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

FORM 10-K

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

For the fiscal year ended June 30, 2026

or

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

For the transition period from _____ to _____

Commission File Number 000-56308

Grayscale Bitcoin Cash Trust (BCH)

SPONSORED BY GRAYSCALE INVESTMENTS SPONSORS, LLC
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**82-6867376**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
290 Harbor Drive, 4th Floor Stamford, Connecticut	**06902**
(Address of Principal Executive Offices)	**(Zip Code)**

(212) 668-1427
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Grayscale Bitcoin Cash Trust (BCH) Shares	**BCHG**	**N/A**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

Aggregate market value of registrant's Shares held by non-affiliates of the registrant, based upon the closing price of a Share on December 31, 2025 as reported by the OTC Markets Group Inc. on that date: $202,103,765

Number of Shares of the registrant outstanding as of August 31, 2026: 47,123,300

DOCUMENTS INCORPORATED BY REFERENCE: None

INDUSTRY AND MARKET DATA

Although we are responsible for all disclosure contained in this Annual Report on Form 10-K, in some cases we have relied on certain market and industry data obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications in conjunction with our assumptions regarding the Bitcoin Cash industry and market. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings "Forward-Looking Statements" and "Item 1A. Risk Factors" in this Annual Report.

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" with respect to the financial conditions, results of operations, plans, objectives, future performance and business of Grayscale Bitcoin Cash Trust (BCH) (the "Trust"). Statements preceded by, followed by or that include words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of these terms and other similar expressions are intended to identify some of the forward-looking statements. All statements (other than statements of historical fact) included in this 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 plans of Grayscale Investments Sponsors, LLC (the "Sponsor"), 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. 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, but not limited to, those described in "Part I. Item 1A. Risk Factors." 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. Investors are therefore cautioned against relying on forward-looking statements. Factors which could have a material adverse effect on the Trust's business, financial condition or results of operations and future prospects or which could cause actual results to differ materially from the Trust's expectations include, but are not limited to, those described in "Item 1A. Risk Factors."

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in the Shares speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below in "Item 1A. Risk Factors." Some of the factors that could materially and adversely affect our business include, but are not limited to, the following:

Risk Factors Related to Digital Assets

- The trading prices of many digital assets, including BCH, have experienced extreme volatility and may continue to do so. Extreme volatility in the future, including declines in the trading prices of BCH, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value;
- Digital assets such as BCH have a limited history and the value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies, including the dependence of digital asset networks on the internet and other technologies, the role of users, developers and miners and the potential for malicious activity.
- Digital assets represent a relatively new and rapidly evolving industry, and the value of the Shares depends on the acceptance of BCH;
- Digital assets may have concentrated ownership and large sales or distributions by holders of such digital assets, which could have an adverse effect on the market price of such digital assets; and
- A temporary or permanent "fork" or a "clone" could adversely affect the value of the Shares.

Risk Factors Related to the Digital Asset Markets

- Recent developments in the digital asset economy have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity;
- Many Digital Asset Trading Platforms operate with limited regulatory oversight or transparency and may experience fraud, market manipulation, business failures, security failures or operational problems, which may adversely affect the value of BCH and the value of the Shares;

- Digital Asset Trading Platforms may be exposed to wash-trading and front-running; and
- Competition from the emergence or growth of other digital assets could have a negative impact on the price of BCH and adversely affect the value of the Shares.

Risk Factors Related to the Trust and the Shares

- The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose challenges to the safekeeping of the Trust's BCH and to the operations of the Trust;
- Because of the holding period under Rule 144, the lack of an ongoing redemption program, and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Index Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share;
- The Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-concurrent trading hours between OTC Markets and the Digital Asset Trading Platform Market; and
- Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share.

Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares

- Changes in the securities-law treatment of BCH or transactions involving BCH under federal or state law could adversely affect the value of BCH and the Shares and require the Trust to change its operations or terminate;
- Changes in U.S. or foreign laws, regulations or regulatory actions may prohibit or restrict the use of BCH or the operation of the Bitcoin Cash Network or the Digital Asset Markets, increase the Trust's costs, impair its ability to operate or require its termination, any of which could adversely affect the value of the Shares;
- If regulators or public utilities take actions that restrict or otherwise impact mining activities, there may be a significant decline in such activities, which could adversely affect the Bitcoin Cash Network and the value of the Shares;
- If regulators subject an Authorized Participant, the Trust or the Sponsor to regulation as a money service business or money transmitter, this could result in extraordinary expenses to the Authorized Participant, the Trust or the Sponsor and also result in decreased liquidity for the Shares;
- Statutory or regulatory changes or interpretations could obligate the Trust or the Sponsor to register and comply with new regulations, resulting in potentially extraordinary, nonrecurring expenses to the Trust; and
- Future developments regarding the treatment of digital assets for U.S. federal income tax purposes could adversely affect the value of the Shares.

Risk Factors Related to Potential Conflicts of Interest

- Potential conflicts of interest may arise among the Sponsor or its affiliates and the Trust. The Sponsor and its affiliates have no fiduciary duties to the Trust and its shareholders other than as provided in the Trust Agreement, which may permit them to favor their own interests to the detriment of the Trust and its shareholders; and
- Shareholders cannot be assured of the Sponsor's continued services, the discontinuance of which may be detrimental to the Trust.

Unless otherwise stated or the context otherwise requires, the terms "we," "our" and "us" in this Annual Report refer to the Sponsor acting on behalf of the Trust.

This Annual Report supplements and where applicable amends the Memorandum, as defined in the Trust's Amended and Restated Declaration of Trust and Trust Agreement, for general purposes.

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PART I

Item 1. Business

Overview of the Trust and the Shares

Grayscale Bitcoin Cash Trust (BCH) (the "Trust") is a Delaware Statutory Trust that was formed on January 26, 2018. The Trust's purpose is to hold Bitcoin Cash ("BCH"), which is a digital asset that is created and transmitted through the operations of the peer-to-peer Bitcoin Cash Network (the "Bitcoin Cash Network"), a decentralized network of computers that operates on cryptographic protocols.

The Trust issues common units of fractional undivided beneficial interest ("Shares"), which represent ownership in the Trust, on a periodic basis to certain "accredited investors" within the meaning of Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act") in exchange for deposits of BCH. The Shares are quoted on OTC Markets Group Inc.'s OTCQX® Best Market ("OTCQX" or "OTC Markets") under the ticker symbol "BCHG."

Grayscale Investments Sponsors, LLC ("GSIS" or the "Sponsor"), a consolidated subsidiary of Digital Currency Group, Inc. ("DCG"), is the sponsor of the Trust. CSC Delaware Trust Company is the trustee of the Trust (the "Trustee"), Continental Stock Transfer & Trust Company is the transfer agent of the Trust (in such capacity, the "Transfer Agent") and Coinbase Custody Trust Company, LLC is the custodian of the Trust (the "Custodian").

In September 2025, the Trust filed a registration statement on Form S-3 under the Securities Act of 1933, relating to a proposed public offering of the Trust's shares and related listing on NYSE Arca, Inc. As of the date of this filing, the Form S-3 has not been declared effective and the Trust's shares are offered only through private placements (i.e. not in any public offering) and are publicly traded on OTC Markets. There can be no assurance that the SEC will declare the registration statement effective or that NYSE Arca will approve the listing (or that, if listed, an active trading market for the Shares on NYSE Arca will develop and be sustained).

The Trust issues Shares only in one or more blocks of 100 Shares (a block of 100 Shares is called a "Basket") to certain authorized participants ("Authorized Participants") from time to time. Baskets are offered in exchange for BCH. As of June 30, 2026, each Share represented approximately 0.0081 BCH. For a more detailed description of the creation procedures, see "—Description of the Creation Process."

At this time, the Sponsor is not operating a redemption program for the Shares and therefore Shares are not redeemable by the Trust.

The Shares are neither interests in nor obligations of the Sponsor or the Trustee. As provided under the Amended and Restated Declaration of Trust and Trust Agreement between the Trustee and the Sponsor establishing and governing the operations of the Trust, as amended by Amendments No. 1, No. 2 and No. 3 thereto and as the same may be further amended from time to time (the "Trust Agreement"), the Trust's assets will not be loaned or pledged, or serve as collateral for any loan, margin, rehypothecation, or other similar activity to which the Sponsor, the Trust or any of their respective affiliates are a party.

The Sponsor maintains an internet website at www.grayscale.com/funds/grayscale-bitcoin-cash-trust/, through which the Trust's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are made available free of charge after they have been filed or furnished to the SEC. The Sponsor also uses www.grayscale.com/funds/grayscale-bitcoin-cash-trust/ as means of disclosing material non-public information and for complying with the Trust's disclosure obligations under Regulation FD. Additional information regarding the Trust may also be found on the SEC's EDGAR database at www.sec.gov.

The contents of the websites referred to above and any websites referred to herein are not incorporated into this filing or any other reports or documents we file with or furnish to the SEC. Further, our references to the URLs for these websites are intended to be inactive textual references only.

Investment Objective and Principal Investment Strategies

Investment Objective

The Trust's investment objective is for the value of the Shares (based on BCH per Share) to reflect the value of the BCH held by the Trust, determined by reference to the Index Price, (as defined below), less the Trust's expenses and other liabilities.

Principal Investment Strategy

In seeking to achieve its investment objective, the Trust holds BCH. The Trust provides investors with the opportunity to gain exposure to the price of BCH through Shares held in a traditional brokerage account, without the barriers to entry or risks involved

with holding or transferring BCH directly, acquiring it from an electronic marketplace where trading platform participants may trade, buy and sell BCH based on bid-ask trading (a "Digital Asset Trading Platform"), or otherwise obtaining direct exposure to BCH. The "Digital Asset Trading Platform Market" refers to the global trading platform market for the trading of BCH, which consists of transactions on electronic Digital Asset Trading Platforms.

The Trust is a passive investment vehicle that does not seek to pursue any investment strategy beyond tracking the price of BCH. As a result, the Trust will not attempt to speculatively sell BCH at times when its price is high or speculatively acquire BCH at low prices in the expectation of future price increases, nor will the Trust attempt to avoid losses or hedge exposure arising from the risk of changes in the price of BCH.

Secondary Market Trading

The Shares may trade in any marketplace or other alternative trading system, as determined by the Sponsor, on which the Shares may then be listed, quoted or traded, including but not limited to, OTC Markets (the "Secondary Market") at prices that are lower or higher than the NAV per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours and liquidity between OTC Markets and larger Digital Asset Trading Platforms. While the Shares trade on OTC Markets from 6:00 a.m. until 5:00 p.m., New York time, liquidity in the Digital Asset Markets may fluctuate depending upon the volume and availability of larger Digital Asset Trading Platforms. As a result, during periods in which Digital Asset Market liquidity is limited or a major Digital Asset Trading Platform is off-line, trading spreads, and the resulting premium or discount, on the Shares may widen.

Market Price Deviations

To date, the Trust has not met its investment objective and the Shares quoted on OTC Markets have not reflected the value of BCH held by the Trust, less the Trust's expenses and other liabilities, but instead have traded at both premiums and discounts to such value, which at times have been substantial.

In the event the Shares trade at a substantial premium, investors who purchase Shares on OTC Markets will pay substantially more for their Shares than investors who purchase Shares in a private placement. The value of the Shares may not reflect the value of the Trust's BCH, less the Trust's expenses and other liabilities, for a variety of reasons, including the holding period under Rule 144 for Shares purchased in a private placement, the lack of an ongoing redemption program, any halting of creations by the Trust, BCH price volatility, trading volumes on, or closures of, trading platforms where digital assets trade due to fraud, failure, security breaches or otherwise, and the non-concurrent trading hours between OTC Markets and the global trading platform market for trading BCH. As a result, the Shares may continue to trade at a substantial premium over, or a substantial discount to, the value of the Trust's BCH, less the Trust's expenses and other liabilities, and the Trust may be unable to meet its investment objective for the foreseeable future.

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 creations for extended periods of time for a variety of reasons, including in connection with forks, airdrops and other similar events. As a result, Authorized Participants are not able to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's net asset value (the "NAV") per Share, which may cause the Shares to trade at a substantial premium over, or a substantial discount to, the value of the Trust's NAV per Share.

Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. No assurance can be given as to the timing of such relief or that such relief will be granted. If such relief is granted and the Sponsor approves a redemption program, the Shares will be redeemable in accordance with the provisions of the Trust Agreement and the relevant Participant Agreement (as defined below). Although the Sponsor cannot predict with certainty what effect, if any, the operation of a redemption program would have on the trading price of the Shares, a redemption program would allow Authorized Participants to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's BCH, less the Trust's expenses and other liabilities, which may have the effect of reducing any premium or discount at which the Shares trade on OTC Markets over or below such value, respectively, which at times has been substantial.

For a discussion of risks relating to the deviation in the trading price of the Shares from the NAV per Share, see "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Index Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share," "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—The Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-concurrent trading hours between OTC Markets and the Digital Asset Trading Platform Market," "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share" and "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

Overview of the BCH Industry and Market

Bitcoin Cash, or BCH, is a digital asset that is created and transmitted through the operations of the peer-to-peer Bitcoin Cash Network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Bitcoin Cash Network, the infrastructure of which is collectively maintained by a decentralized user base. The Bitcoin Cash Network allows people to exchange tokens of value, called BCH, which are recorded on a public transaction ledger known as a blockchain (the "Blockchain"). BCH can be used to pay for goods and services on the Bitcoin Cash Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on Digital Asset Trading Platforms or in individual end-user-to-end-user transactions under a barter system. Additionally, BCH is used to pay miners for verifying transactions on the Bitcoin Cash Network.

The Bitcoin Cash Network is a fork of the Bitcoin Network that was created on August 1, 2017. The fork was the result of a dispute over how to scale the Bitcoin Network to process more transactions. Whereas the Bitcoin Network has a block size limit of 1MB and has activated a technical feature known as "Segregated Witness" to enable certain forms of off-blockchain scaling, the Bitcoin Cash Network has adopted an adaptive block size limit with a baseline of 32 MB that dynamically adjusts based on network usage.

Similar to the Bitcoin Network, the Bitcoin Cash Network operates on a proof-of-work model. New BCH are created and rewarded to the miners of a block in the Blockchain for verifying transactions. Each BCH transaction is broadcast to the Bitcoin Cash Network and, when included in a block, recorded in the Blockchain.

Overview of the Bitcoin Cash Network's Operations

In order to own, transfer or use BCH directly on the Bitcoin Cash Network, as opposed to through an intermediary, such as a custodian, a person generally must have internet access to connect to the Bitcoin Cash Network. BCH transactions may be made directly between end-users without the need for a third-party intermediary. To prevent the possibility of double-spending BCH, a user must notify the Bitcoin Cash Network of the transaction by broadcasting the transaction data to its network peers. The Bitcoin Cash Network provides confirmation against double-spending by memorializing every transaction in the Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending is accomplished through the Bitcoin Cash Network mining process, which adds "blocks" of data, including recent transaction information, to the Blockchain.

Brief Description of BCH Transfers

Prior to engaging in BCH transactions directly on the Bitcoin Cash Network, a user generally must first install on its computer or mobile device a Bitcoin Cash Network software program that will allow the user to generate a private and public key pair associated with a BCH address, commonly referred to as a "wallet." The Bitcoin Cash Network software program and the BCH address also enable the user to connect to the Bitcoin Cash Network and transfer BCH to, and receive BCH from, other users.

Each Bitcoin Cash Network address, or wallet, is associated with a unique "public key" and "private key" pair. To receive BCH, the BCH recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient's account. The payor approves the transfer to the address provided by the recipient by "signing" a transaction that consists of the recipient's public key with the private key of the address from where the payor is transferring the BCH. The recipient, however, does not make public or provide to the sender its related private key.

Neither the recipient nor the sender reveal their private keys in a transaction, because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses his or her private key, the user may permanently lose access to the BCH contained in the associated address. Likewise, BCH is irretrievably lost if the private key associated with them is deleted and no backup has been made. When sending BCH, a user's Bitcoin Cash Network software program must validate the transaction with the associated private key. The resulting digitally validated transaction is sent by the user's Bitcoin Cash Network software program to the Bitcoin Cash Network to allow transaction confirmation.

Some BCH transactions are conducted "off-blockchain" and are therefore not recorded in the Blockchain. These "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding BCH or the reallocation of ownership of certain BCH in a pooled-ownership digital wallet, such as a digital wallet owned by a Digital Asset Trading Platform. In contrast to on-blockchain transactions, which are publicly recorded on the Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Therefore, off-blockchain transactions are not truly BCH transactions in that they do not involve the transfer of transaction data on the Bitcoin Cash Network and do not reflect a movement of BCH between addresses recorded in the Blockchain. For these reasons, off-blockchain transactions are subject to risks as any such transfer of BCH ownership is not protected by the protocol behind the Bitcoin Cash Network or recorded in, and validated through, the blockchain mechanism.

Upon the addition of a block included in the Blockchain, the Bitcoin Cash Network software program of both the spending party and the receiving party will show confirmation of the transaction on the Blockchain and reflect an adjustment to the BCH balance in

each party's Bitcoin Cash Network public key, completing the BCH transaction. Once a transaction is confirmed on the Blockchain, it is irreversible.

Creation of New BCH

The Bitcoin Cash Network is kept running by computers all over the world. In order to incentivize those who incur the computational costs of securing the network by validating transactions, there is a reward that is given to the computer that was able to create the latest block on the chain paid in the form of newly minted BCH and the transaction fees from the transactions included in that block. Due to the nature of the algorithm for block generation, this process (generating a "proof-of-work") is guaranteed to be random. Over time, rewards are expected to be proportionate to the computational power of each machine.

Limits on BCH Supply

The Bitcoin Cash Network is structured to allow a maximum of 21 million BCH to be created, which are mined over time with the creation of each new block. The supply of new BCH is mathematically controlled so that the amount of BCH grows at a limited rate pursuant to a pre-set schedule. The amount of newly mined BCH awarded for solving a new block is automatically halved after every 210,000 blocks are added to the Bitcoin Cash Blockchain. Currently, the fixed reward for solving a new block is 3.125 BCH per block and this is expected to decrease by half to become 1.5625 BCH after the next 210,000 blocks since the last reward reduction have entered the Bitcoin Cash Network, which is expected to be in 2028. This deliberately controlled rate of BCH creation means that the amount of BCH in existence will increase at a controlled rate until the amount of BCH in existence reaches 21 million BCH.

Once new BCH are no longer awarded for adding a new block, miners will only have transaction fees to incentivize them, and as a result, it is expected that miners will need to be better compensated with higher transaction fees to ensure that there is adequate incentive for them to continue mining.

As of June 30, 2026, approximately 20.1 million BCH were outstanding, and estimates of when the 21 million BCH limitation will be reached range from at or near the year 2140.

Modifications to the BCH Protocol

The Bitcoin Cash Network is an open-source project with no official developer or group of developers that controls the Bitcoin Cash Network. However, the Bitcoin Cash Network's development has historically been overseen by a core group of developers. The core developers are able to access, and can alter, the Bitcoin Cash Network source code and, as a result, they are responsible for quasi-official releases of updates and other changes to the Bitcoin Cash Network's source code.

The release of updates to the Bitcoin Cash Network's source code does not guarantee that the updates will be automatically adopted. Users and miners must accept any changes made to the Bitcoin Cash source code by downloading the proposed modification of the Bitcoin Cash Network's source code. A modification of the Bitcoin Cash Network's source code is effective only with respect to the Bitcoin Cash Network users and miners that download it. If a modification is accepted by only a percentage of users and miners, a division in the Bitcoin Cash Network will occur such that one network will run the pre-modification source code and the other network will run the modified source code. Such a division is known as a "fork." See "Item 1A. Risk Factors—Risk Factors Related to Digital Assets—A temporary or permanent "fork" or a "clone" could adversely affect the value of the Shares." Consequently, as a practical matter, a modification to the source code becomes part of the Bitcoin Cash Network only if accepted by participants collectively having most of the processing power on the Bitcoin Cash Network.

For additional information regarding risks relating to the Bitcoin Cash Network, see "Item 1A. Risk Factors."

Competition

Thousands of digital assets have been developed since the inception of Bitcoin, which is currently the most developed digital asset because of the length of time it has been in existence, the investment in the infrastructure that supports it, and the network of individuals and entities that are using Bitcoin in transactions. While BCH has enjoyed some success in its limited history, the aggregate value of outstanding BCH is smaller than that of Bitcoin and Ether and may be eclipsed by the more rapid development of other digital assets. Some industry groups are also creating private, permissioned blockchain versions of digital assets.

BCH Value

Digital Asset Trading Platform Valuation

The value of BCH is determined by the value that various market participants place on BCH through their transactions. The most common means of determining the value of a BCH is by surveying one or more Digital Asset Trading Platforms where BCH is traded publicly and transparently. Additionally, there are over-the-counter dealers or market makers that transact in BCH.

Digital Asset Trading Platform Public Market Data

On each online Digital Asset Trading Platform, BCH is traded with publicly disclosed valuations for each executed trade, measured by one or more fiat currencies such as the U.S. dollar or euro, or stablecoins such as U.S. Dollar Coin. Over-the-counter dealers or market makers do not typically disclose their trade data.

BCH pricing information is available on a 24-hour basis from various financial information service providers or Bitcoin Cash Network information sites such as CoinMarketCap.com. The spot price and bid/ask spreads may also be available directly from Digital Asset Trading Platforms. As of June 30, 2026, the Digital Asset Trading Platforms included in the Index (the "Constituent Trading Platforms") were Binance, Bitstamp by Robinhood, Bullish, Bybit, Crypto.com, Gate, Gemini, Kraken, LMAX Digital and OKX. As further described below, the Sponsor and the Trust reasonably believe each of these Digital Asset Trading Platforms are in material compliance with applicable licensing requirements based on the inclusion criteria and jurisdiction, as detailed below, and maintain practices and policies designed to comply with anti-money laundering ("AML") and know-your-customer ("KYC") regulations. CoinDesk Indices, Inc. (the "Index Provider") may remove or add Digital Asset Trading Platforms to the Index in the future at its discretion. Market prices for the Shares will be available from a variety of sources, including brokerage firms, information websites and other information service providers. In addition, on each business day the Trust's website will provide pricing information for the Shares.

Although the Index is designed to accurately capture the market price of BCH, third parties may be able to purchase and sell BCH on public or private markets not included among the Constituent Trading Platforms, and such transactions may take place at prices materially higher or lower than the Index Price. Moreover, there may be variances in the prices of BCH on the various Digital Asset Trading Platforms, including as a result of differences in fee structures or administrative procedures on different Digital Asset Trading Platforms. To the extent such prices differ materially from the Index Price, investors may lose confidence in the Shares' ability to track the market price of BCH.

Government Oversight

As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies (including Financial Crimes Enforcement Network ("FinCEN"), the Treasury Department Office of Foreign Assets Control, SEC, the U.S. Commodity Futures Trading Commission (the "CFTC"), the Financial Industry Regulatory Authority ("FINRA"), the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the U.S. Internal Revenue Service, a bureau of the U.S. Department of the Treasury (the "IRS"), the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation ("FDIC"), the Federal Reserve and state financial institution and securities regulators) have been examining the operations of digital asset networks, digital asset users and the Digital Asset Markets, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, evade sanctions or fund criminal or terrorist enterprises and the safety and soundness of trading platforms and other service providers that hold or custody digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries and international bodies have issued rules or guidance about the treatment of digital asset transactions or requirements for businesses engaged in digital asset activity. Moreover, the failure of FTX Trading Ltd. ("FTX") in November 2022 and the resulting market turmoil substantially increased regulatory scrutiny in the United States and globally and led to SEC enforcement actions, criminal investigations, and other regulatory activity across the digital asset ecosystem.

In addition, the SEC, U.S. state securities regulators and several foreign governments have issued warnings and instituted legal proceedings in which they argue that certain digital assets may be classified as securities and that both those digital assets and any related initial coin offerings or other primary and secondary market transactions are subject to securities regulations. For example, in June 2023, the SEC brought charges against Binance Holdings Ltd. ("Binance") (the "Binance Complaint") and Coinbase, Inc. (the "Coinbase Complaint"), and in November 2023, the SEC brought charges against Kraken (the "Kraken Complaint"), alleging that they operated unregistered securities exchanges, brokerages and clearing agencies. In its complaints, the SEC asserted that several digital assets are securities under the federal securities laws. Between February 2025 and May 2025, the SEC entered into court-approved joint stipulations to dismiss each of the Binance Complaint, Coinbase Complaint and the Kraken Complaint. The SEC has terminated its investigation or enforcement action into many other digital asset market participants as well. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against virtual currency businesses or enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from virtual currency activity.

On January 23, 2025, President Trump issued an executive order titled "Strengthening American Leadership in Digital Financial Technology," aimed at supporting "the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy." The executive order established an interagency working group tasked with "proposing a Federal regulatory framework governing the issuance and operation of digital assets" in the United States. Pursuant to this executive order, the

working group released a report in July 2025 outlining the administration's recommendations to Congress and various agencies reflecting the administration's "pro-innovation mindset toward digital assets and blockchain technologies."

On March 17, 2026, the SEC issued an interpretation clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets. The SEC interpretation (i) provides a taxonomy for digital commodities, digital collectibles, digital tools, stablecoins and digital securities; (ii) addresses how a "non-security crypto asset" may become subject to, and how it may cease to be subject to, an investment contract; and (iii) clarifies the application of federal securities laws to airdrops, protocol mining, protocol staking and the wrapping of a non-security crypto asset. The CFTC joined the interpretation to provide guidance that the CFTC and its staff will administer the Commodity Exchange Act consistent with the SEC's interpretation.

Additionally, on August 18, 2026, the SEC issued a notice of proposed rulemaking titled "Regulation Crypto Asset," which would create a tailored offering regime for certain investment contracts involving crypto assets. The proposed rule includes a "startup exemption," which would exempt offerings of up to $5 million from the registration requirements of the Securities Act during a four-year period; a "fundraising exemption," which would exempt offerings of up to $75 million completed during a 12-month period from the registration requirements of the Securities Act; and an "investment contract safe harbor," which would provide a conditional safe harbor from the term "investment contract" in the definitions of "security" in the Securities Act and the Exchange Act (in each case, subject to conditions). It also would preempt state securities law registration and qualification requirements with respect to offers and sales of covered investment contracts issued pursuant to Regulation Crypto Assets. Regulation Crypto Assets seeks to provide primary-market pathways for projects that cannot comfortably use existing offering exemptions. It would not, however, address the regulatory status of intermediaries that trade crypto assets in the secondary market (e.g., their status as brokers, dealers or exchanges) or hold substantial amounts of crypto asset (e.g., their status as investment companies). At this stage, Regulation Crypto Assets is a proposed rule only; it is not final. The SEC may change it before it becomes a final rule in response to public comment or otherwise.

There have been several bills introduced in Congress that propose to establish additional regulation and oversight of the digital asset markets. Certain of these bills passed out of relevant committees and were passed in the House of Representatives in the last Congress, though not the Senate. Some of these bills have since been reintroduced with changes, and continue to be contemplated in the relevant committees, as well as the full House of Representatives and Senate. For example, in July 2025, the GENIUS Act was signed into law and the House of Representatives passed the Digital Asset Market Clarity Act of 2025 ("Clarity Act") in an effort to pass laws relating to digital asset market structure. It is difficult to predict whether, or when, any of these developments will lead to Congress granting additional authorities to the SEC or other regulators, what the nature of such additional authorities might be, how additional legislation and/or regulatory oversight might impact the ability of digital asset markets to function or how any new regulations or changes to existing regulations might impact the value of digital assets. See "Item 1A. Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Changes in U.S. or foreign laws, regulations or regulatory actions may prohibit or restrict the use of BCH or the operation of the Bitcoin Cash Network or the Digital Asset Markets increase the Trust's costs, impair its ability to operate or require its termination, any of which could adversely affect the value of the Shares" and "Item 1A. Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Changes in the securities-law treatment of BCH or transactions involving BCH under federal or state law could adversely affect the value of BCH and the Shares and require the Trust to change its operations or terminate."

Various foreign jurisdictions have, and may continue to, in the near future, adopt laws, regulations or directives that affect a digital asset network, the Digital Asset Markets, and their users, particularly Digital Asset Trading Platforms and service providers that fall within such jurisdictions' regulatory scope. For example:

- China has made transacting in cryptocurrencies illegal for Chinese citizens in mainland China, and additional restrictions may follow. China has banned initial coin offerings and there have been reports that Chinese regulators have taken action to shut down a number of China-based Digital Asset Trading Platforms.
- South Korea determined to amend its Financial Information Act in March 2020 to require virtual asset service providers to register and comply with its AML and counter-terrorism funding framework. These measures also provide the government with the authority to close Digital Asset Trading Platforms that do not comply with specified processes. South Korea has also banned initial coin offerings.
- The Reserve Bank of India in April 2018 banned the entities it regulates from providing services to any individuals or business entities dealing with or settling digital assets. In March 2020, this ban was overturned in the Indian Supreme Court, although the Reserve Bank of India is currently challenging this ruling.
- The United Kingdom's Financial Conduct Authority published final rules in October 2020 banning the sale of derivatives and exchange-traded notes that reference certain types of digital assets, contending that they are "ill-suited" to retail investors citing extreme volatility, valuation challenges and association with financial crime. A new law, the Financial

Services and Markets Act 2023 ("FSMA"), received royal assent in June 2023. The FSMA brings digital asset activities within the scope of existing laws governing financial institutions, markets and assets.

- The Parliament of the European Union approved the text of the Markets in Crypto-Assets Regulation ("MiCA") in April 2023, establishing a regulatory framework for digital asset services across the European Union. MiCA is intended to serve as a comprehensive regulation of digital asset markets and imposes various obligations on digital asset issuers and service providers. The main aims of MiCA are industry regulation, consumer protection, prevention of market abuse and upholding the integrity of digital asset markets. MiCA was formally approved by the European Union's member states in 2023. Certain parts of MiCA became effective as of June 2024 and the remainder applied as of December 2024.

There remains significant uncertainty regarding foreign governments' future actions with respect to the regulation of digital assets and Digital Asset Trading Platforms. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of BCH by users, merchants and service providers outside the United States and may therefore impede the growth or sustainability of the Bitcoin Cash ecosystem in the United States and globally, or otherwise negatively affect the value of the BCH held by the Trust. The effect of any future regulatory change on the Trust or the BCH held by the Trust is impossible to predict, but such change could be substantial and adverse to the Trust and the value of the Shares.

See "Item 1A. Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Changes in U.S. or foreign laws, regulations or regulatory actions may prohibit or restrict the use of BCH or the operation of the Bitcoin Cash Network or the Digital Asset Markets increase the Trust's costs, impair its ability to operate or require its termination, any of which could adversely affect the value of the Shares."

The Index and the Index Price

The Index is a U.S. dollar-denominated composite reference rate for the price of BCH. The Index is designed to (1) mitigate the effects of fraud, manipulation and other anomalous trading activity from impacting the BCH reference rate, (2) provide a real-time, volume-weighted fair value of BCH and (3) appropriately handle and adjust for non-market related events.

The Index Price is determined by the Index Provider through a process in which trade data is cleansed and compiled in such a manner as to algorithmically reduce the impact of anomalistic or manipulative trading. This is accomplished by adjusting the weight of each data input based on price deviation relative to the observable set, as well as recent and long-term trading volume at each venue relative to the observable set. The Index Price is calculated using non-GAAP methodology and is not used in the Trust's financial statements.

All references to the NAV and NAV per Share of the Trust in this Annual Report prior to October 1, 2025 have been calculated using the Index Price based on the CoinDesk Bitcoin Cash Price Index (BCX) unless otherwise indicated. As of October 1, 2025, the NAV and NAV per Share of the Trust is calculated using the Index Price based on the CoinDesk Bitcoin Cash Benchmark Rate (formerly known as the CoinDesk BCH CCIXber Reference Rate).

Constituent Trading Platform Selection

Digital Asset Trading Platforms are selected for inclusion in the Index based on a methodology developed by the Index Provider in alignment with the International Organization of Securities Commissions ("IOSCO") Principles for Financial Benchmarks. To qualify as a Constituent Trading Platform, a platform is evaluated across the following core criteria listed below (the "Inclusion Criteria"):

- Market Quality: Overall liquidity, trading activity, price reliability, and market stability.
- Security: Cybersecurity safeguards, custody practices, and operational risk controls.
- Legal and Regulatory: Licensing status, regulatory compliance, and legal transparency.
- KYC: Assessment of anti-money laundering ("AML") and know-your-customer ("KYC") frameworks, transaction monitoring capabilities, and market oversight.
- Data Provision: Quality, accessibility, and reliability of trading data and technical infrastructure.
- Transparency: Financial and operational disclosures, including reserve and governance transparency.
- Team: Assessment of executive leadership, relevant experience, organizational structure, and service offerings across institutional and retail markets.
- Negative Events: The Index Provider may apply a downward adjustment for material adverse events, including data breaches, regulatory penalties, withdrawal freezes, or other significant incidents.

