

GRAYSCALE DECENTRALIZED FINANCE (DEFI) FUND LLC

A Cayman Islands Limited Liability Company

Managed by

Grayscale Investments Sponsors, LLC
290 Harbor Drive, 4th Floor
Stamford, Connecticut 06902
Telephone: (212) 668-1427
Facsimile: (212) 937-3645
Corporate website: www.grayscale.com

Primary Standard Industrial Code: 6221

QUARTERLY REPORT

For the quarterly period ended March 31, 2025

Shares Representing Common Units of Fractional Undivided Beneficial Interest
No Par Value Per Share
Unlimited Shares Authorized
235,360 Shares Issued and Outstanding as of March 31, 2025

OTCQB: DEFG

Grayscale Investments Sponsors, LLC (the “Manager”), on behalf of Grayscale Decentralized Finance (DeFi) Fund LLC (the “Fund”), is responsible for the content of this quarterly report for the quarter ended March 31, 2025 (the “Quarterly Report”), which has been prepared to fulfill the disclosure requirements of the OTCQX U.S. marketplace. The information contained in this Quarterly Report has not been filed with, or approved by, the U.S. Securities and Exchange Commission (the “SEC”) or any state securities commission. Any representation to the contrary is a criminal offense.

All references to “the Fund,” “the Manager,” “the Issuer,” “Grayscale Decentralized Finance (DeFi) Fund,” “we,” “us” or “our” refers to the Fund or the Manager, as the context indicates. The Fund is a passive entity with no operations, and where the context requires, we provide disclosure with respect to the Manager, which administers the Fund.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934).

Yes ☐ No ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period.

Yes ☐ No ☒

Indicate by check mark whether a change in control of the company has occurred over this reporting period.

Yes ☐ No ☒

Dated as of May 9, 2025

TABLE OF CONTENTS

Item 1.	The exact name of the issuer and the address of its principal executive offices.	10
Item 2.	Shares outstanding.	10
Item 3.	Unaudited interim financial statements.	11
Item 4.	Management’s discussion and analysis.	11
Item 5.	Legal proceedings.	22
Item 6.	Defaults upon senior securities.	22
Item 7.	Other information.....	23
Item 8.	Exhibits.	23
Item 9.	Issuer’s certifications.....	24
Exhibit 1	Unaudited Interim Financial Statements - March 31, 2025.	

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains “forward-looking statements” with respect to the Fund’s financial conditions, results of operations, plans, objectives, future performance and business. Statements preceded by, followed by or that include words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of these terms and other similar expressions are intended to identify some of the forward-looking statements. All statements (other than statements of historical fact) included in this Quarterly Report that address activities, events or developments that will or may occur in the future, including such matters as changes in market prices and conditions, the Fund’s operations, the plans of Grayscale Operating, LLC (“GSO”), the co-manager of the Fund from January 1, 2025 to May 3, 2025, and Grayscale Investments Sponsors, LLC (“GSIS”), the co-manager of the Fund from January 1, 2025 to May 3, 2025 and the sole remaining manager thereafter (each of GSO and GSIS, the “Manager”, as the context may require, and GSO and GSIS, together, the “Co-Managers”), and references to the Fund’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially from such statements. These statements are based upon certain assumptions and analyses the Manager made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. You should specifically consider the numerous risks outlined under “Risk Factors” in our Annual Report. Whether or not actual results and developments will conform to the Manager’s expectations and predictions, however, is subject to a number of risks and uncertainties, including:

- the risk factors discussed in this Quarterly Report, including the particular risks associated with new technologies such as digital assets, including Uniswap, Aave, Maker, Lido Dao, and Curve, and blockchain technology;
- the Fund’s inability to redeem Shares;
- the inability of the Fund to meet its investment objective;
- economic conditions in the digital asset industry and market;
- general economic, market and business conditions;
- global or regional political, economic or financial conditions, events and situations;
- the use of technology by us and our vendors, including the Custodian, in conducting our business, including disruptions in our computer systems and data centers and our transition to, and quality of, new technology platforms;
- changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies;
- the costs and effect of any litigation or regulatory investigations;
- our ability to maintain a positive reputation; and
- other world economic and political developments.

Consequently, all of the forward-looking statements made in this Quarterly Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments the Manager anticipates will be realized or, even if substantially realized, that they will result in the expected consequences to, or have the expected effects on, the Fund’s operations or the value of the Shares. Should one or more of the risks discussed under “Risk Factors” in our Annual Report or other uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those described in forward-looking statements. Forward-looking statements are made based on the Manager’s beliefs, estimates and opinions on the date the statements are made and neither the Fund nor the Manager is under a duty or undertakes an obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, other than as required by applicable laws. Moreover, neither the Fund, the Manager, nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Investors are therefore cautioned against relying on forward-looking statements.

The risk factors included in our Annual Report continue to apply to us, and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. There have not been any material changes from the risk factors previously described in our Annual Report, except for as provided in “Item 7. Other Information.”

Glossary

In this Quarterly Report, each of the following quoted terms has the meanings set forth after such term:

“Aave” or “AAVE”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network and used on the Aave platform.

“Actual Exchange Rate”—With respect to any particular asset, at any time, the price per single unit of such asset (determined net of any associated fees) at which the Fund is able to sell such asset for U.S. dollars (or other applicable fiat currency) at such time to enable the Fund to timely pay any Additional Fund Expenses, through use of the Manager’s commercially reasonable efforts to obtain the highest such price.

“Additional Fund Expenses”—Together, any expenses incurred by the Fund in addition to the Manager’s Fee that are not Manager-paid Expenses, including, but not limited to, (i) taxes and governmental charges, (ii) expenses and costs of any extraordinary services performed by the Manager (or any other service provider) on behalf of the Fund to protect the Fund or the interests of shareholders (including in connection with any Forked Assets), (iii) any indemnification of the Custodian or other agents, service providers or counterparties of the Fund, (iv) the fees and expenses related to the listing, quotation or trading of the Shares on any Secondary Market (including legal, marketing and audit fees and expenses) to the extent exceeding \$600,000 in any given fiscal year and (v) extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters.

“Administrator Fee”—The fee payable to any administrator of the Fund for services it provides to the Fund, which the Manager will pay such administrator as a Manager-paid Expense.

“Amp” or “AMP”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network and used on the Flexa payment network.

“AML”—Anti-money laundering.

“Annual Report”—The Fund’s Annual Report for the year ended June 30, 2024.

“Authorized Participant”—Certain eligible financial institutions that have entered into an agreement with the Fund and the Manager concerning the creation of Shares. Each Authorized Participant (i) is a registered broker-dealer, (ii) has entered into a Participant Agreement with the Manager and (iii) owns a digital wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider.

“Basket”—A block of 100 Shares.

“Basket Amount”—The sum of (x) the Fund Component Basket Amounts for all Fund Components, (y) the Forked Asset Portion and (z) the Cash Portion, in each case, as of such trade date.

“Blockchain” or “blockchain”—The public transaction ledger of a Digital Asset Network on which miners or validators solve algorithmic equations allowing them to add records of recent transactions (called “blocks”) to the chain of transactions in exchange for an award of digital assets from a Digital Asset Network and the payment of transaction fees, if any, from users whose transactions are recorded in the block being added.

“Cash Portion”—For any trade date, the amount of U.S. dollars determined by dividing (x) the amount of U.S. dollars or other fiat currency (as converted into U.S. dollars at the applicable exchange rate as of 4:00 p.m., New York time) held by the Fund at 4:00 p.m., New York time, on such trade date by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth), and multiplying such quotient by 100.

“Code”—The U.S. Internal Revenue Code of 1986, as amended.

“Coinbase”—Coinbase, Inc.

“Compound” or “COMP”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“Creation Basket”—Basket of Shares issued by the Fund upon the transfer of the Total Basket Amount required for each such Creation Basket.

“Curve” or “CRV”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network and used on the Curve platform.

“Custodial Services”—The Custodian’s services that (i) allow digital assets to be deposited from a public blockchain address to the Fund’s digital asset accounts and (ii) allow the Fund and the Manager to withdraw digital assets from the Fund’s digital asset accounts to a public blockchain address the Fund or the Manager controls pursuant to instructions the Fund or Manager provides to the Custodian.

“Custodian”—Coinbase Custody Trust Company, LLC.

“Custodian Agreement”—The Amended and Restated Custodial Services Agreement, dated as of June 29, 2022, by and between the Fund, Manager and Custodian that governs the Fund’s and Manager’s use of the Custodial Services provided by the Custodian as a fiduciary with respect to the Fund’s assets.

“Custodian Fee”—Fee payable to the Custodian for services it provides to the Fund, which the Manager shall pay to the Custodian as a Manager-paid Expense.

“CUTPA”—The Connecticut Unfair Trade Practices Act.

“DCG”—Digital Currency Group, Inc.

“DFX”—The CoinDesk DeFi Select Index.

“DFX Methodology”—The criteria that a digital asset must meet to be eligible for inclusion in the DFX, as determined from time to time by the Index Provider.

“Digital Asset Market”—A “Brokered Market,” “Dealer Market,” “Principal-to-Principal Market,” or “Exchange Market” (referred to as “Trading Platform Market” in this Quarterly Report), as each such term is defined in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Master Glossary.

“Digital Asset Network”—The online, end-user-to-end-user network hosting a public transaction ledger, known as a Blockchain, and the source code comprising the basis for the cryptographic and algorithmic protocols governing such Digital Asset Network. See “Overview of the Digital Asset Industry and Market” in our Annual Report.

“Digital Asset Reference Rate”—With respect to any Fund Component (and, if possible, each Forked Asset) as of any business day, the price in U.S. dollars of such Fund Component (and, if possible, each Forked Asset), as determined by reference to an Indicative Price reported by CoinDesk Indices, Inc. for such Fund Component (and, if possible, each Forked Asset) as of 4:00 p.m., New York time, on any business day.

“Digital Asset Trading Platform”—An electronic marketplace where trading platform participants may trade, buy and sell digital assets based on bid-ask trading. The largest Digital Asset Trading Platforms are online and typically trade on a 24-hour basis, publishing transaction price and volume data.

“Digital Asset Trading Platform Market”—The global trading platform market for the trading of digital assets, which consists of transactions on electronic Digital Asset Trading Platforms.

“DTC”—The Depository Trust Company. DTC is a limited purpose trust company organized under New York law, a member of the U.S. Federal Reserve System and a clearing agency registered with the SEC. DTC will act as the securities depository for the Shares.

