

**GRAYSCALE DEFI FUND LLC (“DEFI”)**  
**US Taxpayer Identification Number (TIN) 98-1607529**  
2022 Investor Tax Statement

The following information is being provided to assist shareholders of DEFI with their respective tax reporting requirements for the period January 1, 2022, through December 31, 2022.

**U.S. TAX CONSIDERATIONS FOR SHAREHOLDERS OF DEFI**

DEFI is a Cayman Islands limited liability company that has elected to be treated as a corporation for U.S. federal income tax purposes. DEFI may be considered a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. However, DEFI may have been a controlled foreign corporation (“CFC”) with respect to you during 2022 depending on your U.S. tax status and your percentage of ownership of DEFI.

We recommend that you consult with your tax advisor to determine whether DEFI was a CFC or PFIC with respect to you during any portion of 2022 and to determine your U.S. tax compliance requirements and obligations. You may also wish to consult with your tax advisor in the event non-U.S. tax laws are relevant to you. For your convenience, we have provided certain financial information below to further assist you.

DEFI shall permit shareholders to inspect the relevant books and records maintained by DEFI solely for the purpose of allowing shareholders to verify the ordinary earnings, net capital gain amounts, and the shareholder's pro rata shares thereof.

If you believe that the DEFI may have been a PFIC or CFC with respect to you during 2022, please contact Grayscale Finance (Finance@grayscale.com) to request information that you deem necessary to fulfill your U.S. tax compliance obligations.

## OUTSTANDING SHARE INFORMATION FOR 2022

Please see below the total outstanding shares on each individual day throughout 2022. Please note, on June 23, 2022, DEFI underwent a 1:10 reverse stock split, replacing ten existing shares with one combined share. All shares outstanding presented below reflect the post-split number of shares.

To determine your ownership of DEFI before June 23, 2022, divide your shares held (not accounting for the reverse stock split, your numerator) over the total shares provided below for a specific day multiplied by 10 (your denominator). For example, if you owned 30,000 shares on 2/1/2022 (not accounting for the reverse split), your total ownership of DEFI on 2/1/2022 is 1.374507% (that is, 30,000 shares divided by the product of 218,260 outstanding shares in the chart below on 2/1/2022 multiplied by 10).

To determine your post-split percentage of ownership of DEFI on any specific day, divide the total post-split shares you own on that specific day by the total post-split shares outstanding for that specific day. For example, if you owned 25,000 post-split shares on 6/23/2022, your total ownership of DEFI on 6/23/2022 is 10.685587% (that is, 25,000 shares divided by 233,960 outstanding shares in the chart below on 6/23/2022).

Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding
1/1/2022	208,520	2/16/2022	219,600	4/3/2022	219,600	5/19/2022	219,600
1/2/2022	208,520	2/17/2022	219,600	4/4/2022	219,600	5/20/2022	219,600
1/3/2022	208,520	2/18/2022	219,600	4/5/2022	219,600	5/21/2022	219,600
1/4/2022	208,970	2/19/2022	219,600	4/6/2022	219,600	5/22/2022	219,600
1/5/2022	208,970	2/20/2022	219,600	4/7/2022	219,600	5/23/2022	219,600
1/6/2022	214,800	2/21/2022	219,600	4/8/2022	219,600	5/24/2022	219,600
1/7/2022	214,800	2/22/2022	219,600	4/9/2022	219,600	5/25/2022	219,600
1/8/2022	214,800	2/23/2022	219,600	4/10/2022	219,600	5/26/2022	219,600
1/9/2022	214,800	2/24/2022	219,600	4/11/2022	219,600	5/27/2022	219,600
1/10/2022	214,800	2/25/2022	219,600	4/12/2022	219,600	5/28/2022	219,600
1/11/2022	214,800	2/26/2022	219,600	4/13/2022	219,600	5/29/2022	219,600
1/12/2022	214,800	2/27/2022	219,600	4/14/2022	219,600	5/30/2022	219,600
1/13/2022	214,800	2/28/2022	219,600	4/15/2022	219,600	5/31/2022	219,600
1/14/2022	214,800	3/1/2022	219,600	4/16/2022	219,600	6/1/2022	219,600
1/15/2022	214,800	3/2/2022	219,600	4/17/2022	219,600	6/2/2022	233,960
1/16/2022	214,800	3/3/2022	219,600	4/18/2022	219,600	6/3/2022	233,960
1/17/2022	214,800	3/4/2022	219,600	4/19/2022	219,600	6/4/2022	233,960
1/18/2022	214,800	3/5/2022	219,600	4/20/2022	219,600	6/5/2022	233,960
1/19/2022	214,800	3/6/2022	219,600	4/21/2022	219,600	6/6/2022	233,960
1/20/2022	214,800	3/7/2022	219,600	4/22/2022	219,600	6/7/2022	233,960
1/21/2022	214,800	3/8/2022	219,600	4/23/2022	219,600	6/8/2022	233,960
1/22/2022	214,800	3/9/2022	219,600	4/24/2022	219,600	6/9/2022	233,960
1/23/2022	214,800	3/10/2022	219,600	4/25/2022	219,600	6/10/2022	233,960
1/24/2022	217,930	3/11/2022	219,600	4/26/2022	219,600	6/11/2022	233,960
1/25/2022	218,260	3/12/2022	219,600	4/27/2022	219,600	6/12/2022	233,960
1/26/2022	218,260	3/13/2022	219,600	4/28/2022	219,600	6/13/2022	233,960
1/27/2022	218,260	3/14/2022	219,600	4/29/2022	219,600	6/14/2022	233,960
1/28/2022	218,260	3/15/2022	219,600	4/30/2022	219,600	6/15/2022	233,960
1/29/2022	218,260	3/16/2022	219,600	5/1/2022	219,600	6/16/2022	233,960
1/30/2022	218,260	3/17/2022	219,600	5/2/2022	219,600	6/17/2022	233,960
1/31/2022	218,260	3/18/2022	219,600	5/3/2022	219,600	6/18/2022	233,960
2/1/2022	218,260	3/19/2022	219,600	5/4/2022	219,600	6/19/2022	233,960
2/2/2022	218,260	3/20/2022	219,600	5/5/2022	219,600	6/20/2022	233,960
2/3/2022	218,260	3/21/2022	219,600	5/6/2022	219,600	6/21/2022	233,960
2/4/2022	218,260	3/22/2022	219,600	5/7/2022	219,600	6/22/2022	233,960
2/5/2022	218,260	3/23/2022	219,600	5/8/2022	219,600	6/23/2022	233,960
2/6/2022	218,260	3/24/2022	219,600	5/9/2022	219,600	6/24/2022	233,960
2/7/2022	218,260	3/25/2022	219,600	5/10/2022	219,600	6/25/2022	233,960
2/8/2022	219,600	3/26/2022	219,600	5/11/2022	219,600	6/26/2022	233,960
2/9/2022	219,600	3/27/2022	219,600	5/12/2022	219,600	6/27/2022	233,960
2/10/2022	219,600	3/28/2022	219,600	5/13/2022	219,600	6/28/2022	233,960
2/11/2022	219,600	3/29/2022	219,600	5/14/2022	219,600	6/29/2022	233,960
2/12/2022	219,600	3/30/2022	219,600	5/15/2022	219,600	6/30/2022	233,960
2/13/2022	219,600	3/31/2022	219,600	5/16/2022	219,600	7/1/2022	233,960
2/14/2022	219,600	4/1/2022	219,600	5/17/2022	219,600	7/2/2022	233,960
2/15/2022	219,600	4/2/2022	219,600	5/18/2022	219,600	7/3/2022	233,960

Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding
7/4/2022	233,960	8/19/2022	233,960	10/4/2022	233,960	11/19/2022	233,960
7/5/2022	233,960	8/20/2022	233,960	10/5/2022	233,960	11/20/2022	233,960
7/6/2022	233,960	8/21/2022	233,960	10/6/2022	233,960	11/21/2022	233,960
7/7/2022	233,960	8/22/2022	233,960	10/7/2022	233,960	11/22/2022	233,960
7/8/2022	233,960	8/23/2022	233,960	10/8/2022	233,960	11/23/2022	233,960
7/9/2022	233,960	8/24/2022	233,960	10/9/2022	233,960	11/24/2022	233,960
7/10/2022	233,960	8/25/2022	233,960	10/10/2022	233,960	11/25/2022	233,960
7/11/2022	233,960	8/26/2022	233,960	10/11/2022	233,960	11/26/2022	233,960
7/12/2022	233,960	8/27/2022	233,960	10/12/2022	233,960	11/27/2022	233,960
7/13/2022	233,960	8/28/2022	233,960	10/13/2022	233,960	11/28/2022	233,960
7/14/2022	233,960	8/29/2022	233,960	10/14/2022	233,960	11/29/2022	233,960
7/15/2022	233,960	8/30/2022	233,960	10/15/2022	233,960	11/30/2022	233,960
7/16/2022	233,960	8/31/2022	233,960	10/16/2022	233,960	12/1/2022	233,960
7/17/2022	233,960	9/1/2022	233,960	10/17/2022	233,960	12/2/2022	233,960
7/18/2022	233,960	9/2/2022	233,960	10/18/2022	233,960	12/3/2022	233,960
7/19/2022	233,960	9/3/2022	233,960	10/19/2022	233,960	12/4/2022	233,960
7/20/2022	233,960	9/4/2022	233,960	10/20/2022	233,960	12/5/2022	233,960
7/21/2022	233,960	9/5/2022	233,960	10/21/2022	233,960	12/6/2022	233,960
7/22/2022	233,960	9/6/2022	233,960	10/22/2022	233,960	12/7/2022	233,960
7/23/2022	233,960	9/7/2022	233,960	10/23/2022	233,960	12/8/2022	233,960
7/24/2022	233,960	9/8/2022	233,960	10/24/2022	233,960	12/9/2022	233,960
7/25/2022	233,960	9/9/2022	233,960	10/25/2022	233,960	12/10/2022	233,960
7/26/2022	233,960	9/10/2022	233,960	10/26/2022	233,960	12/11/2022	233,960
7/27/2022	233,960	9/11/2022	233,960	10/27/2022	233,960	12/12/2022	233,960
7/28/2022	233,960	9/12/2022	233,960	10/28/2022	233,960	12/13/2022	233,960
7/29/2022	233,960	9/13/2022	233,960	10/29/2022	233,960	12/14/2022	233,960
7/30/2022	233,960	9/14/2022	233,960	10/30/2022	233,960	12/15/2022	233,960
7/31/2022	233,960	9/15/2022	233,960	10/31/2022	233,960	12/16/2022	233,960
8/1/2022	233,960	9/16/2022	233,960	11/1/2022	233,960	12/17/2022	233,960
8/2/2022	233,960	9/17/2022	233,960	11/2/2022	233,960	12/18/2022	233,960
8/3/2022	233,960	9/18/2022	233,960	11/3/2022	233,960	12/19/2022	233,960
8/4/2022	233,960	9/19/2022	233,960	11/4/2022	233,960	12/20/2022	233,960
8/5/2022	233,960	9/20/2022	233,960	11/5/2022	233,960	12/21/2022	233,960
8/6/2022	233,960	9/21/2022	233,960	11/6/2022	233,960	12/22/2022	233,960
8/7/2022	233,960	9/22/2022	233,960	11/7/2022	233,960	12/23/2022	233,960
8/8/2022	233,960	9/23/2022	233,960	11/8/2022	233,960	12/24/2022	233,960
8/9/2022	233,960	9/24/2022	233,960	11/9/2022	233,960	12/25/2022	233,960
8/10/2022	233,960	9/25/2022	233,960	11/10/2022	233,960	12/26/2022	233,960
8/11/2022	233,960	9/26/2022	233,960	11/11/2022	233,960	12/27/2022	233,960
8/12/2022	233,960	9/27/2022	233,960	11/12/2022	233,960	12/28/2022	233,960
8/13/2022	233,960	9/28/2022	233,960	11/13/2022	233,960	12/29/2022	233,960
8/14/2022	233,960	9/29/2022	233,960	11/14/2022	233,960	12/30/2022	233,960
8/15/2022	233,960	9/30/2022	233,960	11/15/2022	233,960	12/31/2022	233,960
8/16/2022	233,960	10/1/2022	233,960	11/16/2022	233,960		
8/17/2022	233,960	10/2/2022	233,960	11/17/2022	233,960		
8/18/2022	233,960	10/3/2022	233,960	11/18/2022	233,960		

**2022 FINANCIAL INFORMATION FOR DEFI (all amounts in US dollar \$)**

DEFI's total net income/(loss) for the year due to withdrawing assets for purposes of investment expenses (related to the manager's fee) and rebalances (which took place periodically in accordance with the rebalance methodology) is a net loss of \$2,507,530.30. DEFI also paid the manager's fee in the amount of \$146,325.14. As a result of the investment expenses, DEFI did not have earnings and profits in excess of its net capital gain for the taxable year. Please see below details as well as dates for such withdrawal events.

Net income/earnings and profits:	(2,653,855.44)
Total expenses:	146,325.14
Net gain/(loss) - holding more than 1 year:	(121,017.03)
Net gain/(loss) - holding less than 1 year:	(2,386,513.27)
Distribution:	NONE

<b>Withdrawal Date - 1/21/2022</b>	
Proceeds	\$ 90.84
Cost Basis	\$ 80.83
Gain/(Loss)	\$ 10.01
Manager's Fee (Paid with Proceeds)	\$ (90.84)

<b>Withdrawal Date - 4/30/2022</b>	
Proceeds	\$ 11,199.22
Cost Basis	\$ 23,261.77
Gain/(Loss)	\$ (12,062.55)
Manager's Fee (Paid with Proceeds)	\$ (11,199.22)

<b>Withdrawal Date - 1/31/2022</b>	
Proceeds	\$ 1,483,939.03
Cost Basis	\$ 1,542,451.39
Gain/(Loss)	\$ (58,512.36)
Manager's Fee (Paid with Proceeds)	\$ -