Trading platforms that meet these Inclusion Criteria are also required to be licensed and able to serve customers in one or more of the following jurisdictions:

- United States (FinCEN, state regulatory authorities)
- United Kingdom (FCA)
- European Union (MiCA passport)
- Hong Kong (SFC)
- Singapore (MAS)
- United Arab Emirates, including the emirates of Dubai and Abu Dhabi (VARA, ADGM)
- Gibraltar (GFSC)

A Digital Asset Trading Platform is removed from the Constituent Trading Platforms when it no longer satisfies the Inclusion Criteria. The Index Provider may also exclude certain trading platforms that require additional support from such contributing trading platforms at its discretion. The Index Provider does not currently include data from over-the-counter markets or derivatives platforms among the Constituent Trading Platforms. Over-the-counter data is not currently included because of the potential for trades to include a significant premium or discount paid for larger liquidity, which creates an uneven comparison relative to more active markets. There is also a higher potential for over-the-counter transactions to not be arms-length, and thus not be representative of a true market price. BCH derivative markets are also not currently included. While the Index Provider has no plans to include data from over-the-counter markets or derivative platforms at this time, the Index Provider will consider IOSCO principles for financial benchmarks, the management of trading venues of BCH derivatives and the aforementioned Inclusion Criteria when considering whether to include over-the-counter or derivative platform data in the future.

The Index Provider and the Sponsor have entered into the index license agreement, dated as of February 1, 2022 (as amended, the "Index License Agreement"), governing the Sponsor's use of the Index Price. Pursuant to the terms of the Index License Agreement, the Index Provider may adjust the calculation methodology for the Index Price without notice to, or consent of, the Trust or its shareholders. The Index Provider may decide to change the calculation methodology to maintain the integrity of the Index Price calculation should it identify or become aware of previously unknown variables or issues with the existing methodology that it believes could materially impact its performance and/or reliability. The Index Provider has sole discretion over the determination of the Index Price and may change the methodologies for determining the Index Price from time to time. Shareholders will be notified of any material changes to the calculation methodology or the Index Price in the Trust's current reports and will be notified of all other changes that the Sponsor considers significant in the Trust's periodic or current reports. The Sponsor will determine the materiality of any changes to the Index Price on a case-by-case basis, in consultation with external counsel.

The Index Provider may change the trading venues that are used to calculate the Index or otherwise change the way in which the Index is calculated at any time. For example, the Index Provider has scheduled monthly reviews in which it may add or remove Constituent Trading Platforms that satisfy or fail the Inclusion Criteria as well as other requirements detailed in the Index Methodology. The Index Provider does not have any obligation to consider the interests of the Sponsor, the Trust, the shareholders, or anyone else in connection with such changes. While the Index Provider is not required to publicize or explain the changes or to alert the Sponsor to such changes, it has historically notified the Trust of certain changes to the Constituent Trading Platforms, including any additions or removals of the Constituent Trading Platforms, in addition to issuing press releases in connection with the same. The Sponsor will provide updates of such changes in the Trust's quarterly reports on Form 10-Q. Although the Index methodology is designed to operate without any manual intervention, rare events would justify manual intervention. Intervention of this kind would be in response to non-market-related events, such as the halting of deposits or withdrawals of funds on a Digital Asset Trading Platform, the unannounced closure of operations on a Digital Asset Trading Platform, insolvency or the compromise of user funds. In the event that such an intervention is necessary, the Index Provider would issue a public announcement through its website, API and other established communication channels with its clients.

Determination of the Index Price

The Index applies an algorithm to the price of BCH on the Constituent Trading Platforms calculated every 5 seconds over a 24-hour period. The Index's algorithm is expected to reflect a five-pronged methodology to calculate the Index Price from the Constituent Trading Platforms:

- Volume Weighting: Constituent Trading Platforms with greater liquidity receive a higher weighting in each Index, increasing the ability to execute against (i.e., replicate) the Index in the underlying spot markets. The Index methodology is a volume-weighted real-time price where the latest trade price for each Constituent Trading Platform is weighted based on its trailing 24-hour volume.

- FX Conversion: The Index algorithm utilizes a volume-weighted real-time FX conversion rate for any trading activity for the relevant Stablecoin-USD pair. This normalizes all trading activity to USD denomination.
- Outlier Detection Factor: The Index algorithm excludes trade data and price(s) deemed to be an outlier relative to the most recently calculated Index.
- Inactivity Adjustment: The Index algorithm penalizes stale activity from any given Constituent Trading Platform. When a Constituent Trading Platform does not have recent trading data, the outdated prices and their contribution to the Index calculation are gradually reduced until they are de-weighted to 0.1%. Similarly, once trading activity at a Constituent Trading Platform resumes, the corresponding weighting for that Constituent Trading Platform will no longer be penalized.
- Manipulation Resistance: In an effort to determine and prioritize the most significant Constituent Trading Platforms (i.e., those that are likely to have the most impact on price discovery) for a given asset, the Index Provider conducts a Constituent Trading Platform selection and review process, which seeks to identify the highest-ranking Constituent Trading Platforms based on both qualitative and quantitative factors. The qualitative review includes legal and regulation, data provision, security, trade monitoring, market quality, and negative events policy, among others. The quantitative review includes review of trading activity for the asset on the given Constituent Trading Platform.

The Index Provider re-evaluates the weighting algorithm on a periodic basis, but maintains discretion to change the way in which an Index Price is calculated based on its periodic review or in extreme circumstances. The Index is designed to limit exposure to trading or price distortion of any individual Digital Asset Trading Platform that experiences periods of unusual activity or limited liquidity by discounting, in real-time, anomalous price movements at individual Digital Asset Trading Platforms.

The Sponsor believes the Index Provider's selection process for Constituent Trading Platforms as well as the methodology of the Index Price's algorithm provides a more accurate picture of BCH price movements than a simple average of Digital Asset Trading Platform spot prices, and that the weighting of BCH prices on the Constituent Trading Platforms limits the inclusion of data that is influenced by temporary price dislocations that may result from technical problems, limited liquidity or fraudulent activity elsewhere in the BCH spot market. By referencing multiple trading venues and weighting them based on trade activity, the Sponsor believes that the impact of any potential fraud, manipulation or anomalous trading activity occurring on any single venue is reduced.

If the Index Price becomes unavailable, or if the Sponsor determines in good faith that such Index Price does not reflect an accurate price for BCH, then the Sponsor will contact the Index Provider to obtain the Index Price directly from the Index Provider. If after such contact such Index Price remains unavailable or the Sponsor continues to believe in good faith that such Index Price does not reflect an accurate price for BCH, then the Sponsor will employ a cascading set of rules to determine the Index Price, as described below in "—Determination of the Index Price When Index Price is Unavailable."

The Trust values its BCH for operational purposes by reference to the Index Price. The Index Price is the value of a BCH as represented by the Index, calculated at 4:00 p.m., New York time, on each business day.

Illustrative Example

For the purposes of illustration, outlined below are examples of how the attributes that impact weighting and adjustments in the aforementioned methodology may be utilized to generate the Index Price for a digital asset. For example, the Constituent Trading Platforms used to calculate the Index Price of the digital asset may include trading platforms such as Crypto.com, Kraken, LMAX Digital, and Bitstamp by Robinhood.

The Index Price algorithm, as described above, is designed to account for manipulation at the outset by only including data from executed trades on Constituent Trading Platforms that charge trading fees. Then, the below-listed elements may impact the weighting of the Constituent Trading Platforms on the Index Price as follows:

- Volume Weighting: Each Constituent Trading Platform will be weighted to appropriately reflect the trading volume share of the Constituent Trading Platform relative to all the Constituent Trading Platforms during this same period. For example, a weighting of 67.06%, 14.57%, 11.88%, and 6.49% for Crypto.com, Kraken, LMAX Digital and Bitstamp by Robinhood, respectively, would represent each Constituent Trading Platform's share of trading volume during the preceding 24-hours.
- Inactivity Adjustment: Assume that a Constituent Trading Platform represented a 14% weighting on the Index Price of the digital asset and then went offline for approximately two hours. The index algorithm would automatically recognize inactivity and start de-weighting the Constituent Trading Platform at the 5-minute mark and continue to do so with each additional 5-minute period of inactivity until its influence was effectively zero, 25 minutes after becoming inactive. As soon as trading activity resumed at the Constituent Trading Platform, the index algorithm would re-weight it to the appropriate weighting based on trading volume and price-variance relative to the cohort of Constituent Trading Platforms included in the Index.

- Price Outlier Detection: New traded prices from Constituent Trading Platforms are compared to the latest calculated Index Price. If a new traded price deviates by +/- 5% from the latest calculated Index Price, it will be considered an outlier and will not be used in the calculation of the Index Price until such time as a majority of the Constituent Trading Platforms are similarly considered outlier prices. In that case, the new prices will be used to calculate the Index Price. For example, if the Index Price is $10 and there is a new trade price of $11 from Constituent Trading Platform X, the price of $11 will be considered an outlier and will not be used. However, if the most recent prices on a majority of the Constituent Trading Platforms are aligned with the price of $11, then these prices will no longer be considered outliers and will be used to calculate the new Index Price.

Determination of the Index Price When Index Price is Unavailable

The Sponsor uses the following cascading set of rules to calculate the Index Price. For the avoidance of doubt, the Sponsor will employ the below rules sequentially and in the order as presented below, should one or more specific rule(s) fail:

1. Index Price = The price set by the Index as of 4:00 p.m., New York time, on the valuation date. If the Index becomes unavailable, or if the Sponsor determines in good faith that the Index does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Index Provider to obtain the Index Price directly from the Index Provider. If after such contact the Index remains unavailable or the Sponsor continues to believe in good faith that the Index does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Index Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

2. Index Price = The price set by Coin Metrics Real-Time Rate (the "Secondary Index") as of 4:00 p.m., New York time, on the valuation date (the "Secondary Index Price"). The Secondary Index Price is a real-time reference rate price, calculated using trade data from constituent markets selected by Coin Metrics, Inc. (the "Secondary Index Provider"). The Secondary Index Price is calculated by applying weighted-median techniques to such trade data where half the weight is derived from the trading volume on each constituent market and half is derived from inverse price variance, where a constituent market with high price variance as a result of outliers or market anomalies compared to other constituent markets is assigned a smaller weight. The Secondary Index Provider and the Sponsor have entered into the master services agreement, dated as of August 4, 2020, and order forms thereunder, pursuant to which the Sponsor may obtain and use the Secondary Index and the Secondary Index Price from the Secondary Index Provider. If the Secondary Index becomes unavailable, or if the Sponsor determines in good faith that the Secondary Index does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Secondary Index Provider to obtain the Secondary Index Price directly from the Secondary Index Provider. If after such contact the Secondary Index remains unavailable or the Sponsor continues to believe in good faith that the Secondary Index does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Index Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

3. Index Price = The price set by the Trust's principal market (the "Tertiary Pricing Option") as of 4:00 p.m., New York time, on the valuation date. The Tertiary Pricing Option is a spot price derived from the principal market's public data feed that is believed to be consistently publishing pricing information as of 4:00 p.m., New York time, and is provided to the Sponsor via an application programming interface. If the Tertiary Pricing Option becomes unavailable, or if the Sponsor determines in good faith that the Tertiary Pricing Option does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Tertiary Pricing Provider to obtain the Tertiary Pricing Option directly from the Tertiary Pricing Provider. If after such contact the Tertiary Pricing Option remains unavailable or the Sponsor continues to believe in good faith that the Tertiary Pricing Option does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Index Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

4. Index Price = The Sponsor will use its best judgment to determine a good faith estimate of the Index Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

In the event of a fork, the Index Provider may calculate the Index Price based on a digital asset that the Sponsor does not believe to be the appropriate asset that is held by the Trust. In this event, the Sponsor has full discretion to use a different index provider or calculate the Index Price itself using its best judgment.

The Sponsor may, in its sole discretion, select a different index provider, select a different index price provided by the Index Provider, calculate the Index Price by using the cascading set of rules set forth above, or change the cascading set of rules set forth above at any time. The Sponsor will provide notice of any such changes in the Trust's periodic or current reports and, if the Sponsor makes such a change other than on an ad hoc or temporary basis, will file a proposed rule change with the SEC.

Index License Agreement

The Sponsor has entered into a license agreement, dated as of February 1, 2022, as amended from time to time (the "Index License Agreement") with the Index Provider, governing the Sponsor's use of the Index for calculation of the Index Price. The Index Provider may adjust the calculation methodology for the Index without notice to, or consent of, the Trust or its shareholders. Under the Index License Agreement, the Sponsor pays a monthly fee and a fee based on the NAV of the Trust to the Index Provider in consideration of its license to the Sponsor of Index-related intellectual property. The Index License Agreement automatically renews on an annual basis, unless a notice of non-renewal is provided. The Index License Agreement is terminable by either party upon written notice in the event of a material breach that remains uncured for thirty days after initial written notice of such breach. Further, either party may terminate the Index License Agreement immediately upon notice under certain circumstances, including with respect to the other party's (i) insolvency, bankruptcy or analogous event or (ii) violation of money transmission, taxation or trading regulations that materially adversely affect either party's ability to perform under the Index License Agreement. The Index License Agreement is filed as an exhibit to this Annual Report, and the foregoing description is qualified in its entirety by reference to the Index License Agreement.

COINDESK® and COINDESK BITCOIN CASH BENCHMARK RATE (the "Index") are trade or service marks of CoinDesk Indices, Inc. (with its affiliates, including CC Data Limited, "CDI") and/or its licensors. CDI or CDI's licensors own all proprietary rights in the Data.

CDI is not the issuer or producer of the Trust and has no responsibilities, obligations, or duties to investors in or holders of the Trust. The Index is licensed for use by the Sponsor as the sponsor of the Trust. The only relationship that CDI has with the Sponsor in respect of the Trust is the licensing of the Index, which is administered and published by CDI, or any successor thereto, without regard to the Sponsor or the owners or holders of Shares of the Trust.

Investors or holders acquire shares of the Trust offered by the Sponsor and investors and holders neither acquire any interest in the Index nor enter into any relationship of any kind whatsoever with CDI upon making an investment in or acquisition of the Trust. The Trust is not sponsored, endorsed, sold, or promoted by CDI. CDI makes no representation or warranty, express or implied, regarding the advisability of investing in or otherwise acquiring the Trust or the advisability of investing in securities or digital assets generally or the ability of the Index to track corresponding or relative market performance. CDI has not passed on the legality or suitability of the Trust with respect to any person or entity. CDI is not responsible for, nor has participated in, the determination of the timing of, prices at, or quantities of the Trust to be issued. CDI has no obligation to take the needs of the Sponsor or the owners or holders of the Trust or any other third party into consideration in administering, composing, calculating, or publishing the Index. CDI has no obligation or liability in connection with administration, marketing, or trading of the Trust.

The licensing agreement between the Sponsor and CDI is solely for the benefit of the Sponsor and CDI and not for the benefit of the owners or holders of Shares of the Trust or any other third parties.

CDI shall have no liability to the Sponsor, the Trust, investors, holders or other third parties for the quality, accuracy and/or completeness of the Index or any data included therein or for interruptions in the delivery of the data. CDI hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any other data included therein. CDI reserves the right to change the methods of calculation or publication, or to cease the calculation or publication of the Index and shall not be liable for any miscalculation of or any incorrect, delayed, or interrupted publication with respect to the Index. CDI shall not be liable for any damages, including, without limitation, any special, indirect or consequential damages, or any lost profits, even if advised of the possibility of such, resulting from the use of the Index or any other data included therein or with respect to the Trust.

Discretion of the Index Provider

The Index Provider has sole discretion over the determination of the Index Price and may change the methodologies for determining the Index Price from time to time.

Description of the Trust

The Trust is a Delaware Statutory Trust that was formed on January 26, 2018 by the filing of the Certificate of Trust with the Delaware Secretary of State in accordance with the provisions of the Delaware Statutory Trust Act ("DSTA"). The Trust operates pursuant to the Trust Agreement between the Trustee and the Sponsor. The Trust Agreement establishes the rights and obligations of the Sponsor and the Trustee with respect to the Trust, limits the fiduciary duties of the Sponsor and the Trustee, restricts shareholders' ability to bring derivative actions in the name of the Trust, provides for indemnification of the Sponsor and the Trustee by the Trust (with DCG, serving as secondary obligor with respect to the Trustee's indemnification), governs amendments to the Trust Agreement and provides that the Trust Agreement is governed by the laws of the State of Delaware. The Trust Agreement is filed as an exhibit to this Annual Report, and the foregoing description is qualified in its entirety by reference to the Trust Agreement. See "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—The Trust Agreement includes provisions that limit shareholders' voting rights and restrict shareholders' right to bring a derivative action."

The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust. The Trust is passive and is not managed like a corporation or an active investment vehicle. The Trust is not actively managed and will not take any actions designed to obtain a profit from, or to reduce losses caused by, changes in the market prices of BCH. The Trust's BCH are held by the Custodian on behalf of the Trust. The Trust's BCH will be transferred out of the Digital Asset Account (as defined below) only in the following circumstances: (i) transferred to pay the Sponsor's Fee or any Additional Trust Expenses (as defined below), (ii) sold on an as-needed basis to pay Additional Trust Expenses, (iii) transferred or sold in connection with any Incidental Rights or IR Virtual Currency as permitted under the Trust Agreement or (iv) sold on behalf of the Trust in the event the Trust terminates and liquidates its assets or as otherwise required by law or regulation. Any distributions of Incidental Rights and/or IR Virtual Currency, or cash from the sale thereof, will be made in accordance with the Trust Agreement. "Incidental Rights" are rights to claim, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of BCH and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust; "IR Virtual Currency" is any virtual currency tokens, or other asset or right, received by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right. The "Sponsor's Fee" is a fee that the Trust pays to the Sponsor, calculated as 2.5% of the aggregate value of the Trust's assets, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Sponsor or its delegates in the manner set forth in the Trust Agreement. See "—Incidental Rights and IR Virtual Currency." Assuming that the Trust is treated as a grantor trust for U.S. federal income tax purposes, each delivery or sale of BCH by the Trust to pay the Sponsor's Fee or any Additional Trust Expenses will be a taxable event for shareholders. See "—Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

The Trust is not a registered investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") and the Sponsor believes that the Trust is not required to register under the Investment Company Act. The Trust will not trade, buy, sell or hold BCH derivatives, including BCH futures contracts, on any futures exchange. The Trust is authorized solely to take immediate delivery of actual BCH. The Sponsor does not believe the Trust's activities are required to be regulated by the CFTC under the Commodity Exchange Act of 1936, as amended (the "CEA") as a "commodity pool" under current law, regulation and interpretation. Investors in the Trust will not receive the regulatory protections afforded to investors in regulated commodity pools, nor may the COMEX division of the New York Mercantile Exchange or any futures exchange enforce its rules with respect to the Trust's activities. In addition, investors in the Trust will not benefit from the protections afforded to investors in BCH futures contracts on regulated futures exchanges.

The Trust's assets consist solely of BCH, Incidental Rights, IR Virtual Currency, proceeds from the sale of BCH, Incidental Rights and IR Virtual Currency pending use of such cash for payment of Additional Trust Expenses or distribution to the shareholders and any rights of the Trust pursuant to any agreements, other than the Trust Agreement, to which the Trust is a party. Each Share represents a proportional interest, based on the total number of Shares outstanding, in each of the Trust's assets as determined in the case of BCH by reference to the Index Price, less the Trust's expenses and other liabilities (which include accrued but unpaid fees and expenses). The Sponsor expects that the market price of the Shares will fluctuate over time in response to the market prices of BCH. In addition, because the Shares reflect the estimated accrued but unpaid expenses of the Trust, the amount of BCH represented by a Share will gradually decrease over time as the Trust's BCH are used to pay the Trust's expenses. The Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for purposes of determining the Trust's NAV or the NAV per Share.

The Trust has no fixed termination date, although the Trust Agreement sets forth circumstances under which the Trust may be dissolved.

Employees / Human Capital

The Trust has no employees, officers or directors and is managed by the Sponsor. All of the Trust's activities are conducted on its behalf by the Sponsor and the Trust's other service providers, each as described under "—Service Providers of the Trust." The Sponsor and its affiliates, and not the Trust, employ the personnel who arrange for and oversee the Trust's operations.

Incidental Rights and IR Virtual Currency

The Trust may from time to time come into possession of Incidental Rights and/or IR Virtual Currency by virtue of its ownership of BCH, generally through a fork in the Bitcoin Cash Blockchain, an airdrop offered to holders of BCH or other similar event. Pursuant to the terms of the Trust Agreement, the Trust may take any lawful action necessary or desirable in connection with the Trust's ownership of Incidental Rights, including the acquisition of IR Virtual Currency, unless such action would adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes or otherwise be prohibited by the Trust Agreement. These actions include (i) selling Incidental Rights and/or IR Virtual Currency in the Digital Asset Market and distributing the cash proceeds to shareholders, (ii) distributing Incidental Rights and/or IR Virtual Currency in-kind to the shareholders or to an agent acting on behalf of the shareholders for sale by such agent if an in-kind distribution would otherwise be infeasible and (iii) irrevocably abandoning Incidental Rights or IR Virtual Currency. The Trust may also use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee and Additional Trust Expenses, if any, as discussed below under "—Expenses; Sales of BCH." However, the Trust

does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for purposes of determining the Trust's NAV, the NAV per Share, the Principal Market NAV (as defined below) and the Principal Market NAV per Share.

On July 29, 2019, the Sponsor delivered to the Custodian a notice (the "Pre-Creation Abandonment Notice") stating that the Trust is abandoning irrevocably for no direct or indirect consideration, effective immediately prior to each time at which the Trust creates Shares (any such time, a "Creation Time"), all Incidental Rights and IR Virtual Currency to which it would otherwise be entitled as of such time (any such abandonment, a "Pre-Creation Abandonment"); provided that a Pre-Creation Abandonment will not apply to any Incidental Rights and/or IR Virtual Currency if (i) the Trust has taken, or is taking at such time, a decision to acquire or abandon such Incidental Rights and/or IR Virtual Currency at any time prior to such Creation Time (any such decision, an "Affirmative Action") or (ii) such Incidental Rights and/or IR Virtual Currency has been subject to a previous Pre-Creation Abandonment.

As a result of the Pre-Creation Abandonment Notice, the Trust has no right to receive any Incidental Right or IR Virtual Currency abandoned pursuant to the Pre-Creation Abandonment Notice or any Affirmative Action. The Sponsor evaluates each fork, airdrop or similar event on a case-by-case basis in consultation with the Trust's legal advisers, tax consultants and Custodian. In determining whether to take an Affirmative Action to acquire and/or retain an Incidental Right and/or IR Virtual Currency, the Trust takes into consideration a number of factors, including:

- the Custodian's agreements to provide access to the IR Virtual Currency;
- the availability of a safe and practical way to custody the IR Virtual Currency;
- the costs of taking possession and/or maintaining ownership of the IR Virtual Currency and whether such costs exceed the benefits of owning such IR Virtual Currency;
- whether there are any legal restrictions on, or tax implications with respect to, the ownership, sale or disposition of the Incidental Right or IR Virtual Currency, regardless of whether there is a safe and practical way to custody and secure such Incidental Right or IR Virtual Currency;
- the availability of a Digital Asset Trading Platform on which such Incidental Right or IR Virtual Currency may be sold and an eligible financial institution with the ability to engage in such selling activity;
- the existence of a suitable market into which the Incidental Right or IR Virtual Currency may be sold; and
- whether the Incidental Right or IR Virtual Currency is, or may be, a security under federal securities laws.

See "Item 1A. Risk Factors" for a discussion of the risks associated with forks, airdrops and similar events.

Service Providers of the Trust

The Sponsor

Grayscale Investments Sponsors, LLC, a Delaware limited liability company and a consolidated subsidiary of DCG, is the sponsor of the Trust. 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 Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") or the CEA.

The Sponsor arranged for the creation of the Trust and quotation of the Shares on OTC Markets. As partial consideration for its receipt of the Sponsor's Fee from the Trust, the Sponsor is obligated to pay the Sponsor-paid Expenses.

The Sponsor is generally responsible for the day-to-day administration of the Trust under the provisions of the Trust Agreement. This includes preparing and providing periodic reports and financial statements on behalf of the Trust for investors, processing orders to create Baskets, calculating and publishing the NAV and the NAV per Share, selecting and monitoring the Trust's service providers, instructing the Custodian to transfer the Trust's BCH as needed to pay the Sponsor's Fee and any Additional Trust Expenses and establishing the principal market for the United States generally accepted accounting principles ("U.S. GAAP") valuation. In addition, if there is a fork in the Bitcoin Cash Network after which there is a dispute as to which network resulting from the fork is the Bitcoin Cash Network, the Sponsor has the authority to select the network that it believes in good faith is the Bitcoin Cash Network, unless such selection or authority would otherwise conflict with the Trust Agreement.

The Sponsor does not store, hold, or maintain custody or control of the Trust's BCH but instead has entered into the Custody Agreement (as defined below) with the Custodian to facilitate the security of the Trust's BCH.

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 Sponsor's Fee is paid by the Trust to the Sponsor as compensation for services performed under the Trust Agreement and as partial consideration for the Sponsor's agreement to pay the Sponsor-paid Expenses. See "—Expenses; Sales of BCH."

The Sponsor may, in its sole discretion, select a different index provider, select a different index price provided by the Index Provider, calculate the Index Price by using the cascading set of rules set forth under "—Overview of the BCH Industry and Market-BCH Value-The Index and the Index Price-Determination of the Index Price When Index Price is Unavailable" above, or change the cascading set of rules set forth above at any time.

The Trustee

CSC Delaware Trust Company (formerly known as Delaware Trust Company) serves as Delaware trustee of the Trust under the Trust Agreement.

The Trustee is appointed to serve as the trustee of the Trust in the State of Delaware for the sole purpose of satisfying the requirement of Section 3807(a) of the DSTA that the Trust have at least one trustee with a principal place of business in the State of Delaware. The duties of the Trustee will be 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 Delaware Trustee is required to execute under the DSTA. To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the shareholders, 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, Transfer Agent, 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 in connection with the issuance and sale of Shares is limited solely to the express obligations of the Trustee as set forth in the Trust Agreement.

The Trustee has not prepared or verified, and will not be responsible or liable for, any information, disclosure or other statement in this Annual Report or in any other document issued or delivered in connection with the sale or transfer of the Shares. The Trust Agreement provides that the Trustee will not be responsible or liable for the genuineness, enforceability, collectability, value, sufficiency, location or existence of any of the BCH or other assets of the Trust. See "—Description of the Trust."

The Trustee is permitted to resign upon at least 180 days' notice to the Trust. The Trustee will be compensated by the Sponsor and indemnified by the Sponsor and the Trust against any expenses it incurs relating to or arising out of the formation, operation or termination of the Trust, or the performance of its duties pursuant to the Trust Agreement except to the extent that such expenses result from gross negligence, willful misconduct or bad faith of the Trustee. The Sponsor has the discretion to replace the Trustee.

Fees paid to the Trustee are a Sponsor-paid Expense.

The Transfer Agent

Continental Stock Transfer & Trust Company, a Delaware corporation, serves as the Transfer Agent of the Trust pursuant to the terms and provisions of the agreement between the Sponsor and the Transfer Agent which sets forth the obligations and responsibilities of the Transfer Agent with respect to transfer agency services and related matters (the "Transfer Agency and Service Agreement"), which is filed as an exhibit to this Annual Report.

The Transfer Agent holds the Shares primarily in book-entry form. The Sponsor directs the Transfer Agent to credit the number of Creation Baskets to the investor on behalf of which an Authorized Participant submitted a creation order. The Transfer Agent will issue Creation Baskets. The Transfer Agent will also assist with the preparation of shareholders' accounts and tax statements. A "Creation Basket" is a Basket of Shares issued by the Trust upon deposits of the Basket Amount (as defined below) required for each such Creation Basket.

Fees paid to the Transfer Agent are a Sponsor-paid Expense.

Authorized Participants

An Authorized Participant must enter into a participant agreement (the "Participant Agreement") with the Sponsor and the Trust to govern its placement of orders to create Baskets. The Participant Agreement sets forth the procedures for the creation of Baskets and for the delivery of BCH required for creations.

Each Authorized Participant must (i) be a registered broker-dealer, (ii) enter into a Participant Agreement with the Sponsor and (iii) own a BCH wallet address that is known to the Custodian as belonging to the Authorized Participant, or another entity that has been engaged to source digital assets (any such representative, a "Liquidity Provider"). An Authorized Participant may act for its own account or as agent for investors who have entered into a subscription agreement with the Authorized Participant (each such investor, an "Investor"). A list of the current Authorized Participants can be obtained from the Sponsor.

As of the date of this Annual Report, Grayscale Securities, LLC ("Grayscale Securities") is the only acting Authorized Participant. The Sponsor intends to engage additional Authorized Participants that are unaffiliated with the Trust in the future.

No Authorized Participant has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

The Distributor and Marketer

Grayscale Securities, a Delaware limited liability company and consolidated subsidiary of Digital Currency Group, Inc., serves as the distributor and marketer of the Shares. Grayscale Securities is a registered broker-dealer with the SEC, a member of FINRA, and an affiliate of the Sponsor.

Pursuant to a distribution and marketing agreement, which is filed as an exhibit to this Annual Report, Grayscale Securities assists the Sponsor in developing an ongoing marketing plan for the Trust, preparing marketing materials regarding the Shares (including content on the Trust's website at www.grayscale.com/funds/grayscale-bitcoin-cash-trust/), and executing the marketing plan. The Sponsor may engage additional or successor distributors and marketers in the future.

The Custodian

Coinbase Custody Trust Company, LLC is a fiduciary under § 100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act. The Custodian is authorized to serve as the Trust's custodian under the Trust Agreement and pursuant to the terms and provisions of the Amended and Restated Custodial Services Agreement, dated as of June 29, 2022, by and between the Trust and the Sponsor and Custodian that governs the Trust's and the Sponsor's use of the Custodial Services provided by the Custodian as a fiduciary with respect to the Trust's assets (the "Custody Agreement"). The Custodian has its principal office at 200 Park Avenue South, Suite 1208, New York, NY 10003. A copy of the Custody Agreement is available for inspection at the Sponsor's principal office identified herein.

Under the Custody Agreement, the Custodian controls and secures the Trust's "Digital Asset Account," a segregated custody account to store private keys, which allow for the transfer of ownership or control of the Trust's BCH, on the Trust's behalf. The Custodian's services (i) allow BCH to be deposited from a public blockchain address to the Trust's Digital Asset Account, as defined therein and (ii) allow the Trust or Sponsor to withdraw BCH from the Trust's Digital Asset Account to a public blockchain address the Trust or Sponsor controls (the "Custodial Services"). The Digital Asset Account uses offline storage, or "cold storage", mechanisms to secure the Trust's private keys. The term "cold storage" refers to a safeguarding method by which the private keys corresponding to digital assets are disconnected.

The Custodian will withdraw from the Trust's Digital Asset Account the amount of BCH necessary to pay the Trust's expenses.

Fees paid to the Custodian are a Sponsor-paid Expense.

If the Custodian resigns in its capacity as custodian, the Sponsor may appoint an additional or replacement custodian and enter into a custodian agreement on behalf of the Trust with such custodian. Furthermore, the Sponsor and the Trust may use BCH custody services or similar services provided by entities other than Coinbase Custody Trust Company, LLC at any time without prior notice to Coinbase Custody Trust Company, LLC.

On October 3, 2025, the Sponsor, on behalf of itself and the Trust, and Coinbase, Inc. (the "Prime Broker"), on behalf of itself and as agent for the Custodian and Coinbase Credit, Inc., entered into the Coinbase Prime Broker Agreement, (the "Prime Broker Agreement"). The Prime Broker Agreement will govern the Trust's and the Sponsor's use of the custodial and prime broker services provided by the Custodian and the Prime Broker. Although executed as of October 3, 2025, the Prime Broker Agreement is not yet effective with respect to the Trust and will not become effective until the date the Shares begin trading on NYSE Arca as shares of an exchange-traded product.

Custody of the Trust's BCH

Digital assets and digital asset transactions are recorded and validated on blockchains, the public transaction ledgers of a digital asset network. Each digital asset blockchain serves as a record of ownership for all of the units of such digital asset, even in the case of certain privacy-preserving digital assets, where the transactions themselves are not publicly viewable. All digital assets recorded on a blockchain are associated with a public blockchain address, also referred to as a digital wallet. Digital assets held at a particular public blockchain address may be accessed and transferred using a corresponding private key.

Key Generation

Public addresses and their corresponding private keys are generated by the Custodian in secret key generation ceremonies at secure locations.

Once generated, private keys are encrypted, separated into "shards", and then further encrypted. All key generation ceremonies are performed offline. No party other than the Custodian has access to the private key shards of the Trust, including the Trust itself.

Key Storage

Private key shards are distributed geographically in secure vaults around the world, including in the United States. The locations of the secure vaults may change and are kept confidential by the Custodian for security purposes.