“Ether”—Ethereum tokens, which are a type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“Exchange Act”—The Securities Exchange Act of 1934, as amended.

“Forked Asset”—Any asset other than cash that is held by the Fund at any time other than a Fund Component, including (i) any right, arising from a fork, airdrop or similar occurrence, to acquire (or otherwise establish dominion and control over) any digital asset or other asset or right and (ii) any digital asset or other asset or right acquired by the Fund through the exercise of a right described in the preceding clause (i), in each case, until such time as the Manager designates such asset as a Fund Component.

“Forked Asset Portion”—For any Trade Date, the amount of U.S. dollars determined by dividing (x) the aggregate value in U.S. dollars of the Fund’s Forked Assets at 4:00 p.m., New York time, on such Trade Date (calculated, to the extent possible, by reference to Digital Asset Reference Rates) by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth), and multiplying such quotient by 100.

“Fund”—Grayscale Decentralized Finance (DeFi) Fund LLC, a Cayman Islands LLC, formed on June 10, 2021 under the LLC Act and pursuant to the LLC Agreement.

“Fund Component”—A digital asset designated as such by the Manager in accordance with the policies and procedures set forth in our Annual Report.

“Fund Component Aggregate Liability Amount”—For any Fund Component and any trade date, an amount of tokens of such Fund Component equal to the sum of (x) all accrued but unpaid Fund Component Fee Amounts for such Fund Component as of 4:00 p.m., New York time, on such trade date and (y) the Fund Component Expense Amount as of 4:00 p.m., New York time, on such trade date.

“Fund Component Basket Amount”—As of any trade date, the amount of tokens of such Fund Component required to be delivered in connection with each Creation Basket, as determined by dividing the amount of tokens of such Fund Component held by the Fund at 4:00 p.m., New York time, on such trade date, after deducting the applicable Fund Component Aggregate Liability Amount, by the number of Shares outstanding at such time (the quotient so obtained calculated to one one-hundred-millionth (*i.e.*, carried to the eighth decimal place)) and multiplying the quotient so obtained for the Fund Component by 100.

“Fund Component Expense Amount”—For any Fund Component on any trade date, (x) the product of (1) the aggregate unpaid Additional Fund Expenses as of 4:00 p.m., New York time, on such trade date and (2) the Weighting of such Fund Component for such trade date, divided by (y) the Digital Asset Reference Rate for such Fund Component as of 4:00 p.m., New York time, on such trade date.

“Fund Component Fee Amount”—For any day, the amount of tokens of each Fund Component payable as the Manager’s Fee.

“Fund Rebalancing Period”—Any period during which the Manager reviews for rebalancing the Fund’s portfolio in accordance with the policies and procedures set forth in our Annual Report. For purposes of the Limited Liability Company Agreement, the term Fund Rebalancing Period shall mean the Fund Rebalancing Period as defined herein.

“Genesis”—Genesis Global Trading, Inc. a wholly owned subsidiary of Digital Currency Group, Inc.

“Grayscale Securities”—Grayscale Securities, LLC, a wholly owned direct subsidiary of GSO, which as of the date of this Quarterly Report, is the only acting Authorized Participant.

“GSI”—Grayscale Investments, LLC, the Manager of the Fund until December 31, 2024.

“GSIS”—Grayscale Investments Sponsors, LLC, a Delaware limited liability company, the Manager of the Fund from and after January 1, 2025 and a wholly owned direct subsidiary of GSO.

“GSO”—Grayscale Operating, LLC, a Delaware limited liability company and a wholly owned indirect subsidiary of DCG.

“Index License Agreement”—The license agreement, dated as of February 1, 2022, between the Reference Rate Provider and the Manager governing the Manager’s use of data collected from the Digital Asset Trading Platforms trading digital assets selected by the Reference Rate Provider for calculation of the Digital Asset Reference Rates, as amended from time to time.

“Index Price”—A price for a Fund Component determined by the Reference Rate Provider by further cleansing and compiling the trade data used to determine the Indicative Price in such a manner as to algorithmically reduce the impact of anomalous or manipulative trading.

“Index Provider”—CoinDesk Indices, Inc., a Delaware corporation that designed and manages the DFX.

“Index Rebalancing Period”—Any period during which the Index Provider reviews for rebalancing the DFX in accordance with the policies and procedures set forth in our Annual Report.

“Indicative Price”—A volume-weighted average price in U.S. dollars for a Fund Component as of 4:00 p.m., New York time, for the immediately preceding 60-minute period derived from data collected from Digital Asset Trading Platforms trading such Fund Component selected by the Reference Rate Provider.

“Investment Advisers Act”—U.S. Investment Advisers Act of 1940, as amended.

“Investment Company Act”—U.S. Investment Company Act of 1940, as amended.

“Investor”—Any investor that has entered into a subscription agreement with an Authorized Participant, pursuant to which such Authorized Participant will act as agent for the investor.

“IRS”—The U.S. Internal Revenue Service, a bureau of the U.S. Department of the Treasury.

“KYC”—Know-your-customer.

“Lido Dao” or “LDO”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“Liquidity Provider”—A service provider that facilitates the purchase of digital assets in connection with the creation of Baskets.

“LLC Act”—Limited Liability Companies Law (As Revised) of the Cayman Islands (as amended or any successor statute thereto).

“LLC Agreement”—The Amended and Restated Limited Liability Company Agreement establishing and governing the operations of the Fund, as amended by Amendment No. 1 thereto, and as the same may be amended further from time to time.

“Maker” or “MKR”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“Manager” or “Co-Manager”—The manager of the Fund. GSO was a co-manager of the Fund from January 1, 2025 to May 3, 2025, and GSIS was a co-manager of the Fund from January 1, 2025 to May 3, 2025 and is the sole remaining manager thereafter.

“Manager-paid Expenses”—The fees and expenses incurred by the Fund in the ordinary course of its affairs, excluding taxes, that the Manager is obligated to assume and pay, including: (i) the Marketing Fee, (ii) the Administrator Fee, (iii) fees for the Custodian and any other security vendor engaged by the Fund (iv) the Transfer Agent Fee, (v) the fees and expenses related to the listing, quotation or trading of the Shares on any Secondary Market (including customary legal, marketing and audit fees and expenses) in an amount up to \$600,000 in any given Fiscal Year, (vi) ordinary course legal fees and expenses, (vii) audit fees, (viii) regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act and fees relating to registration and any other regulatory requirements in the Cayman Islands, (ix) printing and mailing costs, (x) costs of maintaining the Fund’s website and (xi) applicable license fees with respect to the Fund.

“Manager Contracts”—Certain contracts assigned by GSO pertaining to its role as Manager (as such term is defined in the LLC Agreement) of the Fund to GSIS in connection with the Reorganization.

“Manager’s Fee”—A fee that accrues daily in U.S. dollars at an annual rate of 2.5% of the Fund’s NAV Fee Basis Amount as of 4:00 p.m., New York time, and will generally be paid in the Fund Components then held by the Fund in proportion to such Fund Components’ respective Weightings. For any day that is not a business day or in a Fund Rebalancing Period, the Manager’s Fee will accrue in U.S. dollars at a rate of 2.5% of the most recently calculated NAV Fee Basis Amount of the Fund. The Manager’s Fee is payable to the Manager monthly in arrears.

“Marketing Fee”—Fee payable to the marketer for services it provides to the Fund, which the Manager will pay to the marketer as a Manager-paid Expense.

“Merger”—The merger of GSI with and into GSO, with GSO continuing as the surviving company.

“NAV”—The aggregate value, expressed in U.S. dollars, of the Fund’s assets, less the U.S. dollar value of its liabilities and expenses, a non-GAAP metric, calculated in the manner set forth under “Valuation of Digital Assets and Determination of NAV” in our Annual Report for a description of how the Fund’s NAV and NAV per Share are calculated. Prior to February 7, 2024, NAV was referred to as Digital Asset Holdings. See also “Management’s Discussion and Analysis—Critical Accounting Policies—Principal Market and Fair Value Determination” in our Annual Report for a description of the Fund’s NAV, as calculated in accordance with U.S. GAAP. For purposes of the LLC Agreement, the term Digital Asset Holdings shall mean the NAV as defined herein.

“NAV Fee Basis Amount”—The U.S. dollar value on which the Manager’s Fee accrues, as calculated in the manner set forth under “Grayscale Decentralized Finance (DeFi) Fund LLC—Description of the Fund—Valuation of Digital Assets and Determination of NAV” in our Annual Report. For purposes of the LLC Agreement, the term Digital Asset Holdings Fee Basis Amount shall mean the NAV Fee Basis Amount as defined herein.

“OTCQB”—The OTCQB U.S. Market of OTC Markets Group Inc.

“Participant Agreement”—An agreement entered into by an Authorized Participant with the Manager that provides the procedures for the creation of Baskets and for the delivery of digital assets required for Creation Baskets.

“Principal Market NAV”—The net asset value of the Fund determined on a U.S. GAAP basis. Prior to February 7, 2024, Principal Market NAV was referred to as NAV.

“Quarterly Report”—This Quarterly Report for the three and nine months ended March 31, 2025.

“Reference Rate Provider”—CoinDesk Indices, Inc., a Delaware corporation that publishes the Digital Asset Reference Rates.

“Reorganization”—The internal corporate reorganization of GSI consummated on January 1, 2025.

“Reverse Share Split”—A 1-for-10 reverse Share split of the Fund’s issued and outstanding Shares, which was effective on June 23, 2022, to shareholders of record as of the close of business on June 22, 2022.

“Rule 144”—Rule 144 under the Securities Act.

“SEC”—The U.S. Securities and Exchange Commission.

“Secondary Market”—Any marketplace or other alternative trading system, as determined by the Manager, on which the Shares may then be listed, quoted or traded, including but not limited to, the OTCQB Best Market[®] of OTC Markets Group Inc.

“Securities Act”—The Securities Act of 1933, as amended.

“Securities Exchange Act” or “Exchange Act”—The Securities Exchange Act of 1934, as amended.

“Shares”—Equal, fractional, undivided interests in the profits, losses, distributions, capital and assets of, and ownership of, the Fund with such relative rights and terms as set out in the LLC Agreement.

“Staking”—Means (i) using, or permitting to be used, in any manner, directly or indirectly, through an agent or otherwise (including, for the avoidance of doubt, through a delegation of rights to any third party with respect to any portion of the Fund Property, by making any portion of the Fund Property available to any third party or by entering into any similar arrangement with a third party), any portion of the Fund Property in a PoS validation protocol and (ii) accepting any Staking Consideration. For the avoidance of doubt, staking activities do not include the mere act of transferring units of virtual currency on a peer-to-peer virtual currency network that utilizes a PoS validation protocol.

