

Grayscale Investments

March 19th, 2025

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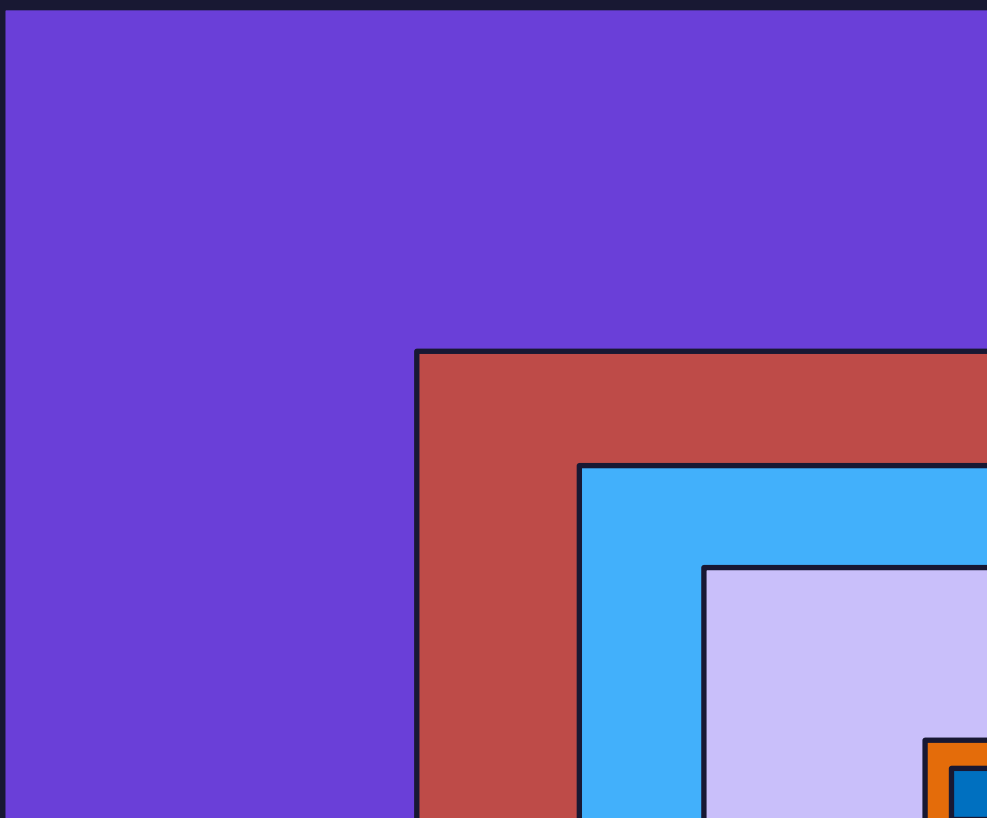
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A Small But Growing Piece of the Financial Puzzle

- Digital Assets are a new asset class that is slowly beginning to disrupt daily life. Digital assets serve a vast number of use cases including a hedge against monetary debasement, diversifying portfolios, and replacing traditional financial infrastructure.
- The total market capitalization of digital assets is approximately \$2.8 trillion, a fraction of the global wealth landscape. One does not need to assume a large percentage of market capture to project exponential growth for the industry.



Global Real Estate = \$654 Tn¹

Global Debt (Public + Private) = \$250 Tn²

Global Equities = \$124 Tn³

Commodities = \$123 Tn⁴

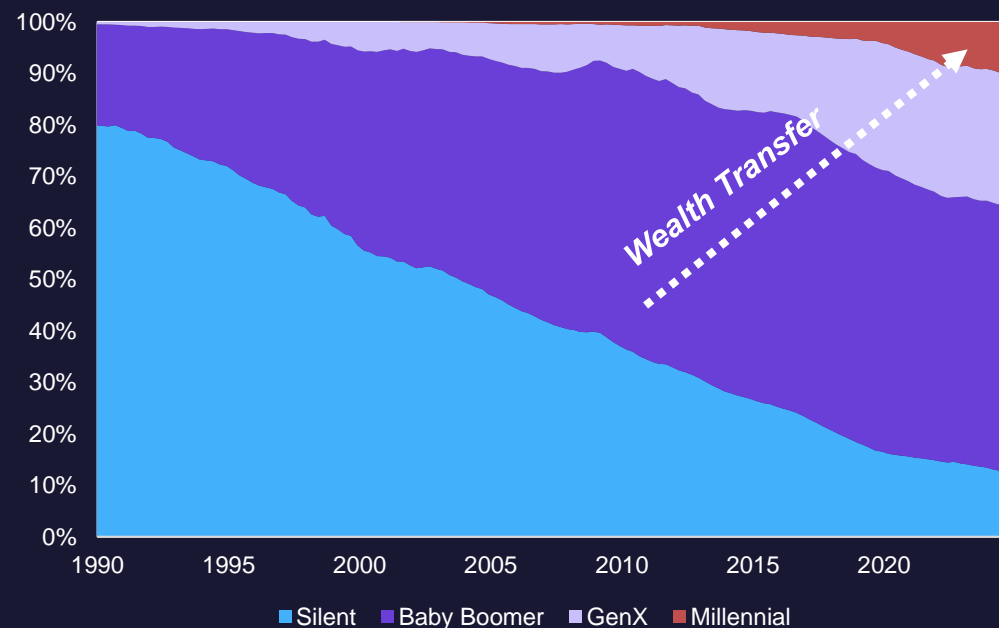
Bitcoin = \$1.6 Tn⁵

Altcoins = \$1.1 Tn⁵

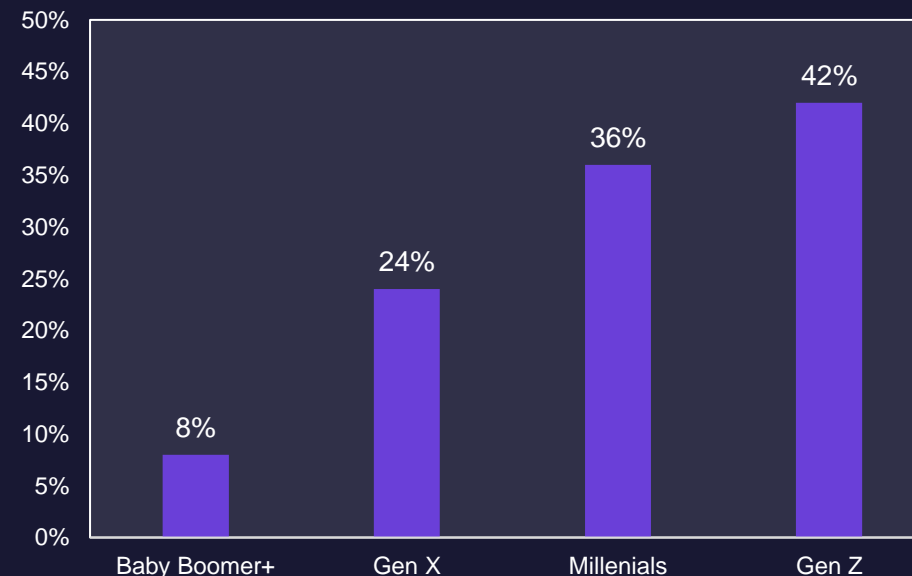
Generational Wealth Transfer Should Benefit Crypto

- Older generations within the U.S. hold most of the the country's wealth. Of the approximate \$160 trillion in household wealth, 73% belongs to those over the age of 55⁽¹⁾. This age demographic also has the lowest crypto ownership percentage (8%) compared to other generations⁽²⁾.
- Gen Z has the highest crypto ownership rate (42%), though it's limited on an absolute basis by less investable wealth. In fact, 46% of Gen Z investors cite "not having enough money to invest" as their top barrier to entering the crypto market⁽²⁾.
- Given that Gen Z investors are nearly four times more likely to own crypto than have a retirement account, it is increasingly likely that as these young investors inherit an enormous amount of wealth in the coming years, they may allocate towards digital assets⁽²⁾.