The Digital Asset Account uses offline storage, or "cold storage", mechanisms to secure the Trust's private keys. The term cold storage refers to a safeguarding method by which the private keys corresponding to digital assets are disconnected and/or deleted entirely from the internet. Cold storage of private keys may involve keeping such keys on a non-networked (or "air-gapped") computer or electronic device or storing the private keys on a storage device (for example, a USB thumb drive) or printed medium (for example, papyrus, paper or a metallic object). A digital wallet may receive deposits of digital assets but may not send digital assets without use of the digital assets' corresponding private keys. In order to send digital assets from a digital wallet in which the private keys are kept in cold storage, either the private keys must be retrieved from cold storage and entered into an online, or "hot", digital asset software program to sign the transaction, or the unsigned transaction must be transferred to the cold server in which the private keys are held for signature by the private keys and then transferred back to the online digital asset software program. At that point, the user of the digital wallet can transfer its digital assets.

Security Procedures

Transfers from the Digital Asset Account require certain security procedures, including but not limited to, multiple encrypted private key shards, usernames, passwords and 2-step verification. Multiple private key shards held by the Custodian must be combined to reconstitute the private key to sign any transaction in order to transfer the Trust's assets. Private key shards are distributed geographically in secure vaults around the world, including in the United States.

As a result, if any one secure vault is ever compromised, this event will have no impact on the ability of the Trust to access its assets, other than a possible delay in operations, while one or more of the other secure vaults is used instead. These security procedures are intended to remove single points of failure in the protection of the Trust's assets.

See "Item 1A. Risk Factors— Risk Factors Related to the Trust and the Shares— The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose challenges to the safekeeping of the Trust's BCH and to the operations of the Trust" for a discussion of the insolvency risk associated with the Custodian's digital asset custody arrangements and further detail regarding the Custodian's limited liability. The Custodian is required to maintain insurance in types and amounts that are commercially reasonable for the custodial services it provides. The Custodian has also advised the Sponsor that it maintains insurance coverage pursuant to such policies held by the Custodian's ultimate parent, Coinbase Global, Inc. ("Coinbase Global"). However, such insurance is limited and may be insufficient to cover losses with respect to the Trust's BCH.

Description of the Shares

The Trust is authorized under the Trust Agreement to create and issue an unlimited number of Shares. Shares will be issued only in Baskets (a Basket equals a block of 100 Shares) in connection with creations. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and have no par value. The Shares are quoted on OTC Markets under the ticker symbol "BCHG."

Description of Limited Rights

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, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which shareholders may vote under the Trust Agreement. For example, shareholders do not have the right to elect or remove directors and will not receive dividends. The Shares do not entitle their holders to any conversion or pre-emptive rights or, except as discussed below, any redemption rights or rights to distributions.

Voting and Approvals

The shareholders take no part in the management or control of the Trust. Under the Trust Agreement, shareholders have limited voting rights. For example, in the event that the Sponsor withdraws, a majority of the shareholders may elect and appoint a successor sponsor to carry out the affairs of the Trust. In addition, no amendments to the Trust Agreement that materially adversely affect the interests of shareholders may be made without the vote of at least a majority (over 50%) of the then-outstanding Shares (not including any Shares held by the Sponsor or its affiliates). A shareholder will be deemed to have consented to a modification or amendment of the Trust Agreement if the Sponsor has notified the shareholders in writing of the proposed modification or amendment and the shareholder has not, within 20 calendar days of such notice, notified the Sponsor in writing that the shareholder objects to such modification or amendment. Additionally, subject to certain limitations, the Sponsor may make any other amendments to the Trust Agreement which do not materially adversely affect the interests of the shareholders in its sole discretion without shareholder consent.

Distributions

Pursuant to the terms of the Trust Agreement, the Trust may make distributions on the Shares in-cash or in-kind, including in such form as is necessary or permissible for the Trust to facilitate its shareholders' access to any Incidental Rights or to IR Virtual Currency.

In addition, if the Trust is terminated and liquidated, 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 and the establishment of reserves for applicable taxes, other governmental charges and contingent or future liabilities as the Sponsor will determine. Shareholders of record on the record date fixed by the Transfer Agent for a distribution will be entitled to receive their pro rata portions of any distribution.

Appointment of Agent

Pursuant to the terms of the Trust Agreement, by holding the Shares, shareholders will be deemed to agree that the Sponsor may cause the Trust to appoint an agent (any person appointed in such capacity, an "Agent") to act on their behalf in connection with any distribution of Incidental Rights and/or IR Virtual Currency if the Sponsor has determined in good faith that such appointment is reasonably necessary or in the best interests of the Trust and the shareholders in order to facilitate the distribution of any Incidental Rights and/or IR Virtual Currency. The Sponsor may cause the Trust to appoint Grayscale Investments Sponsors, LLC (acting other than in its capacity as Sponsor) or any of its affiliates to act in such capacity.

Any Agent appointed to facilitate a distribution of Incidental Rights and/or IR Virtual Currency will receive an in-kind distribution of Incidental Rights and/or IR Virtual Currency on behalf of the shareholders of record with respect to such distribution, and following receipt of such distribution, will determine, in its sole discretion and without any direction from the Trust, or the Sponsor, in its capacity as Sponsor of the Trust, whether and when to sell the distributed Incidental Rights and/or IR Virtual Currency on behalf of the record date shareholders. If the Agent is able to do so, it will remit the cash proceeds to the record date shareholders. There can be no assurance as to the price or prices for any Incidental Rights and/or IR Virtual Currency that the Agent may realize, and the value of the Incidental Rights and/or IR Virtual Currency may increase or decrease after any sale by the Agent.

Any Agent appointed pursuant to the Trust Agreement will not receive any compensation in connection with its role as agent. However, any Agent will be entitled to receive from the record-date shareholders, out of the distributed Incidental Rights and/or IR Virtual Currency, an amount of Incidental Rights and/or IR Virtual Currency with an aggregate fair market value equal to the amount of administrative and other reasonable expenses incurred by the Agent in connection with its activities as agent of the record-date shareholders, including expenses incurred by the Agent in connection with any post-distribution sale of such Incidental Rights and/or IR Virtual Currency.

The Sponsor currently expects to cause the Trust to appoint Grayscale Investments Sponsors, LLC, acting other than in its capacity as Sponsor, as Agent to facilitate any distribution of Incidental Rights and/or IR Virtual Currency to shareholders. The Trust has no right to receive any information about any distributed Incidental Rights and/or IR Virtual Currency or the disposition thereof from the record date shareholders, their Agent or any other person.

Creation of Shares

The Trust creates Shares at such times and for such periods as determined by the Sponsor, but only in one or more whole Baskets. A Basket equals 100 Shares. See "—Description of the Creation Process." The creation of a Basket requires the delivery to the Trust of the amount of BCH represented by one Share immediately prior to such creation multiplied by 100. The Trust may from time to time halt creations, including for extended periods of time, for a variety of reasons, including in connection with forks, airdrops and other similar events.

Redemption of Shares

Redemptions of Shares are currently not permitted and the Trust is unable to redeem Shares. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

No assurance can be given as to the timing of such relief or that such relief will be granted. If such relief is granted and the Sponsor approves a redemption program, the Shares will be redeemable only in accordance with the provisions of the Trust Agreement and the relevant Participant Agreement. See "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Index Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share," "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—The Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-concurrent trading hours between OTC Markets and the Digital Asset Trading Platform Market"

and "Item 1A. Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

Transfer Restrictions

Shares purchased in a private placement are restricted securities that may not be resold except in transactions exempt from registration under the Securities Act and state securities laws and any such transaction must be approved by the Sponsor. In determining whether to grant approval, the Sponsor will specifically look at whether the conditions of Rule 144 under the Securities Act and any other applicable laws have been met. Any attempt to sell Shares without the approval of the Sponsor in its sole discretion will be void *ab initio*.

Pursuant to Rule 144, a minimum six-month holding period applies to all Shares purchased from the Trust.

On a bi-weekly basis, the Trust aggregates the Shares that have been held for the requisite holding period under Rule 144 by non-affiliates of the Trust to assess whether the Rule 144 transfer restriction legends may be removed. Any Shares that qualify for the removal of the Rule 144 transfer restriction legends are presented to outside counsel, who may instruct the Transfer Agent to remove the transfer restriction legends from the Shares, allowing the Shares to then be resold without restriction, including on OTC Markets. The outside counsel requires that certain representations be made, providing that:

- the Shares subject to each sale have been held for the requisite holding period under Rule 144 by the selling shareholder;
- the shareholder is the sole beneficial owner of the Shares;
- the Sponsor is aware of no circumstances in which the shareholder would be considered an underwriter or engaged in the distribution of securities for the Trust;
- none of the Shares are subject to any agreement granting any pledge, lien, mortgage, hypothecation, security interest, charge, option or encumbrance;
- none of the identified selling shareholders is an affiliate of the Sponsor;
- the Sponsor consents to the transfer of the Shares; and
- outside counsel and the Transfer Agent can rely on the representations.

In addition, because the Trust Agreement prohibits the transfer or sale of Shares without the prior written consent of the Sponsor, the Sponsor must provide a written consent that explicitly states that it irrevocably consents to the transfer and resale of the Shares. Once the transfer restriction legends have been removed from a Share and the Sponsor has provided its written consent to the transfer of that Share, no consent of the Sponsor is required for future transfers of that particular Share.

Book-Entry Form

Shares are held primarily in book-entry form by the Transfer Agent. The Sponsor or its delegate will direct the Transfer Agent to credit the number of Creation Baskets to the applicable Authorized Participant. The Transfer Agent will issue Creation Baskets. Transfers will be made in accordance with standard securities industry practice. The Sponsor may cause the Trust to issue Shares in certificated form in limited circumstances in its sole discretion.

Share Splits

In its discretion, the Sponsor may direct the Transfer Agent to declare a split or reverse split in the number of Shares outstanding and to make a corresponding change in the number of Shares constituting a Basket. For example, if the Sponsor believes that the per Share price in the secondary market for Shares has risen or fallen outside a desirable trading price range, it may declare such a split or reverse split.

Description of the Creation Process

The Trust will issue Shares to Authorized Participants from time to time, but only in one or more Baskets (with a Basket being a block of 100 Shares). The Trust will not issue fractions of a Basket. The creation of Baskets will be made only in exchange for the delivery to the Trust of the amount of whole and fractional BCH represented by each Basket being created, which is determined by dividing (x) the amount of BCH owned by the Trust at 4:00 p.m., New York time, on the trade date of a creation order, after deducting the amount of BCH representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust (converted using the Index Price at such time, and carried to the eighth decimal place), by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth of one BCH (*i.e.*, carried to the eighth decimal place)), and multiplying such quotient by 100 (the "Basket Amount"). All questions as to the calculation of the Basket Amount will be conclusively determined by the Sponsor and will be final and binding on all persons interested in the Trust. The Basket Amount multiplied by the number of

Baskets being created is the "Total Basket Amount." The amount of BCH represented by a Share will gradually decrease over time as the Trust's BCH are used to pay the Trust's expenses. Information regarding the amount of BCH represented by each Share is posted to the Trust's website daily at www.grayscale.com/funds/grayscale-bitcoin-cash-trust/.

An Investor may pay the subscription amount in cash or BCH. In the event that the Investor pays the subscription amount in cash, the Authorized Participant, or Liquidity Provider, purchases BCH in a Digital Asset Market or, to the extent the Authorized Participant, or Liquidity Provider, already holds BCH, the Authorized Participant, or Liquidity Provider, may contribute such BCH to the Trust

The Participant Agreement provides the procedures for the creation of Baskets and for the delivery of the whole and fractional BCH required for such creations. The Participant Agreement and the related procedures attached thereto may be amended by the Sponsor and the relevant Authorized Participant. Under the Participant Agreement, the Sponsor has agreed to indemnify each Authorized Participant against certain liabilities, including liabilities under the Securities Act. The Participant Agreement is filed as an exhibit to this Annual Report, and the foregoing description is qualified in its entirety by reference to the Participant Agreement.

Authorized Participants do not pay a transaction fee to the Trust in connection with the creation of Baskets, but there may be transaction fees associated with the validation of the transfer of BCH by the Bitcoin Cash Network. Authorized Participants, or Liquidity Providers, who deposit BCH with the Trust in exchange for Baskets will receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust, and no such person has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares. An Authorized Participant is under no obligation to create Baskets.

The following description of the procedures for the creation of Baskets is only a summary and shareholders should refer to the relevant provisions of the Trust Agreement and the form of Participant Agreement for more detail.

Creation Procedures

On any business day, an Authorized Participant may order one or more Creation Baskets from the Trust by placing a creation order with the Sponsor no later than 4:00 p.m., New York time, which the Sponsor will accept or reject. By placing a creation order, an Authorized Participant agrees to transfer the Total Basket Amount from the BCH wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider, to the Digital Asset Account.

All creation orders are accepted (or rejected) by the Sponsor on the business day on which the relevant creation order is placed. If a creation order is accepted, the Sponsor will calculate the Total Basket Amount on the same business day, which will be the trade date, and will communicate the Total Basket Amount to the Authorized Participant. The Authorized Participant, or Liquidity Provider, must transfer the Total Basket Amount to the Trust no later than 6:00 p.m., New York time, on the trade date. The expense and risk of delivery, ownership and safekeeping of BCH will be borne solely by the Authorized Participant, or Liquidity Provider, until such BCH has been received by the Trust.

Following receipt of the Total Basket Amount by the Custodian, the Transfer Agent will credit the number of Shares to the account of the Investor on behalf of which the Authorized Participant placed the creation order by no later than 6:00 p.m., New York time, on the trade date. The Authorized Participant may then transfer the Shares directly to the relevant Investor.

Suspension or Rejection of Orders and Total Basket Amount

The creation of Shares may be suspended generally, or refused with respect to particular requested creations, during any period when the transfer books of the Transfer Agent are closed or if circumstances outside the control of the Sponsor or its delegates make it for all practical purposes not feasible to process such creation orders. The Sponsor may reject an order or, after accepting an order, may cancel such order by rejecting the Total Basket Amount if (i) such order is not presented in proper form as described in the Participant Agreement, (ii) the transfer of the Total Basket Amount comes from an account other than a BCH wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider, or (iii) the fulfillment of the order, in the opinion of counsel, might be unlawful, among other reasons. None of the Sponsor or its delegates will be liable for the suspension, rejection or acceptance of any creation order or Total Basket Amount.

In particular, upon the Trust's receipt of any Incidental Rights and/or IR Virtual Currency in connection with a fork, airdrop or similar event, the Sponsor will suspend creations until it is able to cause the Trust to sell or distribute such Incidental Rights and/or IR Virtual Currency.

None of the Sponsor or its delegates will be liable for the suspension, rejection or acceptance of any creation order or Total Basket Amount.

Tax Responsibility

Authorized Participants are responsible for any transfer tax, sales or use tax, stamp tax, recording tax, value-added tax or similar tax or governmental charge applicable to the creation of Baskets, regardless of whether such tax or charge is imposed directly on the

Authorized Participant, and agree to indemnify the Sponsor and the Trust if the Sponsor or the Trust is required by law to pay any such tax, together with any applicable penalties, additions to tax or interest thereon.

Valuation of BCH and Determination of NAV

The Sponsor will evaluate the BCH held by the Trust and determine the NAV of the Trust in accordance with the relevant provisions of the Trust Documents (as used herein, the Trust Agreement, the Custody Agreement, the Prime Broker Agreement, the Participant Agreement and the Transfer Agency and Service Agreement, collectively, the "Trust Documents"). The following is a description of the material terms of the Trust Documents as they relate to valuation of the Trust's BCH and the NAV calculations.

The Trust's BCH are carried, for financial statement purposes, at fair value, as required by the U.S. GAAP. The Trust determines the fair value of BCH based on the price provided by the "Brokered Market," "Dealer Market," "Principal-to-Principal Market" or "Exchange Market" (referred to as "Trading Platform Market" in this Annual Report), as each such term is defined in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Master Glossary (collectively, "Digital Asset Market") that the Trust considers its principal market as of 4:00 p.m., New York time, on the valuation date. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Principal Market and Fair Value Determination" for more information on the Trust's principal market selection.

The Trust uses the Index Price to calculate its NAV, a non-GAAP metric, which is the aggregate value, expressed in U.S. dollars, of the Trust's assets (other than U.S. dollars, other fiat currency, Incidental Rights or IR Virtual Currency), less the U.S. dollar value of the Trust's expenses and other liabilities calculated as set forth below. For purposes of the Trust Agreement, the term BCH Holdings shall mean the NAV as defined herein.

On each business day at 4:00 p.m., New York time, or as soon thereafter as practicable (the "Evaluation Time"), the Sponsor will evaluate the BCH held by the Trust and calculate and publish the NAV of the Trust. The Evaluation Time will generally last up to three hours following 4:00 p.m., New York time, each day or as soon as practicable thereafter. Upon the completion of the Evaluation Time, the NAV is released to the public typically by 5:30 p.m. ET and generally no later than 8:00 p.m. ET. The Evaluation Time provides an opportunity for the Sponsor to detect, flag, investigate, and correct unusual pricing should it occur. Any such correction could adversely affect the value of the Shares. To calculate the NAV, the Sponsor will:

1. Determine the Index Price as of such business day.
2. Multiply the Index Price by the Trust's aggregate amount of BCH owned by the Trust as of 4:00 p.m., New York time, on the immediately preceding day, less the aggregate amount of BCH payable as the accrued and unpaid Sponsor's Fee as of 4:00 p.m., New York time, on the immediately preceding day.
3. Add the U.S. dollar value of BCH, calculated using the Index Price, receivable under pending creation orders, if any, determined by multiplying the number of the Creation Baskets represented by such creation orders by the Basket Amount and then multiplying such product by the Index Price.
4. Subtract the U.S. dollar amount of accrued and unpaid Additional Trust Expenses, if any.
5. Subtract the U.S. dollar value of the BCH, calculated using the Index Price, to be distributed under pending redemption orders, if any, determined by multiplying the number of Baskets to be redeemed represented by such redemption orders by the Basket Amount and then multiplying such product by the Index Price (the amount derived from steps 1 through 5 above, the "NAV Fee Basis Amount").
6. Subtract the U.S. dollar amount of the Sponsor's Fee that accrues for such business day, as calculated based on the NAV Fee Basis Amount for such business day.

In the event that the Sponsor determines that the primary methodology used to determine the Index Price is not an appropriate basis for valuation of the Trust's BCH, the Sponsor will utilize the cascading set of rules as described in "—Overview of the BCH Industry and Market—BCH Value—The Index and the Index Price." In addition, in the event that the Trust holds any Incidental Rights and/or IR Virtual Currency, the Sponsor may, at its discretion, include the value of such Incidental Rights and/or IR Virtual Currency in the determination of the NAV, provided that the Sponsor has determined in good faith a method for assigning an objective value to such Incidental Rights and/or IR Virtual Currency. At this time, the Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for the purposes of determining the NAV or the NAV per Share. "NAV per Share" is calculated by dividing NAV by the number of Shares currently outstanding.

The Sponsor will publish the Index Price, the Trust's NAV and the NAV per Share on the Trust's website as soon as practicable after its determination. If the NAV and NAV per Share have been calculated using a price per BCH other than the Index Price for such Evaluation Time, the publication on the Trust's website will note the valuation methodology used and the price per BCH resulting from such calculation.

In the event of a hard fork of the Bitcoin Cash Network, the Sponsor will, if permitted by the terms of the Trust Agreement, use its discretion to determine, in good faith, which peer-to-peer network, among a group of incompatible forks of the Bitcoin Cash Network, is generally accepted as the network for BCH and should therefore be considered the appropriate network for the Trust's purposes. The Sponsor will base its determination on a variety of then relevant factors, including (but not limited to) the following: (i) the Sponsor's beliefs regarding expectations of the core developers of BCH, users, services, businesses, miners and other constituencies and (ii) the actual continued acceptance of mining power on, and community engagement with, the Bitcoin Cash Network.

The shareholders may rely on any evaluation furnished by the Sponsor. The determinations that the Sponsor makes will be made in good faith upon the basis of, and the Sponsor will not be liable for any errors contained in, information reasonably available to it. The Sponsor will not be liable to the Authorized Participants, the shareholders or any other person for errors in judgment. However, the preceding liability exclusion will not protect the Sponsor against any liability resulting from gross negligence, willful misconduct or bad faith in the performance of its duties.

NAV is not intended to be a substitute for the Trust's net asset value calculated in accordance with U.S. GAAP (the "Principal Market NAV"), and NAV per Share is not intended to be a substitute for the Trust's Principal Market NAV per Share calculated in accordance with U.S. GAAP.

Expenses; Sales of BCH

The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee. The Sponsor's Fee is payable in BCH and will accrue daily in U.S. dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day; provided that for a day that is not a business day, the calculation will be based on the NAV Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. This dollar amount for each daily accrual will then be converted into BCH by reference to the same Index Price used to determine such accrual. The Sponsor's Fee is payable in BCH to the Sponsor monthly in arrears.

Expenses to Be Paid by the Sponsor

The Trust pays the Sponsor's Fee to the Sponsor. As partial consideration for its receipt of the Sponsor's Fee from the Trust, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including: (i) the fee payable to the marketer for services it provides to the Trust; (ii) the fee payable to any administrator of the Trust for services it provides to the Trust, which the Sponsor will pay such administrator, if any; (iii) the fee payable to the Custodian for services it provides to the Trust and fees for any other security vendor engaged by the Trust; (iv) the fee payable to the Transfer Agent for services it provides to the Trust; (v) the Trustee fee; (vi) fees and expenses related to the listing, quotation or trading of the Shares on any Secondary Market (including customary legal, marketing and audit fees and expenses) in an amount up to $600,000 in any given fiscal year; (vii) ordinary course legal fees and expenses; (viii) audit fees; (ix) regulatory fees, including, if applicable, any fees relating to registration of the Shares under the Securities Act or the Exchange Act; (x) printing and mailing costs; (xi) the costs of maintaining the Trust's website; and (xii) applicable license fees (each a "Sponsor-paid Expense"). The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee of the Trust in its discretion for stated periods of time. Presently, the Sponsor does not intend to waive any of the Sponsor's Fee for the Trust and there are no circumstances under which the Sponsor has determined it will definitely waive the fee.

The Sponsor's Fee will generally be paid in BCH. However, if the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may also pay the Sponsor's Fee, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by entering into an agreement with the Sponsor and transferring such Incidental Rights and/or IR Virtual Currency to the Sponsor at a value to be determined pursuant to such agreement. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee only if such agreement and transfer do not otherwise conflict with the terms of the Trust Agreement. The value of any such Incidental Rights and/or IR Virtual Currency will be determined on an arm's-length basis. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to an index provided by the Index Provider or, in the absence of such an index, by reference to the cascading set of rules described in "Overview of the BCH Industry and Market—BCH Value—The Index and the Index Price." If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of BCH that would otherwise have been used to satisfy such payment will be correspondingly reduced.

After the Trust's payment of the Sponsor's Fee to the Sponsor, the Sponsor may elect to convert the BCH, Incidental Rights and/or IR Virtual Currency received as payment of the Sponsor's Fee into U.S. dollars. The rate at which the Sponsor converts such BCH, Incidental Rights and/or IR Virtual Currency to U.S. dollars may differ from the rate at which the relevant Sponsor's Fee was determined. The Trust will not be responsible for any fees and expenses incurred by the Sponsor to convert BCH, Incidental Rights and/or IR Virtual Currency received in payment of the Sponsor's Fee into U.S. dollars.

Extraordinary and Other Expenses

In certain extraordinary circumstances, the Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to: taxes and governmental charges; expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency); any indemnification of the Custodian or other agents, service providers or counterparties of the Trust; the fees and expenses related to the listing, quotation or trading of the Shares on any Secondary Market (including legal, marketing and audit fees and expenses) to the extent exceeding $600,000 in any given fiscal year; and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters (collectively, "Additional Trust Expenses"). If Additional Trust Expenses are incurred, the Trust will be required to pay these Additional Trust Expenses by selling or delivering BCH, Incidental Rights and/or IR Virtual Currency. Generally, the Sponsor will cover such expenses on behalf of the Trust and the Trust will reimburse the Sponsor by delivering to the Sponsor BCH, Incidental Rights and/or IR Virtual Currency in an amount equal to such expenses. When the Trust and the Sponsor, acting on behalf of the Trust, sell or deliver, as applicable, BCH, Incidental Rights and/or IR Virtual Currency, they generally do not transact directly with counterparties other than the Authorized Participant, a Liquidity Provider or other similarly eligible financial institutions that are subject to federal and state licensing requirements and maintain practices and policies designed to comply with AML and KYC regulations.

The value of any such Incidental Rights and/or IR Virtual Currency will be determined on an arm's-length basis. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to an index provided by the Index Provider or, in the absence of such an index, by reference to the cascading set of rules described in "Overview of the BCH Industry and Market—BCH Value—The Index and the Index Price." If the Trust pays Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of BCH that would otherwise have been used to satisfy such payment will be correspondingly reduced. See "—Disposition of BCH, Incidental Rights and/or IR Virtual Currency" for further information on sales or other dispositions of BCH, Incidental Rights and/or IR Virtual Currency. Although the Sponsor cannot definitively state the frequency or magnitude of Additional Trust Expenses, the Sponsor expects that they may occur infrequently.

The Sponsor or any of its affiliates may be reimbursed only for the actual cost to the Sponsor or such affiliate of any expenses that it advances on behalf of the Trust for payment of which the Trust is responsible. In addition, the Trust Agreement prohibits the Trust from paying to the Sponsor or such affiliate for indirect expenses incurred in performing services for the Trust in its capacity as the Sponsor (or an affiliate of 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."

Disposition of BCH, Incidental Rights and/or IR Virtual Currency

To cause the Trust to pay the Sponsor's Fee, the Sponsor will instruct the Custodian to (i) withdraw from the Digital Asset Account the amount of BCH, Incidental Rights and/or IR Virtual Currency, determined as described above in "—Expenses; Sales of BCH," equal to the accrued but unpaid Sponsor's Fee and (ii) transfer such BCH, Incidental Rights and/or IR Virtual Currency to an account maintained by the Custodian for the Sponsor at such times as the Sponsor determines in its absolute discretion. In addition, if the Trust incurs any Additional Trust Expenses, the Sponsor or its delegates (i) will instruct the Custodian to withdraw from the Digital Asset Account BCH, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust to convert such BCH, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the price per single unit of such asset, determined net of any associated fees, at which the Trust is able to sell such asset for U.S. dollars (or other applicable fiat currency) at such time to enable the Trust to timely pay any Additional Trust Expenses, through use of the Sponsor's commercially reasonable efforts to obtain the highest such price or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such BCH, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor, in each case in such quantity as may be necessary to permit payment of such Additional Trust Expenses. The Sponsor's Fee and Additional Trust Expenses payable by the Trust will generally be paid in BCH. Shareholders do not have the option of choosing to pay their proportionate shares of Additional Trust Expenses in lieu of having their shares of Additional Trust Expenses paid by the Trust's delivery or disposition of BCH, Incidental Rights and/or IR Virtual Currency. Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, the transfer or sale of BCH, Incidental Rights and/or IR Virtual Currency to pay the Trust's expenses will be a taxable event for shareholders. See "Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

Because the amount of BCH held by the Trust will decrease as a consequence of the payment of the Sponsor's Fee in BCH or the sale of BCH to pay Additional Trust Expenses (and the Trust will incur additional fees associated with converting BCH into U.S. dollars), the amount of BCH represented by a Share will decline at such time and the Trust's NAV may also decrease. Similarly, the amount (if any) of Incidental Rights and IR Virtual Currency represented by a Share will decrease as a consequence of the use of Incidental Rights and IR Virtual Currency to pay the Sponsor's Fee and Additional Trust Expenses. Accordingly, the shareholders will

bear the cost of the Sponsor's Fee and any Additional Trust Expenses. New BCH deposited into the Digital Asset Account in exchange for additional new Baskets issued by the Trust will not reverse this trend.

The Sponsor will also cause the sale of the Trust's BCH, Incidental Rights and/or IR Virtual Currency if the Sponsor determines that sale is required by applicable law or regulation or in connection with the termination and liquidation of the Trust. The Sponsor will not be liable or responsible in any way for depreciation or loss incurred by reason of any sale of BCH, Incidental Rights and/or IR Virtual Currency.

The quantity of BCH, Incidental Rights or IR Virtual Currency to be delivered to the Sponsor or other relevant payee in payment of the Sponsor's Fee or any Additional Trust Expenses, or sold to permit payment of Additional Trust Expenses, will vary from time to time depending on the level of the Trust's expenses and the value of BCH, Incidental Rights or IR Virtual Currency held by the Trust. See "—Expenses; Sales of BCH." Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, each delivery or sale of BCH, Incidental Rights and IR Virtual Currency by the Trust for the payment of expenses will be a taxable event to shareholders. See "—Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion addresses the material U.S. federal income tax consequences of the ownership of Shares. This discussion does not describe all of the tax consequences that may be relevant to a beneficial owner of Shares in light of the beneficial owner's particular circumstances, including tax consequences applicable to beneficial owners subject to special rules, such as:

- financial institutions;
- dealers in securities or commodities;
- traders in securities or commodities that have elected to apply a mark-to-market method of tax accounting in respect thereof;
- persons holding Shares as part of a hedge, "straddle," integrated transaction or similar transaction;
- Authorized Participants;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- real estate investment trusts;
- regulated investment companies; and
- tax-exempt entities, including individual retirement accounts.

This discussion applies only to Shares that are held as capital assets and does not address alternative minimum tax consequences or consequences of the Medicare contribution tax on net investment income.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Shares and partners in those partnerships are urged to consult their tax advisers about the particular U.S. federal income tax consequences of owning Shares.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations ("Treasury Regulations") as of the date hereof, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. For the avoidance of doubt, this summary does not discuss any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Shareholders are urged to consult their tax advisers about the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Tax Treatment of the Trust

The Sponsor intends to take the position that the Trust is properly 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, if the Trust is a grantor trust, 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, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the IRS were to disagree with, and successfully challenge, certain positions the Trust may take, including with respect to Incidental Rights and IR Virtual Currency, the Trust might not qualify as a grantor trust. In addition, the Sponsor has delivered the Pre-Creation Abandonment Notice to the Custodian, stating that the Trust is irrevocably abandoning, effective immediately prior to each Creation Time, all Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such time and with respect to which it has not taken any Affirmative Action at or prior to such time. There can be no complete assurance that these abandonments will be treated as effective for U.S. federal income tax purposes. If the Trust were treated as owning any asset other than BCH as of any date on which it creates Shares, it might cease to qualify as a grantor trust for U.S. federal income tax purposes.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and other similar events. Assuming that the Trust is currently a grantor trust for U.S. federal income tax purposes, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for such purposes.

If 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. However, due to the uncertain treatment of digital assets for U.S. federal income tax purposes, there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, 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 timing of the recognition of taxable income or loss. In addition, tax information reports provided to

beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable 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. person for U.S. federal income tax purposes would be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate as provided in an applicable tax treaty).

The remainder of this discussion is based on the assumption that the Trust will be treated as a grantor trust for U.S. federal income tax purposes.

Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets

Each beneficial owner of Shares will be treated for U.S. federal income tax purposes as the owner of an undivided interest in the BCH (and any Incidental Rights and/or IR Virtual Currency) held in the Trust. Due to the new and evolving nature of digital assets and the absence of comprehensive guidance with respect to digital assets, many significant aspects of the U.S. federal income tax treatment of digital assets are uncertain.

In 2014, the Internal Revenue Service ("IRS") released a notice (the "Notice") discussing certain aspects of the treatment of "convertible virtual currency" (that is, digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency) for U.S. federal income tax purposes. In the Notice, the IRS stated that, for U.S. federal income tax purposes, such digital assets (i) are "property," (ii) are not "currency" for purposes of the provisions of the Code relating to foreign currency gain or loss and (iii) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of "Frequently Asked Questions" that has been updated from time to time since (the "Ruling & FAQs"). The Ruling & FAQs provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital assets are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital assets. However, the Notice and the Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of digital assets. Moreover, although the Ruling & FAQs address the treatment of hard forks, there continues to be uncertainty with respect to the timing and amount of the income inclusions. While the Ruling & FAQs do not address most situations in which airdrops occur, it is clear from the reasoning of the Ruling & FAQs that the IRS generally would treat an airdrop as a taxable event giving rise to ordinary income.

There can be no assurance that the IRS will not alter its position with respect to digital assets in the future or that a court would uphold the treatment set forth in the Notice and the Ruling & FAQs. It is also unclear what additional guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for shareholders and could have an adverse effect on the prices of digital assets, including the price of BCH in the Digital Asset Market, and therefore could have an adverse effect on the value of Shares. Future developments that may arise with respect to digital assets may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. For example, the Notice addresses only digital assets that are "convertible virtual currency," and it is conceivable that, as a result of a fork, airdrop or similar event, the Trust could hold certain types of digital assets that are not within the scope of the Notice.

The remainder of this discussion assumes that BCH, and any Incidental Rights and/or IR Virtual Currency that the Trust may hold, is properly treated for U.S. federal income tax purposes as property that may be held as a capital asset and that is not currency for purposes of the provisions of the Code relating to foreign currency gain and loss.

Shareholders are urged to consult their tax advisers regarding the tax consequences of an investment in the Trust and in digital assets in general, including, in the case of shareholders that are generally exempt from U.S. federal income taxation, whether such shareholders may recognize "unrelated business taxable income" ("UBTI") as a consequence of a fork, airdrop or similar event.