“Staking Consideration”—Any consideration of any kind whatsoever, including, but not limited to, any staking reward paid in fiat currency or paid in kind, in exchange for using, or permitting to be used, any portion of the Fund Property as described in clause (i) of the definition of “Staking.”

“Synthetix” or “SNX”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“Total Basket Amount”—The Basket Amount multiplied by the number of Baskets being created or redeemed.

“Transfer Agent”—Continental Stock Transfer & Trust Company, a Delaware corporation.

“Transfer Agent Fee”—Fee payable to the Transfer Agent for services it provides to the Fund, which the Manager will pay to the Transfer Agent as a Manager-paid Expense.

“Uniswap” or “UNI”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

“U.S.”—United States.

“U.S. dollar” or “\$”—United States dollar, or dollars.

“U.S. GAAP”—United States generally accepted accounting principles.

“Weighting”—For any Fund Component, the percentage of the total U.S. dollar value of the aggregate Fund Components at any time that is represented by tokens of such Fund Component.

“Yearn.finance” or “YFI”—A type of digital asset based on an open-source cryptographic protocol existing on the Ethereum network.

Item 1. The exact name of the issuer and the address of its principal executive offices.

The name of the Fund is Grayscale Decentralized Finance (DeFi) Fund LLC.

The address of the Manager is: Grayscale Investments Sponsors, LLC
290 Harbor Drive, 4th Floor
Stamford, CT 06902

The Manager's telephone number is: (212) 668-1427

The Manager's facsimile number is: (212) 937-3645

The Manager's website: The Manager maintains a corporate website, www.grayscale.com, which contains general information about the Fund and the Manager. The reference to our website is an interactive textual reference only, and the information contained on our website shall not be deemed incorporated by reference herein.

Investor relations contact: Peter Mintzberg
Grayscale Investments Sponsors, LLC
290 Harbor Drive, 4th Floor
Stamford, CT 06902
Telephone: (212) 668-1427
Facsimile: (212) 937-3645
Email: info@grayscale.com

Item 2. Shares outstanding.

The only class of securities outstanding is equal, fractional, undivided interests in the profits, losses, distributions, capital and assets of, and ownership of, the Fund with such relative rights and terms as set out in the LLC Agreement ("Shares"), which represent ownership in the Fund. The Fund's trading symbol on the OTCQB U.S. Market ("OTCQB") of OTC Markets Group Inc. is "DEFG" and the CUSIP number for the Fund's Shares is G4070G104.

The following table shows the number of the Shares outstanding:

	As of March 31, 2025	As of June 30, 2024
(i) Number of Shares authorized	Unlimited	Unlimited
(ii) Number of Shares outstanding	235,360	233,960
(iii) Number of Shares freely tradable (public float)⁽¹⁾	200,617	193,102
(iv) Number of beneficial holders owning at least 100 Shares⁽²⁾	16	20
(v) Number of holders of record⁽²⁾	17	20

(1) Public float means the total number of unrestricted Shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10% of the total Shares outstanding, or anyone who controls, is controlled by or is under common control with such person, or any immediate family members of officers, directors and control persons. Freely tradable Shares inclusive of holders with more than 10% of total Shares outstanding was 201,366 and 193,104 as of March 31, 2025 and June 30, 2024, respectively.

(2) Includes Cede & Co. nominee for DTC for the Shares traded on OTCQB, but not its direct participants. Therefore, this number does not include the individual holders who have bought/sold Shares on OTCQB or transferred their eligible Shares to their brokerage accounts.

From July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, the Fund has offered the Shares pursuant to Rule 506 of the Regulation D under the Securities Act. The Shares offered by the Fund have not been registered under the Securities Act, or any state or other securities laws, and were 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 table below describes the Shares offered, the Shares sold and the average and range of prices at which the Shares were offered and sold by the Fund. All Shares initially offered and sold by the Fund are restricted securities pursuant to Rule 144 under the Securities Act. Until the Shares sold by the Fund become unrestricted in accordance with Rule 144, the certificates or other documents evidencing the Shares will contain legends stating that the Shares have not been registered under the Securities Act and referring to the restrictions on transferability and sale of the Shares under the Securities Act. Such legends are removed upon Shares becoming unrestricted in accordance with Rule 144 and after they have been presented to outside counsel, who may instruct the Transfer Agent to remove such legends. From July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, no Shares, other securities of the Fund, or options to acquire such other securities were issued in exchange for services provided by any person or entity.

Period	Shares Offered	Shares Sold	No. of Purchasers	Avg. ⁽¹⁾	High ⁽¹⁾	Date	Low ⁽¹⁾	Date
Twelve months ended June 30, 2023	Unlimited	-	-	\$ 14.84	\$ 22.11	7/28/22	\$ 10.13	6/10/23
Twelve months ended June 30, 2024	Unlimited	-	-	\$ 17.34	\$ 30.49	3/6/24	\$ 10.40	9/11/23
July 1, 2024 to March 31, 2025	Unlimited	1,400	2	\$ 19.30	\$ 34.88	12/12/24	\$ 12.47	8/5/24

(1) The prices reflected represent the Digital Asset Reference Rate (non-GAAP methodology).

Item 3. Unaudited interim financial statements.

The Fund's unaudited interim financial statements as of and for the three and nine months ended March 31, 2025 are attached as Exhibit 1 to this Quarterly Report. The historical results presented herein and therein are not necessarily indicative of financial results to be achieved in future periods. The Fund's unaudited financial statements attached as Exhibit 1 to this Quarterly Report are incorporated herein by reference and are considered as part of this Quarterly Report.

Item 4. Management's discussion and analysis.

The following discussion and analysis of our financial condition and results of operations should be read together with, and is qualified in its entirety by reference to, our unaudited financial statements and related notes attached as an exhibit to this Quarterly Report, which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The following discussion may contain forward-looking statements based on assumptions we believe to be reasonable. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those set forth under "Risk Factors" or in other sections of our Annual Report, and under "Cautionary Note Regarding Forward-Looking Statements."

Fund Overview

The Fund is a passive entity that is managed and administered by the Manager and does not have any officers, directors or employees. The Fund holds Fund Components and, from time to time on a periodic basis, issues Creation Baskets in exchange for deposits of Fund Components. As a passive investment vehicle, the Fund's investment objective is for the value of the Shares (based on the Fund Components per Share) to reflect the value of the Fund Components held by the Fund, determined by reference to the Reference Rate Price, less the Fund's expenses and other liabilities. While an investment in the Shares is not a direct investment in the Fund Components, the Shares are designed to provide investors with a cost-effective and convenient way to gain investment exposure to the Fund Components. To date, the Fund has not met its investment objective and the Shares quoted on OTCQB have not reflected the value of the Fund Components held by the Fund, less the Fund's expenses and other liabilities, but instead have traded at both premiums and discounts to such value, which at times have been substantial. The Fund is not managed like a business corporation or an active investment vehicle. The Fund will not utilize leverage, derivatives or any similar arrangements in seeking to meet its investment objective.

On January 1, 2025, GSI consummated an internal corporate reorganization (the “Reorganization”), pursuant to which GSI, the manager of the Fund prior to the Reorganization, merged with and into GSO, a Delaware limited liability company and a wholly owned indirect subsidiary of DCG, with GSO continuing as the surviving company (the “Merger”). As a result of the Merger, GSO succeeded by operation of law to all the rights, powers, privileges and franchises and became subject to all of the obligations, liabilities, restrictions and disabilities of GSI, including with respect to the Manager Contracts, (as defined below), all as provided under the Delaware Limited Liability Company Act. The Reorganization is not expected to have any material impact on the operations of the Fund.

In connection with the Reorganization, on January 1, 2025, and promptly following the effectiveness of the Merger, GSO assigned certain contracts pertaining to its role as Manager (as such term is defined in the LLC Agreement) of the Fund (such contracts, the “Manager Contracts”) to GSIS, a Delaware limited liability company and a wholly owned direct subsidiary of GSO, whereby GSIS assumed all of the rights and obligations of GSO under the Manager Contracts. Other than the assumption of the Manager Contracts by GSIS, the Reorganization does not alter the rights or obligations under any of the Manager Contracts.

In connection with the Reorganization, on January 1, 2025, and promptly following the effectiveness of the Merger, GSO and GSIS executed a Certificate of Admission, pursuant to which GSIS was admitted as an additional Manager of the Fund under the LLC Agreement, by and among GSO (as successor in interest to GSI) and the shareholders from time to time thereunder, as amended from time to time. GSIS shall be subject to the rights and obligations of a Manager under the LLC Agreement.

On January 3, 2025, GSO voluntarily withdrew as a Manager of the Fund pursuant to the terms of the LLC Agreement, and, effective May 3, 2025, GSIS became the sole remaining Manager of the Fund.

The activities of the Fund are limited to (i) issuing Baskets in exchange for Fund Components and cash transferred to the Fund as consideration in connection with the creations, (ii) transferring or selling Fund Components and Forked Assets as necessary to cover the Manager’s Fee and/or any Additional Fund Expenses, (iii) transferring Fund Components and cash in exchange for Baskets surrendered for redemption (subject to obtaining regulatory approval from the SEC and approval from the Manager), (iv) causing the Manager to sell Fund Components and Forked Assets on the termination of the Fund, (v) making distributions of Forked Assets or cash from the sale thereof and (vi) engaging in all administrative and security procedures necessary to accomplish such activities in accordance with the provisions of the LLC Agreement, the Custodian Agreement, the Index License Agreement and the Participant Agreements.

In addition, the Fund may engage in any lawful activity necessary or desirable, including in order to facilitate shareholders’ access to Forked Assets or for Staking or lending the Fund Property, provided that such activities do not conflict with the terms of the LLC Agreement. At this time, however, the Fund does not currently engage in, nor does it intend to engage in, any Staking or lending activities related to the Fund Property. In the future, any value created from such activities will be included in the net asset value (“NAV”) Calculation, or will be used to pay the Fund’s expenses.

