it did not have legal tender status in any jurisdiction. The degree to which such interpretations will become the norm is unknown. The New York State Department of Taxation and Finance, citing the IRS classification, defined convertible virtual currency as “intangible property,” and a number of other states have issued their own guidance regarding the tax treatment of virtual currencies for state income or sales tax purposes.

On July 22, 2020, the Office of the Comptroller of the Currency (the “OCC”) issued an interpretive letter stating that national banks may provide cryptocurrency custody services to their customers. The permitted services include holding unique cryptographic keys associated with cryptocurrency. The OCC noted that banks have traditionally provided safekeeping and custody services and that there is a growing demand for safe places to store cryptographic keys for customers and for related custody services. The OCC concluded that, by providing such services, banks would be able to continue to perform the financial intermediation function that they have historically fulfilled in providing payment, loan and deposit services.

Illicit Use and Fraudulent Activity

As with any other asset or medium of exchange, BONK can be used to purchase illegal goods, fund unlawful activities or to launder money. Digital assets have been used for unlawful gambling and for the purchase of illegal goods.

Using BONK provides users with a certain degree of anonymity, insofar as sending and receiving BONK on the Solana Network does not involve the use of personal information, but rather a public address on the Solana Network (i.e., Solana addresses are 48-character hex strings that appear random). Anonymity is limited, however, by the fact that digital asset exchanges conduct anti-money laundering and “know your client” verifications on their customers due in part to such anonymity. However, the Trust is unable to track the prior movement of BONK that it may purchase or trade to check for prior illicit activity. In the event of such prior illicit activity, the Trust’s BONK may be subject to “clawback” by courts or regulators, which would reduce the value of Shares.

During the past several years, a number of digital asset businesses have been associated with or have been victims of theft and fraudulent schemes. For example, in 2014, the largest digital asset exchange at the time, Mt. Gox, filed for bankruptcy in Japan amid reports the exchange lost up to 850,000 Bitcoin, valued then at over \$450 million, as well as \$28 million in cash from the exchange’s bank accounts. Similarly, it has been reported that digital asset exchange Coincheck lost approximately \$500 million to hackers in 2018 and that digital asset exchange Binance lost

approximately \$40 million to hackers in 2019. In 2020, five major digital currency exchange hacks took place. Four hacks resulted in the theft of digital currency while one involved stolen customer data. In total, \$286,933,760 worth of digital currency and 200 pieces of customer data were stolen from digital currency exchanges in 2020.

In addition, Ponzi schemes have been created on the Ethereum Network, as well other digital asset ecosystems like the Bitcoin network. In particular, smart contract platforms like the Ethereum Network have proven to be useful to conduct such schemes, by positioning a party with malicious intent as a trustworthy counterparty as advertised by the Ethereum Network. In a recent study, 184 Ponzi schemes were found to be active on the Ethereum Network, and similar schemes could be created on the Solana Network.

Numerous additional fraudulent and other illicit activities regarding digital assets are reported regularly by major media, both in the United States and abroad. Such illicit activity makes investments in BONK potentially riskier than investments in other, more established, vehicles.

Historical Price of BONK

The price of BONK is volatile, and fluctuations are expected to have a direct impact on the value of the Shares. However, movements in the price of BONK in the past are not a reliable indicator of future movements. Movements may be influenced by various factors, including supply and demand, geo-political uncertainties, economic concerns such as inflation, and real or speculative investor interest.

Competition

BONK is not the only available digital asset. Other memecoins that have been developed prior to or since the inception of BONK, include but are not limited to Dogecoin, Shiba Inu, Pepe, dogwifhat, FLOKI, Brett, Popcat, and BOOK OF MEME. Although a competitive digital asset could displace the market share BONK currently occupies, or a competitive blockchain could take market share from the Solana Blockchain, it would face significant headwinds due to the network effect and financial and intellectual investments currently enjoyed by BONK and the Solana Network as one of the market leaders. As of March 27, 2026, BONK's market capitalization was estimated to be approximately \$525 million.

The above description of BONK and the Solana Network, its regulation and trading and other relevant aspects is not meant to be full and complete. The Sponsor recommends that each investor does their own research and consult with their own advisors to understand BONK and how it and other cryptocurrencies operate and the risks involved in investing in BONK and other cryptocurrencies.

RISK FACTORS AND POTENTIAL CONFLICTS OF INTEREST

Risks Associated with Investing Directly or Indirectly in BONK

BONK, like other digital assets, is an extremely new and non-traditional asset. Digital assets, represented on a decentralized public transaction ledger that is maintained by an open-source protocol, are substantively different from traditional assets and investments. Digital assets were

only introduced within the past decade, and BONK was first released in 2022, which limits a potential Shareholder's ability to evaluate the performance of BONK. Because of the complex nature of BONK itself, coupled with an investment with exposure to the performance thereof, an investor in the Trust may face numerous material risks that may not be present in other investments. These risks include:

BonkDAO Risk

12% of BONK tokens are held by the BonkDAO, a decentralized group comprised of holders of BONK tokens. The BonkDAO is currently governed by a Council of eleven individuals from the broader Solana community who were nominated to serve on the Council at the inception of BONK. A minority of the Council was involved in the creation of BONK, which may affect a regulator's analysis of whether BonkDAO is sufficiently decentralized or separate from BONK itself for BONK to be considered not to be security. Holders of BONK may submit Proposals to the BonkDAO governance module to be voted upon on by the holders. Such Proposals, whether approved or unapproved, may impact the value of BONK, which may in turn impact the value of Shares in the Trust. It is difficult to predict whether or when any future Proposals may be put forth and approved, and what the nature of the Proposals may be. The BonkDAO may also change its structure subject to further Proposals.

Proposals approved by the BonkDAO may include "burning" BONK tokens. Token burning results in the permanent removal of a specific number of tokens in the supply and may be undertaken to address perceived inflation and improve the value of BONK. In April of 2024, and again in July, the BonkDAO approved two proposals to burn 278 billion and 84 billion BONK tokens, respectively. It is possible that future proposals to burn tokens will be approved. Token burning may impact market sentiment, which may in turn impact Shares in the Trust. Other Proposals by the BonkDAO may include activities designed to promote the BONK token or support teams looking to use the token in novel ways. These Proposals, such as supporting the Solana Saga Mobile Device, may indirectly cause both attention and price movement of BONK, which may impact Shares in the Trust.

Digital Asset Exchange Risk

The digital asset exchanges on which BONK trades are new, developing in complexity and structure and, in many cases, unregulated. Digital asset exchanges are coming under more intense scrutiny from regulators around the world. Furthermore, many exchanges (including several of the most prominent U.S. dollar-denominated exchanges) do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. As a result, the marketplace may lose confidence in or may experience problems relating to digital asset exchanges, including prominent exchanges which handle a significant portion of the volume of BONK trading. Digital asset exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits, or the exchanges may suspend withdrawals entirely, rendering the exchange of virtual currency for fiat currency difficult or impossible.

Digital asset exchanges generally operate outside of the United States. An investor may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained in another country. In general, certain less developed

countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. Currently, there are no specific regulatory protections in place that would protect an investor in BONK from financial losses if a digital asset exchange were to fail or go out of business. Participation in digital asset exchanges requires users to assume risks by transferring traditional currencies from a traditional banking institution or BONK from a personal digital wallet account to a third party's account. However, in July 2020, the OCC announced that national banks may provide cryptocurrency custody services to their customers. See "Information About the Solana Network and BONK—Regulation of BONK—Certain Historical Developments." As a result, it is possible that, in the future, investors will use banks to hold their cryptocurrency wallets.

A number of digital asset exchanges have been closed due to fraud, failure or cyber-security breaches. In many of these instances, the customers of such digital asset exchanges were not compensated or made whole for the partial or complete loss of their account balances in such exchanges. While smaller exchanges are less likely to have the infrastructure and capitalization that make larger digital asset exchanges more stable, larger exchanges are more likely to be appealing targets for hackers and "malware" (*i.e.*, software used or programmed by attackers to disrupt computer operation, gather sensitive information or gain access to private computer systems).

In 2014, the largest digital asset exchange at the time, Mt. Gox, filed for bankruptcy in Japan amid reports the exchange lost over \$450 million in Bitcoin, as well as \$28 million in cash from the exchange's bank accounts. In August 2016, Bitfinex, a digital asset exchange located in Hong Kong, reported a security breach that resulted in the theft of approximately 120,000 Bitcoin valued at the time at approximately \$72 million, a loss which was allocated to all Bitfinex account holders (rather than just specified holders whose wallets were affected directly), regardless of whether the account holder held Bitcoin or cash in their account. Similarly, it has been reported that digital asset exchange Coincheck lost approximately \$500 million to hackers in 2018. In 2020, a small South Korean peer-to-peer digital asset exchange, Good Cycle, was hacked for an amount of Ethereum valued at \$5 million. Upbit suffered a significant hack in November 2019, totaling 342,000 Ethereum, valued at approximately \$50 million at the time.

In 2022 and through the beginning of 2023, FTX, another large digital asset exchange, experienced a high-profile collapse after it was reported that assets held by its affiliated trading firm, Alameda Research, consisted of tokens invented and controlled by FTX and its insiders, rather than cryptocurrency with market-driven value. The reporting further revealed that FTX was overly leveraged with Alameda Research and subject to questionable management and oversight. FTX became insolvent and declared bankruptcy as investors and FTX customers pulled their funds. The U.S. government charged FTX CEO Sam Bankman-Fried and other FTX executives with committing various financial crimes, including misappropriating customer funds. Bankman-Fried was tried and sentenced to 25 years in prison and ordered to pay \$11 billion. The collapse of FTX had a cascading effect on other digital asset exchanges, as well as cryptocurrency lenders that had authorized loans to FTX and Alameda Research.

A lack of stability in the digital asset exchange market and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in the Solana Network and result in greater volatility in the price of BONK.

These potential consequences of a digital asset exchange's failure could adversely affect the price of BONK, which would be likely to adversely affect the value of the Trust's investments.

Competition Risk.

Many parties are developing a variety of digital assets. For example, the People's Bank of China, the central bank of Sweden, the Bank of England, and the U.S. Federal Reserve are all in various stages of investigating and developing forms of central bank digital currencies. Private parties such as Facebook are also exploring the issuance of digital assets. It is possible that another digital asset could become materially popular due to either a perceived or exposed shortcoming of the Solana Network protocol that is not immediately addressed by the Solana contributor community or a perceived advantage of an "altcoin" that includes features not incorporated into BONK. However, BONK has gained substantial market share. Nevertheless, if another digital asset were to obtain significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce BONK's market share and have an impact on the demand for, and price of, BONK and thereby adversely affect the value of the Trust's investments.

Intellectual Property Risk.

Third parties may assert intellectual property claims relating to the holding and transfer of digital assets and their source code. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the Solana Network's long-term viability or the ability of end-users to hold and transfer BONK may adversely affect an investment in the Shares. Additionally, a successful intellectual property claim could prevent market participants from accessing the Solana Network or holding or transferring their BONK, which could adversely impact the price of BONK and the value of the Trust's investments.

Internet and Cybersecurity Risk.

The Solana Network's functionality relies on the Internet. A significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of the Solana Network during the period of that disruption and could adversely affect user confidence in BONK and the Solana Network, which could adversely affect the Trust. In addition, certain features of the Solana Network, such as decentralization, open source protocol and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response in defense or prevention of such attack by network participants. Any incidents of fraud or cyber-attack on the Solana Network could reduce confidence in the Solana Network and BONK and adversely affect the value of the Trust's investments.

New Asset and Limited Trading History Risk.

BONK, which is a new technological innovation with a limited history, is a new and highly speculative asset. There is no assurance that usage of BONK will continue to grow. A contraction in the use of BONK may result in increased volatility or a reduction in the price of BONK, which could adversely impact the value of the Trust. BONK was first created in 2022; BONK and its trading history thus have existed for a relatively short time, which limits a potential Shareholder's ability to evaluate an investment in the Trust. Moreover, derivatives of BONK have only recently

been introduced to the U.S. marketplace. This limited history creates risks for investment in the Shares.

Regulatory Risk.

The laws and regulations applicable to digital assets like BONK are evolving in the United States and foreign jurisdictions. In the United States, bills have been introduced in Congress that could affect BONK, the Solana Network, other digital assets, other blockchains, and other providers of digital asset services. None of these bills has been enacted into law, and it is unclear whether or when any law pertaining to digital assets might be enacted, as well as what provisions any such law might contain. As a result, it is impossible to predict the effect that any such law might have on the Solana Network, the market for BONK, or the Trust.

In the absence of federal legislation, the individual states as well as various federal agencies have taken varying approaches to regulation and oversight of digital assets. On July 25, 2017, the SEC issued a Report of Investigation (the “Report”) which concluded that digital assets or tokens issued for the purpose of raising funds may be securities within the meaning of the federal securities laws. The Report emphasized that whether a digital asset is a security is based on the particular facts and circumstances, including the economic realities of the transactions. The SEC staff takes the position that certain digital assets may be considered investment contracts and therefore may be securities. Nevertheless, the staff has said that Bitcoin and Ethereum are sufficiently decentralized so that they may not be securities. This staff view, however, is not binding on the SEC. However, the SEC has granted effectiveness to the registration statements of certain products that hold or invest in certain cryptocurrencies, and the fact that such registration statements are not filed under the Investment Company Act of 1940 (the “Investment Company Act”) suggests that the cryptocurrencies those issuers hold or invest in are not considered securities. As of the date of this Annual Report, the SEC has not asserted regulatory authority over the Solana Network or BONK trading or ownership. The CFTC, meanwhile, has taken the position that, depending on the circumstances, certain transactions in digital assets may fall within the scope of the CEA. The Trust is not registered as a commodity pool for purposes of the CEA, and the Sponsor is not registered as a commodity pool operator, a commodity trading advisor or otherwise. The Trust and the Sponsor will continue to monitor and evaluate whether any such registrations may be or may become required.

At the state level, some states like New York have passed laws and adopted regulations that are generally considered to be restrictive with respect to digital assets, while other states such as Wyoming have passed laws and adopted regulations that are generally considered to be more permissive with respect to digital assets. It is impossible to predict with certainty how the evolution of state laws with respect to digital assets may affect the Solana Network and BONK in the future.

If BONK were determined to be a security under the federal or state securities laws by the SEC, by any other agency, or in a proceeding in a court of law, such a determination could have an adverse impact on BONK. For example, it might become more difficult for BONK to be traded, compared to other digital assets that are not considered to be securities, which could negatively affect the liquidity and general acceptance of BONK and cause users to migrate to other digital assets. Even if a different digital asset were deemed to be a security, there could be negative publicity or a decline in the general acceptance of digital assets that could have a negative impact on BONK or the Solana Network. As a result, any determination by a regulatory agency or a court

deeming any digital asset, particularly BONK, to be a security for purposes of federal or state securities laws could have an adverse effect on the Trust and on Shares. In addition, to the extent that future regulatory actions or policies limit or enhance the ability to exchange BONK or utilize them for payments, the demand for BONK may be reduced or increased. Furthermore, regulatory actions may limit the ability of end-users to convert BONK into fiat currency (e.g., U.S. dollars) or use BONK to pay for goods and services.

If BONK, by itself or together with the BONK rewards or other assets or rights held by the Trust, were deemed to fall within the definition of a security under U.S. federal securities laws, the Trust and the Sponsor would likely become subject to additional regulation and related requirements under the Investment Company Act and the Sponsor could be required to register as an investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). Such additional regulation or registration may result in extraordinary, recurring and/or non-recurring expenses of the Trust, or a requirement to restructure the trust or certain of its operations, thereby materially and adversely impacting the Shares. If the Sponsor determines not to comply with such additional regulatory and registration requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust’s BONK at a time that is disadvantageous to Shareholders.

To avoid status as a security, the creators of the technology underlying BONK may find it advisable not to be involved in the operations, code, or enhancements of BONK and its surrounding ecosystem that could otherwise have a favorable result for BONK, and indirectly, the Trust. This could mean that flaws and improvements might not be undertaken or might be made impossible.

Regulation of the digital asset industry as a whole continues to evolve and is subject to change. The effect of any future legal or regulatory developments on BONK or on the digital asset industry is impossible to predict, but such change could be substantial and adverse to the value of the Trust’s investments or to the Trust’s operations. Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may affect how BONK is classified (e.g., as a security, property, commodity, currency, etc.) and regulated. The impact that any such potential actions might have on the Solana Network or BONK cannot be predicted at this time.

Because factors affecting the value of BONK transcend borders, the approach taken internationally relating to the regulation of BONK may also have an adverse effect on its value and thus on the value of an investment in the Trust, and BONK currently faces an uncertain regulatory landscape in many foreign jurisdictions. Since December 2013, regulators in jurisdictions including the United States, the United Kingdom, South Korea and Switzerland have provided greater regulatory clarity, while Chinese, Indian, Icelandic, and Vietnamese government officials have taken steps to limit the participation of their respective financial services sectors from directly interacting with the ecosystems of some digital assets, creating additional regulatory uncertainty in those countries. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Solana Network, BONK, the digital asset exchange market and their users, particularly digital asset exchanges and service providers that fall within such jurisdictions’ regulatory scope. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of BONK by users, merchants and service providers outside of the United States and may therefore impede the growth or sustainability of the BONK economy globally, or otherwise negatively affect the value of BONK. Foreign regulators and legislatures

have also taken action against digital asset businesses or enacted restrictive regimes in response to adverse publicity arising from cybersecurity risks, potential consumer harm, or digital assets used in connection with criminal activity. The value of BONK could be impacted by such actions or by any resulting adverse publicity. The regulatory uncertainty surrounding the treatment of BONK by foreign jurisdictions creates risks for the Trust.

Current IRS guidance indicates that digital assets such as BONK should be treated and taxed as property, and that transactions involving the payment of BONK for goods and services should be treated as barter transactions. This treatment may create a potential tax reporting requirement in any circumstance where the ownership of BONK passes from one person to another, usually by means of BONK transactions. However, the tax treatment of digital currencies could change as a result of new laws or differing regulatory interpretations. Because of the evolving nature of digital currencies, it is not possible to predict potential future regulatory developments that may arise with respect to digital currencies, including forks, airdrops, staking and other similar events. Foreign jurisdictions may also elect to treat digital assets such as BONK differently for tax purposes. To the extent a foreign jurisdiction with a significant share of the market of BONK users imposes onerous tax burdens on BONK users, or imposes sales or value added tax on purchases and sales of BONK for fiat currency, such actions could result in decreased demand for BONK in such jurisdiction, which could impact the price of BONK and negatively impact the value of the Trust's investments. Accounting standards may also change, creating an obligation to accrue for a tax liability that was not previously required to be accrued for or in situations where it is not expected to directly or indirectly be ultimately subject to such tax liability. These potential tax and accounting changes have the potential to increase or decrease interest in BONK, which could impact the price of BONK and the value of the Trust's investments.

The regulation of BONK, digital assets and related products and services continues to evolve. The inconsistent and sometimes conflicting regulatory landscape may make it more difficult for digital asset businesses to provide services, which may impede the growth of the BONK economy and have an adverse effect on consumer adoption of BONK. There is a possibility of future regulatory change altering, perhaps to a material extent, the nature of an investment in the Shares or the ability of the Trust to continue to operate. Additionally, to the extent that BONK itself is determined to be a security, commodity future or other regulated asset, or to the extent that a United States or foreign government or quasi-governmental agency exerts regulatory authority over the Solana Network, BONK trading or ownership in BONK, such determination may have an adverse effect on the value of your investment in the Trust. In sum, BONK regulation takes many different forms and will, therefore, impact BONK and its usage in a variety of manners. It is impossible to predict how future legal and regulatory changes, or the threat of such changes, may impact the Trust, the Sponsor and Shareholders.

Structural Risk.

If a significant proportion of the users on the Solana Network declined to install software upgrade(s), the Solana Network could “fork.” If this were to occur, two separate Solana Networks could result, one running the pre-modification software program and the other running the modified version (i.e., a second “Solana” network). Forks may also occur as a network community's response to a significant security breach.

In the event of a permanent fork into two separate and incompatible Solana Networks, the price movements of different versions of BONK on different Solana Networks could deviate. If such a permanent fork were to happen, the Sponsor would evaluate the characteristics of each Solana Network to determine in its sole discretion which Solana Network it believes would provide exposure that best comports with the Trust's investment objective. If the Sponsor determines to provide exposure to the price movements of BONK from a selected Solana, and if the interest in such selected Solana Network diminishes or increases relative to the Solana Network that was not selected, this could adversely affect the value of the Trust's investments.

The nature of the Solana Network's protocols and open-source software makes the protocols vulnerable to exploitation. If the governance mechanism responsible for maintaining the protocol is unable to address potential flaws in a timely manner, a malicious actor who detects flaws in the protocol could damage the Solana Network and adversely affect the market for BONK. Any malicious damage to the protocol of the Solana Network could also have an adverse impact on the operations of the Trust and on the value of the Shares.

Supply Risk.

Although it is possible to view the amount of BONK owned by any public address, there is no registry showing which individuals or entities own BONK or the quantity of BONK owned by any particular person or entity. It is possible that a small group of early BONK adopters hold a significant proportion of the BONK that has thus far been created. There are no regulations in place that would prevent a large holder of BONK from selling their BONK, which could depress the price of BONK.

Currently, a significant portion of BONK demand is generated by speculators and investors seeking to profit from the short- or long-term holding of BONK. A lack of expansion by BONK as a means for other use cases, or a contraction of such use, may result in increased volatility, which could adversely affect an investment in the Trust. Activities by the BonkDAO or other entities having an interest in the success of BONK will likely impact the supply in certain ways, which may also change the underlying value of the Trust based on their impact on the supply.

Usage Risk.

The growth of the digital asset industry in general, and the Solana Network in particular, is subject to a high degree of uncertainty. The factors affecting the further development of the Solana Network include:

- worldwide growth in the adoption and use of BONK, which may be impacted by, among other things, negative publicity, perceived illicit uses of digital assets, security risks for individual holders of digital assets and software or hardware malfunctions affecting BONK users;
- government and quasi-government regulation of BONK and its use, or restrictions on or regulation of access to and operation of the Solana Network;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies or the development of central bank digital currencies; and

- general economic conditions and the regulatory environment relating to digital assets.

There is no assurance that the Solana Network, or the ecosystem of developers, stakers and users necessary to accommodate it, will continue in existence or grow. Furthermore, there is no assurance that the availability of and access to Solana Network service providers will not be negatively affected by government regulation or supply and demand of BONK. A decline in the popularity or acceptance of the Solana Network may impair the price of BONK while an increased acceptance of the Solana Network may benefit the price of BONK, either of which could have an impact on the value of the Trust's investments.

Valuation Risk.

Market fluctuations in the price of BONK could affect an investment in the value of the Trust. The market price of BONK may be highly volatile, and subject to a number of factors, including:

- An increase or decrease in BONK supply in circulation due to BONK token distribution;
- BONK demand, which is influenced by Solana Network adoption, the growth of retail merchants' and commercial businesses' acceptance of BONK as a means of payment for goods and services, the security of online BONK exchanges and public and private keys associated with BONK, the perception that the use and holding of BONK is safe and secure, and the lack of regulatory restrictions on their use;
- Investor attitudes and regulatory actions with respect to digital assets generally;
- Investors' expectations with respect to the rate of distribution and inflation;
- Interest rates;
- Currency exchange rates, including the rates at which BONK may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies with respect to the digital asset exchange market;
- Interruptions in service or failures of the digital asset exchange market;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in BONK;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Efforts by governments to develop their own digital currencies;
- Regulatory measures, if any, that restrict the use of BONK or the purchase of BONK on the digital asset exchange market;
- The maintenance and development of the open source software protocol of the Solana Network;
- Global or regional political, economic or financial events and situations; and
- Expectations among BONK market participants that the value of BONK will soon change.

In addition, investors should be aware that there is no assurance that BONK will maintain its long-term value. The failure of businesses to adopt BONK as a form of payment, especially if other digital assets are adopted, could have a negative impact on BONK's market value and on the value of the Shares.

Market Related Risks

The Trust Is Subject to Market Risk.

Market risk refers to the risk that the market price of BONK held by the Trust will rise or fall, sometimes rapidly or unpredictably. An investment in the Trust's Shares is subject to market risk, including the possible loss of the entire principal of the investment.

NAV May Not Always Correspond to the Market Price of BONK and, as a Result, Shares May Be Purchased (or Redeemed, if Ever Permitted) at a Value that Differs from the Market Price of the Shares.

The NAV of the Trust will change as fluctuations occur in the market price of the Trust's BONK holdings. If and when Shareholders are able to trade their Shares on a secondary trading market, Shareholders should be aware that the market trading price of a Share may be different from the NAV per Share (i.e., Shares may trade at a premium over, or a discount to, the NAV), and similarly the market trading price per Share may be different from the NAV per Share, for a number of reasons, including price volatility, trading volume and any closings of digital asset trading platforms due to fraud, failure, security breaches or otherwise. Consequently, an investor may be able to purchase Shares at a discount or a premium to the market trading price per Share (if and when Shares trade on a secondary trading market). This price difference may be due, in large part, but not exclusively, to the fact that supply and demand forces at work in the secondary trading market for Shares are related, but not identical, to the supply and demand forces influencing the market price of BONK. Shareholders also should note that the size of the Trust in terms of total BONK held may change substantially over time and as Shares are issued and redeemed (if ever permitted).

Suspension or Disruptions of Market Trading May Adversely Affect the Value of Shares.

Shares of the Trust are quoted on the OTCQX Best Market, an over-the-counter market operated by OTC Markets; however, there can be no assurance that the Shares will continue to be quoted on any market. Quotation may be halted due to market conditions, or in light of the OTCQX rules and procedures. There can be no assurance that the requirements necessary to maintain the quotation of the Shares on the OTCQX will continue to be met. This could adversely affect the value of the Shares.

The Lack of Active Trading Markets for the Shares May Result in Losses on an Investment in the Trust at the Time of Disposition of Shares.

There can be no guarantee that an active trading market for the Shares will develop or will be maintained. Even if an active trading market does develop, it may not provide significant liquidity, and the Shares may not trade at prices advantageous to Shareholders. If a Shareholder wishes to sell Shares at a time when no active market for such Shares exists, the price received for the Shares (assuming that the Shareholder is able to sell them) likely will be lower than the price a Shareholder would receive if an active market did exist and, accordingly, the Shareholder may suffer significant losses if they choose to sell at such a time.

The Trust's Acquisition and Sale of BONK May Impact the Supply and Demand of BONK, Which May Have a Negative Impact on the Price of the Shares.

If the number of BONK acquired by the Trust is large enough relative to global BONK supply and demand, further issuances and redemptions (if any) of Shares could have an impact on the supply of and demand for BONK in a manner unrelated to other factors affecting the global market for BONK. Such an impact could affect the BONK market price, which would directly affect the price at which Shares are quoted on the OTCQX or the price of future Shares issued or redeemed (if permitted) by the Trust.

The Sale of the Shares Acquired by the BONK Treasury as Part of the Offering May Have a Negative Impact on the Price of the Shares

The BONK Treasury has committed to the Sponsor to purchase a significant amount of Shares as part of the Trust's offerings.

The BONK Treasury has agreed with the Sponsor to sell its Shares only in an orderly fashion, and to sell no more than 2% of its initially acquired Shares in any given week. Such sales of Shares shall only be executed at or above the then-prevailing NAV.

A Possible "Short Squeeze" Due to a Sudden Increase in Demand for the Shares that Largely Exceeds Supply May Lead to Price Volatility in the Shares.

BONK price speculation may involve long and short exposures. To the extent that aggregate short exposure exceeds the number of Shares available for purchase (for example, in the event that large redemption requests by Shareholders dramatically affect Share liquidity), Shareholders with short exposure may have to pay a premium to repurchase Shares for delivery to Share lenders. Those repurchases may, in turn, dramatically increase the price of the Shares until additional Shares are issued. This is often referred to as a "short squeeze." A short squeeze could lead to volatile price movements in the Shares that are not directly correlated to the price of BONK, which could have an adverse effect on holders of Shares.

The Trust's Buying and Selling Activity Associated with the Issuance and Redemption (if any) of Shares May Adversely Affect an Investment in the Shares.

The Trust's purchase of BONK in connection with Share issuance orders may cause the price of BONK to increase, which will result in higher prices for the Shares. Increases in the BONK prices may also occur as a result of BONK purchases by other market participants who attempt to benefit from an increase in the market price of BONK when Shares are issued. The market price of BONK may therefore decline immediately after Shares are issued. Selling activity associated with sales of BONK from the Trust in connection with redemption orders may decrease the BONK prices, which will result in lower prices for the Shares. Decreases in BONK prices may also occur as a result of selling activity by other market participants. In addition to the effect that purchases and sales of BONK by the Trust may have on the price of BONK, other exchange-traded products with similar investment objectives could represent a substantial portion of demand for BONK at any given time and the sales and purchases by such investment vehicles may impact the price of BONK. If the price of BONK declines, the trading price of the Shares will generally also decline.

Difficulties or Limitations in the Processes of Issuance and Redemption (if any) of Shares May Interfere with Opportunities for Arbitrage Transactions Intended to Keep the Price of the Shares Closely Linked to the Price of BONK, Which May Adversely Affect an Investment in the Shares.

If the processes of issuance and redemption of the Shares encounter any unanticipated difficulties, potential market participants who would otherwise be willing to purchase or redeem Shares to take advantage of any arbitrage opportunity arising from discrepancies between the price of the Shares and the price of the underlying BONK may not take the risk that, as a result of those difficulties, they may not be able to realize the profit they expect. If this is the case, the liquidity of Shares may decline and the price of the Shares may fluctuate independently of the price of BONK and may fall. In addition, the Sponsor may postpone, suspend or reject purchase or redemption orders, as applicable, for a variety of permitted reasons under certain circumstances. To the extent such orders are postponed, suspended or rejected, the arbitrage mechanism resulting from the process through which investors purchase and redeem Shares directly with the Trust may fail to closely link the price of the Shares to the value of the underlying BONK, as measured using the BONK price. If this is the case, the liquidity of the Shares may decline and the price of the Shares may fluctuate independently of the BONK price and may fall.

Risks Related to the Over-the-Counter (“OTC”) Market and Digital Asset Exchanges

Fraud and Manipulation in the Markets for BONK May Affect the Value of the Shares.

The price of BONK may be influenced by fraud and manipulation for a number of reasons, including but not limited to the following: most BONK spot markets are not regulated or supervised by a government agency; platforms may lack critical system safeguards, including adequate cyber-security and privacy protections for their users; volatile market price swings or flash crashes; cyber risks, such as hacking customer wallets; and/or platforms selling from their own accounts and putting customers at an unfair disadvantage. Any act of fraud or manipulation in the BONK marketplace may adversely affect an investment in the Shares.

Disruptions at OTC Trading Desks and Potential Consequences of an OTC Trading Desk’s Failure Could Adversely Affect an Investment in the Shares.

There are a limited number of OTC trading desks with which the Trust can transact in BONK to effect issuances and redemptions (if any). A disruption at or withdrawal from the market by any such OTC trading desk may adversely affect the Trust’s ability to purchase or sell BONK, which may potentially negatively impact the market price of the Shares. A disruption at one or more OTC trading desks could reduce liquidity in the market and may negatively impact the Trust’s ability to value its BONK. Because there is currently no publicly disseminated and verifiable feed with respect to the price of BONK in the OTC market, investors must rely on other pricing sources, such as the BONK Market Price or prices obtained directly from the OTC trading desks or digital asset exchanges, to obtain the price of BONK.

Disruptions at Digital Asset Exchanges and Potential Consequences of a Digital Asset Exchange’s Failure Could Adversely Affect an Investment in the Shares.

Digital asset exchanges operate websites on which users can trade BONK for U.S. dollars, other government currencies and other digital assets. Trades on digital asset exchanges are unrelated to

transfers of BONK between users via the Solana Network. BONK trades on exchanges are recorded on the exchange's internal ledger only, and each internal ledger entry for a trade will correspond to an entry for an offsetting trade in U.S. dollars or other government currency. To sell BONK on a digital asset exchange, a user will transfer BONK (using the Solana Network) from him or herself to the digital asset exchange. Conversely, to buy BONK on a digital asset exchange, a user will transfer U.S. dollars or other government currency to the digital asset exchange. After completing the transfer of BONK or U.S. dollars, the user will execute his or her trade and withdraw either the BONK (using the Solana Network) or the U.S. dollars back to the user. In some cases, the user may maintain their BONK (or U.S. dollars) in an account on the digital asset exchange. Digital asset exchanges are an important part of the Solana industry.

Digital asset exchanges have a limited history. Since 2009, several digital asset exchanges have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks, a/k/a "DDoS Attacks." In many of these instances, the customers of such exchanges were not compensated or made whole for the partial or complete losses of their funds, BONK or other cryptocurrencies held at the exchanges. In 2014, the largest digital asset exchange at the time, Mt. Gox, filed for bankruptcy in Japan amid reports the exchange lost up to 850,000 Bitcoin, valued then at over \$450 million. Digital asset exchanges are also appealing targets for hackers and malware. In August 2016, Bitfinex, an exchange located in Hong Kong, reported a security breach that resulted in the theft of approximately 120,000 Bitcoins valued at the time at approximately \$72 million, a loss which was allocated to all Bitfinex account holders (rather than just specified holders whose wallets were affected directly), regardless of whether the account holder held digital or cash in their account. In February 2017 following a statement by the People's Bank of China, China's three largest exchanges (BTCC, Huobi and OKCoin) suspended withdrawals of users' Bitcoin. Although withdrawals were permitted to resume in late May 2017, Chinese regulators in September 2017 issued a directive to Chinese exchanges to cease operations with respect to Chinese users by September 30, 2017. In July 2017, FinCEN and the U.S. Department of Justice levied a \$110 million fine and an indictment against BTC-e, another digital asset exchange and one of its operators for facilitating crimes such as drug sales, computer hacking, identity theft and ransomware attacks. Similar to the outcome of the Bitfinex breach, losses due to assets seized by FinCEN were allocated among exchange users. In addition, it has been reported that digital asset exchange Coincheck lost approximately \$500 million to hackers in 2018 and that digital asset exchange Binance lost approximately \$40 million to hackers in 2019.

