

Grayscale® Dynamic Income Fund

Fund Strategy & Process



1 Investors commit capital



2 Using qualitative and quantitative factors, we invest capital across a portfolio of proof-of-stake tokens



3 We stake tokens to earn rewards (in the form of tokens)



4 We aim to monetize the token rewards into cash weekly



5 We aim to distribute cash to investors quarterly and rebalance tokens as needed to optimize income

There is no assurance the Fund objectives will be met, positive returns are not guaranteed. Provided for illustrative purposes only.

Investment Objective

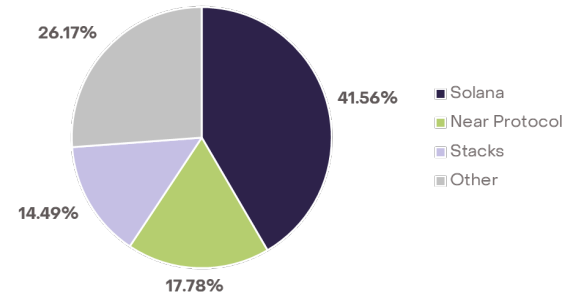
The Grayscale Dynamic Income Fund (GDIF) seeks to optimize staking rewards from digital assets and aims to distribute this income quarterly; capital appreciation from the digital assets is a secondary objective.

Note: The Fund seeks to convert staking rewards to US Dollars weekly and aims to distribute such rewards quarterly. Distributions are not guaranteed.

Portfolio Manager

Mr. Yubo Li joined Grayscale in 2024 and serves as a portfolio manager, focusing on investment strategy. Before joining Grayscale, Mr. Li worked at Global X Management as Vice President of Digital Assets Investments, building the investment framework and managing portfolios that expanded the company's digital assets product offerings globally. Previously, he was the portfolio manager at 21Shares, overseeing the entire suite of digital asset-focused exchange-traded products and private funds, specializing in staking strategy, diversified index strategy, and fundamental on-chain driven strategy. Prior to 21Shares, Mr. Li led the index business and managed exchange-traded funds covering asset allocation, smart beta, and hedge fund strategies at New York Life Investments. Mr. Li received a Bachelor of Science in Applied Mathematics and a Bachelor of Economics in Finance from Xiamen University in China. He received a Master of Science in Financial Engineering from New York University.

Top Holdings



Holdings subject to change at manager's discretion. Percentages may not equal 100% due to rounding. Holdings as of 10/31/2024.

Fund Performance



Net performance includes the deduction of fees and expenses. This is a newly launched private fund offering with a limited performance history. The fund will likely experience future performance that is significantly different over the long term when compared to these short-term results. Past performance is no guarantee of future results. The fund was launched in October 2023 with an initial investment from Grayscale Investments LLC. Performance as of 10/31/2024. As of 4/16/2024, the Fund has a new Portfolio Manager. Prior to this date, investment performance was achieved by the former Portfolio Manager. The Fund will continue to be managed in the same manner with no changes made to the advisory entity, investment program, or fees.

Investment Terms

Legal Structure	General Partner / Limited Partner
Investor Requirements	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)
Redemptions	Quarterly, with 45 day notice period ¹
Distributions	Staking rewards will be converted to USD weekly and distributed quarterly
Management Fee	0.50%
Performance Fee	10%
Expense Cap	2%
Lockup	None
Staking Provider	Foundry Digital, LLC and Custodian Designees*
Custodian	Coinbase Custody Trust Company, LLC BitGo, Inc. Anchorage Digital Bank N.A.
Fund Administrator	MG Stover & Co.
Auditor	Marcum LLP
Legal Counsel	Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP Cole-Frieman & Mallon LLP

1. Redemptions are not guaranteed in frequency or quantity desired. Redemptions can be suspended or modified by the Fund's Manager at any time. Must disclose the relationship among Grayscale and each entity listed on this page. Please ensure you cover any legal affiliations / ownership stakes in those mentioned.

See full investment terms in PPM.

*GDIF will use Foundry as the primary staking provider and will use alternatives when certain conditions are not met.

See Custodian and Staking Provider Methodology for full details.