Incidental Rights and IR Virtual Currency

It is possible that, in the future, the Trust will hold Incidental Rights and/or IR Virtual Currency that it receives in connection with its investment in BCH. The uncertainties with respect to the treatment of digital assets for U.S. federal income tax purposes, described above, apply to Incidental Rights and IR Virtual Currency, as well as to BCH. As described above, the Notice addressed only digital assets that are "convertible virtual currency," defined as digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency. It is conceivable that certain IR Virtual Currency the Trust may receive in the future would not be within the scope of the Notice.

In general, it is expected that the Trust would receive Incidental Rights and IR Virtual Currency as a consequence of a fork, an airdrop or a similar event related to its ownership of BCH. As described above, the Ruling & FAQs include guidance to the effect that, under certain circumstances, forks (and, presumably, airdrops) of digital assets are taxable events giving rise to ordinary income, but there continues to be uncertainty with respect to the timing and amount of the income inclusions. The Trust's receipt of Incidental Rights or IR Virtual Currency may give rise to other tax issues. The possibility that the Trust will receive Incidental Rights and/or IR

Virtual Currency thus increases the uncertainties and risks with respect to the U.S. federal income tax consequences of an investment in Shares.

The Trust may distribute Incidental Rights or IR Virtual Currency, or cash from the sale of Incidental Rights or IR Virtual Currency, to the shareholders. Alternatively, the Trust may form a liquidating trust to which it contributes Incidental Rights or IR Virtual Currency and distribute interests in the liquidating trust to the shareholders. Any such distribution will not be a taxable event for a U.S. Holder (as defined below). A U.S. Holder's tax basis in the Incidental Rights or IR Virtual Currency distributed, whether directly or through the medium of a liquidating trust, will be the same as the U.S. Holder's tax basis in the distributed assets immediately prior to the distribution, and the U.S. Holder's tax basis in its *pro rata* share of the Trust's remaining assets will not include the amount of such basis. Immediately after any such distribution, the U.S. Holder's holding period with respect to the distributed Incidental Rights or IR Virtual Currency will be the same as the U.S. Holder's holding period with respect to the distributed assets immediately prior to the distribution. A subsequent sale of the distributed Incidental Rights or IR Virtual Currency will generally be a taxable event for a U.S. Holder.

For simplicity of presentation, the remainder of this discussion assumes that the Trust will hold only BCH. However, the principles set forth in the discussion below apply to all of the assets that the Trust may hold at any time, including Incidental Rights and IR Virtual Currency, as well as BCH. Without limiting the generality of the foregoing, each beneficial owner of Shares generally will be treated for U.S. federal income tax purposes as owning an undivided interest in any Incidental Rights and/or IR Virtual Currency held in the Trust, and any transfers or sales of Incidental Rights and/or IR Virtual Currency by the Trust (other than distributions by the Trust, as described in the preceding paragraph) will be taxable events to shareholders with respect to which shareholders will generally recognize gain or loss in a manner similar to the recognition of gain or loss on a taxable disposition of BCH, as described below.

Tax Consequences to U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of a Share for U.S. federal income tax purposes that is:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except as specifically noted, the discussion below assumes that each U.S. Holder will acquire all of its Shares on the same date for the same price per Share and solely for cash or solely for BCH that were originally acquired by the U.S. Holder for cash on the same date.

As discussed in the section entitled "Description of the Creation Process," a U.S. Holder may be able to acquire Shares of the Trust by contributing BCH in-kind to the Trust (either directly or through an Authorized Participant acting as agent of the U.S. Holder). Assuming that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes, such a contribution should not be a taxable event to the U.S. Holder.

For U.S. federal income tax purposes, each U.S. Holder will be treated as owning an undivided interest in the BCH held in the Trust and will be treated as directly realizing its pro rata share of the Trust's income, gains, losses and deductions. When a U.S. Holder purchases Shares solely for cash, (i) the U.S. Holder's initial tax basis in its pro rata share of the BCH held in the Trust will be equal to the amount paid for the Shares and (ii) the U.S. Holder's holding period for its pro rata share of such BCH will begin on the date of such purchase. When a U.S. Holder acquires Shares in exchange for BCH, (i) the U.S. Holder's initial tax basis in its pro rata share of the BCH held in the Trust will be equal to the U.S. Holder's tax basis in the BCH that the U.S. Holder transferred to the Trust and (ii) the U.S. Holder's holding period for its pro rata share of such BCH generally will include the period during which the U.S. Holder held the BCH that the U.S. Holder transferred to the Trust. The Ruling & FAQs confirm that if a taxpayer acquires tokens of a digital asset at different times and for different prices, the taxpayer has a separate tax basis in each lot of such tokens. Under the Ruling & FAQs, if a U.S. Holder that owns more than one lot of BCH contributes a portion of its BCH to the Trust in exchange for Shares, the U.S. Holder could designate the lot(s) from which such contribution will be made, provided that the U.S. Holder is able to identify specifically which BCH it is contributing and to substantiate its tax basis in those BCH. In general, if a U.S. Holder acquires Shares (i) solely for cash at different prices, (ii) partly for cash and partly in exchange for a contribution of BCH or (iii) in exchange for a contribution of BCH with different tax bases, the U.S. Holder's share of the Trust's BCH will consist of separate lots with separate tax bases. In addition, in this situation, the U.S. Holder's holding period for the separate lots may be different. In addition, the IR Virtual Currency that the Trust acquires in a hard fork or airdrop that is treated as a taxable event will constitute a separate lot with a separate tax basis and holding period.

When the Trust transfers BCH to the Sponsor as payment of the Sponsor's Fee, or sells BCH to fund payment of any Additional Trust Expenses, each U.S. Holder will be treated as having sold its *pro rata* share of those BCH for their fair market value at that time (which, in the case of BCH sold by the Trust, generally will be equal to the cash proceeds received by the Trust in respect thereof). As

a result, each U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the fair market value of the U.S. Holder's *pro rata* share of the BCH transferred and (ii) the U.S. Holder's tax basis for its *pro rata* share of the BCH transferred. Any such gain or loss will be short-term capital gain or loss if the U.S. Holder's holding period for its pro rata share of the BCH is one year or less and long-term capital gain or loss if the U.S. Holder's holding period for its *pro rata* share of the BCH is more than one year. A U.S. Holder's tax basis in its pro rata share of any BCH transferred by the Trust generally will be determined by multiplying the tax basis of the U.S. Holder's pro rata share of all of the BCH held in the Trust immediately prior to the transfer by a fraction the numerator of which is the amount of BCH transferred and the denominator of which is the total amount of BCH held in the Trust immediately prior to the transfer. Immediately after the transfer, the U.S. Holder's tax basis in its pro rata share of the BCH remaining in the Trust will be equal to the tax basis of its pro rata share of the BCH held in the Trust immediately prior to the transfer, less the portion of that tax basis allocable to its pro rata share of the BCH transferred.

As noted above, the IRS has taken the position in the Ruling & FAQs that, under certain circumstances, a hard fork of a digital asset constitutes a taxable event giving rise to ordinary income, and it is clear from the reasoning of the Ruling & FAQs that the IRS generally would treat an airdrop as a taxable event giving rise to ordinary income. Under the Ruling & FAQs, a U.S. Holder will have a basis in any IR Virtual Currency received in a fork or airdrop equal to the amount of income the U.S. Holder recognizes as a result of such fork or airdrop and the U.S. Holder's holding period for such IR Virtual Currency will begin as of the time it recognizes such income.

U.S. Holders' *pro rata* shares of the expenses incurred by the Trust will be treated as "miscellaneous itemized deductions" for U.S. federal income tax purposes. As a result, a non-corporate U.S. Holder's share of these expenses will not be deductible for U.S. federal income tax purposes.

On a sale or other disposition of Shares, a U.S. Holder will be treated as having sold the BCH underlying such Shares. Accordingly, the U.S. Holder generally will recognize gain or loss in an amount equal to the difference between (i) the amount realized on the sale of the Shares and (ii) the portion of the U.S. Holder's tax basis in its pro rata share of the BCH held in the Trust that is attributable to the Shares that were sold or otherwise subject to a disposition. Such tax basis generally will be determined by multiplying the tax basis of the U.S. Holder's *pro rata* share of all of the BCH held in the Trust immediately prior to such sale or other disposition by a fraction the numerator of which is the number of Shares disposed of and the denominator of which is the total number of Shares held by such U.S. Holder immediately prior to such sale or other disposition (such fraction, expressed as a percentage, the "Share Percentage"). If the U.S. Holder's share of the Trust's BCH consists of separate lots with separate tax bases and/or holding periods, the U.S. Holder will be treated as having sold the Share Percentage of each such lot. Gain or loss recognized by a U.S. Holder on a sale or other disposition of Shares will generally be short-term capital gain or loss if the U.S. Holder's holding period for the BCH underlying such Shares is one year or less and long-term capital gain or loss if the U.S. Holder's holding period for the BCH underlying such Shares is more than one year. The deductibility of capital losses is subject to significant limitations.

After any sale or other disposition of fewer than all of a U.S. Holder's Shares, the U.S. Holder's tax basis in its *pro rata* share of the BCH held in the Trust immediately after the disposition will equal the tax basis in its *pro rata* share of the total amount of the BCH held in the Trust immediately prior to the disposition, less the portion of that tax basis that is taken into account in determining the amount of gain or loss recognized by the U.S. Holder on the disposition.

Any brokerage or other transaction fee incurred by a U.S. Holder in purchasing Shares generally will be added to the U.S. Holder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee or other transaction fee incurred by a U.S. Holder in selling Shares generally will reduce the amount realized by the U.S. Holder with respect to the sale.

In the absence of guidance to the contrary, it is possible that any income recognized by a U.S. tax-exempt shareholder as a consequence of a hard fork, airdrop or similar event would constitute UBTI. A tax-exempt shareholder should consult its tax adviser regarding whether such shareholder may recognize some UBTI as a consequence of an investment in Shares.

Tax Consequences to Non-U.S. Holders

As used herein, the term "non-U.S. Holder" means a beneficial owner of a Share for U.S. federal income tax purposes that is not a U.S. Holder. The term "non-U.S. Holder" does not include (i) a nonresident alien individual who is present in the United States for 183 days or more in a taxable year, (ii) a former U.S. citizen or U.S. resident or an entity that has expatriated from the United States; (iii) a person whose income in respect of Shares is effectively connected with the conduct of a trade or business in the United States; or (iv) an entity that is treated as a partnership for U.S. federal income tax purposes. Shareholders described in the preceding sentence should consult their tax advisers regarding the U.S. federal income tax consequences of owning Shares.

A non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to its share of any gain recognized on the Trust's transfer of BCH in payment of the Sponsor's Fee or any Additional Trust Expense or on the Trust's sale or other disposition of BCH. In addition, assuming that the Trust holds no asset other than BCH, a non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to any gain it recognizes on a sale or other disposition of Shares. A non-U.S. Holder also will generally not be subject to U.S. federal income or withholding tax with respect to any distribution received from the Trust, whether in cash or in-kind.

Provided that it does not constitute income that is treated as "effectively connected" with the conduct of a trade or business in the United States, U.S.-source "fixed or determinable annual or periodical" ("FDAP") income received, or treated as received, by a non-U.S. Holder will generally be subject to U.S. withholding tax at the rate of 30% (subject to possible reduction or elimination pursuant to an applicable tax treaty and to statutory exemptions such as the portfolio interest exemption). Although there is no guidance on point, it is likely that any ordinary income recognized by a non-U.S. Holder as a result of a fork, airdrop or similar event would constitute FDAP income. It is unclear, however, whether any such FDAP income would be properly treated as U.S.-source or foreign-source FDAP income. Non-U.S. Holders should be aware that, in the absence of guidance, a withholding agent (including a broker through which Shares are held) may withhold 30% from a non-U.S. Holder's *pro rata* share of any such income, including by deducting such withheld amounts from proceeds that such non-U.S. Holder would otherwise be entitled to receive in connection with a distribution of Incidental Rights, IR Virtual Currency or proceeds from the disposition of Incidental Rights or IR Virtual Currency.

A non-U.S. Holder that is a resident of a country that maintains an income tax treaty with the United States may be eligible to claim the benefits of that treaty to reduce or eliminate, or to obtain a partial or full refund of, the 30% U.S. withholding tax on its share of any U.S.-source FDAP income, but only if the non-U.S. Holder's home country treats the Trust as "fiscally transparent," as defined in applicable Treasury Regulations.

Although the nature of the Incidental Rights and IR Virtual Currency that the Trust may hold in the future is uncertain, it is unlikely that any such asset would give rise to income that is treated as "effectively connected" with the conduct of a trade or business in the United States or that any income derived by a non-U.S. Holder from any U.S.-source FDAP asset would otherwise be subject to U.S. income or withholding tax, except as discussed above in connection with the fork, airdrop or similar event giving rise to Incidental Rights or IR Virtual Currency. There can, however, be no complete assurance in this regard.

In order to prevent the possible imposition of U.S. "backup" withholding and (if applicable) to qualify for a reduced rate of withholding tax at source under a treaty, a non-U.S. Holder must comply with certain certification requirements (generally, by delivering a properly executed IRS Form W-8BEN or W-8BEN-E to the relevant withholding agent).

U.S. Information Reporting and Backup Withholding

The Trust or the appropriate broker will file certain information returns with the IRS and provide shareholders with information regarding their annual income (if any) and expenses with respect to the Trust in accordance with applicable Treasury Regulations.

A U.S. Holder will generally be subject to information reporting requirements and backup withholding unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. In order to avoid the information reporting and backup withholding requirements, a non-U.S. Holder may have to comply with certification procedures to establish that it is not a U.S. person. The amount of any backup withholding will be allowed as a credit against the shareholder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

FATCA

As discussed above, it is unclear whether any ordinary income recognized by a non-U.S. Holder as a result of a fork, airdrop or similar event would constitute U.S.-source FDAP income. Provisions of the Code commonly referred to as "FATCA" require withholding of 30% on payments of U.S.-source FDAP income and, subject to the discussion of proposed Treasury Regulations below, of gross proceeds of dispositions of certain types of property that produce U.S.-source FDAP income to, "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. In addition, regulations proposed by the U.S. Department of the Treasury (the preamble to which indicates that taxpayers may rely on the regulations pending their finalization) would eliminate the requirement under FATCA of withholding on gross proceeds. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally may obtain a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Shareholders should consult their tax advisers regarding the effects of FATCA on an investment in the Trust.

Item 1A. Risk Factors

The following risks, some of which have occurred and any of which may occur in the future, can have a material adverse effect on our business or financial performance, which in turn can affect the price of the Shares. These are not the only risks we face. There may be other risks we are not currently aware of or that we currently deem not to be material but may become material in the future.

The risk factors below should be read in conjunction with the other information included in this Annual Report on Form 10-K, including the Trust's financial statements and related notes thereto, and our other filings with the SEC.

Risk Factors Related to Digital Assets

The trading prices of many digital assets, including BCH, have experienced extreme volatility and may continue to do so. Extreme volatility in the future, including declines in the trading prices of BCH, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value.

The trading prices of many digital assets, including BCH, have experienced extreme volatility throughout their existence and may continue to do so. Negative perceptions, instability and the absence of standardized regulation in the digital asset economy may reduce confidence in digital assets and result in greater volatility in, or declines in, the price of BCH. Changes in U.S. political leadership or economic policies, or actions or omissions by U.S. government authorities with respect to BCH or other digital assets, may also create uncertainty and materially affect the price of BCH and the value of the Shares. The Trust is not actively managed and will not take any actions to take advantage of or mitigate the impacts of volatility in the price of BCH. Accordingly, any of these factors could increase volatility in or cause a decline in the price of BCH and materially adversely affect the value of the Shares.

Digital assets such as BCH have a limited history and the value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies, including the dependence of digital asset networks on the internet and other technologies, the role of users, developers and miners and the potential for malicious activity.

The value of the Shares is directly related to the value of BCH held by the Trust, and the price of BCH has fluctuated significantly. The following factors may affect the price of BCH and the value of the Shares:

- The limited history and early stage of development of digital asset networks and related protocols, which may not function as intended or achieve widespread use;
- Global supply of BCH, including sales by miners and large holders;
- Investors' expectations with respect to inflation, interest rates, currency exchange rates and changes in the value of BCH;
- Fragmentation, consolidation, liquidity and trading volume in Digital Asset Markets, and fiat currency deposit and withdrawal policies of Digital Asset Trading Platforms;
- Interruptions, theft, loss, compromise, insolvency or failure involving Digital Asset Trading Platforms, custodians or other digital asset service providers;
- Dependence on the internet, a disruption of which could hinder transfers of BCH and reduce its value;
- Governance of the Bitcoin Cash Network by voluntary consensus and open competition, which could result in a lack of consensus or clarity and difficulty addressing long-term problems;
- Investment and trading activities of large investors and activity in derivatives markets for BCH or digital assets generally;
- Monetary policies, trade restrictions, currency devaluations and revaluations and regulatory measures that restrict the use of BCH or the Bitcoin Cash Network;
- The maintenance and development of the open-source software protocol of the Bitcoin Cash Network, including whether developers and other contributors have sufficient incentives and resources to maintain and develop the network;
- Competition from other digital assets or alternative means of payment;
- Global or regional political, economic or financial conditions, events and situations, such as the coronavirus outbreak;
- Actual or perceived fraudulent or manipulative trading and a lack of transparency in Digital Asset Markets;
- Fees and settlement times associated with BCH transactions;
- Source-code or cryptographic flaws, advances in quantum computing or a failure to implement quantum-resistant protections in a timely manner, any of which could compromise the Bitcoin Cash Network or result in the theft of the

Trust's BCH. Similar events affecting other digital assets could reduce confidence in digital asset networks and demand for BCH;

- A "short squeeze" resulting from speculation on the price of BCH, if aggregate short exposure exceeds the number of Shares available for purchase; and
- The Trust's own acquisitions or dispositions of BCH, since there is no limit on the amount of BCH that the Trust may acquire.

Because BCH and the Bitcoin Cash Network have a limited history and continue to develop, additional risks may arise that are difficult to predict. BCH may not maintain its value or achieve or sustain broader acceptance. A decline in the price of BCH would reduce the Trust's NAV per Share and may adversely affect the trading price of the Shares.

Digital assets represent a relatively new and rapidly evolving industry, and the value of the Shares depends on the acceptance of BCH.

Digital asset networks, including the Bitcoin Cash Network and related protocols represent a relatively new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. The realization of one or more of the following risks could materially adversely affect the value of the Shares:

- BCH is only selectively accepted as a means of payment by retail and commercial outlets, and use of BCH by consumers remains limited. Banks and other established financial institutions may refuse to process funds for BCH transactions or maintain accounts for persons or entities transacting in BCH or provide banking services to businesses that provide digital asset-related services or that accept digital assets as payment. Reduced banking access and limited use could dampen liquidity and acceptance of BCH and adversely affect the price of BCH and the value of the Shares.
- The prices of digital assets may be determined on a relatively small number of Digital Asset Trading Platforms by a relatively small number of market participants, many of whom are speculators or those intimately involved with the issuance of such digital assets, such as miners or developers, which could contribute to price volatility.
- Certain privacy-preserving features have been or are expected to be introduced to a number of digital asset networks. If any such features are introduced to the Bitcoin Cash Network and if there is a concern that such privacy-preserving features interfere with the performance of anti-money laundering duties and economic sanctions checks, any trading platforms or businesses that facilitate transactions in BCH may be at an increased risk of criminal or civil lawsuits, or of having banking services cut off.
- Users, developers and miners may switch to or adopt certain digital asset networks or protocols at the expense of their engagement with other digital asset networks and protocols, which may negatively impact those networks and protocols, including the Bitcoin Cash Network.

Changes in the governance of a digital asset network or protocol may not receive sufficient support from users and miners, which may negatively affect that digital asset network's or protocol's ability to grow and respond to challenges.

The governance of some digital asset networks and protocols, such as the Bitcoin Cash Network, is generally by voluntary consensus and open competition. For such networks and protocols, there may be a lack of consensus or clarity on that network's or protocol's governance, which may stymie such network's or protocol's utility, adaptability and ability to grow and face challenges.

The foregoing notwithstanding, the underlying software for some digital asset networks and protocols, such as the Bitcoin Cash Network, is informally or formally managed or developed by a group of core developers that propose amendments to the relevant network's or protocol's source code. If a significant majority of users and miners were to adopt amendments to a decentralized network based on the proposals of such core developers, such network would be subject to new source code that may adversely affect the value of the relevant digital asset.

Additionally, core developers' roles may evolve or cease over time, which can adversely affect the value of the relevant digital asset.

As a result of the foregoing, it may be difficult to find solutions or marshal sufficient effort to overcome any future problems, especially long-term problems, on digital asset networks.

Digital asset networks face significant scaling challenges and efforts to increase the volume and speed of transactions may not be successful.

Many digital asset networks face significant scaling challenges due to the fact that public, permissionless blockchains generally face a tradeoff between security and scalability. One means through which digital asset networks that utilize public, permissionless blockchains achieve security is decentralization, meaning that no intermediary is responsible for securing and maintaining these

systems. For example, a greater degree of decentralization of a public permissionless blockchain generally means a given digital asset network is less susceptible to manipulation or capture. In practice, this typically means that every single node on a given digital asset network is responsible for securing the system by processing every transaction and maintaining a copy of the entire state of the network. As a result, a digital asset network that utilizes a public permissionless blockchain may be limited in the number of transactions it can process by the computing capabilities of each single fully participating node. Many developers are actively researching and testing scalability solutions for public blockchains, such as off-chain payment channels and Layer 2 networks.

To increase the volume of transactions that can be processed on the Bitcoin Cash Network, the block size limit has been increased to 32 MB (as compared to the Bitcoin Network's 1 MB block size limit). Mechanisms for increasing the scale of settlement or throughput of Bitcoin Cash Network transactions may not be effective, may not achieve wide-scale use or may not achieve their intended results in a timely manner. If corresponding increases in throughput lag behind growth in the use of digital asset networks, average transaction fees and settlement times may increase considerably, which could preclude certain uses for BCH and reduce demand for, and the price of, BCH, which could adversely impact the value of the Shares.

Digital assets may have concentrated ownership and large sales or distributions by holders of such digital assets, which could have an adverse effect on the market price of such digital asset.

The largest BCH wallets are believed to hold, in aggregate, a significant percentage of the BCH in circulation. Moreover, it is possible that other persons or entities control multiple wallets that collectively hold a significant amount of BCH, even if they individually only hold a small amount, and it is possible that some of these wallets are controlled by the same person or entity. As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect on the market price of BCH.

If the digital asset reward for mining blocks and transaction fees for recording transactions on the Bitcoin Cash Network are not sufficiently high to incentivize miners, or if certain jurisdictions continue to limit or otherwise regulate mining activities, miners may cease expanding processing power or demand high transaction fees, which could negatively impact the value of BCH and the value of the Shares.

If the digital asset rewards for mining blocks or the transaction fees for recording transactions on the Bitcoin Cash Network are not sufficiently high to incentivize miners, or if certain jurisdictions limit or otherwise regulate mining activities, miners may cease expending processing power to mine blocks and the confirmations of transactions on the Bitcoin Cash Blockchain could be slowed. The realization of one or more of the following risks could materially adversely affect the value of the Shares:

- If the profit margins of mining operations on the Bitcoin Cash Network are not sufficiently high, miners may sell BCH earned by mining, resulting in an increase in the liquid supply of BCH, which could reduce the market price of BCH.
- A reduction in the processing power expended by miners on the Bitcoin Cash Network could increase the likelihood of a malicious actor or botnet obtaining control on the Bitcoin Cash Network.
- If miners demand higher transaction fees for recording transactions in the Bitcoin Cash Blockchain, the cost of using BCH may increase and the marketplace may be reluctant to accept BCH as a means of payment. Alternatively, miners could collude in an anti-competitive manner to reject low transaction fees on the Bitcoin Cash Network and force users to pay higher fees, thus reducing the attractiveness of the Bitcoin Cash Network. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of the Bitcoin Cash Network, the value of BCH and the value of the Shares.
- To the extent that any miners cease to record transactions that do not include the payment of a transaction fee in mined blocks or do not record a transaction because the transaction fee is too low, such transactions will not be recorded on the Bitcoin Cash Blockchain until a block is mined by a miner willing to accept a lower fee. Any widespread delays in the recording of transactions could result in a loss of confidence in the digital asset network.
- Digital asset mining operations can consume significant amounts of electricity, which may have a negative environmental impact and give rise to public opinion against allowing, or government regulations restricting, the use of electricity for mining operations. Additionally, miners may be forced to cease operations during an electricity shortage or power outage.

Disruptions or other problems in the supply chain for digital asset mining hardware could cause harm to the Bitcoin Cash Network and adversely affect the value of the Shares.

The supply of digital asset mining hardware is concentrated among a limited number of suppliers and geographic regions. Mining hardware manufacturers may be unable to manufacture or supply sufficient mining hardware, whether due to shortages of components or resources, changes in laws or trade restrictions, insolvency or non-performance of their contracts. Such factors may reduce the availability of mining hardware or components necessary for its manufacture or repair.

If miners are unable to source mining hardware at commercially reasonable prices, or at all, and replacement or substitute sources of mining hardware prove to be unavailable, mining on the Bitcoin Cash Network could be negatively affected. These supply chain disruptions could make it more difficult for transactions on the Bitcoin Cash Network to be confirmed, increase transaction costs, or affect the Bitcoin Cash Network's security, any of which could negatively affect the value of BCH and consequently the value of the Shares.

If a malicious actor or botnet obtains control of more than 50% of the processing power on the Bitcoin Cash Network, or otherwise obtains control over the Bitcoin Cash Network through its influence over core developers or otherwise, such actor or botnet could manipulate the Blockchain to adversely affect the value of the Shares or the ability of the Trust to operate.

If a malicious actor or botnet obtains a majority of the processing power on the Bitcoin Cash Network, it may be able to alter the Blockchain on which transactions in BCH rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could also control, exclude or modify the ordering of transactions, or "double-spend" its own digital assets (i.e., spend the same tokens in more than one transaction). To the extent that such malicious actor or botnet did not yield its control of the processing power on the Bitcoin Cash Network or the Bitcoin Cash community did not reject the fraudulent blocks as malicious, reversing any changes made to the Blockchain may not be possible.

Mining power on the Bitcoin Cash Network has in the past been, and may in the future continue to be concentrated among a limited number of mining pools. If the BCH network does not continue to scale or if network participants do not act to ensure greater decentralization of BCH mining processing power, the feasibility of a malicious actor obtaining control of the processing power on the Bitcoin Cash Network will increase, which may adversely affect the value of the Shares.

In addition, in May 2019, the Bitcoin Cash Network experienced a >50% attack when two large mining pools reversed a series of transactions in order to stop an unknown miner from taking advantage of a flaw in a recent Bitcoin Cash protocol upgrade. Although this particular attack was arguably benevolent, the fact that such coordinated activity was able to occur may negatively impact perceptions of the Bitcoin Cash Network. Any future attacks on the Bitcoin Cash Network could negatively impact the value of BCH and the value of the Shares.

A malicious actor may also obtain control over the Bitcoin Cash Network through its influence over core developers or by gaining direct control over an otherwise influential programmer, which could cause the Bitcoin Cash Network to adopt protocol updates that are adverse to the Trust or its shareholders.

A temporary or permanent "fork" or a "clone" could adversely affect the value of the Shares.

The Bitcoin Cash Network operates using open-source protocols, meaning that any user can download the software, modify it and then propose that the users and miners of BCH adopt the modification. If less than a substantial majority of users and miners consent to a proposed modification, the consequence would be a "hard fork" of the Bitcoin Cash Network, with one group running the pre-modified software and the other running the modified software, resulting in two versions of Bitcoin Cash running in parallel, yet lacking interchangeability.

Forks can introduce new security concerns, such as "replay attacks" and an inherent decrease in the level of security due to significant amounts of mining power remaining on one network or migrating to the new forked network. After a hard fork, it may become easier for an individual miner or mining pool's hashing power to exceed 50% of the processing power of a digital asset network that retained or attracted less mining power, thereby making digital asset networks that rely on proof-of-work more susceptible to attack. Digital asset networks and related protocols may also be cloned, resulting in a competing network with characteristics substantially similar to the network it was based on (for example, Bitcoin Cash is the result of a hard fork of the Bitcoin Network). A hard fork may adversely affect the price of BCH at the time of announcement or adoption. Furthermore, while the Trust would be entitled to both versions of the digital asset running in parallel, the Sponsor will, as permitted by the terms of the Trust Agreement, determine which version of the digital asset is generally accepted as the Bitcoin Cash Network and should therefore be considered the appropriate network for the Trust's purposes, and there is no guarantee that the Sponsor will choose the digital asset that is ultimately the most valuable fork. A clone may also adversely affect the price of BCH at the time of announcement or adoption.

A future fork in or clone of the Bitcoin Cash Network could adversely affect the value of the Shares or the ability of the Trust to operate.

In the event of a hard fork of the Bitcoin Cash Network, the Sponsor will, if permitted by the terms of the Trust Agreement, use its discretion to determine which network should be considered the appropriate network for the Trust's purposes, and in doing so may adversely affect the value of the Shares.

In the event of a hard fork of the Bitcoin Cash Network, the Sponsor will, as permitted by the terms of the Trust Agreement, use its discretion to determine, in good faith, which digital asset network, among a group of incompatible forks of the Bitcoin Cash Network, is generally accepted as the Bitcoin Cash Network and should therefore be considered the appropriate digital asset network for the Trust's purposes. There is no guarantee that the Sponsor will choose the digital asset network or digital asset that is ultimately

the most valuable fork, and the Sponsor's decision may adversely affect the value of the Shares as a result. The Sponsor may also disagree with shareholders, security vendors and the Index Provider on what is generally accepted as BCH and should therefore be considered "BCH" for the Trust's purposes, which may also adversely affect the value of the Shares as a result.

The Trust could incur liability or operational disruption if BCH contributed to the Trust is associated with sanctioned persons or illicit activity.

The Trust accepts BCH in connection with Share creations. Digital asset networks have in the past been, and may continue to be, used to facilitate illicit activities, and the Trust, the Sponsor, the Custodian or an Authorized Participant may be unable to identify all BCH associated with sanctioned persons or illicit activity. If the Trust or its service providers transact with a sanctioned person or receive BCH associated with illicit activity, assets could be rejected, blocked or frozen, and the Trust or its service providers could face investigations, liability, fines, penalties or service disruptions. In addition, service providers may cut off services if there is a concern that the Bitcoin Cash Network is being used to facilitate crime. Any of the foregoing could adversely affect the Trust and the value of the Shares.

Risk Factors Related to the Digital Asset Markets

Recent developments in the digital asset economy have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity.

In the past and to date, digital asset prices have experienced significant fluctuations, leading to volatility and disruption in the digital asset markets and financial difficulties for several prominent industry participants, including Digital Asset Trading Platforms, hedge funds and lending platforms. For example, in the first half of 2022, digital asset lenders Celsius Network LLC and Voyager Digital Ltd. and digital asset hedge fund Three Arrows Capital each entered into insolvency proceedings. This resulted in a loss of confidence in participants in the digital asset ecosystem, negative publicity surrounding digital assets more broadly and market-wide declines in digital asset trading prices and liquidity.

Thereafter, in November 2022, FTX, the third largest Digital Asset Trading Platform by volume at the time, halted customer withdrawals amid rumors of the company's liquidity issues and likely insolvency. Shortly thereafter, FTX's CEO resigned and FTX and several affiliates of FTX filed for bankruptcy. The U.S. Department of Justice subsequently brought criminal charges, including charges of fraud, violations of federal securities laws, money laundering, and campaign finance offenses, against FTX's former CEO and others. In November 2023, FTX's former CEO was convicted of fraud and money laundering. Similar charges related to violations of anti-money laundering laws were brought in November 2023 against Binance and its former CEO. In addition, several other entities in the digital asset industry filed for bankruptcy following FTX's bankruptcy filing, such as BlockFi Inc. and Genesis Global Capital, LLC ("Genesis Capital"), a subsidiary of Genesis Global Holdco, LLC ("Genesis Holdco"). The SEC also brought charges against Genesis Capital and Gemini Trust Company, LLC ("Gemini") in January 2023 for their alleged unregistered offer and sale of securities to retail investors. In October 2023, the New York Attorney General ("NYAG") brought charges against Gemini, Genesis Capital, Genesis Asia Pacific PTE. LTD., Genesis Holdco, Genesis Capital's former CEO, DCG, and DCG's CEO alleging violations of law. In February 2024, the Genesis Entities entered into a settlement agreement with the NYAG to resolve the NYAG's allegations, which settlement was subsequently approved by the Bankruptcy Court of the Southern District of New York.

On January 17, 2025, DCG agreed to entry of a cease-and-desist order and payment of a $38 million civil money penalty arising out of the SEC's allegations that (i) DCG negligently engaged in conduct that misled investors about the impact of the default on Genesis Capital's financial condition and (ii) DCG's failure to exercise reasonable care in connection with certain statements concerning Genesis Capital's financial condition created a materially false impression to the public regarding Genesis Capital's financial health.