In 2022 and through the beginning of 2023, FTX, another large digital asset exchange experienced a high-profile collapse after it was reported that assets held by its affiliated trading firm, Alameda Research, consisted of tokens invented and controlled by FTX and its insiders, rather than cryptocurrency with market-driven value. The reporting further revealed that FTX was overly leveraged with Alameda Research and subject to questionable management and oversight. FTX became insolvent and declared bankruptcy as investors and FTX customers pulled their funds. The U.S. government charged FTX CEO Sam Bankman-Fried and other FTX executives with committing various financial crimes, including misappropriating customer funds. Bankman-Fried was tried and sentenced to 25 years in prison and ordered to pay \$11 billion. The collapse of FTX had a cascading effect on other digital asset exchanges, as well as cryptocurrency lenders that had authorized loans to FTX and Alameda Research. The potential for instability of digital asset exchanges and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers, DDoS or malware or government-mandated regulation may reduce confidence in BONK, which may result in greater volatility in the BONK Market Price.

Despite efforts to ensure accurate pricing, the BONK Market Price and the price of BONK generally remain subject to volatility. Such volatility could adversely affect an investment in the Shares.

Momentum Pricing of BONK May Subject the Price of BONK to Greater Volatility and Adversely Affect an Investment in the Shares.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. The Sponsor believes that momentum pricing of BONK has resulted, and may continue to result, in speculation regarding future appreciation in the value of BONK, inflating and making more volatile the value of BONK. As a result, BONK may be more likely to fluctuate in value due to changing investor confidence in future appreciation in the BONK Market Price, which could adversely affect an investment in the Shares.

Operating Risks of the Trust

As the Sponsor and Its Management Have Little History of Operating the Trust, Their Experience May Be Inadequate or Unsuitable to Manage the Trust.

The Sponsor has only a limited history of past performance in managing the Trust. Similarly, the Sponsor's management has only a limited history of past performance in managing the Trust. The past performances of the Sponsor and management in other positions are no indication of their ability to manage an investment vehicle such as the Trust. If the experience of the Sponsor and its management is inadequate or unsuitable to manage an investment vehicle such as the Trust, the operations of the Trust may be adversely affected.

The Trust Has Limited Operating or Performance History.

The Trust has a limited operating history. Therefore, a potential Shareholder has limited performance history, aside from the historical price of BONK, to serve as a factor in evaluating an investment in the Trust.

The Shares Are New Securities and Their Value Could Decrease if Unanticipated Operational or Trading Problems Arise.

The mechanisms and procedures governing the issuance, redemption (if any) and offering of the Shares have been developed specifically for the Trust. Consequently, there may be unanticipated problems or issues with respect to the mechanisms of the operations of the Trust and the trading of the Shares. In addition, to the extent that unanticipated operational or trading problems or issues arise, the Trust management's past experience and qualifications may not be suitable for solving these problems or issues. As a result, there is a risk that operational or trading problems could have a material adverse effect on an investment in the Shares.

Fees and Expenses Are Charged Regardless of Profitability and May Result in Depletion of Assets.

Shareholders in the Trust will pay fees and expenses in connection with their investment in Shares, including the Management Fee of an annualized 2.50 % of the average daily NAV of the Trust for each year, unless waived by the Sponsor. The Sponsor will bear the Assumed Expenses, but the Trust shall be responsible for the Trust Expenses, including but not limited to any Extraordinary Expenses (as defined below).

The Security of the Trust's BONK Holdings Cannot Be Assured by the Trust, the Custodian or Any Other Person.

The Trust's BONK holdings held by the applicable Custodian will be subject to security methods and procedures designed to ensure the Trust's control over those holdings and keep those holdings safe from unauthorized use, theft or other misuse. See "Other Parties–Custodian–The Custodian's Role." However, no security measures can provide assurance that the Trust's BONK holdings will not be affected by theft, misuse, cybersecurity breaches or other harms. Moreover, the Trust must use the Custodian's service on an "as is" basis and the Custodian's standard of care is limited to that of "reasonable care." Further, the Custodian is not liable for any loss that is caused, directly or indirectly, by any non-adherence by the Trust to the Custodian's policies and procedures, any action taken to secure the digital assets or accounts of the Trust or other exceptions under the Custodial Services Agreement (the "Custodian Agreement"). In addition, although we may be entitled to indemnification for certain breaches of the Custodian Agreement or the loss or theft of the Trust's assets, securing recovery for any such losses may require us to devote substantial time and resources to the task, with no guarantee of success. While the Trust has taken and will continue to take steps to secure its assets, the Trust's assets are continuously subject to risks of theft, fraud and other security breaches, and some or all of the Trust's assets may be lost or otherwise compromised as a result of such security breaches.

Possibility of Termination of the Trust May Adversely Affect a Shareholder's Portfolio.

The Sponsor may terminate the Trust in its sole discretion upon the occurrence of certain events, and shall terminate the Trust upon the occurrence of certain other events. If this power is so exercised, Shareholders who may wish to continue to invest in BONK through the Trust will have to find another vehicle, and may not be able to find another vehicle that offers the same features as the Trust. Such detrimental developments could cause a Shareholder to liquidate its investments at an inopportune time and upset the overall maturity and timing of its investment portfolio.

Any Errors, Discontinuance or Changes in Determining the Value of the BONK Held by the Trust May Have an Adverse Effect on the Value of the Shares.

The Administrator will determine the NAV of the Trust and the NAV per Share on a daily basis as soon as practicable after 4:00 P.M. New York time on each day the New York Stock Exchange is open for business. The Administrator's determination will be made based on the BONK Market Price To the extent that such NAV or NAV per Share is incorrectly calculated, there may be no liability for any error, but such misreporting of valuation data could adversely affect an investment in the Shares.

Shareholders May Be Adversely Affected by Redemption Orders that Are Subject to Postponement, Suspension, or Rejection under Certain Circumstances.

If redemptions of Shares are ever permitted, the Sponsor may nevertheless, in its discretion, suspend the right of redemption or postpone the redemption settlement date if (1) the order is not in proper form as determined by the Trust or Sponsor, (2) during an emergency as a result of which delivery, disposal or evaluation of BONK is not reasonably practicable or (3) for such other period as the Sponsor determines to be necessary for the protection of Shareholders. Any such postponement, suspension or rejection could adversely affect a redeeming investor. For example, the resulting delay may adversely affect the value of the investor's redemption proceeds if the NAV of the Trust declines during the period of delay. The Trust disclaims any liability for any loss or damage that may result from any such suspension or postponement.

As a Shareholder, You Will Not Have the Rights Normally Associated with Ownership of Shares of Other Types of Investment Vehicles. For Example, You Will Have No Voting Rights, in Comparison to Those of Securityholders in Traditional Operating Companies.

The Trust is a passive investment vehicle with no active management and no board of directors. Thus, the Shares are not entitled to the same rights as shares issued by a corporation operating a business enterprise with management and a board of directors. By acquiring Shares, you are not acquiring the right to elect directors, to vote on certain matters regarding the issuer of your Shares or to take other actions normally associated with the ownership of shares, such as the right to bring "oppression" or "derivative" actions. You will only have the extremely limited rights described under "Description of the Shares."

The Value of the Shares Will be Adversely Affected if the Trust Is Required to Indemnify the Sponsor, the Custodian or the Cash Custodian as Contemplated in the Trust Agreement, the Custodian Agreement or the Cash Custody Agreement.

Under the Trust Agreement, each of the Sponsor and the Trustee has a right to be indemnified from the Trust for any liability or expense it incurs without gross negligence, bad faith or willful misconduct on its part. Under the Trust Agreement, the Trust's officers, directors, employees and agents also have a right to be indemnified from the Trust for any liability or expense they incur without gross negligence, bad faith, or willful misconduct on their part. Similarly, the Custodian Agreement and the Cash Custody Agreement each provide for indemnification of the Custodian and the Cash Custodian, respectively, by the Trust under certain circumstances. That means that it may be necessary to sell assets of the Trust to cover losses or liability suffered by any of the foregoing parties. Any sale of that kind would reduce the NAV of the Trust and the NAV per Share, to the detriment of holders of the Shares.

The Trust's BONK Trading May Subject the Trust to the Risk of Counterparty Non-Performance, Potentially Negatively Affecting the Market Price of the Shares.

For its trading needs, the Trust may buy BONK from and sell BONK to both digital asset exchanges and OTC trading counterparties; however, the Trust intends to trade BONK primarily in large orders through OTC trading counterparties. The Trust will maintain delivery versus payment ("DVP") and receive versus payment ("RVP") terms with its digital asset exchange and OTC trading counterparties to reduce counterparty risk. Nevertheless, to the extent a digital asset

exchange or OTC trading counterparty fails to perform, either by failing to deliver BONK when the Trust buys BONK, or by failing to deliver U.S. dollars when the Trust sells BONK, the Trust may not be able to issue or redeem (if ever permitted) Shares, respectively. This exposes the Trust to the risk that a digital asset exchange or OTC counterparty will not settle a transaction in accordance with its terms and conditions, thus causing the Trust to suffer a loss. Therefore, the Trust faces the risk of trade failure and non-performance by digital asset exchanges and OTC counterparties, and such non-performance may cause some or all of the Trust's trades, if any, to be unrealized.

The Trust's BONK Holdings Could Become Illiquid Which Could Cause Large Losses to Shareholders at Any Time or From Time to Time.

The Trust may not always be able to liquidate its BONK at a desired price, or at all. It may become difficult to execute a trade at a specific price when there is a relatively small volume of buy and sell orders in the marketplace, including on digital asset exchanges and with OTC BONK participants.

A market disruption, such as a foreign government taking political actions that disrupt the market in its currency, its commodity production or exports, or in another major export, can also make it difficult to liquidate a position. In the event of a fork of the Solana Network, certain digital asset exchanges and/or OTC counterparties may halt deposits and withdrawals of BONK for a set period of time thus reducing liquidity in the markets. Unexpected market illiquidity may cause major losses to Shareholders at any time. The large amount of BONK the Trust may acquire increases the risk of illiquidity by both making its BONK more difficult to liquidate and increasing the losses incurred while trying to do so. To the extent the Trust is unable to purchase or sell BONK at a desired price as a result of illiquidity, the Trust may not be able to effect issuances and redemptions (if permitted) of Shares for cash.

Transactions in BONK Are Irreversible and the Trust May Be Unable to Recover Improperly Transferred BONK.

BONK transactions on the Solana Blockchain are irreversible. An improper transfer, whether accidental or resulting from theft, can only be undone by the receiver of the BONK agreeing to send the BONK back to the original sender in a separate subsequent transaction. To the extent the Trust erroneously transfers, whether accidental or otherwise, BONK in incorrect amounts or to the wrong recipients, the Trust may be unable to recover the BONK, which could adversely affect an investment in the Shares.

The Trust's BONK May Be Lost, Stolen or Subject to Other Inaccessibility.

There is a risk that part or all of the Trust's BONK could be lost, stolen or destroyed. Although the Trust will secure the Trust's BONK to seek to minimize the risk of loss, the Trust cannot guarantee that such a loss will be prevented. Access to the Trust's BONK could also be restricted by natural events (such as a hurricane or earthquake pandemic) or human actions (such as a terrorist attack). Any of these events may adversely affect the operations of the Trust and, consequently, an investment in the Shares.

Any Disruptions to the Computer Technology Used by the Trust or its Service Providers Could Adversely Affect the Trust's Ability to Function and an Investment in the Shares.

The Trust will monitor its technology and may develop and redesign its technology, including enhancements and alterations that may be implemented from time to time, and it expects its service providers to do the same. In doing so, there is risk that failures may occur and result in service interruptions or other negative consequences. Any technology updates that cause disruptions in the proper functioning of the Trust's or any of its service provider's technology systems may have an adverse impact on the Trust and an investment in the Shares.

The Trust may take such steps as the Sponsor determines, in its sole judgment, to be required to maintain and upgrade its technology systems, in order to protect against failure, hacking, malware and general security threats, and it expects its service providers to take their own steps to maintain and upgrade their own technology systems with the same goals in mind. The Trust is not liable to Shareholders for the failure or penetration of technology systems absent gross negligence, willful misconduct or bad faith. To the extent technology systems fail or are penetrated, any loss of the Trust's BONK or loss of confidence in the Trust's ability to safeguard its BONK may adversely affect an investment in the Shares.

The Trust's Computer Infrastructure May be Vulnerable to Security Breaches. Any Such Problems Could Cause Interruptions in the Trust's Operations and Adversely Affect an Investment in the Shares.

The Trust's computer infrastructure is potentially vulnerable to physical or electronic computer break-ins, viruses and similar disruptive problems and security breaches. Any such problems or security breaches could give rise to a halt in the Trust's operations and expose the Trust to a risk of financial loss, litigation and other liabilities. In the event of a security breach, the Trust may cease operations, suspend redemptions or suffer a loss of BONK or other assets. Any of these events, particularly if they result in a loss of confidence in the Trust's ability to operate, could have a material adverse effect on an investment in the Shares.

Technology System Failures Could Cause Interruptions in the Trust's Ability to Operate.

If the Trust's systems fail to perform, the Trust could experience disruptions in operations and slower response times, which may cause delays in the Trust's ability to buy or sell BONK. Any such failures may also result in the theft, loss or damage of the Trust's BONK. Any such theft, loss or damage of the Trust's BONK would have a negative impact on the value of the Shares and adversely affect the Trust's ability to operate. In addition, a loss of confidence in the Trust's ability to secure the Trust's BONK with its technology system may adversely affect the Trust and the value of an investment in the Shares.

Risk of Loss Due to Participation in BONK rewards.

At any given time, it is likely that a portion, and perhaps a significant portion of the BONK held by the Trust will be locked in the BONK rewards Pool for purposes of securing Rewards. Participation in BONK rewards has a low but inherent risk of permanent loss of BONK held by the Trust which would have a negative impact on the value of the Shares. Loss can occur due to a

failure in the smart contract software. Loss can also occur due to theft or mismanagement of the BONK while in the smart contract and not in the possession of the Custodian.

Regulatory Risks

The Trust is Not a Registered Investment Company.

The Trust is not a registered investment company subject to the Investment Company Act. Consequently, Shareholders of the Trust do not have the regulatory protections provided to Shareholders in registered investment companies such as, for example, the requirement that investment companies have a certain percentage of disinterested directors and requirements as to the relationship between the investment company and certain of its affiliates.

The Trust Could Be, or Could Become, Subject to the Commodity Exchange Act.

Currently, the CFTC takes the position that digital assets such as BONK are commodities, although it has not issued regulations to formalize this position. The Trust is not registered as a commodity pool for purposes of the CEA, and the Sponsor is not registered as a commodity pool operator, a commodity trading advisor or otherwise. While the Trust and the Sponsor will continue to monitor and evaluate whether any such registrations may be or may become required, there can be no assurance that the decision not to seek such registrations will not have an adverse effect on the Trust or the Sponsor.

SEC Regulatory Risk

The SEC has brought enforcement actions pursued litigation against cryptocurrency exchanges for failing to register as national securities exchanges, brokers, or clearing agencies. It is possible that the SEC could take the position that an exchange on which BONK is sold is an unregistered exchange operating in violation of registration requirements under the Securities Exchange Act of 1934 (the “Exchange Act”).

Trading on Digital Asset Markets Outside the United States Is Not Subject to U.S. Regulation, and May Be Less Reliable than U.S. Markets.

To the extent any of the Trust’s trading is conducted on digital asset markets outside the U.S., trading on such markets is not regulated by any U.S. governmental agency and may involve certain risks not applicable to trading in U.S. markets. Certain foreign markets may be more susceptible to disruption than U.S. markets. These factors could adversely affect the performance of the Trust.

Future Regulations May Require the Trust to Become Registered, or May Impose Other Regulatory Burdens, Which Could Harm the Trust or Even Cause the Trust to Liquidate.

Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may affect the manner in which BONK is treated for classification and clearing purposes, and the manner in which the Shares, the Trust and the Sponsor are regulated. Currently, the CFTC takes the position that digital assets are commodities and has brought enforcement actions against digital asset operators who have not registered as futures commission merchants or commodity pool operators, although several court challenges to this position are still pending and the CFTC has not

yet issued regulations to formalize its position. However, the CFTC has announced that, as part of its 2020-2024 strategic plan, it will work to develop a “holistic framework” of regulation that would promote responsible innovation in digital assets. Although there have been several recent U.S. federal rulings with respect to whether virtual currencies are a form of money or a commodity, these rulings are not definitive and the Sponsor and the Trust cannot be certain as to how future regulatory developments may affect the treatment of BONK under the law. In the face of such developments, new or additional registration and compliance steps may result in Extraordinary Expenses to the Trust. If the Sponsor decides to terminate the Trust in response to changed regulatory circumstances, the Trust may be dissolved or liquidated at a time that is disadvantageous to Shareholders.

To the extent that BONK is deemed to fall within the definition of a “commodity interest” under the CEA, the Trust and the Sponsor may be subject to additional regulation under the CEA and CFTC regulations. The Sponsor or the Trust may be required to register as a commodity pool operator or commodity trading advisor with the CFTC and become a member of the National Futures Association and may be subject to additional regulatory requirements with respect to the Trust, including disclosure and reporting requirements. These additional requirements may result in extraordinary, recurring and nonrecurring expenses. If the Sponsor or the Trust determines not to comply with such additional regulatory requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust’s BONK at a time that is disadvantageous to Shareholders.

To the extent that BONK is deemed to fall within the definition of a “security” under U.S. federal securities laws, the Trust and the Sponsor may be subject to additional requirements under the Investment Company Act and Advisers Act. The Sponsor may be required to register as an investment adviser under the Advisers Act. Such additional registration may result in extraordinary, recurring and non-recurring expenses. If the Sponsor or the Trust determines not to comply with such additional regulatory requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust’s BONK at a time that is disadvantageous to Shareholders.

Banks May Not Provide Banking Services, or May Cut Off Banking Services, to Businesses that Provide BONK-Related Services or that Accept BONK as Payment, Which Could Directly Impact the Trust’s Operations, Damage the Public Perception of BONK and the Utility of BONK as a Payment System and Could Decrease the Price of BONK and Adversely Affect an Investment in the Shares.

A number of companies that provide digital asset-related services have been unable to find banks that are willing to provide them with bank accounts and banking services. This may have an adverse impact on the Trust’s operations. Similarly, a number of such companies have had their existing bank accounts closed by their banks. Banks may refuse to provide bank accounts and other banking services to digital asset-related companies or companies that accept BONK for a number of reasons, such as perceived compliance risks or costs. The difficulty that many businesses that provide digital asset-related services have and may continue to have in finding banks willing to provide them with bank accounts and other banking services may be currently decreasing the usefulness of BONK as a form of payment and harming public perception of BONK or could decrease its usefulness and harm its public perception in the future. Similarly, the usefulness of BONK as a form of payment system and the public perception of BONK could be damaged if

banks were to close the accounts of many or of a few key businesses providing digital asset-related services. This could decrease the price of BONK and therefore adversely affect an investment in the Shares. It is unclear whether the recent decision by the OCC to allow national banks to provide cryptocurrency custody services may change this situation in the future. See “Information About the Solana Network and BONK—Regulation of BONK—Certain Historical Developments.”

It May Be Illegal, Now or in the Future, to Acquire, Own, Hold, Sell or Use BONK in One or More Countries, and Ownership of, Holding or Trading in Shares May Also Be Considered Illegal and Subject to Sanctions.

The United States, China, Russia or other jurisdictions may take additional regulatory actions in the future that further, severely restrict the right to acquire, own, hold, sell or use BONK or to exchange BONK for fiat currency. Such an action may also result in the restriction of ownership, holding or trading in the Shares. Such a restriction could subject the Trust or the Sponsor to investigations, civil or criminal fines and penalties, which could harm the reputation of the Trust or its Sponsor, and could result in the termination and liquidation of the Trust at a time that is disadvantageous to Shareholders, or may adversely affect an investment in the Shares.

If Regulatory Changes or Interpretations of the Trust’s or Sponsor’s Activities Require Registration as Money Service Businesses Under the Regulations Promulgated by FinCEN Under the Authority of the U.S. Bank Secrecy Act or as Money Transmitters or Digital Currency Businesses Under State Regimes for the Licensing of Such Businesses, the Trust and/or Sponsor Could Suffer Reputational Harm and Also Extraordinary, Recurring and/or Nonrecurring Expenses, Which Would Adversely Impact an Investment in the Shares.

If regulatory changes or interpretations of the Trust’s or Sponsor’s activities require the registration of the Trust or Sponsor as a money services business under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act, the Trust or Sponsor may be required to register and comply with such regulations. If regulatory changes or interpretations of the Trust’s or Sponsor’s activities require the licensing or other registration as a money transmitter or business engaged in digital currency activity (e.g., under the New York BitLicense regime, or equivalent designation) under state law in any state in which the Trust or Sponsor operates, the Trust or Sponsor may be required to seek licensure or otherwise register and comply with such state law. In the event of any such requirement, to the extent that the Sponsor decides to continue the Trust, the required registrations, licensure and regulatory compliance steps may result in extraordinary, non-recurring expenses to the Trust. Regulatory compliance would include, among other things, implementing anti-money laundering and consumer protection programs.

To the extent the Trust or Sponsor is found to have operated without appropriate state or federal licenses, it may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties, all of which would harm the reputation of the Trust or its Sponsor, decrease the liquidity of the Shares and have a material adverse effect on the price of the Shares. If the Sponsor decides to comply with such additional federal or state regulatory obligations and continue the Trust, the required registrations, licensure and regulatory compliance steps may result in extraordinary, nonrecurring expenses to the Trust, possibly affecting an investment in the Shares in a material and adverse manner. Furthermore, the Trust and its service providers may not be capable of complying with certain federal or state regulatory obligations applicable to money service businesses’ money transmitters and businesses involved in digital

currency business activity. If the Sponsor and/or the Trust determines not to comply with such requirements, the Sponsor will act to dissolve and liquidate the Trust. Any such termination could result in the liquidation of the Trust's BONK at a time that is disadvantageous to Shareholders.

Potential Conflicts of Interest

Affiliates of the Sponsor may obtain exposure to BONK through investment in the Shares. In addition, affiliates of the Sponsor may have substantial direct investments in BONK outside of the Trust. Such affiliates of the Sponsor are permitted to manage such investments, taking into account their own interests, without regard to the interests of the Trust or its Shareholders. To the extent that any substantial investment in BONK is initiated, materially increased or materially reduced, such investment can affect the BONK Market Price. The initiation of, or material increases in, a substantial investment in BONK may result in an increase in the BONK Market Price. A material reduction in a substantial investment may result in a decrease in the BONK Market Price, having a negative impact on the value of the Shares.

The Sponsor manages and expects to continue to manage other ventures, some of which may now or in the future have business objectives similar to or competing with those of the Trust. The Sponsor is not obligated to devote any specific amount of time to the affairs of the Trust and is not required to accord exclusivity or priority to the Trust in the event of investment opportunities arising from the application of speculative position limits or other factors. Situations may occur where the Trust could be disadvantaged because of the investment activities conducted by the Sponsor for other investment accounts.

Tax Risks

The Treatment of the Trust for U.S. Federal Income Tax Purposes Is Uncertain.

The Sponsor intends to take the position that the Trust will be treated as a grantor trust for U.S. federal income tax purposes. Assuming that the Trust is a grantor trust, the Trust will not be subject to U.S. federal income tax. Rather, each beneficial owner of Shares 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 Shares.

The Trust Agreement was drafted in a manner intended to clarify the Trust's classification as a grantor trust for U.S. federal income tax purposes. However, due to the absence of direct legal authority addressing the classification of an entity such as the Trust, the IRS or a court might not agree that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. In particular, there are many unique aspects to a grantor trust holding a virtual currency such as BONK (including with regard to staking activities) and there is no guidance from the IRS or the courts as to how the grantor trust rules are to be applied to virtual currencies.

If the IRS were successful in asserting that the Trust is not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. If the Trust were classified as a partnership for U.S. federal income tax purposes (that is not a publicly traded partnership as discussed below), the tax consequences of owning Shares generally would not be materially different from the tax consequences described herein, although there might be certain differences, including with respect to the timing of recognition of gain or loss and withholding

taxes. In addition, tax information reports provided to Shareholders would be made in a different form. If the Trust not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would generally be classified as a corporation for such purposes (including if the Trust were considered as a publicly traded partnership taxable as a corporation for U.S. federal income tax purposes). If it were treated as a corporation, the Trust would be subject to entity-level U.S. federal income tax (currently at a flat rate of 21%) on its net taxable income and certain distributions made by the Trust to Shareholders could be taxable as dividends to the extent of the Trust's current and accumulated earnings and profits. Any such dividend distributed to a beneficial owner of Shares that is a non-U.S. Holder, generally would be subject to U.S. federal withholding tax at a 30% rate (or a lower rate provided by an applicable income tax treaty).

The Treatment of BONK for U.S. Federal Income Tax Purposes Is Uncertain.

The Trust intends to take the position that each beneficial owner of Shares generally will be treated for U.S. federal income tax purposes as the owner of an undivided interest in the BONK held in the Trust. Due to the absence of direct legal authority, many significant aspects of the U.S. federal income tax treatment of BONK are uncertain, and the Sponsor does not intend to request a ruling from the IRS on these issues. On March 25, 2014, the IRS released a notice (the "Notice") discussing certain aspects of the treatment of convertible virtual currencies for U.S. federal income tax purposes. The Sponsor believes BONK should be considered such a convertible virtual currency, though the IRS has not confirmed this belief and therefore no assurances may be provided in this regard. It is assumed for the remainder of this discussion that BONK should be considered such a convertible virtual currency. In the Notice, the IRS stated that, for U.S. federal income tax purposes, virtual currencies are "property" that are not currency for the purposes of the rules relating to foreign currency gain or loss and that and that virtual currency may be held as a capital asset (if it otherwise qualifies as such). However, the Notice is not binding on the IRS and, accordingly, the IRS might not accept, and a court might not uphold, this treatment. If BONK were treated as currency for U.S. federal income tax purposes, gain recognized on the disposition of BONK would constitute ordinary income, and losses recognized on the disposition of BONK could be subject to special reporting requirements applicable to "reportable transactions," among other tax consequences.

The Notice does not address other significant aspects of the U.S. federal income tax treatment of virtual currencies, including: (i) whether virtual currencies are properly treated as "commodities" for U.S. federal income tax purposes; (ii) whether virtual currencies are properly treated as "collectibles" for U.S. federal income tax purposes; (iii) the proper method of determining a holder's holding period and tax basis for virtual currencies acquired at different times or at varying prices; and (iv) whether and how a holder of virtual currencies acquired at different times or at varying prices may designate, for U.S. federal income tax purposes, which of the virtual currencies is transferred in a subsequent sale, exchange or other disposition.

Prospective investors are urged to consult their tax advisors regarding the substantial uncertainty regarding the tax consequences of an investment in BONK or the Trust.

The Treatment of Staking for U.S. Federal Income Tax Purposes Is Uncertain.

The IRS has not provided any guidance regarding the tax treatment of staking and associated rewards (including Rewards). It is unclear whether newly created reward tokens are subject to

immediate income taxation, whether they should be taxed only when sold, or some other alternative. Shareholders should consult their own tax advisors as the U.S. federal income tax implications to them of the Trust's Rewards-generating activities and receipt of any Rewards, including any potential tax liabilities. The Sponsor can provide no assurances in this regard.

Future Developments in the Tax Treatment of BONK Could Adversely Affect an Investment in the Shares.

On December 5, 2014, the New York State Department of Taxation and Finance issued guidance regarding the application of New York State tax law to virtual currencies such as BONK. The agency determined that New York State would follow the Notice with respect to the treatment of virtual currencies such as BONK for state income tax purposes. Furthermore, the agency took the position that virtual currencies such as BONK are a form of "intangible property," with the result that the purchase and sale of BONK for fiat currency is not subject to state sales tax (although transactions of BONK for other goods and services may be subject to sales tax under barter transaction treatment). Other states have not issued any guidance on these points, and could take different positions (e.g., imposing sales taxes on purchases and sales of virtual currencies for fiat currency), and states that have issued guidance on their tax treatment of virtual currencies could update or change their tax treatment of virtual currencies. It is unclear what further guidance on the treatment of virtual currencies for state or local tax purposes may be issued in the future or if other states will follow the guidance of the New York State Department of Taxation and Finance with respect to the treatment of virtual currencies such as BONK for income tax and sales tax purposes. A state or local taxing authority's treatment of BONK may have negative tax consequences, including the imposition of a greater tax burden on investors in BONK or the imposition of a greater cost on the acquisition and disposition of BONK generally.

The treatment of virtual currencies such as BONK for tax purposes by foreign jurisdictions may differ from the treatment of virtual currencies by the IRS or the New York State Department of Taxation and Finance. It is possible, for example, that a foreign jurisdiction would impose sales tax or value-added tax on purchases and sales of digital currencies for fiat currency. If a foreign jurisdiction with a significant share of the market of BONK users imposes onerous tax burdens on BONK users, or imposes sales or value-added tax on purchases and sales of BONK for fiat currency, such actions could result in decreased demand for BONK in such jurisdiction, which could affect the price of BONK and negatively affect an investment in the Shares.

Any discussion of U.S. federal income tax matters set forth in this Memorandum or in any appendix hereto was written in connection with the promotion and marketing by the Trust and the Sponsor of the Shares. Such discussion is not intended or written to be legal or tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any U.S. federal tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

Certain Other Risks

You Should Consult Your Own Legal, Tax and Financial Advisers Regarding the Desirability of an Investment in the Shares Because No Independent Advisers Were Appointed to Represent You in Connection with the Formation and Operation of the Trust.

While the Sponsor has consulted with legal, tax and financial advisers regarding the formation and operation of the Trust, no counsel has been appointed to represent you in connection with the offering of the Shares or operations of the Trust. Accordingly, you should consult your own counsel, accountants and other advisers before investing in the Shares.

Competing Claims Over Ownership of Intellectual Property Rights Related to the Trust Could Adversely Affect the Trust and an Investment in the Shares.

The Sponsor believes that all intellectual property rights needed to operate the Trust have been obtained by the Sponsor. However, third parties may allege or assert ownership of intellectual property rights which may be related to the design, structure and operations of the Trust. The negotiation, litigation or settlement of such claims may result in expenses or damages that could adversely affect the Trust or lead to its termination.

Third parties may assert intellectual property claims relating to the holding and transfer of BONK and the Solana Network source code, as well as to the determination of the NAV of the trust or the Shares. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in BONK's long-term viability or the ability of end-users to hold and transfer BONK may adversely affect an investment in the Shares. Additionally, a meritorious intellectual property claim could prevent the Trust and others from accessing the Solana Blockchain, holding or transferring BONK, which could force the termination of the Trust and the liquidation of the Trust's BONK (if such liquidation is possible). As a result, an intellectual property claim against the Trust or other large participants within the Solana industry could adversely affect an investment in the Shares or the ability of the Trust to operate.

Additional Matters Related to the Business of the Trust

1. The form of organization of the issuer.

The Trust is a Delaware statutory trust.

2. The year that the issuer (or any predecessor) was organized.

The Trust was formed on September 3, 2024.

3. The issuer's fiscal year end date.

The Trust's fiscal year end date is December 31.

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding.

The Trust has not been in, and is not in the process of, any bankruptcy, receivership or any similar proceeding within the last three years.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.

The Trust has not undergone any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets within the last three years.

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

The Trust has not experienced any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the Trust to make payments within since its inception.

7. Any change of control.

The Trust has not experienced any change of control since its inception.

8. Any increase of 10% or more of the same class of outstanding equity securities.

The Trust has only one class of outstanding equity securities. The Shares were initially issued and sold in September 2024, and 10,971,047 Shares were sold through December 31, 2025. The Trust is an investment trust that has no limit on the number of Shares that can be issued. The Trust publishes the total number of Shares outstanding as of the end of each month on the Sponsor's website at www.ospreyfund.io.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spinoff, or reorganization.

None.

10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board.

There has not been any delisting of the Shares by any securities exchange or deletion from the OTC Bulletin Board.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

None.

B. Business of Issuer.

1. The issuer’s primary and secondary SIC Codes.

The Trust’s primary SIC Code is 6221.

2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations.

The Trust is a passive entity with no operations, and the Sponsor administers and manages the Trust as described in “Description of the Trust.”

3. Whether the issuer has at any time been a “shell company.”

The Trust has not at any time been a “shell company.”

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this Annual Report.

THE SPONSOR

The Trust’s Sponsor is Osprey Funds, LLC (“Osprey Funds”), a Delaware limited liability company formed on October 31, 2018. The Sponsor’s principal place of business is 777 Brickell Avenue, Suite 500 Miami, FL 33131 and its telephone number is (914) 214-4697. Under the Delaware Limited Liability Company Act and the governing documents of the Sponsor, the Sponsors’ shareholders are not responsible for the debts, obligations and liabilities of the Sponsor solely by reason of being members of the Sponsor. Other funds under the Osprey name are also managed by the Sponsor. REX Financial, LLC and REX Shares, LLC are under common control with the Sponsor.

The Sponsor is neither an investment adviser registered with the SEC, nor a commodity pool operator registered with the CFTC and will not be acting in either such capacity with respect to the Trust, and the Sponsor’s provision of services to the Trust will not be governed by the Advisers Act or the CEA.