U.S. Generational Wealth Ownership



Crypto Ownership By Generation

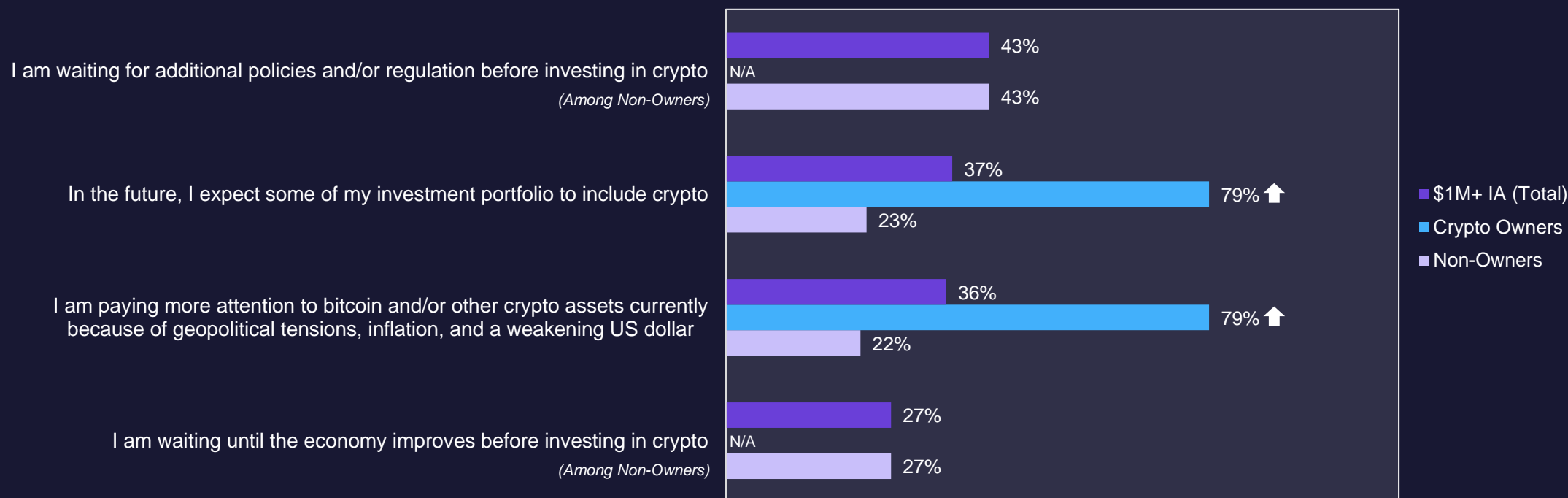


Baby Boomer+ includes Silent Generation and Baby Boomers

Regulatory Clarity is Still Needed

- In a Grayscale investor survey exploring the attitudes and behaviors of high net-worth Americans, of those with more than \$1M in investable assets who don't own crypto, 43% of individuals stated they are waiting for more regulatory clarity before investing.
- Nearly 4 in 5 crypto owners (significantly more than non-owners) expect their future portfolio to include crypto and are paying more attention to Bitcoin/other crypto assets because of various global factors.

Reasons to Purchase Crypto (Among Purchasers)

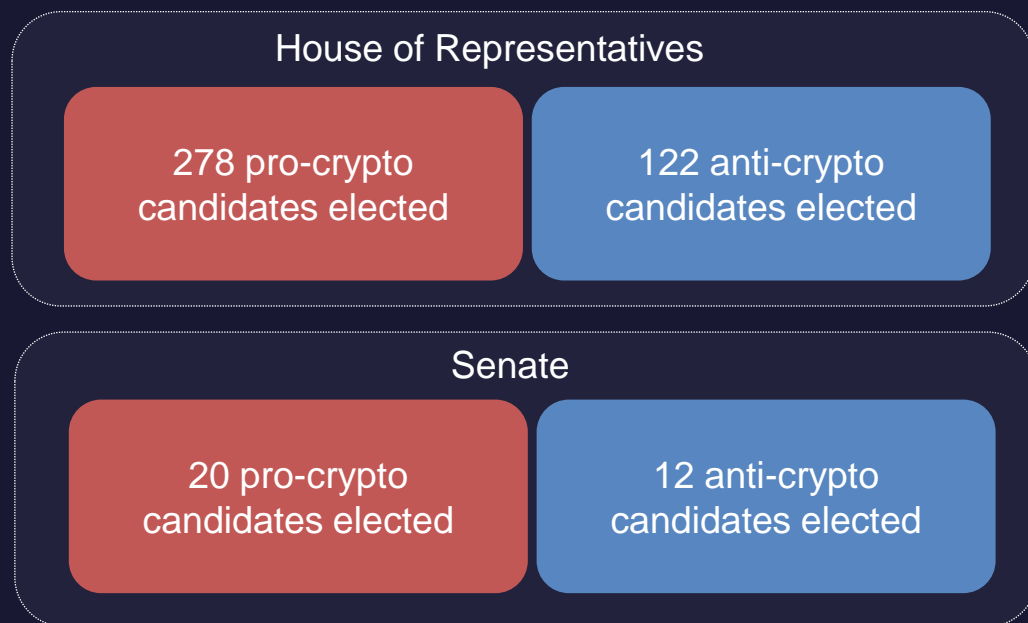


↑ Indicates significance testing across subgroups

Legislation Moving in a Crypto-Friendly Direction

- There is optimism about the willingness of the Trump administration and Congress to advance crypto-friendly policies. It's crucial to recognize the significant role crypto played in the last election. Crypto funding was instrumental in flipping several seats in Congress, and with a Republican sweep, there is hope for significant digital asset legislation in the years to come.
- Given crypto's outsized impact on the election, we expect sufficient political momentum to drive pro-crypto legislation and executive orders. We have already seen a repeal of SAB 121, and progress towards market structure and stablecoin bills.

2024 Election Results

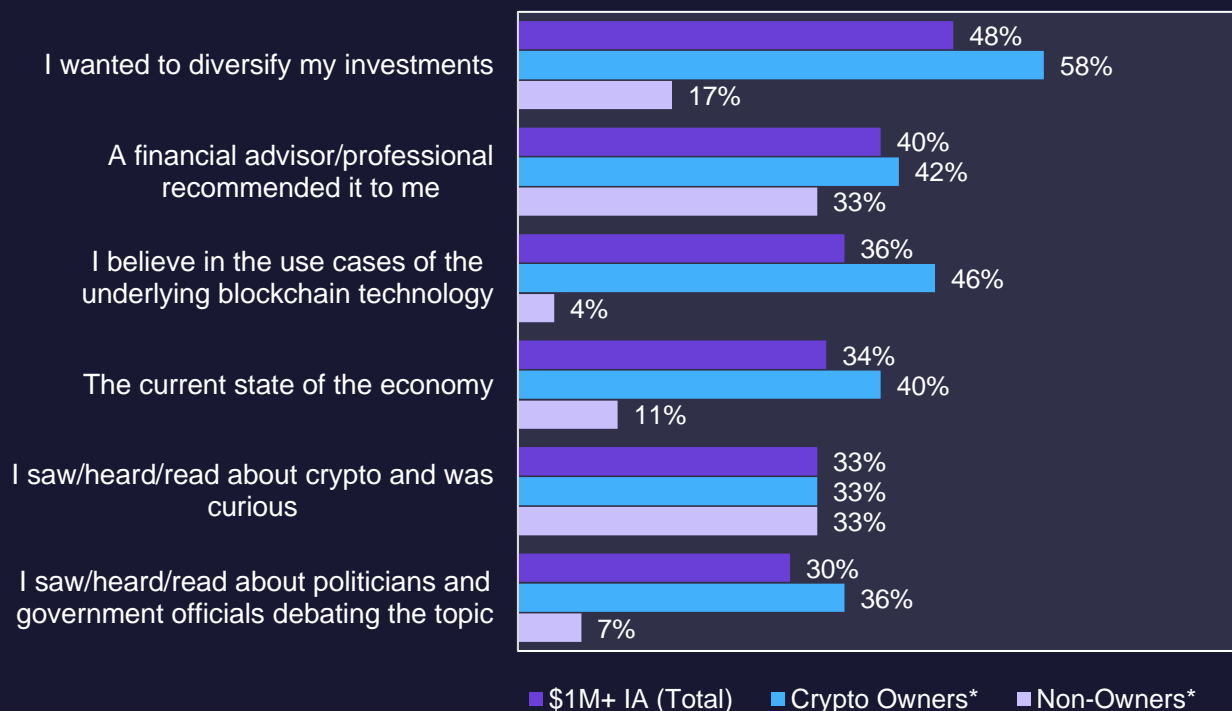


Select Pending Crypto Legislation			
Bill	Proposal Date	Status	Objective
Financial Innovation and Technology for the 21 st Century Act (FIT21)	7/20/2023	Passed in the House of Representatives - Under consideration in Senate	Aimed at establishing a comprehensive regulatory framework for digital assets in the United States.
Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS)	2/4/2025	Under consideration in Senate	Create a comprehensive regulatory framework for payment stablecoins to enhance financial innovation while ensuring consumer protection and financial stability.
Clarity for Payment Stablecoins Act	2/6/2025	Passed in the House of Representatives – Discussion draft under review in Senate	A discussion draft to establish a framework for the issuance and operation of dollar-denominated payment stablecoins in the United States.