Furthermore, Genesis Holdco, together with certain of its subsidiaries, filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January 2023. While Genesis Holdco is not a service provider to the Trust, it is a wholly owned subsidiary of DCG, and is an affiliate of the Trust and the Sponsor.

These events have led to significant negative publicity around digital asset market participants including DCG, Genesis and DCG's other affiliated entities. This publicity could negatively impact the reputation of the Sponsor and have an adverse effect on the trading price and/or the value of the Shares. Moreover, sales of a significant number of Shares of the Trust as a result of these events could have a negative impact on the trading price of the Shares.

Digital asset markets have also been negatively impacted by the failure of entities perceived to be integral to the digital asset ecosystem. For example, in March 2023, state banking regulators placed Silicon Valley Bank and Signature Bank into FDIC receivership, and Silvergate Bank announced plans to wind down and liquidate its operations. Because these banks were perceived to be most open to providing services for the digital asset ecosystem, their failures may impact the willingness of other banks to provide banking services to digital asset market participants.

Adverse developments affecting the digital asset ecosystem may be difficult to predict and may adversely affect the Sponsor, the Trust, their affiliates or the digital asset industry as a whole. Continued disruption and instability in the digital asset markets, including declines in the trading prices and liquidity of BCH, could have a material adverse effect on the value of the Shares.

Many Digital Asset Trading Platforms operate with limited regulatory oversight or transparency and may experience fraud, market manipulation, business failures, security failures or operational problems, which may adversely affect the value of BCH and the value of the Shares.

Many Digital Asset Trading Platforms are unlicensed or subject to limited regulatory oversight. Digital Asset Trading Platforms may also fail to comply with applicable regulation or may provide limited information regarding their operations, cybersecurity practices and regulatory compliance. These risks may be heightened for Digital Asset Trading Platforms located outside of the United States. As a result, trading activity on or reported by these Digital Asset Trading Platforms may reflect behavior that would be prohibited in regulated U.S. trading venues. Actual or perceived fraudulent or manipulative trading could reduce confidence in Digital Asset Trading Platforms, adversely affect the value or market perception of BCH and, in turn, adversely affect the value of the Shares.

Tools to detect and deter fraudulent or manipulative trading activities may not be available to or employed by Digital Asset Trading Platforms, and such platforms may also lack safeguards used by more traditional exchanges to enhance the stability of trading. As a result, the prices of BCH on Digital Asset Markets may be subject to larger or more frequent sudden declines than the prices of assets traded on more traditional exchanges. In the past, Digital Asset Trading Platforms have been closed or temporarily shut down due to fraud, business failure, security breaches or operational problems. Such events have in the past, and may in the future, reduce confidence in Digital Asset Markets, increase volatility in the price of BCH and adversely affect the value of the Shares.

Furthermore, the closure or temporary shutdown of a Digital Asset Trading Platform used in calculating the Index Price may result in a loss of confidence in the Trust's ability to determine its NAV on a daily basis

Digital Asset Trading Platforms may be exposed to wash-trading and front-running.

Digital Asset Trading Platforms may be susceptible to wash-trading and front-running. Wash-trading occurs when offsetting trades are entered into for other than bona fide reasons, such as the desire to inflate reported trading volumes. Front-running occurs when a party uses technology or market advantage to get and use prior knowledge of upcoming transaction for their own benefit. Any actual or perceived false trading on Digital Asset Trading Platforms could adversely affect the value of BCH and/or negatively affect the market perception of BCH. Wash-trading and front-running also may place more legitimate Digital Asset Trading Platforms at a relative competitive disadvantage.

The Index has a limited history and a failure of the Index Price could adversely affect the value of the Shares.

The Index has a limited history and the Index Price is a composite reference rate calculated using trading price data from various Digital Asset Trading Platforms chosen by the Index Provider. Although the Index is designed to accurately capture the market price of BCH, third parties may be able to purchase and sell BCH on public or private markets not included among the Constituent Trading Platforms of the Index, and such transactions may take place at prices materially higher or lower than the Index Price. Moreover, there may be variances in the price of BCH on the various Digital Asset Trading Platforms, including as a result of differences in fee structures or administrative procedures on different Digital Asset Trading Platforms. To the extent such prices differ materially from the Index Price, investors may lose confidence in the Shares' ability to track the market price of BCH, which could adversely affect the value of the Shares.

The Index Price used to calculate the value of the Trust's BCH may be volatile, and purchasing activity in the Digital Asset Markets associated with Basket creations may affect the Index Price and Share trading prices, adversely affecting the value of the Shares.

The price of BCH on public Digital Asset Trading Platforms has a very limited history, and during this history, BCH prices on the Digital Asset Markets have been volatile and subject to influence by many factors, including operational interruptions. While the Index is designed to limit exposure to the interruption of individual Digital Asset Trading Platforms, the Index Price remains subject to volatility experienced by Digital Asset Trading Platforms, and such volatility could adversely affect the value of the Shares. The Sponsor has not observed a material difference between the Index Price and average prices from the Constituent Trading Platforms individually or as a group.

Furthermore, because the number of Digital Asset Trading Platforms is limited, the Index will necessarily be comprised of a limited number of Digital Asset Trading Platforms. If a Digital Asset Trading Platform were subjected to regulatory, volatility or other pricing issues, the Index Provider would have limited ability to remove such Digital Asset Trading Platform from the Index, which could skew the price of BCH as represented by the Index. Purchasing activity associated with acquiring BCH required for the creation of Baskets may increase the market price of BCH on the Digital Asset Markets, which will result in higher prices for the Shares. If the Index Price declines, the value of the Shares will generally also decline.

Competition from the emergence or growth of other digital assets could have a negative impact on the price of BCH and adversely affect the value of the Shares.

Competition from the emergence or growth of alternative digital assets and smart contract platforms could have a negative impact on the demand for, and price of, BCH and thereby adversely affect the value of the Shares. In addition, some digital asset networks may be the target of ill will from users of other digital asset networks, and these users may attempt to negatively impact the use or adoption of the Bitcoin Cash Network.

Investors may also invest in BCH through means other than the Shares, including through direct investments in BCH and other potential financial vehicles, possibly including securities backed by or linked to BCH and digital asset financial vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in BCH directly, which could limit the market for, and reduce the liquidity of, the Shares. Any reduced demand for Shares of the Trust may cause the Shares of the Trust to trade at a discount to the NAV per Share.

Exchange-traded products that invest in BCH may reduce demand for the Shares and adversely affect their liquidity and trading price.

Exchange-traded products that invest in BCH are listed on national securities exchanges, and additional competing products may be listed in the future. Such products may offer investors greater liquidity and an arbitrage mechanism designed to keep their trading prices closer to net asset value. Investors may prefer such products to the Shares, which could reduce demand for and liquidity of the Shares, increase any discount to NAV per Share and adversely affect the trading price of the Shares.

Competition from central bank digital currencies could adversely affect the value of BCH and other digital assets.

Central banks in various countries have introduced or are developing digital forms of legal tender ("CBDCs"). Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could compete with, or replace, BCH and other cryptocurrencies as a medium of exchange or store of value. Central banks and other governmental entities have also announced cooperative initiatives and consortia with private sector entities, with the goal of leveraging blockchain and other technology to reduce friction in cross-border and interbank payments and settlement, and commercial banks and other financial institutions have also announced a number of initiatives of their own to incorporate new technologies, including blockchain and similar technologies, into their payments and settlement activities. As CBDCs and similar technologies gain traction, the demand for BCH may decline, leading to a potential decrease in its value, which could adversely affect an investment in the Shares.

Digital asset treasury companies may increase volatility and competitive pressures in the digital asset market, which could adversely affect the value of the Shares.

In recent times, a number of companies engaged in businesses outside the digital assets industry have begun to hold their corporate treasuries in digital assets instead of fiat currency ("digital asset treasury companies"). In some cases, these companies have raised funds through financing or securities offerings and applied the proceeds to purchase digital assets, including BCH or digital assets that compete with BCH.

Digital asset treasury companies are a relatively new phenomenon and it is impossible to predict all of the risks they could pose to the Trust. Digital asset treasury companies may increase procyclical dynamics in the market because they may purchase digital assets when prices are rising and sell such assets when prices are decreasing, potentially making BCH more expensive in a rising market and causing downward pressure on BCH prices in a falling market. Digital asset treasury companies could also cause greater volatility in digital asset markets, including markets for BCH. Additionally, digital asset treasury companies may compete with the Trust as a perceived alternative means of achieving exposure to the price of BCH through investing in securities. Any of the foregoing could adversely affect holders of Shares in the Trust.

Prices of BCH may be affected due to stablecoins, the activities of stablecoin issuers and their regulatory treatment.

While the Trust does not invest in stablecoins, it may nonetheless be exposed to these and other risks that stablecoins pose for the market for BCH and other digital assets. Stablecoins are digital assets designed to have a stable value over time, typically pegged to the value of a referenced asset such as a fiat currency. Although the prices of stablecoins are intended to be stable, in many cases their prices fluctuate, sometimes significantly. Given the role that stablecoins play in global digital asset markets, their fundamental liquidity can have a dramatic impact on the broader digital asset market, including the market for BCH. Volatility in stablecoins, operational issues with stablecoins, concerns about the sufficiency of any reserves that support stablecoins, or regulatory concerns about stablecoin issuers or intermediaries could impact individuals' willingness to trade on trading venues that rely on stablecoins and could impact the price of BCH, and in turn, an investment in the Shares.

Risk Factors Related to the Trust and the Shares

The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose challenges to the safekeeping of the Trust's BCH and to the operations of the Trust.

The Trust relies on the Custodian, the Authorized Participants and other third-party service providers to perform certain functions essential to managing the affairs of the Trust. In addition, Liquidity Providers are relied upon to facilitate the purchase and sale of BCH in connection with creations and redemptions of Shares in cash ("Cash Orders"), and the Transfer Agent and Grayscale Investments Sponsors, LLC (in such capacity, the "Liquidity Engager"), are relied upon to facilitate such Cash Orders. Any disruptions to a service provider's business operations, resulting from business failures, financial instability, security failures, government mandated regulation or operational problems, could have an adverse impact on the Trust's ability to access critical services and be disruptive to the operations of the Trust and require the Sponsor or the Liquidity Engager, as the case may be, to replace such service provider. Moreover, the Sponsor could decide to replace a service provider to the Trust, or the Liquidity Engager may decide to replace a Liquidity Provider, for other reasons.

If the Sponsor decides, or is required, to replace Coinbase Custody Trust Company, LLC as the custodian of the Trust's BCH, transfer of the respective maintenance responsibilities of the Digital Asset Account to another party or parties will likely be complex and could subject the Trust's BCH to the risk of loss during the transfer, which could have a negative impact on the performance of the Shares or result in loss of the Trust's assets.

Moreover, the legal rights of customers with respect to digital assets held on their behalf by a third-party custodian, such as the Custodian, in insolvency proceedings are currently uncertain. The Custody Agreement contains an agreement by the parties to treat the digital assets credited to the Trust's Digital Asset Account as financial assets under Article 8 in addition to stating that the Custodian will serve as fiduciary and custodian on the Trust's behalf.

The Custodian's parent, Coinbase Global, has also stated in its public securities filings that in light of the inclusion of provisions relating to Article 8 in its custody agreements, it believes that a court would not treat custodied digital assets as part of its general estate in the event the Custodian were to experience insolvency. However, due to the novelty of digital asset custodial arrangements courts have not yet considered this type of treatment for custodied digital assets and it is not possible to predict with certainty how they would rule in such a scenario. If the Custodian became subject to insolvency proceedings and a court were to rule that the custodied digital assets were part of the Custodian's and/or Coinbase Global's general estate and not the property of the Trust, then the Trust would be treated as a general unsecured creditor in such insolvency proceedings and the Trust would be subject to the loss of all or a significant portion of its assets.

In addition, the Custodian is a fiduciary under §100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act and is licensed to custody the Trust's BCH on the Trust's behalf. However, the SEC has previously released proposed amendments in February 2023 to Rule 206(4)-2 that, if enacted as proposed, would amend the definition of a "qualified custodian" under Rule 206(4)-2(d)(6). Executive officers of the Custodian's parent company have made public statements indicating that the Custodian would remain a qualified custodian under the proposed SEC rule, if enacted as proposed. In June 2025, however, the SEC formally withdrew that proposed rulemaking and stated that it does not intend to issue final rules based on the proposal. However, there can be no assurance that the Custodian would continue to qualify as a "qualified custodian" under a final rule that may be proposed or adopted by the SEC in the future.

To the extent that the Sponsor is not able to find a suitable party willing to serve as custodian, the Sponsor may be required to terminate the Trust and liquidate the Trust's BCH. In addition, to the extent that the Sponsor finds a suitable party and must enter into a modified or separate custody agreement that is less favorable for the Trust or Sponsor and/or transfer the Trust's assets in a relatively short time period, the safekeeping of the Trust's BCH may be adversely affected, which may in turn adversely affect the value of the Shares. Likewise, if the Sponsor is required to replace any other service provider, they may not be able to find a party willing to serve in such capacity in a timely manner or at all. If the Sponsor decides, or is required, to replace an Authorized Participant and/or if the Liquidity Engager decides, or is required, to replace a Liquidity Provider, this could negatively impact the Trust's ability to create new Shares, which would impact the Shares' liquidity and could have a negative impact on the value of the Shares.

The Trust is an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make the Shares less attractive to investors.

The Trust is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"), and intends to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation. The Trust intends to take advantage of these reporting exemptions until it is no longer an emerging growth company. The Trust will remain an emerging growth company for up to five years after its initial public offering, although it will lose that status sooner if the Trust has more than $1.235 billion of revenues in a fiscal year, has

more than $700 million in market value of Shares held by non-affiliates as of any June 30, or issues more than $1.0 billion of non-convertible debt over a rolling three-year period. If some investors find the Shares less attractive as a result, there may be a less active trading market for the Shares and the price of the Shares may be more volatile.

Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Index Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share.

Shares purchased in a private placement are subject to a holding period under Rule 144. Pursuant to Rule 144, the minimum holding period for Shares purchased in a private placement is six months. In addition, the Trust does not currently operate an ongoing redemption program and may halt creations from time to time. As a result, the Trust cannot rely on arbitrage opportunities resulting from differences between the value of the Shares and the price of BCH to keep the value of the Shares closely linked to the Index Price. As a result, the value of the Shares of the Trust may not approximate the value of the Trust's NAV per Share or meet the Trust's investment objective, and may trade at a substantial premium over, or substantial discount to, the value of the Trust's NAV per Share.

The Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-concurrent trading hours between OTC Markets and the Digital Asset Trading Platform Market.

The Trust's NAV per Share will fluctuate with changes in the market value of BCH, and the Sponsor expects the trading price of the Shares to fluctuate in accordance with changes in the Trust's NAV per Share, as well as market supply and demand. However, the Shares may trade on OTC Markets at a price that is at, above or below the Trust's NAV per Share for a variety of reasons. For example, OTC Markets are open for trading in the Shares for a limited period each day, but the Digital Asset Trading Platform Market is a 24-hour marketplace. During periods when OTC Markets are closed but Digital Asset Trading Platforms are open, significant changes in the price of BCH could result in a difference in performance between the value of BCH as measured by the Index and the most recent NAV per Share or closing trading price.

Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share.

Historically, the Shares have traded at both premiums and discounts to the NAV per Share, which at times have been substantial. If the Shares trade at a premium, investors who purchase Shares on OTC Markets will pay more for their Shares than investors who purchase Shares directly from Authorized Participants. In contrast, if the Shares trade on OTC Markets at a discount, investors who purchase Shares directly from Authorized Participants will pay more for their Shares than investors who purchase Shares on OTC Markets. As a result, shareholders who purchase Shares on OTC Markets may suffer a loss on their investment if they sell their Shares at a time when the premium has decreased from the premium at which they purchased the Shares even if the NAV per Share remains the same. Likewise, shareholders that purchase Shares directly from the Trust may suffer a loss on their investment if they sell their Shares at a time when the Shares are trading at a discount on OTC Markets. Furthermore, shareholders may suffer a loss on their investment even if the NAV per Share increases because the decrease in any premium or increase in any discount may offset any increase in the NAV per Share.

The amount of the Trust's assets represented by each Share will decline over time as the Trust pays the Sponsor's Fee and Additional Trust Expenses, and as a result, the value of the Shares may decrease over time.

The Sponsor's Fee accrues daily in U.S. dollars at an annual rate based on the NAV Fee Basis Amount, which is based on the NAV of the Trust, and is paid to the Sponsor in BCH. As a result, the amount of Trust's assets represented by each Share declines as the Trust pays the Sponsor's Fee (or sells BCH in order to raise cash to pay any Additional Trust Expenses), which may cause the Shares to decrease in value over time or dampen any increase in value.

The value of the Shares may be influenced by a variety of factors unrelated to the value of BCH.

The value of the Shares may be influenced by a variety of factors unrelated to the price of BCH and the Digital Asset Trading Platforms included in the Index that may have an adverse effect on the value of the Shares. These factors include the following:

- Unanticipated problems or issues with respect to the mechanics of the Trust's operations and the trading of the Shares may arise, in particular due to the fact that the mechanisms and procedures governing the creation and offering of the Shares and storage of BCH have been developed specifically for this product;
- The Trust could experience difficulties in operating and maintaining its technical infrastructure, including in connection with expansions or updates to such infrastructure, which are likely to be complex and could lead to unanticipated delays, unforeseen expenses and security vulnerabilities;

- The Trust could experience unforeseen issues relating to the performance and effectiveness of the security procedures used to protect the Digital Asset Account, or the security procedures may not protect against all errors, software flaws or other vulnerabilities in the Trust's technical infrastructure, which could result in theft, loss or damage of its assets; or
- Service providers may decide to terminate their relationships with the Trust due to concerns that the introduction of privacy enhancing features to the Bitcoin Cash Network may increase the potential for BCH to be used to facilitate crime, exposing such service providers to potential reputational harm.

Any of these factors could affect the value of the Shares, either directly or indirectly through their effect on the Trust's assets.

Shareholders do not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act or the protections afforded by the CEA.

The Trust is not a registered investment company under the Investment Company Act, and the Sponsor believes that the Trust is not required to register under such act. Consequently, shareholders do not have the regulatory protections provided to investors in investment companies.

The Trust will not hold or trade in commodity interests regulated by the CEA, as administered by the CFTC. Furthermore, the Sponsor believes that the Trust is not a commodity pool for purposes of the CEA, and that neither the Sponsor nor the Trustee is subject to regulation by the CFTC as a commodity pool operator or a commodity trading adviser in connection with the operation of the Trust. Consequently, shareholders will not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools.

The restrictions on transfer and redemption may result in losses on the value of the Shares.

Shares purchased in a private placement may not be resold except in transactions exempt from registration under the Securities Act and state securities laws, and any such transaction must be approved in advance by the Sponsor. At this time the Sponsor is not accepting redemption requests from shareholders. Absent the institution of such a redemption program, the Shares have traded, and may continue to trade, at a discount to NAV per Share, which may persist indefinitely. Therefore, unless the Trust is permitted to, and does, establish a Share redemption program, shareholders will be unable to redeem Shares with the Trust and may be unable to liquidate their investment at or near NAV per Share, or at all if an active secondary market for the Shares is unavailable, which could have a material adverse impact on demand for the Shares and their value.

Affiliates of the Trust previously entered into a settlement agreement with the SEC concerning the operation of one such affiliate's former redemption programs.

On April 1, 2014, Grayscale Bitcoin Trust ETF, an affiliate of the Trust, launched a program pursuant to which its shareholders could request redemptions from Genesis Global Trading, Inc ("Genesis"), a wholly owned subsidiary of Digital Currency Group, Inc., an affiliate of the Trust and the sole Authorized Participant of Grayscale Bitcoin Trust ETF at that time. On September 23, 2014, Genesis received a letter from the staff of the SEC's Office of Compliance Inspections and Examinations summarizing the staff's findings from an onsite review of Genesis's broker-dealer activities conducted in June 2014. In its exit report, the staff stated that it had concluded that Grayscale Bitcoin Trust ETF's redemption program, in which its shareholders were permitted to request the redemption of their shares through Genesis, appeared to violate Regulation M under the Exchange Act because such redemptions of shares took place at the same time Grayscale Bitcoin Trust ETF was in the process of creating shares. On July 11, 2016, Genesis and Grayscale Bitcoin Trust ETF entered into a settlement agreement with the SEC whereby they agreed to a cease-and-desist order against future violations of Rules 101 and 102 of Regulation M under the Exchange Act. Genesis also agreed to pay disgorgement of $51,650.11 in redemption fees it collected, plus prejudgment interest of $2,105.68, for a total of $53,755.79.

An active trading market for the Shares may not continue to be maintained, and the Sponsor may not be successful in listing the Shares on NYSE Arca.

The Shares are quoted on OTC Markets and an active trading market for the Shares has developed. However, such trading market may not develop further or be maintained. Trading in the Shares may also be halted or suspended. In either case, investors may not be able to buy or sell Shares, which could adversely affect the liquidity and trading price of the Shares. The Sponsor is seeking to list the Shares on NYSE Arca, Inc. ("NYSE Arca"), but may not obtain the approvals or relief necessary to do so in a timely manner or at all. Even if the Shares are listed on NYSE Arca, an active trading market may not develop further or be maintained.

Security threats to the Trust's Digital Asset Account could result in the halting of Trust operations, including the creation and redemption of Baskets, and a loss of Trust assets or damage to the reputation of the Trust, each of which could result in a reduction in the value of the Shares.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in relation to digital assets. The Sponsor believes that the Trust's BCH held in the Digital Asset Account will be an appealing target to hackers or malware

distributors seeking to destroy, damage or steal the Trust's BCH and will only become more appealing as the Trust's assets grow. To the extent that the Trust, the Sponsor or the Custodian is unable to identify and mitigate or stop new security threats or otherwise adapt to technological changes in the digital asset industry, the Trust's BCH may be subject to theft, loss, destruction or other attack.

The Sponsor believes that the security procedures in place for the Trust, including, but not limited to, offline storage, or cold storage, for a substantial portion of the Trust's BCH, multiple encrypted private key "shards", usernames, passwords and 2-step verification, are reasonably designed to safeguard the Trust's BCH. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach, software defect or act of God that may be borne by the Trust. Additionally, because a portion of the Trust's BCH from time to time will be held in hot storage, such BCH will be more vulnerable to a potential hack or other cyberattack that could lead to a loss of Trust assets.

The security procedures and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of the Sponsor, the Custodian, or otherwise, and, as a result, an unauthorized party may obtain access to the Digital Asset Account, the relevant private keys (and therefore BCH) or other data of the Trust. Moreover, the Custodian will not be liable for any claims or losses arising out of or relating to the acts and/or omissions of any unauthorized third parties, except to the extent such losses are caused by the Custodian's negligence, fraud or willful misconduct.

An actual or perceived breach of the Digital Asset Account could harm the Trust's operations, result in loss of the Trust's assets, damage the Trust's reputation and negatively affect the market perception of the effectiveness of the Trust, all of which could in turn reduce demand for the Shares, resulting in a reduction in the value of the Shares. The Trust may also cease operations, the occurrence of which could similarly result in a reduction in the value of the Shares.

BCH transactions are irrevocable and stolen or incorrectly transferred BCH may be irretrievable. As a result, any incorrectly executed BCH transactions could adversely affect the value of the Shares.

BCH transactions are typically not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the Blockchain, an incorrect transfer or theft of BCH generally will not be reversible and the Trust may not be capable of seeking compensation for any such transfer or theft. To the extent that the Trust is unable to seek redress for such error or theft, such loss could adversely affect the value of the Shares.

The lack of full insurance and shareholders' limited rights of legal recourse against the Trust, Trustee, Sponsor, Transfer Agent and Custodian expose the Trust and its shareholders to the risk of loss of the Trust's BCH for which no person or entity is liable.

The Trust is not a banking institution or otherwise a member of the FDIC or Securities Investor Protection Corporation ("SIPC") and, therefore, deposits held with or assets held by the Trust are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. In addition, neither the Trust nor the Sponsor insures the Trust's BCH. While the Custodian is required under the Custody Agreement to maintain insurance coverage that is commercially reasonable for the custodial services it provides, shareholders cannot be assured that the Custodian will maintain adequate insurance or that such coverage will cover losses with respect to the Trust's BCH.

Moreover, while the Custodian maintains certain capital reserve requirements depending on the assets under custody and to the extent required by applicable law, and such capital reserves may provide additional means to cover client asset losses, the Sponsor does not know the amount of such capital reserves, and neither the Trust nor the Sponsor have access to such information. The Trust cannot be assured that the Custodian will maintain capital reserves sufficient to cover losses with respect to the Trust's digital assets. Furthermore, Coinbase has represented in securities filings that the total value of crypto assets in its possession and control is significantly greater than the total value of insurance coverage that would compensate Coinbase in the event of theft or other loss of funds.

The Custodian's total liability under the Custody Agreement will never exceed the value of the BCH on deposit in the Digital Asset Account at the time of, and directly relating to, the events giving rise to the liability occurred, as determined in accordance with the Custody Agreement

In addition, the Custodian's maximum liability in respect of each cold storage address that holds digital assets is limited to the "Cold Storage Threshold" of $100 million. The Sponsor monitors the value of digital assets deposited in cold storage addresses for whether the Cold Storage Threshold has been met by determining the U.S. dollar value of digital assets deposited in each cold storage address on business days. Although the Cold Storage Threshold has never been met for a given cold storage address, to the extent it is met the Trust would not have a claim against the Custodian with respect to the digital assets held in such address to the extent the value exceeds the Cold Storage Threshold. The Custodian and the Trust are not liable to each other for any special, incidental, indirect, punitive, or consequential damages, whether or not the other party had been advised of such losses or knew or should have known of the possibility of such damages.

The shareholders' recourse against the Sponsor and the Trust's other service providers for the services they provide to the Trust, including those relating to the provision of instructions relating to the movement of digital assets, is limited. Consequently, a loss may

be suffered with respect to the Trust's digital assets that is not covered by insurance and for which no person is liable in damages. As a result, the recourse of the Trust or the shareholders, under New York law, is limited.

The Trust may be required, or the Sponsor may deem it appropriate, to terminate and liquidate at a time that is disadvantageous to shareholders.

Pursuant to the terms of the Trust Agreement, the Trust is required to dissolve under certain circumstances. In addition, the Sponsor may, in its sole discretion, dissolve the Trust for a number of reasons, including if the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust. If the Trust is required to terminate and liquidate, such termination and liquidation could occur at a time that is disadvantageous to shareholders.

The Trust Agreement includes provisions that limit shareholders' voting rights and restrict shareholders' right to bring a derivative action.

Under the Trust Agreement, shareholders have limited voting rights and the Trust will not have regular shareholder meetings. Shareholders take no part in the management or control of the Trust. The shareholders' limited voting rights give almost all control under the Trust Agreement to the Sponsor and the Trustee. The Sponsor may take actions in the operation of the Trust that may be adverse to the interests of shareholders and may adversely affect the value of the Shares.

Moreover, pursuant to the terms of the Trust Agreement, shareholders' statutory right under Delaware law to bring a derivative action is restricted. The Trust Agreement provides that no shareholder will 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 10.0% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding. This provision applies to any derivative actions brought in the name of the Trust other than claims under the federal securities laws and the rules and regulations thereunder.

Due to this additional requirement, a shareholder attempting to bring or maintain a derivative action in the name of the Trust will be required to locate other shareholders with which it is not affiliated and that have sufficient Shares to meet the 10.0% threshold based on the number of Shares outstanding on the date the claim is brought and thereafter throughout the duration of the action, suit or proceeding. This may be difficult and may result in increased costs to a shareholder attempting to seek redress in the name of the Trust in court. Moreover, if shareholders bringing a derivative action, suit or proceeding pursuant to this provision of the Trust Agreement do not hold 10.0% of the outstanding Shares on the date such an action, suit or proceeding is brought, or such shareholders are unable to maintain Share ownership meeting the 10.0% threshold throughout the duration of the action, suit or proceeding, such shareholders' derivative action may be subject to dismissal. As a result, the Trust Agreement limits the likelihood that a shareholder will be able to successfully assert a derivative action in the name of the Trust, even if such shareholder believes that he or she has a valid derivative action, suit or other proceeding to bring on behalf of the Trust.

The Sponsor is solely responsible for determining the value of the NAV and NAV per Share and any errors, discontinuance or changes in such valuation calculations may have an adverse effect on the value of the Shares.

The Sponsor will determine the Trust's NAV and NAV per Share on a daily basis as soon as practicable after 4:00 p.m., New York time, on each business day. The Sponsor's determination is made utilizing data from the operations of the Trust and the Index Price, calculated at 4:00 p.m., New York time, on such day. If the Sponsor determines in good faith that the Index does not reflect an accurate BCH price, then the Sponsor will employ an alternative method to determine the Index Price. There are no predefined criteria to make a good faith assessment in these scenarios and such decisions will be made by the Sponsor in its sole discretion. The Sponsor may calculate the Index Price in a manner that ultimately inaccurately reflects the price of BCH. To the extent that the NAV, NAV per Share or the Index Price are incorrectly calculated, the Sponsor may not be liable for any error and such misreporting of valuation data could adversely affect the value of the Shares and investors could suffer a substantial loss on their investment in the Trust. Moreover, the terms of the Trust Agreement do not prohibit the Sponsor from changing the Index Price used to calculate the NAV and NAV per Share of the Trust. Any such change in the Index Price could affect the value of the Shares and investors could suffer a substantial loss on their investment in the Trust.

Extraordinary expenses resulting from unanticipated events may become payable by the Trust, adversely affecting the value of the Shares.

In consideration for the Sponsor's Fee, the Sponsor has contractually assumed all ordinary-course operational and periodic expenses of the Trust. Extraordinary expenses incurred by the Trust, such as taxes and governmental charges; expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency); or extraordinary legal fees and expenses, are not assumed by the Sponsor and are borne by the Trust. The Sponsor will cause the Trust to sell BCH, Incidental Rights or IR Virtual Currency held by the Trust, or deliver such assets in-kind to the Sponsor, to pay such expenses, which in either case will reduce the assets of the Trust. Accordingly, if the Trust incurs expenses denominated in U.S. dollars when the trading prices

of BCH, Incidental Rights or IR Virtual Currency are depressed, the Trust may need to sell or deliver a greater amount of such assets, reducing the Trust's NAV and adversely affecting the value of the Shares. In addition, assuming that the Trust is a grantor trust for U.S. federal income tax purposes, each delivery or sale of BCH, Incidental Rights or IR Virtual Currency by the Trust to pay the Sponsor's Fee and/or Additional Trust Expenses will be a taxable event to beneficial owners of Shares. Thus, the Trust's payment of expenses could result in beneficial owners of Shares incurring tax liability without an associated distribution from the Trust. Any such tax liability could adversely affect an investment in the Shares.

The Trust's delivery or sale of BCH to pay expenses or other operations of the Trust could result in shareholders' incurring tax liability without an associated distribution from the Trust.

Assuming that the Trust is treated as a grantor trust for U.S. federal income tax purposes, each delivery of BCH by the Trust to pay the Sponsor's Fee or other expenses and each sale of BCH by the Trust to pay Additional Trust Expenses will be a taxable event to beneficial owners of Shares. Thus, the Trust's payment of expenses could result in beneficial owners of Shares incurring tax liability without an associated distribution from the Trust. Any such tax liability could adversely affect an investment in the Shares. See "Item 1. Business—Material U.S. Federal Income Tax Consequences."

The value of the Shares will be adversely affected if the Trust is required to indemnify the Sponsor, the Trustee, the Transfer Agent or the Custodian under the Trust Documents.

Under the Trust Documents, each of the Sponsor, the Trustee, the Transfer Agent and the Custodian has a right to be indemnified by the Trust for certain liabilities or expenses that it incurs without gross negligence, bad faith or willful misconduct on its part. Therefore, the Sponsor, Trustee, Transfer Agent or the Custodian may require that the assets of the Trust be sold in order to cover losses or liability suffered by it. Any sale of that kind would reduce the NAV of the Trust and the value of the Shares.

Intellectual property rights claims may adversely affect the Trust and the value of the Shares.

The Sponsor is not aware of any intellectual property rights claims that may prevent the Trust from operating and holding BCH, Incidental Rights or IR Virtual Currency. However, third parties may assert intellectual property rights claims relating to the operation of the Trust and the mechanics instituted for the investment in, holding of and transfer of BCH, Incidental Rights or IR Virtual Currency. Regardless of the merit of an intellectual property or other legal action, any legal expenses to defend or payments to settle such claims would be extraordinary expenses that would be borne by the Trust through the sale or transfer of its BCH, Incidental Rights or IR Virtual Currency. Additionally, a meritorious intellectual property rights claim could prevent the Trust from operating and force the Sponsor to terminate the Trust and liquidate its BCH, Incidental Rights or IR Virtual Currency. As a result, an intellectual property rights claim against the Trust could adversely affect the value of the Shares.

Pandemics, epidemics and other natural and man-made disasters could negatively impact the value of the Trust's holdings and/or significantly disrupt its affairs.

