

# Grayscale<sup>®</sup> 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

Provided for illustrative purposes only.

## Investment Objective

Grayscale Dynamic Income Fund (GDIF) seeks to (i) optimize income, in the form of staking rewards associated with proof-of-stake digital assets with (ii) capital appreciation from such investments as a secondary goal.

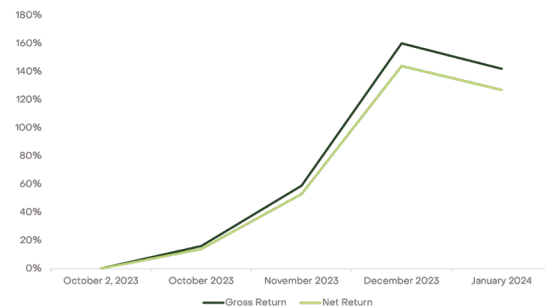
Notes: The Fund seeks to convert staking rewards to US Dollars weekly and aims to distribute such rewards quarterly.

## Portfolio Manager

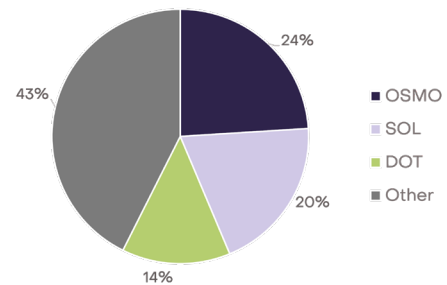
Matt Maximo serves as the Portfolio Manager for the Grayscale Dynamic Income Fund (GDIF) and has been with Grayscale Investments since 2021. He previously served as a member of Grayscale's Research Team. Prior to joining Grayscale, Matt worked for KPMG as a Data Analyst, built an NFT ticketing platform, and was an early bitcoin miner. Matt has a BS in Biology from Seattle University with an emphasis on data science and bioinformatics.

## Fund Performance & Holdings

As of 1/31/24



Net performance includes the deduction of fees and expenses. This fund is new and has limited operating history. Long term performance may be higher or lower than what is shown. Past performance is no guarantee of future results. The fund was launched in October 2023 with an initial investment from Grayscale Investments LLC.



Holdings subject to change at manager's discretion. Percentages may not equal 100% due to rounding.

## Investment Terms

|                       |   |
|-----------------------|---|
| Legal Structure       | General Partner / Limited Partner   |
| Investor Requirements | Qualified Client<br>(a client that has assets under management of \$1,000,000 or a net worth test of \$2,200,000) |
| Redemptions           | Quarterly, with 45 day notice period  |
| Distributions         | Staking rewards will aim to 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<br>BitGo, Inc.<br>Anchorage Digital Bank N.A.                                 |
| Fund Administrator    | MG Stover & Co.   |
| Auditor               | Marcum LLP  |
| Legal Counsel         | Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP<br>Cole-Frieman & Mallon LLP                        |

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.

For more information or to invest, please contact: [info@grayscale.com](mailto:info@grayscale.com)

## Disclosures

Interests in the 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 “Investment Company Act”), and will not be required to adhere to certain restrictions and requirements under the Investment Company Act, and investors will not be afforded the protections of the Investment Company Act.

This presentation 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 presentation does not present a full or balanced description of the Fund, and should not be used as the exclusive basis for an investment decision.

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 presentation may contain Fund performance information. Past performance is no guarantee of future results. Certain information set forth in this document may contain “forward-looking statements”. Forward-looking statements are provided to allow potential investors the opportunity to understand Grayscale’s beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. The information in this document is not a guarantee of future performance and undue reliance should not be placed on it. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance of results expressed or implied by such forward-looking statements. Grayscale assumes no obligation to update any forward-looking statements contained herein and you should not place undue reliance on such statements, which speak only as of the date hereof. Although Grayscale has taken reasonable care to ensure that the information contained herein is accurate, no representation or warranty (including liability towards third parties), expressed or implied, is made by Grayscale as to its accuracy, reliability or completeness. You should not make any investment decisions based on these estimates and forward-looking statements.

An investment in the Interests involves significant risks. Potential investors should carefully review the PPM and related documents. An investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks inherent in an investment in the Fund. No assurance can be given that the Partnership’s investment objective will be achieved or that investors will receive a return of their capital. An investor may lose its entire investment.

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 Interests.

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 Interests.

For more information or to invest, please contact: [info@grayscale.com](mailto:info@grayscale.com)