Forked Assets

The Fund may from time to time hold positions in digital assets as a result of a fork, airdrop or similar event through which the Fund becomes entitled to another digital asset or other property by virtue of its ownership of one or more of the digital assets it then holds (each such new asset, a “Forked Asset”). Pursuant to the terms of the LLC Agreement, the Fund may take any lawful action necessary or desirable in connection with its ownership of Forked Assets. These actions may include (i) selling Forked Assets in the Digital Asset Markets and distributing the cash proceeds to shareholders, (ii) distributing Forked Assets in kind to the shareholders or to an agent acting on behalf of the shareholders for sale by such agent if an in-kind distribution would otherwise be infeasible, (iii) irrevocably abandoning Forked Assets and (iv) holding Forked Assets until the subsequent Fund Rebalancing Period, at which point the Manager may take any of the foregoing actions. The Fund may also use Forked Assets to pay the Manager’s Fee and Additional Fund Expenses, if any, as discussed below under “—Fund Expenses.” However, the Fund does not expect to take any Forked Assets it may hold into account for purposes of determining the Fund’s NAV, NAV per Share, the Principal Market NAV or the Principal Market NAV per Share.

Fund Expenses

The Fund's only ordinary recurring expense is expected to be the Manager's Fee. The Manager's Fee will accrue daily in U.S. dollars at an annual rate of 2.5% of the Fund's NAV Fee Basis Amount as of 4:00 p.m., New York time, and will generally be paid in the tokens of the Fund Components then held by the Fund in proportion to their respective Weightings. For any day that is not a business day or in a Fund Rebalancing Period, the Manager's Fee will accrue in U.S. dollars at a rate of 2.5% of the NAV Fee Basis Amount of the Fund from the most recent business day, reduced by the accrued and unpaid Manager's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. The U.S. dollar amount of the Manager's Fee will be converted into Fund Components on a daily basis by multiplying such U.S. dollar amount by the Weighting for each Fund Component and dividing the resulting product for each Fund Component by the Digital Asset Reference Rate for such Fund Component on such day. We refer to the amount of tokens of each Fund Component payable as the Manager's Fee for any day as a "Fund Component Fee Amount." For any day that is not a business day or during a Fund Rebalancing Period for which the NAV Fee Basis Amount is not calculated, the amount of each Fund Component payable in respect of such day's U.S. dollar accrual of the Manager's Fee will be determined by reference to the Fund Component Fee Amount from the most recent business day. Payments of the Manager's Fee will be made monthly in arrears.

The Fund pays the Manager's Fee to the Manager. As consideration for its receipt of the Manager's Fee, the Manager shall assume and pay the following fees and other expenses incurred by the Fund in the ordinary course of its affairs, excluding taxes but including: (i) the Marketing Fee, (ii) the Administrator Fee, (iii) the Custodian Fee and fees for any other security vendor engaged by the Fund, (iv) the Transfer Agent fee, (v) the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including customary legal, marketing and audit fees and expenses) in an amount up to \$600,000 in any given fiscal year, (vi) ordinary course legal fees and expenses, (vii) audit fees, (viii) regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act and fees relating to registration and any other regulatory requirements in the Cayman Islands, (ix) printing and mailing costs, (x) costs of maintaining the Fund's website and (xi) applicable license fees (the "Manager-paid Expenses").

The Manager's Fee will generally be paid in Fund Components. If the Fund holds any Forked Assets or cash, the Fund may also pay all or a portion of the Manager's Fee in Forked Assets and/or cash in lieu of paying the Manager's Fee in Fund Components, in which case, the Fund Component Fee Amounts in respect of such payment will be correspondingly and proportionally reduced.

After the payment of the Manager's Fee to the Manager, the Manager may elect to convert any digital assets it receives into U.S. dollars. The rate at which the Manager converts such digital assets into U.S. dollars may differ from the rate at which the Manager's Fee was initially determined. The Fund will not be responsible for any fees and expenses incurred by the Manager to convert digital assets received in payment of the Manager's Fee into U.S. dollars. The Manager, from time to time, may temporarily waive all or a portion of the Manager's Fee at its sole discretion. Presently, the Manager does not intend to waive any of the Manager's Fee and there are no circumstances under which the Manager has determined it will definitely waive the fee.

The Manager has not assumed the obligation to pay Additional Fund Expenses.

The Fund may incur certain extraordinary, non-recurring expenses that are not Manager-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Manager (or any other service provider) on behalf of the Fund to protect the Fund or the interests of shareholders (including in connection with any Forked Assets), any indemnification of the Custodian or other agents, service providers or counterparties of the Fund, the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including legal, marketing and audit fees and expenses) to the extent exceeding \$600,000 in any given fiscal year and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters (collectively, "Additional Fund Expenses").

If Additional Fund Expenses are incurred, the Manager will (i) withdraw Fund Components from the Digital Asset Accounts in proportion to their respective Weightings at such time and in such quantity as may be necessary to permit payment of such Additional Fund Expenses and (ii) may either (x) cause the Fund to convert such Fund Components into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) cause the Fund (or its delegate) to deliver such Fund Components in kind in satisfaction of such Additional Fund Expenses. If the Fund holds cash and/or Forked Assets, the Fund may also pay all or a portion of the Additional Fund Expenses in cash or Forked Assets instead of Fund Components, in which case, the amount of Fund Components that would otherwise have been used to satisfy such Additional Fund Expenses will be correspondingly and proportionally reduced.

The fractional amount of Fund Components, or the amount of Forked Assets and/or cash, represented by each Share will decline each time the Fund pays the Manager’s Fee or any Additional Fund Expenses by transferring or selling Fund Components, Forked Assets and/or cash.

Impact of Fund Expenses on the Fund’s NAV

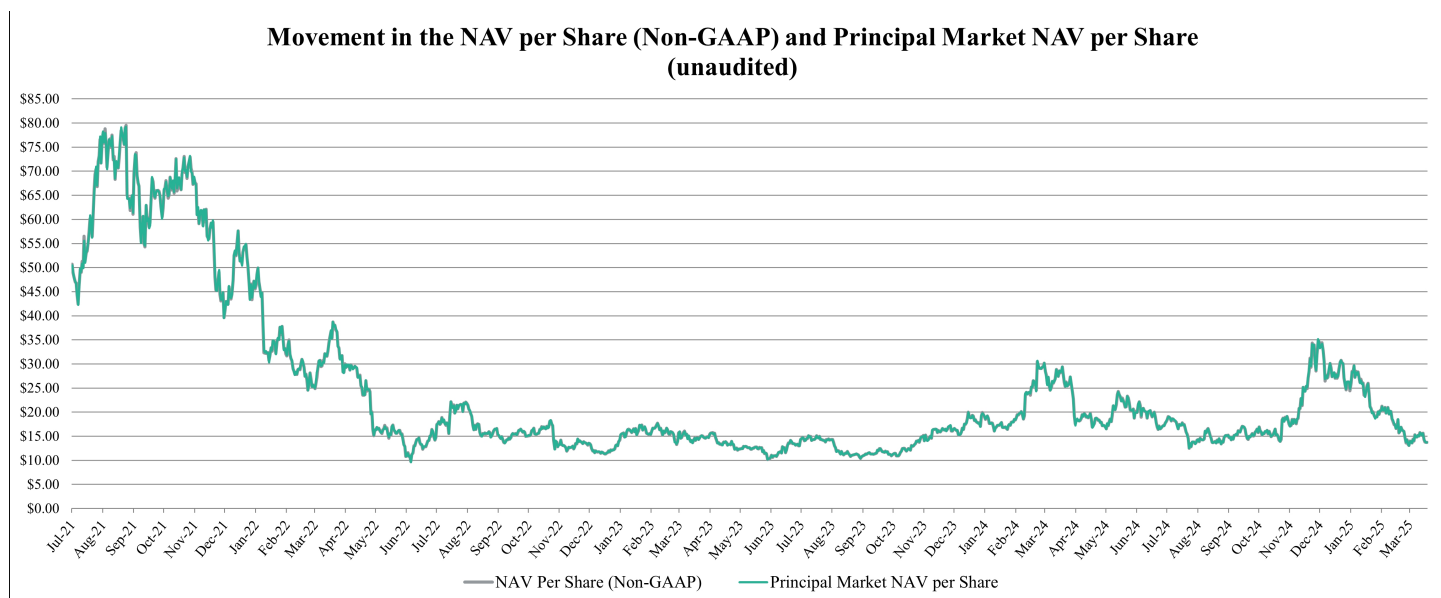
The Fund will pay the Manager’s Fee to the Manager in Fund Components held by the Fund, in cash or in Forked Assets. In addition, the Fund will sell Fund Components to raise the funds needed for the payment of any Additional Fund Expenses or will pay Additional Fund Expenses in Fund Components held by the Fund, cash or Forked Assets. Fund Components, as well as the value of any cash or Forked Assets held by the Fund, will be the Fund’s sole source of funds to cover the Manager’s Fee and any Additional Fund Expenses. The Fund will not engage in any activity designed to derive a profit from changes in the price of Fund Components or any Forked Assets. Because the amount of Fund Components, or the amount of Forked Assets and/or cash, held by the Fund will decrease when Fund Components are used to pay the Manager’s Fee or any Additional Fund Expenses, it is expected that the fractional amount of Fund Components, or the amount of Forked Assets and/or cash, represented by each Share will gradually decrease over the life of the Fund. Accordingly, the shareholders will bear the cost of the Manager’s Fee and Additional Fund Expenses. New digital assets that are transferred into the Digital Asset Accounts in exchange for new Baskets issued by the Fund will not reverse this trend.

Discretion of the Manager, Index Provider and Reference Rate Provider

The Manager has sole discretion to replace the DFX with a different DeFi index and sole discretion to replace the Index Provider with a different DeFi index provider, and may replace either the DFX or the Index Provider from time to time. The Index Provider has sole discretion over the DFX Methodology and may change it from time to time. The current DFX Methodology and current Index Components are available at the Index Provider’s public website, at www.coindesk.com/indices/dfx. The Reference Rate Provider has sole discretion over the determination of Digital Asset Reference Rates and may change the methodologies for determining the Digital Asset Reference Rates from time to time.

Fund Components

Investing in the Shares does not insulate the investor from certain risks, including price volatility. The following chart illustrates the movement in the Fund’s NAV per Share (non-GAAP) (as adjusted for the Reverse Share Split effective June 23, 2022) versus the Fund’s Principal Market NAV per Share (as adjusted for the Reverse Share Split effective June 23, 2022) from July 14, 2021 (the inception of the Fund’s operations) to March 31, 2025:



For more information on the determination of the Fund’s NAV, see “Grayscale Decentralized Finance (DeFi) Fund LLC—Description of the Fund—Valuation of Digital Assets and Determination of the Fund’s NAV” in our Annual Report.