Paving The Way for Increased Allocations

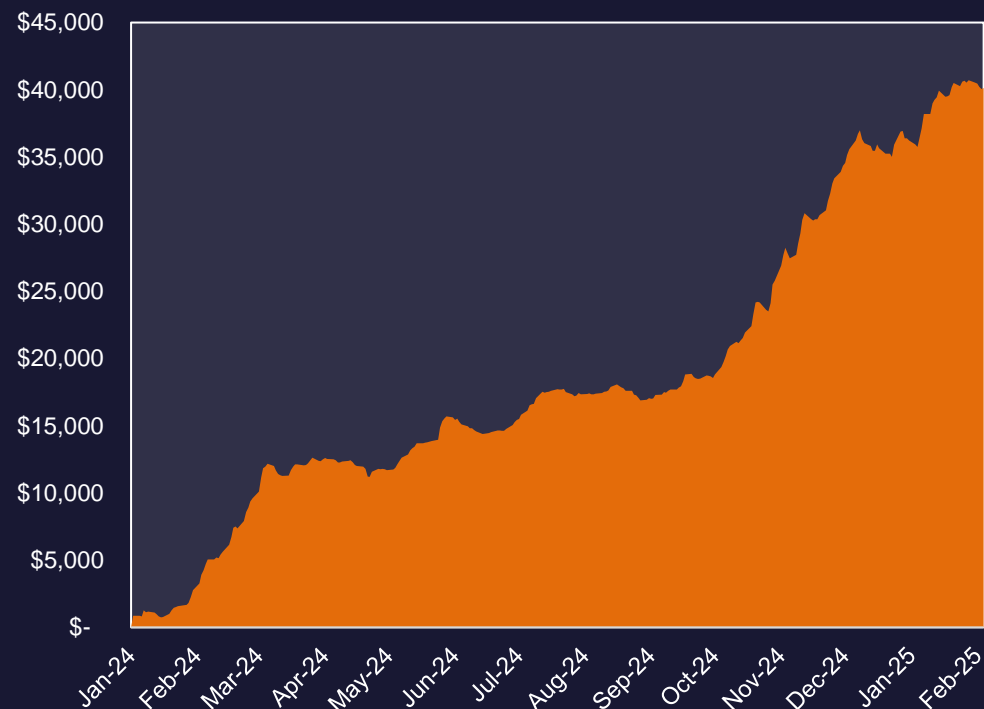
- In Grayscale’s HNW investor survey, nearly half of polled individuals purchased crypto as a way to diversify their investments, while 40% of purchased crypto because it was recommended by a financial advisor or professional.
- The same survey found that 7 out of 10 HNW investors who own crypto are more interested in investing in crypto as a result of ETF approvals. This is evident when examining Bitcoin ETF flows since launching, with aggregate net inflows exceeding \$40 billion.

Top Reasons to Purchase Crypto (Among Purchasers)



*Use caution when interpreting results due to low base size

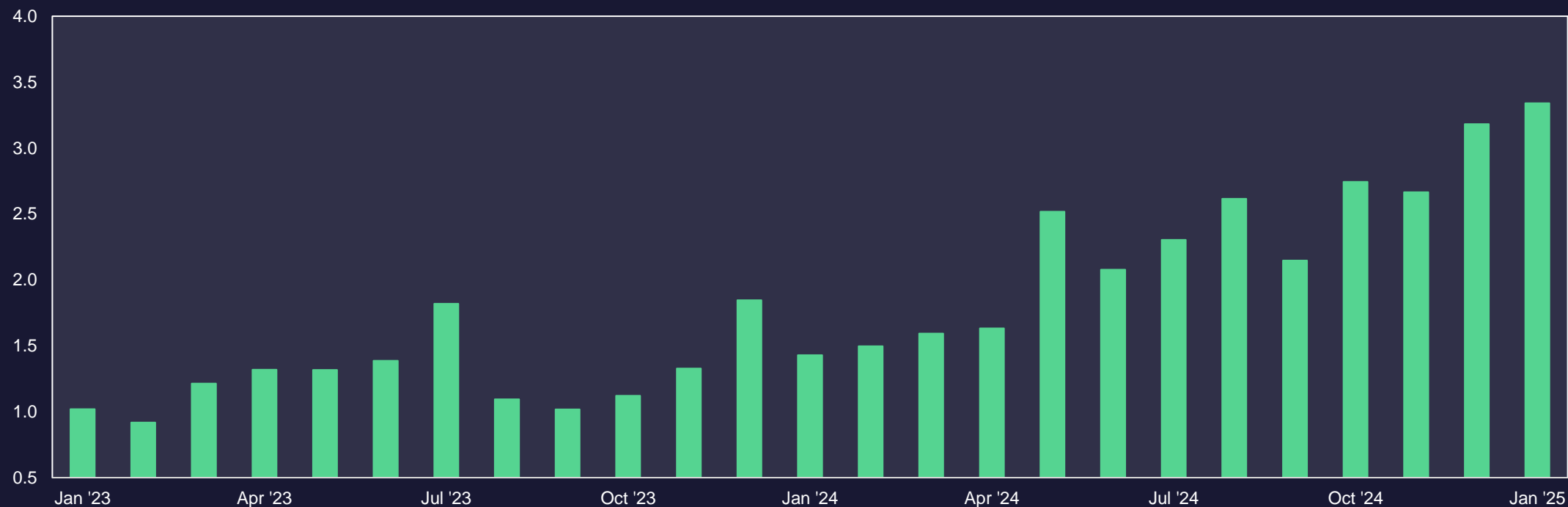
Cumulative Bitcoin ETF Flows (\$M)



Fundamentals Could Fuel Next Investment Wave

- There is a lot to be excited about when examining assets outside of Bitcoin. Innovative dApps, improvements in infrastructure, user experience, cross-chain compatibility, and artificial intelligence have all helped propel on-chain activity to new all-time highs and may catalyze the next wave of altcoin investing.

