

GRAYSCALE DECENTRALIZED FINANCE (DEFI) FUND LLC (DEFI)

US Taxpayer Identification Number (TIN) 98-1607529

2023 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, 2023, through December 31, 2023.

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 2023 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 2023 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 DEFI may have been a PFIC or CFC with respect to you during 2023, 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 2023

There were 233,960 total shares outstanding on each individual day throughout 2023. To determine your ownership percentage of DEFI on any specific day, divide the total shares you own on that specific day by the total shares outstanding of 233,960. For example, if you owned 2,500 shares on 4/5/2023, your total ownership of DEFI on 4/5/2023 is 1.068559% (that is, 2,500 shares divided by 233,960 outstanding shares in the chart below on 4/5/2023).

Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding
1/1/2023	233,960	2/14/2023	233,960	3/30/2023	233,960	5/13/2023	233,960
1/2/2023	233,960	2/15/2023	233,960	3/31/2023	233,960	5/14/2023	233,960
1/3/2023	233,960	2/16/2023	233,960	4/1/2023	233,960	5/15/2023	233,960
1/4/2023	233,960	2/17/2023	233,960	4/2/2023	233,960	5/16/2023	233,960
1/5/2023	233,960	2/18/2023	233,960	4/3/2023	233,960	5/17/2023	233,960
1/6/2023	233,960	2/19/2023	233,960	4/4/2023	233,960	5/18/2023	233,960
1/7/2023	233,960	2/20/2023	233,960	4/5/2023	233,960	5/19/2023	233,960
1/8/2023	233,960	2/21/2023	233,960	4/6/2023	233,960	5/20/2023	233,960
1/9/2023	233,960	2/22/2023	233,960	4/7/2023	233,960	5/21/2023	233,960
1/10/2023	233,960	2/23/2023	233,960	4/8/2023	233,960	5/22/2023	233,960
1/11/2023	233,960	2/24/2023	233,960	4/9/2023	233,960	5/23/2023	233,960
1/12/2023	233,960	2/25/2023	233,960	4/10/2023	233,960	5/24/2023	233,960
1/13/2023	233,960	2/26/2023	233,960	4/11/2023	233,960	5/25/2023	233,960
1/14/2023	233,960	2/27/2023	233,960	4/12/2023	233,960	5/26/2023	233,960
1/15/2023	233,960	2/28/2023	233,960	4/13/2023	233,960	5/27/2023	233,960