Critical Accounting Policies

Investment Transactions and Revenue Recognition

The Fund considers investment transactions to be the receipt of Fund Components by the Fund in connection with Share creations and the delivery of Fund Components by the Fund in connection with Share redemptions or for payment of expenses in Fund Components. At this time, the Fund is not accepting redemption requests from shareholders. The Fund records its investment transactions on a trade date basis and changes in fair value are reflected as net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using the specific identification method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Manager's Fee in the Fund Components.

Principal Market and Fair Value Determination

To determine which market is the Fund's principal market for each Fund Component (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Fund's net asset value in accordance with U.S. GAAP ("Principal Market NAV"), the Fund follows Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820-10, *Fair Value Measurement*, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for each Fund Component in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Fund to assume that each Fund Component is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact.

The Fund only receives Fund Components in connection with a creation order from the Authorized Participant (or a Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Fund looks to market-based volume and level of activity for Digital Asset Markets. The Authorized Participant(s), or a Liquidity Provider, may transact in a Brokered Market, a Dealer Market, Principal-to-Principal Markets and Exchange Markets (referred to as "Trading Platform Markets" in this Quarterly Report), each as defined in the FASB ASC Master Glossary (collectively, "Digital Asset Markets").

In determining which of the eligible Digital Asset Markets is the Fund's principal market for each Fund Component, the Fund reviews these criteria in the following order:

- First, the Fund reviews a list of each Digital Asset Market that maintain practices and policies designed to comply with anti-money laundering ("AML") and know-your-customer ("KYC") regulations, and non-Digital Asset Trading Platform Markets that the Fund reasonably believes are operating in compliance with applicable law, including federal and state licensing requirements, based upon information and assurances provided to it by each market.
- Second, the Fund sorts these Digital Asset Markets from high to low by market-based volume and level of activity of each Fund Component traded on each Digital Asset Market in the trailing twelve months.
- Third, the Fund then reviews pricing fluctuations and the degree of variances in price on Digital Asset Markets to identify any material notable variances that may impact the volume or price information of a particular Digital Asset Market.
- Fourth, the Fund then selects a Digital Asset Market as its principal market for such Fund Component based on the highest market-based volume, level of activity and price stability in comparison to the other Digital Asset Markets on the list. Based on information reasonably available to the Fund, Trading Platform Markets have the greatest volume and level of activity for the Fund Components. The Fund therefore looks to accessible Trading Platform Markets as opposed to the Brokered Market, Dealer Market and Principal-to-Principal Markets to determine its principal market for each Fund Component. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Fund's principal market for each Fund Component.

The Fund determines its principal market for each Fund Component (or in the absence of a principal market the most advantageous market) annually and conducts a quarterly analysis to determine (i) if there have been recent changes to each Digital Asset Market's trading volume and level of activity in the trailing twelve months, (ii) if any Digital Asset Markets have developed that the Fund has access to, or (iii) if recent changes to each Digital Asset Market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Fund's determination of its principal market for each Fund Component.

The cost basis of each Fund Component received by the Fund in connection with a creation order is recorded by the Fund at the fair value of such Fund Component at 4:00 p.m., New York time, on the creation date for financial reporting purposes. The cost basis recorded by the Fund may differ from proceeds collected by the Authorized Participant from the sale of the corresponding Shares to investors.

Investment Company Considerations

The Fund is an investment company for U.S. GAAP purposes and follows accounting and reporting guidance in accordance with the FASB ASC Topic 946, *Financial Services—Investment Companies*. The Fund uses fair value as its method of accounting for digital assets in accordance with its classification as an investment company for accounting purposes. The Fund is not a registered investment company under the Investment Company Act. U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates and these differences could be material.

Review of Financial Results (Unaudited)

Financial Highlights for the Three and Nine Months Ended March 31, 2025 and 2024.

(All amounts in the following table and the subsequent paragraphs, except Share, per Share amounts, and each Fund Component and price of each Fund Component, are in thousands)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Net realized and unrealized (loss) gain on investments in digital assets	\$ (3,131)	\$ 2,515	\$ (1,268)	\$ 3,871
Net (decrease) increase in net assets resulting from operations	\$ (3,161)	\$ 2,482	\$ (1,353)	\$ 3,799
Net assets ⁽¹⁾	\$ 3,221	\$ 6,874	\$ 3,221	\$ 6,874

(1) Net assets in the above table and subsequent paragraphs are calculated in accordance with U.S. GAAP based on the Digital Asset Market price of each Fund Component on the Digital Asset Trading Platforms that the Fund considered each Fund Component's principal market, as of 4:00 p.m., New York time, on the valuation date.

Net realized and unrealized loss on investment in digital assets for the three months ended March 31, 2025 was (\$3,131), which includes a realized loss of (\$11) on the transfer of digital assets to pay the Manager's Fee, a realized loss of (\$21) as a result of the quarterly rebalance of digital assets, and net change in unrealized depreciation on investment in digital assets of (\$3,099). Net decrease in net assets resulting from operations was (\$3,161) for the three months ended March 31, 2025, which consisted of the net realized and unrealized loss on investment in digital assets, plus the Manager's Fee of \$30. Net assets decreased to \$3,221 at March 31, 2025, a 49% decrease for the three-month period. The decrease in net assets resulted primarily from price depreciation on the Fund Components during the period and the withdrawal of approximately 1,379 UNI, 35 AAVE, 2 MKR, 2,087 LDO, 2,816 CRV and 23 SNX to pay the foregoing Manager's Fee, partially offset by the contribution of approximately 1,327 UNI, 34 AAVE, 2 MKR, 2,026 LDO and 2,819 CRV with a total value of \$20 to the Fund.

Net realized and unrealized gain on investment in digital assets for the three months ended March 31, 2024 was \$2,515, which includes a realized loss of (\$12) on the transfer of digital assets to pay the Manager's Fee, a realized loss of (\$449) as a result of the quarterly rebalance of digital assets, and net change in unrealized appreciation on investment in digital assets of \$2,976. Net increase in net assets resulting from operations was \$2,482 for the three months ended March 31, 2024, which consisted of the net realized and unrealized gain on investment in digital assets, less the Manager's Fee of \$33. Net assets increased to \$6,874 at March 31, 2024, a 57% increase for the three-month period. The increase in net assets resulted primarily from the price appreciation on the Fund Components during the period, partially offset by the withdrawal of approximately 1,671 UNI, 1,952 LDO, 2 MKR, 32 AAVE, 658 SNX, and 61 CRV to pay the foregoing Manager's Fee.

Net realized and unrealized loss on investment in digital assets for the nine months ended March 31, 2025 was (\$1,268), which includes a realized loss of (\$42) on the transfer of digital assets to pay the Manager's Fee, a realized loss of (\$31) as a result of the quarterly rebalance of digital assets, and net change in unrealized depreciation on investment in digital assets of (\$1,195). Net decrease in net assets resulting from operations was (\$1,353) for the nine months ended March 31, 2025, which consisted of the net realized and unrealized loss on investment in digital assets, plus the Manager's Fee of \$85. Net assets decreased to \$3,221 at March 31, 2025, a 29% decrease for the nine-month period. The decrease in net assets resulted primarily from price depreciation on the Fund Components during the period and the withdrawal of approximately 4,688 UNI, 100 AAVE, 6 MKR, 5,960 LDO, 2,816 CRV and 1,443 SNX to pay the foregoing Manager's Fee, partially offset by the contribution of approximately 1,327 UNI, 34 AAVE, 2 MKR, 2,026 LDO and 2,819 CRV with a total value of \$20 to the Fund.

Net realized and unrealized gain on investment in digital assets for the nine months ended March 31, 2024 was \$3,871, which includes a realized loss of (\$65) on the transfer of digital assets to pay the Manager's Fee, a realized loss of (\$1,612) as a result of the quarterly rebalance of digital assets, and net change in unrealized appreciation on investment in digital assets of \$5,548. Net increase in net assets resulting from operations was \$3,799 for the nine months ended March 31, 2024, which consisted of the net realized and unrealized gain on investment in digital assets, less the Manager's Fee of \$72. Net assets increased to \$6,874 at March 31, 2024, a 124% increase for the nine-month period. The increase in net assets resulted primarily from the price appreciation on the Fund Components during the period, partially offset by the withdrawal of approximately 5,002 UNI, 5,661 LDO, 6 MKR, 96 AAVE, 1,824 SNX, and 3,840 CRV to pay the foregoing Manager's Fee.

Cash Resources and Liquidity

The Fund has not had a cash balance at any time since inception. When selling Fund Components and/or Forked Assets to pay Additional Fund Expenses on behalf of the Fund, the Manager endeavors to sell the exact amount of Fund Components and/or Forked Assets needed to pay expenses in order to minimize the Fund's holdings of assets other than the Fund Components. As a consequence, the Manager expects that the Fund will not record any cash flow from its operations and that its cash balance will be zero at the end of each reporting period. Furthermore, the Fund is not a party to any off-balance sheet arrangements.

In exchange for the Manager's Fee, the Manager has agreed to assume most of the expenses incurred by the Fund. As a result, the only ordinary expense of the Fund during the periods covered by this Quarterly Report was the Manager's Fee. The Fund is not aware of any trends, demands, conditions or events that are reasonably likely to result in material changes to its liquidity needs.

Quantitative and Qualitative Disclosures about Market Risk

The LLC Agreement does not authorize the Fund to borrow for payment of the Fund's ordinary expenses. The Fund does not engage in transactions in foreign currencies which could expose the Fund or holders of Shares to any foreign currency related market risk. The Fund does not invest in any derivative financial instruments and has no foreign operations or long-term debt instruments.