Disclosures

An investment in the Grayscale Dynamic Income Fund is speculative and involves a high degree of risk. The program is not suitable for all investors. The shares are illiquid with restrictions on transferability and resale. Each investor or prospective investor should be aware that they may be required to bear the financial risk of this investment for an indefinite period of time. An investor may lose all or a substantial part of its investment. The fund does not represent a complete investment portfolio. There can be no assurance that the investment objectives of the Fund will be achieved. The managers and portfolio structure provided herein may be subject to change.

Interests in Grayscale Dynamic Income Fund LP ("GDIF" or the "Fund") are offered through Grayscale Advisors, LLC (the "Manager") and/or its placement agents. The Manager is registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Interests in GDIF have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any state or other securities laws, and will be offered and sold only to "accredited investors" within the meaning of Rule 501(a) of Regulation D under the Securities Act, and in compliance with any applicable state or other securities laws.

The Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "40 Act"), and will not be required to adhere to certain restrictions and requirements under the 40 Act, and investors will not be afforded the protections of the 40 Act.

This is for informational purposes only and is not an offer, solicitation or recommendation to purchase or sell any securities or partnership interest in GDIF. The Fund is offered or sold pursuant to a Fund Private Placement Memorandum ("PPM") and related documents (such as an Agreement of Limited Partnership) that set forth detailed information regarding the Fund, including investment program and restrictions, management fees and expenses, investment risks and conflicts of interest. This material does not present a full or balanced description of the Fund, and should not be used as the exclusive basis for an investment decision.

This is not an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal, nor shall there be any sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

Potential investors are urged to consult a professional adviser regarding any economic, tax, legal or other consequences of entering into any transactions or investment described herein.

This material may contain Fund performance information. Past performance is no guarantee of future results.

Potential investors should carefully review the PPM and related documents. An investment in the Fund is not a direct investment in Digital Assets, the shares are designed to provide investors with a cost-effective and indirect way to gain investment exposure to Digital Assets

Cybersecurity attacks and other security threats cannot be anticipated, and the solution can cause procedural changes and/or additional costs for secure online transactions. Cyber security issues can occur with the portfolio manager or with a third-party entity which handles operations for the Fund.

Market conditions; supply and demand for specific cryptocurrencies; competition from similar currencies; interest rates; tax rates; government rules; regulations; fiscal policies; effects of inflation; and other risks all can impact the value, use and acceptance of cryptocurrencies.

The trading prices of many Digital Assets have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including further declines in the trading prices of Digital Assets, could have a material adverse effect on the value of the Fund.

Cryptocurrency and staking rewards are known to be very volatile and investor returns will be as well. The Fund may suffer losses due to staking, delegating, and other related services the Manager intends to engage in on the Fund's behalf.

Smart contracts are a new technology and ongoing development may magnify initial problems, cause volatility on the networks that use smart contracts and reduce interest in them, which could have an adverse impact on the value of Digital Assets that deploy smart contracts.

If the Digital Asset awards and transaction fees for recording transactions on the Digital Asset Network underlying a Fund component are not sufficiently high to incentivize miners or validators, or if certain jurisdictions continue to limit or otherwise regulate mining or validating activities, miners and validators may cease expanding processing power or demand high transaction fees, which could negatively impact the value of the Fund components and the value of the Fund interests.

Participation in staking and earning staking rewards requires significant technical expertise and may involve substantial fees and/ or agency costs in respect of staking through a third-party provider.

Digital assets involve a new rapidly evolving industry that is subject to a variety of factors that are unknown and/or difficult to evaluate. The digital markets are susceptible to extreme price fluctuations, theft, loss and destruction and cryptocurrency exchanges are unregulated and may be more exposed to fraud and failure. An investment will involve significant risks due to the nature of this investment. Understand the conflicts of interest among the parties involved with this investment such as Grayscale, the staking operations, and the custodian of funds. This information is disclosed in the Private Placement Memorandum (PPM).

Investors should not expect to redeem shares on-demand, the Fund is considered illiquid.

Proof-of-stake is a blockchain consensus mechanism for processing transactions and creating new blocks. A consensus mechanism is a method for validating entries into a distributed database and keeping the database secure. In the case of cryptocurrency, the database is called a blockchain—so the consensus mechanism secures the blockchain.

A **token** is a representation of an asset or interest that has been tokenized on an existing cryptocurrency's blockchain. Crypto tokens and cryptocurrencies share many similarities, but cryptocurrencies are the native asset of a blockchain.

For more information or to invest, please contact: info@grayscale.com