1/16/2023	233,960	3/1/2023	233,960	4/14/2023	233,960	5/28/2023	233,960
1/17/2023	233,960	3/2/2023	233,960	4/15/2023	233,960	5/29/2023	233,960
1/18/2023	233,960	3/3/2023	233,960	4/16/2023	233,960	5/30/2023	233,960
1/19/2023	233,960	3/4/2023	233,960	4/17/2023	233,960	5/31/2023	233,960
1/20/2023	233,960	3/5/2023	233,960	4/18/2023	233,960	6/1/2023	233,960
1/21/2023	233,960	3/6/2023	233,960	4/19/2023	233,960	6/2/2023	233,960
1/22/2023	233,960	3/7/2023	233,960	4/20/2023	233,960	6/3/2023	233,960
1/23/2023	233,960	3/8/2023	233,960	4/21/2023	233,960	6/4/2023	233,960
1/24/2023	233,960	3/9/2023	233,960	4/22/2023	233,960	6/5/2023	233,960
1/25/2023	233,960	3/10/2023	233,960	4/23/2023	233,960	6/6/2023	233,960
1/26/2023	233,960	3/11/2023	233,960	4/24/2023	233,960	6/7/2023	233,960
1/27/2023	233,960	3/12/2023	233,960	4/25/2023	233,960	6/8/2023	233,960
1/28/2023	233,960	3/13/2023	233,960	4/26/2023	233,960	6/9/2023	233,960
1/29/2023	233,960	3/14/2023	233,960	4/27/2023	233,960	6/10/2023	233,960
1/30/2023	233,960	3/15/2023	233,960	4/28/2023	233,960	6/11/2023	233,960
1/31/2023	233,960	3/16/2023	233,960	4/29/2023	233,960	6/12/2023	233,960
2/1/2023	233,960	3/17/2023	233,960	4/30/2023	233,960	6/13/2023	233,960
2/2/2023	233,960	3/18/2023	233,960	5/1/2023	233,960	6/14/2023	233,960
2/3/2023	233,960	3/19/2023	233,960	5/2/2023	233,960	6/15/2023	233,960
2/4/2023	233,960	3/20/2023	233,960	5/3/2023	233,960	6/16/2023	233,960
2/5/2023	233,960	3/21/2023	233,960	5/4/2023	233,960	6/17/2023	233,960
2/6/2023	233,960	3/22/2023	233,960	5/5/2023	233,960	6/18/2023	233,960
2/7/2023	233,960	3/23/2023	233,960	5/6/2023	233,960	6/19/2023	233,960
2/8/2023	233,960	3/24/2023	233,960	5/7/2023	233,960	6/20/2023	233,960
2/9/2023	233,960	3/25/2023	233,960	5/8/2023	233,960	6/21/2023	233,960
2/10/2023	233,960	3/26/2023	233,960	5/9/2023	233,960	6/22/2023	233,960
2/11/2023	233,960	3/27/2023	233,960	5/10/2023	233,960	6/23/2023	233,960
2/12/2023	233,960	3/28/2023	233,960	5/11/2023	233,960	6/24/2023	233,960
2/13/2023	233,960	3/29/2023	233,960	5/12/2023	233,960	6/25/2023	233,960

Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding	Date	Shares Outstanding
6/26/2023	233,960	8/13/2023	233,960	9/30/2023	233,960	11/17/2023	233,960
6/27/2023	233,960	8/14/2023	233,960	10/1/2023	233,960	11/18/2023	233,960
6/28/2023	233,960	8/15/2023	233,960	10/2/2023	233,960	11/19/2023	233,960
6/29/2023	233,960	8/16/2023	233,960	10/3/2023	233,960	11/20/2023	233,960
6/30/2023	233,960	8/17/2023	233,960	10/4/2023	233,960	11/21/2023	233,960
7/1/2023	233,960	8/18/2023	233,960	10/5/2023	233,960	11/22/2023	233,960
7/2/2023	233,960	8/19/2023	233,960	10/6/2023	233,960	11/23/2023	233,960
7/3/2023	233,960	8/20/2023	233,960	10/7/2023	233,960	11/24/2023	233,960
7/4/2023	233,960	8/21/2023	233,960	10/8/2023	233,960	11/25/2023	233,960
7/5/2023	233,960	8/22/2023	233,960	10/9/2023	233,960	11/26/2023	233,960
7/6/2023	233,960	8/23/2023	233,960	10/10/2023	233,960	11/27/2023	233,960
7/7/2023	233,960	8/24/2023	233,960	10/11/2023	233,960	11/28/2023	233,960
7/8/2023	233,960	8/25/2023	233,960	10/12/2023	233,960	11/29/2023	233,960
7/9/2023	233,960	8/26/2023	233,960	10/13/2023	233,960	11/30/2023	233,960
7/10/2023	233,960	8/27/2023	233,960	10/14/2023	233,960	12/1/2023	233,960
7/11/2023	233,960	8/28/2023	233,960	10/15/2023	233,960	12/2/2023	233,960
7/12/2023	233,960	8/29/2023	233,960	10/16/2023	233,960	12/3/2023	233,960
7/13/2023	233,960	8/30/2023	233,960	10/17/2023	233,960	12/4/2023	233,960
7/14/2023	233,960	8/31/2023	233,960	10/18/2023	233,960	12/5/2023	233,960
7/15/2023	233,960	9/1/2023	233,960	10/19/2023	233,960	12/6/2023	233,960
7/16/2023	233,960	9/2/2023	233,960	10/20/2023	233,960	12/7/2023	233,960
7/17/2023	233,960	9/3/2023	233,960	10/21/2023	233,960	12/8/2023	233,960
7/18/2023	233,960	9/4/2023	233,960	10/22/2023	233,960	12/9/2023	233,960
7/19/2023	233,960	9/5/2023	233,960	10/23/2023	233,960	12/10/2023	233,960
7/20/2023	233,960	9/6/2023	233,960	10/24/2023	233,960	12/11/2023	233,960
7/21/2023	233,960	9/7/2023	233,960	10/25/2023	233,960	12/12/2023	233,960
7/22/2023	233,960	9/8/2023	233,960	10/26/2023	233,960	12/13/2023	233,960
7/23/2023	233,960	9/9/2023	233,960	10/27/2023	233,960	12/14/2023	233,960
7/24/2023	233,960	9/10/2023	233,960	10/28/2023	233,960	12/15/2023	233,960
7/25/2023	233,960	9/11/2023	233,960	10/29/2023	233,960	12/16/2023	233,960
7/26/2023	233,960	9/12/2023	233,960	10/30/2023	233,960	12/17/2023	233,960
7/27/2023	233,960	9/13/2023	233,960	10/31/2023	233,960	12/18/2023	233,960
7/28/2023	233,960	9/14/2023	233,960	11/1/2023	233,960	12/19/2023	233,960
7/29/2023	233,960	9/15/2023	233,960	11/2/2023	233,960	12/20/2023	233,960
7/30/2023	233,960	9/16/2023	233,960	11/3/2023	233,960	12/21/2023	233,960
7/31/2023	233,960	9/17/2023	233,960	11/4/2023	233,960	12/22/2023	233,960
8/1/2023	233,960	9/18/2023	233,960	11/5/2023	233,960	12/23/2023	233,960
8/2/2023	233,960	9/19/2023	233,960	11/6/2023	233,960	12/24/2023	233,960
8/3/2023	233,960	9/20/2023	233,960	11/7/2023	233,960	12/25/2023	233,960
8/4/2023	233,960	9/21/2023	233,960	11/8/2023	233,960	12/26/2023	233,960
8/5/2023	233,960	9/22/2023	233,960	11/9/2023	233,960	12/27/2023	233,960
8/6/2023	233,960	9/23/2023	233,960	11/10/2023	233,960	12/28/2023	233,960
8/7/2023	233,960	9/24/2023	233,960	11/11/2023	233,960	12/29/2023	233,960
8/8/2023	233,960	9/25/2023	233,960	11/12/2023	233,960	12/30/2023	233,960
8/9/2023	233,960	9/26/2023	233,960	11/13/2023	233,960	12/31/2023	233,960
8/10/2023	233,960	9/27/2023	233,960	11/14/2023	233,960		
8/11/2023	233,960	9/28/2023	233,960	11/15/2023	233,960		
8/12/2023	233,960	9/29/2023	233,960	11/16/2023	233,960		