Selected Operating Data (Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
UNI:				
Opening balance	262,374	259,650	264,609	337,029
Creations	1,327	-	1,327	-
Portfolio rebalancing ⁽¹⁾	(39,391)	10,402	(38,317)	(63,646)
Manager's Fee, related party	(1,379)	(1,671)	(4,688)	(5,002)
Closing balance	222,931	268,381	222,931	268,381
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	222,931	268,381	222,931	268,381
AAVE:				
Opening balance	5,141	4,956	5,125	6,232
Creations	34	-	34	-
Portfolio rebalancing ⁽¹⁾	561	243	642	(969)
Manager's Fee, related party	(35)	(32)	(100)	(96)
Closing balance	5,701	5,167	5,701	5,167
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	5,701	5,167	5,701	5,167
MKR:				
Opening balance	304	333	321	433
Creations	2	-	2	-
Portfolio rebalancing ⁽¹⁾	34	(7)	21	(103)
Manager's Fee, related party	(2)	(2)	(6)	(6)
Closing balance	338	324	338	324
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	338	324	338	324
LDO:				
Opening balance	306,684	303,245	308,970	-
Creations	2,026	-	2,026	-
Portfolio rebalancing ⁽¹⁾	33,667	12,148	35,254	319,102
Manager's Fee, related party	(2,087)	(1,952)	(5,960)	(5,661)
Closing balance	340,290	313,441	340,290	313,441
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	340,290	313,441	340,290	313,441

CRV:

Opening balance	-	299,214	-	331,228
Creations	2,819	-	2,819	-
Portfolio rebalancing ⁽¹⁾	473,510	(299,153)	473,510	(327,388)
Manager's Fee, related party	(2,816)	(61)	(2,816)	(3,840)
Closing balance	473,513	-	473,513	-
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	473,513	-	473,513	-

SNX:

Opening balance	112,623	92,094	113,833	112,109
Creations	-	-	-	-
Portfolio rebalancing ⁽¹⁾	(112,600)	14,567	(112,390)	(4,282)
Manager's Fee, related party	(23)	(658)	(1,443)	(1,824)
Closing balance	-	106,003	-	106,003
Accrued but unpaid Manager's Fee, related party	-	-	-	-
Net closing balance	-	106,003	-	106,003

Number of Shares:

Opening balance	233,960	233,960	233,960	233,960
Creations	1,400	-	1,400	-
Closing balance	235,360	233,960	235,360	233,960

	As of March 31,	
	2025	2024
Prices of digital assets on principal market:		
UNI	\$ 5.98	\$ 13.01
AAVE	\$ 159.44	\$ 126.84
MKR	\$ 1,328.17	\$ 4,020.62
LDO	\$ 0.87	\$ 2.96
CRV	\$ 0.50	N/A
SNX	N/A	\$ 4.70
Principal Market NAV per Share ⁽²⁾	\$ 13.69	\$ 29.38
Digital Asset Reference Rates: ⁽³⁾		
UNI	\$ 5.99	\$ 13.00
AAVE	\$ 160.83	\$ 126.98
MKR	\$ 1,335.84	\$ 4,028.01
LDO	\$ 0.87	\$ 2.95
CRV	\$ 0.50	N/A
SNX	N/A	\$ 4.71
NAV per Share ⁽²⁾	\$ 13.75	\$ 29.37

(1) For more information on prior quarterly rebalances and the resulting impact on the Fund's portfolio, please see Note 4 to the Unaudited Financial Statements—Portfolio Rebalancing.

(2) Prior to February 7, 2024, Principal Market NAV was referred to as NAV and Principal Market NAV per Share was referred to as NAV per Share. Prior to February 7, 2024, NAV was referred to as Digital Asset Holdings and NAV per Share was referred to as Digital Asset Holdings per Share.

(3) Each Indicative Price was calculated using non-GAAP methodology and was not used in the Fund's financial statements. The Digital Asset Reference Rate for each Fund Component is an Indicative Price. See "—Historical Fund Component Prices" for further information on the Fund's NAV and NAV per Share calculated using the Indicative Price. See the section entitled "Grayscale Decentralized Finance (DeFi) Fund LLC—Description of the Fund—Valuation of Digital Assets and Determination of the Fund's NAV" in our Annual Report for a description of NAV per Share.

For accounting purposes, the Fund reflects creations and the Fund Components receivable with respect to such creations on the date of receipt of a notification of a creation but does not issue Shares until the requisite amount of Fund Components is received. At this time, the Fund is not accepting redemption requests from shareholders. Subject to receipt of regulatory approval from the SEC and approval by the Manager in its sole discretion, the Fund may in the future operate a redemption program. The Fund currently has no intention of seeking regulatory approval to operate an ongoing redemption program.

As of March 31, 2025, the Fund had a net closing balance with a value of \$3,236,875, based on the Digital Asset Reference Rates in effect under the DFX Methodology (non-GAAP methodology). As of March 31, 2025, the Fund had a total market value of \$3,221,293, based on the principal market prices of the Fund Components.

As of March 31, 2024, the Fund had a net closing balance with a value of \$6,872,478, based on the Digital Asset Reference Rates in effect under the DFX Methodology (non-GAAP methodology). As of March 31, 2024, the Fund had a total market value of \$6,874,122, based on the principal market prices of the Fund Components.

Historical Fund Component Prices

As movements in the price of each Fund Component will directly affect the price of the Shares, investors should understand recent movements in the price of each Fund Component. Investors, however, should also be aware that past movements in each of the Fund Component prices are not indicators of future movements. Movements may be influenced by various factors, including, but not limited to, government regulation, security breaches experienced by service providers, as well as political and economic uncertainties around the world.

Uniswap

During the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, the Digital Asset Market price of UNI, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, traded between \$3.44 (June 18, 2022) and \$30.63 (September 1, 2021), the straight average was \$9.52, and the median was \$7.00. The average, high, low and end-of-period UNI prices for the twelve months ended March 31, 2024, the twelve months ended March 31, 2025, and the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended March 31, 2024	\$ 6.19	\$ 16.07	3/6/2024	\$ 3.87	10/17/2023	\$ 13.01	\$ 12.88
Twelve months ended March 31, 2025	\$ 9.12	\$ 18.35	12/8/2024	\$ 5.28	8/5/2024	\$ 5.98	\$ 5.98
July 14, 2021 (the inception of the Fund's operations) to March 31, 2025	\$ 9.52	\$ 30.63	9/1/2021	\$ 3.44	6/18/2022	\$ 5.98	\$ 5.98

Aave

During the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, the Digital Asset Market price of AAVE, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, traded between \$47.34 (June 18, 2022) and \$424.21 (August 16, 2021), the straight average was \$140.26, and the median was \$98.60. The average, high, low and end-of-period AAVE prices for the twelve months ended March 31, 2024, the twelve months ended March 31, 2025, and the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended March 31, 2024	\$ 81.14	\$ 143.27	3/13/2024	\$ 50.46	6/15/2023	\$ 126.84	\$ 126.78
Twelve months ended March 31, 2025	\$ 168.38	\$ 394.48	12/16/2024	\$ 79.74	7/5/2024	\$ 159.44	\$ 159.44
July 14, 2021 (the inception of the Fund's operations) to March 31, 2025	\$ 140.26	\$ 424.21	8/16/2021	\$ 47.34	6/18/2022	\$ 159.44	\$ 159.44

Maker

During the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, the Digital Asset Market price of MKR, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, traded between \$508.43 (January 3, 2023) and \$4,020.62 (March 31, 2024), the straight average was \$1,632.86, and the median was \$1,452.40. The average, high, low and end-of-period MKR prices for the twelve months ended March 31, 2024, the twelve months ended March 31, 2025, and the period from July 14, 2021 (the inception of the Fund's operations) to March 31, 2025, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended March 31, 2024	\$ 1,376.34	\$ 4,020.62	3/31/2024	\$ 613.70	5/11/2023	\$ 4,020.62	\$ 3,573.46
Twelve months ended March 31, 2025	\$ 1,930.47	\$ 3,988.86	4/4/2024	\$ 893.73	2/9/2025	\$ 1,328.17	\$ 1,328.17
July 14, 2021 (the inception of the Fund's operations) to March 31, 2025	\$ 1,632.86	\$ 4,020.62	3/31/2024	\$ 508.43	1/3/2023	\$ 1,328.17	\$ 1,328.17

Lido Dao

During the period from July 6, 2023 (when LDO was added to the Fund) to March 31, 2025, the Digital Asset Market price of LDO, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, traded between \$0.87 (March 31, 2025) and \$3.84 (January 10, 2024), the straight average was \$1.91, and the median was \$1.84. The average, high, low and end-of-period LDO prices for the period from when LDO was included in the Fund to March 31, 2024, the twelve months ended March 31, 2025, and the period from July 6, 2023 (when LDO was added to the Fund) to March 31, 2025, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
July 6, 2023 to March 31, 2024	\$ 2.32	\$ 3.84	1/10/2024	\$ 1.43	9/11/2023	\$ 2.96	\$ 2.90
Twelve months ended March 31, 2025	\$ 1.60	\$ 2.96	4/8/2024	\$ 0.87	3/31/2025	\$ 0.87	\$ 0.87
July 6, 2023 to March 31, 2025	\$ 1.91	\$ 3.84	1/10/2024	\$ 0.87	3/31/2025	\$ 0.87	\$ 0.87

Curve

During the period from July 14, 2021 (the inception of the Fund's operations) to January 3, 2024 and during the period from January 4, 2025 (when CRV was re-added to the Fund) to March 31, 2025, the Digital Asset Market price of CRV, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, traded between \$0.37 (March 10, 2025) and \$6.24 (January 3, 2022), the straight average was \$1.48, and the median was \$0.94. The average, high, low and end-of-period CRV prices for the period from April 1, 2023 to January 3, 2024, January 4, 2025 (when CRV was re-added to the Fund) to March 31, 2025, and the period from July 14, 2021 (the inception of the Fund's operations) to January 3, 2024 and January 4, 2025 (when CRV was re-added to the Fund) to March 31, 2025, based on the price reported by the Fund's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
April 1, 2023 to January 3, 2024	\$ 0.66	\$ 1.09	4/14/2023	\$ 0.40	9/11/2023	\$ 0.58	\$ 0.58
January 4, 2025 to March 31, 2025	\$ 0.61	\$ 1.12	1/3/2025	\$ 0.37	3/10/2025	\$ 0.50	\$ 0.50
July 14, 2021 (the inception of the Fund's operations) to January 3, 2024 and January 4, 2025 to March 31, 2025	\$ 1.48	\$ 6.24	1/3/2022	\$ 0.37	3/10/2025	\$ 0.50	\$ 0.50

Synthetic

During the period from July 14, 2021 (the inception of the Fund’s operations) to April 4, 2022 and during the period from January 5, 2023 (when SNX was re-added to the Fund) to January 3, 2025, the Digital Asset Market price of SNX, based on the price reported by the Fund’s principal market as of 4:00 p.m., New York time, traded between \$1.21 (August 7, 2024) and \$15.00 (September 15, 2021), the straight average was \$3.96, and the median was \$2.76. The average, high, low and end-of-period SNX prices for the twelve months ended March 31, 2024, April 1, 2024 to January 3, 2025, and during the period from July 14, 2021 (the inception of the Fund’s operations) to April 4, 2022 and January 5, 2023 (when SNX was re-added to the Fund) to January 3, 2025, based on the price reported by the Fund’s principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended March 31, 2024	\$ 2.86	\$ 5.10	3/25/2024	\$ 1.74	6/10/2023	\$ 4.70	\$ 4.88
April 1, 2024 to January 3, 2025	\$ 2.08	\$ 4.41	4/1/2024	\$ 1.21	8/7/2024	\$ 2.19	\$ 2.19
July 14, 2021 (the inception of the Fund's operations) to April 4, 2022 and January 5, 2023 to January 3, 2025	\$ 3.96	\$ 15.00	9/15/2021	\$ 1.21	8/7/2024	\$ 2.19	\$ 2.19

Item 5. Legal proceedings.