Total Monthly Txns (B) - Leading Smart Contract Platforms*

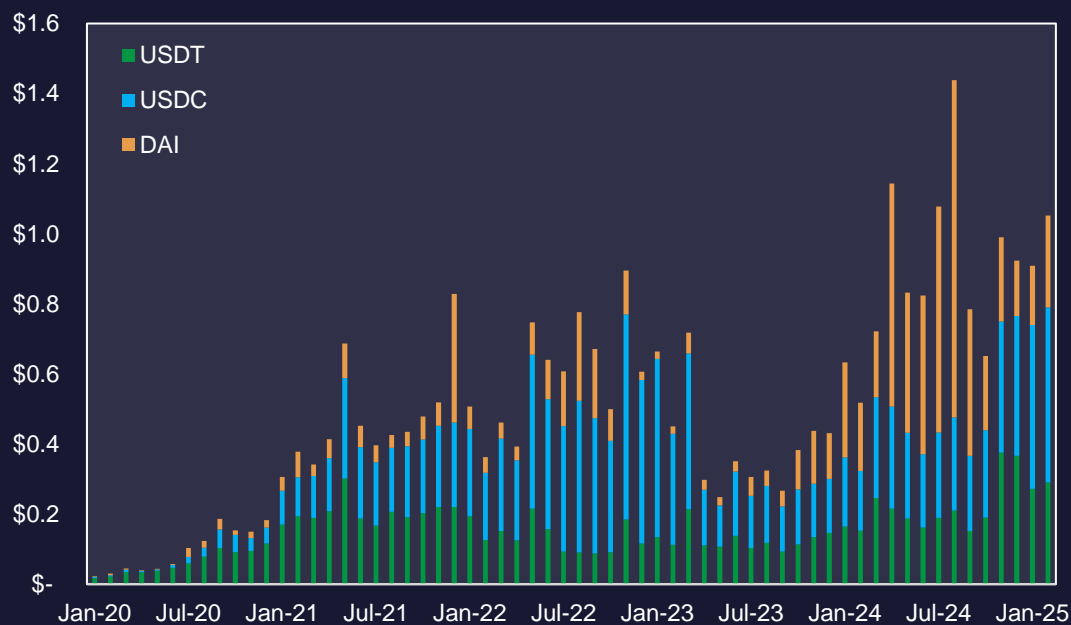


*Includes Aptos, Arbitrum, Avalanche, Base, BNB, Ethereum, Optimism, Polygon, Sei, Solana, Sui, Ton, and Tron

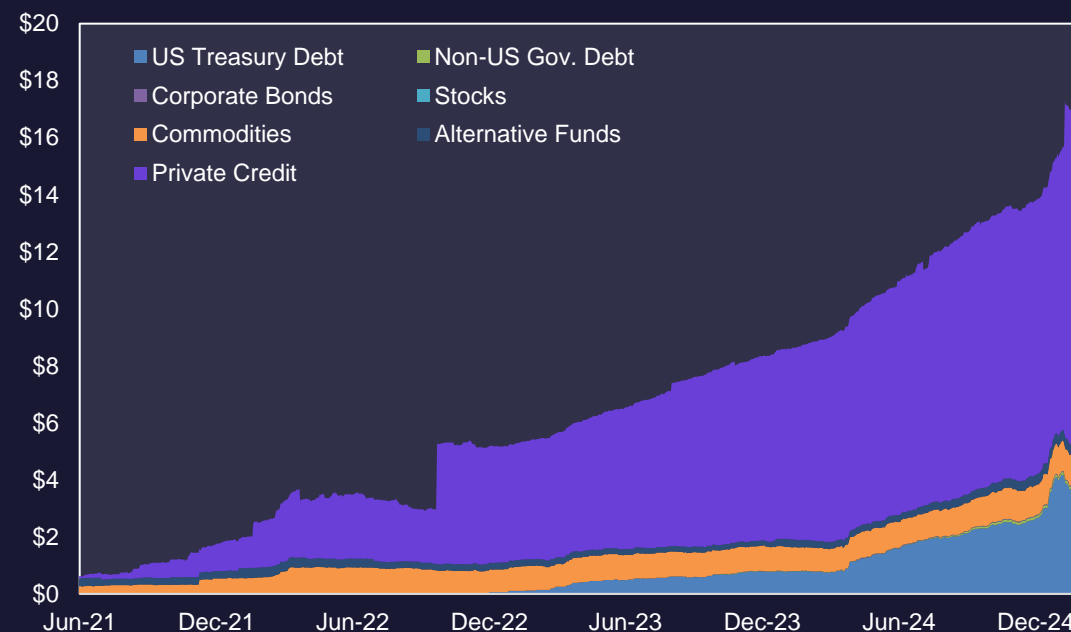
Stablecoins & RWAs Have Found Product-Market Fit

- Tokenization has proved itself to be one of the killer use cases for blockchain technology. Stablecoins are revolutionizing global payments, with the top three stablecoins being used to facilitate trillions of dollars in payments volume per month.
- Outside of stablecoins, investors are taking advantage of tokenized investment products such as U.S. Treasuries, private credit, commodities, and tokenized stocks. Institutions continue to realize operational efficiencies from tokenization, including enhanced liquidity, transparency, collateral management, 24/7 trading, and improved accessibility for investors.

Monthly Stablecoin Transfer Volume (\$T)



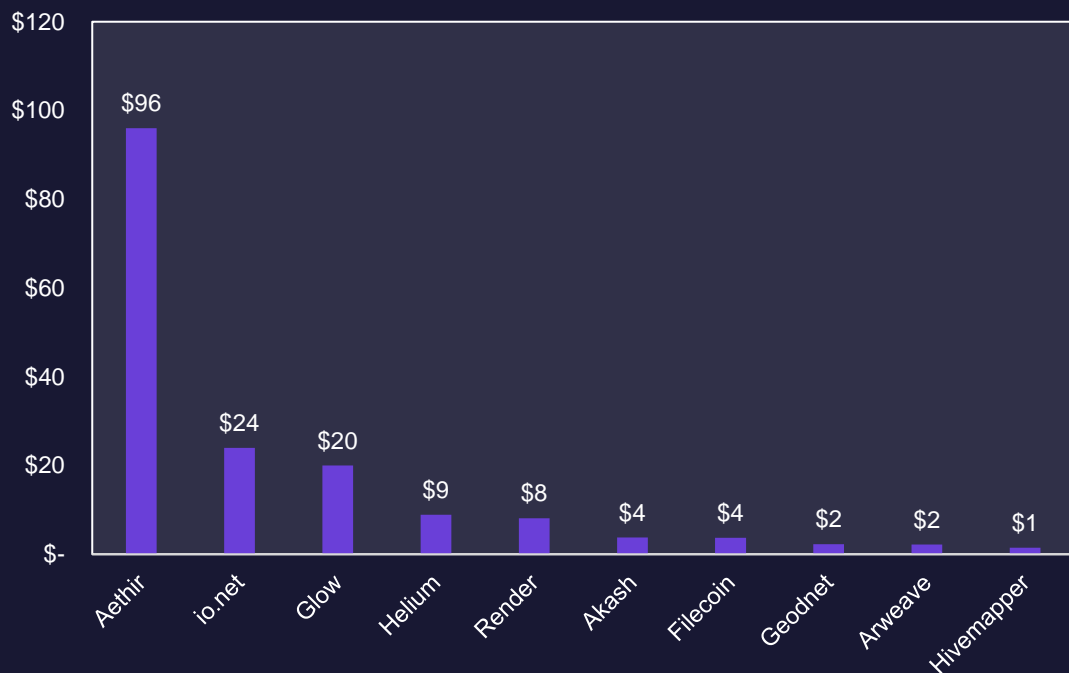
Total On-Chain RWAs (Excl. Stablecoins) (\$B)