2023 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 \$2,906,824.78. DEFI used proceeds to pay such manager's fee in the amount of \$83,139.75. 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:	(2,906,824.78)
Total expenses:	83,139.75
Net gain/(loss) - holding more than 1 year:	(2,003,846.68)
Net gain/(loss) - holding less than 1 year:	(819,838.35)
Distribution:	NONE

<u>Withdrawal Date - 1/5/2023</u>	
Proceeds	\$ 173,759.42
Cost Basis	\$ 743,081.79
Gain/(Loss)	\$ (569,322.37)
Manager's Fee (Paid with Proceeds)	\$ -

<u>Withdrawal Date - 5/31/2023</u>	
Proceeds	\$ 6,160.97
Cost Basis	\$ 20,270.62
Gain/(Loss)	\$ (14,109.65)
Manager's Fee (Paid with Proceeds)	\$ (6,160.97)

<u>Withdrawal Date - 1/31/2023</u>	
Proceeds	\$ 7,824.69
Cost Basis	\$ 22,578.62
Gain/(Loss)	\$ (14,753.93)
Manager's Fee (Paid with Proceeds)	\$ (7,824.69)

<u>Withdrawal Date - 6/30/2023</u>	
Proceeds	\$ 6,325.73
Cost Basis	\$ 19,575.79
Gain/(Loss)	\$ (13,250.06)
Manager's Fee (Paid with Proceeds)	\$ (6,325.73)

<u>Withdrawal Date - 2/28/2023</u>	
Proceeds	\$ 7,174.39
Cost Basis	\$ 20,123.48
Gain/(Loss)	\$ (12,949.09)
Manager's Fee (Paid with Proceeds)	\$ (7,174.39)

<u>Withdrawal Date - 7/6/2023</u>	
Proceeds	\$ 634,113.53
Cost Basis	\$ 1,906,013.08
Gain/(Loss)	\$ (1,271,899.55)
Manager's Fee (Paid with Proceeds)	\$ -

<u>Withdrawal Date - 3/31/2023</u>	
Proceeds	\$ 7,278.41
Cost Basis	\$ 22,208.49
Gain/(Loss)	\$ (14,930.08)
Manager's Fee (Paid with Proceeds)	\$ (7,278.41)

<u>Withdrawal Date - 7/31/2023</u>	
Proceeds	\$ 7,308.00
Cost Basis	\$ 19,072.26
Gain/(Loss)	\$ (11,764.26)
Manager's Fee (Paid with Proceeds)	\$ (7,308.00)

<u>Withdrawal Date - 4/4/2023</u>	
Proceeds	\$ 38.42
Cost Basis	\$ 338.19
Gain/(Loss)	\$ (299.77)
Manager's Fee (Paid with Proceeds)	\$ (38.42)

<u>Withdrawal Date - 8/31/2023</u>	
Proceeds	\$ 5,533.45
Cost Basis	\$ 18,828.79
Gain/(Loss)	\$ (13,295.34)
Manager's Fee (Paid with Proceeds)	\$ (5,533.45)

<u>Withdrawal Date - 4/5/2023</u>	
Proceeds	\$ 140,226.93
Cost Basis	\$ 935,256.49
Gain/(Loss)	\$ (795,029.56)
Manager's Fee (Paid with Proceeds)	\$ -

<u>Withdrawal Date - 9/30/2023</u>	
Proceeds	\$ 5,968.73
Cost Basis	\$ 18,401.78
Gain/(Loss)	\$ (12,433.05)
Manager's Fee (Paid with Proceeds)	\$ (5,968.73)

<u>Withdrawal Date - 4/30/2023</u>	
Proceeds	\$ 6,522.49
Cost Basis	\$ 19,558.37
Gain/(Loss)	\$ (13,035.88)
Manager's Fee (Paid with Proceeds)	\$ (6,522.49)

<u>Withdrawal Date - 10/4/2023</u>	
Proceeds	\$ 12,784.12
Cost Basis	\$ 46,337.70
Gain/(Loss)	\$ (33,553.58)
Manager's Fee (Paid with Proceeds)	\$ -

<u>Withdrawal Date - 10/31/2023</u>		
Proceeds	\$	6,016.74
Cost Basis	\$	18,933.38
Gain/(Loss)	\$	(12,916.64)
Manager's Fee (Paid with Proceeds)	\$	(6,016.74)

<u>Withdrawal Date - 11/30/2023</u>		
Proceeds	\$	7,652.38
Cost Basis	\$	18,280.02
Gain/(Loss)	\$	(10,627.64)
Manager's Fee (Paid with Proceeds)	\$	(7,652.38)

<u>Withdrawal Date - 12/31/2023</u>		
Proceeds	\$	9,335.35
Cost Basis	\$	18,849.93
Gain/(Loss)	\$	(9,514.58)
Manager's Fee (Paid with Proceeds)	\$	(9,335.35)

<u>2023 Grand Total</u>		
Proceeds	\$	1,044,023.75
Cost Basis	\$	3,867,708.78
Gain/(Loss)	\$	(2,823,685.03)
Manager's Fee (Paid with Proceeds)	\$	(83,139.75)