The Sponsor’s Role

The Sponsor arranged for the creation of the Trust. The Sponsor will provide services to the Trust, and unless waived, will be paid a Management Fee equal to an annualized 2.50% of the average daily NAV of the Trust for each year; plus the Rewards, which is a variable amount equal to the periodic rewards of the Trust gained from locking BONK. The Management Fee will accrue daily in BONK and will be payable, at the Sponsor’s sole discretion, in BONK or in U.S. dollars at the BONK Market Price in effect at the time of such payment; and the Rewards will accrue in BONK at the time the BONK is issued to the Trust and will be payable, at the Sponsor’s sole discretion, in BONK. The Sponsor expects that the Trust will pay the Management Fee in monthly installments in arrears.

The Sponsor will bear the operational and administrative expenses of the Trust (the “Assumed Expenses”); provided, however, that the Trust shall be responsible for its other expenses.

The Sponsor will: (1) select the Trustee, Custodian, Cash Custodian, Administrator, Transfer Agent and any other Trust service providers; (2) negotiate various agreements and fees for the Trust; (3) develop a marketing plan for the Trust on an ongoing basis and prepare marketing materials regarding

the Shares; (4) maintain the Trust's website; and (5) perform such other services as the Sponsor believes the Trust may require. Copper Technologies and BitGo Trust Company, Inc. may each serve as the Custodian. Portage Bank serves as the Cash Custodian.

The Sponsor will engage the Custodian and the Cash Custodian to assist in implementing the issuance (and redemption) process for the Trust.

The Sponsor may transfer all or substantially all of its assets to an entity that carries on the business of the Sponsor if at the time of the transfer the successor assumes all of the obligations of the Sponsor under the Trust Agreement. In such an event, the Sponsor will be relieved of all further liability under the Trust Agreement.

The Management Fee and the Rewards are collectively paid by the Trust to the Sponsor as compensation for services performed under the Trust Agreement and for the Sponsor's agreement to pay the Assumed Expenses.

Conflicts of Interest

General

The Sponsor has not established formal procedures to resolve all potential conflicts of interest. Consequently, investors are dependent on the good faith of the respective parties subject to such conflicts to resolve them equitably. Although the Sponsor attempts to monitor these conflicts, it is extremely difficult, if not impossible, for the Sponsor to ensure that these conflicts do not, in fact, result in adverse consequences to the Trust.

Prospective investors should be aware that the Sponsor presently intends to assert that Shareholders have, by subscribing for Shares of the Trust, consented to the following conflicts of interest in the event of any proceeding alleging that such conflicts violated any duty owed by the Sponsor to investors.

The Sponsor

The Sponsor has a conflict of interest in allocating its own limited resources among, when applicable, different clients and potential future business ventures, to each of which it owes fiduciary duties. Additionally, the professional staff of the Sponsor also services other affiliates of the Trust, including companies under common control with the Sponsor. Although the Sponsor and its professional staff cannot and will not devote all of its or their respective time or resources to the management of the affairs of the Trust, the Sponsor intends to devote, and to cause its professional staff to devote, sufficient time and resources to manage properly the affairs of the Trust consistent with its or their respective fiduciary duties to the Trust and others.

Proprietary Trading/Other Clients

Because the officers of the Sponsor may trade BONK for their own personal trading accounts (subject to certain internal trading policies and procedures) at the same time as they are managing the account of the Trust, prospective investors should be aware that the activities of the officers of the Sponsor, subject to their fiduciary duties, may, from time-to-time, result in their taking positions in their personal trading accounts which are opposite of the positions taken for the Trust.

Records of the Sponsor's officers' personal trading accounts will not be available for inspection by Shareholders.

5. The effect of existing or probable governmental regulations on the business.

Please refer to "Regulatory Risks" for a discussion of the effect of existing or probable governmental regulations on the Trust's operations.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers.

Not applicable.

7. Costs and effects of compliance with environmental laws (federal, state and local). Not applicable.

8. The number of total employees and number of full-time employees.

The Trust has no employees. Under the agreements between Rex Services, LLC ("Rex Services") and the Sponsor, Rex Services provides legal, compliance, general administrative, operational, and marketing support to the Sponsor. Rex Financial, LLC is the ultimate parent company of Rex Services. Rex Financial, LLC had 28 employees as of December 31, 2025.

Item 9. The nature of products or services offered.

A. Principal products or services, and their markets.

The investment objective of the Trust is solely for the Shares to realize long-term capital appreciation by tracking the price of BONK tokens ("BONK"), non-native tokens that are compatible with the Solana Network, 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 BONK without investors making a direct investment in BONK.

B. Distribution methods of the products or services.

Not applicable.

C. Status of any publicly announced new product or service.

Not applicable.

D. Competitive business conditions, the issuer's competitive position in the industries, and methods of competition.

BONK is not the only available digital asset. Other memecoins that have been developed prior to or since the inception of BONK, include but are not limited to Dogecoin, Shiba Inu, Pepe, dogwifhat, FLOKI, Brett, Popcat, and BOOK OF MEME. Although a competitive memecoin could displace the market share BONK currently occupies, or a competitive blockchain could take market share from the Solana Blockchain, it would face significant headwinds due to the network effect and financial and intellectual investments currently enjoyed by BONK and the Solana

Network as one of the market leaders. As of March 27, 2026, BONK's market capitalization was estimated at approximately \$525 million.

E. Sources and availability of raw materials and the names of principal suppliers.

Not applicable.

F. Dependence on one or a few major customers.

Not applicable.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration.

Not applicable.

H. The need for any government approval of principal products or services and the status of any requested government approvals.

See the discussion set forth under the heading "Regulatory Risks."

Item 10. The nature and extent of the issuer's facilities.

The Trust is a passive entity with no operations, and the Sponsor administers and manages the Trust as described in the "Description of the Trust." The principal office of the Sponsor is located at 777 Brickell Avenue, Suite 500 Miami, FL 33131.

PART D. MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 11. Company Insiders (Officers, Directors, and Control Persons)

A. Management of the Sponsor

Under the Trust Agreement, all management functions of the Trust have been delegated to and are conducted by the Sponsor, its agents and its affiliates, including without limitation, the Custodian and its agents. As officers of the Sponsor, Gregory D. King, the Chief Executive Officer of the Sponsor, Robert Rokose, the Chief Financial Officer of the Sponsor, and Gregory Collett, the General Counsel of the Sponsor, may take certain actions and execute certain agreements and certifications for the Trust, in their capacity as the principal officers of the Sponsor.

The following individuals are the officers of the Sponsor responsible for overseeing the business and operations of the Trust:

Gregory D. King, Chief Executive Officer

Gregory D. King is Founder and CEO of Osprey Funds, LLC, and has served as CEO of the Sponsor since its inception in October 2018. Mr. King is the primary author of several financial industry innovations including creating the first-ever exchange-traded note ("ETN") for Barclays in 2006. In 2009, Mr. King co-founded VelocityShares, LLC, a provider of alternative exchange-traded products ("ETPs"), partnering with Credit Suisse as product issuer. VelocityShares was acquired by Janus Capital in 2014. During his career, Mr. King has created and launched over 100

exchange-traded funds and notes for Barclays, Credit Suisse, Global X Funds, VelocityShares, Rex Shares, and Osprey Funds. Mr. King received a Masters in Business Administration from the University of California, Davis, and is a CFA Charter holder. He has been an investor in Bitcoin since 2013.

Robert Rokose, Chief Financial Officer

Robert Rokose became Treasurer and CFO of the Sponsor in March 2020. He is also CFO of REX of Rex Financial, LLC. Mr. Rokose has over 30 years of accounting and financial services experience. His previous roles include CFO of U.S. Funds at JP Morgan Asset Management, Managing Director and CFO for PIMCO/Allianz Funds, and Assistant Vice President and Assistant Controller of publicly-held Lexington Global Asset Managers. Mr. Rokose has served as a Financial Services Consultant and has acted in that role since November 2016. From May 2014 to October 2016, Mr. Rokose was CFO and Treasurer of AccuShares Investment Management where he led all financial accounting and reporting for the organization. Mr. Rokose is a Certified Public Accountant, licensed in the state of New York. He has an undergraduate degree from Pace University and a Masters of Business Administration from the University of Connecticut.

Gregory Collett, General Counsel

Gregory Collett became General Counsel of the Sponsor in November 2024. He is also General Counsel of REX Shares, LLC, originally the parent company of the Sponsor. Greg has twenty-seven years of both legal and business experience in financial services. Prior to joining the Sponsor, Greg was General Counsel of SwapGlobal, Inc., a crypto-focused derivatives dealer. Prior to that, he was President of BlockFi | NB, a joint venture between Neuberger Berman and BlockFi to launch crypto-focused asset management products. From 2014-2020, Greg served as Director of Investment Products for a subsidiary of the World Gold Council, in which role his responsibilities included overseeing the SPDR[®] Gold Trust (Symbol: GLD[®]), the largest ETF in the world backed by physical gold, in addition to other investment products. Greg launched the first commodity pool ETF on a U.S. exchange while working for Deutsche Bank from 2002-2008, and he began his career as an attorney-advisor for the U.S. Commodity Futures Trading Commission. He holds a J.D. from George Washington University Law School and a B.A. from Colgate University.

Sponsor Compensation

The Sponsor arranged for the creation of the Trust. The Sponsor will provide services to the Trust, and unless waived, will be paid a Management Fee equal to an annualized 2.50% of the average daily NAV of the Trust for each year; plus the Rewards, which is a variable amount equal to the periodic staking rewards of the Trust gained from staking BONK.

Compensation of Directors

Not applicable.

Business Address

The business address for each of the Sponsor's officers is c/o Osprey Funds, LLC, 777 Brickell Avenue, Suite 500 Miami, FL 33131.

Number and class of the issuer’s securities beneficially owned by each such person.

<u>Name and Address of Beneficial Owner</u>	<u>Shares of the Trust owned as of 12/31/2025</u>
Gregory King, Chief Executive Officer.....	2,363
Robert Rokose, Chief Financial Officer.....	681
Gregory Collett, General Counsel.....	473

B. Other Control Persons

The Purchasers have no voting rights in the Trust or the Sponsor, and there are currently no redemption rights associated with the Trust, the Sponsor does not believe any purchasers are a control person of the Sponsor.

The number of Shares beneficially owned, and percentages of beneficial ownership set forth below are based on the number of Shares outstanding as of December 31, 2025:

BONK Community Treasury Ltd: 9,792,000 Shares (89.3%)
Craigmuir Chambers, PO Box 71
Road Town, Tortola VG1110
British Virgin Islands
Beneficial Owner: BONK Community Foundation.

B. Legal/Disciplinary History

None.

C. Disclosure of Family Relationships

None.

D. Disclosure of Related Party Transactions

None.

E. Disclosure of Conflicts of Interest

See “Potential Conflicts of Interest” and “Conflicts of Interest.”

Item 12. Financial information for the issuer’s most recent fiscal period.

The Trust’s audited financial statements for the year ended December 31, 2025, are attached as Exhibit 1 to this Annual Report. The historical results presented herein are not necessarily indicative of financial results to be achieved in future periods. The Trust’s audited financial statements attached as exhibits to this Annual Report are incorporated herein by reference and are considered as part of this Annual Report.

Item 13. Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

Such financial statements are incorporated by reference. Osprey BONK Trust financial statements for the years ended December 31, 2024, are attached in the Exhibit 1 of “Annual Report – 2024”. This report can be found in Disclosure Section of OBNK page on the OTC Markets website <https://www.otcm Markets.com/file/company/financial-report/496140/content>.

Item 14. The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Independent Auditor

Cherry Bekaert LLP
201 E. Las Olas Blvd.
Suite 2010
Fort Lauderdale, FL 33301
Telephone: (954) 556-1720

2. Counsel

Stradley Ronon Stevens & Young, LLP
2000 K Street NW
Suite 700
Washington, DC 20006
Telephone: (202) 822-9611

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this Annual Report - the information shall include the telephone number and email address of each advisor.

Not applicable.

Item 15. 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 audited financial statements and related notes included elsewhere in this Annual Report, which have been prepared in accordance with GAAP. The following discussion may contain forward-looking statements based on current expectations that involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors and Potential Conflicts of Interest,” “Cautionary Note Regarding Forward-Looking Statements” or in other sections of this Annual Report.

Trust Overview

The investment objective of the Trust is solely for the Shares to realize long-term capital appreciation by tracking the price of BONK tokens, non-native tokens that are compatible with the Solana Network, on each business day, less liabilities and expenses of the Trust. The Shares

are designed as a method for investors to gain investment exposure to BONK without making a direct investment in BONK.

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 BONK.

Proceeds received by the Trust from the issuance and sale of Shares consist of BONK deposits, or their respective U.S. dollar cash equivalents. Such BONK will in all cases be (1) owned by the Trust and held by the Custodian or locked and entered into the BONK rewards Pool, (2) disbursed (after conversion to U.S. dollars, as applicable) to pay the Trust's expenses, (3) distributed (either in kind or 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 (either in kind or after conversion to U.S. dollars, as applicable), to Shareholders as dividends, if and when dividends are ever paid (though the Trust does not currently intend to pay dividends), 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 BONK held by the Trust, less the Trust's expenses and other liabilities.

Trust Expenses

The Trust and the Sponsor will each bear certain expenses of the Trust. The Trust will be responsible for the Management Fee, the fees and expenses of the Custodian and the Administrator, compliance fees (such as for services ensuring proper sources of in-kind BONK subscriptions), audit, tax preparation, and index license fees and expenses, initial offering expenses including legal and other charges, aggregate legal fees and expenses in excess of \$50,000 per annum, and expenses related to public trading on OTCQX and/or OTCQB ("Trust Expenses"), and Trust Expenses shall also include indemnification expenses, government charges and fees including filing fees, taxes, and any extraordinary or non-routine expenses as determined by the Sponsor in good faith ("Extraordinary Expenses"). The Sponsor will bear the other administrative and operating expenses of the Trust ("Assumed Expenses").

Rewards

The Sponsor is committed to supporting the BONK community and ecosystem. To this end, the Sponsor will endeavor to ensure at its discretion that BONK held by the Trust will be locked and entered into the BONK rewards Pool ("staked") for purposes of receiving rewards and participating in community governance programs, should they be available, and if not, they will be held by the Trust. BONK locked in the BONK rewards Pool receives distributions in the form of BONK. Such rewards ("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.

Once the Trust's BONK is transferred to the BONK rewards Pool, it is locked and entered into a smart contract such that only the original wallet that locked the BONK has the authority to

withdraw BONK from the smart contract after the lockup period expires. The current staked BONK was locked in the smart contract for a one-year period starting on October 14, 2025, and, therefore, cannot be immediately withdrawn.

Rewards are earned by the Trust in BONK when rewards from the BONK rewards Pool are allocated to the Trust's wallet through the smart contract run by the rewards platform. Rewards earned in BONK are converted to U.S. dollars using the fair value of BONK as of the date the BONK is earned. The BONK is concurrently recognized as an expense equal to the amount of revenue recorded and payable to the Sponsor. The liability is paid to the Sponsor on a date determined by the Sponsor at its discretion.

Review of Financial Results

Audited financial statements for the year ended December 31, 2025, are attached.

PART E. ISSUANCE HISTORY

Item 16. List of securities offerings and Shares issued for services in the past two years.

The Trust has only one class of outstanding equity securities. Each Share was sold for \$5.00 at inception of the Trust and afterwards Share price is determined based on NAV applicable to the day on which that subscription amount is invested.

During October 2024, the Trust began a continuous offering of an unlimited number of Shares with no par value, pursuant to Rule 506 of Regulation D under Section 4(a)(2) of the Securities Act of 1933. All Shares issued pursuant to this offering are "restricted securities", they may not be sold, transferred, hypothecated or otherwise disposed of in the absence of an effective registration statement or an exemption from the registration requirements of the Securities Act and pursuant to prior approval by the Sponsor.

As of December 31, 2025, there were 10,971,047 Shares issued and outstanding. All Shares are restricted securities and may not be resold.

The Trust is an investment trust has no limit on the number of Shares that can be issued. The Trust publishes the total number of Shares outstanding as of the end of each month on the Sponsor's website at www.ospreyfund.io. The Shares offered by the Trust have not been registered under the Securities Act, or any state or other securities laws, were offered and sold only to Accredited Investors, and were each sold in compliance with all applicable state or other securities laws.

PART F. EXHIBITS

Item 17. Material Contracts.

TRUST AGREEMENT

The Trust Agreement establishes the roles, rights and duties of the Sponsor and the Trustee.

Liability of the Sponsor and Indemnification

The Sponsor and its affiliates (each a “Covered Person”) will not be liable to the Trust or any Shareholder for any action taken, or for refraining from taking any action in good faith, having determined that such course of conduct was in the best interests of the Trust. However, the preceding liability exclusion will not protect the Sponsor against any liability resulting from its own willful misconduct, bad faith or gross negligence in the performance of its duties.

Each Covered Person will be indemnified by the Trust and held harmless against any loss, judgment, liability, expense incurred or amount paid in settlement of any claim sustained by it in connection with the Covered Person’s activities for the Trust, without fraud, gross negligence, bad faith, willful misconduct or a material breach of the Trust Agreement on the part of such indemnified party arising out of or in connection with the performance of its obligations under the Trust Agreement and under each other agreement entered into by the Sponsor in furtherance of the administration of the Trust (including, without limiting the scope of the foregoing, any Subscription Agreement) or any actions taken in accordance with the provisions of the Trust Agreement. Such indemnity shall include payment from the Trust of the costs and expenses incurred by such indemnified party in defending itself against any claim or liability in its capacity as Sponsor. Any amounts payable to an indemnified party may be payable in advance or shall be secured by a lien on the Trust. The Sponsor may, in its discretion, undertake any action that it may deem necessary or desirable in respect of the Trust Agreement and the interests of the Shareholders and, in such event, the legal expenses and costs of any such actions shall be expenses and costs of the Trust and the Sponsor shall be entitled to be reimbursed therefor by the Trust.

Fiduciary and Regulatory Duties of the Sponsor

The Sponsor is not effectively subject to the duties and restrictions imposed on “fiduciaries” under both statutory and common law. Rather, the general fiduciary duties that would apply to the Sponsor are defined and limited in scope by the Trust Agreement.

The Trust Agreement provides that, in addition to any other requirements of applicable law, no Shareholder shall have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more Shareholders who (i) are not affiliates of one another and (ii) collectively hold at least 10% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding, provided, however, that the preceding limitation shall not apply to derivative actions brought in the name of the Trust under the federal securities laws and the rules and regulations thereunder.

Beneficial owners may have the right, subject to certain legal requirements, to bring class actions in federal court to enforce their rights under the federal securities laws and the rules and regulations promulgated thereunder by the SEC. Beneficial owners who have suffered losses in connection with the purchase or sale of their beneficial interests may be able to recover such losses from the Sponsor where the losses result from a violation by the Sponsor of the anti-fraud provisions of the federal securities laws.

Actions Taken to Protect the Trust

The Sponsor may, in its own discretion, prosecute, defend, settle or compromise actions or claims at law or in equity that it considers necessary or proper to protect the Trust or the interests of the

Shareholders. The expenses incurred by the Sponsor in connection therewith (including the fees and disbursements of legal counsel) will be expenses of the Trust and are deemed to be Extraordinary Expenses. The Sponsor will be entitled to be reimbursed for the Extraordinary Expenses.

Successor Sponsors

If the Sponsor is adjudged bankrupt or insolvent, the Sponsor may terminate and liquidate the Trust and distribute its remaining assets in the Sponsor's capacity as Liquidating Trustee.

Limitation on Trustee's Liability

Under the Trust Agreement, the Sponsor has exclusive control of the management of all aspects of the activities of the Trust and the Trustee has only nominal duties and liabilities to the Trust. The Trustee is appointed to serve as the trustee for the sole purpose of satisfying Section 3807(a) of the DSTA which requires that the Trust have at least one trustee with a principal place of business in the State of Delaware. The duties of the Trustee are limited to (i) accepting legal process served on the Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Delaware Secretary of State which the Trustee is required to execute under the DSTA.

To the extent the Trustee has duties (including fiduciary duties) and liabilities to the Trust or the Shareholders under the DSTA, such duties and liabilities will be replaced by the duties and liabilities of the Trustee expressly set forth in the Trust Agreement. The Trustee will have no obligation to supervise, nor will it be liable for, the acts or omissions of the Sponsor, Custodian or any other person. Neither the Trustee, either in its capacity as trustee or in its individual capacity, nor any director, officer or controlling person of the Trustee is, or has any liability as, the issuer, director, officer or controlling person of the issuer of Shares. The Trustee's liability is limited solely to the express obligations of the Trustee as set forth in the Trust Agreement.

Under the Trust Agreement, the Sponsor has the exclusive management, authority and control of all aspects of the activities of the Trust. The Trustee has no duty or liability to supervise or monitor the performance of the Sponsor, nor does the Trustee have any liability for the acts or omissions of the Sponsor. The existence of a trustee should not be taken as an indication of any additional level of management or supervision over the Trust. The management authority with respect to the Trust is vested directly in the Sponsor. The Trust Agreement provides that the Trustee is not responsible or liable for the genuineness, enforceability, collectability, value, sufficiency, location or existence of any of the BONK or other assets of the Trust.

Possible Repayment of Distributions Received by Shareholders; Indemnification by Shareholders

The Shares are limited liability investments. Investors may not lose more than the amount that they invest plus any profits recognized on their investment. Although it is unlikely, the Sponsor may, from time to time, make distributions to the Shareholders. However, Shareholders could be required, as a matter of bankruptcy law, to return to the estate of the Trust any distribution they received at a time when the Trust was in fact insolvent or in violation of its Trust Agreement. In addition, the Trust Agreement provides that Shareholders will indemnify the Trust for any harm suffered by it as a result of Shareholders' actions unrelated to the activities of the Trust.

The foregoing repayment of distributions and indemnity provisions (other than the provision for Shareholders indemnifying the Trust for taxes imposed upon it by a state, local or foreign taxing authority, which is included only as a formality due to the fact that many states do not have statutory trust statutes therefore the tax status of the Trust in such states might, theoretically, be challenged) are commonplace in statutory trusts and limited partnerships.

Indemnification of the Trustee

The Trustee and any of the officers, directors, employees and agents of the Trustee shall be indemnified by the Trust as primary obligor and held harmless against any loss, damage, liability, claim, action, suit, cost, expense, disbursement (including the reasonable fees and expenses of counsel), tax or penalty of any kind and nature whatsoever, arising out of, imposed upon or asserted at any time against such indemnified person in connection with the performance of its obligations under the Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated therein; provided, however, that the Trust shall not be required to indemnify any such indemnified person for any such expenses which are a result of the willful misconduct, bad faith or gross negligence of such indemnified person.

Holding of Trust Property

The Trust will hold and record the ownership of the Trust's assets in a manner such that it will be owned for the benefit of the Shareholders for the purposes of, and subject to and limited by the terms and conditions set forth in, the Trust Agreement. Other than by issuance of the Shares, the Trust has not created, incurred or assumed, and will not create, incur or assume, any indebtedness and it has not borrowed, and will not borrow, money from or loan money to any person. The Trustee may not commingle its assets with those of any other person.

The Trustee may employ agents, attorneys, accountants, auditors and nominees and will not be answerable for the conduct or misconduct of any such custodians, agents, attorneys or nominees if such custodians, agents, attorney and nominees have been selected with reasonable care.

Resignation, Discharge or Removal of Trustee; Successor Trustees

The Trustee may resign as Trustee by written notice of its election so to do, delivered to the Sponsor with at least 60 days' notice. The Sponsor may remove the Trustee in its discretion. If the Trustee resigns or is removed, the Sponsor, acting on behalf of the Shareholders, shall appoint a successor trustee. The successor Trustee will become fully vested with all of the rights, powers, duties and obligations of the outgoing Trustee.

Amendments to the Trust Agreement

The Sponsor may amend the Trust Agreement without the consent of any Shareholder if the amendment does not adversely affect the interests of the Shareholders or affect the allocation of profits and losses among the Shareholders or between the Shareholders and the Sponsor. Any amendment that adversely affects the rights of Shareholders, dissolves the Trust or makes any material change to the Trust's basic investment policies or structure must be approved by the affirmative vote of Shareholders owning at least 50% of the outstanding Shares.

Termination of the Trust

The Trust will dissolve if any of the following events occur:

a U.S. federal or state regulator requires the Trust to shut down or forces the Trust to liquidate its BONK or seizes, impounds or otherwise restricts access to Trust assets;

- The Trust is determined to be a “money service business” under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act and is required to comply with certain FinCEN regulations thereunder, and the Sponsor has made the determination that dissolution of the Trust is advisable;
- the Trust is required to obtain a license or make a registration under any state law regulating money transmitters, money services business, providers of prepaid or stored value, virtual currency business or similar entities, and the Sponsor has made the determination that dissolution of the Trust is advisable;
- any ongoing event exists that either prevents the Trust from making or makes impractical the Trust’s reasonable efforts to make a fair determination of the BONK Market Price;
- any ongoing event exists that either prevents the Trust from converting or makes impractical the Trust’s reasonable efforts to convert BONK to U.S. dollars;
- the filing of a certificate of dissolution or revocation of the Sponsor’s charter (and the expiration of 90 days after the date of notice to the Sponsor of revocation without a reinstatement of its charter) or upon the withdrawal, removal, adjudication or admission of bankruptcy or insolvency of the Sponsor, or an event of withdrawal (each of the foregoing events an “Event of Withdrawal”) unless at the time there is at least one remaining Sponsor; or
- a Custodian resigns or is removed without replacement

The Sponsor may, in its sole discretion, dissolve the Trust if any of the following events occur:

- the SEC determines that the Trust is an investment company required to be registered under the Investment Company Act;
- the CFTC determines that the Trust is a commodity pool under the CEA;
- the Trust becomes insolvent or bankrupt;
- all of the Trust’s assets are sold;
- the determination of the Sponsor that the ongoing management and operations of the Trust is imprudent or impractical and contrary to the interest of Shareholder, or that the aggregate net assets of the Trust in relation to the operating expenses of the Trust make it unreasonable or imprudent to continue the activities of the Trust;
- the Sponsor receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Code; or
- if the Trustee notifies the Sponsor of the Trustee’s election to resign and the Sponsor does not appoint a successor trustee within 60 days, the Trust will dissolve.

The death, legal disability, bankruptcy, insolvency, dissolution or withdrawal of any Shareholder (as long as such Shareholder is not the sole Shareholder of the Trust) shall not result in the termination of the Trust, and such Shareholder, his estate, custodian or personal representative shall have no right to withdraw or value such Shareholder’s Shares. Each Shareholder (and any

assignee thereof) expressly agrees that in the event of his death, he waives on behalf of himself and his estate, and he directs the legal representative of his estate and any person interested therein to waive the furnishing of any inventory, accounting or appraisal of the assets of the Trust and any right to an audit or examination of the books of the Trust, except for such rights as are set forth in Article VIII of the Trust Agreement relating to the books of account and reports of the Trust.

Upon dissolution of the Trust and surrender of Shares by the Shareholders, Shareholders will receive a distribution in U.S. dollars or BONK or both, at the sole discretion of the Sponsor, after the Sponsor has sold the Trust's BONK and has paid or made provision for the Trust's claims and obligations.

Governing Law; Consent to Jurisdiction

The Trust Agreement and the rights of the Sponsor, Trustee and Shareholders under the Trust Agreement are governed by the laws of the State of Delaware. The Sponsor, the Trustee and, by accepting Shares, each Shareholder consent to the jurisdiction of the courts of the State of New York and any federal courts located in the borough of Manhattan in New York City.

CUSTODIAL SERVICES AGREEMENT

The Custodial Services Agreement (the "Custodian Agreement") establishes the rights and responsibilities of the Custodian.

Access to the BONK Account; Deposits, Withdrawals and Storage

Copper

The Custodian has been engaged to keep in safe custody the Trust's digital assets. The Custodial Account will be controlled at all times by or on behalf of the Custodian.

The Custodian will provide the Sponsor with the information that is necessary for investors to make deposits to the Custodial Account. To support the Trust's ordinary course deposits and withdrawals, which involve deposits from and withdrawals to BONK accounts owned by investors, the Custodian's services will allow the Sponsor to receive a Solana Network address for deposits by investors, and to initiate withdrawals to Solana Network addresses controlled by investors. The Custodian will credit all BONK properly authorized by the Trust or the Sponsor to the Custodial Account.

The Custodian will only allow withdrawals of BONK from the Custodial Account by authorized representatives of the Sponsor or the Trust and upon receipt of proper instructions. Upon instruction by the sponsor, the Custodian will transfer the Bonk to the BONKrewards Pool, where it is locked and entered into a smart contract such that only the original wallet that locked the BONK has the authority to withdraw BONK from the smart contract after the lockup period expires. Any changes to the smart contract must be approved by a multi-signature process that is controlled by select BONK developers. While part of the smart contract the BONK will not be in the possession or control of the Custodian.

The Custodian may take steps that it determines, in its sole discretion, may be necessary or advisable to inspect and protect the security of the assets in the Trust’s accounts, whether digital or otherwise.

BitGo

The Custodian has been engaged to establish and maintain one or more custody accounts for the receipt, safekeeping and maintenance of the digital assets, and, to the extent applicable, fiat currency, of the Trust. The term “digital assets” includes digital assets, virtual currencies, tokens, or coins held for the Trust under the terms of the Custodian Agreement.

BONK stored will be stored in the “Custodial Account” and segregated from the property of the Custodian and the assets of other customers of the Custodian. The Sponsor will maintain security and control of the keys and security codes for the Custodial Account. The Custodian provides the Sponsor with the option to create non-custodial wallets to support certain digital assets (“Wallet Services”) provided by BitGo, Inc., an affiliate of the Custodian. Wallet Services provide access to wallets wherein BitGo, Inc. holds a minority of the keys and the Sponsor holds a majority of the keys. To the extent applicable, Wallet Services enable the Sponsor to interface with virtual currency networks to view and transmit information about a public blockchain address.

Standard of Care; Limitations of Liability

Copper

Although the Custodian will act on instructions from the Sponsor in a reasonable and proper manner, the Trust shall use the Custodian’s service on an “as is” basis. The Custodian makes no warranties as to its services, and expressly disclaims any warranties unless implied or statutory, including non-infringement, merchantability or fitness for a particular purpose. The Custodian makes no representation or warranty that access to its website, any part of its custodial services, or any of the materials contained therein, will be continuous, uninterrupted, or timely; be compatible or work with any software system or other services; or be secure, complete, free of harmful code, or error-free. The Custodian is responsible for losses from the Custodian’s own error in executing a transaction (*e.g.*, if Sponsor provides the correct destination address for executing a withdrawal instruction, but the Custodian erroneously sends the Trust’s BONK to another destination address.

The Custodian’s limitation of liability under the agreement shall be the lesser of: (a) the replacement cost of any assets in the Custodian Account; and (b) the market value of the assets at the time of events giving rise to the liability (as calculated at the average U.S. dollar price at the time of the loss, of the three (3) largest exchanges by trailing thirty day volume which offer the relevant digital asset U.S. dollar trading pair; or \$100,000,000.00 (one-hundred million dollars) Further, the Custodian is not liable for any lost profits or any special, incidental, indirect, intangible or consequential damages, whether based in contract, tort, negligence, strict liability, or otherwise arising out of or in connection with unauthorized use of the Coinbase Custody Site or the Coinbase Custodial Services (as each is defined in the Custodial Services Agreement), whether or not the Custodian had been advised of the possibility of such damages. Pursuant to the Custodial Services Agreement, the Custodian is not responsible for the services provided by the Solana Network, such as verifying and confirming transactions that are submitted to the Solana Network. Furthermore, the Custodian cannot cancel or reverse a transaction that has been submitted to the Solana Network.

To the extent the Custodian does not cause or contribute to a loss that the Trust or Sponsor suffers in connection with any BONK transaction initiated pursuant to the Custodian's services, the Custodian will have no liability for such loss.

BitGo

Under the Custodian Agreement, the Custodian will use commercially reasonable efforts to provide technical support, respond to and resolve support requests in a timely manner to the extent reasonably practicable, abide by the terms of the Service Level Agreement (available at <https://www.bitgo.com/resources/bitgo-service-level-agreement>), and make Custodial Accounts available via the Internet twenty-four (24) hours a day, seven (7) days a week. The Custodian, however, is not responsible for any loss or damage suffered by the Trust as a result of the Custodian performing its obligations unless such loss or damage results from an act of gross negligence, fraud, or willful misconduct on the part of the Custodian. The Custodian is not responsible for the title, validity, or genuineness of any asset received or delivered pursuant to the Custodian Agreement. The Custodian also is not responsible for acting on instructions reasonably believed to be given by the Sponsor and the Sponsor is responsible for losses resulting from inaccurate instructions.

The Custodian is not responsible for special, indirect or consequential damages, nor for losses due to events of force majeure. The Custodian will obtain or maintain insurance coverage in such types and amounts as commercially reasonable for the services provided under the Custodian Agreement with respect to Custodial Services and not Wallet Services (where one or more keys are held by the Sponsor or its designee).

Indemnity

Copper

Under the Custodial Services Agreement, each of the Trust and the Custodian agree to indemnify the other, and each of its affiliates, or its respective officers, directors, employees and representatives harmless from any third-party claim or third-party demand (including attorneys' fees and any fines, fees or penalties imposed by any regulatory authority) arising out of a party's (1) breach of the Custodial Services Agreement; (2) breach of the confidentiality obligations under or in connection with the Custodial Services Agreement (3) violation of any law, rule or regulation or the rights of any third party; or (4) gross negligence, fraud or willful misconduct.

BitGo

Under the Custodian Agreement, the Trust agrees to hold harmless the Custodian and each of the Custodian's affiliates and service providers, and each of such other party's respective officers, directors, employees, agents or delegates from any losses which may be suffered or incurred by such party or any of such party's affiliates, service providers, officers, directors, employees, agents or delegates directly or indirectly in connection with or as a result of any service performed or action permitted under the Custodian Agreement or the occurrence of any Losses (as defined in the Custodian Agreement), unless caused by the gross negligence, fraud or willful misconduct of the Custodian. Custodian's liability for gross negligence is limited to the value of the affected digital assets or fiat currency, as applicable.