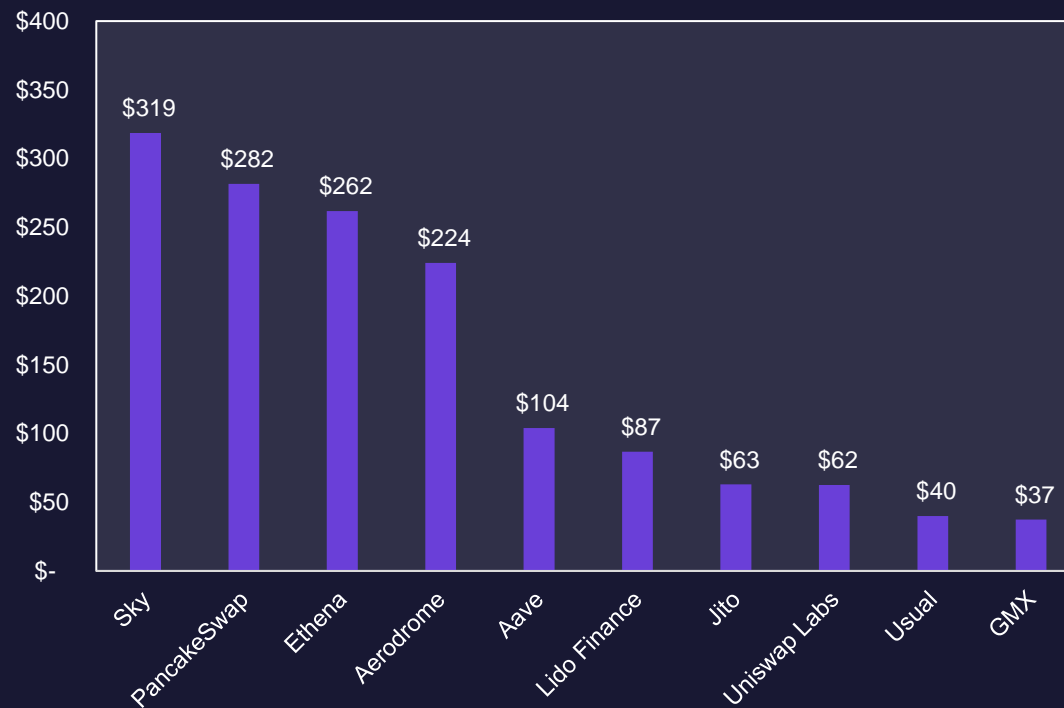
DePIN & DeFi Ready for the Mainstream

- The industry’s regulatory risk profile improved significantly after the pivotal 2024 election. As risk perceptions shift, a new cohort of investors is likely to enter the crypto space.
- This new investor cohort may find dePIN particularly appealing due to its tangible connection to the physical world and its straightforward value proposition.
- Meanwhile, experienced crypto investors are watching established DeFi protocols, many of which have generated nine-figure revenue streams and are innovating in how they accrue value to native tokens (e.g., through programmatic buybacks).

Top 10 DePin Protocols Annualized Rev (\$M)



Top 10 DeFi Protocols Annualized Rev (\$M)



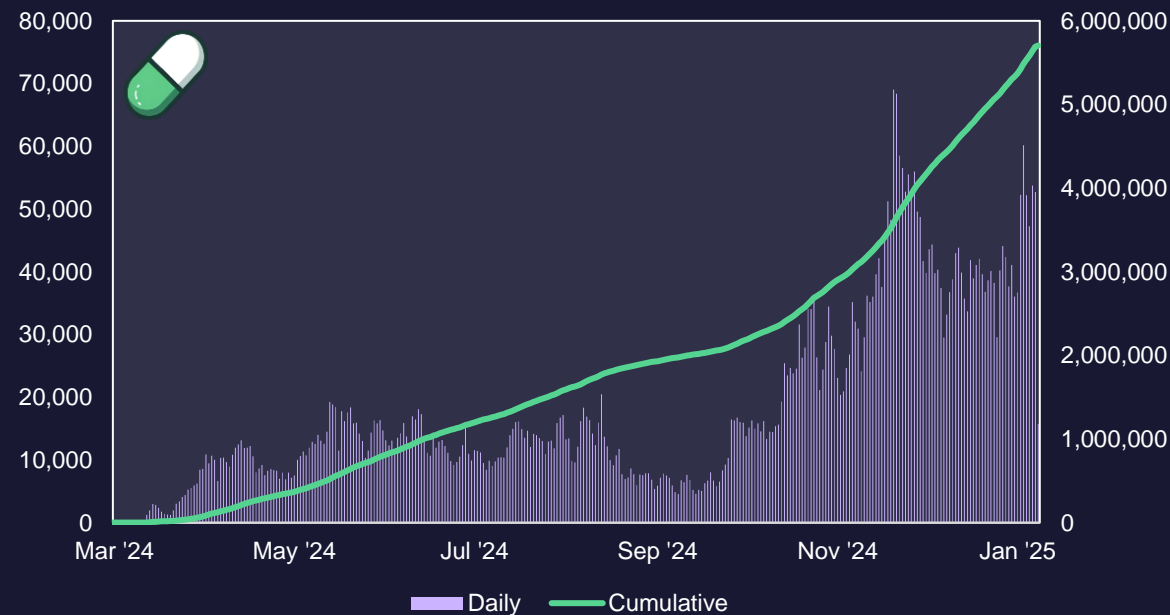
Altcoins Require a Vetting Process

- From a performance perspective, Bitcoin has been a market leader since the start of 2022. The gap between Bitcoin and altcoins has grown as altcoin performance has been concentrated in less winners compared to previous cycles. Since 2022, the Others Index⁽¹⁾ has underperformed Bitcoin by 114%.
- Altcoin dispersion has been exacerbated by the proliferation of Pump.fun and similar token launch platforms that make it easy for anyone to launch their own token. Vetting by experienced asset managers can provide valuable guidance to individual investors navigating this increasingly crowded and complex altcoin landscape.

BTC vs. OTHERS⁽¹⁾ (Indexed to 100)



Pump.fun Token Launches



(1) OTHERS is an altcoin index excluding the top 10 altcoins by market capitalization, serving as a better representation for small-cap performance.

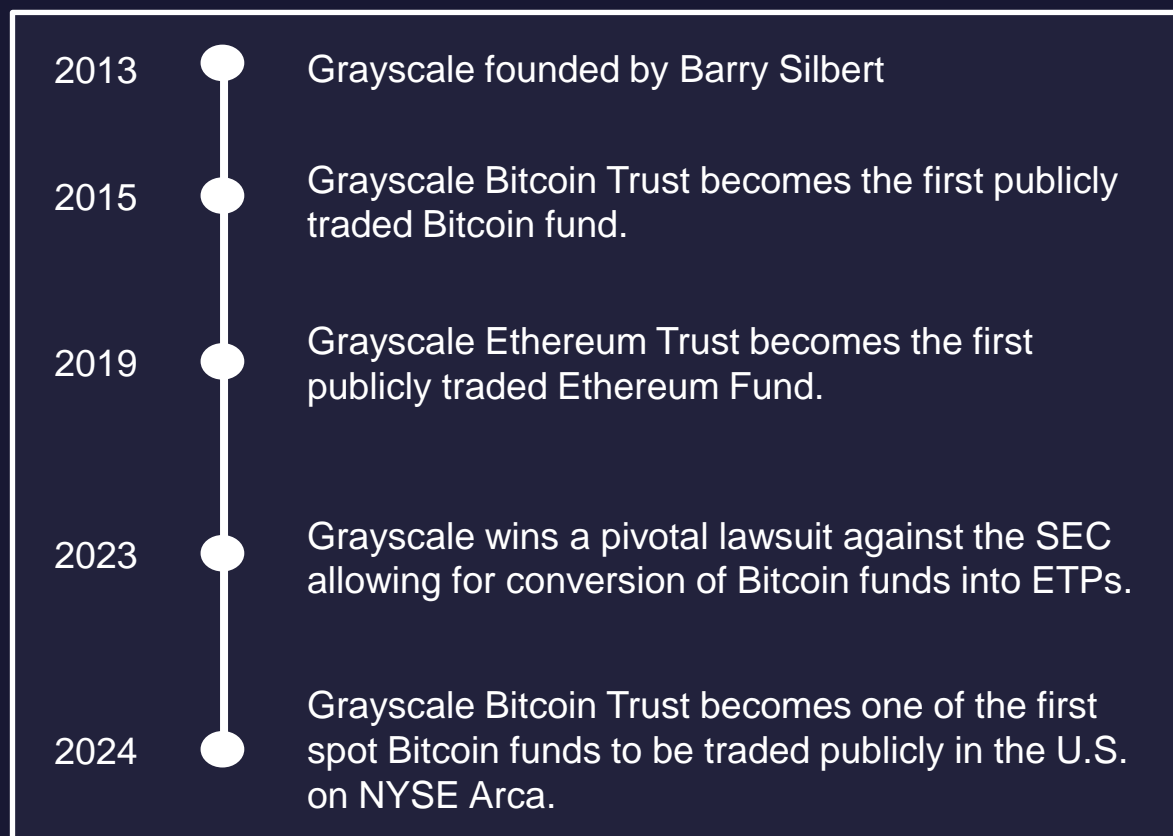
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Grayscale: A Pioneer and Industry Expert

- Founded in 2013, Grayscale provides investors with access to the crypto economy through a suite of future-forward investment products. Grayscale is one of the longest tenured digital asset managers with more than a decade of operational experience leading the industry. Investors, advisors, and allocators turn to Grayscale for exposure to single-asset, diversified, and thematic investment products.