The Manager and an affiliate of the Fund, Grayscale Bitcoin Trust ETF (“Grayscale Bitcoin Trust”), are currently parties to certain legal proceedings. Although the Fund is not a party to these proceedings, the Fund may in the future be subject to legal proceedings or disputes.

On January 30, 2023, Osprey Funds, LLC (“Osprey”) filed a suit in Connecticut Superior Court against the Manager alleging that statements the Manager made in its advertising and promotion of Grayscale Bitcoin Trust violated the Connecticut Unfair Trade Practices Act (“CUTPA”), and seeking statutory damages and injunctive relief. On April 17, 2023, the Manager filed a motion to dismiss the complaint and, following briefing, a hearing on the motion to dismiss was held on June 26, 2023. On October 23, 2023, the Court denied the Manager’s motion to dismiss. On November 6, 2023, the Manager filed a motion for reargument of the Court’s order denying the Manager’s motion to dismiss. On November 16, 2023, Osprey filed an opposition to the Manager’s motion for reargument, and on November 30, 2023, the Manager filed a reply in further support of its motion for reargument. On March 11, 2024, the Court denied the Manager’s motion for reargument. On March 25, 2024, the Manager filed an application for interlocutory appeal. On March 28, 2024, Osprey filed an opposition to the Manager’s application for interlocutory appeal. On April 1, 2024, the Court denied the Manager’s application for interlocutory appeal. On April 10, 2024, Osprey filed a motion to amend the complaint. The amended complaint went into effect on April 25, 2024. A scheduling order was entered by the Court with trial scheduled to begin on July 15, 2025. On July 31, 2024, the Manager filed a motion to strike the amended complaint. On August 30, 2024, Osprey filed an opposition to the Manager’s motion to strike the amended complaint. On October 11, 2024, the Court denied the Manager’s motion to strike. On November 22, 2024, the Manager filed a motion for summary judgment on the grounds that CUTPA does not apply to practices undertaken in connection with the purchase and sale of securities, and the Court granted the Manager’s motion for summary judgment on February 7, 2025. On February 10, 2025, Osprey filed a motion for reargument, and the Court denied Osprey’s motion for reargument on March 19, 2025. On March 31, 2025, Osprey filed a Notice of Appeal of the summary judgment decision and the Court’s denial of the motion for reargument to the Connecticut Appellate Court. The Manager and Grayscale Bitcoin Trust believe that judgment was properly granted in their favor and intend to vigorously defend against any attempts to overturn the judgment.

As of the date of this Quarterly Report, the Manager does not expect the foregoing proceedings to have a material adverse effect on the Fund’s business, financial condition or results of operations.

The Manager and/or the Fund may be subject to additional legal proceedings and disputes in the future.

Item 6. Defaults upon senior securities.

None.

Item 7. Other information.

The risk factors included in our Annual Report continue to apply to us and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. In addition to such risk factors, investors should consider carefully the risks described in our Annual Report before making an investment decision.

Item 8. Exhibits.

Exhibit 1 Unaudited Interim Financial Statements - March 31, 2025.

Item 9. Issuer’s Certifications.

Certification

I, Peter Mintzberg, certify that:

1. I have reviewed the Quarterly Report, exhibits, and all notes thereto of Grayscale Decentralized Finance (DeFi) Fund LLC;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Dated: May 9, 2025

/s/ Peter Mintzberg

By: Peter Mintzberg

Title: Chief Executive Officer

(Principal Executive Officer) of

Grayscale Investments Sponsors, LLC*

* Signing in their capacity as an officer of Grayscale Operating, LLC, the sole member of Grayscale Investments Sponsors, LLC.

Certification

I, Edward McGee, certify that:

1. I have reviewed the Quarterly Report, exhibits, and all notes thereto of Grayscale Decentralized Finance (DeFi) Fund LLC;
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Dated: May 9, 2025

/s/ Edward McGee

By: Edward McGee

Title: Chief Financial Officer

(Principal Financial and Accounting Officer)
of Grayscale Investments Sponsors, LLC*

* Signing in their capacity as an officer of Grayscale Operating, LLC, the sole member of Grayscale Investments Sponsors, LLC.

Exhibit 1

Unaudited Interim Financial Statements - March 31, 2025

INTERIM FINANCIAL STATEMENTS

Grayscale Decentralized Finance (DeFi) Fund LLC
March 31, 2025
(Unaudited)

The logo consists of a cluster of overlapping triangles in various shades of purple, blue, and orange, creating a geometric, crystalline effect.

Grayscale DeFi Fund

Grayscale Decentralized Finance (DeFi) Fund LLC
Index to Unaudited Financial Statements

Statements of Assets and Liabilities at March 31, 2025 and June 30, 2024	3
Schedules of Investments at March 31, 2025 and June 30, 2024	4
Statements of Operations for the Three and Nine Months Ended March 31, 2025 and 2024.....	5
Statements of Changes in Net Assets for the Three and Nine Months Ended March 31, 2025 and 2024	6
Notes to Unaudited Financial Statements.....	7

Grayscale Decentralized Finance (DeFi) Fund LLC
Statements of Assets and Liabilities
(Unaudited)

	<u>March 31, 2025</u>	<u>June 30, 2024</u>
(Amounts in U.S. dollars, except Share amounts)		
Assets:		
Investments in digital assets, at fair value (cost \$6,709,616 and \$6,847,616 as of March 31, 2025 and June 30, 2024, respectively)	\$ 3,221,293	\$ 4,554,025
Total assets	<u>\$ 3,221,293</u>	<u>\$ 4,554,025</u>
Liabilities:		
Manager's Fee payable, related party	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Net assets	<u>\$ 3,221,293</u>	<u>\$ 4,554,025</u>
Shares issued and outstanding, no par value (unlimited Shares authorized)	<u>235,360</u>	<u>233,960</u>
Principal Market NAV per Share	<u>\$ 13.69</u>	<u>\$ 19.46</u>

See accompanying notes to unaudited financial statements.

Grayscale Decentralized Finance (DeFi) Fund LLC
Schedules of Investments
(Unaudited)

March 31, 2025

	Quantity	Cost	Fair Value	% of Net Assets
Investment in UNI	222,930.51688529	\$ 3,607,292	\$ 1,333,124	41.38%
Investment in AAVE	5,701.25608529	\$ 1,261,457	\$ 909,007	28.22%
Investment in MKR	338.13108744	\$ 627,179	\$ 449,097	13.94%
Investment in LDO	340,290.28995489	\$ 685,262	\$ 294,351	9.14%
Investment in CRV	473,513.40490158	\$ 528,426	\$ 235,714	7.32%
Total Investments		\$ 6,709,616	\$ 3,221,293	100.00%
Net assets			\$ 3,221,293	100.00%

June 30, 2024

	Quantity	Cost	Fair Value	% of Net Assets
Investment in UNI	264,608.68520123	\$ 4,312,812	\$ 2,431,754	53.40%
Investment in MKR	320.87176591	\$ 605,047	\$ 808,083	17.74%
Investment in LDO	308,969.80810615	\$ 626,498	\$ 602,491	13.23%
Investment in AAVE	5,125.18895292	\$ 1,070,409	\$ 488,584	10.73%
Investment in SNX	113,832.96991812	\$ 232,850	\$ 223,113	4.90%
Total Investments		\$ 6,847,616	\$ 4,554,025	100.00%
Net assets			\$ 4,554,025	100.00%

See accompanying notes to unaudited financial statements.

Grayscale Decentralized Finance (DeFi) Fund LLC
Statements of Operations
(Unaudited)

	<u>Three Months Ended March 31,</u>		<u>Nine Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
(Amounts in U.S. dollars)				
Investment income:				
Investment income	\$ -	\$ -	\$ -	\$ -
Expenses:				
Manager's Fee, related party	<u>29,753</u>	<u>31,674</u>	<u>84,627</u>	<u>71,832</u>
Net investment loss	<u>(29,753)</u>	<u>(31,674)</u>	<u>(84,627)</u>	<u>(71,832)</u>
Net realized and unrealized (loss) gain on investments in digital assets:				
Net realized loss on investments in digital assets	(32,270)	(460,478)	(73,075)	(1,677,066)
Net change in unrealized depreciation on investments in digital assets	<u>(3,098,391)</u>	<u>2,974,442</u>	<u>(1,194,732)</u>	<u>5,547,766</u>
Net realized and unrealized (loss) gain on investments	<u>(3,130,661)</u>	<u>2,513,964</u>	<u>(1,267,807)</u>	<u>3,870,700</u>
Net (decrease) increase in net assets resulting from operations	<u><u>\$ (3,160,414)</u></u>	<u><u>\$ 2,482,290</u></u>	<u><u>\$ (1,352,434)</u></u>	<u><u>\$ 3,798,868</u></u>

See accompanying notes to unaudited financial statements.

Grayscale Decentralized Finance (DeFi) Fund LLC
Statements of Changes in Net Assets
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
(Amounts in U.S. dollars, except change in Shares outstanding)				
(Decrease) increase in net assets from operations:				
Net investment loss	\$ (29,753)	\$ (31,674)	\$ (84,627)	\$ (71,832)
Net realized loss on investments in digital assets	(32,270)	(460,478)	(73,075)	(1,677,066)
Net change in unrealized depreciation on investments in digital assets	(3,098,391)	2,974,442	(1,194,732)	5,547,766
Net (decrease) increase in net assets resulting from operations	(3,160,414)	2,482,290	(1,352,434)	3,798,868
Increase in net assets from capital share transactions:				
Shares issued	19,702	-	19,702	-
Net increase in net assets resulting from capital share transactions	19,702	-	19,702	-
Total (decrease) increase in net assets from operations and capital share transactions	(3,140,712)	2,482,290	(1,332,732)	3,798,868
Net assets:				
Beginning of period	6,362,005	4,391,832	4,554,025	3,075,254
End of period	<u>\$ 3,221,293</u>	<u>\$ 6,874,122</u>	<u>\$ 3,221,293</u>	<u>\$ 6,874,122</u>
Change in Shares outstanding:				
Shares outstanding at beginning of period	233,960	233,960	233,960	233,960
Shares issued	1,400	-	1,400	-
Net increase in Shares	1,400	-	1,400	-
Shares outstanding at end of period	<u>235,360</u>	<u>233,960</u>	<u>235,360</u>	<u>233,960</u>

See accompanying notes to unaudited financial statements.