Modification of Agreement

Each Custodian

The Custodian Agreement may be modified or amended only upon a written agreement signed by both the Trust and the applicable Custodian.

Governing Law; Consent to Jurisdiction

Item 18. Articles of Incorporation and Bylaws.

Attached as an exhibit hereto is a copy of the Amended and Restated Declaration of Trust and Trust Agreement of Osprey BONK Trust, dated as of May 19, 2025.

Item 19. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Not applicable.

Item 20. Issuer Certifications

I, Robert Rokose, certify that:

1. I have reviewed this Annual Report of Osprey BONK Trust.
2. Based on my knowledge, this Annual 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 Annual Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, 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 Annual Report.

Date: March 31, 2026

/s/ Robert J. Rokose

By: Robert J. Rokose

Title: (Chief Financial Officer) of
Osprey Funds, LLC

I, Gregory D. King, certify that:

1. I have reviewed this Annual Report of Osprey BONK Trust.
2. Based on my knowledge, this Annual 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 Annual Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Annual Report, 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 Annual Report.

Date: March 31, 2026

/s/ Gregory D. King

By: Gregory D. King
Title: (Chief Executive Officer) of
Osprey Funds, LLC

Exhibit 1

Audited Financial Statements for the year ended December 31, 2025.



Osprey BONK Trust
Financial Statements

December 31, 2025 and December 31, 2024

Osprey BONK Trust

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Report of Independent Auditor

To the Investors and Sponsor
Osprey BONK Trust
Fairfield, Connecticut

Opinion

We have audited the accompanying financial statements of Osprey BONK Trust (the “Trust”), which comprise the statements of assets and liabilities, including the schedules of investment as of December 31, 2025 and 2024, and the related statements of operations and changes in net assets for the year ended December 31, 2025 and the period from October 14, 2024 (commencement of operations) through December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2025 and 2024, and the results of its operations and the changes in its net assets for the year ended December 31, 2025 and the period from October 14, 2024 (commencement of operations) through December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust’s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Cherry Bekaert LLP

Virginia Beach, Virginia
March 31, 2026

Osprey BONK Trust
Statements of Assets and Liabilities
December 31, 2025 and December 31, 2024

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Assets		
Investment in BONK, at fair value (cost \$55,585,462 and \$49,093,721, respectively), including \$15,577,688 and \$62,318,813 staked BONK, respectively	\$ 17,278,923	\$ 65,631,558
Cash	520	840
Other assets	31,385	-
Total assets	<u>\$ 17,310,828</u>	<u>\$ 65,632,398</u>
Liabilities		
Management fee payable	\$ 36,663	\$ 138,922
Staking rewards payable to Sponsor	2,130	88,014
Due to Sponsor	520	840
Other payable	34,210	30,263
Total liabilities	<u>73,523</u>	<u>258,039</u>
Net assets	<u>\$ 17,237,305</u>	<u>\$ 65,374,359</u>
Net assets		
Paid-in capital	\$ 57,530,429	\$ 49,171,357
Accumulated net investment loss	(1,653,682)	(426,636)
Accumulated net realized (loss) gain on investment in BONK	(338,242)	63,752
Accumulated net change in unrealized (depreciation) appreciation on investment in BONK	(38,301,200)	16,565,886
	<u>\$ 17,237,305</u>	<u>\$ 65,374,359</u>
Shares issued and outstanding, no par value (unlimited Shares authorized)	10,971,047	9,817,503
Net asset value per Share	<u>\$ 1.57</u>	<u>\$ 6.66</u>

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

Osprey BONK Trust
Schedules of Investment
December 31, 2025 and December 31, 2024

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

December 31, 2025

	Units	Fair Value	Percentage of Net Assets
Investment in BONK* (cost \$55,585,462)	<u>2,294,677,627,585</u>	<u>\$ 17,278,923</u>	<u>100 %</u>
Liabilities, less cash and other assets		<u>(41,618)</u>	<u>(0) %</u>
Net assets		<u>\$ 17,237,305</u>	<u>100 %</u>

* amount includes \$15,577,688 of staked BONK as discussed in Note 2 and Note 3

December 31, 2024

	Units	Fair Value	Percentage of Net Assets
Investment in BONK* (cost \$49,093,721)	<u>2,126,062,773,565</u>	<u>\$ 65,631,558</u>	<u>100 %</u>
Liabilities, less cash		<u>(257,199)</u>	<u>(0) %</u>
Net assets		<u>\$ 65,374,359</u>	<u>100 %</u>

* amount includes \$62,318,813 of staked BONK as discussed in Note 2 and Note 3

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

Osprey BONK Trust
Statements of Operations
For the year ended December 31, 2025 and the period from October 14,
2024 (commencement of operations) to December 31, 2024

(Amounts in U.S. dollars)

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Period ended</u> <u>December 31, 2024</u>
Investment income		
Income		
Staking rewards income, net	\$ 2,546,775	\$ 1,391,964
Other income	99	51
Total income	<u>2,546,874</u>	<u>1,392,015</u>
Expenses		
Staking rewards owed to the Sponsor	2,546,775	1,391,964
Management fee	992,290	378,174
Professional fees	65,046	48,513
Custodian fees	39,166	-
Other	130,643	-
Total expenses	<u>3,773,920</u>	<u>1,818,651</u>
Net investment loss	<u>(1,227,046)</u>	<u>(426,636)</u>
Net realized (loss) gain and net change in unrealized (depreciation) appreciation on investment in BONK		
Net realized (loss) gain on investment in BONK	(401,994)	63,752
Net change in unrealized (depreciation) appreciation on investment in BONK	<u>(54,867,086)</u>	<u>16,565,886</u>
Total net realized (loss) gain and net change in unrealized (depreciation) appreciation on investment in BONK	<u>(55,269,080)</u>	<u>16,629,638</u>
Net (decrease) increase in net assets resulting from operations	<u>\$ (56,496,126)</u>	<u>\$ 16,203,002</u>

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

Osprey BONK Trust
Statements of Changes in Net Assets
For the year ended December 31, 2025 and the period from October 14,
2024 (commencement of operations) to December 31, 2024

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

	<u>Year ended</u> <u>December 31, 2025</u>	<u>Period ended</u> <u>December 31, 2024</u>
(Decrease) increase in net assets from operations		
Net investment loss	\$ (1,227,046)	\$ (426,636)
Net realized (loss) gain on investment in BONK	(401,994)	63,752
Net change in unrealized (depreciation) appreciation on investment in BONK	<u>(54,867,086)</u>	<u>16,565,886</u>
Net (decrease) increase in net assets resulting from operations	<u>(56,496,126)</u>	<u>16,203,002</u>
Increase in net assets from capital transactions		
Subscriptions	<u>8,359,072</u>	<u>49,171,357</u>
Net (decrease) increase in net assets	<u>(48,137,054)</u>	<u>65,374,359</u>
Net assets at the beginning of the period	65,374,359	-
Net assets at the end of the year	<u>\$ 17,237,305</u>	<u>\$ 65,374,359</u>
Change in shares issued and outstanding		
Shares issued and outstanding at the beginning of the year	9,817,503	-
Subscriptions	<u>1,153,544</u>	<u>9,817,503</u>
Shares issued and outstanding at the end of the year	<u>10,971,047</u>	<u>9,817,503</u>

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

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

1. Organization

Osprey BONK Trust (the “Trust” or “Fund”) is a Delaware trust that was formed on September 3, 2024, and commenced operations on October 14, 2024, and is governed by the Amended and Restated Declaration of Trust and Trust Agreement (the “Trust Agreement”) dated May 19, 2025. In general, the Trust holds the cryptocurrency BONK (“BONK”) and, from time to time, issues common shares of fractional undivided beneficial interest (“Shares”) in exchange for BONK. The investment objective of the Trust is solely for the Shares to realize long-term capital appreciation by tracking the price of BONK tokens, non-native tokens that are compatible with the Solana Network, on each business day, less liabilities and expenses of the Trust. The Shares are designed as a method for investors to gain investment exposure to BONK, without making a direct investment in BONK.

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 partial consideration for the Sponsor’s services, the Trust assigns staking rewards to the Sponsor and expects to pay the Sponsor a management fee (collectively, “Sponsor’s Fee”) as discussed in Notes 2 and 5. Pursuant to agreements between REX Services, LLC (“REX Services”) and the Sponsor, REX Services provides legal, compliance, general administrative, operational, and marketing support to the Sponsor. REX Financial, Inc. is the parent company of REX Services and REX Financial, LLC is the parent of REX Financial, Inc.

BitGo Trust Company, Inc. (“BitGo”) and Copper Technologies (UK) Ltd. (“Copper”), the custodians of the Trust (each, a “Custodians”), are each responsible for safeguarding the BONK held by the Trust. The Custodians (directly, or through an affiliate) are also responsible for administering the coordination, execution, and reward management associated with locking the Trust’s BONK in the BONK rewards pool (the “BONK rewards Pool”).

CSC Delaware Trust Company serves as the trustee (the “Trustee”) of the Trust. The Trustee is unaffiliated with the Sponsor.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements are expressed in U.S. 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 the U.S. Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

Segment Reporting

The Trust is deemed to be an individual reporting segment and the Chief Executive Officer and Chief Financial Officer of the Sponsor act as the Trust's chief operating decision maker ("CODM"). The CODM monitors the operating results of the Trust as a whole and the Trust's investment objective is pre-determined in accordance with the terms of the Trust Agreement. The financial information provided to and reviewed by the CODM is consistent with that presented in the Trust's financial statements.

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. Actual results could differ from those estimates, and these differences could be material.

Cash

Cash is received by the Trust and held for investment in BONK. At times, bank deposits may be in excess of federally insured limits. Pursuant to the Statement of Cash Flows Topic of the ASC, 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 Shares

Proceeds received by the Trust from the issuance and sale of Shares consist of BONK deposits, or their respective U.S. dollar cash equivalents. Such BONK will in all cases be (1) owned by the Trust and held by the Custodian or locked and entered into the BONK rewards Pool, (2) disbursed (after conversion to U.S. dollars, as applicable) to pay the Trust's expenses, (3) distributed (either in kind or 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 (either in kind or after conversion to U.S. dollars, as applicable), to Shareholders as dividends, if and when dividends are ever paid (though the Trust does not currently intend to pay dividends), or (5) liquidated in the event that the Trust is terminated or as otherwise required by law or regulation.

During October 2024, the Trust began a continuous offering of an unlimited number of Shares with no par value, pursuant to Rule 506 of Regulation D under Section 4(a)(2) of the Securities Act of 1933. All the Shares issued pursuant to this offering are "restricted securities", they may not be sold, transferred, hypothecated, or otherwise disposed of in the absence of an effective registration statement or an exemption from the registration requirements of the Securities Act and pursuant to prior approval by the Sponsor.

In January 2025, the Trust offered the Shares registered in Connecticut and qualified in New York, pursuant to Rule 504 of Regulation D under the Securities Act of 1933 (the "Rule 504 Offering"), to accredited investors for up to \$10,000,000 in each offering.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

On October 1, 2025, the Trust's Units Shares began trading on the OTCQX U.S. market, operated by OTC Markets Group, Inc., under the ticker symbol "OBNK".

As of December 31, 2025, there were 10,971,047 Shares issued and outstanding. Of these Shares, 62,067 are restricted securities that may not be resold and 10,908,980 are unrestricted securities. As of December 31, 2024, there were 9,817,503 Shares issued and outstanding. All Shares are restricted securities that may not be resold.

The Trust conducts its transactions in BONK, including receiving BONK for the creation of Shares, and delivering BONK in connection with the redemption of Shares (if a redemption program were to be established), and for the payment of the Sponsor's Fee. The Trust does not buy or sell BONK for the purpose of seeking trading profits.

The Trust is currently unable to redeem Shares. The Trust may seek approval from the SEC in the future to operate an ongoing redemption program, though there can be no assurance that the Trust will seek or receive such approval.

Investment Transactions and Revenue Recognition

The Trust identifies BONK as an "other investment" in accordance with ASC 946. The Trust records investment transactions on a trade date basis and changes in fair value are reflected in the net change in unrealized appreciation or depreciation on investment. Realized gains and losses are calculated using a specific identification method. Realized gains and losses are recognized in connection with transactions, including settling obligations for the Sponsor's Fee and other expenses in BONK.

Management Fees

In consideration of the management services provided to the Trust, the Sponsor receives from the Trust a management fee (the "Management Fee"). The Management Fee accrues daily at an annual rate of 2.50% of the net asset value of the Trust and is payable to the Sponsor monthly in arrears.

Staked BONK and Staking Rewards

The Sponsor is committed to supporting the BONK community and ecosystem. To this end, the Sponsor will endeavor to ensure at its discretion that BONK held by the Trust will be locked and entered into the BONK rewards Pool ("staked") for purposes of receiving rewards and participating in community governance programs, should they be available, and if not, they will be held by the Trust. BONK locked in the BONK rewards Pool receives distributions in the form of BONK. 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.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

Once the Trust's BONK is transferred to the BONK rewards Pool, it is locked and entered into a smart contract such that only the original wallet that locked the BONK has the authority to withdraw BONK from the smart contract after the lockup period expires. The current staked BONK was locked in the smart contract for a one-year period starting on October 16, 2025, and, therefore, cannot be immediately withdrawn.

Staking Rewards are earned by the Trust in BONK when rewards from the BONK rewards Pool are allocated to the Trust's wallet through the smart contract run by the rewards platform. Rewards earned in BONK are converted to U.S. dollars using the fair value of BONK as of the date the BONK is earned. The BONK is concurrently recognized as an expense equal to the amount of rewards income recorded and payable to the Sponsor. The liability is paid to the Sponsor on a date determined by the Sponsor at its discretion.

Trust Expenses

The Trust and the Sponsor will each bear certain expenses of the Trust. The Trust will be responsible for the Management Fee, the fees and expenses of the Custodian and the Administrator, compliance fees (such as for services ensuring proper sources of in-kind BONK subscriptions), audit, tax preparation, and index license fees and expenses, initial offering expenses including legal and other charges, aggregate legal fees and expenses in excess of \$50,000 per annum, and expenses related to public trading on OTCQX and/or OTCQB ("Trust Expenses"), and Trust Expenses shall also include indemnification expenses, government charges and fees including filing fees, taxes, and any extraordinary or non-routine expenses as determined by the Sponsor in good faith ("Extraordinary Expenses"). The Sponsor will bear the other administrative and operating expenses of the Trust ("Assumed Expenses").

Fair Value Measurements

The Trust's investment in BONK 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 BONK is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. A principal market is the market with the greatest volume and level of activity for BONK, 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).

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

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 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 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. 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 BONK market price. In calculating the value of the BONK 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 Share of the Trust daily, which equals the NAV of the Trust divided by the number of outstanding Shares (the “NAV per Share”).

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

3. Fair Value of BONK

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 December 31, 2025, and December 31, 2024:

December 31, 2025	Number of BONK	Per BONK Fair Value	Amount at Fair Value	Fair Value Measurement Category		
				Level 1	Level 2	Level 3
Investment in BONK	2,294,677,627,585	\$ 0.000008	\$ 17,278,923	\$ 17,278,923	\$ -	\$ -
December 31, 2024	Number of BONK	Per BONK Fair Value	Amount at Fair Value	Fair Value Measurement Category		
Investment in BONK	2,126,062,773,565	\$ 0.000031	\$ 65,631,558	\$ 65,631,558	\$ -	\$ -

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

As of December 31, 2025, approximately 2,068,750,000,000 BONK was staked and valued at \$15,577,688. As of December 31, 2024, approximately 2,018,750,000,000 BONK was staked and valued at \$62,318,813.

Staking Rewards and Management Fee payables are recorded in BONK and converted into U.S. dollars using the fair value of BONK as of the reporting date. The fluctuations arising from the effect of changes in liability denominated in BONK are included with the net realized or unrealized appreciation or depreciation on investment in BONK in the statements of operations.

The following represents the changes in quantity and the respective fair value of BONK for the year ended December 31, 2025:

	BONK	Fair Value
Balance at December 31, 2024	2,126,062,773,565	\$ 65,631,558
BONK purchases - Subscriptions	244,645,058,468	8,358,684
BONK received for Staking Rewards	130,356,439,262	2,546,775
BONK distributed for Management fee, related party	(54,551,017,327)	(982,071)
BONK distributed for Staking Rewards, related party	(132,924,705,314)	(2,612,237)
BONK distributed for other fees	(18,910,921,069)	(248,378)
Net realized loss on investment in BONK	-	(571,033)
Net change in unrealized depreciation on investment in BONK	-	(54,844,375)
Balance at December 31, 2025	2,294,677,627,585	\$ 17,278,923

Net realized loss on the transfer of BONK to pay expenses for the year ended December 31, 2025, was \$401,994, which includes \$571,033 net realized loss on investment in BONK, and \$169,039 net realized gain resulting from the changes in liabilities denominated in BONK. Net change in unrealized depreciation on investment in BONK for the year ended December 31, 2025, was \$54,867,086, which includes net change in unrealized depreciation on investment in BONK of \$54,844,375 and \$22,711 net unrealized depreciation due to changes in value of liabilities denominated in BONK.

Osprey BONK Trust
Notes to the Financial Statements
As of December 31, 2025

The following represents the changes in quantity and the respective fair value of BONK for the period from October 14, 2024 (commencement of operations) to December 31, 2024:

	<u>BONK</u>	<u>Fair Value</u>
Balance at October 14, 2024	-	\$ -
BONK purchases - Subscriptions	2,130,530,098,633	49,171,408
BONK received for Staking Rewards	41,471,610,840	1,391,964
BONK distributed for Management fee, related party	(6,832,421,817)	(230,772)
BONK distributed for Staking Rewards, related party	(38,620,496,300)	(1,305,980)
BONK distributed for other fees	(486,017,791)	(18,249)
Net realized gain on investment in BONK	-	85,351
Net change in unrealized appreciation on investment in BONK	-	16,537,836
Balance at December 31, 2024	<u>2,126,062,773,565</u>	<u>\$ 65,631,558</u>

Net realized gain on the transfer of BONK to pay expenses for the period from October 14, 2024 (commencement of operations) to December 31, 2024, was \$63,752, which includes \$85,351 net realized gain on investment in BONK, and \$21,599 net realized loss resulting from the changes in liabilities denominated in BONK. Net change in unrealized appreciation on investment in BONK for the period from October 14, 2024 (commencement of operations) to December 31, 2024, was \$16,565,886, which includes net change in unrealized appreciation on investment in BONK of \$16,537,836, and \$28,050 net unrealized appreciation due to changes in value of liabilities denominated in BONK.

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 Shares 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 Shares.

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 December 31, 2025, and December 31, 2024, 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 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 December 31, 2025, and December 31, 2024.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

The tax year 2025 and 2024 are subject to examination by taxing authorities.

5. Related Parties

The Sponsor pays certain expenses on behalf of, and is reimbursed by, the Trust. For the year and period ended December 31, 2025, and 2024, the Trust reimbursed the Sponsor the expenses in the amount of \$261,807 and \$18,249. As of December 31, 2025, and 2024, \$520 and \$840 in expenses remain payable to the Sponsor, respectively, which is recorded as due to the Sponsor in the accompanying statements of assets and liabilities.

For the year and period ended December 31, 2025, and 2024, the Trust incurred Management Fees of \$992,290 and \$378,174. As of December 31, 2025, and 2024, there were unpaid Management Fees of \$36,663 and \$138,922, respectively, which are recorded as management fee payable in the accompanying statements of assets and liabilities.

For the year and period ended December 31, 2025, and 2024, the Trust received Staking Rewards in the amount of 130,356,439,262 BONK and 41,471,610,840 respectively; and distributed 132,924,705,314 and 38,620,496,300 respectively BONK to the Sponsor. As of December 31, 2025, and 2024, 282,848,488 BONK and 2,851,114,540 BONK remains payable, respectively, and is valued at \$2,130 and \$88,014 in the statement of assets and liabilities, respectively.

Certain Shareholders are related parties of the Trust. The aggregate number of Shares owned by related parties is 3,517, valued at \$5,526 and 2,363, valued at \$15,735 on December 31, 2025, and December 31, 2024, respectively.

6. Risks and Uncertainties

Investment in BONK

The Trust is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, BONK. Investments in BONK are currently unregulated, highly speculative, and subject to volatility.

The net asset value of the Trust relates primarily to the value of BONK held by the Trust and fluctuations in the price of BONK could materially and adversely affect the value of the Shares of the Trust. The price of BONK has a limited history. During such history, BONK prices have been volatile and subject to influence by many factors including the levels of liquidity. Further, BONK is a non-native, digital “novelty token” compatible with the Solana Network. A novelty token is a type of alternative token (“altcoin”) that may not have an inherently practical purpose but that is a globally transferrable, scarce, digital novelty item. “Memecoins” are a category of altcoins usually named after internet memes or pop culture references.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

If BONK exchanges continue to experience significant price fluctuations, the Trust may experience losses. Several factors may affect the price of BONK, including, but not limited to, global BONK supply and demand, theft of BONK from global exchanges or vaults, and competition from other forms of digital currency or payment services.

At any given time, it is likely that a portion, and perhaps a significant portion of the BONK held by the Trust, will be locked in the BONK rewards Pool for purposes of securing Rewards. Participation in the BONK rewards Pool has a low but inherent risk of permanent loss of BONK held by the Trust which would have a negative impact on the value of the Shares. Loss can occur due to a failure in the smart contract software. Loss can also occur due to the theft or mismanagement of the BONK while in the smart contract and not in the possession or control of the custodian.

To the extent consistent with each Shareholder's Subscription Agreement, the Trust's Shareholders have no specific rights to any specific BONK held by the Trust. In the event of the insolvency of the Trust, its assets may be inadequate to satisfy a claim by its Shareholders.

There is currently no clearing house for BONK, nor is there a central or major depository for the custody of BONK. There is a risk that some or all of the Trust's BONK could be lost or stolen, which could adversely impact Shareholders of the Trust. Further, BONK transactions are irrevocable. The Trust does not have insurance protection on its BONK which exposes the Trust and its Shareholders to the risk of loss of the Trust's BONK. The Custodian may maintain, at its sole expense, commercially reasonable insurance coverage for the custody services it provides to the Trust.

Stolen or incorrectly transferred BONK may be irretrievable. As a result, any incorrectly executed BONK transactions could adversely affect an investment in the Trust.

Cryptocurrencies such as BONK use private keys to authorize transactions and prove ownership of the asset. To the extent private keys for BONK addresses are lost, destroyed, or otherwise compromised and no backup of the private keys are accessible, the Trust may be unable to access the BONK held in the associated addresses and the private keys will not be capable of being restored. The processes by which BONK transactions are settled are dependent on the BONK peer-to-peer network, and as such, the Trust is subject to operational risk. Unknown technical vulnerabilities, unanticipated disruptions to the Trust's operations or the operations of its service providers, and cybersecurity events may also adversely affect the value of BONK.

As digital assets like BONK have grown in popularity and market size, various countries and jurisdictions have begun to develop regulations governing the digital assets industry. Regulators are concerned such a large unregulated person-to-person global economy could be exploited by bad actors and used to evade taxes or launder money. To the extent future regulatory actions or policies limit the ability to exchange BONK or utilize BONK for payments, the demand for BONK could be reduced. Furthermore, regulatory actions may limit the ability of end-users to convert BONK into fiat currency or use BONK to pay for goods and services. Such regulatory actions or policies could result in a reduction in demand, and in turn, a decline in the underlying unit price of BONK.

Osprey BONK Trust

Notes to the Financial Statements

As of December 31, 2025

The effect of any future regulatory change on the Trust or BONK in general is not possible to predict, but such change could be substantial and adverse to the Trust and the value of the Trust's investments in BONK.

The Custodians

Each Custodian has been engaged to establish and maintain custody accounts for the digital assets in accordance with the Custodian Agreement entered into between the Sponsor, on behalf of the Trust, and the applicable Custodian. Each Custodian is independent from the Sponsor.

The digital assets owned by the Trust are controlled by the Custodians and segregated from the property of the Custodians and the assets of other customers of the Custodians. The segregated custody account allows for the transfer of ownership or control of the Trust's digital assets, on the Trust's behalf, including the withdrawal of digital assets to pay the Trust's expenses. The Sponsor maintains security and control of the keys and security codes for the custodial account. Custodians apply industry standards, such as CryptoCurrency Security Standard (CCSS) and SOC1 and SOC2.

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 expects the risk of loss to be remote. The Trust also indemnifies the Sponsor and its affiliates for any actions in connection with the Trust in the absence of fraud, gross negligence, bad faith, willful misconduct, or a material breach of the Trust Agreement.

Osprey BONK Trust
Notes to the Financial Statements
As of December 31, 2025

8. Financial Highlights

Per Share Performance (for a share outstanding throughout the year)	Year ended December 31, 2025	Period ended December 31, 2024
Net asset value per share at beginning of period	\$ 6.66	\$ 5.00 ¹
<i>Net (decrease) increase in net assets resulting from operations</i>		
Net investment loss	(0.13)	(0.05)
Net change in realized and unrealized (depreciation) appreciation on investment in BONK	<u>(4.96)</u>	<u>1.71</u>
Net (decrease) increase in net assets resulting from operations	<u>(5.09)</u>	<u>1.66</u>
Net asset value per share at end of year	\$ 1.57	\$ 6.66
 Total return	 <u>(76.43) %</u>	 <u>33.20 %</u> ²
Supplemental Data		
Ratios to average net asset value		
Expenses	<u>9.47 %</u>	<u>11.25 %</u> ³
Net investment loss	<u>(3.08) %</u>	<u>(2.64) %</u> ³

¹ Represents NAV at date of initial investment

² Not annualized.

³ Annualized for the period from October 14, 2024 (commencement of operations) to December 31, 2024

An individual Shareholder's return, ratios, and per Share performance may vary from those presented above based on the timing of Share transactions.

Total return is calculated, assuming an initial investment made at the net asset value at the beginning of the period and assuming redemption on the last day of the period.

9. Subsequent Events

There are no other events that have occurred through March 31, 2026, the date the financial statements were available to be issued that require disclosure other than that which has already been disclosed in these notes to the financial statements.

Exhibit 2

Amended and Restated Declaration of Trust and Trust Agreement of Osprey BONK Trust, dated as of May 19, 2025.

DECLARATION OF TRUST AND TRUST AGREEMENT OF OSPREY BONK TRUST

Dated as of May 19, 2025 By and Among

OSPREY FUNDS, LLC,
CSC DELAWARE TRUST COMPANY

and

THE SHAREHOLDERS

from time to time hereunder

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OSPREY BONK TRUST DECLARATION OF TRUST AND TRUST AGREEMENT

This **AMENDED AND RESTATED DECLARATION OF TRUST AND TRUST AGREEMENT (“Trust Agreement”)** of **OSPREY BONK TRUST** is made and entered into as of the [] day of [], 2025, by and among, **OSPREY FUNDS, LLC**, a Delaware limited liability company, **CSC DELAWARE TRUST COMPANY**, a Delaware corporation, as trustee, and the **SHAREHOLDERS** from time to time hereunder.

* * *

RECITALS

WHEREAS, the Sponsor, the Trustee, and the Shareholders entered into this Trust Agreement of the Osprey BONK Trust as of August 28, 2024;

WHEREAS, Section 10.1 of the Trust Agreement provides that the Sponsor may amend the Trust Agreement without the consent of the Shareholders, subject to certain exceptions, including without limitation, that the Sponsor deems it necessary or appropriate and the amendment is not materially adverse to the interest of Shareholders;

WHEREAS, the Sponsor deems it necessary or appropriate to add BitGo Trust Company, Inc. as a custodian of the Trust and amend and restate the Trust Agreement and make corresponding changes to reflect such change, which changes in each case are not adverse to the interest of Shareholders;

NOW, THEREFORE, in exchange for fair and reasonable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby enter in this Trust Agreement as set forth below.

ARTICLE I

DEFINITIONS; THE TRUST

SECTION 1.1 *Definitions*. As used in this Trust Agreement, the following terms shall have the following meanings unless the context otherwise requires:

“Actual Exchange Rate” means the highest exchange rate and lowest fees the Sponsor can find within a reasonable time frame in order to pay the Management Fee and the Rewards in U.S. Dollars (“USD”).

“Affiliate” of a Person means (i) any Person directly or indirectly owning, controlling or holding with power to vote 10% or more of the outstanding voting securities of such Person, (ii) any Person 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such Person, (iii) any Person, directly or indirectly, controlling, controlled by or under common control of such Person, (iv) any employee, officer, director, member, manager or partner of such Person, or (v) if such Person is an employee, officer, director, member, manager or partner, any Person for which such Person acts in any such capacity.

“Annual Update” means the annual report that is prepared pursuant to the Alternative Reporting Standard of the OTCQX U.S. Disclosure Guidelines or the OTCQB Eligibility Requirements and Reporting Requirements.

“Assumed Expenses” shall have the meaning set forth in Section 4.8(a).

“BONK” means a type of a virtual currency based on an open-source cryptographic protocol existing on the Solana Network, and the assets underlying the Trust’s Shares and may include “forked” versions of such virtual currency as described in the Memorandum. Individual units of BONK may be described as **“BONK.”**

“BONK Account” means a hot wallet which is online and connected to the internet. The BONK Account is used along with the Trust Storage Account and the Trust Safekeeping Account, as applicable, to receive Share deposits from Purchasers. Shortly after receipt of the appropriate number of BONK, the BONK are then transferred to the Trust Storage Account and/or the Trust Safekeeping Account, as applicable.

“BONK Market Price” has the meaning assigned to such term as provided in the currently effective Memorandum.

“BONK Purchase Amount” means the amount of cash or BONK submitted by a Purchaser to purchase Shares.

“BONKrewards” or “Rewards” means a variable amount that shall be in the form of rewards earned by the Trust through locking and entering BONK into the BONK Rewards Pool, and that is payable to the Sponsor as accrued, such payment being a **“BONKrewards Payment.”**

“BONK Rewards Pool” means pool of BONK funded by third-party BONK-related applications, such as BONKbot or BONKSwap.

“Business Day” means each weekday on which banks are open in New York, New York.

“Cash Custodian” means Customers Bank or any other Person from time to time engaged to provide custodian services or related services to the Trust pursuant to authority delegated by the Sponsor.

“Certificate of Trust” means the Certificate of Trust of the Trust, including all amendments thereto, in the form attached hereto as Exhibit A, filed with the Secretary of State of the State of the state of Delaware.

“Code” means the Internal Revenue Code of 1986.

“CFTC” means the Commodity Futures Trading Commission.

“Corporate Trust Office” means the principal office at which at any particular time the corporate trust business of the Trustee is administered, which office at the date hereof is located at 251 Little Falls Drive, Wilmington, DE 19808.

“Covered Person” means the Sponsor and its Affiliates and their respective members, managers, directors, officers employees, agents and controlling persons.

“CTA” has the meaning set forth in Section 13.12 hereof.

“Custodian” means Copper Technologies (UK) Ltd., BitGo Trust Company, Inc. or any other Person from time to time engaged to provide custodian services or related services to the Trust pursuant to authority delegated by the Sponsor.

“Delaware Trust Statute” means the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq., as the same may be amended from time to time.

“Event of Withdrawal” has the meaning set forth in Section 12.1(a) hereof.

“Extraordinary Expenses” has the meaning set forth in Section 4.8(b).

“FinCEN” means the Financial Crimes Enforcement Network.

“Fiscal Year” has the meaning set forth in Article IX hereof.

“Indemnified Parties” has the meaning assigned to such term in Section 2.4.

“Internal Revenue Service” or **“IRS”** means the U.S. Internal Revenue Service or any successor thereto.

“Liquidating Trustee” has the meaning assigned thereto in Section 12.2.

“Management Fee” means a fee that accrues at 2.50% of the Trust’s NAV, and is payable to the Sponsor monthly in arrears.

“Memorandum” means the Confidential Private Placement Memorandum (or similar offering materials, as applicable), as the same may at any time and from time to time be amended or supplemented.

“Net Asset Value” or “NAV” means the aggregate value, expressed in USD, of the Trust’s assets, less its liabilities (which include estimated accrued but unpaid fees and expenses). The Sponsor or its delegate shall calculate and publish the Trust’s NAV each business day as of 4:00 p.m., Eastern time, or as soon thereafter as practicable.

In order to calculate the NAV, the Sponsor shall:

1. Determine the BONK Market Price.
2. Multiply the BONK Market Price by the Trust’s aggregate number of BONK owned as of 4:00 p.m., Eastern time on the immediately preceding day.
3. Add the dollar value of the BONK receivable under pending Purchases.
4. Add the accrued but unpaid interest, if any and the value of other Trust assets, if any.
5. Subtract Extraordinary Expenses, if any.
6. Subtract other Trust expenses and liabilities, if any.

In the event that the Sponsor determines that the methodology used to determine the BONK Market Price is not an appropriate basis for valuation of the Trust’s BONK, the Sponsor shall determine an alternative methodology.

“Net Asset Value Per Share” means the Net Asset Value divided by the number of Shares outstanding on the date of calculation.

“OTCQX” and/or **“OTCQB”** means the OTCQX and/or OTCQB tier of the OTC Markets Group Inc.

“OTC Application” means the application that is required by the OTCQX or OTCQB which, if approved, will then enable the Shares to be traded on the OTCQX or OTCQB.

“OTC Fees” means the fees outlined by Part 5 of the OTCQX Rules for U.S. Companies or Part 3 of the OTCQB Standards, as amended from time to time.

“Percentage Interest” shall be a fraction, the numerator of which is the number of any Shareholder’s Shares and the denominator of which is the total number of Shares of the Trust outstanding as of the date of determination.