Company Timeline



Grayscale Mission

Grayscale's mission is to bring investment opportunities in a nascent asset class to scale. Grayscale is focused on educating investors and providing them with a range of potential solutions tailored to their needs.

Organizational Highlights

- Headquartered in Stamford, CT
- Team of over 100 diverse financial professionals with 10+ years of crypto asset management experience
- \$23+ Billion in Assets Under Management¹
- 34 Digital Asset Products

Grayscale Leadership

- As one of the longest standing digital asset managers in the industry, the Grayscale executive leadership team brings decades of expertise across traditional finance to the maturing crypto industry.



Peter Mintzberg
Chief Executive Officer



Edward McGee
Chief Financial Officer



Hugh Ross
Chief Operating Officer



Craig Salm
Chief Legal Officer



Norah Beers
Chief Information Security Officer



Dorothy Brill
Chief People Officer



David Lavelle
*Senior Managing Director,
Global Head of ETFs*



Rayhaneh Sharif-Askary
*Managing Director,
Head of Product & Research*

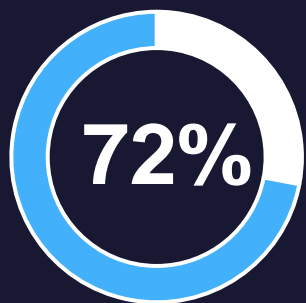


John Hoffman
*Head of Distribution &
Partnerships*

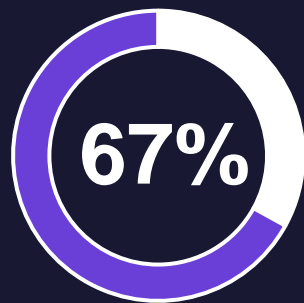
Grayscale Products Address Investor Preferences

- Grayscale offers investors exposure to the digital economy through a suite of future-forward investment products, including single-asset, diversified, and thematic crypto investment products. All products have been thoughtfully designed to provide exposure to a nascent asset class securely and conveniently.
- In an EY investor survey conducted in March 2024, 72% of investors considered crypto part of their broader wealth strategy, 67% of polled accredited investors stated their preference to invest in crypto via registered investment vehicles, and 88% marked financial disclosures as somewhat important or important when investing in crypto.

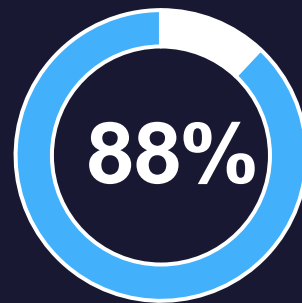
Investors who consider crypto a key component of their broader wealth strategy



Accredited investor preference to get crypto exposure via registered investment vehicles



Investors that rated financial disclosures "Important" when investing in crypto



Investors cited three main reasons for preferring registered investment vehicles for crypto exposure:

- 58% believe that funds offer more consumer and regulatory protection
- 54% cited the ability to manage the assets in the same portfolio as other investments
- 44% said they trust the asset managers that issue the funds

Grayscale Product Features & Benefits

- Access securities through traditional investment accounts.
- Invest through certain tax advantaged accounts, such as retirement accounts (IRA/Roth IRA).
- Gain crypto exposure without dealing with unfamiliar processes of buying and storing crypto.
- Familiar financial structure for financial professionals and tax advisors.
- Diversify broader investment portfolio within a single investment vehicle.

Grayscale Product Lifecycle

- Grayscale has a four-stage product lifecycle that begins with private placements, allowing accredited investors to gain initial crypto exposure through registered investment vehicles.
- Grayscale pioneered obtaining public quotations to grant investors access to the secondary market and then was the first company to comply with SEC reporting requirements for crypto products. Compliance with SEC reporting paves the way for simple uplisting to an exchange traded product.



Grayscale products first launch as private placements, allowing accredited investors to gain crypto exposure through a familiar investment vehicle structure.

Shares purchased via private placement are initially restricted for one year.

Grayscale pioneered obtaining public quotations for unrestricted shares of their private trusts, providing liquidity to existing private placement investors and allowing them to hold their shares in brokerage accounts or sell them in the public market. This also allows all investors—accredited or not—to access Grayscale products through certain brokerage or retirement accounts, regardless of investment size or holding period.

Due to the lack of an ongoing redemption program, publicly traded shares may trade at significant premiums or discounts to the value of their underlying assets.

Grayscale products then become SEC reporting companies. Grayscale was the first company to successfully implement SEC-reporting requirements for digital asset products. The SEC reporting requirements exceed the standard of reporting already met by these products as OTC Markets public quotations.

This also reduces the initial one-year holding period of the private placement to six months.

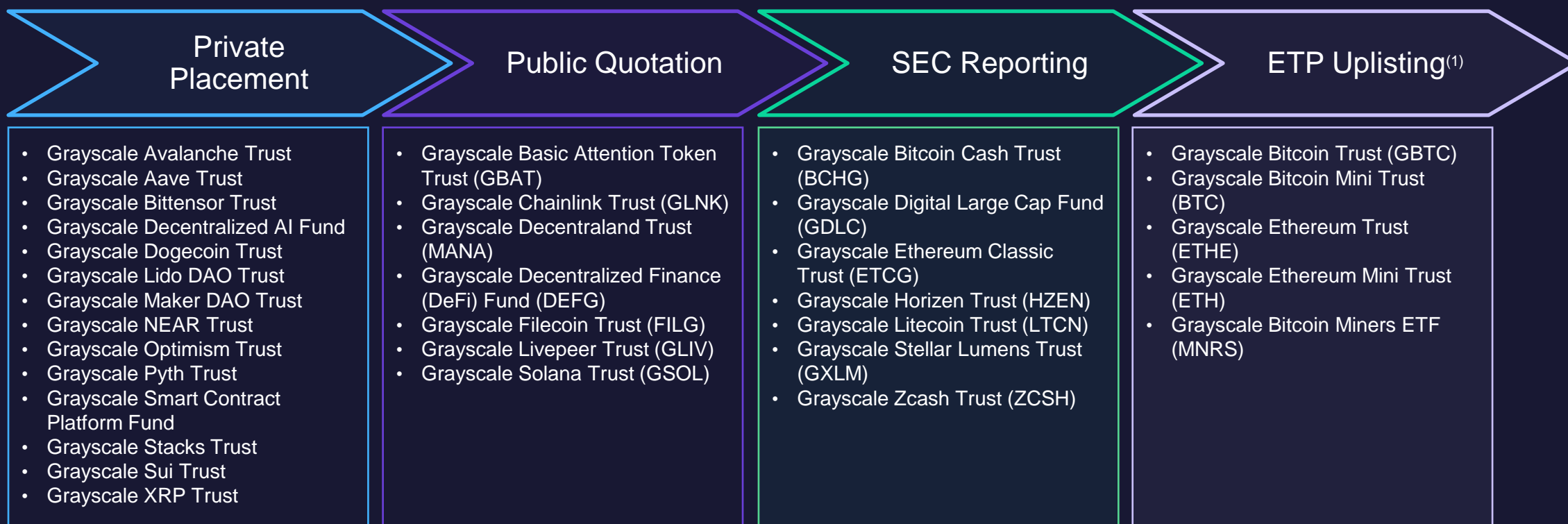
Grayscale believes its SEC-reporting products present a strong case for uplisting when permitted by the U.S. regulatory environment.

In connection with ETP uplisting, products would have ongoing creation and redemptions, and the arbitrage mechanism inherent to ETPs would help the product more closely track the value of its underlying holdings, after deduction of expenses.

(1) The Trusts are not funds registered under the Investment Company Act of 1940 and are not subject to regulation under the Investment Company Act of 1940, unlike most mutual funds or ETFs. Grayscale previously offered an XRP trust that commenced dissolution and liquidated its assets as of January 13, 2021.

Grayscale Product Overview

- Grayscale has 34⁽¹⁾ different digital asset investment products spanning different sectors and investment structures. Their diversified product suite positions them to meet all clients' needs from those just beginning their crypto journey to experienced institutional investors.