Pandemics, epidemics and other natural and man-made disasters could negatively impact demand for digital assets, including BCH, and disrupt the operations of many businesses, including the businesses of the Trust's service providers. Any disruptions to the Sponsor's, the Trust's or the Trust's service providers' business operations resulting from business restrictions, quarantines or restrictions on the ability of personnel to perform their jobs as a result of any future pandemic, epidemic or other disaster could have an adverse impact on the Trust's ability to access critical services and could be disruptive to the affairs of the Trust.

Shareholders may not receive the benefits of any forks or airdrops.

In addition to forks, a digital asset may become subject to a similar event known as an "airdrop." In an airdrop, the promoters of a new digital asset announce to some group of users, such as the group that are holders of another digital asset, that such group will be entitled to claim a certain amount of the new digital asset for free, based on the fact that they are part of that group.

Shareholders may not receive the benefits of any forks, the Trust may not choose, or be able, to participate in an airdrop, and the timing of receiving any benefits from a fork, airdrop or similar event is uncertain. We refer to the right to receive any such benefit as an "Incidental Right" and any such virtual currency acquired through an Incidental Right as "IR Virtual Currency." There are likely to be operational, tax, securities law, regulatory, legal and practical issues that significantly limit, or prevent entirely, shareholders' ability to realize a benefit, through their Shares in the Trust, from any such Incidental Rights or IR Virtual Currency. The Sponsor may also determine, in consultation with its legal advisers, that the Incidental Right or IR Virtual Currency is, or is likely to be deemed, a security under federal or state securities laws, in which case the Sponsor would irrevocably abandon such Incidental Right or IR Virtual Currency if holding it would have an adverse effect on the Trust and it would not be practicable to avoid such effect by disposing of the Incidental Right or IR Virtual Currency in a manner that would result in shareholders receiving more than insignificant value thereof. In making such a determination, the Sponsor expects to take into account a number of factors, including the various definitions of a "security" under the federal securities laws and federal court decisions interpreting elements of these definitions, such as the U.S. Supreme Court's decisions in the Howey and Reves cases, as well as reports, orders, press releases, public

statements and speeches by the SEC and its staff providing guidance on when a digital asset may be a security for purposes of the federal securities laws.

The Trust has informed the Custodian that it is irrevocably abandoning, as of any date on which the Trust creates Shares, any Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such date and with respect to which it has not taken any Affirmative Action at or prior to such date. In order to avert abandonment of an Incidental Right or IR Virtual Currency, the Trust will send a notice to the Custodian of its intention to retain such Incidental Right or IR Virtual Currency. The Sponsor intends to evaluate each future fork or airdrop on a case-by-case basis in consultation with the Trust's legal advisers, tax consultants and Custodian. Any inability to recognize the economic benefit of a hard fork or airdrop could adversely affect the value of the Shares.

Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares

Changes in the securities-law treatment of BCH or transactions involving BCH under federal or state law could adversely affect the value of BCH and the Shares and require the Trust to change its operations or terminate.

Whether a crypto asset is a security, or offers and sales of a crypto asset are securities transactions, under the federal securities laws depends on whether it is included in the lists of instruments making up the definition of "security" in such laws. Crypto assets do not appear in any of these lists. However, each list includes the term "investment contract," and the SEC has typically analyzed whether a particular crypto asset is a security or the offer and sale of a crypto asset is a securities transaction by reference to whether it meets the Howey test, which is the test developed by the federal courts for determining whether there is an investment contract.

Under the Howey test, a contract, transaction or scheme is an "investment contract" if it involves an investment of money in a common enterprise with a reasonable expectation of profits derived from the essential managerial efforts of others. The analysis turns on the economic realities and particular facts and circumstances of the transaction, which are not always readily apparent or verifiable in the context of digital assets. Because of this factual complexity, as well as the current lack of a well-developed body of federal case law applying the Howey test to a variety of different fact patterns, for many crypto assets and crypto asset transactions, whether or not the Howey test is met is difficult to resolve definitively, and substantial legal arguments can often be made both in favor of and against a particular digital asset qualifying as a security or a particular offer and sale of a crypto asset qualifying as a securities transaction under the Howey test.

If a regulator asserts, or a court determines, under federal or state securities laws, that BCH itself is a security or that secondary-market transactions in BCH generally are securities transactions, trading, clearing or custody of BCH in the United States could become more difficult or impossible through the same channels used by non-security digital assets. This could significantly reduce the liquidity, acceptance and value of BCH and adversely affect the value of the Shares.

Additionally, if BCH itself were treated as a security under federal law, or if the Trust were deemed to hold an investment contract associated with its BCH, the Trust could be considered an unregistered "investment company" under the Investment Company Act and, depending on the Sponsor's activities, the Sponsor may be required to register under the Investment Advisers Act. If the Trust's acquisition or disposition of BCH were treated as a securities transaction, the Trust or Sponsor could also be subject to additional registration and compliance requirements or enforcement action. The Trust and the Sponsor could also face claims or enforcement action relating to the Trust's prior or ongoing offer of Shares or transactions in BCH. Compliance could result in significant recurring or nonrecurring expenses, materially limit the Trust's operations or its ability to achieve its investment objective or prove impracticable. If the Sponsor determines not to comply, or is unable to comply, with such requirements, or determines that continued operation is not advisable in light of regulatory developments, the Sponsor may terminate the Trust and, if practical, liquidate the Trust's BCH at a time that is disadvantageous to shareholders.

The SEC has issued a Commission-level interpretation (the "Interpretation") clarifying how the federal securities laws apply to certain crypto assets and transactions involving crypto assets. The CFTC joined the Interpretation to provide guidance that the CFTC and its staff will administer the CEA consistent with the Interpretation. The Interpretation lists 18 crypto assets that, as of the date of the release, the SEC views as non-security "digital commodities," including BCH. Even if a crypto asset is deemed to be a non-security crypto asset (such as a "digital commodity"), the Interpretation takes the view that the non-security crypto asset may still be subject to an investment contract, even in the secondary market—and thus secondary market transactions, even in such non-security crypto assets, might be subject to the federal securities laws.

The SEC has also issued a notice of proposed rulemaking titled "Regulation Crypto Asset," which if finalized would create a tailored regime for certain offerings of investment contracts involving crypto assets. Proposed Regulation Crypto Asset includes a conditional safe harbor from the term "investment contract" in the definitions of "security" in the Securities Act and the Exchange Act. As proposed, to qualify for the safe harbor, the issuer of the crypto asset must have (1) completed or otherwise permanently ceased all essential managerial efforts that it represented or promised to undertake under the covered investment contract, and must not be making or intending to make any new representations or promises to engage in essential managerial efforts with respect to the crypto asset and (2) file a Form TR publicly on EDGAR. The proposed rule states that, if an issuer has satisfied the investment contract safe harbor, the SEC would treat the federal registration, reporting and other requirements associated with that investment

contract as no longer applicable. The proposed rule, however, does not fully address the regulatory status of intermediaries that trade crypto assets in the secondary market (e.g., their status as brokers, dealers, exchanges or investment advisers) or hold substantial amounts of crypto asset (e.g., their status as investment companies) because it is unclear the extent to which these third parties could rely on the issuer's safe harbor, and the safe harbor applies only under the Securities Act and Exchange Act, but not the Advisers Act or Investment Company Act.

The Interpretation and the proposed Regulation Crypto Asset are based on the SEC's current understanding of crypto asset markets and may be refined, revised or withdrawn. Additionally, a court, state regulator or future SEC administration have in the past and could in the future take a different view, and future legislation, rulemaking or judicial decisions could change the treatment of BCH.

Changes in U.S. or foreign laws, regulations or regulatory actions may prohibit or restrict the use of BCH or the operation of the Bitcoin Cash Network or the Digital Asset Markets, increase the Trust's costs, impair its ability to operate or require its termination, any of which could adversely affect the value of the Shares.

U.S. federal and state agencies have examined and taken action concerning the operations of digital asset networks, digital asset users and the Digital Asset Markets, including with respect to anti-money laundering, sanctions, illicit finance, consumer and investor protection, market integrity and the safety and soundness of Digital Asset Trading Platforms, custodians and other service providers. New or changed laws, regulations, interpretations or enforcement priorities could prohibit, restrict or impose conditions on the ownership, use, transfer, trading or custody of BCH, the operation of the Bitcoin Cash Network or Digital Asset Markets, or the services on which the Trust depends. Federal and state requirements may differ or conflict, and compliance may be costly or impracticable. Foreign laws, regulations or directives may conflict with U.S. requirements or restrict Digital Asset Markets or service providers outside the United States, which could reduce the availability of services involving BCH and adversely affect its liquidity, acceptance or value.

These developments could reduce the liquidity, acceptance or value of BCH; cause Digital Asset Trading Platforms or other service providers to limit or discontinue services involving BCH or the Trust; increase the Trust's compliance costs; require changes to the Trust's operations; or prevent the Trust from operating as intended. If the Trust cannot comply with applicable requirements or continue to operate, the Sponsor may terminate the Trust and, if practical, liquidate its BCH at a time that is disadvantageous to shareholders. Any of these effects could adversely affect the value of the Shares.

If regulators or public utilities take actions that restrict or otherwise impact mining activities, there may be a significant decline in such activities, which could adversely affect the Bitcoin Cash Network and the value of the Shares.

Concerns have been raised about the electricity required to secure and maintain digital asset networks. The operations of the Bitcoin Cash Network and other digital asset networks may also consume significant amounts of energy. Driven by concerns around energy consumption and the impact on public utility companies, various states and cities have implemented, or are considering implementing, moratoriums on mining activity in their jurisdictions. A significant reduction in mining activity as a result of such actions could adversely affect the security of the Bitcoin Cash Network by making it easier for a malicious actor or botnet to manipulate the Blockchain. If regulators or public utilities take action that restricts or otherwise impacts mining activities, such actions could result in decreased security of a digital asset network, including the Bitcoin Cash Network, and consequently adversely impact the value of the Shares.

If regulators subject an Authorized Participant, the Trust or the Sponsor to regulation as a money service business or money transmitter, this could result in extraordinary expenses to the Authorized Participant, the Trust or the Sponsor and also result in decreased liquidity for the Shares.

To the extent that the activities of any Authorized Participant, the Trust or the Sponsor cause it to be deemed a "money services business" under the regulations promulgated by FinCEN, such Authorized Participant, the Trust or the Sponsor may be required to comply with FinCEN regulations, including those that would mandate the implementation of anti-money laundering programs, certain reports to FinCEN and the maintenance of certain records. Similarly, the activities of an Authorized Participant, the Trust or the Sponsor may require it to be licensed as a money transmitter or as a digital asset business, such as under the New York Department of Financial Services' BitLicense regulations or California's Digital Financial Assets Law.

Such additional regulatory obligations may cause the Authorized Participant, the Trust or the Sponsor to incur extraordinary expenses to seek required licenses or registrations or otherwise comply with such obligations. An Authorized Participant may instead decide to terminate its role as Authorized Participant of the Trust, or the Sponsor may decide to discontinue and wind up the Trust. An Authorized Participant's decision to cease acting as such may decrease the liquidity of the Shares, which could adversely affect the value of the Shares.

Statutory or regulatory changes or interpretations could obligate the Trust or the Sponsor to register and comply with new regulations, resulting in potentially extraordinary, nonrecurring expenses to the Trust.

Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may impact the manner in which BCH is treated. In particular, BCH may be classified by the CFTC as a "commodity interest" under the CEA or may be classified by the SEC as a "security" under U.S. federal securities laws. It is possible that a new Administration and Congress in the United States creates a new classification for digital assets. The Sponsor and the Trust cannot be certain as to how future regulatory developments will impact the treatment of BCH under the law. In the face of such developments, the required registrations and compliance steps may result in extraordinary, nonrecurring expenses to the Trust. If the Sponsor decides to terminate the Trust in response to the changed regulatory circumstances, the Trust may be dissolved or liquidated at a time that is disadvantageous to shareholders.

To the extent that BCH is deemed to fall within the definition of a "commodity interest" under the CEA, due to the passage of the Clarity Act or otherwise, the Trust and the Sponsor may be subject to additional regulation under the CEA and CFTC regulations. The Sponsor may be required to register as a commodity pool operator or commodity trading adviser 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/or nonrecurring expenses of the Trust, 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 BCH at a time that is disadvantageous to shareholders.

To the extent that BCH is determined to be 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 the Sponsor may be required to register as an investment adviser under the Investment Advisers Act. Such additional registration may result in extraordinary, recurring and/or non-recurring expenses of the Trust, 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 BCH at a time that is disadvantageous to shareholders.

The treatment of the Trust for U.S. federal income tax purposes is uncertain.

The Sponsor intends to take the position that the Trust is properly 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, if the Trust is a grantor trust, 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, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the IRS were to disagree with, and successfully challenge, certain positions the Trust may take, including with respect to Incidental Rights and IR Virtual Currency, the Trust might not qualify as a grantor trust. In addition, the Sponsor has delivered the Pre-Creation Abandonment Notice to the Custodian, stating that the Trust is abandoning irrevocably, for no direct or indirect consideration, effective immediately prior to each Creation Time, all Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such time and with respect to which it has not taken any Affirmative Action at or prior to such time. There can be no complete assurance that these abandonments will be treated as effective for U.S. federal income tax purposes. If the Trust were treated as owning any asset other than BCH as of any date on which it creates Shares, it might cease to qualify as a grantor trust for U.S. federal income tax purposes.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and other similar events. Assuming that the Trust is currently a grantor trust for U.S. federal income tax purposes, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for such purposes.

If 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. However, due to the uncertain treatment of digital assets for U.S. federal income tax purposes (as discussed above in "Item 1. Business—Material U.S. Federal Income Tax Consequences—Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets"), there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, 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 timing of the recognition of taxable income or loss. In addition, tax information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such

purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable 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. person for U.S. federal income tax purposes would be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate as provided in an applicable tax treaty). As a result, the taxation of the Trust as a corporation could materially reduce the after-tax return on an investment in Shares, and substantially reduce the value of the Shares, and result in a material divergence between NAV and the value of the Trust's BCH.

The treatment of digital assets for U.S. federal income tax purposes is uncertain.

As discussed in the section entitled "Item 1. Business—Material U.S. Federal Income Tax Consequences—Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets" above, assuming that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes, each beneficial owner of Shares will be treated for U.S. federal income tax purposes as the owner of an undivided interest in the BCH (and, if applicable, any Incidental Rights and/or IR Virtual Currency) held in the Trust. Due to the new and evolving nature of digital assets and the absence of comprehensive guidance with respect to digital assets, many significant aspects of the U.S. federal income tax treatment of digital assets are uncertain.

In 2014, the Internal Revenue Service ("IRS") released a notice (the "Notice") discussing certain aspects of "convertible virtual currency" (that is, digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency) for U.S. federal income tax purposes and, in particular, stating that such digital assets (i) are "property" (ii) are not "currency" for purposes of the rules relating to foreign currency gain or loss and (iii) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of "Frequently Asked Questions" that has been updated from time to time since (the "Ruling & FAQs"). The Ruling & FAQs provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital assets are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital assets. However, the Notice and the Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of digital assets. Moreover, although the Ruling & FAQs address the treatment of hard forks, there continues to be uncertainty with respect to the timing and amount of the income inclusions. While the Ruling & FAQs do not address most situations in which airdrops occur, it is clear from the reasoning of the Ruling & FAQs that the IRS generally would treat an airdrop as a taxable event giving rise to ordinary income.

There can be no assurance that the IRS will not alter its position with respect to digital assets in the future or that a court would uphold the treatment set forth in the Notice and the Ruling & FAQs. It is also unclear what additional guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for shareholders and could have an adverse effect on the value of BCH. Future developments that may arise with respect to digital assets may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. For example, the Notice addresses only digital assets that are "convertible virtual currency," and it is conceivable that, as a result of a fork, airdrop or similar event, the Trust could hold certain types of digital assets that are not within the scope of the Notice.

Shareholders are urged to consult their tax advisers regarding the tax consequences of owning and disposing of Shares and digital assets in general.

Future developments regarding the treatment of digital assets for U.S. federal income tax purposes could adversely affect the value of the Shares.

As discussed above, many significant aspects of the U.S. federal income tax treatment of digital assets, such as BCH, are uncertain, and it is unclear what guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. It is possible that any such guidance would have an adverse effect on the prices of digital assets, including on the price of BCH in the Digital Asset Markets, and therefore may have an adverse effect on the value of the Shares.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and similar events. Such developments may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. Moreover, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for U.S. federal income tax purposes.

Future developments in the treatment of digital assets for tax purposes other than U.S. federal income tax purposes could adversely affect the value of the Shares.

The taxing authorities of certain states, including New York, (i) have announced that they will follow the Notice with respect to the treatment of digital assets for state income tax purposes and/or (ii) have issued guidance exempting the purchase and/or sale of digital assets for fiat currency from state sales tax. However, it is unclear what further guidance on the treatment of digital assets for state tax purposes may be issued in the future.

The treatment of digital assets for tax purposes by non-U.S. jurisdictions may differ from the treatment of digital assets for U.S. federal, state or local tax purposes. It is possible, for example, that a non-U.S. jurisdiction would impose sales tax or value-added tax on purchases and sales of digital assets for fiat currency. If a foreign jurisdiction with a significant share of the market of BCH users imposes onerous tax burdens on digital asset users, or imposes sales or value-added tax on purchases and sales of digital assets for fiat currency, such actions could result in decreased demand for BCH in such jurisdiction.

Any future guidance on the treatment of digital assets for state, local or non-U.S. tax purposes could increase the expenses of the Trust and could have an adverse effect on the prices of digital assets, including on the price of BCH in the Digital Asset Markets. As a result, any such future guidance could have an adverse effect on the value of the Shares.

A U.S. tax-exempt shareholder may recognize UBTI as a consequence of an investment in Shares.

Under the guidance provided in the Ruling & FAQs, hard forks, airdrops and similar events with respect to digital assets will under certain circumstances be treated as taxable events giving rise to ordinary income. In the absence of guidance to the contrary, it is possible that any such income recognized by a U.S. tax-exempt shareholder would constitute UBTI. A tax-exempt shareholder should consult its tax adviser regarding whether such shareholder may recognize UBTI as a consequence of an investment in Shares. See "Item 1. Business—Material U.S. Federal Income Tax Consequences."

The tax treatment of BCH and transactions involving BCH for state and local tax purposes is not settled.

Because BCH is a new technological innovation, the tax treatment of BCH for state and local tax purposes, including, without limitation state and local income and sales and use taxes, is not settled. It is uncertain what guidance, if any, on the treatment of BCH for state and local tax purposes may be issued in the future. A state or local government authority's treatment of BCH may have negative consequences, including the imposition of a greater tax burden on investors in BCH or the imposition of a greater cost on the acquisition and disposition of BCH generally. Any such treatment may have a negative effect on prices of BCH and may adversely affect the value of the Shares.

Non-U.S. Holders may be subject to U.S. federal withholding tax on income derived from forks, airdrops and similar events.

The Ruling & FAQs do not address whether income recognized by a non-U.S. person as a result of a fork, airdrop or similar event could be subject to the 30% withholding tax imposed on U.S.-source "fixed or determinable annual or periodical" income. Non-U.S. Holders (as defined under "Item 1. Business—Material U.S. Federal Income Tax Consequences—Tax Consequences to Non-U.S. Holders" above) should be aware that, in the absence of guidance, a withholding agent (including a broker through which a Non-U.S. Holder holds Shares) may withhold 30% of any such income recognized by a non-U.S. Holder in respect of its Shares, including by deducting such withheld amounts from proceeds that such non-U.S. Holder would otherwise be entitled to receive in connection with a distribution of Incidental Rights or IR Virtual Currency. See "Item 1. Business—Material U.S. Federal Income Tax Consequences."

Risk Factors Related to Potential Conflicts of Interest

Potential conflicts of interest may arise among the Sponsor or its affiliates and the Trust. The Sponsor and its affiliates have no fiduciary duties to the Trust and its shareholders other than as provided in the Trust Agreement, which may permit them to favor their own interests to the detriment of the Trust and its shareholders.

The Sponsor will manage the affairs of the Trust. Conflicts of interest may arise among the Sponsor and its affiliates, including the Authorized Participants, on the one hand, and the Trust and its shareholders, on the other hand. As a result of these conflicts, the Sponsor may favor its own interests and the interests of its affiliates over the Trust and its shareholders. These potential conflicts include, among others, the following:

- The Sponsor has no fiduciary duties to, and is allowed to take into account the interests of parties other than, the Trust and its shareholders in resolving conflicts of interest, provided the Sponsor does not act in bad faith;
- The Trust has agreed to indemnify the Sponsor and its affiliates pursuant to the Trust Agreement;
- The Sponsor is responsible for allocating its own limited resources among different clients and potential future business ventures, to each of which it owes fiduciary duties;
- The Sponsor and its staff also service affiliates of the Sponsor, including several other digital asset investment vehicles, and their respective clients and cannot devote all of its, or their, respective time or resources to the management of the affairs of the Trust;
- The Sponsor, its affiliates and their respective officers and employees are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with the Trust;

- Affiliates of the Sponsor have substantial direct investments in BCH that they are permitted to manage taking into account their own interests without regard to the interests of the Trust or its shareholders, and any increases, decreases or other changes in such investments could affect the Index Price and, in turn, the value of the Shares;
- There is an absence of arm's-length negotiation with respect to certain terms of the Trust, and, where applicable, there has been no independent due diligence conducted with respect to the Trust;
- The Sponsor's indirect parent company, DCG, and certain of its subsidiaries, including Grayscale Securities, LLC, hold less than 1% of the Shares representing ownership in the Trust, as of August 31, 2026. On March 2, 2022, the board of directors of the Sponsor approved the purchase by DCG of up to an aggregate total of $200 million worth of Shares of the Trust and shares of any of the following five investment products the Sponsor also acts as the sponsor and manager of, including Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale CoinDesk Crypto 5 ETF (NYSE Arca: GDLC), Grayscale Ethereum Staking ETF (NYSE Arca: ETHE), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through August 31, 2026, DCG did not purchase any Shares of the Trust under this authorization. However, in the event DCG chooses to purchase Shares of the Trust, such purchases would further increase DCG's ownership interest in the Trust, which could ultimately result in DCG holding a majority of the Shares, and its interests as a shareholder may conflict with the interests of the Trust's other shareholders;
- Several employees of the Sponsor and DCG, the Sponsor's indirect parent company, are FINRA-registered representatives who currently maintain their licenses through Grayscale Securities;
- DCG is (i) the sole equity-holder and indirect parent company of the Sponsor; (ii) the indirect parent company of Grayscale Securities, the only acting Authorized Participant, as of the date of this Annual Report; and (iii) a minority interest holder in Kraken, one of the Digital Asset Trading Platforms included in the Index, representing less than 1.0% of its equity;
- DCG has investments in a large number of digital assets and companies involved in the digital asset ecosystem, including trading platforms and custodians. DCG's positions on changes that should be adopted in the Bitcoin Cash Network could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork on the Bitcoin Cash Network, DCG's position regarding which fork among a group of incompatible forks should be considered the "true" Bitcoin Cash Network could be adverse to positions that would most benefit the Trust;
- DCG has been vocal in the past about its support for digital assets other than BCH. Any investments in, or public positions taken on, digital assets other than BCH by DCG could have an adverse impact on the price of BCH.
- The Sponsor decides whether to retain separate counsel, accountants or others to perform services for the Trust;
- The Sponsor and Grayscale Securities, which acts as Authorized Participant and distributor and marketer for the Shares, are affiliated parties that share a common indirect parent company, DCG;
- The Sponsor may appoint an agent to act on behalf of the shareholders, including in connection with the distribution of any Incidental Rights and/or IR Virtual Currency, and such agent may be the Sponsor or an affiliate of the Sponsor; and
- The Sponsor has historically, and may again select an Index Provider that is an affiliate of the Sponsor and the Trust.

Because the Sponsor and the Trust's sole Authorized Participant are affiliated with each other, the Trust's Baskets will not be exchanged for BCH in arm's-length transactions.

The Sponsor is an affiliate of Grayscale Securities, LLC, a registered broker dealer currently acting as the sole Authorized Participant, distributor and marketer for the Shares. As the sole Authorized Participant, Grayscale Securities is currently the only entity that may place orders to create Creation Baskets. As a result, the issuance of Creation Baskets does not occur on an arm's-length basis. While additional Authorized Participants may be added at any time, subject to the discretion of the Sponsor, the Sponsor may be disincentivized from replacing affiliated service providers due to its affiliated status.

DCG is a minority interest holder in Kraken, which operates one of the Digital Asset Trading Platforms included in the Index Price.

DCG, the indirect parent company of the Sponsor, holds a minority interest of less than 1.0% in Kraken. The Index Price is the price in U.S. dollars of a BCH derived from the Digital Asset Trading Platforms that are reflected in the Index developed by CoinDesk Indices, Inc. as of 4:00 p.m., New York time, on each business day. Kraken is one of such Digital Asset Trading Platforms included in the Index. Although DCG does not exercise control over Kraken, it is possible that investors could have concerns that DCG could

influence market data provided by this Digital Asset Trading Platform in a way that benefits DCG, which could make the Trust's Shares less attractive to investors, adversely affect investor sentiment about the Trust and negatively affect Share trading prices.

Shareholders cannot be assured of the Sponsor's continued services, the discontinuance of which may be detrimental to the Trust.

Shareholders cannot be assured that the Sponsor will be willing or able to continue to serve as sponsor to the Trust for any length of time. If the Sponsor discontinues its activities on behalf of the Trust and a substitute sponsor is not appointed, the Trust will terminate and liquidate its BCH.

Appointment of a substitute sponsor will not guarantee the Trust's continued operation, successful or otherwise.

Shareholders may be adversely affected by the lack of independent advisers representing investors in the Trust.

The Sponsor has consulted with counsel, accountants and other advisers regarding the formation and operation of the Trust. No counsel was appointed to represent investors in connection with the formation of the Trust or the establishment of the terms of the Trust Agreement and the Shares. Accordingly, an investor should consult his, her or its own legal, tax and financial advisers regarding the desirability of the value of the Shares. Lack of such consultation may lead to an undesirable investment decision with respect to investment in the Shares.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

To prevent, detect and respond to information security threats, the Sponsor maintains a cyber risk management program. The program is supervised by an in-house dedicated Chief Information Security Officer ("CISO") with over 15 years of experience in financial services risk management, whose team is responsible for leading enterprise-wide cybersecurity strategy, policy, standards, architecture, and processes. The Enterprise Risk Committee ("ERC"), which includes members of management of the Sponsor, receives regular reports from the CISO on, among other things, the Sponsor's cyber risks and threats, the status of projects to strengthen the Sponsor's information security systems, assessments of the Sponsor's security program and the emerging threat landscape.

The ERC provides updates to the Board of Managers of Grayscale Investments Sponsors, LLC (the "Board of Managers") quarterly, including on changes to security risks and outcomes. The CISO also promptly informs and updates the ERC and the Board of Managers about any information security incidents that may pose a material risk to the Sponsor. The Sponsor contracts an independent third party to conduct a full cyber risk assessment annually, and the results of those assessments are included in reporting to the ERC and the Board of Managers. Material outcomes from any penetration testing, vulnerability scanning, and business continuity or disaster recovery testing are additionally included in reporting to the ERC and Board of Managers.

The Sponsor's Security Awareness Program includes training that reinforces the Sponsor's Information Security policies, standards, and practices, and the expectation that employees will comply with these policies. The Security Awareness Program engages personnel through training on how to identify potential cybersecurity risks and protect the Sponsor's resources and information. This training is mandatory for all employees upon onboarding at the firm and again annually, and it is supplemented by firmwide training and testing initiatives, including periodic phishing tests.

The Sponsor administers a Third-Party Risk Management Program at the firm to identify, assess and oversee the risk associated with service providers and third parties involved in the supply chain. Third parties are assessed for risk and may additionally be required to adhere to additional security diligence requirements administered with oversight from the CISO according to risk, including cybersecurity diligence questionnaires, evidence validation, SOC report reviews, and/or on-site assessments. Material changes to the program, new, or worsening security risks associated with third parties are reported to the ERC at least quarterly.

Cybersecurity Breaches:

During the year ended June 30, 2026, we did not identify any cybersecurity threats at the Sponsor or the Trust that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, even though we take steps to employ reasonable cybersecurity efforts, not every cybersecurity incident can be prevented or detected. Therefore, while we believe there are currently no risks from any potential cybersecurity threat or cybersecurity incident that are reasonably likely to have a material effect on our results of operations or financial condition, the likelihood or severity of such risks are difficult to predict.

Item 2. Properties

None.

Item 3. Legal Proceedings

Grayscale Operating, LLC, the former Co-Sponsor of the Trust until May 3, 2025, was a party to certain legal proceedings during the period covered by this report. Although the Trust is not a party to these proceedings, the Trust may in the future be subject to legal proceedings or disputes.

On May 19, 2025, Genesis Global Capital, LLC ("Genesis Capital") and Genesis Asia Pacific Pte. Ltd. ("Genesis Asia") filed a complaint in the United States Bankruptcy Court for the Southern District of New York ("SDNY Bankruptcy Court") against Digital Currency Group, Inc. ("DCG") and certain of its affiliates including Grayscale Operating, LLC ("GSO") alleging that Genesis Capital made certain preferential transfers to Grayscale Investments, LLC ("GSI"), the predecessor in interest to GSO prior to the merger of Grayscale Investments, LLC with and into Grayscale Operating, LLC, with Grayscale Operating, LLC continuing as the surviving company (the "Merger"), during the preference period prior to Genesis Capital's filing of a bankruptcy petition in SDNY Bankruptcy Court while GSI was allegedly an insider to Genesis Capital pursuant to 11 U.S.C. § 101(31). Genesis Capital seeks to avoid the alleged preferential transfers pursuant to 11 U.S.C. § 547(b), as well as recovery of property and disallowance of claims. Genesis Capital is seeking to avoid transfers to GSI, the predecessor in interest to GSO prior to the Merger, of 105 Bitcoin and 37,647.06 Ethereum Classic tokens. GSO believes this lawsuit is without merit and intends to vigorously defend against it.

As of the date of this Annual Report, the Sponsor does not expect the foregoing proceedings to have a material adverse effect on the Trust's business, financial condition or results of operations.

The Sponsor and/or the Trust may be subject to additional legal proceedings and disputes in the future.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Shares are quoted on OTC Markets under the ticker symbol "BCHG."

Holders of Record

As of June 30, 2026, there were approximately 12 holders of record. This includes Cede & Co. as nominee for the Depository Trust Company, a limited purpose trust company organized under New York law, a member of the U.S. Federal Reserve System and a clearing agency registered with the SEC for the Shares traded on OTC Markets, but not its direct participants. Therefore, this number does 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.

Dividends

The Trust made no distributions to shareholders during the years ended June 30, 2026 and 2025. The Trust has no obligation to make periodic distributions to shareholders.

Recent Sales of Unregistered Shares

As of June 30, 2026, the Registrant has distributed 47,123,300 Shares at varying prices determined by reference to the NAV per Share to selected "accredited investors," within the meaning of Rule 501 of Regulation D under the Securities Act. The Shares were sold in connection with an ongoing offering pursuant to Rule 506(c) of Regulation D under the Securities Act. Grayscale Securities acted as the Authorized Participant with respect to these distributions beginning October 3, 2022. For all such distributions prior to October 3, 2022, Genesis acted as the Authorized Participant with respect to these distributions. In exchange for these sales, the Trust received an aggregate of 431,316.06952950 BCH. Because Shares have been, and continue to be, created and issued on a periodic basis, a "distribution," as such term is used in the Securities Act, may be occurring from time to time. As a result, the Authorized Participant facilitating the creation of Shares and acting as a distributor and marketer during any such period may be deemed an "underwriter" under Section 2(a)(11) of the Securities Act. No underwriting discounts or commissions were paid to the Authorized Participant with respect to such sales.

Purchases of Equity Securities

On March 2, 2022, the Board approved the purchase by DCG, the indirect parent company of the Sponsor, of up to an aggregate total of $200 million worth of Shares of the Trust and shares of any of the following five investment products the Sponsor also acts as the sponsor and manager of, including Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), Grayscale CoinDesk Crypto 5 ETF (NYSE Arca: GDLC), Grayscale Ethereum Staking ETF (NYSE Arca: ETHE), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through August 31, 2026, DCG had not purchased any Shares of the Trust under this authorization.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with, 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 generally accepted accounting principles in the United States ("U.S. GAAP"). The following discussion may contain forward-looking statements based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Annual Report, particularly in "Item 1A. Risk Factors" and "Forward-Looking Statements."

Trust Overview

The Trust is a passive entity that is managed and administered by the Sponsor and does not have any officers, directors or employees. The Trust holds BCH and, from time to time on a periodic basis, issues Creation Baskets in exchange for deposits of BCH. As a passive investment vehicle, the Trust's investment objective is for the value of the Shares (based on BCH per Share) to reflect the value of the BCH held by the Trust, determined by reference to the Index Price, less the Trust's expenses and other liabilities. While an investment in the Shares is not a direct investment in BCH, the Shares are designed to provide investors with a cost-effective and convenient way to gain investment exposure to BCH. To date, the Trust has not met its investment objective and the Shares quoted on OTC Markets have not reflected the value of the BCH held by the Trust, less the Trust's expenses and other liabilities, but instead have traded at both premiums and discounts to such value, which at times have been substantial. The Trust is not managed like a business corporation or an active investment vehicle. The Trust will not utilize leverage, derivatives or any similar arrangements in seeking to meet its investment objective.