“Permitted Investment” means short-term obligations of (or guaranteed by) the United States or any agency or instrumentality thereof and in certificates of deposit or interest-bearing bank accounts of any bank or trust companies having a minimum stated capital and surplus of \$50,000,000. All such obligations must mature prior to the next distribution date, and be held to maturity.

“Person” means any natural person, partnership, limited liability company, statutory trust, corporation, association, or other legal entity.

“Purchase Order” has the meaning assigned thereto in Section 3.2(a)(i).

“Purchase Order Date” has the meaning assigned thereto in Section 3.2(a)(i).

“Purchaser” means a Person that has entered into a Subscription Agreement with the Sponsor and the Trust.

“Quarterly Update” means the quarterly report that is prepared pursuant to the Alternative Reporting Standard of the OTCQX U.S. Disclosure Guidelines or the OTCQB Standards.

“Securities Act” means the Securities Act of 1933.

“SEC” means the U.S. Securities and Exchange Commission.

“Shareholder” means any person or entity who is or becomes an owner of Shares of the Trust.

“Shares” means the shares representing common Shares of fractional undivided beneficial interest in the profits, losses, distributions, capital and assets of, and ownership of, the Trust. Shares may be owned by the Sponsor or a Shareholder.

“Solana Network” means the open-source protocol of the peer-to-peer Solana computer network upon which BONK is based.

“Sponsor” means Osprey Funds, LLC, or any substitute therefor as provided herein, or any successor thereto by merger or operation of law.

“Subscription Agreement” means an agreement among the Trust, the Sponsor and a Purchaser, substantially in the form of Exhibit B hereto, as it may be amended, modified or supplemented from time to time.

“Transfer Agent” means the Sponsor or any other Person from time to time engaged to provide such services or related services to the Trust pursuant to authority delegated by the Sponsor.

“Treasury Regulations” means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

“Trust” means Osprey BONK Trust, a Delaware statutory trust formed pursuant to the Certificate of Trust, the business and affairs of which are governed by this Trust Agreement.

“Trust Agreement” means this Declaration of Trust and Trust Agreement, as it may at any time or from time-to-time be amended.

“Trust Storage Account” means a wallet that is not online and not connected to the internet, used for storage of the Trust’s BONK where they are readily accessible and available to pay Trust expenses.

“Trust Safekeeping Account” means a wallet that is not online and not connected to the internet, used for “deep” cold storage of the Trust’s BONK where they are not readily accessible and can only be accessed as provided by the rules of the Custodian.

“Trustee” means CSC Delaware Trust Company, its successors and assigns, or any substitute therefor as provided herein, acting not in its individual capacity but solely as trustee of the Trust.

“Trust Estate” means the all the BONK on deposit in the Trust’s accounts, and all proceeds from the sale of BONK while such proceeds are held on deposit in the Trust’s accounts, as well as any rights of the Trust pursuant to any other agreements to which the Trust is a party.

SECTION 1.2 *Name.* The name of the Trust is “Osprey BONK Trust” in which name the Sponsor shall cause the Trust to carry out its purposes as set forth in Section 1.5, make and execute contracts and other instruments in the name and on behalf of the Trust and sue and be sued in the name and on behalf of the Trust.

SECTION 1.3 *Delaware Trustee; Offices.*

(i) The sole Trustee of the Trust is CSC Delaware Trust Company, which is located at the Corporate Trust Office or at such other address in the State of Delaware as the Trustee may designate in writing to the Shareholders. The Trustee shall receive service of process on the Trust in the State of Delaware at the foregoing address. In the event CSC Delaware Trust Company resigns or is removed as the Trustee, the Trustee of the Trust in the State of Delaware shall be the successor Trustee, subject to Section 2.1.

(ii) The principal office of the Trust, and such additional offices as the Sponsor may establish, shall be located at such place or places inside or outside the State of Delaware as the Sponsor may designate from time to time in writing to the Trustee and the Shareholders. Initially, the principal office of the Trust shall be at c/o Osprey Funds, LLC, 777 Brickell Ave, Suite 500, Miami, FL 33131.

SECTION 1.4 *Declaration of Trust.* The Trust Estate shall be held in trust for the Shareholders. It is the intention of the parties hereto that the Trust shall be a statutory trust, under the Delaware Trust Statute and that this Trust Agreement shall constitute the governing instrument of the Trust. This Trust Agreement shall amend and replace in entirety any prior agreements between the Sponsor and Trustee with respect to the Trust. It is not the intention of the parties hereto to create a general partnership, limited partnership, limited liability company, joint stock association, corporation, bailment or any form of legal relationship other than a Delaware statutory trust that is treated as a grantor trust for U.S. federal income tax purposes and for purposes of applicable state and local tax laws. Nothing in this Trust Agreement shall be construed to make the Shareholders partners or members of a joint stock association. Effective as of the date hereof, the Trustee and the Sponsor shall have all of the rights, powers and duties set forth herein and in the Delaware Trust Statute with respect to accomplishing the purposes of the Trust. The Trustee has filed the certificate of trust required by Section 3810 of the Delaware Trust Statute in connection with the formation of the Trust under the Delaware Trust Statute.

SECTION 1.5 *Purposes and Powers.* The purposes of the Trust shall be to accept subscriptions for Shares in BONK in accordance with Article III hereof, to distribute BONK upon redemptions of Shares in accordance with Article VI hereof, if applicable, and to enter into any lawful transaction and engage in any lawful activities in furtherance of or incidental to the foregoing. The Trust shall not engage in any business activity and shall not acquire or own any assets other than BONK, forked or airdropped cryptocurrency coins from the Solana Network, Permitted Investments or cash from the sale of BONK, as provided in this Trust Agreement, or take any of the actions set forth in Section 4.4. The Trust shall have all of the powers specified in Section 3.1 hereof as powers which may be exercised by a Sponsor on behalf of the Trust under this Trust Agreement. Nothing in this Trust Agreement shall be construed to give the Sponsor the power to vary the investment of the Shareholders within the meaning of Section 301.7701-4(c) or similar provisions of the Treasury Regulations, nor shall the Sponsor take any action that would vary the investment of the Shareholders.

SECTION 1.6 *Tax Treatment.* Each of the parties hereto, by entering into this Trust Agreement, (i) expresses its intention that, unless the IRS determines otherwise, in a ruling issued to the Trust (provided that the Trust, the Trustee and the Sponsor are under no obligation to seek such ruling) or unless required to do so by a “determination” as defined in Section 1313 of the Code, this Trust shall be treated as a grantor trust for U.S. federal income tax purposes; (ii) the Shares will qualify under applicable tax law as interests in a grantor trust which holds the Trust Estate, (iii) agrees that it will file its own U.S. federal, state and local income, franchise and other tax returns in a manner that is consistent with clause (i) of this Section 1.6 and with the classification of the Trust as a grantor trust, and (iv) agrees to use reasonable efforts to notify the Sponsor promptly upon a receipt of any notice from any taxing authority having

jurisdiction over such holders of Shares with respect to the treatment of the Shares as anything other than interests in a grantor trust.

SECTION 1.7 *Legal Title*. Legal title to all of the Trust Estate shall be vested in the Trust as a separate legal entity; provided, however, that where applicable law in any jurisdiction requires any part of the Trust Estate to be vested otherwise, the Sponsor may cause legal title to the Trust Estate or any portion thereof to be held by or in the name of the Sponsor or any other Person (other than a Shareholder) as nominee.

ARTICLE II

THE TRUSTEE

SECTION 2.1 *Term; Resignation*. CSC Delaware Trust Company has been appointed and hereby agrees to serve as the Trustee of the Trust. The Trust shall have only one Trustee unless otherwise determined by the Sponsor. The Trustee shall serve until such time as the Trust is terminated or if the Sponsor removes the Trustee or the Trustee resigns. The Trustee may have normal banking and trust relationships with the Sponsor and their respective Affiliates; provided that none of (i) the Sponsor, (ii) any Person involved in the organization or operation of the Sponsor or the Trust or (iii) any Affiliate of any of them may be the Trustee hereunder. The Trustee is appointed to serve as the trustee of the Trust in the State of Delaware for the purpose of satisfying the requirement of Section 3807(a) of the Delaware Trust Statute that the Trust have at least one trustee with a principal place of business in Delaware. It is understood and agreed by the parties hereto that the Trustee shall have none of the duties or liabilities of the Sponsor and shall have no obligation to supervise or monitor the Sponsor or otherwise manage the Trust. The Trustee is permitted to resign upon at least sixty (60) days' notice to the Sponsor upon which date such resignation shall be effective.

SECTION 2.2 *Powers*. Except to the extent expressly set forth in Section 1.3 and this Article, the duty and authority to manage the affairs of the Trust is vested in the Sponsor, which duty and authority the Sponsor may further delegate as provided herein, all pursuant to Section 3806(b)(7) of the Delaware Trust Statute. The duties of the Trustee shall be limited to (i) accepting legal process served on the Trust in the State of Delaware and providing prompt notice to the Sponsor of any such acceptance, (ii) the execution and filing of any certificates required to be executed and filed with the Secretary of State of the State of Delaware which the Trustee is required to execute under Section 3811 of the Delaware Trust Statute or Section 10.1(b) and providing prompt notice to the Sponsor of any such execution and filing, and (iii) examining any certificates or opinions that the Trustee will rely upon under Section 2.7(a). The Trustee shall provide prompt notice to the Sponsor of its performance of any of the foregoing. The Sponsor shall reasonably keep the Trustee informed of any actions taken by the Sponsor with respect to the Trust that would reasonably be expected to affect the rights, obligations or liabilities of the Trustee hereunder or under the Delaware Trust Statute.

SECTION 2.3 *Compensation and Expenses of the Trustee*. The Trustee shall be entitled to receive from the Trust or the Sponsor, as applicable, reasonable compensation for its services hereunder as set forth in a separate fee agreement and shall be entitled to be reimbursed by the Trust or the Sponsor, as applicable, for reasonable out-of-pocket expenses

incurred by it in the performance of its duties hereunder, including without limitation, the reasonable compensation, out-of-pocket expenses and disbursements of counsel and such other agents as the Trustee may employ in connection with the exercise and performance of its rights and duties hereunder. Though it is not intended or expected that the Trustee will ever handle funds, however, to the extent that the Trustee receives Trust funds the Trustee may earn compensation in the form of short-term interest (“float”) on items like uncashed distribution checks (from the date issued until the date cashed), funds that the Trustee is directed not to invest, deposits awaiting investment direction or received too late to be invested overnight in previously directed investments.

SECTION 2.4 *Indemnification.*

(i) The Trust hereby agrees to be primary obligor and shall (i) compensate (to the extent not paid by the Sponsor on the Trust’s behalf) the Trustee in accordance with a separate fee agreement with the Trustee, (ii) reimburse the Trustee for all reasonable expenses (including reasonable fees and expenses of counsel and other experts) and (iii) indemnify, defend and hold harmless the Trustee and any of the officers, directors, employees and agents of the Trustee (the “**Indemnified Persons**”) from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel including legal fees and expenses in connection with the enforcement of its indemnification rights hereunder), taxes and penalties of any kind and nature whatsoever (collectively, “**Expenses**”), to the extent that such Expenses arise out of or are imposed upon or asserted at any time against such Indemnified Persons with respect to the performance of this Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated hereby; provided, however, that the Trust shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of, an Indemnified Person. If the Trust shall have insufficient assets or improperly refuses to pay an Indemnified Person within sixty (60) days of a request for payment owed hereunder, the Sponsor shall, as secondary obligor, compensate or reimburse the Trustee or indemnify, defend and hold harmless an Indemnified Person as if it were the primary obligor hereunder; provided, however, that the Sponsor shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of an Indemnified Person; and provided further that, after such sixty (60) day period, if the Trust shall have sufficient assets and ceases to improperly refuse to pay an Indemnified Person, the Sponsor shall be entitled to repayment from the Trust for any and all amounts that the Sponsor paid as secondary obligor. To the fullest extent permitted by law and by the requirement for treatment of the Trust as a grantor trust for tax purposes, Expenses to be incurred by an Indemnified Person shall, from time to time, be advanced by, or on behalf of, Sponsor prior to the final disposition of any matter upon receipt by the Sponsor of an undertaking by, or on behalf of, such Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified under this Agreement.

(ii) As security for any amounts owing to the Trustee hereunder, the Trustee shall have a lien against the Trust property, which lien shall be prior to the rights of the Sponsor, or any other beneficial owner of the Trust. The obligations of the Trust and the

Sponsor to indemnify the Indemnified Persons under this Section 2 shall survive the termination of this Trust Agreement and the resignation or removal of the Trustee.

SECTION 2.5 *Successor Trustee*. Upon the resignation or removal of the Trustee, the Sponsor shall appoint a successor Trustee by delivering a written instrument to the outgoing Trustee. Any successor Trustee must satisfy the requirements of Section 3807 of the Delaware Trust Statute. The successor Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Trustee under this Trust Agreement, with like effect as if originally named as Trustee, and the outgoing Trustee shall be discharged of its duties and obligations under this Trust Agreement. Any business entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, to the fullest extent permitted by law without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 2.6 *Liability of Trustee*. Except as otherwise provided in this Article, in accepting the trust created hereby, CSC Delaware Trust Company acts solely as Trustee hereunder and not in its individual capacity, and all Persons having any claim against CSC Delaware Trust Company by reason of the transactions contemplated by this Trust Agreement and any other agreement to which the Trust is a party shall look only to the Trust Estate for payment or satisfaction thereof. The Trustee shall not be liable or accountable hereunder to the Trust or to any other Person or under any other agreement to which the Trust is a party, except for the Trustee's own fraud, gross negligence, bad faith or willful misconduct. In particular, but not by way of limitation:

(i) the Trustee shall not be personally liable for any error of judgment made in good faith by the Trustee;

(ii) The Trustee shall have no liability or responsibility for the validity or sufficiency of this Trust Agreement or for the form, character, genuineness, sufficiency, value or validity of the Trust Estate;

(iii) The Trustee has not prepared or verified, and shall not be responsible or liable for, any information, disclosure or other statement in the Memorandum or in any other document issued or delivered in connection with the sale or transfer of the Shares;

(iv) The Trustee shall not be responsible or liable for the genuineness, enforceability, collectability, value, sufficiency, location or existence of any of the BONK or other assets of the Trust;

(v) The Trustee shall have no duty to make any investigation as to the accuracy and completeness of any representation or warranty made by the Trust in any agreement entered into by the Trust;

(vi) The Trustee shall not be liable for any actions taken or omitted to be taken by it in accordance with the instructions of the Sponsor or the Liquidating Trustee;

(vii) The Trustee shall not have any liability for the acts or omissions of the Sponsor, the Custodian, their respective delegates or any other Person;

(viii) The Trustee shall have no duty or obligation to supervise the performance of any obligations of the Sponsor, the Custodian, or their respective delegates, any Purchaser or any other Person;

(ix) No provision of this Trust Agreement shall require the Trustee to act or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder;

(x) Under no circumstances shall the Trustee be liable for indebtedness evidenced by or other obligations of the Trust arising under this Trust Agreement or any other agreements to which the Trust is a party;

(xi) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement, or to institute, conduct or defend any litigation under this Trust Agreement or any other agreements to which the Trust is a party, at the request, order or direction of the Sponsor unless the Sponsor has offered to CSC Delaware Trust Company (in its capacity as Trustee and individually) security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by CSC Delaware Trust Company (including, without limitation, the reasonable fees and expenses of its counsel) therein or thereby;

(xii) Notwithstanding anything contained herein to the contrary, the Trustee shall not be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will (i) require the consent or approval or authorization or order of or the giving of notice to, or the registration with or taking of any action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware, (ii) result in any fee, tax or other governmental charge under the laws of any jurisdiction or any political subdivision thereof in existence as of the date hereof other than the State of Delaware becoming payable by the Trustee or (iii) subject the Trustee to personal jurisdiction, other than in the State of Delaware, for causes of action arising from personal acts unrelated to the consummation of the transactions by the Trustee, as the case may be, contemplated hereby; and

(xiii) To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or to any other Person, the Trustee acting under this Trust Agreement shall not be liable to the Trust, the Shareholders or to any other Person for its good faith reliance on the provisions of this Trust Agreement. The provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Trustee otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Trustee.

(xiv) The Trustee shall not be liable for punitive, exemplary, consequential, special or similar damages however styled, including without limitation, lost

profits, or for any losses due to forces beyond the control of the Trustee, including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services provided to the Trustee by third parties.

SECTION 2.7 *Reliance; Advice of Counsel.*

(a) In the absence of bad faith, the Trustee may conclusively rely upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement in determining the truth of the statements and the correctness of the opinions contained therein, and shall incur no liability to anyone in acting or not acting on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties and need not investigate any fact or matter pertaining to or in any such document; provided, however, that the Trustee shall have examined any certificates or opinions so as to reasonably determine compliance of the same with the requirements of this Trust Agreement. The Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that the same is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed herein, the Trustee may for all purposes hereof rely on a certificate, signed by the president or any vice president or by the treasurer or other authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the Trust hereunder and in the performance of its duties and obligations under this Trust Agreement, the Trustee, at the expense of the Trust (i) may act directly or through its agents, attorneys, custodians or nominees pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the conduct or misconduct of such agents, attorneys, custodians or nominees if such agents, attorneys, custodians or nominees shall have been selected by the Trustee with reasonable care and (ii) may consult with counsel, accountants and other skilled professionals to be selected with reasonable care by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the opinion or advice of any such counsel, accountant or other such Persons.

SECTION 2.8 *Payments to the Trustee.* Any amounts paid to the Trustee pursuant to this Article shall be deemed not to be a part of the Trust Estate immediately after such payment. Any amounts owing to the Trustee under this Trust Agreement shall constitute a claim against the Trust Estate. Notwithstanding any other provision of this Trust Agreement, all payments to the Trustee, including fees, expenses and any amounts paid in connection with indemnification of the Trustee in accordance with the terms of this Trust Agreement will be payable only in U.S. Dollars.

ARTICLE III

SHARES; CAPITAL CONTRIBUTIONS; ISSUANCE OF SHARES

SECTION 3.1 *General.* The Sponsor shall have the power and authority, without Shareholder approval, to issue Shares from time to time as it deems necessary or desirable. The number of Shares authorized shall be unlimited, and the Shares so authorized may be represented in part by fractional Shares, calculated to one millionth of one BONK. From time to time, the Sponsor may divide or combine the Shares into a greater or lesser number without thereby changing the proportionate beneficial interests. The Sponsor may issue Shares in exchange for contributions of BONK or cash (or for no consideration if pursuant to a Share dividend or split-up), all without action or approval of the Shareholders. All Shares when so issued on the terms determined by the Sponsor shall be fully paid and non-assessable. Every Shareholder, by virtue of having purchased or otherwise acquired a Share, shall be deemed to have expressly consented and agreed to be bound by the terms of this Trust Agreement.

SECTION 3.2 *Offer of Shares; Procedures for Issuance.*

(a) General. Other than in connection with an offering pursuant to Rule 504 under the Securities Act pursuant to paragraph 3.2(b), the following procedures, as supplemented by the more detailed procedures specified in the Exhibits, annexes, attachments and procedures, as applicable, to the Subscription Agreement, which may be amended from time to time in accordance with the provisions of the Subscription Agreement (and any such amendment will not constitute an amendment of this Trust Agreement), will govern the Trust with respect to the issuance of Shares. Subject to the limitations upon and requirements for issuance of Shares stated herein and in such procedures, the number of Shares which may be issued by the Trust is unlimited.

(i) On any Business Day, a Purchaser may deposit the BONK Purchase Amount with the Custodian and submit an order to create Shares (a “**Purchase Order**”) from the Trust via notification to the Sponsor or its delegate in the manner provided in the Subscription Agreement. Purchase Orders must be received by 3:00 p.m., Eastern time on a Business Day (the “**Purchase Order Date**”). The Sponsor or its delegate will process Purchase Orders only from Purchasers with respect to whom a Subscription Agreement is in full force and effect.

(ii) Any Purchase Order is subject to rejection by the Sponsor or its delegate pursuant to Section 3.2(b).

(iii) After receiving the BONK Purchase Amount and accepting a Purchaser’s Purchase Order, the Sponsor or its delegate will have the Transfer Agent credit the Shares to fill the Purchaser’s Purchase Order within one Business Day immediately following the Purchase Order Date.

(iv) Determination of Shares Issue. The number of Shares to be issued with respect to the BONK Purchase amount shall be determined using the most recently available BONK Market Price. Each Share will be worth \$5.00 at inception of the Trust. The

Sponsor or its delegate has final determination of all questions as to the determination of the number of Shares issuable with respect to a particular BONK Purchase Amount.

(v) Delivery of Required Deposits. A Purchaser who places a Purchase Order shall deliver the BONK Purchase Amount to the (i) BONK Account, the Trust Storage Account, the Trust Safekeeping Account, at the Sponsor's instruction or (ii) a cash denominated account, at the direction of the Sponsor or its delegate, in each case by no later than 6:00 p.m., Eastern time on the Purchase Order Date. The expense and risk of delivery, ownership and safekeeping of BONK, until such BONK have been received by the Trust, shall be borne solely by the Purchaser. Upon receipt of the BONK Purchase Amount, the Custodian or delegated agent, as the case may be, shall transfer the BONK Purchase Amount to the Trust Storage Account, the Trust Safekeeping Account or a cash account, as applicable. The Sponsor or its delegate shall then direct the Transfer Agent to credit the number of Shares ordered to the Purchaser's account on the next Business Day after the Purchase Order Date.

(vi) The Custodian may accept delivery of BONK by such other means as the Sponsor, from time to time, may determine to be acceptable for the Trust.

(vii) The Sponsor, at its discretion, may delay the investment of a cash denominated Purchase Order into BONK, if it deems retaining such Purchase Order Amount in cash to be necessary or appropriate in the interest of the Trust or the Shareholders.

(b) Rule 504 Offerings. Notwithstanding anything to the contrary in this Section 3.2, the Sponsor shall have the authority to issue Shares, from time to time, pursuant to Rule 504 under the Securities Act, under such terms and conditions as are disclosed to Purchasers in the relevant offering documents and as the Sponsor deems necessary or advisable to comply with applicable law or regulation.

(c) Rejection. The delivery of the Shares against deposit of the BONK Purchase Amount may be suspended generally, or refused with respect to particular requested purchase, during any period when the transfer books of the Sponsor or its delegate are closed or if any such action is deemed necessary or advisable by the Sponsor or its delegate or for any reason at any time or from time to time. None of the Sponsor, its delegates, or the Custodian shall be liable for the rejection or acceptance of any Purchase Order or BONK Purchase Amount.

SECTION 3.3 *Book-Entry-Only System.*

(a) Shares shall be held in book-entry form by the Transfer Agent. The Sponsor or its delegate shall direct the Transfer Agent (which may be the Sponsor or an Affiliate) to credit or debit the number of Shares to the applicable Purchaser. The Transfer Agent shall issue or cancel each Purchaser's Shares, as applicable.

(b) Secondary or Successor Custodian. If a successor to the Custodian shall be employed, the Trust and the Sponsor shall establish procedures acceptable to such successor with respect to the matters addressed in this Section.

SECTION 3.4 *Assets of the Trust.* The Trust Estate shall irrevocably belong to the Trust for all purposes, subject only to the rights of creditors of the Trust and except as may otherwise be required by applicable tax laws, and shall be so recorded upon the books of account of the Trust.

SECTION 3.5 *Liabilities of the Trust.* The Trust Estate shall be charged with the liabilities of the Trust; and all expenses, costs, charges and reserves attributable to the Trust. The Sponsor shall have full discretion, to the extent not inconsistent with applicable law, to determine which items shall be treated as income and which items as capital, and each such determination and allocation shall be conclusive and binding upon the Shareholders.

SECTION 3.6 *Distributions.* Distributions on Shares, if any, may be paid with such frequency and amount as the Sponsor may determine in its sole discretion, which may be daily or otherwise, to the Shareholders from the Trust Estate, after providing for actual and accrued liabilities. All distributions of Shares thereof shall be distributed pro rata to the Shareholders in proportion to the total outstanding Shares held by such Shareholders at the date and time of record established for the payment of such distribution. Such distributions may be made in cash, Shares or BONK as determined by the Sponsor or pursuant to any program that the Sponsor may have in effect at the time for the election by each Shareholder of the mode of the making of such distribution to that Shareholder. The Shares shall represent Shares of beneficial interest in the Trust Estate. Each Shareholder shall be entitled to receive its pro rata share of distributions in accordance with this Section. If the Trust comes to own any airdropped cryptocurrency (other than BONK), the Sponsor shall distribute such airdropped cryptocurrency within forty-five days of receipt of such assets (or such longer time as the Sponsor reasonably requires to effect such distribution) on a pro rata basis to Shareholders. If the Trust comes to own any forked versions of BONK, the Sponsor shall distribute such forked version or versions within forty-five days of receipt (or such longer time as the Sponsor reasonably requires to effect such distribution) on a pro rata basis to Shareholders if and to the extent that the Sponsor determines in its reasonable discretion that such a distribution is necessary to preserve the federal tax treatment of the Trust set forth in Section 1.6 of the Trust Agreement, and may distribute such forked version or versions within forty-five days of receipt (or such longer time as the Sponsor reasonably requires to effect such distribution) on a pro rata basis to Shareholders if and to the extent the Sponsor determines it is in the best interests of the Shareholders.

SECTION 3.7 *Voting Rights.* Shareholders will have no voting rights with regard to management of the Trust or otherwise. Notwithstanding the foregoing or any other provision hereof, on each matter submitted to a vote of the Shareholders, each Shareholder shall be entitled to a single vote for each Share held by such Person, or a proportionate fraction thereof if such Share is fractional, with the number of Shares held by such Person determined by the number of Shares in its name on the books of the Trust in accordance with Section 3.3.

SECTION 3.8 *Equality.* All Shares shall represent an equal proportionate beneficial interest in the assets of the Trust subject to the liabilities of the Trust, and each Share shall be equal to each other Share. The Sponsor may from time to time divide or combine the Shares into a greater or lesser number of Shares without thereby changing the proportionate beneficial interest in the assets of the Trust or in any way affecting the rights of Shareholders.

ARTICLE IV

THE SPONSOR

SECTION 4.1 *Management of the Trust.* Pursuant to Section 3806(b)(7) of the Delaware Trust Statute, the Trust shall be managed by the Sponsor in accordance with this Trust Agreement. The Sponsor may delegate as provided herein, the duty and authority to manage the affairs of the Trust. Any determination as to what is in the interests of the Trust made by the Sponsor in good faith shall be conclusive. In constructing the provisions of this Trust Agreement, the presumption shall be in favor of a grant of power to the Sponsor. The enumeration of any specific power in this Trust Agreement shall not be construed as limiting the aforesaid power.

SECTION 4.2 *Authority of Sponsor.* In addition to and not in limitation of any rights and powers conferred by law or other provisions of this Trust Agreement, and except as limited, restricted or prohibited by the express provisions of this Trust Agreement or the Delaware Trust Statute, the Sponsor shall have and may exercise on behalf of the Trust, all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes and objectives of the Trust, which shall include, without limitation, the following:

(a) To enter into, execute, deliver and maintain, and to cause the Trust to perform its obligations under, contracts, agreements (including but not limited to subscription agreements) and any or all other documents and instruments, and to do and perform all such things as may be in furtherance of Trust purposes or necessary or appropriate for the offer and sale of the Shares, including, but not limited to, contracts with third parties various services, provided, however, that such services may be performed by an Affiliate or Affiliates of the Sponsor so long as the Sponsor has made a good faith determination that: (A) the Affiliate which it proposes to engage to perform such services is qualified to do so (considering the prior experience of the Affiliate or the individuals employed thereby); (B) the terms and conditions of the agreement pursuant to which such Affiliate is to perform services for the Trust are no less favorable to the Trust than could be obtained from equally-qualified unaffiliated third parties; and (C) the maximum period covered by the agreement pursuant to which such Affiliate is to perform services for the Trust shall not exceed one year, and such agreement shall be terminable without penalty upon one hundred twenty (120) days prior written notice by the Trust;

(b) To establish, maintain, deposit into, sign checks and/or otherwise draw upon accounts on behalf of the Trust with appropriate banking and savings institutions, and execute and/or accept any instrument or agreement incidental to the Trust's purposes, any such instrument or agreement so executed or accepted by the Sponsor in the Sponsor's name shall be deemed executed and accepted on behalf of the Trust by the Sponsor;

(c) To deposit, withdraw, pay, retain and distribute the Trust Estate or any portion thereof in any manner consistent with the provisions of this Trust Agreement;

(d) To supervise the preparation of the Memorandum and supplements and amendments thereto;

(e) To pay or authorize the payment of distributions to the Shareholders and expenses of the Trust;

(f) To act as Transfer Agent and perform functions customarily preferred by a transfer agent;

(g) To prepare, or cause to be prepared, and file, or cause to be filed, an application to enable the Shares to be traded on the OTCQX and/or OTCQB or any other financial market deemed by the Sponsor to be in the interest of Shareholders and to take any other action and execute and deliver any certificate or documents that may be necessary to effectuate such trading;

(h) To bond or otherwise allocate such of the BONK held by the Trust via the Custodian or other service provider, as applicable, for the purpose of locking and entering into the BONK Rewards Pool as the Sponsor, in its sole discretion deems appropriate, and to earn as fees, any related Rewards earned by the Trust from the BONK Rewards Pool; and

(i) In the sole and absolute discretion of the Sponsor, to admit an additional Sponsor.

SECTION 4.3 *Obligations of the Sponsor.* In addition to the obligations expressly provided by the Delaware Trust Statute or this Trust Agreement, the Sponsor shall:

(a) Devote such of its time to the business and affairs of the Trust as it shall, in its discretion exercised in good faith, determine to be necessary to carry out the purposes of the Trust for the benefit of the Trust and the Shareholders;

(b) Execute, file, record and/or publish all certificates, statements and other documents and do any and all other things as may be appropriate for the formation, qualification and operation of the Trust and for the conduct of its business in all appropriate jurisdictions;

(c) Retain independent public accountants to audit the accounts of the Trust;

(d) Employ attorneys to represent the Sponsor and as necessary, the Trust;

(e) Select and enter into agreements with the Trust's Trustee and any other service provider;

(f) Use its best efforts to maintain the status of the Trust as a grantor trust for U.S. federal income tax purposes under Subpart E, Part I of Subchapter J of the Code;

(g) Monitor all fees charged to the Trust, and the services rendered by the service providers to the Trust, to determine whether the fees paid by, and the services rendered to, the Trust are at competitive rates and are the best price and services available under the circumstances, and if necessary, renegotiate the fee structure to obtain such rates and services for the Trust;

(h) Have fiduciary responsibility for the safekeeping and use of the Trust Estate, whether or not in the Sponsor's immediate possession or control, and the Sponsor will not employ or permit others to employ the Trust Estate in any manner except for the benefit of the Trust, including, among other things, the utilization of any portion of the Trust Estate as compensating balances for the exclusive benefit of the Sponsor. The Sponsor shall at all times act with integrity and good faith and exercise due diligence in all activities relating to the Trust and in resolving conflicts of interest;

(i) Receive directly or through its delegates from Purchaser and process properly submitted Purchase Orders, as described in Section 3.2(a);

(j) Invest (except purchasing BONK pursuant to a Purchase Order) or reinvest any cash held by the Trust (including reserves) in Permitted Investments.

(k) In connection with Purchase Orders, receive directly or through its delegates the number of BONK in an amount equal to the BONK Purchase Amount from Purchasers;

(l) In connection with Purchase Orders, after receiving the BONK Purchase Amount and accepting a Purchaser's Purchase Order, the Sponsor or its delegate will direct the Transfer Agent to credit the Shares to fill the Purchaser's Purchase Order within one Business Day immediately following the Purchase Order Date;

(m) Receive directly or through its delegates from Purchasers and process properly submitted Redemption Orders, as permitted by Article VI;

(n) In connection with Redemption Orders (if permitted, and as defined upon the adoption of applicable policies and procedures governing redemption of Shares), after receiving the Redemption Order specifying the number of Shares that the Shareholder wishes to redeem and confirming the Shareholder's Self-Administered Account information, the Sponsor or its delegates instructs the Custodian to send the Shareholder a number of BONK equal to the BONK Redemption Amount (as defined upon the adoption of applicable policies and procedures governing redemption of Shares) and directs the Transfer Agent to debit the number of Shares redeemed from the Shareholder's account on the next business day after the redemption order date;

(o) Interact with the Custodian and any other party as required;

(p) If the OTC Application is approved by either or both of the OTCQX and/or OTCQB, then the Sponsor, on behalf of the Trust, shall cause the Trust to comply with all rules, orders and regulations of the OTCQX and/or OTCQB to which the Trust is subject as a result of the approval of the OTC Application and the Sponsor will take all such other actions which may reasonably be taken which are necessary for the Shares to remain traded on the OTCQX and/or OTCQB until the Trust is either terminated or if the Shares are no longer traded on the OTCQX and/or OTCQB. In addition, the Sponsor is authorized and shall take, all actions to prepare and, to the extent required by this Agreement or by law, mail to Shareholders any reports, press releases or statements, financial or otherwise, that the Sponsor determines are required to be provided to

Shareholders by applicable law or governmental regulation or the requirements of OTCQX and/or OTCQB, as applicable;

(q) Delegate those of its duties hereunder as it shall determine from time to time to one or more Distributors, add any additional service providers, if needed and as applicable;

(r) Perform such other services as the Sponsor believes that the Trust may from time to time require; and

(s) In general, to do everything necessary, suitable or proper for the accomplishment of any purpose or the attainment of any object or the furtherance of any power herein set forth, either alone or in association with others, and to do every other act or thing incidental or appurtenant to or growing out of or connected with the aforesaid purposes, objects or powers.

The foregoing clauses shall be construed both as objects and powers, and the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the general powers of the Sponsor. Any action by the Sponsor hereunder shall be deemed an action on behalf of the Trust, and not an action in an individual capacity.