(1) Not depicted: Grayscale's Private Dynamic Income Fund (GDIF). GDIF is available for investment by eligible Accredited Investors who are also Qualified Purchasers (any individual, trust, or family-owned company with investments equal to or greater than \$5 million, an investment manager with \$25 million or more under management, a company holding \$25 million or more in investments, or a qualified institutional buyer under Rule 144A)

Assets Under Management

- Across Grayscale’s investment products, the majority of AUM is concentrated in its exchange traded products, with GBTC being the largest at approximately \$15.4 billion in AUM, comprising 67% of total AUM. Part of GBTC was spun out into the Grayscale Bitcoin Mini Trust (BTC), which is now the lowest-cost Bitcoin ETP on the market.
- Among their private products, Grayscale has \$687 million across their 24 single-token trusts, and \$587 million in their 4 multi-token products.

Exchange Traded Products (\$B)



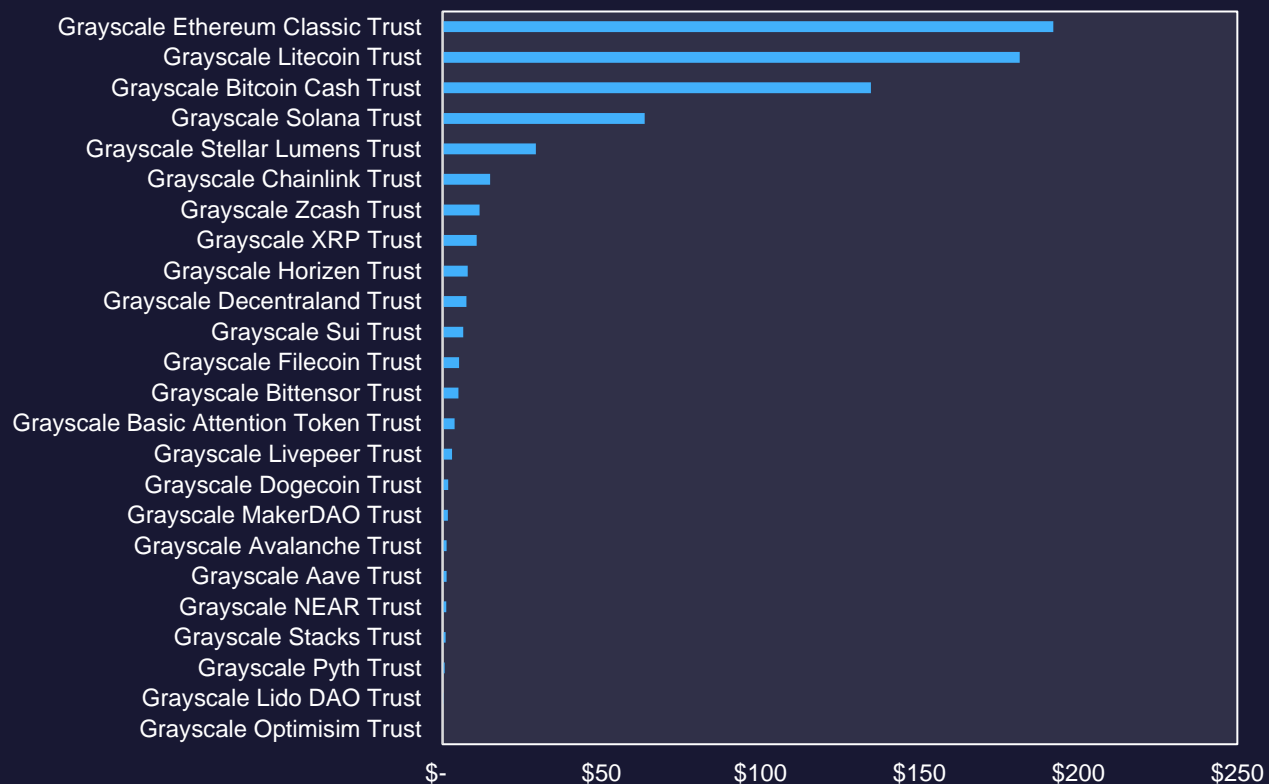
Private Crypto Products



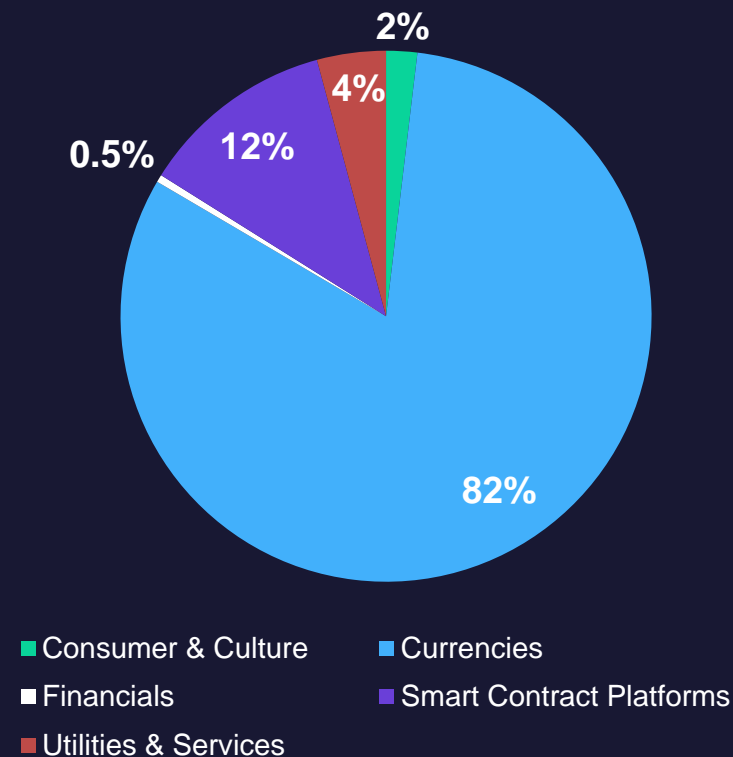
Single-Token Funds

- Ethereum Classic is the leading single-token fund with approximately \$192 million in AUM. Although lagging in total AUM, some of Grayscale’s newer trusts such as Pyth, Bittensor, and Dogecoin have been leading in new subscriptions.
- Grayscale’s single-token products represent 11% of the total crypto market capitalization (excluding stablecoins), and 39% of the market excluding BTC, ETH, and stables. Currencies lead AUM among Grayscale’s Crypto Sectors, comprising 82% of the total. As investors become better-versed in newer technologies across SCPs, DeFi, and Utilities & Services, the distribution will likely improve.

AUM (\$M)



AUM By Sector



Multi-Token Funds

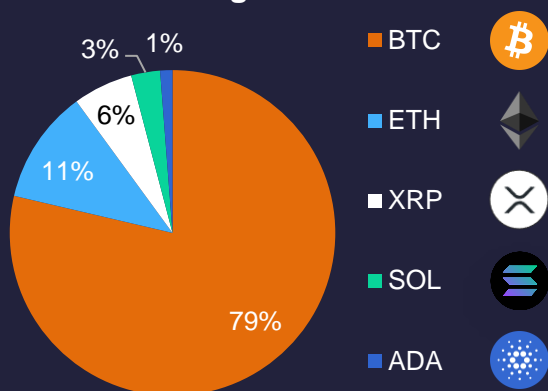
- There are limited options to get thematic crypto exposure via ordinary brokerage accounts. Grayscale’s multi-token funds provide investors with familiar investment products and diversified exposure to some of the most promising investment areas within crypto.

Grayscale Digital Large Cap Fund

The Grayscale Digital Large Cap Fund provides exposure to a diversified basket of large cap digital assets. Investors are exposed to some of the largest assets in the industry, including Bitcoin, Ethereum, Solana, XRP, and Cardano.