Prior to October 1, 2025, the Trust valued the BCH held by the Trust for operational purposes by reference to the CoinDesk Bitcoin Cash Price Index (BCX). As of October 1, 2025, the Index is the CoinDesk Bitcoin Cash Benchmark Rate which is used to calculate the NAV and NAV per Share. Prior to October 1, 2025, references to the "Index" in the Trust's filings with the SEC, including this Annual Report on Form 10-K, refer to the CoinDesk Bitcoin Cash Price Index (BCX). From and after October 1, 2025, references to the "Index" in the Trust's filings with the SEC are to the CoinDesk Bitcoin Cash Benchmark Rate.

Critical Accounting Policies and Estimates

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of BCH by the Trust in connection with Share creations and the delivery of BCH by the Trust in connection with Share redemptions or for payment of expenses in BCH. At this time, the Trust is not accepting redemption requests from shareholders. The Trust records its investment transactions on a trade date basis and changes in fair value are reflected as net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using the specific identification method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Sponsor's Fee in BCH.

Principal Market and Fair Value Determination

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

The Trust only receives BCH in connection with a creation order from the Authorized Participant (or a Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Trust looks to market-based volume and level of activity for Digital Asset Markets. The Authorized Participant(s), or a Liquidity Provider, may transact in Digital Asset Markets.

In determining which of the eligible Digital Asset Markets is the Trust's principal market, the Trust reviews these criteria in the following order:

- First, the Trust reviews a list of Digital Asset Markets that maintain practices and policies designed to comply with AML and KYC regulations, and non-Digital Asset Trading Platform Markets that the Trust reasonably believes are operating in compliance with applicable law, including federal and state licensing requirements, based upon information and assurances provided to it by each market.

- Second, the Trust sorts these Digital Asset Markets from high to low by market-based volume and level of activity of BCH traded on each Digital Asset Market in the trailing twelve months.
- Third, the Trust then reviews pricing fluctuations and the degree of variances in price on Digital Asset Markets to identify any material notable variances that may impact the volume or price information of a particular Digital Asset Market.
- Fourth, the Trust then selects a Digital Asset Market as its principal market based on the highest market-based volume, level of activity and price stability in comparison to the other Digital Asset Markets on the list. Based on information reasonably available to the Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust therefore looks to accessible Trading Platform Markets as opposed to the Brokered Market, Dealer Market and Principal-to-Principal Markets to determine its principal market. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust determines its principal market (or in the absence of a principal market the most advantageous market) annually and conducts a quarterly analysis to determine (i) if there have been recent changes to each Digital Asset Market's trading volume and level of activity in the trailing twelve months, (ii) if any Digital Asset Markets have developed that the Trust has access to, or (iii) if recent changes to each Digital Asset Market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Trust's determination of its principal market.

Investment Company Considerations

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

Review of Financial Results

Financial Highlights for the Years Ended June 30, 2026, 2025 and 2024

(All amounts in the following table and the subsequent paragraphs, except Share, BCH and price of BCH amounts, are in thousands)

	For the Years Ended June 30,		
	2026	**2025**	**2024**
Net realized and unrealized (loss) gain on investment	$ (121,592)	$ 48,629	$ 22,755
Net (decrease) increase in net assets resulting from operations	$ (126,403)	$ 44,964	$ 20,286
Net assets[(1)]	$ 76,558	$ 202,961	$ 135,014

(1) Net assets in the above table and subsequent paragraphs are calculated in accordance with U.S. GAAP based on the Digital Asset Market price of BCH on the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date.

Net realized and unrealized loss on investment in BCH for the year ended June 30, 2026 was ($121,592), which includes a realized gain of $1,037 on the transfer of BCH to pay the Sponsor's Fee and net change in unrealized appreciation/depreciation on investment in BCH of ($122,629). Net realized and unrealized loss on investment in BCH for the year was driven by BCH price depreciation from $517.38 per BCH as of June 30, 2025, to $200.10 per BCH as of June 30, 2026. Net decrease in net assets resulting from operations was ($126,403) for the year ended June 30, 2026, which consisted of the net realized and unrealized loss on investment in BCH, plus the Sponsor's Fee of $4,811. Net assets decreased to $76,558 at June 30, 2026, a 62% decrease for the year. The decrease in net assets resulted from the aforementioned BCH price depreciation and the withdrawal of approximately 9,686 BCH to pay the foregoing Sponsor's Fee.

Net realized and unrealized gain on investment in BCH for the year ended June 30, 2025 was $48,629, which includes a realized loss of ($17) on the transfer of BCH to pay the Sponsor's Fee and net change in unrealized appreciation/depreciation on investment in BCH of $48,646. Net realized and unrealized gain on investment in BCH for the year was driven by BCH price appreciation from $391.88 per BCH as of June 30, 2024, to $517.38 per BCH as of June 30, 2025. Net increase in net assets resulting from operations was $44,964 for the year ended June 30, 2025, which consisted of the net realized and unrealized gain on investment in BCH, less the Sponsor's Fee of $3,665. Net assets increased to $202,961 at June 30, 2025, a 50% increase for the year. The increase in net assets

resulted from the aforementioned BCH price appreciation and the contribution of approximately 57,238 BCH with a value of $22,983 to the Trust in connection with Share creations during the year, partially offset by the withdrawal of approximately 9,481 BCH to pay the foregoing Sponsor's Fee.

Net realized and unrealized gain on investment in BCH for the year ended June 30, 2024 was $22,755, which includes a realized loss of ($450) on the transfer of BCH to pay the Sponsor's Fee and net change in unrealized appreciation/depreciation on investment in BCH of $23,205. Net realized and unrealized gain on investment in BCH for the year was driven by BCH price appreciation from $302.01 per BCH as of June 30, 2023, to $391.88 per BCH as of June 30, 2024. Net increase in net assets resulting from operations was $20,286 for the year ended June 30, 2024, which consisted of the net realized and unrealized gain on investment in BCH, less the Sponsor's Fee of $2,469. Net assets increased to $135,014 at June 30, 2024, a 47% increase for the year. The increase in net assets resulted from the aforementioned BCH price appreciation and the contribution of approximately 47,623 BCH with a value of $22,716 to the Trust in connection with Share creations during year, partially offset by the withdrawal of approximately 7,759 BCH to pay the foregoing Sponsor's Fee.

Cash Resources and Liquidity

The Trust has not had a cash balance at any time since inception. When selling BCH, Incidental Rights and/or IR Virtual Currency in the Digital Asset Market to pay Additional Trust Expenses on behalf of the Trust, the Sponsor endeavors to sell the exact amount of BCH, Incidental Rights and/or IR Virtual Currency needed to pay expenses in order to minimize the Trust's holdings of assets other than BCH. As a consequence, the Sponsor expects that the Trust will not record any cash flow from its operations and that its cash balance will be zero at the end of each reporting period. Furthermore, the Trust is not a party to any off-balance sheet arrangements.

In exchange for the Sponsor's Fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only ordinary expense of the Trust during the periods covered by this Annual Report was the Sponsor's Fee. The Trust is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs.

Selected Operating Data

	As of June 30,		
	2026	**2025**	**2024**
Price of BCH on principal market	$ 200.10	$ 517.38	$ 391.88
Principal Market NAV per Share[(1)]	$ 1.62	$ 4.31	$ 3.34
Principal Market NAV[(1)]	$ 76,558,207	$ 202,960,739	$ 135,013,842
Index Price	$ 200.17	$ 517.09	$ 391.93
NAV per Share[(2)]	$ 1.63	$ 4.30	$ 3.35
NAV[(2)]	$ 76,584,989	$ 202,846,976	$ 135,031,069

(1) The Principal Market NAV and Principal Market NAV per Share are calculated using the fair value of BCH based on the price provided by the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date, in accordance with U.S. GAAP.

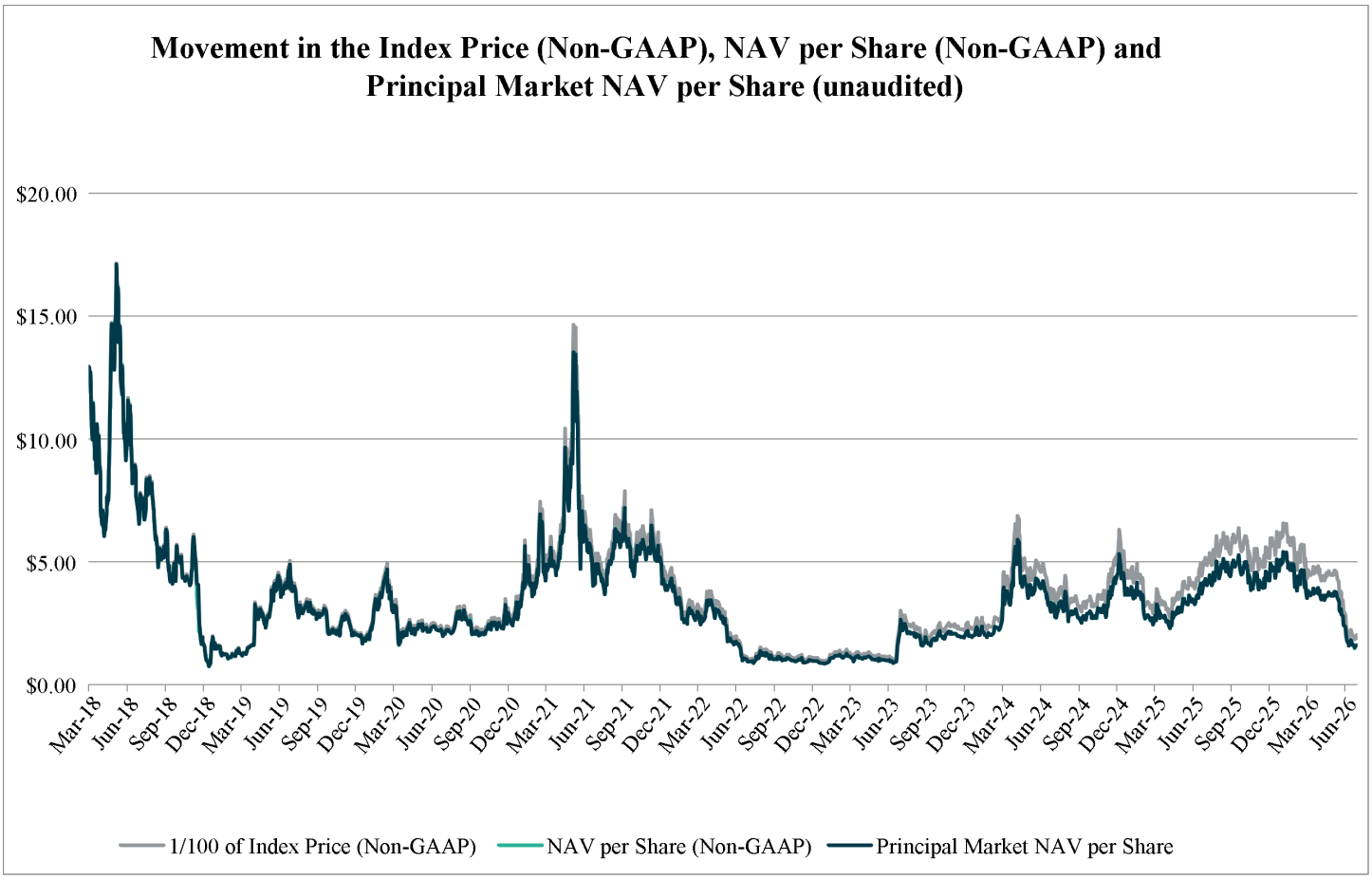
(2) The Trust's NAV and NAV per Share are derived from the Index Price as represented by the Index as of 4:00 p.m., New York time, on the valuation date. The Trust's NAV per Share is calculated using a non-GAAP methodology where the price is derived from multiple Digital Asset Trading Platforms. The Constituent Trading Platforms as of June 30, 2026 were Binance, Bitstamp by Robinhood, Bullish, Bybit, Crypto.com, Gate, Gemini, Kraken, LMAX Digital and OKX. The Constituent Trading Platforms as of June 30, 2025 were Coinbase, Bitstamp by Robinhood, Kraken, LMAX Digital and Crypto.com. The Constituent Trading Platforms as of June 30, 2024 were Coinbase, Bitstamp by Robinhood, Kraken, and LMAX Digital. See "Item 1. Business—Overview of the BCH Industry and Market—BCH Value—The Index and the Index Price" for a description of the Index and the Index Price.

For accounting purposes, the Trust reflects creations and the BCH receivable with respect to such creations on the date of receipt of a notification of a creation but does not issue Shares until the requisite amount of BCH is received. At this time, the Trust is not accepting redemption requests from shareholders. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

Historical NAV and BCH Prices

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

The following chart illustrates the movement in the Trust's NAV per Share versus the Index Price and the Trust's Principal Market NAV per Share from March 1, 2018 (the inception of the Trust's operations) to June 30, 2026. For more information on the determination of the Trust's NAV, see "Item 1. Business—Overview of the BCH Industry and Market—BCH Value—The Index and the Index Price."



The following table illustrates the movements in the Index Price from July 1, 2021 to June 30, 2026. The Sponsor has not observed a material difference between the Index Price and average prices from the Constituent Trading Platforms individually or as a group.

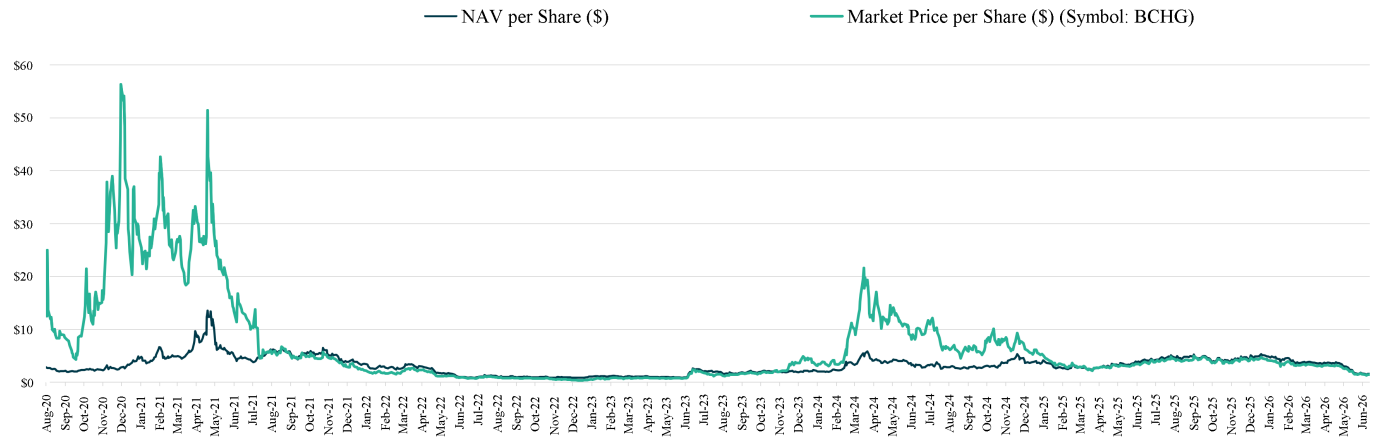
		High		Low			
Period	**Average**	**Index Price**	**Date**	**Index Price**	**Date**	**End of period**	**Last business day**
Twelve months ended June 30, 2022	$ 422.42	$ 788.21	9/6/2021	$ 99.63	6/30/2022	$ 99.63	$ 99.63
Twelve months ended June 30, 2023	$ 121.05	$ 302.28	6/30/2023	$ 96.49	12/30/2022	$ 302.28	$ 302.28
Twelve months ended June 30, 2024	$ 314.81	$ 687.64	4/6/2024	$ 182.16	8/22/2023	$ 391.93	$ 387.20
Twelve months ended June 30, 2025	$ 385.86	$ 631.13	12/6/2024	$ 270.48	4/8/2025	$ 517.09	$ 517.09
Twelve months ended June 30, 2026	$ 495.62	$ 657.75	1/3/2026	$ 184.51	6/24/2026	$ 200.17	$ 200.17
July 1, 2021 to June 30, 2026	$ 347.93	$ 788.21	9/6/2021	$ 96.49	12/30/2022	$ 200.17	$ 200.17

The following table illustrates the movements in the Digital Asset Market price of BCH, as reported on the Trust's principal market, from July 1, 2021 to June 30, 2026.

		High		Low			
Period	**Average**	**Digital Asset Market Price**	**Date**	**Digital Asset Market Price**	**Date**	**End of period**	**Last business day**
Twelve months ended June 30, 2022	$ 422.42	$ 787.00	9/6/2021	$ 99.92	6/30/2022	$ 99.92	$ 99.92
Twelve months ended June 30, 2023	$ 121.06	$ 302.01	6/30/2023	$ 96.47	12/30/2022	$ 302.01	$ 302.01
Twelve months ended June 30, 2024	$ 314.82	$ 687.49	4/6/2024	$ 181.99	8/22/2023	$ 391.88	$ 387.29
Twelve months ended June 30, 2025	$ 385.87	$ 631.02	12/6/2024	$ 270.18	4/8/2025	$ 517.38	$ 517.38
Twelve months ended June 30, 2026	$ 495.63	$ 657.76	1/3/2026	$ 184.55	6/24/2026	$ 200.10	$ 200.10
July 1, 2021 to June 30, 2026	$ 347.94	$ 787.00	9/6/2021	$ 96.47	12/30/2022	$ 200.10	$ 200.10

The following chart sets out the historical closing prices for the Shares as reported by OTC Markets and the Trust's NAV per Share from August 18, 2020 to June 30, 2026.

BCHG Premium/(Discount): BCHG Share Price vs. NAV per Share (Non-GAAP) ($)



The following chart sets out the historical premium and discount for the Shares calculated as a percentage of the historical closing prices for the Shares as reported by OTC Markets divided by the Trust's NAV per Share from August 18, 2020 to June 30, 2026.

BCHG Premium/(Discount): BCHG Share Price vs. NAV per Share (Non-GAAP) (%)



Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The Trust Agreement does not authorize the Trust to borrow for payment of the Trust's ordinary expenses. The Trust does not engage in transactions in foreign currencies which could expose the Trust or holders of Shares to any foreign currency related market risk. The Trust does not invest in derivative financial instruments and has no foreign operations or long-term debt instruments.

Item 8. Financial Statements and Supplementary Data

See Index to Financial Statements on page F-1 for a list of the financial statements being filed therein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements with accountants on any matter of accounting principles or practices or financial statement disclosures during the year ended June 30, 2026.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Principal Executive Officer and Principal Financial and Accounting Officer of the Sponsor, and to the audit committee of the Sponsor, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Principal Executive Officer and the Principal Financial and Accounting Officer of the Sponsor, the Sponsor conducted an evaluation of the Trust's disclosure controls and procedures, as defined under Exchange Act Rule 13a-15(e). Based on this evaluation, the Principal Executive Officer and the Principal Financial and Accounting Officer of the Sponsor concluded that, as of June 30, 2026, the Trust's disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

The Sponsor's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined under Exchange Act Rules 13a-15(f) and 15d-15(f). The Trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Trust's assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Trust's receipts and expenditures are being made only in accordance with appropriate authorizations; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become ineffective because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Principal Executive Officer and Principal Financial and Accounting Officer of the Sponsor assessed the effectiveness of the Trust's internal control over financial reporting as of June 30, 2026. In making this assessment, they used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013). Their assessment included an evaluation of the design of the Trust's internal control over financial reporting and testing of the operational effectiveness of its internal control over financial reporting. Based on their assessment and those criteria, the Principal Executive Officer and Principal Financial and Accounting Officer of the Sponsor concluded that the Trust maintained effective internal control over financial reporting as of June 30, 2026.

Because we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting for so long as we are an emerging growth company.

Changes in Internal Control Over Financial Reporting

There was no change in the Trust's internal controls over financial reporting that occurred during the Trust's most recently completed fiscal quarter ended June 30, 2026 that has materially affected, or is reasonably likely to materially affect, these internal controls.

Item 9B. Other Information

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Management of the Sponsor

The Trust does not have any directors, officers or employees. 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, Peter Mintzberg, the principal executive officer of the Sponsor, and Kathryn Masci, the principal financial and accounting officer 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.

As of and prior to December 31, 2024, GSI had a board of directors that was responsible for managing and directing the affairs of the Sponsor. From January 1, 2025 to October 22, 2025, GSO Intermediate Holdings Corporation ("GSOIH"), a Delaware corporation formed in connection with the internal corporate reorganization of Grayscale Investments, LLC consummated on January 1, 2025, which was the sole managing member of GSO and an indirect subsidiary of DCG, had a board of directors which was responsible for managing and directing the affairs of the Sponsor.

On October 22, 2025, GSOIH consummated an internal corporate reorganization (the "Management Reorganization"), pursuant to which GSOIH transferred a portion of its common membership units of GSO for Class A shares of Grayscale Investments, Inc. ("Grayscale Investments"), a Delaware corporation incorporated in connection with the Management Reorganization, and ceded its managing member rights in GSO to Grayscale Investments. As a result of the Management Reorganization, Grayscale Investments is now the sole managing member of GSO, the sole member of the Sponsor.

On October 22, 2025, as a result of the Management Reorganization, DCG Grayscale Holdco, LLC, the sole stockholder of Grayscale Investments, elected a board of directors (the "Board") at Grayscale Investments. As a result of the Management Reorganization, the Board of Grayscale Investments was responsible for managing and directing the affairs of the Sponsor from October 22, 2025 to May 4, 2026, and consisted of Barry Silbert, Mark Shifke, Simon Koster, Peter Mintzberg and Edward McGee, mostly the same members as the board of directors of GSOIH prior to the Management Reorganization.

On May 4, 2026, a Board of Managers of Grayscale Investments Sponsors, LLC was created to manage and direct the affairs of the Sponsor, under authority delegated by the Board. While the Board retains overall oversight of Grayscale Investments and its subsidiaries as a whole, including the Sponsor, the Board of Managers was granted authority to manage the day-to-day affairs of the Sponsor under the amended and restated limited liability company agreement of the Sponsor. From May 4, 2026 until July 2, 2026, the Board of Managers consisted of Peter Mintzberg, Edward McGee, and Craig Salm.

Effective July 2, 2026, Kathryn Masci was appointed to serve as Interim Chief Financial Officer of the Sponsor. Ms. Masci was appointed as a member of the Board of Managers and as principal financial and accounting officer of the registrant, and Edward McGee stepped down as Chief Financial Officer, principal financial and accounting officer and a member of the Board of Managers. From and after July 2, 2026, the Board of Managers consists of Peter Mintzberg, Kathryn Masci, and Craig Salm. Mr. Mintzberg, Ms. Masci, and Mr. Salm are granted authority to manage the day-to-day affairs of the Sponsor under the amended and restated limited liability company agreement of the Sponsor.

The Sponsor has an Audit Committee. The Audit Committee has the responsibility for overseeing the financial reporting process of the Trust, including the risks and controls of that process and such other oversight functions as are typically performed by an audit committee of a public company.

The Sponsor has a code of ethics (the "Code of Ethics") that applies to its executive officers and agents. The Code of Ethics is available by writing the Sponsor at 290 Harbor Drive, 4th Floor, Stamford, Connecticut 06902 or calling the Sponsor at (212) 668-1427. The Sponsor's Code of Ethics is intended to be a codification of the business and ethical principles that guide the Sponsor, and to deter wrongdoing, to promote honest and ethical conduct, to avoid conflicts of interest, and to foster compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations and accountability for adherence to this code.

Prior to January 1, 2025, references to the "Sponsor" in this section refer to GSI, and thereafter refer to GSO or GSIS, as applicable. In connection with the Reorganization, the former Board of GSI was reconstituted at GSOIH, and in connection with the Management Reorganization, the former board of GSOIH was reconstituted at Grayscale Investments. Prior to January 1, 2025, any references to the "Board" refer to the board of directors of Grayscale Investments, LLC, the former sponsor of the Trust. From January 1, 2025 to October 22, 2025, any references to the "Board" refer to the board of directors of GSOIH. From October 22, 2025 to May 4, 2026, any references to the "Board" refer to the board of directors of Grayscale Investments. From and after May 4, 2026, any references to the "Board of Managers" or the "Board" refer to the Board of Managers of the Sponsor.

Peter Mintzberg, Board Member and Chief Executive Officer

Peter Mintzberg, 58, has been the Chief Executive Officer of the Sponsor since August 2024 and has served as a member of the Board of Managers since May 2026. Mr. Mintzberg joins the Sponsor from Goldman Sachs, where he served as Global Head of Strategy for Asset and Wealth Management. Prior, he held several global leadership roles in Strategy, M&A, and Investor Relations at BlackRock, Apollo, OppenheimerFunds, and Invesco. With deep knowledge across a broad base of client types and asset classes, Mr. Mintzberg has over two decades of experience developing and executing strategy and innovating to drive growth. Mr. Mintzberg started his career working at McKinsey & Co. in New York, San Francisco, and São Paulo, focused on the financial services and technology sectors. Mr. Mintzberg was recognized as a Latino leader in Finance by The Alumni Society in 2018, and was selected as a David Rockefeller Fellow in the 2016-2017 Class by the Partnership for New York City. He earned a bachelor's degree in engineering from the Universidade Federal Rio de Janeiro, and an MBA from Harvard University.

Kathryn Masci, Board Member and Interim Chief Financial Officer

Kathryn Masci, 34, has served as Interim Chief Financial Officer of the Sponsor and as a member of the Board of Managers since July 2, 2026. Ms. Masci has served as Senior Vice President of Finance of Grayscale since January 2026 and has been with Grayscale since May 2020. Prior to serving as Senior Vice President of Finance, Ms. Masci held various finance and accounting roles at Grayscale. Prior to joining Grayscale, Ms. Masci served as Assistant Controller at Garrison Capital Inc., a publicly traded business development company, from July 2019 to May 2020. Before joining Garrison Capital, Ms. Masci served as a Senior Financial Reporting Associate at Pzena Investment Management, Inc., a publicly traded investment management firm, where she oversaw financial reporting and accounting policy from October 2016 to July 2019. From July 2014 to October 2016, Ms. Masci worked at Ernst & Young LLP in the Banking & Capital Markets and Professional Practice groups, providing audit and advisory services to financial services clients and supporting the consultation and accounting policy process for financial services audit teams. Ms. Masci earned her Bachelor of Science and Master of Science degrees in Accounting from the School of Management at Binghamton University, State University of New York. Ms. Masci is a Certified Public Accountant licensed in the state of New York.

Craig Salm, Board Member and Chief Legal Officer

Craig Salm, 38, has been the Chief Legal Officer of Grayscale since 2022 and has served as a member of the Board of Managers since May 2026. Before serving as Chief Legal Officer, Mr. Salm was Director, Legal since January 2020 and Associate, Legal since January 2018. Prior to joining Grayscale, Mr. Salm was a corporate associate at Paul Weiss and a member of its Capital Markets & Securities Group—primarily focused on representing issuers, private equity sponsors, investment banks, hedge funds and other stakeholders in corporate finance transactions, as well as advising on securities law and corporate governance matters. Mr. Salm earned his Bachelor of Science from the University of Michigan and his Juris Doctor from the Benjamin N. Cardozo School of Law. Mr. Salm serves as a member of the Blockchain Association and a member of the Crypto Ratings Council.

Item 11. Executive Compensation

Not applicable.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance under Equity Compensation Plans and Related Stockholder Matters

Not applicable.

Security Ownership of Certain Beneficial Owners and Management

The Trust does not have any directors, officers or employees. The following table sets forth certain information with respect to the beneficial ownership of the Shares for (i) each person that, to the Sponsor's knowledge based on the records of the Transfer Agent and other ownership information provided to the Sponsor, owns beneficially a significant portion of the Shares; (ii) each member of the Board of Managers and executive officer of the Sponsor individually; and (iii) all members of the Board of Managers and executive officers of the Sponsor as a group.

The number of Shares beneficially owned and percentages of beneficial ownership set forth below are based on the number of Shares outstanding as of August 31, 2026.

In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Beneficial Ownership
Significant Shareholders:		
Digital Currency Group, Inc.[(1)]	*	* %
Members of the Board of Managers, Executive Officers & Other Named Executive Officers of the Sponsor:[(2)]		
Peter Mintzberg	*	* %
Kathryn Masci	*	* %
Craig Salm	*	* %
Members of the Board of Managers, Executive Officers & Other Named Executive Officers of the Sponsor as a group	*	* %

(1) On March 2, 2022, the Board approved the purchase by DCG, the indirect parent company of the Sponsor, of up to an aggregate total of $200 million worth of Shares of the Trust and shares of any of the following five investment products the Sponsor also acts as the sponsor and manager of, including Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), Grayscale CoinDesk Crypto 5 ETF (NYSE Arca: GDLC), Grayscale Ethereum Staking ETF (NYSE Arca: ETHE), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through August 31, 2026, DCG did not purchase any Shares of the Trust under this authorization.

(2) The Trust does not have any directors, officers or employees. 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.

* Represents beneficial ownership of less than 1%.

Unless otherwise indicated, the address for each shareholder listed in the table above is c/o Grayscale Investments Sponsors, LLC, 290 Harbor Drive, 4th Floor, Stamford, Connecticut 06902.

Item 13. Certain Relationships and Related Transactions and Director Independence

General

The Sponsor has not established formal procedures to resolve all potential conflicts of interest. Consequently, shareholders may be 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.

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.

Digital Currency Group, Inc.

DCG is (i) the indirect parent company of the Sponsor, (ii) the indirect parent company of Grayscale Securities, the only acting Authorized Participant as of the date of this Annual Report, and (iii) a minority interest holder in Kraken, one of the Digital Asset Trading Platforms included in the Index, representing less than 1.0% of its equity.

DCG has investments in a large number of digital assets and companies involved in the digital asset ecosystem, including trading platforms and custodians. DCG's positions on changes that should be adopted in the Bitcoin Cash Network could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork, DCG's position regarding which fork among a group of incompatible forks of the Bitcoin Cash Network should be considered the "true" Bitcoin Cash Network could be adverse to positions that would most benefit the Trust.

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 several other digital asset investment vehicles, and their respective clients. 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.

The Sponsor and Grayscale Securities are affiliates of each other, and the Sponsor may engage other affiliated service providers in the future. Because of the Sponsor's affiliated status, it may be disincentivized from replacing affiliated service providers. In connection with this conflict of interest, shareholders should understand that affiliated service providers will receive fees for providing services to the Trust. Clients of the affiliated service providers may pay commissions at negotiated rates which are greater or less than the rate paid by the Trust.

The Sponsor and any affiliated service provider may, from time to time, have conflicting demands in respect of their obligations to the Trust and, in the future, to other clients. It is possible that future business ventures of the Sponsor and affiliated service providers may generate larger fees, resulting in increased payments to employees, and therefore, incentivizing the Sponsor and/or the affiliated service providers to allocate its/their limited resources accordingly to the potential detriment of the Trust.

There is an absence of arm's length negotiation with respect to some of the terms of the Trust, and, where applicable, there has been no independent due diligence conducted with respect to the Trust. The Sponsor will, however, not retain any affiliated service providers for the Trust which the Sponsor has reason to believe would knowingly or deliberately favor any other client over the Trust.

The Authorized Participant

Prior to October 3, 2022, Genesis, an affiliate of the Trust and the Sponsor, was the only Authorized Participant and was party to a participant agreement with the Sponsor and the Trust. Since October 3, 2022, the only Authorized Participant is Grayscale Securities, an affiliate of the Trust and the Sponsor. As a result of this affiliation, the Sponsor has an incentive to resolve questions between Grayscale Securities, on the one hand, and the Trust and shareholders, on the other hand, in favor of Grayscale Securities (including, but not limited to, questions as to the calculation of the Basket Amount). Lastly, several employees of the Sponsor and Digital Currency Group, Inc. are FINRA-registered representatives who maintain their licenses through Grayscale Securities.

Proprietary Trading/Other Clients

Because the officers of the Sponsor may trade BCH 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, 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.

Item 14. Principal Accountant Fees and Services

Fees for services performed by KPMG LLP ("KPMG"), for the years ended June 30, 2026 and 2025:

	Years Ended June 30,	
	2026	**2025**
Audit fees	$ 156,000	$ 120,000
Total	$ 156,000	$ 120,000

In the table above, in accordance with the SEC's definitions and rules, Audit Fees are fees paid to KPMG for professional services for the audit of the Trust's financial statements included in the annual report on Form 10-K and review of financial statements included in the quarterly reports on Form 10-Q, and for services that are normally provided by the accountants in connection with regulatory filings or engagements.

Pre-Approved Policies and Procedures

The Trust has no board of directors, and as a result, has no audit committee or pre-approval policy with respect to fees paid to its principal accounting firm. Such determinations, including for the fiscal year ended June 30, 2026, are made by the Audit Committee. Prior to January 1, 2025, "Board" refers to the board of directors of Grayscale Investments, LLC, the former Sponsor of the Trust. From January 1, 2025, to October 22, 2025, "Board" refers to the board of directors of GSOIH. From and after October 22, 2025, "Board" refers to the board of directors of Grayscale Investments. From and after May 4, 2026, "Board" refers to the Board of Managers of the Sponsor.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. Financial Statements

See Index to Financial Statements on Page F-1 for a list of the financial statements being filed herein.