SECTION 4.4 *General Prohibitions.* The Trust shall not:

(a) Receive any property other than BONK or U.S. Dollars upon the issuance or sale of Shares;

(b) Hold any property other than cash, Permitted Investments, BONK (including any forked version thereof) or airdropped cryptocurrency coins;

(c) Redeem the Shares other than as provided pursuant to Article VI or upon the dissolution of the Trust;

(d) Borrow money from or loan money to any Shareholder (including the Sponsor) or other Person;

(e) Except as expressly contemplated by this Agreement, create, incur, assume or suffer to exist any lien, mortgage, pledge conditional sales or other title retention agreement, charge, security interest or encumbrance, except for liens for taxes not delinquent or being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established; provided, however, that for the avoidance of doubt, the Trust may permit its BONK to be used for the BONK Rewards Pool as contemplated hereunder, the rewards of which shall be used to pay the Rewards to the Sponsor;

(f) Commingle its assets with those of any other Person, except to the extent as permitted under applicable law and the regulation;

(g) Permit rebates to be received by the Sponsor or any Affiliate of the Sponsor, or permit the Sponsor or any Affiliate of the Sponsor to engage in any reciprocal business

arrangements which would circumvent the foregoing prohibition; provided, however, that the foregoing prohibition is not intended to prevent the Trust from permitting the BONK owned by the Trust to be used for locking and entering into the BONK Rewards Pool as contemplated by this Agreement or for the Sponsor to earn rewards resulting from the BONK Rewards Pool in the form of BONKrewards Payment;

(h) Invest (except purchasing BONK pursuant to a Purchase Order) or reinvest any cash held by the Trust (including reserves) in anything other than Permitted Investments;

(i) Enter into any contract with the Sponsor or an Affiliate of the Sponsor (except for selling agreements for the sale of Shares) which has a term of more than one year and which does not provide that it may be canceled by the Trust without penalty on one hundred twenty (120) days prior written notice or for the provision of services, except at rates and terms at least as favorable as those which may be obtained from third parties in arm's length negotiations; or

(j) Cause the Trust to elect to be treated as an association taxable as a corporation for U.S. federal income tax purposes.

SECTION 4.5 *Liability of Covered Persons.* A Covered Person shall have no liability to the Trust or to any Shareholder or other Covered Person for any loss suffered by the Trust which arises out of any action or inaction of such Covered Person if such Covered Person, in good faith, determined that such course of conduct was in the best interest of the Trust and such course of conduct did not constitute fraud, gross negligence, bad faith or willful misconduct of such Covered Person. Subject to the foregoing, neither the Sponsor nor any other Covered Person shall be personally liable for the return or repayment of all or any portion of the capital or profits of any Shareholder or assignee thereof, it being expressly agreed that any such return of capital or profits made pursuant to this Trust Agreement shall be made solely from the assets of the Trust without any rights of contribution from the Sponsor or any other Covered Person. A Covered Person shall not be liable for the conduct or misconduct of any delegatee selected by the Sponsor with reasonable care.

SECTION 4.6 *Fiduciary Duty.*

(a) To the extent that, at law or in equity, the Sponsor has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or to any other Person, the Sponsor acting under this Trust Agreement shall not be liable to the Trust, the Shareholders or to any other Person for its good faith reliance on the provisions of this Trust Agreement subject to the standard of care in Section 4.6 herein. The provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Sponsor otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Sponsor. To the fullest extent permitted by law, no person other than the Sponsor and the Trustee shall have any duties (including fiduciary duties) or liabilities at law or in equity to the Trust and the Shareholder or any other person.

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between the Sponsor or any of its Affiliates, on the one hand, and the Trust or any Shareholder or any other Person, on the other hand; or

(ii) whenever this Trust Agreement or any other agreement contemplated herein or therein provides that the Sponsor shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust, any Shareholder or any other Person, the Sponsor shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Sponsor, the resolution, action or terms so made, taken or provided by the Sponsor shall not constitute a breach of this Trust Agreement or any other agreement contemplated herein or of any duty or obligation of the Sponsor at law or in equity or otherwise.

(c) The Sponsor and any Affiliate of the Sponsor may engage in or possess an interest in other profit-seeking or business ventures of any nature or description, independently or with others, whether or not such ventures are competitive with the Trust and the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to the Sponsor. If the Sponsor acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Trust, it shall have no duty to communicate or offer such opportunity to the Trust, and the Sponsor shall not be liable to the Trust or to the Shareholders for breach of any fiduciary or other duty by reason of the fact that the Sponsor pursues or acquires for, or directs such opportunity to another Person or does not communicate such opportunity or information to the Trust. Neither the Trust nor any Shareholder shall have any rights or obligations by virtue of this Trust Agreement or the trust relationship created hereby in or to such independent ventures or the income or profits or losses derived therefrom, and the pursuit of such ventures, even if competitive with the purposes of the Trust, shall not be deemed wrongful or improper. Except to the extent expressly provided herein, the Sponsor may engage or be interested in any financial or other transaction with the Trust, the Shareholders or any Affiliate of the Trust or the Shareholders.

(d) To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever in this Trust Agreement a Person is permitted or required to make a decision (a) in its “sole discretion” or “discretion” or under a grant of similar authority or latitude, the Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust, the Shareholders or any other Person, or (b) in its “good faith” or under another express standard, the Person shall act under such express standard and shall not be subject to any other or different standard. The term “good faith” as used in this Trust Agreement shall mean subjective good faith as such term is understood and interpreted under Delaware law.

SECTION 4.7 *Indemnification of the Sponsor and Shareholders.*

(a) The Sponsor shall be indemnified by the Trust against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with its activities for the Trust, provided that (i) the Sponsor was acting on behalf of or performing services for the Trust and such liability or loss was not the result of fraud, gross negligence, bad faith, willful misconduct, or a material breach of this Trust Agreement on the part of the Sponsor and (ii) any such indemnification will only be recoverable from the Trust Estate. All rights to indemnification permitted herein and payment of associated expenses shall not be affected by the dissolution or other cessation to exist of the Sponsor, or the withdrawal, adjudication of bankruptcy or insolvency of the Sponsor, or the filing of a voluntary or involuntary petition in bankruptcy under Title 11 of the Code by or against the Sponsor.

(b) Notwithstanding the provisions of Section 4.7(a) above, the Sponsor and any Person acting as broker-dealer for the Trust shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of U.S. federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves the indemnification of such expenses (including, without limitation, litigation costs), (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves the indemnification of such expenses (including, without limitation, litigation costs) or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made.

(c) The Trust shall not incur the cost of that portion of any insurance which insures any party against any liability, the indemnification of which is herein prohibited.

(d) Expenses incurred in defending a threatened or pending civil, administrative or criminal action suit or proceeding against the Sponsor shall be paid by the Trust in advance of the final disposition of such action, suit or proceeding, if (i) the legal action relates to the performance of duties or services by the Sponsor on behalf of the Trust; (ii) the legal action is initiated by a third party who is not a Shareholder or the legal action is initiated by a Shareholder and a court of competent jurisdiction specifically approves such advance; and (iii) the Sponsor undertakes to repay the advanced funds with interest to the Trust in cases in which it is not entitled to indemnification under this Section 4.7.

(e) The term "Sponsor" as used only in this Section 4.7 shall include, in addition to the Sponsor, any other Covered Person performing services on behalf of the Trust and acting within the scope of the Sponsor's authority as set forth in this Trust Agreement.

(f) In the event the Trust is made a party to any claim, dispute, demand or litigation or otherwise incurs any loss, liability, damage, cost or expense as a result of or in connection with any Shareholder's (or assignee's) obligations or liabilities unrelated to Trust business, such Shareholder (or assignees cumulatively) shall indemnify, defend, hold harmless, and reimburse the Trust for all such loss, liability, damage, cost and expense incurred, including attorneys' and accountants' fees.

SECTION 4.8 *Expenses and Limitations Thereon.*

(a) Management Fee and BONKrewards Payments.

(i) The Trust shall pay a Management Fee (in either BONK or the cash equivalent), which accrues daily at an annual rate of 2.50% of the NAV of the Trust and is payable to the Sponsor monthly in arrears. The Sponsor, may, in its sole discretion, waive the Management Fee, in such amount, and for such period, as it deems appropriate. Such waiver shall not preclude the Sponsor from accruing the full Management Fee once such waiver period has ended.

(ii) The Trust shall pay the Sponsor the BONKrewards Payments (in either BONK or the cash equivalent), which is a variable amount equal to the awards received by the Trust for locking and entering the Trust's BONK in the BONK Rewards Pool. The BONKrewards Payments accrue promptly as earned by the Trust and are payable to the Sponsor as they accrue.

(iii) In order to pay the Management Fee (or the BONKrewards Payments, as applicable) in USD, the Sponsor may be required to convert the Management Fee (or the BONKrewards Payments, as applicable), as reflected by the appropriate number of BONK, into USD. The Sponsor shall use its best efforts within a reasonable time frame in order to seek the Actual Exchange Rate. It is expected that the Management Fee exchange rate (or the Rewards exchange rate, as applicable) and the Actual Exchange Rate may differ.

(iv) At the Sponsor's election, the Sponsor may elect to (i) direct its delegates or the Custodian to withdraw the BONK amount comprising the Management Fee (or, the BONKrewards Payments), (ii) convert the Management Fee (or the Staking Rewards Payment) to USD and (iii) pay such dollar amount to the Sponsor, who will then pay itself as well as the relevant Assumed Expenses (as defined below). Alternatively, the Sponsor may elect to (i) direct its delegates or the Custodian to withdraw the BONK amount comprising the Management Fee (or, as applicable, the Rewards), (ii) convert the Management Fee (or the BONKrewards Payments) to USD and (iii) pay certain Assumed Expenses from the Management Fee (or as applicable the BONKrewards Payments) and the remaining amount, if any, to the Sponsor.

(v) As consideration for receipt of the Management Fee and the BONKrewards Payments, the Sponsor shall assume and pay certain routine and ordinary administrative and operating expenses of the Trust that are not within the definition of Trust Expenses below (the "**Assumed Expenses**"), however the Trust shall be responsible for the Trust Expenses (as defined below) including any Extraordinary Expenses.

(b) The Trust shall pay expenses in addition to the Management Fee and the BONKrewards Payments, such as, but not limited to, the Management Fee, the fees and expenses of the Custodian and any fund administrator, compliance fees, audit, tax preparation, and index license fees and expenses, initial offering expenses including legal and other charges, aggregate legal fees and expenses in excess of \$50,000 per annum, and expenses related to public trading on OTCQX and/or OTCQB ("**Trust Expenses**"), and Trust Expenses shall also include indemnification expenses, government charges and fees including filing fees, taxes, and

any extraordinary or non-routine expenses as determined by the Sponsor in good faith (“**Extraordinary Expenses**”). The Sponsor may pay other expenses as applicable.

(c) The Sponsor, its delegates or the Custodian shall withdraw BONK as needed from the Trust Storage Account to pay the Management Fees and the BONKrewards fees (as well as the Extraordinary Expenses, if any). The Sponsor or any Affiliate of the Sponsor may only be reimbursed for the actual cost to the Sponsor or such Affiliate of any expenses which it advances on behalf of the Trust for which payment the Trust is responsible. In addition, payment to the Sponsor or such Affiliate for indirect expenses incurred in performing services for the Trust in its capacity as the Sponsor of the Trust, such as salaries and fringe benefits of officers and directors, rent or depreciation, utilities and other administrative items generally falling within the category of the Sponsor’s “overhead,” is prohibited.

SECTION 4.9 *Business of Shareholders.* Except as otherwise specifically provided herein, any of the Shareholders and any shareholder, officer, director, employee or other person holding a legal or beneficial interest in an entity which is a Shareholder, may engage in or possess an interest in business ventures of every nature and description, independently or with others, and the pursuit of such ventures, even if competitive with the business of the Trust, shall not be deemed wrongful or improper.

SECTION 4.10 *Voluntary Withdrawal of the Sponsor.* The Sponsor may withdraw voluntarily as the Sponsor of the Trust only upon one hundred and twenty (120) days’ prior written notice to all Shareholders and the Trustee. If the withdrawing Sponsor is the last remaining Sponsor, the Trust shall liquidate in accordance with Section 12.1(a)(vi) hereof. In the event of its removal or withdrawal, the Sponsor shall be entitled to a redemption of its Shares at the Net Asset Value. If the Sponsor withdraws and a successor Sponsor is named, the withdrawing Sponsor shall pay all expenses as a result of its withdrawal.

SECTION 4.11 *Authorization of Memorandum.* Each Shareholder (or any permitted assignee thereof) hereby agrees that the Trust, the Sponsor and the Trustee are authorized to execute, deliver and perform the agreements, acts, transactions and matters contemplated hereby or described in or contemplated by the Memorandum on behalf of the Trust without any further act, approval or vote of the Shareholders, notwithstanding any other provision of this Trust Agreement, the Delaware Trust Statute or any applicable law, rule or regulation.

SECTION 4.12 *Litigation.* The Sponsor is hereby authorized to prosecute, defend, settle or compromise actions or claims at law or in equity as may be necessary or proper to enforce or protect the Trust’s interests. The Sponsor shall satisfy any judgment, decree or decision of any court, board or authority having jurisdiction or any settlement of any suit or claim prior to judgment or final decision thereon, first, out of any insurance proceeds available therefor, next, out of the Trust’s assets and, thereafter, out of the assets (to the extent that it is permitted to do so under the various other provisions of this Agreement) of the Sponsor.

ARTICLE V

TRANSFER OF SHARES

SECTION 5.1 *General Prohibition.* A Shareholder may not sell, assign, transfer or otherwise dispose of, or pledge, hypothecate or in any manner encumber any or all of his Shares or any part of his right, title and interest in the capital or profits in the Trust except as permitted in this *Article* and any act in violation of this Article shall not be binding upon or recognized by the Trust (regardless of whether the Sponsor shall have knowledge thereof), unless approved in writing by the Sponsor.

SECTION 5.2 *Transfer of Sponsor's Shares.*

(a) Upon an Event of Withdrawal (as defined in Section 12.1(a)(vi), the Sponsor's Shares shall be purchased by the Trust for a purchase price in cash equal to the Net Asset Value thereof. The Sponsor will not cease to be a Sponsor of the Trust merely upon the occurrence of its making an assignment for the benefit of creditors, filing a voluntary petition in bankruptcy, filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, filing an answer or other pleading admitting or failing to contest material allegations of a petition filed against it in any proceeding of this nature or seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator for itself or of all or any substantial part of its properties.

(b) To the full extent permitted by law, and on sixty (60) days prior written notice to the Shareholders, nothing in this Trust Agreement shall be deemed to prevent the merger of the Sponsor with another corporation or other entity, the reorganization of the Sponsor into or with any other corporation or other entity, the transfer of all the capital stock of the Sponsor or the assumption of the rights, duties and liabilities of the Sponsor by, in the case of a merger, reorganization or consolidation, the surviving corporation or other entity by operation of law or the transfer of the Sponsor's Shares to an Affiliate of the Sponsor. Without limiting the foregoing, none of the transactions referenced in the preceding sentence shall be deemed to be a voluntary withdrawal for purposes of Section 4.10 or an Event of Withdrawal for purposes of Section 5.2(a).

SECTION 5.3 *Transfer of Shares.*

(a) Except for Shares originally offered and sold in a transaction pursuant to Rule 504 under the Securities Act and freely transferable under applicable law or regulation, the Shares are 'restricted securities' that cannot be resold, pledged, or otherwise transferred without registration under the Securities Act and state securities laws or exemption therefrom and may not be resold, pledged or otherwise transferred without the prior written consent of the Sponsor, which it may withhold in its sole discretion for any reason or for no reason. The Sponsor may provide such written consent in the Memorandum.

(b) Shares shall be transferable on the books of account for the Trust only by the record holder thereof or by his or her duly authorized agent upon delivery to the

Sponsor or the Transfer Agent or similar agent of a duly authorized instrument of transfer, and such evidence of the genuineness of each such execution of such other matters as may be required by the Sponsor. Upon such delivery, and subject to any further requirements specified by the Sponsor, the transfer shall be recorded on the books of account for the Trust. Until a transfer is so recorded, the Shareholder of record of the Shares shall be deemed to be the Shareholder with respect to such Shares for all purposes hereunder and neither the Sponsor nor the Trust, the Transfer Agent nor any similar agent or registrar or any officer, employee or agent of the Trust shall be affected by any notice of a proposed transfer.

ARTICLE VI

REDEMPTIONS

SECTION 6.1 *Redemption of Shares*. The Shares may be redeemable upon receiving regulatory approval from the SEC and or otherwise as determined by the Sponsor in its sole discretion. Prior to accepting such redemptions, the Sponsor shall amend this Trust Agreement to include Share redemptions procedures consistent with such regulatory approval (if any) pursuant to Section 10.1 hereof, provided that such requirement shall not apply to partial share redemptions resulting from a reverse Share split.

ARTICLE VII

SHAREHOLDERS

SECTION 7.1 *No Management or Control; Limited Liability*. The Shareholders shall not participate in the management or control of the Trust nor shall they enter into any transaction on behalf of the Trust or have the power to sign for or bind the Trust, said power being vested solely and exclusively in the Sponsor. Except as provided in Section 7.3 hereof, no Shareholder shall be bound by, or be personally liable for, the expenses, liabilities or obligations of the Trust in excess of his share of the Trust Estate. Except as provided in Section 7.3 hereof, each Share owned by a Shareholder shall be fully paid and no assessment shall be made against any Shareholder. No salary shall be paid to any Shareholder in his capacity as a Shareholder, nor shall any Shareholder have a drawing account or earn interest on its share of the Trust Estate. By the purchase and acceptance or other lawful delivery and acceptance of Shares, each owner shall be deemed to be a Shareholder and beneficiary of the Trust and vested with beneficial undivided interest in the Trust to the extent of the Shares owned beneficially by such Shareholder, subject to the terms and conditions of this Trust Agreement.

SECTION 7.2 *Rights and Duties*. The Shareholders shall have the following rights, powers, privileges, duties and liabilities:

(a) The Shareholders shall have the right to obtain from the Sponsor information on all things affecting the Trust, provided that such is for a purpose reasonably related to the Shareholder's interest as a beneficial owner of the Trust.

(b) The Shareholders shall receive the share of the distributions provided for in this Trust Agreement in the manner and at the times provided for in this Trust Agreement.

(c) Except for the Shareholders' redemption rights set forth in Article VI hereof, Shareholders shall have the right to demand the return of their capital only upon the dissolution and winding up of the Trust and only to the extent of funds available therefor as provided in Section 12.2. In no event shall a Shareholder be entitled to demand or receive property other than cash upon the dissolution and winding up of the Trust. No Shareholder shall have priority over any other Shareholder as to distributions. The Shareholder shall not have any right to bring an action for partition against the Trust.

(d) Except as expressly set forth in this Trust Agreement, the Shareholders shall have no voting or other rights with respect to the Trust.

SECTION 7.3 *Limitation of Liability.*

(a) Except as provided in Section 4.7(f) hereof, and as otherwise provided under Delaware law, the Shareholders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the general corporation law of Delaware and no Shareholder shall be liable for claims against, or debts of the Trust in excess of his share of the Trust Estate, except in the event that the liability is founded upon misstatements or omissions contained in such Shareholder's Agreement delivered in connection with his purchase of Shares. In addition, and subject to the exceptions set forth in the immediately preceding sentence, the Trust shall not make a claim against a Shareholder with respect to amounts distributed to such Shareholder or amounts received by such Shareholder upon redemption unless, under Delaware law, such Shareholder is liable to repay such amount.

(b) The Trust shall indemnify to the full extent permitted by law and the other provisions of this Agreement, and to the extent of the applicable Trust Estate, each Shareholder against any claims of liability asserted against such Shareholder solely because he is a beneficial owner of one or more Shares as a Shareholder.

(c) Every written note, bond, contract, instrument, certificate or undertaking made or issued by the Sponsor shall give notice to the effect that the same was executed or made by or on behalf of the Trust and that the obligations of such instrument are not binding upon the Shareholders individually but are binding only upon the assets and property of the Trust, and no resort shall be had to the Shareholders' personal property for satisfaction of any obligation or claim thereunder, and appropriate references may be made to this Trust Agreement and may contain any further recital which the Sponsor deems appropriate, but the omission thereof shall not operate to bind the Shareholders individually or otherwise invalidate any such note, bond, contract, instrument, certificate or undertaking. Nothing contained in this Section 7.3 shall diminish the limitation on the liability of the Trust to the extent set forth in Section 3.4 and 3.5 hereof.

SECTION 7.4 *Derivative Actions.* In addition to any other requirement under applicable law include Section 3816 of the Delaware Trust Statute, no Shareholder shall have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more Shareholders who (i) are not affiliates of one another and (ii) collectively hold at least 10% of the outstanding Shares join in bringing or maintaining such actions, suit or proceeding; provided, however, that the preceding limitation shall not apply to derivative actions

brought in the name of the Trust under the federal securities laws and the rules and regulations thereunder.

ARTICLE VIII

BOOKS OF ACCOUNT AND REPORTS

SECTION 8.1 *Books of Account.* Proper books of account for the Trust shall be kept and shall be audited annually by an independent certified public accounting firm selected by the Sponsor in its sole discretion, and there shall be entered therein all transactions, matters and things relating to the Trust as are required by the applicable law and regulations and as are usually entered into books of account kept by trusts. The books of account shall be kept at the principal office of the Trust and each Shareholder (or any duly constituted designee of a Shareholder) shall have, at all times during normal business hours, free access to and the right to inspect and copy the same for any purpose reasonably related to the Shareholder's interest as a beneficial owner of the Trust. Such books of account shall be kept, and the Trust shall report its profits and losses on, the accrual method of accounting for financial accounting purposes on a Fiscal Year basis as described in Article X.

SECTION 8.2 *Quarterly Updates, Annual Updates and Account Statements.*

(a) The Sponsor will prepare and publish the Trust's Quarterly Updates and Annual Updates as required by the OTCQX's Alternative Reporting Standards and/or the OTCQB Standards and any other applicable rules and regulations of the OTCQX and/or OTCQB, in each case as and when applicable.

(b) The Shareholders will have access to the Trust's website, which shall allow Shareholders to view their unaudited account statements, as available.

SECTION 8.3 *Tax Information.* Appropriate tax information (adequate to enable each Shareholder to complete and file its U.S. federal tax return) shall be delivered to each Shareholder as soon as practicable following the end of each Fiscal Year but generally no later than March 15. All such tax returns and information will be filed in a manner consistent with the treatment of the Trust as a grantor trust. The Trust's taxable year shall be the calendar year. The Trust shall comply with all United States federal withholding requirements respecting distributions to, or receipts of amounts on behalf of, Shareholders that the Sponsor reasonably believes are applicable under the Code. The consent of Shareholders shall not be required for such withholding.

SECTION 8.4 *Calculation of Net Asset Value.* Net Asset Value shall be calculated at such times as the Sponsor shall determine from time to time.

SECTION 8.5 *Maintenance of Records.* The Sponsor shall maintain: (a) for a period of at least six Fiscal Years all books of account required by Section 8.1 hereof; a list of the names and last known address of, and number of Shares owned by, all Shareholders, a copy of the Certificate of Trust and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed; copies of the

Trust's U.S. federal, state and local income tax returns and reports, if any; and (b) for a period of at least six Fiscal Years copies of any effective written Trust Agreements, including any amendments thereto, and any financial statements of the Trust. The Sponsor may keep and maintain the books and records of the Trust in paper, magnetic, electronic or other format at the Sponsor may determine in its sole discretion, provided the Sponsor uses reasonable care to prevent the loss or destruction of such records. If there is a conflict between this Section 8.5 and the rules and regulations of the OTCQX and/or OTCQB with respect to the maintenance of records, the records will be maintained pursuant to the rules and regulations of the OTCQX and/or OTCQB.

ARTICLE IX

FISCAL YEAR

SECTION 9.1 *Fiscal Year*. The Fiscal Year shall begin on the 1st day of January and end on the 31st day of December of each year. The first Fiscal Year of the Trust commenced on August 28, 2024 and shall end on December 31, 2024. The Fiscal Year in which the Trust shall terminate shall end on the date of such termination.

ARTICLE X

AMENDMENT OF TRUST AGREEMENT; MEETINGS

SECTION 10.1 *Amendments to the Trust Agreement.*

(a) Except as specifically provided in this Section 10.1, the Sponsor may, in its sole discretion, and without the approval of the Shareholders, make such amendments to (including any supplements to or deletions from) this Trust Agreement as the Sponsor deems necessary or appropriate; provided, however, that the Sponsor shall not be permitted to make any such amendment, or otherwise supplement this Trust Agreement, if such amendment or supplement would permit the Sponsor, the Trustee or any other Person to vary the investment of Shareholders (within the meaning of Treasury Regulations Section 301.7701-4(c)) or would otherwise adversely affect the status of the Trust as a grantor trust for U.S. federal tax purposes.

Any amendments to this Trust Agreement which materially adversely affects the interests of the Shareholders shall occur only upon the vote of the Shareholders holding Shares equal to at least a majority (over 50%) of the Shares (not including Shares held by the Sponsor and its Affiliates). For all purposes of this Section 10.1, a Shareholder shall be deemed to consent to a modification or amendment to this Trust Agreement if the Sponsor has notified such Shareholder in writing of the proposed modification or amendment and the Shareholder has not, within twenty (20) calendar days of such notice, notified the Sponsor in writing that the Shareholder objects to such modification or amendment. Notwithstanding anything to the contrary herein, notice pursuant this Section 10.1 may be given by the Sponsor to the Shareholder by email or other electronic transmission and shall be deemed given upon receipt without requirement of confirmation.

Notwithstanding any provision to the contrary contained in Sections 10.1(a) hereof, the Sponsor may, without the approval of the Shareholders, amend the provisions of this Trust Agreement if the Trust is advised at any time by the Trust's accountants or legal counsel that the amendments made are necessary to ensure that the Trust's status as a grantor trust will be respected for U.S. federal income tax purposes.

(b) Upon amendment of this Trust Agreement, the Certificate of Trust shall also be amended, if required by the Delaware Trust Statute, to reflect such change. At the expense of the Sponsor, the Trustee shall execute and file any amendment to the Certificate of Trust if so directed by the Sponsor.

(c) No amendment affecting the rights or duties of the Trustee shall be binding upon or effective against the Trustee unless consented to by the Trustee in writing. No amendment shall be made to this Trust Agreement without the consent of the Trustee if the Trustee reasonably believes that such amendment adversely affects any of the rights, duties or liabilities of the Trustee. The Trustee shall be under no obligation to execute any amendment to the Trust Agreement or to any agreement to which the Trust is a party until it has received an instruction letter and certification from the Sponsor, in form and substance reasonably satisfactory to the Trustee (i) directing the Trustee to execute such amendment, (ii) representing and warranting to the Trustee that such execution is authorized and permitted by the terms of the Trust Agreement and (if applicable) such other agreement to which the Trust is a party and does not conflict with or violate any other agreement to which the Trust is a party and (iii) confirming that such execution and acts related thereto are covered by the indemnity provisions of the Trust Agreement in favor of the Trustee and do not adversely affect the Trustee. The Trustee may, but is not required to enter into any amendment that has an adverse effect on the Trustee.

(d) To the fullest extent permitted by law, no provision of this Trust Agreement may be amended, waived or otherwise modified orally but only by a written instrument adopted in accordance with this Section.

SECTION 10.2 *Meetings of the Trust.* Meetings of the Shareholders may be called by the Sponsor and will be called by it upon the written request of Shareholders holding Shares equal to at least 30% of the Shares. Such call for a meeting shall be deemed to have been made upon the receipt by the Sponsor of a written request from Shareholders representing the requisite percentage of Shares. The Sponsor shall deposit in the United States mails, within 15 days after receipt of said request, written notice to all Shareholders thereof of the meeting and the purpose of the meeting, which shall be held on a date, not less than 30 nor more than 60 days after the date of mailing of said notice, at a reasonable time and place. Any notice of meeting shall be accompanied by a description of the action to be taken at the meeting and an opinion of independent counsel as to the effect of such proposed action on the liability of Shareholders for the debts of the Trust. Shareholders may vote in person or by proxy at any such meeting.

SECTION 10.3 *Action Without a Meeting.* Any action required or permitted to be taken by Shareholders by vote may be taken without a meeting by written consent setting forth the actions so taken. Such written consents shall be treated for all purposes as votes at a

meeting. If the vote or consent of any Shareholder to any action of the Trust or any Shareholder, as contemplated by this Trust Agreement, is solicited by the Sponsor, the solicitation shall be effected by notice to each Shareholder given in the manner provided in Section 13.5. The vote or consent of each Shareholder so solicited shall be deemed conclusively to have been cast or granted as requested in the notice of solicitation, whether or not the notice of solicitation is actually received by that Shareholder, unless the Shareholder expresses written objection to the vote or consent by notice given in the manner provided in Section 13.5 below and actually received by the Trust within 20 days after the notice of solicitation is affected. The Covered Persons dealing with the Trust shall be entitled to act in reliance on any vote or consent which is deemed cast or granted pursuant to this Section and shall be fully indemnified by the Trust in so doing. Any action taken or omitted in reliance on any such deemed vote or consent of one or more Shareholders shall not be void or voidable by reason of timely communication made by or on behalf of all or any of such Shareholders in any manner other than as expressly provided in Section 13.5.

ARTICLE XI

TERM

SECTION 11.1 *Term.* The term for which the Trust is to exist shall be perpetual, unless terminated pursuant to the provisions of Article XII hereof or as otherwise provided by law.

ARTICLE XII

TERMINATION

SECTION 12.1 *Dissolution of the Trust.*

(a) Events Requiring Dissolution of the Trust. The Trust shall dissolve at any time upon the happening of any of the following events:

(i) a United States federal or state regulator requires the Trust to shut down or forces the Trust to liquidate its BONK or seizes, impounds or otherwise restricts access to Trust assets;

(ii) the Trust is determined to be a “money service business” under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act and is required to comply with certain FinCEN regulations thereunder, and the Sponsor has made the determination that dissolution of the Trust is advisable;

(iii) the Trust is required to obtain a license or make a registration under any state law regulating money transmitters, money services business, providers of prepaid or stored value or similar entities, virtual currency business, and the Sponsor has made the determination that dissolution of the Trust is advisable;

(iv) any ongoing event exists that either prevents the Trust from making or makes impractical the Trust's reasonable efforts to make a fair determination of the BONK Market Price;

(v) any ongoing event exists that either prevents the Trust from converting or makes impractical the Trust's reasonable efforts to convert BONK to USD;

(vi) the filing of a certificate of dissolution or revocation of the Sponsor's charter (and the expiration of 90 days after the date of notice to the Sponsor of revocation without a reinstatement of its charter) or upon the withdrawal, removal, adjudication or admission of bankruptcy or insolvency of the Sponsor, or an event of withdrawal (each of the foregoing events an "**Event of Withdrawal**") unless at the time there is at least one remaining;

(vii) if the Trustee notifies the Sponsor of the Trustee's election to resign and the Sponsor does not appoint a successor trustee within sixty (60) days; or

(viii) the Custodian resigns or is removed without replacement.

(b) Discretionary Dissolution of the Trust. The Sponsor may, in its sole discretion, dissolve the Trust if any of the following events occur:

(i) the SEC determines that the Trust is an investment company required to be registered under the Investment Company Act of 1940;

(ii) the CFTC determines that the Trust is a commodity pool under the Commodity Exchange Act;

(iii) the Trust becomes insolvent or bankrupt;

(iv) all of the Trust's assets are sold;

(v) the determination of the Sponsor that the ongoing management and operation of the Trust is imprudent or impractical and contrary to the interest of Shareholders, or that the aggregate net assets of the Trust in relation to the expenses of the Trust make it unreasonable or imprudent to continue the business of the Trust; and

(vi) the Sponsor receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Code.

(c) The death, legal disability, bankruptcy, insolvency, dissolution, or withdrawal of any Shareholder (as long as such Shareholder is not the sole Shareholder of the Trust) shall not result in the termination of the Trust, and such Shareholder, his estate, custodian or personal representative shall have no right to withdraw or value such Shareholder's Shares. Each Shareholder (and any assignee thereof) expressly agrees that in the event of his death, he waives on behalf of himself and his estate, and he directs the legal representative of his estate and any person interested therein to waive the furnishing of any inventory, accounting or

appraisal of the assets of the Trust and any right to an audit or examination of the books of the Trust, except for such rights as are set forth in Article VIII hereof relating to the Books of Account and reports of the Trust.

SECTION 12.2 *Distributions on Dissolution.* Upon the dissolution of the Trust, the Sponsor (in such capacity, the “**Liquidating Trustee**”) shall take full charge of the Trust Estate. The Liquidating Trustee shall have and may exercise, without further authorization or approval of any of the parties hereto, all of the powers conferred upon the Sponsor under the terms of this Trust Agreement, subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, and provided that the Liquidating Trustee shall not have general liability for the acts, omissions, obligations and expenses of the Trust. Thereafter, in accordance with Section 3808(e) of the Delaware Trust Statute, the affairs of the Trust shall be wound up and all assets shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order of priority: (a) to the expenses of liquidation and termination and to creditors, including Shareholders who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Trust (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for distributions to Shareholders, and (b) to the Sponsor and each Shareholder pro rata in accordance with their respective Percentage Interests.