<b>Withdrawal Date - 5/31/2022</b>	
Proceeds	\$ 8,214.36
Cost Basis	\$ 24,025.48
Gain/(Loss)	\$ (15,811.12)
Manager's Fee (Paid with Proceeds)	\$ (8,214.36)

<b>Withdrawal Date - 1/31/2022</b>	
Proceeds	\$ 15,850.30
Cost Basis	\$ 24,102.43
Gain/(Loss)	\$ (8,252.13)
Manager's Fee (Paid with Proceeds)	\$ (15,850.30)

<b>Withdrawal Date - 6/30/2022</b>	
Proceeds	\$ 6,016.31
Cost Basis	\$ 24,668.53
Gain/(Loss)	\$ (18,652.22)
Manager's Fee (Paid with Proceeds)	\$ (6,016.31)

<b>Withdrawal Date - 2/28/2022</b>	
Proceeds	\$ 12,645.14
Cost Basis	\$ 22,157.56
Gain/(Loss)	\$ (9,512.42)
Manager's Fee (Paid with Proceeds)	\$ (12,645.14)

<b>Withdrawal Date - 7/5/2022</b>	
Proceeds	\$ 24.18
Cost Basis	\$ 120.44
Gain/(Loss)	\$ (96.26)
Manager's Fee (Paid with Proceeds)	\$ (24.18)

<b>Withdrawal Date - 3/31/2022</b>	
Proceeds	\$ 16,399.69
Cost Basis	\$ 24,489.64
Gain/(Loss)	\$ (8,089.95)
Manager's Fee (Paid with Proceeds)	\$ (16,399.69)

<b>Withdrawal Date - 7/6/2022</b>	
Proceeds	\$ 421,568.10
Cost Basis	\$ 1,561,907.36
Gain/(Loss)	\$ (1,140,339.26)
Manager's Fee (Paid with Proceeds)	\$ -

<b>Withdrawal Date - 4/4/2022</b>	
Proceeds	\$ 159.06
Cost Basis	\$ 279.05
Gain/(Loss)	\$ (119.99)
Manager's Fee (Paid with Proceeds)	\$ (159.06)

<b>Withdrawal Date - 7/24/2022</b>	
Proceeds	\$ 325.21
Cost Basis	\$ 1,804.72
Gain/(Loss)	\$ (1,479.51)
Manager's Fee (Paid with Proceeds)	\$ (325.21)

<b>Withdrawal Date - 4/5/2022</b>	
Proceeds	\$ 1,359,532.67
Cost Basis	\$ 1,921,132.38
Gain/(Loss)	\$ (561,599.71)
Manager's Fee (Paid with Proceeds)	\$ -

<b>Withdrawal Date - 7/25/2022</b>	
Proceeds	\$ 171,066.86
Cost Basis	\$ 693,839.04
Gain/(Loss)	\$ (522,772.18)
Manager's Fee (Paid with Proceeds)	\$ -

<b>Withdrawal Date - 7/31/2022</b>	
Proceeds	\$ 16,648.99
Cost Basis	\$ 24,764.00
Gain/(Loss)	\$ (8,115.01)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (16,648.99)

<b>Withdrawal Date - 8/31/2022</b>	
Proceeds	\$ 12,569.53
Cost Basis	\$ 25,824.44
Gain/(Loss)	\$ (13,254.91)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (12,569.53)

<b>Withdrawal Date - 9/30/2022</b>	
Proceeds	\$ 12,104.34
Cost Basis	\$ 25,031.71
Gain/(Loss)	\$ (12,927.37)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (12,104.34)

<b>Withdrawal Date - 10/5/2022</b>	
Proceeds	\$ 24,290.52
Cost Basis	\$ 97,385.12
Gain/(Loss)	\$ (73,094.60)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ -

<b>Withdrawal Date - 10/31/2022</b>	
Proceeds	\$ 13,503.66
Cost Basis	\$ 25,858.86
Gain/(Loss)	\$ (12,355.20)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (13,503.66)

<b>Withdrawal Date - 11/30/2022</b>	
Proceeds	\$ 10,857.13
Cost Basis	\$ 24,963.91
Gain/(Loss)	\$ (14,106.78)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (10,857.13)

<b>Withdrawal Date - 12/31/2022</b>	
Proceeds	\$ 9,717.18
Cost Basis	\$ 26,103.96
Gain/(Loss)	\$ (16,386.78)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (9,717.18)

<b>2022 Grand Total</b>	
Proceeds	\$ 3,606,722.32
Cost Basis	\$ 6,114,252.62
Gain/(Loss)	\$ (2,507,530.30)
<b>Manager's Fee (Paid with Proceeds)</b>	\$ (146,325.14)