AUM: \$581 Million

Holdings

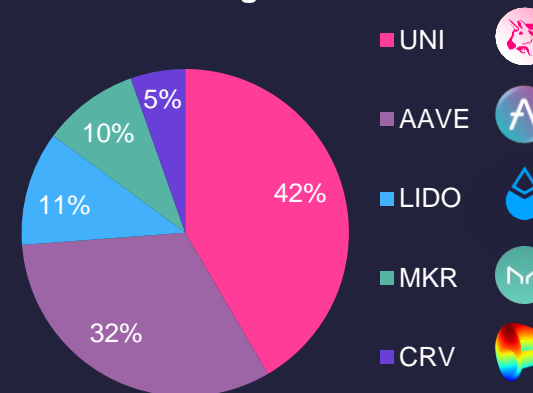


Grayscale Decentralized Finance (DeFi) Fund

The Grayscale Decentralized Finance (DeFi) Fund provides exposure to a diversified basket of DeFi assets. As one of the most exciting thematic sectors in crypto, investors can gain exposure to leading names spanning decentralized exchanges, liquid staking, lending/borrowing, and CDPs.

AUM: \$3.18 Million

Holdings



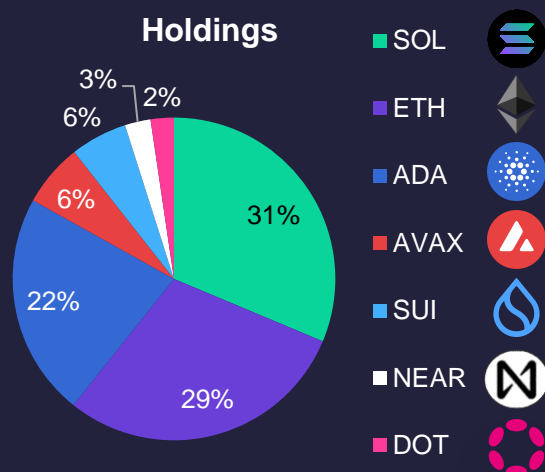
Multi-Token Funds (cont.)

- There are limited options to get thematic crypto exposure via ordinary brokerage accounts. Grayscale's multi-token funds provide investors with familiar investment products and diversified exposure to some of the most promising investment areas within crypto.

Grayscale Smart Contract Platform Fund

The Grayscale Smart Contract Platform Fund provides diversified exposure to leading smart contract platforms (SCP). SCPs have found product market fit with varying design considerations and purpose-built platforms. Grayscale's fund provides exposure to a variety of SCPs meeting investor demand.

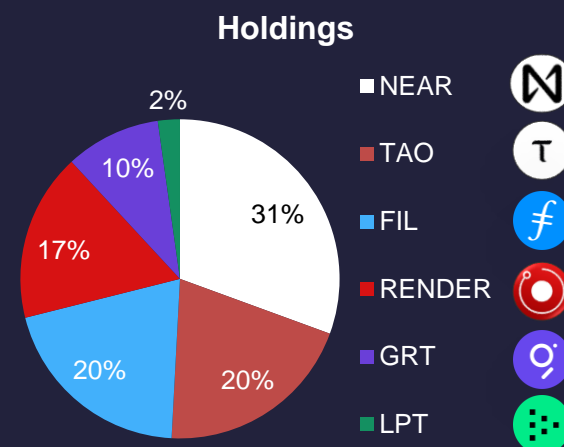
AUM: \$2.81 Million



Grayscale Decentralized AI Fund

The Grayscale Decentralized AI Fund provides diversified exposure to decentralized AI assets. Grayscale's deAI fund includes both infrastructure providers who will advance AI innovation as well as decentralized protocols specializing in commoditized inference, data storage, and compute resources.

AUM: \$0.88 Million



Product Details

Single Token Products	Inception Date	Private Placement		Ticker	Annual Fees	SEC Reporting ⁽¹⁾
		Min. Investment	Holding Period			
Grayscale Aave Trust ⁽³⁾	10.02.2024	\$25,000	12 Months		2.50%	
Grayscale Avalanche Trust ⁽³⁾	08.20.2024	\$25,000	12 Months		2.50%	
Grayscale Basic Attention Trust	02.26.2021	\$50,000	12 Months	GBAT	2.50%	
Grayscale Bitcoin Cash Trust	03.01.2018	\$50,000	6 Months	BCHG	2.50%	x
Grayscale Bittensor Trust ⁽³⁾	08.07.2024	\$25,000	12 Months		2.50%	
Grayscale Chainlink Trust	02.26.2021	\$50,000	12 Months	GLNK	2.50%	
Grayscale Decentraland Trust	02.26.2021	\$50,000	12 Months	MANA	2.50%	
Grayscale Dogecoin Trust ⁽³⁾	01.30.2025	\$25,000	12 Months		2.50%	
Grayscale Ethereum Classic Trust	04.24.2017	\$50,000	6 Months	ETCG	2.50%	x
Grayscale Filecoin Trust	03.15.2021	\$50,000	12 Months	FILG	2.50%	
Grayscale Horizen Trust	08.06.2018	\$50,000	6 Months	HZEN	2.50%	x
Grayscale Lido DAO Trust ⁽³⁾	12.04.2024	\$25,000	12 Months		2.50%	
Grayscale Litecoin Trust	03.01.2018	\$50,000	6 Months	LTCN	2.50%	x
Grayscale Livepeer Trust	03.10.2021	\$50,000	12 Months	GLIV	2.50%	
Grayscale MakerDAO Trust ⁽³⁾	08.06.2024	\$25,000	12 Months		2.50%	
Grayscale Near Trust ⁽³⁾	05.23.2024	\$25,000	12 Months		2.50%	
Grayscale Optimism Trust ⁽³⁾	12.10.2024	\$25,000	12 Months		2.50%	
Grayscale Pyth Trust ⁽³⁾	02.13.2025	\$25,000	12 Months		2.50%	
Grayscale Solana Trust	11.18.2021	\$50,000	12 Months	GSOL	2.50%	
Grayscale Stacks Trust ⁽³⁾	05.23.2024	\$25,000	12 Months		2.50%	
Grayscale Stellar Lumens Trust ⁽²⁾	12.06.2018	\$50,000	6 Months	GXLM	2.50%	x
Grayscale Sui Trust ⁽³⁾	08.06.2024	\$25,000	12 Months		2.50%	
Grayscale XRP Trust	09.05.2024	\$25,000	12 Months		2.50%	
Grayscale Zcash Trust	10.24.2017	\$50,000	6 Months	ZCSH	2.50%	x

(1) The Trust is a U.S. Securities and Exchange Commission (SEC) reporting company with its shares registered pursuant to Section 12(g) of the Securities Exchange Act of 1934. The Trust will file quarterly and annual reports as well as audited financial statements with the SEC.

(2) "Stellar" is a trademark of the Stellar Development Foundation. The Trust is not affiliated with, endorsed by, or supported by the Stellar Development Foundation

(3) Only available through private placement

Product Details

Multi-Token Products	Inception Date	Private Placement		Ticker	Annual Fees	SEC Reporting ⁽¹⁾
		Min. Investment	Holding Period			
Grayscale DeFi Fund	07.14.2021	\$50,000	12 Months	DEFG	2.50%	
Grayscale Digital Large Cap Fund	02.01.2018	\$50,000	6 Months	GDLC	2.50%	x
Grayscale Smart Contract Platform Fund ⁽²⁾	03.16.2022	\$25,000	12 Months		2.50%	
Grayscale Decentralized AI Fund ⁽²⁾	07.02.2024	\$25,000	12 Months		2.50%	

(1) The Trust is a U.S. Securities and Exchange Commission (SEC) reporting company with its shares registered pursuant to Section 12(g) of the Securities Exchange Act of 1934. The Trust will file quarterly and annual reports as well as audited financial statements with the SEC.

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Positive (+): The analyst expects the performance of his industry/sector coverage universe over the next 6-18 months to be attractive vs. the relevant broad market benchmark, being the S&P 500 for North America.

Neutral (N): The analyst expects the performance of his or her industry/sector coverage universe over the next 6-18 months to be in line with the relevant broad market benchmark, being the S&P 500 for North America.

Negative (-): The analyst expects his or her industry coverage universe over the next 6-18 months to underperform vs. the relevant broad market benchmark, being the S&P 500 for North America.

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