SECTION 12.3 *Termination; Certificate of Cancellation.* Following the dissolution and distribution of the assets of the Trust, the Trust shall terminate and Sponsor or Liquidating Trustee, as the case may be, shall instruct the Trustee to execute and cause such certificate of cancellation of the Certificate of Trust to be filed in accordance with the Delaware Trust Statute at the expense of the Sponsor or the Liquidating Trustee as the case may be. Notwithstanding anything to the contrary contained in this Trust Agreement, the existence of the Trust as a separate legal entity shall continue until the filing of such certificate of cancellation.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1 *Governing Law.* The validity and construction of this Trust Agreement and all amendments hereto shall be governed by the laws of the State of Delaware, and the rights of all parties hereto and the effect of every provision hereof shall be subject to and construed according to the laws of the State of Delaware without regard to the conflict of laws provisions thereof; provided, however, that causes of action for violations of U.S. federal or state securities laws shall not be governed by this Section 13.1, and provided, further, that the parties hereto intend that the provisions hereof shall control over any contrary or limiting statutory or common law of the State of Delaware (other than the Delaware Trust Statute) and that, to the maximum extent permitted by applicable law, there shall not be applicable to the Trust, the Trustee, the Sponsor, the Shareholders or this Trust Agreement any provision of the laws (statutory or common) of the State of Delaware (other than the Delaware Trust Statute) pertaining to trusts which relate to or regulate in a manner inconsistent with the terms hereof: (a) the filing with any court or governmental body or agency of trustee accounts or schedules

of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding of trust assets, or (g) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees or managers that are inconsistent with the limitations on liability or authorities and powers of the Trustee or the Sponsor set forth or referenced in this Trust Agreement. Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust. The Trust shall be of the type commonly called a “statutory trust,” and without limiting the provisions hereof, but subject to Sections 1.5 and 1.6, the Trust may exercise all powers that are ordinarily exercised by such a statutory trust under Delaware law. Subject to Sections 1.5 and 1.6, the Trust specifically reserves the right to exercise any of the powers or privileges afforded to statutory trusts and the absence of a specific reference herein to any such power, privilege or action shall not imply that the Trust may not exercise such power or privilege or take such actions.

SECTION 13.2 *Provisions In Conflict with Law or Regulations.*

(a) The provisions of this Trust Agreement are severable, and if the Sponsor shall determine, with the advice of counsel, that any one or more of such provisions (the “**Conflicting Provisions**”) are in conflict with the Code, the Delaware Trust Statute or other applicable U.S. federal or state laws or the rules and regulations of the OTCQX and/or OTCQB, the Conflicting Provisions shall be deemed never to have constituted a part of this Trust Agreement, even without any amendment of this Trust Agreement pursuant to this Trust Agreement; provided, however, that such determination by the Sponsor shall not affect or impair any of the remaining provisions of this Trust Agreement or render invalid or improper any action taken or omitted prior to such determination. No Sponsor or Trustee shall be liable for making or failing to make such a determination.

(b) If any provision of this Trust Agreement shall be held invalid or unenforceable in any jurisdiction, such holding shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Trust Agreement in any jurisdiction.

SECTION 13.3 *Merger and Consolidation.* The Sponsor may cause (i) the Trust to be merged into or consolidated with, converted to or to sell all or substantially all of its assets to, another trust or entity; (ii) the Shares of the Trust to be converted into beneficial interests in another statutory trust (or series thereof); or (iii) the Shares of the Trust to be exchanged for Shares in another trust or company under or pursuant to any U.S. state or federal statute to the extent permitted by law. For the avoidance of doubt, the Sponsor, with written notice to the Shareholders, may approve and effect any of the transactions contemplated under (i)-(iii) above without any vote or other action of the Shareholders. This Section 13.3 shall not permit the Sponsor to cause the Trust to enter into a transaction that would result in the Trust not being treated as a grantor trust under applicable federal tax law.

SECTION 13.4 *Construction.* In this Trust Agreement, unless the context otherwise requires, words used in the singular or in the plural include both the plural and singular and words denoting any gender include all genders. The title and headings of different parts are inserted for convenience and shall not affect the meaning, construction or effect of this Trust Agreement.

SECTION 13.5 *Notices.* All notices or communications under this Trust Agreement (other than notices of pledge or encumbrance of Shares, and reports and notices by the Sponsor to the Shareholders) shall be in writing and shall be effective upon personal delivery, or if sent by mail, postage prepaid, or if sent electronically, by facsimile or by overnight courier; and addressed, in each such case, to the address set forth in the books and records of the Trust or such other address as may be specified in writing, of the party to whom such notice is to be given, upon the deposit of such notice in the United States mail, upon transmission and electronic confirmation thereof or upon deposit with a representative of an overnight courier, as the case may be. Notices of pledge or encumbrance of Shares shall be effective upon timely receipt by the Sponsor in writing.

All notices that are required to be provided to the Trustee shall be sent to:

CSC Delaware Trust Company
Attention: Corporate Trust Administration
251 Little Falls Drive
Wilmington, Delaware 19808
E-mail: USTrustAgency@delawaretrust.com

All notices that the Trustee is required to provide shall be sent to:

if to the Trust, at

Osprey BONK Trust
777 Brickell Ave, Suite 500
Miami, FL 33131
Attention: Chief Executive Officer

if to the Sponsor, at

Osprey Funds, LLC
777 Brickell Ave, Suite 500
Miami, FL 33131
Attention: Chief Executive Officer

SECTION 13.6 *Counterparts.* This Trust Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all of the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart.

SECTION 13.7 *Binding Nature of Trust Agreement.* The terms and provisions of this Trust Agreement shall be binding upon and inure to the benefit of the heirs, custodians, executors, estates, administrators, personal representatives, successors and permitted assigns of the respective Shareholders. For purposes of determining the rights of any Shareholder or assignee hereunder, the Trust and the Sponsor may rely upon the Trust records as to who are Shareholders and permitted assignees, and all Shareholders and assignees agree that the Trust and the Sponsor, in determining such rights, shall rely on such records and that Shareholders and assignees shall be bound by such determination.

SECTION 13.8 *No Legal Title to Trust Estate.* Subject to the provisions of Section 1.7 in the case of the Sponsor, the Shareholders shall not have legal title to any part of the Trust Estate.

SECTION 13.9 *Creditors.* No creditors of any Shareholders shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to the Trust Estate.

SECTION 13.10 *Integration.* This Trust Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

SECTION 13.11 *Goodwill; Use of Name.* No value shall be placed on the name or goodwill of the Trust, which shall belong exclusively to Osprey Funds, LLC

SECTION 13.12 *Corporate Transparency Act.* The Corporate Transparency Act (31 U.S.C. § 5336) and its implementing regulations (collectively, the “CTA”), may require the Trust to file reports with the U.S. Financial Crimes Enforcement Network. It shall be Sponsor’s duty, and not the Trustee’s duty, to prepare such filings, cause the Trust to make such filings, and to cause the Trust to comply with its obligations under the CTA, if any. The parties hereto agree that for purposes of the CTA, the Trustee acts solely as a resident, directed trustee at the direction of the Sponsor hereunder and that the Sponsor and, as applicable, any other persons(s) other than the Trustee that the Sponsor may determine on behalf of the Trust, are and shall deemed to be the parties with the power and authority to exercise substantial control over the Trust.

IN WITNESS WHEREOF, the undersigned have duly executed this Declaration of Trust and Trust Agreement as of the day and year first above written.

CSC DELAWARE TRUST COMPANY, as Trustee

By: _____

Name:

Title:

OSPREY FUNDS, LLC, as Sponsor

By: _____

Name:

Title:

Exhibit 3

Crypto Asset Service Client Agreement with Copper Technologies.



Client Agreement Crypto Asset Service



This agreement (the “Client Agreement”) is dated 23/09/2024

Parties

- 1) **Copper Markets (Switzerland) AG** incorporated and registered in Switzerland and Zug with company registration number CHE-477.629.838 whose registered office address is at Theilerstrasse 1A, 6300 Zug, Switzerland (“Copper”, “we”, “us” or “our”); and
- 2) **Osprey BONK Trust** incorporated and registered in United States with company registration number 4931073 whose registered office address is at 1241 Post Road, Second Floor, Fairfield, CT 06824 (the “Client” or “you”).

Background

- A. The Client has completed the Account Opening Documentation and other documentation necessary to enable Copper to provide the Crypto Asset Service to the Client as further described in the Terms.
- B. Copper and the Client wish for Copper to provide its Crypto Asset Service to the Client on the terms and conditions set out in the Agreement.

Definitions

Unless the context otherwise requires, the terms used in this Agreement shall have the following meanings:

“**Account**” means the account or accounts we open for you in relation to the Crypto Asset Service.

“**Account Opening Documentation**” means the documentation provided and/or completed by you or on your behalf as part of our Account Opening Process, including the Account Opening Form and such other documentation that you are required to provide or which requires completion by you in relation to your application to open an Account.

“**Account Opening Form**” means the form entitled “Application Form – Crypto Asset Service” which you must complete to apply for the opening of an Account with Copper.

“**Account Opening Process**” means the process pursuant to which you apply to open an Account with Copper in relation to the Crypto Asset Service.

“**Agreement**” shall have the meaning given to the term in paragraph 1.1 of this Client Agreement.

“**Client Agreement**” means this client agreement in which you agree to be bound by the Terms and the terms of the other documentation which together constitute the Agreement between you and us.



“Commencement Date” means the date of the final signature to this Client Agreement.

“Crypto Asset Service” means the services described in the Terms and shall have the meaning given to such term in Schedule 1 of the Terms.

“Fee Schedule” means the document entitled “Fee Schedule”, as attached to the Client Agreement at the time of execution of the Client Agreement and as may be amended from time to time.

“Key Client Information” means your name, registered number, registered office and principal place of business; (ii) your board of directors, or if there is no board, the members of the equivalent management body; (iii) the senior persons responsible for your operations; (iv) the law to which you are subject; (iv) your legal owners; (v) your beneficial owners; (vi) if different from (iv) or (v) and where required by us to meet our regulatory obligations, the beneficial owners/investors in respect of the Crypto Assets and Fiat that is part of the Crypto Asset Service, (vii) your articles of association or other governing documents, and (viii) your source of wealth and funds declaration or documentation.

“Terms” means the document entitled “Crypto Asset Service Terms and Conditions June 2022”, as amended from time to time.

Agreed Terms

1. CLIENT AGREEMENT

- 1.1 This Client Agreement together with the Account Opening Documentation, the Terms, and the Fee Schedule referred to below, shall form the contractual agreement between Copper and the Client (the **“Agreement”**) governing the provision of the Crypto Asset Service by Copper to the Client.
- 1.2 The Agreement shall become effective from the Commencement Date.

2. CLIENT ON-BOARDING REQUIREMENTS

- 2.1 To open an Account with us and for us to provide the Crypto Asset Service to you, you must complete our Account Opening Process which requires, without limitation, you:
 - 2.1.1 completing our Account Opening Documentation;
 - 2.1.2 satisfying all requirements relating to our know-your-customer and related processes that form part of our Account Opening Process; and
 - 2.1.3 providing such information as we may reasonably require in order for us to determine if you are eligible to open an Account.
- 2.2 We have the right to decline your application to open an Account without specifying the reasons for doing so and with no right to any compensation. If your application is successful, we will open an Account for you.
- 2.3 You hereby represent, warrant and confirm to us that:



- 2.3.1 all information provided by you or on your behalf as part of our Account Opening Process is true, accurate and not misleading;
- 2.3.2 you will tell us as soon as possible of any material change to the information you have provided to us, including, within 14 (fourteen) calendar days of becoming aware, of any material change to your Key Client Information;
- 2.3.3 you will tell us as soon as possible if you become a U.S. person, a U.S. citizen or resident in the U.S. for tax purposes by any other means;
- 2.3.4 you have been provided with a copy of the Client Agreement, including the Fee Schedule, and the Terms; and
- 2.3.5 you have read, understood and agree to be bound by the terms of the Agreement.

3. COPPER'S CRYPTO ASSET SERVICE

- 3.1 As soon as possible after the Commencement Date, we shall open and maintain an Account for you for the purposes of providing the Crypto Asset Service to you.
- 3.2 You may request that we provide additional services to the Crypto Asset Service which may be subject to one or more separate agreements between you and us. We shall be under no obligation to provide such additional services to you and we shall confirm whether any such requests by you have been successful, the extent to which they are successful and what additional information (if any) we require from you in relation to your requests.

4. COPPER'S FEES

- 4.1 In consideration of the provision of the Crypto Asset Service by us, you shall pay to us the fees and other charges set out in the Fee Schedule (Reference Number: Q-01221) below. Fees shall accrue from Commencement Date.
- 4.2 If we propose to make any changes to the Fee Schedule, we will inform you prior to any change becoming effective. If you do not agree to any change, you may terminate the Agreement in accordance with clause 25 of the Terms.

5. MARKETING

- 5.1 You agree to send us, within two weeks of the Commencement Date a short quote as to why you chose us for the Crypto Asset Service, which we can use for marketing purposes.
- 5.2 You agree to work with our marketing team to produce an agreed one to two page document regarding your experience with us, within 3 months of the Commencement Date.
- 5.3 You agree that we may use your name, logo, and trademarks, in printed, audio, and digital formats and on our websites, for the purpose of advertising and marketing the Crypto Asset Service, provided that no quotes or other attributions will be made to you without your prior written consent. We may further publicly refer to you as a customer.

Exhibit 4

Custodial Services Agreement with BitGo Trust Company, Inc.

BITGO CUSTODIAL SERVICES AGREEMENT

This BitGo Custodial Services Agreement (this “Agreement”) is made as of the Effective Date by and between:

	Osprey BONK Trust	(“CLIENT”)
a	U.S.	Entity

and Custodian. This Agreement governs Client’s use of the Services (as defined below) provided or made available by Custodian to Client.

Definitions. Capitalized terms not defined elsewhere in this Agreement shall have the meaning set forth below:

- a) “**Agreement**” means this BitGo Custodial Services Agreement, as it may be amended from time to time, and includes all schedules and exhibits to this BitGo Custodial Services Agreement, as they may be amended from time to time.
- b) “**Applicable Law**” means any applicable statute, rule, regulation, regulatory guideline, order, law, ordinance, or code; the common law and laws of equity; any binding court order, judgment, or decree; any applicable industry code, rule, guideline, policy, or standard enforceable by law (including as a result of participation in a self-regulatory organization); and any official interpretations of any of the foregoing.
- c) “**Assets**” means, as applicable, Digital Assets and/or Fiat Currency.
- d) “**Authorized Persons**” means any person authorized by Client or a person reasonably believed by Custodian to be authorized by Client to act on behalf of Client (e.g., viewer, admin, enterprise owner, viewer with additional video rights, etc.).
- e) “**Bank**” means either (a) a U.S. banking institution insured by the Federal Deposit Insurance Corporation (FDIC) or (b) an organization that is organized under the laws of a foreign country, or a territory of the United States that is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or the country in which its principal banking operations are located.
- f) “**Client Security Codes**” means IDs, credentials, passwords, login information, hints, personal identification numbers, non-custodial wallet keys (other than Client Keys), yubikeys, 2-factor authentication devices or backups, or any other codes that Client uses to access the Services.
- g) “**Company Site**” means <https://www.bitgo.com/>.
- h) “**Custodian**” means BitGo Trust Company, Inc., a South Dakota trust company duly organized and chartered under § 51A-6A-1(12A) of the South Dakota Banking Law and licensed to act as custodian of Client’s Assets on Client’s behalf.
- i) “**Digital Assets**” means digital assets, virtual currencies, tokens, or coins held for Client under the terms of this Agreement.
- j) “**Effective Date**” means the last signature below unless otherwise specified in this Agreement.
- k) “**Fee Schedule**” means the fees associated with the Services set forth in Schedule A to this Agreement.
- l) “**Fiat Currency**” means certain supported fiat currencies, such as U.S. Dollars.
- m) “**Instructions**” means instructions given by Client or Client’s Authorized Persons.
- n) “**Losses**” means, collectively, liabilities, damages, losses, costs, and expenses, including reasonable attorneys’ fees and costs.
- o) “**Services**” means, collectively, all the services that Client receives from Custodian and its affiliates, including, Custodial Services, Wallet Services, and Settlement Services, as applicable.
- p) “**UI**” means the web user interface available to Client through the Company Site that allows Client to access certain Services.

1. SERVICES.

1.1. Authorization. Client authorizes, approves, and directs Custodian to establish and maintain one or more custody accounts on its books (each a “**Custodial Account**”), pursuant to the terms of this Agreement, for the receipt, safekeeping, and maintenance of Client’s Assets (“**Custodial Services**”).

1.2. Custody Transactions. The Custodial Services allow Client to deposit Assets to Client’s Custodial Account and to withdraw Assets from Client’s Custodial Account to an external location, in each case, pursuant to Instructions provided through the UI (each of such transactions is a “**Custody Transaction**”) and consistent with the provisions set forth in Section 2. Custodian reserves the right to refuse to process or to cancel any pending Custody Transaction: (a) as required by Applicable Law; (b) to enforce a transaction, threshold, and condition limits; or (c) if Custodian reasonably believes that the Custody Transaction may violate or facilitate the violation of any Applicable Law. Custodian cannot reverse a Custody Transaction which has been broadcast to a Digital Asset network.

1.3. Third-Party Payments. The Custodial Services are not intended to facilitate third-party payments of any kind. As such, Custodian has no control over, or liability for, the delivery, quality, safety, legality, or any other aspect of any goods or services that Client may purchase from a third party (including other users of Custodial Services) using Assets in Client’s Custodial Account.

1.4. Clearing and Settlement Services. Custodian may offer clearing and settlement services (the “**Settlement Services**”) that facilitate the settlement of transactions of supported Assets between Client and Client’s trade counterparty that also has a Custodial Account with Custodian (“**Settlement Partner**”) pursuant to the operational terms set forth in Section 2.10.

1.5. Wallet Software and Non-Custodial Wallet Service.

(a) Custodian also provides Client with the option to create non-custodial wallets that support certain Digital Assets (“**Wallet Services**”). Wallet Services are provided by BitGo, Inc., an affiliate of Custodian (“**BitGo Inc**”). Wallet Services provide access to wallets where BitGo Inc holds a minority of the keys, and Client is responsible for holding a majority of the keys (“**Client Keys**”).

(b) The Wallet Services do not send or receive Digital Assets or Fiat Currency. The Wallet Services enable Client to interface with virtual currency networks to view and transmit information about a public cryptographic key commonly referred to as a blockchain address. As further set forth in Section 3.4, Client assumes all responsibility and liability for securing the Client Keys. Further, Client assumes all responsibility and liability for creation, storage, and maintenance of any backup keys associated with accounts created using the Wallet Services.

(c) Client’s use of the Wallet Services is subject to the terms available at <https://www.bitgo.com/legal/services-agreement/> and <https://www.bitgo.com/legal/bitgo-terms-of-use/> as may be amended from time to time in Custodian’s sole discretion (the “**Online Terms**”). In the event of a conflict between the Online Terms and the terms of this Agreement, the terms of this Agreement shall control.

1.6. API Access and Developer Application.

(a) Services, BitGo Inc’s application programming interfaces (“**APIs**”), and BitGo Inc’s software development kits (“**SDK**”) can be accessed through the Company Site. Client may elect to use the APIs either directly or indirectly within an independently developed application controlled by Client (“**Developer Application**”) pursuant to the terms set forth in this Section 1.6.

(b) Services provided through the APIs, either alone or with a Developer Application are subject to usage limits and the terms and conditions set forth on the Online Terms. In the event of a conflict between the Online Terms and the terms of this Agreement, the terms of this Agreement shall control. If Client exceeds a usage limit, Custodian may provide assistance to seek to reduce Client’s usage so that it conforms to the applicable usage limit. If Client is unable or unwilling to abide by the usage limits, Client will order

additional quantities of the applicable Services promptly upon request or pay Custodian's invoices for excess usage.

(c) Subject to Custodian's acceptance of Client as a developer, and subject to Client's performance of its obligations under this Agreement and any other executed agreements with Custodian's affiliates, Custodian, on behalf of itself and its affiliates, grants Client a non-assignable, non-transferrable, revocable, personal, and non-exclusive license under applicable intellectual property rights to use and reproduce the SDK for use with the Developer Application. Client agrees that all end customers of any Developer Application will be subject to the same use restrictions that bind Client under this Agreement including the restrictions set forth in Section 3.4. Client is solely responsible and has sole liability for end customers that access or use the Services via the Developer Application and all acts or omissions taken by such end customers will be deemed to have been taken (or not taken) by Client. Client is responsible for the accuracy, quality, and legality of the Developer Application's content and user data. Client will comply with, and ensure that Client's Developer Application and its end customers comply with, all Applicable Law.

1.7. Fees. Fees and payment terms associated with the Services are set forth in the Fee Schedule. Custodian reserves the right to revise its Fee Schedule at any time following the Initial Term (as defined below), provided that Custodian will provide Client with at least thirty (30) days' advance notice of any such revision. Within such thirty (30)-day period, Client may terminate this Agreement and discontinue the Services hereunder at no additional charge to Client.

1.8. Taxes. Client is solely responsible for any taxes applicable to any Custody Transactions, and for withholding, collecting, reporting, or remitting the correct amount of taxes to the appropriate tax authorities. Client's Custody Transactions' history is available by accessing Client's Custodial Account through the UI or by contacting Custodian directly. If Custodian or an affiliate of Custodian has a legal obligation to pay or collect taxes for which Client is responsible, Client will be invoiced for the relevant amount, including any penalties, fines, or interest thereon, and Client will pay that amount promptly upon the receipt of the applicable invoice(s) unless Client provides the Custodian or relevant affiliate of Custodian with a valid tax exemption certificate authorized by the appropriate taxing authority.

1.9. Acknowledgement of Risks.

(a) General Risks; No Investment, Tax, or Legal Advice; No Brokerage. CLIENT ACKNOWLEDGES THAT CUSTODIAN DOES NOT PROVIDE INVESTMENT, TAX, OR LEGAL ADVICE, NOR DOES CUSTODIAN BROKER TRANSACTIONS ON CLIENT'S BEHALF. CLIENT ACKNOWLEDGES THAT CUSTODIAN HAS NOT PROVIDED AND WILL NOT PROVIDE ANY ADVICE, GUIDANCE, OR RECOMMENDATIONS TO CLIENT WITH REGARD TO THE SUITABILITY OR VALUE OF ANY ASSETS, AND THAT CUSTODIAN HAS NO LIABILITY REGARDING ANY SELECTION OF A DIGITAL ASSET OR OTHERWISE THAT IS HELD BY CLIENT THROUGH CLIENT'S CUSTODIAL ACCOUNT AND THE CUSTODIAL SERVICES OR OTHER SERVICES. ALL CUSTODY TRANSACTIONS ARE EXECUTED BASED ON INSTRUCTIONS, AND CLIENT IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER ANY INVESTMENT, INVESTMENT STRATEGY, OR RELATED TRANSACTION INVOLVING CLIENT'S ASSETS IS APPROPRIATE FOR CLIENT BASED ON CLIENT'S INVESTMENT OBJECTIVES, FINANCIAL CIRCUMSTANCES, AND RISK TOLERANCE. CLIENT SHOULD SEEK LEGAL AND PROFESSIONAL TAX ADVICE REGARDING ANY TRANSACTION.

(b) Material Risk in Investing in Digital Currencies. CLIENT ACKNOWLEDGES THAT: (i) DIGITAL ASSETS ARE NOT LEGAL TENDER, ARE NOT BACKED BY THE U.S. GOVERNMENT, AND ACCOUNTS AND VALUE BALANCES ARE NOT SUBJECT TO FEDERAL DEPOSIT INSURANCE CORPORATION OR SECURITIES INVESTOR PROTECTIONS; (ii) LEGISLATIVE AND REGULATORY CHANGES OR ACTIONS AT THE STATE, FEDERAL, OR INTERNATIONAL LEVEL MAY ADVERSELY AFFECT THE USE, TRANSFER, EXCHANGE, AND VALUE OF DIGITAL ASSETS; (iii) TRANSACTIONS INVOLVING DIGITAL ASSETS MAY BE IRREVERSIBLE, AND, ACCORDINGLY, LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE; (iv) SOME DIGITAL ASSETS TRANSACTIONS

SHALL BE DEEMED TO BE MADE WHEN RECORDED ON A PUBLIC LEDGER, WHICH IS NOT NECESSARILY THE DATE OR TIME THAT CLIENT INITIATES THE TRANSACTION; (v) THE VALUE OF DIGITAL ASSETS MAY BE DERIVED FROM THE CONTINUED WILLINGNESS OF MARKET PARTICIPANTS TO EXCHANGE FIAT CURRENCY FOR DIGITAL ASSETS, WHICH MAY RESULT IN THE POTENTIAL FOR PERMANENT AND TOTAL LOSS OF VALUE OF A PARTICULAR DIGITAL ASSET SHOULD THE MARKET FOR THAT DIGITAL ASSET DISAPPEAR; (vi) THERE IS NO ASSURANCE THAT A PERSON WHO ACCEPTS DIGITAL ASSETS AS PAYMENT TODAY WILL CONTINUE TO DO SO IN THE FUTURE; (vii) THE VOLATILITY AND UNPREDICTABILITY OF THE PRICE OF DIGITAL ASSETS RELATIVE TO FIAT CURRENCY MAY RESULT IN SIGNIFICANT LOSS OVER A SHORT PERIOD OF TIME; (viii) THE NATURE OF DIGITAL ASSETS MAY LEAD TO AN INCREASED RISK OF FRAUD OR CYBER ATTACK; (ix) THE NATURE OF DIGITAL ASSETS MEANS THAT ANY TECHNOLOGICAL DIFFICULTIES EXPERIENCED BY CUSTODIAN MAY PREVENT THE ACCESS OR USE OF A CLIENT'S OR CLIENT'S CUSTOMERS' DIGITAL ASSETS; AND (x) ANY ACCOUNT MAINTAINED BY CUSTODIAN FOR THE BENEFIT OF CLIENT (E.G., A BOND OR TRUST ACCOUNT) MAY NOT BE SUFFICIENT TO COVER ALL LOSSES INCURRED BY CLIENT OR CLIENT'S CUSTOMERS.

(c) Additional Client Acknowledgment. CLIENT ACKNOWLEDGES THAT USING DIGITAL ASSETS AND ANY RELATED NETWORKS AND PROTOCOLS INVOLVES SERIOUS RISKS. CLIENT AGREES THAT IT HAS READ AND ACCEPTS THE RISKS LISTED IN THIS SECTION 1.9, WHICH IS NON-EXHAUSTIVE AND WHICH MAY NOT CAPTURE ALL RISKS ASSOCIATED WITH CLIENT'S ACTIVITY. IT IS CLIENT'S DUTY TO LEARN ABOUT ALL THE RISKS INVOLVED WITH DIGITAL ASSETS AND ANY RELATED PROTOCOLS AND NETWORKS. CUSTODIAN MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE VALUE OF DIGITAL ASSETS OR THE SECURITY OR PERFORMANCE OF ANY RELATED NETWORK OR PROTOCOL.

2. OPERATIONAL TERMS

2.1. General. The Digital Assets stored in Client's Custodial Account are segregated from both the (a) property of Custodian, and (b) the Assets of other customers of Custodian, except for Digital Assets specifically moved into shared accounts by Client. Fiat Currency stored on Client's behalf is stored by Custodian in accordance with Section 2.4.

2.2 Registration; Authorized Persons.

(a) To create a Custodial Account and use the Custodial Services, Client must provide Custodian with all information requested. Based on the information provided (or not provided), Custodian may, in its sole discretion, refuse to allow Client to establish a Custodial Account, limit the number of Custodial Accounts, or decide to subsequently terminate a Custodial Account in accordance with Section 4.

(b) Client will maintain an updated and current list of Authorized Persons at all times on the UI and will immediately notify Custodian of any changes to the list of Authorized Persons by updating the list on the UI. Client shall make available all necessary documentation and identification information, as reasonably requested by Custodian to confirm: (i) the identity of each Authorized Person; (ii) that each Authorized Person is eligible to be deemed an "Authorized Person" as defined in this Agreement; and (iii) the person requesting the changes in the list of Authorized Persons has valid authority to request changes on behalf of Client.

2.3 Instructions.

(a) Custodian acts upon Instructions that are received and verified by Custodian in accordance with its procedures and this Agreement.

(b) Instructions will be required for any action requested of Custodian. Instructions shall continue in full force and effect until canceled (if possible) or executed.

(c) Custodian shall be entitled to rely upon any Instructions it receives pursuant to this Agreement.

(d) Custodian may assume that any Instructions received hereunder, if applicable, are not in any way inconsistent with the provisions of organizational documents of Client or of any vote, resolution, or proper authorization, and that Client is authorized to take the actions specified in the Instructions.

(e) Client shall verify all information submitted in Instructions to Custodian. Custodian shall have no duty to inquire into or investigate the validity, accuracy, or content of any Instructions.

(f) If any Instructions are ambiguous, incomplete, or conflicting, Custodian may refuse to execute such Instructions until any ambiguity, incompleteness, or conflict has been resolved. Custodian may refuse to execute Instructions if, in its sole opinion, such Instructions are outside the scope of its duties under this Agreement or are contrary to any Applicable Law.

(g) Client is responsible for any Losses resulting from inaccurate Instructions (e.g., if Client provides the wrong destination address for executing a withdrawal transaction). Custodian does not guarantee the identity of any user, receiver, requestee, or other party to a Custody Transaction. Custodian shall have no liability whatsoever for failure to perform pursuant to such Instructions except in the case of Custodian's gross negligence, fraud, or willful misconduct.

2.4 Fiat Currency.

(a) As part of Custodial Services, Client may use Custodian to hold Fiat Currency in a Custodial Account for Client's benefit. Custodian will custody Fiat Currency in one or more of the following "**Customer Omnibus Accounts**", as determined by Custodian: (i) deposit accounts established by Custodian at a Bank; (ii) money market accounts established by Custodian at a Bank; or (iii) such other accounts as may be agreed between Client and Custodian in writing from time to time.

(b) Each Customer Omnibus Account shall be titled in the name of Custodian or in the name of Custodian for the benefit of its customers, in either case under the control of Custodian. Each Customer Omnibus Account shall be maintained separately and apart from Custodian's business, operating, and reserve accounts. Each Customer Omnibus Account constitutes a banking relationship between Custodian and the relevant Bank and shall not constitute a custodial relationship between Client and Bank.

(c) Custodian may hold some or any portion of Fiat Currency in accounts that may or may not receive interest or other earnings. Client agrees that the amount of any such interest or earnings attributable to such Fiat Currency in Customer Omnibus Accounts shall be retained by Custodian as additional consideration for its services under this Agreement, and nothing in this Agreement entitles Client to any portion of such interest or earnings. In addition, Custodian may receive earnings or compensation for a Customer Omnibus Account in the form of services provided at a reduced rate or similar compensation. Any such compensation shall be retained by Custodian, Client is not entitled to any portion of such compensation, and no portion of any such compensation shall be paid to or for Client. Client's rights in the Customer Omnibus Accounts are limited to the specific amount of Fiat Currency Custodian custodies on Client's behalf, as may be limited under this Agreement and by Applicable Law.

(d) Client agrees and understands that wire deposit settlement times and wire withdrawal transfer times are subject to factors outside of Custodian's control, including processes and operations related to Client's account at a depository institution and Custodian's bank account.

2.5 Digital Asset Deposits and Withdrawals.

(a) Prior to initiating a deposit of Digital Assets to Custodian, Client must confirm that the specific Digital Asset is found in the then-current list available at <https://www.bitgo.com/resources/coins>, as may be amended from time to time in Custodian's sole discretion (the "**Supported Digital Assets List**"). By initiating a deposit of Digital Assets to a Custodial Account, Client attests that Client has confirmed that the Digital Asset being transferred is listed in the Supported Digital Assets List.

(b) Client must initiate any withdrawal request through Client's Custodial Account to a Client wallet address. Custodian will process withdrawal requests with or without video verification, such decision to be

based on a set of criteria (which may or may not be linked to a dollar value and may or may not be tied to a single transaction or aggregated in a series of transactions during a predetermined amount of time) set by you on the UI. The time of such a request shall be considered the time of transmission of such notice from Client's Custodial Account. Notwithstanding the foregoing, Custodian reserves the right to request video verification for any transaction or series of transactions for any reason in its sole discretion. The initiation of a twenty-four (24)-hour time period in Section 2.6 to process the withdrawal request shall be considered at the time at which Client completes any required video verification.

(c) As further set forth in Section 3.4, Client must manage and keep secure any and all information or devices associated with deposit and withdrawal procedures, including Client Security Codes. Custodian reserves the right to charge for pass through network fees (e.g. miner fees) to process a Custody Transaction involving Digital Assets on Client's behalf. Custodian will notify Client of the estimated network fee at or before the time Client authorizes such Custodial Transaction.

2.6 Digital Asset Access Time.

(a) Custodian requires up to twenty-four (24) hours (excluding weekends and US federal holidays) between any request to withdraw Digital Assets from Client's Custodial Account and submission of Client's withdrawal to the applicable Digital Asset network.

(b) Custodian reserves the right to take additional time beyond the twenty-four (24)-hour period if such time is required to verify security processes for large or suspicious transactions. Any such processes will be executed reasonably and in accordance with Custodian documented protocols, which may change from time to time at the sole discretion of Custodian.

(c) Custodian makes no representations or warranties with respect to the availability or accessibility of the Digital Assets. Custodian will make reasonable efforts to ensure that Client initiated deposits are processed in a timely manner, but Custodian makes no representations or warranties regarding the amount of time needed to complete processing of deposits which is dependent upon factors outside of Custodian's control.

2.7 Supported Digital Assets. The Custodial Services are available only in connection with Digital Assets available in the Supported Digital Assets List, as may be amended from time to time in Custodian's sole discretion. Custodian will use commercially reasonable efforts to provide Client with thirty (30) days' prior written notice before ceasing to support a Digital Asset in Client's Custodial Account, unless Custodian is required to cease such support sooner to comply with Applicable Law or in the event such support creates an urgent security or operational risk in Custodian's reasonable discretion (in which event Custodian will provide as much notice as is practicable under the circumstances). Under no circumstances should Client attempt to use the Custodial Services to deposit or store any Digital Assets that are not listed in the Supported Digital Assets List. Depositing, or attempting to deposit, Digital Assets that are not listed in the Supported Digital Assets List will result in such Digital Asset being irretrievable by Client and Custodian. Custodian assumes no obligation or liability whatsoever regarding any attempt to use the Custodial Services for Digital Assets that are not listed in the Supported Digital Assets List.