2. Financial Statement Schedules

Schedules have been omitted since they are either not required, not applicable, or the information has otherwise been included.

3. Exhibits

Exhibit Number	Exhibit Description
4.1	Amended and Restated Declaration of Trust and Trust Agreement (incorporated by reference to Exhibit 4.1 of the Registration Statement on Form 10 filed by the Registrant on July 12, 2021).
4.2	Amendment No. 1 to the Amended and Restated Declaration of Trust and Trust Agreement (incorporated by reference to Exhibit 4.2 of the Registration Statement on Form 10 filed by the Registrant on July 12, 2021).
4.3	Amendment No. 2 to the Amended and Restated Declaration of Trust and Trust Agreement (incorporated by reference to Exhibit 4.3 of the Registration Statement on Form 10 filed by the Registrant on September 22, 2021).
4.4	Amendment No. 3 to the Amended and Restated Declaration of Trust and Trust Agreement (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by the Registrant on March 25, 2024).
4.5	Certificate of Amendment to Certificate of Trust (attached as Exhibit A to Amendment No. 1 to the Amended and Restated Declaration of Trust and Trust Agreement).
4.6	Participant Agreement, dated October 3, 2022, between the Sponsor and Grayscale Securities, LLC (incorporated by reference to Exhibit 4.1 of the current report on Form 8-K filed by the Registrant on October 3, 2022).
4.7	Description of Registrant's Securities (incorporated by reference to Exhibit 4.6 of the Annual Report on Form 10-K filed by the Registrant on September 1, 2022).
10.1†	Amended and Restated Custodian Agreement, dated June 29, 2022, between the Sponsor and the Custodian (incorporated by reference to Exhibit 10.1 of the Annual Report on Form 10-K filed by the Registrant on September 1, 2022).
10.2	Distribution and Marketing Agreement, dated October 3, 2022, between the Sponsor and Grayscale Securities, LLC (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K filed by the Registrant on October 3, 2022).
10.3†	Index License Agreement (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K filed by the Registrant on February 4, 2022).
10.4†	Amendment No. 1 to the Index License Agreement, dated June 20, 2023, between the Sponsor and Index Provider (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K filed by the Registrant on June 23, 2023).
10.5†	Amendment No. 6 to the Index License Agreement, dated March 1, 2025, between the Sponsor and the Index Provider (incorporated by reference to Exhibit 10.5 of the Annual Report on Form 10-K filed by the Registrant on September 5, 2025).
10.6	Transfer Agency and Service Agreement (incorporated by reference to Exhibit 10.4 of the Registration Statement on Form 10 filed by the Registrant on July 12, 2021).
10.7†	Assignment and Assumption Agreement (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K filed by the Registrant on January 3, 2025.
10.8†	Coinbase Assignment Agreement (incorporated by reference to Exhibit 10.2 of the current report on Form 8-K filed by the Registrant on January 3, 2025).
10.9†	Prime Broker Agreement, dated October 3, 2025, among the Sponsor, on behalf of itself and the Trust, Coinbase, Inc. and Coinbase Custody Trust Company, LLC (incorporated by reference to Exhibit 10.1 of the current report on Form 8-K filed by the Registrant on October 9, 2025).

10.10†	Fund Administration and Accounting Agreement, dated October 9, 2025, between the Sponsor and BNY Mellon Asset Servicing (incorporated by reference to Exhibit 10.2 of the current report on Form 8-K filed by the Registrant on October 9, 2025).
31.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by Principal Financial and Accounting Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification by Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification by Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File—The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

* Filed herewith.

† Portions of this exhibit (indicated by asterisks) have been omitted as the Registrant has determined that (i) the omitted information is not material and (ii) the omitted information is of the type that the Registrant treats as private or confidential.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

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

Grayscale Investments Sponsors, LLC
as Sponsor of Grayscale Bitcoin Cash Trust (BCH)

By: /s/ Peter Mintzberg
Name: Peter Mintzberg
Title: Member of the Board of Managers and Chief Executive Officer (Principal Executive Officer)*

By: /s/ Kathryn Masci
Name: Kathryn Masci
Title: Member of the Board of Managers and Interim Chief Financial Officer (Principal Financial and Accounting Officer)*

By: /s/ Craig Salm
Name: Craig Salm
Title: Member of the Board of Managers and Chief Legal Officer*

Date: September 3, 2026

* The Registrant is a trust and the persons are signing in their capacities as officers and managers of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Sponsor of
Grayscale Bitcoin Cash Trust (BCH):

Opinion on the Financial Statements

We have audited the accompanying statements of assets and liabilities of Grayscale Bitcoin Cash Trust (BCH) (the Trust), including the schedules of investment, as of June 30, 2026 and June 30, 2025, the related statements of operations, and changes in net assets for the years then ended, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as of June 30, 2026 and June 30, 2025, and the results of its operations and the changes in its net assets for the years then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Trust's auditor since 2024.

New York, New York
September 3, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Sponsor of
Grayscale Bitcoin Cash Trust (BCH)

Opinion on the Financial Statements

We have audited the statements of operations and changes in net assets of Grayscale Bitcoin Cash Trust (BCH) (the "Trust") for the year ended June 30, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the results of its operations for the year ended June 30, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the management of the Trust's Sponsor, Grayscale Investments Sponsors, LLC. Our responsibility is to express an opinion on the Trust's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Matter - Investment in Bitcoin Cash

In forming our opinion, we have considered the adequacy of the disclosures included in Note 7 to the financial statements concerning among other things the risks and uncertainties related to the Trust's investment in Bitcoin Cash and Incidental Rights or IR Virtual Currency that arise as a result of the Trust's investment in Bitcoin Cash. The risks and rewards to be recognized by the Trust associated with its investment in Bitcoin Cash will be dependent on many factors outside of the Trust's control. The currently immature nature of the Bitcoin Cash market including clearing, settlement, custody and trading mechanisms, the dependency on information technology to sustain Bitcoin Cash continuity, as well as valuation and volume volatility all subject Bitcoin Cash to unique risks of theft, loss, or other misappropriation as well as valuation uncertainty. Furthermore, these factors also contribute to the significant uncertainty with respect to the future viability and value of Bitcoin Cash. Our opinion is not qualified in respect to this matter.

/s/ Marcum LLP

We have served as the Trust's auditor from 2018 to 2024 (such date takes into account the acquisition of certain assets of Friedman LLP by Marcum LLP effective September 1, 2022).

New York, New York
September 6, 2024

GRAYSCALE BITCOIN CASH TRUST (BCH)
STATEMENTS OF ASSETS AND LIABILITIES
(Amounts in thousands, except Share and per Share amounts)

	June 30,	
	2026	**2025**
Assets:		
Investment in BCH, at fair value (cost $149,068 and $152,842 as of June 30, 2026 and 2025, respectively)	$ 76,558	$ 202,961
Total assets	$ 76,558	$ 202,961
Liabilities:		
Sponsor's Fee payable, related party	$ -	$ -
Total liabilities	-	-
Net assets	$ 76,558	$ 202,961
Shares issued and outstanding, no par value (unlimited Shares authorized)	47,123,300	47,123,300
Principal Market NAV per Share	$ 1.62	$ 4.31

See accompanying notes to financial statements.

GRAYSCALE BITCOIN CASH TRUST (BCH)
SCHEDULES OF INVESTMENT
(Amounts in thousands, except quantity of BCH and percentages)

June 30, 2026

	Quantity of BCH	Cost	Fair Value	% of Net Assets
Investment in BCH	382,599.73529351	$ 149,068	$ 76,558	100%
Total Investment		$ 149,068	$ 76,558	100%
Net assets			$ 76,558	100%

June 30, 2025

	Quantity of BCH	Cost	Fair Value	% of Net Assets
Investment in BCH	392,285.62958128	$ 152,842	$ 202,961	100%
Total Investment		$ 152,842	$ 202,961	100%
Net assets			$ 202,961	100%

See accompanying notes to financial statements.

GRAYSCALE BITCOIN CASH TRUST (BCH)
STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Years Ended June 30,		
	2026	**2025**	**2024**
Investment income:			
Investment income	$ -	$ -	$ -
Expenses:			
Sponsor's Fee, related party	4,811	3,665	2,469
Net investment loss	(4,811)	(3,665)	(2,469)
Net realized and unrealized (loss) gain from:			
Net realized gain (loss) on investment in BCH	1,037	(17)	(450)
Net change in unrealized appreciation/depreciation on investment in BCH	(122,629)	48,646	23,205
Net realized and unrealized (loss) gain on investment	(121,592)	48,629	22,755
Net (decrease) increase in net assets resulting from operations	$ (126,403)	$ 44,964	$ 20,286

See accompanying notes to financial statements.

GRAYSCALE BITCOIN CASH TRUST (BCH)
STATEMENTS OF CHANGES IN NET ASSETS
(Amounts in thousands, except change in Shares outstanding)

	Years Ended June 30,		
	2026	**2025**	**2024**
(Decrease) increase in net assets from operations:			
Net investment loss	$ (4,811)	$ (3,665)	$ (2,469)
Net realized gain (loss) on investment in BCH	1,037	(17)	(450)
Net change in unrealized appreciation/depreciation on investment in BCH	(122,629)	48,646	23,205
Net (decrease) increase in net assets resulting from operations	(126,403)	44,964	20,286
(Decrease) increase in net assets from capital share transactions:			
Shares issued	-	22,983	22,716
Net increase in net assets resulting from capital share transactions	-	22,983	22,716
Total (decrease) increase in net assets from operations and capital share transactions	(126,403)	67,947	43,002
Net assets:			
Beginning of year	202,961	135,014	92,012
End of year	$ 76,558	$ 202,961	$ 135,014
Change in Shares outstanding:			
Shares outstanding at beginning of year	47,123,300	40,366,000	34,812,900
Shares issued	-	6,757,300	5,553,100
Net increase in Shares	-	6,757,300	5,553,100
Shares outstanding at end of year	47,123,300	47,123,300	40,366,000

See accompanying notes to financial statements.

GRAYSCALE BITCOIN CASH TRUST (BCH)
NOTES TO THE FINANCIAL STATEMENTS

1. Organization

Grayscale Bitcoin Cash Trust (BCH) (the "Trust") is a Delaware Statutory Trust that was formed on January 26, 2018 and commenced operations on March 1, 2018. In general, the Trust holds Bitcoin Cash ("BCH") and, from time to time, issues common units of fractional undivided beneficial interest ("Shares") (in minimum baskets of 100 Shares, referred to as "Baskets") in exchange for BCH. As of June 30, 2026, the Trust did not operate a redemption program. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. The Trust's investment objective is for the value of the Shares (based on the BCH per Share) to reflect the value of the BCH held by the Trust, less the Trust's expenses and other liabilities.

Grayscale Investments, LLC ("GSI") was the sponsor of the Trust before January 1, 2025, Grayscale Operating, LLC ("GSO") was the co-sponsor of the Trust from January 1, 2025 to May 3, 2025, and Grayscale Investments Sponsors, LLC ("GSIS" or the "Sponsor") was the co-sponsor of the Trust from January 1, 2025 to May 3, 2025 and is the sole remaining sponsor thereafter. GSI was, and each of GSO and GSIS are, a consolidated subsidiary of Digital Currency Group, Inc. ("DCG"). The Sponsor is responsible for the day-to-day administration of the Trust pursuant to the provisions of the Amended and Restated Declaration of Trust and Trust Agreement between the Trustee and the Sponsor establishing and governing the operations of the Trust, as amended by Amendments No. 1, No. 2 and No. 3 thereto and as the same may be further amended from time to time (the "Trust Agreement"). The Sponsor is responsible for preparing and providing annual and quarterly 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 pays a fee to the Sponsor, calculated as 2.5% of the aggregate value of the Trust's assets, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Sponsor or its delegates in the manner set forth in the Trust Agreement (the "Sponsor's Fee"). The Sponsor also acts as the sponsor and manager of other single-asset and diversified investment products, each of which is an affiliate of the Trust. Information related to the affiliated investment products can be found on the Sponsor's website at www.grayscale.com/resources/regulatory-filings. Any information contained on or linked from such website is not part of nor incorporated by reference into these audited financial statements.

Authorized participants of the Trust (the "Authorized Participants") are the only entities who may place orders to create or, if permitted, redeem Baskets. Grayscale Securities, LLC ("Grayscale Securities" or, in such capacity, an "Authorized Participant"), a registered broker-dealer and affiliate of the Sponsor, is the only Authorized Participant, and is party to a participant agreement with the Sponsor and the Trust. Additional Authorized Participants may be added at any time, subject to the discretion of the Sponsor. Service providers that facilitate the purchase of BCH in connection with the creation of Baskets (the "Liquidity Providers") who are unaffiliated with the Trust may be engaged from time to time and at any time.

The custodian of the Trust is Coinbase Custody Trust Company, LLC (the "Custodian"), a third-party service provider. The Custodian is responsible for safeguarding the BCH, Incidental Rights, and IR Virtual Currency held by the Trust, and holding the private key(s) that provide access to the Trust's digital wallets and vaults.

The transfer agent for the Trust (the "Transfer Agent") is Continental Stock Transfer & Trust Company. The responsibilities of the Transfer Agent are to maintain creations, redemptions, transfers, and distributions of the Trust's Shares which are primarily held in book-entry form.

The Trust may also receive Incidental Rights and/or IR Virtual Currency as a result of the Trust's investment in BCH, in accordance with the terms of the Trust Agreement. Incidental Rights are rights to claim, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of BCH and arise without any action of the Trust, or of the Sponsor or Trustee (CSC Delaware Trust Company) on behalf of the Trust; IR Virtual Currency is any virtual currency tokens, or other asset or right, received by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right.

The Trust's Shares have traded on OTC Markets since August 18, 2020. The Trust's trading symbol on OTCQX is "BCHG" and the CUSIP number for its Shares is 38963P109.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Trust:

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. 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 uses fair value as its method of accounting for BCH in accordance with its classification as an investment company for accounting purposes. The Trust is not a registered investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates and these differences could be material.

The Trust conducts its transactions in BCH, including receiving BCH for the creation of Shares and delivering BCH for the redemption of Shares and for the payment of the Sponsor's Fee. At this time, the Trust is not accepting redemption requests from shareholders. Since its inception, the Trust has not held cash or cash equivalents. The Sponsor will determine the Trust's net asset value ("NAV") on each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable.

Principal Market and Fair Value Determination

To determine which market is the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's net asset value in accordance with U.S. GAAP ("Principal Market NAV"), the Trust follows ASC Topic 820-10, *Fair Value Measurement*, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for BCH in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that BCH is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact.

The Trust only receives BCH in connection with a creation order from the Authorized Participant (or a Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Trust looks to market-based volume and level of activity for Digital Asset Markets. The Authorized Participant(s), or a Liquidity Provider, may transact in a Brokered Market, a Dealer Market, Principal-to-Principal Markets and Exchange Markets (referred to as "Trading Platform Markets" in this Annual Report), each as defined in the FASB ASC Master Glossary (collectively, "Digital Asset Markets").

In determining which of the eligible Digital Asset Markets is the Trust's principal market, the Trust reviews these criteria in the following order:

First, the Trust reviews a list of Digital Asset Markets that maintain practices and policies designed to comply with anti-money laundering and know-your-customer regulations, and non-Digital Asset Trading Platform Markets that the Trust reasonably believes are operating in compliance with applicable law, including federal and state licensing requirements, based upon information and assurances provided to it by each market.

Second, the Trust sorts these Digital Asset Markets from high to low by market-based volume and level of activity of BCH traded on each Digital Asset Market in the trailing twelve months.

Third, the Trust then reviews pricing fluctuations and the degree of variances in price on Digital Asset Markets to identify any material, notable variances that may impact the volume or price information of a particular Digital Asset Market.

Fourth, the Trust then selects a Digital Asset Market as its principal market based on the highest market-based volume, level of activity and price stability in comparison to the other Digital Asset Markets on the list. Based on information reasonably available to the Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust therefore looks to accessible Trading Platform Markets as opposed to the Brokered Market, Dealer Market and Principal-to-Principal Markets to determine its principal market. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust determines its principal market (or in the absence of a principal market the most advantageous market) annually and conducts a quarterly analysis to determine (i) if there have been recent changes to each Digital Asset Market's trading volume and level of activity in the trailing twelve months, (ii) if any Digital Asset Markets have developed that the Trust has access to, or (iii) if recent changes to each Digital Asset Market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Trust's determination of its principal market.

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of BCH for Share creations and the delivery of BCH for Share redemptions or for payment of expenses in BCH. At this time, the Trust is not accepting redemption requests from shareholders. The

Trust records its investment transactions on a trade date basis and changes in fair value are reflected as net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using the specific identification method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Sponsor's Fee in BCH.

Fair Value Measurement

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.

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

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

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Trust has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, these valuations do not entail a significant degree of judgment.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

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

(Amounts in thousands)	Amount at Fair Value	Fair Value Measurement Using Level 1	Level 2	Level 3
June 30, 2026				
Assets				
Investment in BCH	$ 76,558	$ 76,558	$ -	$ -
June 30, 2025				
Assets				
Investment in BCH	$ 202,961	$ 202,961	$ -	$ -

Segment Reporting

The Chief Executive Officer and Chief Financial Officer of the Sponsor act as the Trust's chief operating decision maker ("CODM"). The Trust represents a single operating segment, as the CODM monitors the operating results of the Trust as a whole and the Trust's passive investment objective is pre-determined in accordance with the terms of the Trust Agreement. The financial information in the form of the Trust's total returns, expense ratios and changes in net assets (i.e., changes in net assets resulting from operations and capital share transactions), which are used by the CODM to assess the segment's performance, are consistent with that presented within the Trust's financial statements. Segment assets are reflected on the accompanying Statements of Assets and Liabilities as Total assets and the only significant segment expense, the Sponsor's Fee, related party, is included in the accompanying Statements of Operations.

3. Fair Value of BCH

BCH is held by the Custodian on behalf of the Trust and is carried at fair value. As of June 30, 2026, 2025 and 2024, the Trust held 382,599.73529351, 392,285.62958128 and 344,528.53494921 BCH, respectively.

The Trust determined the fair value per BCH to be $200.10, $517.38, and $391.88 on June 30, 2026, 2025 and 2024, respectively, using the price provided at 4:00 p.m., New York time, by the Digital Asset Trading Platform Market considered to be the Trust's principal market (Coinbase).

The following represents the changes in quantity of BCH and the respective fair value:

(Amounts in thousands, except BCH amounts)	Quantity	Fair Value
Balance at June 30, 2023	304,664.86473559	$ 92,012
BCH contributed	47,623.17430380	22,716
BCH distributed for Sponsor's Fee, related party	(7,759.50409018)	(2,469)
Net change in unrealized appreciation/depreciation on investment in BCH	-	23,205
Net realized loss on investment in BCH	-	(450)
Balance at June 30, 2024	344,528.53494921	$ 135,014
BCH contributed	57,237.79382476	22,983
BCH distributed for Sponsor's Fee, related party	(9,480.69919269)	(3,665)
Net change in unrealized appreciation/depreciation on investment in BCH	-	48,646
Net realized loss on investment in BCH	-	(17)
Balance at June 30, 2025	392,285.62958128	$ 202,961
BCH contributed	-	-
BCH distributed for Sponsor's Fee, related party	(9,685.89428777)	(4,811)
Net change in unrealized appreciation/depreciation on investment in BCH	-	(122,629)
Net realized gain on investment in BCH	-	1,037
Balance at June 30, 2026	382,599.73529351	$ 76,558

4. Creations and Redemptions of Shares

The Trust creates (and, should the Trust commence a redemption program, redeems) Shares from time to time, but only in one or more Baskets issued to the Authorized Participant in exchange for the delivery of BCH to the Trust or the distribution of BCH by the Trust. The amount of BCH required for each Creation Basket or redemption Basket is determined by dividing (x) the amount of BCH owned by the Trust at 4:00 p.m., New York time, on such trade date of a creation or redemption order, after deducting the amount of BCH representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust, by (y) the number of Shares outstanding at such time and multiplying the quotient obtained by 100. Each Share represented approximately 0.0081 and 0.0083 of one BCH at June 30, 2026 and 2025, respectively. The decrease in the amount of BCH represented by each Share is primarily a result of the periodic withdrawal of BCH to pay the Sponsor's Fee. A "Creation Basket" is a Basket of Shares issued by the Trust upon deposits of the Basket Amount required for each such Creation Basket.

At this time, the Trust is not operating a redemption program and is not accepting redemption requests. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

5. Income Taxes

The Sponsor takes the position that the Trust is properly 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, if the Trust is a grantor trust, 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, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the Trust were not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. However, due to the uncertain treatment of digital assets, including forks, airdrops and similar events for U.S. federal income tax purposes, there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, 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 timing. In addition, tax information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable dividends to the extent of the Trust's current and accumulated earnings and profits.

In accordance with U.S. GAAP, the Trust has defined the threshold for recognizing the benefits of tax 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. Tax positions deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit in the current period. As of, and during the years ended June 30, 2026, 2025 and 2024, the Trust did not have a liability for any unrecognized tax amounts. However, the Sponsor's conclusions concerning its 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 ongoing analyses of and changes to tax laws, regulations and interpretations thereof.

The Sponsor of the Trust has evaluated whether or not there are uncertain tax positions that require financial statement recognition and has determined that no reserves for uncertain tax positions related to federal, state and local income taxes existed as of June 30, 2026 or 2025.

6. Related Parties

The Trust considered the following entities, their directors, and certain employees to be related parties of the Trust as of June 30, 2026: DCG, GSO, GSIS, and Grayscale Securities. As of June 30, 2026 and 2025, 340,021 and 593,178, Shares of the Trust were held by related parties of the Trust, respectively.

On October 22, 2025, GSO Intermediate Holdings Corporation ("GSOIH"), a Delaware corporation which was the sole managing member of GSO, consummated an internal corporate reorganization (the "Management Reorganization"), pursuant to which GSOIH transferred a portion of its common membership units of GSO for Class A shares of Grayscale Investments, Inc. ("Grayscale Investments"), a Delaware corporation incorporated in connection with the Management Reorganization, and ceded its managing member rights in GSO to Grayscale Investments. As a result of the Management Reorganization, Grayscale Investments is now the sole managing member of GSO, the sole member of the Sponsor.

On October 22, 2025, as a result of the Management Reorganization, DCG Grayscale Holdco, LLC ("DCG Holdco"), the sole stockholder of Grayscale Investments, elected a board of directors (the "Board") at Grayscale Investments. As a result of the Management Reorganization, the Board of Grayscale Investments was responsible for managing and directing the affairs of the Sponsor from October 22, 2025 to May 4, 2026 and consisted of Barry Silbert, Mark Shifke, Simon Koster, Peter Mintzberg and Edward McGee, mostly the same members as the board of directors of GSOIH prior to the Management Reorganization.

On May 4, 2026, a Board of Managers of Grayscale Investments Sponsors, LLC (the "Board of Managers") was created to manage and direct the affairs of the Sponsor, under authority delegated by the Board. While the Board retains overall oversight of Grayscale Investments and its subsidiaries as a whole, including the Sponsor, the Board of Managers was granted authority to manage the day-to-day affairs of the Sponsor under the amended and restated limited liability company agreement of the Sponsor.

Effective July 2, 2026, Kathryn Masci was appointed to serve as Interim Chief Financial Officer of the Sponsor. Ms. Masci was appointed as a member of the Board of Managers and as principal financial and accounting officer of the registrant, and Edward McGee stepped down as Chief Financial Officer, principal financial and accounting officer and a member of the Board of Managers. From and after July 2, 2026, the Board of Managers consists of Peter Mintzberg, Kathryn Masci, and Craig Salm. Mr. Mintzberg, Ms. Masci, and Mr. Salm are granted authority to manage the day-to-day affairs of the Sponsor under the amended and restated limited liability company agreement of the Sponsor. From May 4, 2026 until July 2, 2026, the Board of Managers consisted of Peter Mintzberg, Edward McGee, and Craig Salm.

In accordance with the Trust Agreement governing the Trust, the Trust pays a fee to the Sponsor, calculated as 2.5% of the aggregate value of the Trust's assets, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Sponsor or its delegates in the manner set forth in the Trust Agreement (the "Sponsor's Fee"). The Sponsor's Fee accrues daily in U.S. dollars and is payable in BCH, monthly in arrears. The amount of BCH payable in respect of each daily U.S. dollar accrual will be determined by reference to the same U.S. dollar value of BCH used to determine such accrual. For purposes of these financial statements, the U.S. dollar value of BCH is determined by reference to the Digital Asset Trading Platform Market that the Trust considers its principal market as of 4:00 p.m., New York time, on each valuation date. The Trust held no Incidental Rights or IR Virtual Currency as of June 30, 2026 and 2025. No Incidental Rights or IR Virtual Currencies have been distributed in payment of the Sponsor's Fee during the years ended June 30, 2026, 2025 and 2024.

As partial consideration for receipt of the Sponsor's Fee, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including marketing fees; administrator fees, if any; custodian fees; transfer agent fees; trustee fees; the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including customary legal, marketing and audit fees and expenses) in an amount up to $600,000 in any given fiscal year; ordinary course legal fees and expenses; audit fees; regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended; printing and mailing costs; the costs of maintaining the Trust's website and applicable license fees (together, the "Sponsor-paid Expenses").

The Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency), any indemnification of the Custodian or other agents, service providers or counterparties of the Trust, the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including legal, marketing and audit fees and expenses) to the extent exceeding $600,000 in any given fiscal year and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters (collectively "Additional Trust Expenses"). In such circumstances, the Sponsor or its delegate (i) will instruct the Custodian to

withdraw from the Digital Asset Account (segregated custody accounts to store private keys, which allow for the transfer of ownership or control of the Trust's BCH, on the Trust's behalf) BCH, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust to convert such BCH, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the price per single unit of such asset, determined net of any associated fees, at which the Trust is able to sell such asset for U.S. dollars (or other applicable fiat currency) at such time to enable the Trust to timely pay any Additional Trust Expenses, through use of the Sponsor's commercially reasonable efforts to obtain the highest such price or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such BCH, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor, in each case in such quantity as may be necessary to permit payment of such Additional Trust Expenses.

For the years ended June 30, 2026, 2025 and 2024, the Trust incurred Sponsor's Fees of $4,810,515, $3,665,127 and $2,469,207, respectively. As of June 30, 2026 and 2025 there were no accrued and unpaid Sponsor's Fees. In addition, the Sponsor may pay Additional Trust Expenses on behalf of the Trust, which are reimbursable by the Trust to the Sponsor. For the years ended June 30, 2026, 2025 and 2024, the Sponsor did not pay any Additional Trust Expenses on behalf of the Trust.

On March 2, 2022, the Board approved the purchase by DCG, the indirect parent company of the Sponsor, of up to $200 million worth of Shares of the Trust and shares of any of the following five investment products the Sponsor also acts as the sponsor and manager of, including Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), Grayscale CoinDesk Crypto 5 ETF (NYSE Arca: GDLC), Grayscale Ethereum Staking ETF (NYSE Arca: ETHE), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through June 30, 2026, DCG had not purchased any Shares of the Trust under this authorization.

7. Concentration Risk

The Trust's investment portfolio is concentrated in BCH, and its net asset value and results of operations are directly affected by the price of BCH, which has historically been highly volatile. As a result, the Trust may experience significant fluctuations in net asset value, including periods of substantial losses. This concentration also exposes the Trust to risks specific to BCH and its supporting infrastructure, including market liquidity constraints and operational or cybersecurity risks associated with the custody and transfer of BCH.

8. Quarterly Statements of Operations

Fiscal Year Ended June 30, 2026

	Three Months Ended (unaudited)				
(Amounts in thousands)	Sept-30, 2025	Dec-31, 2025	Mar-31, 2026	Jun-30, 2026	Year Ended June 30, 2026
Expenses					
Sponsor's Fee, related party	$ 1,372	$ 1,331	$ 1,261	$ 847	$ 4,811
Net investment loss	$ (1,372)	$ (1,331)	$ (1,261)	$ (847)	$ (4,811)
Net realized and unrealized gain (loss) from:					
Net realized gain (loss) on investment in BCH	412	377	333	(85)	1,037
Net change in unrealized appreciation/depreciation on investment in BCH	15,979	14,778	(49,845)	(103,541)	(122,629)
Net realized and unrealized gain (loss) on investment	16,391	15,155	(49,512)	(103,626)	(121,592)
Net increase (decrease) in net assets resulting from operations	$ 15,019	$ 13,824	$ (50,773)	$ (104,473)	$ (126,403)

Fiscal Year Ended June 30, 2025

	Three Months Ended (unaudited)				
(Amounts in thousands)	Sept-30, 2024	Dec-31, 2024	Mar-31, 2025	Jun-30, 2025	Year Ended June 30, 2025
Expenses					
Sponsor's Fee, related party	$ 782	$ 1,027	$ 897	$ 959	$ 3,665
Net investment loss	$ (782)	$ (1,027)	$ (897)	$ (959)	$ (3,665)
Net realized and unrealized (loss) gain from:					
Net realized (loss) gain on investment in BCH	(86)	108	(45)	6	(17)
Net change in unrealized appreciation/depreciation on investment in BCH	(18,005)	34,484	(52,339)	84,506	48,646
Net realized and unrealized (loss) gain on investment	(18,091)	34,592	(52,384)	84,512	48,629
Net (decrease) increase in net assets resulting from operations	$ (18,873)	$ 33,565	$ (53,281)	$ 83,553	$ 44,964

9. Financial Highlights Per Share Performance

	Years Ended June 30,		
	2026	**2025**	**2024**
Per Share Data:			
Principal Market NAV, beginning of year	$ 4.31	$ 3.34	$ 2.64
Net (decrease) increase in net assets from investment operations:			
Net investment loss	(0.10)	(0.08)	(0.07)
Net realized and unrealized (loss) gain	(2.59)	1.05	0.77
Net (decrease) increase in net assets resulting from operations	(2.69)	0.97	0.70
Principal Market NAV, end of year	$ 1.62	$ 4.31	$ 3.34
Total return	-62.41%	29.04%	26.52%
Ratios to average net assets:			
Net investment loss	-2.50%	-2.50%	-2.50%
Expenses	-2.50%	-2.50%	-2.50%

An individual shareholder's return, ratios, and per Share performance may vary from those presented above based on the timing of Share transactions. The amount shown for a Share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the number of Shares issued in Creations occurring at an operational value derived from an operating metric as defined in the Trust Agreement.

Total return is calculated assuming an initial investment made at the Principal Market NAV at the beginning of the year and assuming redemption on the last day of the year.

10. Indemnifications

In the normal course of business, the Trust enters into certain contracts that provide a variety of indemnities, including contracts with the Sponsor and affiliates of the Sponsor, DCG and its officers, directors, employees, subsidiaries and affiliates, and the Custodian as well as others relating to services provided to the Trust. The Trust's maximum exposure under these and its other indemnities is unknown. However, no liabilities have arisen under these indemnities in the past and, while there can be no assurances in this regard, there is no expectation that any will occur in the future. Therefore, the Sponsor does not consider it necessary to record a liability in this regard.

11. Subsequent Events

The Sponsor has evaluated all subsequent events through the issuance of the financial statements and has noted no other events requiring adjustment or additional disclosure in the financial statements.

Exhibit 31.1

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

I, Peter Mintzberg, certify that:

1. I have reviewed this annual report of Grayscale Bitcoin Cash Trust (BCH) (the "Trust");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the Sponsor (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2026

/s/ Peter Mintzberg

Peter Mintzberg *
Chief Executive Officer (Principal Executive Officer)

* The Registrant is a trust and Mr. Mintzberg is signing in his capacity as Principal Executive Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.

Exhibit 31.2

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

I, Kathryn Masci, certify that:

1. I have reviewed this annual report of Grayscale Bitcoin Cash Trust (BCH) (the "Trust");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the Sponsor (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 3, 2026

/s/ Kathryn Masci
Kathryn Masci*
Interim Chief Financial Officer (Principal Financial and Accounting Officer)

* The Registrant is a trust and Ms. Masci is signing in her capacity as Principal Financial and Accounting Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.

Exhibit 32.1

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

In connection with the Annual Report of Grayscale Bitcoin Cash Trust (BCH) (the "Trust") on Form 10-K for the period ending June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Mintzberg, Principal Executive Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ Peter Mintzberg
Peter Mintzberg *
Chief Executive Officer (Principal Executive Officer)
September 3, 2026

* The Registrant is a trust and Mr. Mintzberg is signing in his capacity as Principal Executive Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.

Exhibit 32.2

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

In connection with the Annual Report of Grayscale Bitcoin Cash Trust (BCH) (the "Trust") on Form 10-K for the period ending June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kathryn Masci, Principal Financial and Accounting Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Trust, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

/s/ Kathryn Masci
Kathryn Masci *
Interim Chief Financial Officer (Principal Financial and Accounting Officer)
September 3, 2026

* The Registrant is a trust and Ms. Masci is signing in her capacity as Principal Financial and Accounting Officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.