2.8 Operation of Digital Asset Protocols.

(a) Custodian does not own or control the underlying software protocols that govern the operation of Digital Assets on the Supported Digital Assets List. By using the Custodial Services, Client acknowledges and agrees that (i) Custodian is not responsible for operation of the underlying protocols and that Custodian makes no guarantee of their functionality, security, or availability; and (ii) the underlying protocols are subject to sudden changes in operating rules (a.k.a. "forks"); and (iii) that such forks may materially affect the value, function, or even the name of the Digital Assets that Client stores in Client's Custodial Account. In the event of a fork, Client agrees that Custodian may temporarily suspend Custodian operations with respect to the affected Digital Assets (with or without advance notice to Client) and that Custodian may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. Custodian assumes absolutely no liability whatsoever in respect of an unsupported branch of a forked protocol or its determination whether or not to support a forked protocol.

(b) Client agrees that all “airdrops” (free distributions of certain Digital Assets) and forks will be handled by Custodian pursuant to its fork policy (the “**Fork Policy**”) (currently available at www.bitgo.com/resources/bitgo-fork-policy). Client acknowledges that Custodian is under no obligation to support any airdrops, side chains, forks, or other derivative, enhanced protocol, token, or coins which interact with a Digital Asset supported by Custodian (collectively, “**Advanced Protocols**”) or handle such Advanced Protocols in any manner, except as detailed above and in the Fork Policy. Custodian, at its sole discretion, may update the Fork Policy from time to time or the URL at which it is available, and Client agrees that Client is responsible for reviewing any such updates. Custodian is under no obligation to provide notification to Client of any modification to the Fork Policy. Client shall not use its Custodial Account to attempt to receive, request, send, store, or engage in any other type of transaction involving an Advanced Protocol. Custodian assumes absolutely no liability whatsoever in respect to Advanced Protocols.

2.9 Account Statements.

(a) Custodian will provide Client with an electronic account statement every calendar quarter. Each statement will be provided via the UI and notice of its posting will be sent via electronic mail.

(b) Client will have forty-five (45) days to file any written objections or exceptions with Custodian after the posting of a Custodial Account statement online. If Client does not file any objections or exceptions within the forty-five (45)-day period, this shall indicate Client’s approval of the statement and will preclude Client from making future objections or exceptions regarding the information contained in the statement. Such approval by Client shall be full acquittal and discharge of Custodian regarding the transactions and information on such statement.

(c) To value Digital Assets held in Client’s Custodial Account, the Custodian will electronically obtain USD equivalent prices from digital asset market data with amounts rounded up to the seventh decimal place to the right. Custodian does not guarantee the accuracy or timeliness of prices received and the prices are not to be relied upon for any decisions for Client’s Custodial Account.

2.10 Settlement

(a) Client acknowledges that the Settlement Service is an API product complemented by an UI. Clients may utilize the Settlement Services by way of settlement of one-sided requests with counterparty affirmation or one-sided requests with instant settlement; and two-sided requests with reconciliation. Client understands that Assets available for use within the Settlement Services may not include all of Client’s Assets held under custody. For the avoidance of doubt, use of the UI is subject to the Online Terms.

(b) The Settlement Services allow Client to submit, through the UI, a request to settle a purchase or sale of Assets with a Settlement Partner. Client authorizes Custodian to accept Client’s cryptographic signature submitted through the UI. When a cryptographic signature is received through the UI along with the settlement transaction details, Client is authorizing Custodian to act on the Instruction to settle such transaction.

i. A one-sided request with counterparty affirmation requires Client to submit a request, including its own cryptographic signature on the trade details, via UI calls. Custodian will notify the Settlement Partner and lock funds of both parties while waiting for the Settlement Partner to affirm the request. Custodian will settle the trade immediately upon affirmation and the locked funds will be released.

ii. A one-sided request with instant settlement requires one side of the trade to submit a request, including cryptographic signatures of both parties to the trade via UI calls. Custodian will settle the trade immediately.

iii. A two-sided request with reconciliation requires that both Client and Settlement Partner submit requests via UI calls, with each party providing their own cryptographic signatures. Custodian will reconcile the trades and settle immediately upon successful reconciliation.

iv. In any one-sided or two-sided request, the Settlement Partner must be identified and selected by Client prior to submitting a settlement request. Client may submit a balance inquiry through the UI to verify that Settlement Partner has a sufficient balance of Assets to be transacted before the parties

execute a transaction. This balance inquiry function is to be used only for the purpose of executing a trade transaction to ensure the Settlement Partner has sufficient Assets to settle the transaction. Client expressly authorizes and consents to Custodian providing access to such information to Client's Settlement Partner in order to facilitate the settlement.

v. Client and Settlement Partner's Custodial Accounts must have sufficient Assets prior to initiating any settlement request. The full amount of Assets required to fulfill a transaction are locked until such Instruction has been completed. All Instructions are binding on Client and Client's Custodial Account. Custodian does not guarantee that any settlement will be completed by any Settlement Partner. Client may not be able to withdraw an Instruction in the form of an offer (or withdraw its Instruction to accept an offer) prior to completion of a settlement and Custodian shall not be liable for the completion of any Instruction after a cancellation request has been submitted.

vi. Client shall ensure that only an appropriate Authorized Person of its Custodial Account has access to the Client Security Codes.

vii. Client is solely responsible for any decision to enter into a settlement by way of the Settlement Services, including the evaluation of any and all risks related to any such transaction and has not relied on any statement or other representation of Custodian. Custodian is a facilitator and not a counterparty to any settlement; and, as a facilitator, Custodian bears no liability with respect to any transaction and does not assume any clearing risk.

viii. Any notifications that Client may receive regarding the Settlement Services are Client's responsibility to review in a timely manner.

(c) Upon execution of the settlement, the UI provides Client a summary of the terms of the transaction, including: the type of Digital Asset purchased or sold; the delivery time; and the purchase or sale price. Settlement of a transaction is completed in an off-chain trading account by way of offsetting journal transactions within Custodian's off-chain settlement system. On-chain synchronization occurs at the time the withdrawal from Client's trading account takes place (other than through a subsequent Settlement Services transaction).

(d) Custodian reserves the right to refuse to settle any transaction, or any portion of any transaction, for any reason, at its sole discretion. Custodian bears no responsibility if an Instruction was placed or was active during any time the Settlement Services system is unavailable or encounters an error; or, if any such Instruction triggers certain regulatory controls.

(e) Custodian may charge additional fees for the Settlement Services furnished to Client as indicated in the Fee Schedule and any amendments to the Fee Schedule.

(f) Clearing and settlement transactions are subject to Applicable Laws.

3. USE OF SERVICES.

3.1 Company Site and Content. Custodian grants Client a limited, nonexclusive, non-transferable, revocable, royalty-free license, subject to the terms of this Agreement, to access and use the Company Site and related content, materials, and information (collectively, the "**Content**") solely for using the Services in accordance with this Agreement. Any other use of the Company Site or Content is expressly prohibited and all other right, title, and interest in the Company Site or Content is exclusively the property of Custodian, its affiliates and its licensors. Client shall not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit the Company Site or any of the Content, in whole or in part without Custodian's or its affiliates' prior written consent. "www.bitgo.com," "BitGo," "BitGo Custody," and all logos related to the Services or displayed on the Company Site are either trademarks or registered marks of Custodian, its affiliates or its licensors. Client may not copy, imitate, or use them without Custodian's prior written consent in each instance.

3.2 Website Accuracy. Although Custodian intends to provide accurate and timely information on the Company Site, the Company Site (including the Content, but excluding any portions thereof that are explicitly described in this Agreement) may not always be entirely accurate, complete, or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide Client with as complete and accurate information as possible, such information may be changed or updated from time to time without notice, including information regarding Custodian policies, products and services. Accordingly, Client should verify all information before relying on it, and all decisions based on information contained on the Company Site are Client's sole responsibility and Custodian shall have no liability for such decisions. Links to third-party materials (including websites) may be provided as a convenience but are not controlled by Custodian. Custodian is not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible from or linked to the Company Site.

3.3 Prohibited Use. Custodian may monitor use of the Services and the resulting information may be used, reviewed, retained, and disclosed by Custodian in aggregated and non-identifiable forms for its legitimate business purposes or in accordance with Applicable Law. Client will not, directly or indirectly: (a) use the Services to upload, store or transmit any content that is infringing, libelous, unlawful, tortious, violate privacy rights, or that includes any viruses, software routines, or other code designed to permit unauthorized access, disable, erase, or otherwise harm software, hardware, or data; (b) engage in any activity that interferes with, disrupts, damages, or accesses in an unauthorized manner the Services, servers, networks, data, or other properties of Custodian or of its suppliers or licensors; (c) develop, distribute, or make available a Developer Application in any way in furtherance of criminal, fraudulent, or other unlawful activity; (d) use the Services, for the benefit of anyone other than Client or end customer of any Developer Application; (e) sell, resell, license, sublicense, distribute, rent, or lease any Services, or include any Services in a services bureau or outsourcing offering; (f) circumvents a contractual usage limit; (g) obscure, remove, or destroy any copyright notices, proprietary markings or confidential legends provided with the Services; (h) use the Services to build a competitive product or service; (i) distribute a Developer Application in source code form in a manner that would disclose the source code of the Services; (j) reverse engineer, decrypt, decompile, decode, disassemble, or otherwise attempt to obtain the human readable form of the Services, to the extent such restriction is permitted by Applicable Law; or (k) engage in any of the prohibited practices set forth at <https://www.bitgo.com/bitgo-prohibited-uses-and-businesses-terms/>, as may be amended by Custodian from time to time in Custodian's sole discretion (collectively, the "Prohibited Practices").

3.4 Security; Client Responsibilities.

(a) Client shall maintain adequate security and control of all Client Keys and Client Security Codes. Any loss or compromise of the foregoing information or Client's personal information may result in unauthorized access to Client's Custodial Account by third parties and the loss or theft of Assets. Client shall keep Client's email address and telephone number up to date in Client's profile to receive notices, alerts, and other communications from Custodian. Custodian assumes no responsibility for any loss that Client may sustain due to compromise of Client Security Codes due to no fault of Custodian or Client's failure to follow or act on any notices or alerts that Custodian may send to Client.

(b) Client will ensure that all Authorized Persons are adequately trained to safely and securely access the Services, including with respect to general security principles regarding Client Keys, Client Security Codes, and Client's personnel.

(c) Client acknowledges that granting permission to a third party or non-permissioned user to take specific actions on Client's behalf does not relieve Client of any of Client's responsibilities under this Agreement and may violate the terms of this Agreement. Client is fully responsible for all activities taken on Client's Custodial Account (including acts or omissions of any third party or non-permissioned user with access to Client's Custodial Account). Further, Client acknowledges and agrees that Client will not hold Custodian responsible for, and will indemnify, defend and hold harmless the Custodian Indemnitees (as defined below) from and against any Losses arising out of or related to any act or omission of any party

using Client's Custodial Account (including acts or omissions of any third party or non-permissioned user with access to Client's Custodial Account); provided that such Losses did not result from Custodian's gross negligence, fraud, or willful misconduct.

(d) Custodian shall not bear any liability whatsoever for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms, or other malware that may affect Client's computer or other equipment, or any phishing, spoofing, or other attack, unless such damage or interruption directly resulted from Custodian's gross negligence, fraud, or willful misconduct. Client should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks, and Client should use care in reviewing messages purporting to originate from Custodian. Client should always log into Client's Custodial Account through the UI to review any Custody Transactions or required actions if Client has any uncertainty regarding the authenticity of any communication or notice.

(e) In the event Client believes Client's Custodial Account information has been compromised, Client shall immediately notify Custodian by contacting Custodian at security@bitgo.com from the email address associated with Client's Custodial Account. Client will provide Custodian with all relevant information Custodian reasonably requests to assess the security of the Assets, Custodial Accounts and wallets.

3.5 Service Providers. Client acknowledges and agrees that the Services may be provided from time to time by, through or with the assistance of affiliates of, or vendors to, Custodian, including BitGo Inc. (collectively, "**Service Providers**"). Custodian shall remain liable for its obligations under this Agreement in the event of any breach of this Agreement caused by such Service Provider.

3.6 Independent Verification. If Client is subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, Custodian shall, upon written request, provide Client's authorized independent public accountant confirmation of, or access to, information sufficient to confirm (a) Client's Digital Assets as of the date of an examination conducted pursuant to Rule 206(4)-2(a)(4), and (b) Client's Digital Assets are held either in a separate account under Client's name or in accounts under Client's name as an agent or trustee for Client's customers.

4. TERM; TERMINATION.

4.1. Initial Term; Renewal Term. This Agreement will commence on the Effective Date and will continue for one (1) year, unless earlier terminated in accordance with the terms of this Agreement (the "**Initial Term**"). After the Initial Term, this Agreement will automatically renew for successive one (1)-year periods (each, a "**Renewal Term**"), unless either party notifies the other party of its intention not to renew at least sixty (60) days prior to the expiration of the then-current Term. "**Term**" means the Initial Term and any Renewal Terms.

4.2. Termination for Breach. Either party may terminate this Agreement if the other party breaches a material term of this Agreement and fails to cure such breach within thirty (30) calendar days following written notice thereof.

4.3. Suspension, Termination, or Cancellation by Custodian.

(a) Custodian may suspend or restrict Client's access to the Custodial Services or deactivate, terminate, or cancel Client's Custodial Account if:

i. Custodian reasonably suspects Client of using Client's Custodial Account in connection with a Prohibited Practice;

ii. Custodian is so required by Applicable Law, including a facially valid subpoena, court order, or binding order of a government authority;

iii. Custodian perceives a risk of legal or regulatory non-compliance associated with Client's Custodial Account activity or the provision of the Custodial Account to Client by Custodian (including any risk perceived by Custodian in the review of any materials, documents, information, statements, or related materials provided by Client after execution of this Agreement);

- iv. A Service Provider is unable to support Client's use;
- v. Client takes any action that Custodian deems as circumventing Custodian's controls, including opening multiple Custodial Accounts, abusing promotions which Custodian may offer from time to time, or otherwise misrepresenting any information set forth in Client's Custodial Account;
- vi. Client fails to fund its Custodial Account to the "Minimum Account Balance" as indicated in the Fee Schedule within one hundred and eighty (180) days of Custodial Account opening.

(b) If Custodian suspends or restricts Client's access to the Custodial Services or deactivates, terminates or cancels Client's Custodial Account for any reason, Custodian will provide Client with notice of Custodian's actions via email unless prohibited by Applicable Law. Custodian's decision to take certain actions, including limiting access to, suspending, or closing Client's Custodial Account, may be based on confidential criteria that are essential to Custodian's compliance, risk management, or security protocols. Custodian is under no obligation to disclose the details of any of its internal risk management and security procedures to Client.

(c) If Custodian terminates Client's Custodial Account, this Agreement will automatically terminate on the later of (i) the effective date of such cancellation or (ii) the date on which all of Client's Assets have been withdrawn.

4.4. Early Termination. Client may terminate this Agreement before the end of the Term if Client: (a) provides Custodian at least thirty (30) days prior written notice of Client's intent to exercise its termination right under this Section 4.4, (b) pays all outstanding amounts due under this Agreement through the date of termination, and (c) pays a one-time early termination fee equal to the highest monthly fees due, excluding any Onboarding Fee, for any month of Services before such notice multiplied by the number of months remaining in the applicable Initial Term or Renewal Term, including partial months (the "**Early Termination Fee**"). Such termination will not be deemed effective unless and until (i) Client removes all Assets from Custodial Accounts and Wallet Services, and (ii) Custodian receives such Early Termination Fee, which Client understands and acknowledges will not be deemed a penalty, but a figure reasonably calculated to reflect remaining payment due to Custodian in return for Client's term commitment. Client may not cancel the Services before the expiration of the then current Term, except as specified in this Agreement.

4.5. Effect of Termination. On termination of this Agreement, Client will: (a) withdraw all Assets associated with Client's Custodial Accounts within ninety (90) days, unless such withdrawal is prohibited by Applicable Law (including applicable sanctions programs or a facially valid subpoena, court order, or binding order of a government authority); (b) pay all fees owed or accrued to Custodian through the date of Client's withdrawal of funds, which may include any applicable Early Termination Fee; and (c) authorize Custodian to cancel or suspend any pending Custody Transactions as of the effective date of termination. The definitions set forth in this Agreement and Sections 1.9, 3.1, 3.2, 4.5, 6.1, 7 - 10 as well as any other provision that, in order to give proper effect to its intent, should survive such termination, will survive the termination of this Agreement.

5. CUSTODIAN OBLIGATIONS.

5.1. Insurance. Custodian will obtain or maintain insurance coverage in such types and amounts as are commercially reasonable for the Custodial Services provided hereunder. Client acknowledges that any insurance related to theft of Digital Assets will apply to Custodial Services only (where all keys are held by Custodian) and not Wallet Services for non-custodial accounts (where one or more keys are held by Client or its designee).

5.2. Standard of Care. Subject to the terms of this Agreement, Custodian shall not be responsible for any loss or damage suffered by Client as a result of Custodian performing its obligations, unless the same results from an act of gross negligence, fraud, or willful misconduct on the part of Custodian. Custodian shall not be responsible for the title, validity, or genuineness of any of the Assets (or any evidence of title thereto) received or delivered by it pursuant to this Agreement.

5.3. Business Continuity Plan. Custodian has established a business continuity plan that will support its ability to conduct business in the event of a significant business disruption (SBD). This plan is reviewed and updated annually, and may be updated more frequently, if deemed necessary by Custodian in its sole discretion. Should Custodian be impacted by an SBD, Custodian aims to minimize business interruption as quickly and efficiently as possible. To receive more information about Custodian's business continuity plan, please send a written request to security@bitgo.com.

5.4. Support and Service Level Agreement. Custodian will use commercially reasonable efforts to: (a) provide reasonable technical support to Client, by email or telephone, during Custodian's normal business hours (9:30 AM to 6 PM ET); (b) respond to support requests in a timely manner; (c) resolve such issues by providing updates or workarounds to Client (to the extent reasonably possible and practical), consistent with the severity level of the issues identified in such requests and their impact on Client's business operations; (d) abide by the terms of the Service Level Agreement currently made available at <https://www.bitgo.com/resources/bitgo-service-level-agreement> (as Service Level Agreement or the URL at which it is made available may be amended from time to time); and (e) make Custodial Accounts available via the internet twenty-four (24) hours a day, seven (7) days a week.

6. CONFIDENTIALITY, PRIVACY, DATA SECURITY.

6.1. Confidentiality.

(a) As used in this Agreement, "**Confidential Information**" means any non-public, confidential or proprietary information of a party ("**Discloser**") including information relating to Discloser's business operations or business relationships, financial information, pricing information, business plans, customer lists, data, records, reports, trade secrets, software, formulas, inventions, techniques, and strategies. Confidential Information includes all documents and other tangible objects containing or representing Confidential Information and all copies or extracts thereof or notes derived therefrom that are in the possession or control of the party receiving Confidential Information ("**Recipient**") and all of the foregoing shall be and remain the property of the Discloser. For clarity, the existence and the terms of this Agreement shall be deemed the Confidential Information of each party.

(b) Recipient will not disclose the Discloser's Confidential Information to any unrelated third party without the prior written consent of the Discloser, except as provided in subsection (c) below and has policies and procedures reasonably designed to create information barriers with respect to such party's officers, directors, agents, employees, affiliates, consultants, contractors, and professional advisors. Recipient will protect such Confidential Information from unauthorized access, use, and disclosure. Recipient shall not use Discloser's Confidential Information for any purpose other than to perform its obligations or exercise its rights under this Agreement. For the purposes of this Section 6.1, no affiliate of Custodian shall be considered a third party and Custodian may share Client's Confidential Information with its affiliates in connection with the Services; provided that Custodian causes each such affiliate to undertake the obligations in this Section 6.1.

(c) The obligations under Section 6.1(b) shall not apply to any (i) information that is or becomes generally publicly available through no fault of Recipient, (ii) information that Recipient obtains from a third party (other than in connection with this Agreement) that, to Recipient's best knowledge, is not bound by confidentiality obligations prohibiting such disclosure; or (iii) information that is independently developed or acquired by Recipient without the use of or reference to the Discloser's Confidential Information.

(d) Notwithstanding the foregoing, Recipient may disclose the Confidential Information of Discloser to the extent required under Applicable Law; provided, however, Recipient shall first notify Discloser (to the extent legally permissible) and shall afford Discloser a reasonable opportunity to seek a protective order or other confidential treatment.

(e) At Discloser's request or on termination of this Agreement (whichever is earlier), Recipient shall return or destroy all Confidential Information; provided, however, Recipient may retain one copy of Confidential Information (i) if required by Applicable Law, or (ii) pursuant to a bona fide and consistently

applied document retention policy; provided, further, that in either case, any Confidential Information so retained shall remain subject to the confidentiality obligations of this Agreement.

6.2. Privacy. Client acknowledges that Client has read the BitGo Privacy Notice, available at <https://www.bitgo.com/privacy>, which identifies how BitGo collects, uses, and discloses, on a limited basis, Client's information.

6.3. Security. Custodian has implemented and will maintain a reasonable information security program that includes policies and procedures that are reasonably designed to safeguard Custodian's electronic systems and Client's Confidential Information from, among other things, unauthorized disclosure, access, or misuse, including, by Custodian and its affiliates. In the event of a data security incident, Custodian will provide all notices required under Applicable Law.

7. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

7.1. By Client. Client represents, warrants, and covenants to Custodian that:

(a) Client fully complies with all Applicable Law in each jurisdiction in which Client operates, including applicable securities and commodities laws and regulations, efforts to fight the funding of terrorism and money laundering, sanctions regimes, licensing requirements, and all related regulations and requirements.

(b) To the extent Client receives Assets from third-parties, the receipt of said Assets is based on lawful activity. Client shall have conducted and satisfied all due diligence procedures required by Applicable Law with respect to such third parties prior to placing with Custodian any Assets associated with such third party.

(c) Client will not use any Services for any illegal activity, including illegal gambling, money laundering, fraud, blackmail, extortion, ransomware, the financing of terrorism, other violent activities, or any prohibited market practices, including any Prohibited Practices.

(d) Client is currently and will remain at all times in good standing with all relevant government agencies, departments, and regulatory or supervisory bodies in all relevant jurisdictions in which Client does business, and Client will immediately notify Custodian if Client ceases to be in good standing with any applicable regulatory authority;

(e) Client will promptly provide such information as Custodian may reasonably request from time to time regarding: (i) Client's policies, procedures, and activities which relate to the Custodial Services in any manner, as determined by Custodian in its sole and absolute discretion; and (ii) any transaction which involves the use of the Services, to the extent reasonably necessary to comply with Applicable Law, or the guidance or direction of, or request from any regulatory authority or financial institution, provided that such information may be redacted to remove confidential commercial information not relevant to the requirements of this Agreement;

(f) Client either owns or possesses lawful authorization to transact with all Assets involved in the Custody Transactions;

(g) There is no claim pending, or to Client's best knowledge, threatened, and no encumbrance or other lien, in each case, that may adversely affect any delivery of Assets made in accordance with this Agreement;

(h) It owns the Assets in Client's Custodial Account free and clear of all liens, claims, security interests, and encumbrances and it has all rights, title, and interest in and to the Assets in Client's Custodial Account as necessary for Custodian to perform its obligations under this Agreement;

(i) Client has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Client has full legal capacity and authorization to do so;

(j) All information provided by Client to Custodian in the course of negotiating this Agreement and the onboarding of Client is complete, true, and accurate in all material respects, including with respect to

the ownership of Client and Client's primary address; no material information has been excluded; and no other person or entity has an ownership interest in Client's Assets except for those disclosed in connection with such onboarding; and

(k) Client is not owned in part or in whole, nor controlled by any person or entity that is, nor is it conducting any activities on behalf of, any person or entity that is (i) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, or any other Governmental Authority with jurisdiction over Custodian or its affiliates; (ii) identified on the Denied Persons, Entity, or Unverified Lists of the U.S. Department of Commerce's Bureau of Industry and Security; or (iii) located, organized or resident in a country or territory that is, or whose government is, the subject of U.S. economic sanctions, including the Crimean, Donetsk, and Luhansk regions of Ukraine, Cuba, Iran, North Korea, or Syria.

7.2. By Custodian. Custodian represents, warrants, and covenants to Client that:

(a) Custodian is duly organized, validly existing and in good standing under the applicable South Dakota laws, has all corporate powers required to carry on its business as now conducted, and is duly qualified to do business in each jurisdiction where such qualification is necessary; and

(b) Custodian has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Custodian has full legal capacity and authorization to do so.

(c) **DISCLAIMER.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED, OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTODIAN SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT. CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE COMPANY SITE, ANY PART OF THE SERVICES, OR ANY OF THE MATERIALS CONTAINED IN ANY OF THE FOREGOING WILL BE CONTINUOUS, UNINTERRUPTED, OR TIMELY; BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES; OR BE SECURE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR-FREE.

7.3. Notification. Without limitation of either party's rights or remedies, each party shall immediately notify the other party if, at any time after the Effective Date, any of the representations, warranties, or covenants made by it under this Agreement fail to be true and correct as if made at and as of such time. Such notice shall describe in reasonable detail the representation, warranty, or covenant affected, the circumstances giving rise to such failure and the steps the notifying party has taken or proposes to take to rectify such failure.

8. INDEMNIFICATION.

8.1. Indemnity. Client will defend, indemnify, and hold harmless Custodian, its affiliates and Service Providers, and each of its or their respective officers, directors, agents, employees, and representatives, (each, a "**Custodian Indemnitees**"), from and against any Losses resulting from any third-party claim, demand, action or proceeding (a "**Claim**") arising out of or related to Client's (i) use of Services; (ii) breach of this Agreement, or (iii) violation of any Applicable Law in connection with its use of Services.

8.2. Indemnification Process.

(a) Custodian will (i) provide Client with prompt notice of any indemnifiable Claim under Section 8.1 (provided that the failure to provide prompt notice shall only relieve Client of its obligation to the extent it is materially prejudiced by such failure and can demonstrate such prejudice); (ii) permit Client to assume and control the defense of such action upon Client's written notice to Custodian of Client's intention to indemnify, with counsel acceptable to Custodian in its discretion; and (iii) upon Client's written request,

and at no expense to Custodian, provide to Client all available information and assistance reasonably necessary for Client to defend such Claim. Custodian shall be permitted to participate in the defense and settlement of any Claim with counsel of Custodian's choice at Custodian's expense (unless such retention is necessary because of Client's failure to assume the defense of such Claim, in which event Client shall be responsible for all such fees and costs). Client will not enter into any settlement or compromise of any such Claim, which settlement or compromise would result in any liability to any Custodian Indemnitee or constitute any admission of or stipulation to any guilt, fault, or wrongdoing, without Custodian's prior written consent.

(b) Client acknowledges and agrees that any Losses imposed on Custodian (whether in the form of fines, penalties, or otherwise) as a result of a violation by Client of any Applicable Law, may at Custodian's discretion, be passed on to Client and Client acknowledges and represents that Client will be responsible for payment to Custodian of all such Losses.

9. LIMITATIONS OF LIABILITY.

9.1. NO CONSEQUENTIAL DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO THE EXCEPTIONS PROVIDED IN SECTION 9.3 BELOW, IN NO EVENT SHALL CUSTODIAN, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, OR REPRESENTATIVES, BE LIABLE FOR ANY LOST PROFITS OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COMPANY SITE OR THE SERVICES, OR THIS AGREEMENT, EVEN IF CUSTODIAN HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

9.2. LIMITATION ON DIRECT DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO THE EXCEPTIONS PROVIDED IN SECTION 9.3 BELOW, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF CUSTODIAN, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, OR REPRESENTATIVES, EXCEED THE FEES PAID OR PAYABLE TO CUSTODIAN UNDER THIS AGREEMENT DURING THE THREE (3)-MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST INCIDENT GIVING RISE TO SUCH LIABILITY.

9.3. EXCEPTIONS TO EXCLUSIONS AND LIMITATIONS OF LIABILITY. THE EXCLUSIONS AND LIMITATIONS OF LIABILITY IN SECTION 9.1 AND SECTION 9.2 WILL NOT APPLY TO CUSTODIAN'S FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE. CUSTODIAN'S LIABILITY FOR GROSS NEGLIGENCE SHALL BE LIMITED TO THE VALUE OF THE AFFECTED DIGITAL ASSETS OR FIAT CURRENCY.

10. MISCELLANEOUS.

10.1. Notice. All notices under this Agreement shall be given in writing, in the English language, and shall be deemed given when personally delivered, when sent by email, or three (3) days after being sent by prepaid certified mail or internationally recognized overnight courier to the addresses set forth in the signature blocks below (or such other address as may be specified by party following written notice given in accordance with this Section 10.1).

10.2. Publicity. Client consents to Custodian's identification of Client as a customer of the Services, including in marketing or investor materials, and Custodian consents to Client's use of Custodian's name or approved logos or promotional materials to identify Custodian as its custodial service provider as contemplated by this Agreement. Notwithstanding the foregoing, Custodian may revoke its consent to such publicity under this Section 10.2 at any time for any reason upon notice to Client, and Client will promptly cease any further use of Custodian's name, logos, and trademarks and remove all references and postings identifying Custodian.

10.3. Entire Agreement. This Agreement, any schedules or attachments to this Agreement, the BitGo Privacy Notice, and all disclosures, notices, or policies available on the Company Site that are specifically referenced in this Agreement, comprise the entire understanding and agreement between Client and Custodian regarding the Services, and supersede any and all prior discussions, agreements, and understandings of any kind (including any prior versions of this Agreement) and every nature between and among Client and Custodian with respect to the subject matter hereof.

10.4. Interpretation. For purposes of this Agreement, (a) the words “include,” “includes” and “including” are deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereto,” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to sections, schedules, and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; and (y) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. Whenever the masculine is used in this Agreement, the same shall include the feminine and whenever the feminine is used herein, the same shall include the masculine, where appropriate. Whenever the singular is used in this Agreement, the same shall include the plural, and whenever the plural is used herein, the same shall include the singular, where appropriate. Section headings in this Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Agreement.

10.5. No Waiver. No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by an authorized representative of the party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement: (i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or (ii) any act, omission, or course of dealing between the parties.

10.6. Amendments. Any modification or addition to this Agreement must be in a writing signed by a duly authorized representative of each of the parties. Client agrees that Custodian shall not be liable to Client or any third party for any modification or termination of the Custodial Services, or suspension or termination of Client’s access to the Custodial Services, except to the extent otherwise expressly set forth herein.

10.7. Assignment. Client may not assign any rights or licenses granted under this Agreement without the prior written consent of Custodian. Custodian may not assign any of its rights without the prior written consent of Client; except that Custodian may assign this Agreement without the prior consent of Client to any Custodian affiliates or subsidiaries or pursuant to a transfer of all or substantially all of Custodian’s business and assets, whether by merger, sale of assets, sale of stock, or otherwise. Any attempted transfer or assignment in violation hereof shall be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their successors, and permitted assigns.

10.8. Severability. If any provision of this Agreement shall be determined to be invalid or unenforceable, such provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under Applicable Law and the validity or enforceability of any other provision of this Agreement shall not be affected.

10.9. DISPUTE RESOLUTION. THE PARTIES AGREE THAT ALL CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE USE OF THE SERVICES (“DISPUTES”), WHETHER ARISING PRIOR TO, ON, OR SUBSEQUENT TO THE EFFECTIVE DATE, SHALL BE ARBITRATED AS FOLLOWS: The Parties irrevocably agree to submit all Disputes between them to binding arbitration conducted under the Commercial Dispute Resolution Procedures of the American

Arbitration Association (the “AAA”), including the Optional Procedures for Large Complex Commercial Disputes, if applicable. The place and location of the arbitration shall be in New York, New York. All arbitration proceedings shall be closed to the public and confidential, and all related records shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award. The arbitration shall be conducted before a single arbitrator selected jointly by the parties. The arbitrator shall be a retired judge with experience in custodial and trust matters under New York law. If the parties are unable to agree upon an arbitrator, then the AAA shall choose the arbitrator. The language to be used in the arbitral proceedings shall be English. The arbitrator shall be bound to the strict interpretation and observation of the terms of this Agreement and shall be specifically empowered to grant injunctions or specific performance and to allocate between the parties the costs of arbitration, as well as reasonable attorneys’ fees and costs, in such equitable manner as the arbitrator may determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal or equitable proceeding based upon such claim, dispute, or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either party shall have the right, without waiving any right or remedy available to such party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such party, pending the selection of the arbitrator hereunder or pending the arbitrator’s determination of any dispute, controversy, or claim hereunder.

10.10. Governing Law. The laws of the State of South Dakota, without regard to principles of conflict of laws, will govern this Agreement and any claim or dispute that has arisen or may arise between Client and Custodian, except to the extent governed by federal law of the United States of America.

10.11. Force Majeure. Custodian shall not be liable for delays, suspension of operations, whether temporary or permanent, failure in performance, or interruption of service which result directly or indirectly from any cause or condition beyond the reasonable control of Custodian, including any delay or failure due to any act of God, natural disasters, epidemic, pandemic, act of civil or military authorities, act of terrorists, including cyber-related terrorist acts, hacking, government restrictions, exchange or market rulings, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment or software, other catastrophe, or any other occurrence which are beyond the reasonable control of Custodian.

10.12. Relationship of the Parties. Nothing in this Agreement shall be deemed or is intended to be deemed, nor shall it cause, Client and Custodian to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either Client or Custodian to be treated as the agent of the other.

[Remainder of page intentionally left blank. Signature page follows.]