Grayscale Decentralized Finance (DeFi) Fund LLC

Notes to Unaudited Financial Statements

1. Organization

Grayscale Decentralized Finance (DeFi) Fund LLC (the “Fund”) was constituted as a Cayman Islands limited liability company on June 10, 2021 (the inception of the Fund) and commenced operations on July 14, 2021. In general, the Fund will hold digital assets. Digital assets eligible for inclusion in the Fund’s portfolio consist of digital assets that comprise the CoinDesk DeFi Select Index (the “DFX”), as rebalanced from time to time, subject to the Manager’s discretion to exclude individual digital assets in certain cases. The DFX is designed and managed by CoinDesk Indices, Inc. (in this capacity, the “Index Provider”), as discussed in Note 4. As of March 31, 2025, the digital assets included in the Fund’s portfolio were: Uniswap (“UNI”), Aave (“AAVE”), Lido Dao (“LDO”), Maker (“MKR”), and Curve (“CRV”) (collectively, the “Fund Components”). On a quarterly basis beginning on the second business day of January, April, July and October of each year, the Manager performs an analysis and may rebalance the Fund’s portfolio based on these results in accordance with policies and procedures as set forth in the Fund’s Limited Liability Company Agreement (the “LLC Agreement”). The Fund is authorized under the LLC Agreement to create and issue an unlimited number of equal, fractional, undivided interests in the profits, losses, distributions, capital and assets of, and ownership of, the Fund (“Shares”) (in minimum baskets of 100 Shares, referred to as “Baskets”) in connection with creations. The redemption of Shares is not currently contemplated and the Fund does not currently operate a redemption program. Subject to receipt of regulatory approval and approval by the Manager in its sole discretion, the Fund may in the future operate a redemption program. The Fund currently has no intention of seeking regulatory approval to operate an ongoing redemption program. The Fund’s investment objective is to hold the digital assets that make up the DFX and for the value of the Shares to reflect the value of such Fund Components at any given time, less the Fund’s expenses and other liabilities.

From time to time, the Fund may hold cash in U.S. dollars and positions in digital assets as a result of a fork, airdrop or similar event through which the Fund becomes entitled to another digital asset or other property by virtue of its ownership of one or more of the digital assets it then holds (each such new asset, a “Forked Asset”).

Grayscale Investments, LLC (“GSI”), the manager of the Fund before January 1, 2025, Grayscale Operating, LLC (“GSO”), the co-manager of the Fund from January 1, 2025 to May 3, 2025, and Grayscale Investments Sponsors, LLC (“GSIS”), the co-manager of the Fund from January 1, 2025 to May 3, 2025 and the sole remaining manager thereafter (each of GSI, GSO and GSIS, the “Manager”, as the context may require, and GSO and GSIS, together, the “Co-Managers”) are each an indirect wholly owned subsidiary of Digital Currency Group, Inc. (“DCG”). The Manager is responsible for the day-to-day administration of the Fund pursuant to the provisions of the LLC Agreement. The Manager is responsible for preparing and providing annual and quarterly reports on behalf of the Fund to investors and is also responsible for selecting and monitoring the Fund’s service providers. As partial consideration for the Manager’s services, the Fund pays the Manager a Manager’s Fee as discussed in Note 7. The Manager also acts as the sponsor and manager of other single-asset and diversified investment products, each of which is an affiliate of the Fund. Information related to the affiliated investment products can be found on the Manager’s website at www.grayscale.com/resources/regulatory-filings. Any information contained on or linked from such website is not part of nor incorporated by reference into these unaudited financial statements. Several of the affiliated investments products are SEC reporting companies with their shares registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, the following affiliated investment products are SEC reporting companies with their shares registered pursuant to Section 12(b) of the Exchange Act: Grayscale Bitcoin Trust ETF, Grayscale Ethereum Trust ETF, Grayscale Ethereum Mini Trust ETF, and Grayscale Bitcoin Mini Trust ETF.

Authorized Participants of the Fund are the only entities who may place orders to create or, if permitted, redeem Baskets. Grayscale Securities, LLC (“Grayscale Securities” or, in such capacity, an “Authorized Participant”), a registered broker-dealer and affiliate of the Manager, is the only Authorized Participant, and is party to a participant agreement with the Manager and the Fund. Additional Authorized Participants may be added at any time, subject to the discretion of the Manager. Liquidity Providers who are unaffiliated with the Fund may be engaged from time to time and at any time.

The custodian of the Fund is Coinbase Custody Trust Company, LLC (the “Custodian”), a third-party service provider. The Custodian is responsible for safeguarding the Fund Components and Forked Assets held by the Fund, and holding the private key(s) that provide access to the Fund’s digital wallets and vaults.

The transfer agent for the Fund (the “Transfer Agent”) is Continental Stock Transfer & Trust Company. The responsibilities of the Transfer Agent are to maintain creations, redemptions, transfers, and distributions of the Fund’s Shares which are primarily held in book-entry form.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

1. Organization (continued)

On July 14, 2021, the Fund registered with the Cayman Islands Monetary Authority (reference number: 1894701). The Fund is registered and regulated as a private fund under the Private Funds Act (As Revised) of the Cayman Islands (the “Private Funds Act”).

On December 9, 2022, the Fund received notice that its Shares were qualified for public trading on the OTCQB U.S. Market (“OTCQB”) of OTC Markets Group Inc. The Fund’s trading symbol on OTCQB is “DEFG” and the CUSIP number for its Shares is G4070G104. The Fund’s Shares have been quoted on OTCQB under the symbol DEFG since December 22, 2022.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund:

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). The Fund qualifies as an investment company for accounting purposes pursuant to the accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services—Investment Companies*. The Fund uses fair value as its method of accounting for digital assets in accordance with its classification as an investment company for accounting purposes. The Fund is not a registered investment company under the Investment Company Act of 1940. U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates and these differences could be material.

The Fund conducts its transactions in Fund Components, including receiving Fund Components for the creation of Shares and delivering Fund Components for the redemption of Shares and for the payment of the Manager’s Fee. At this time, the Fund is not accepting redemption requests from shareholders. Since its inception, the Fund has not held cash or cash equivalents. The Manager will determine the Fund’s net asset value (“NAV”) on each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable.

Principal Market and Fair Value Determination

To determine which market is the Fund’s principal market for each Fund Component (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Fund’s net asset value in accordance with U.S. GAAP (“Principal Market NAV”), the Fund follows ASC Topic 820-10, *Fair Value Measurement*, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for each Fund Component in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Fund to assume that each Fund Component is sold in its principal market to market participants or, in the absence of a principal market, the most advantageous market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact.

The Fund only receives Fund Components in connection with a creation order from the Authorized Participant (or a Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Fund looks to market-based volume and level of activity for Digital Asset Markets. The Authorized Participant(s), or a Liquidity Provider, may transact in a Brokered Market, a Dealer Market, Principal-to-Principal Markets and Exchange Markets (referred to as “Trading Platform Markets” in this Quarterly Report), each as defined in the FASB ASC Master Glossary (collectively, “Digital Asset Markets”).

In determining which of the eligible Digital Asset Markets is the Fund’s principal market, the Fund reviews these criteria in the following order:

First, the Fund reviews a list of Digital Asset Markets that maintain practices and policies designed to comply with anti-money-laundering (“AML”) and know-your-customer (“KYC”) regulations, and non-Digital Asset Trading Platform Markets that the Fund reasonably believes are operating in compliance with applicable law, including federal and state licensing requirements, based upon information and assurances provided to it by each market.

Second, the Fund sorts these Digital Asset Markets from high to low by market-based volume and level of activity of each Fund Component traded on each Digital Asset Market in the trailing twelve months.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

2. Summary of Significant Accounting Policies (continued)

Third, the Fund then reviews pricing fluctuations and the degree of variances in price on Digital Asset Markets to identify any material notable variances that may impact the volume or price information of a particular Digital Asset Market.

Fourth, the Fund then selects a Digital Asset Market as its principal market based on the highest market-based volume, level of activity and price stability in comparison to the other Digital Asset Markets on the list. Based on information reasonably available to the Fund, Trading Platform Markets have the greatest volume and level of activity for the Fund Components. The Fund therefore looks to accessible Trading Platform Markets as opposed to the Brokered Market, Dealer Market and Principal-to-Principal Markets to determine its principal market for each Fund Component. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Fund's principal market for each Fund Component.

The Fund determines its principal market (or in the absence of a principal market the most advantageous market) annually and conducts a quarterly analysis to determine (i) if there have been recent changes to each Digital Asset Market's trading volume and level of activity in the trailing twelve months, (ii) if any Digital Asset Markets have developed that the Fund has access to, or (iii) if recent changes to each Digital Asset Market's price stability have occurred that would materially impact the selection of the principal market and necessitate a change in the Fund's determination of its principal market.

The cost basis of each Fund Component received by the Fund in connection with a creation order is recorded by the Fund at the fair value of such Fund Component at 4:00 p.m., New York time, on the creation date for financial reporting purposes. The cost basis recorded by the Fund may differ from proceeds collected by the Authorized Participant from the sale of the corresponding Shares to investors.

Investment Transactions and Revenue Recognition

The Fund considers investment transactions to be the receipt of Fund Components by the Fund in connection with Share creations and the delivery of Fund Components by the Fund in connection with Share redemptions, the payment of expenses in Fund Components or the sale of Fund Components when the Manager rebalances the Fund's portfolio. At this time, the Fund is not accepting redemption requests from shareholders. The Fund records its investment transactions on a trade date basis and changes in fair value are reflected as net change in unrealized appreciation or depreciation on investments. Realized gains and losses are calculated using the specific identification method. Realized gains and losses are recognized in connection with transactions including settling obligations for the Manager's Fee and selling Fund Component(s) when the Manager rebalances the Fund's portfolio.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the 'exit price') in an orderly transaction between market participants at the measurement date.

U.S. GAAP utilizes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, these valuations do not entail a significant degree of judgment.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

2. Summary of Significant Accounting Policies (continued)

The availability of valuation techniques and observable inputs can vary by investment. To the extent that valuations are based on sources that are less observable or unobservable in the market, the determination of fair value requires more judgment. Fair value estimates do not necessarily represent the amounts that may be ultimately realized by the Fund.

		Fair Value Measurement Using			
		Amount at			
		Fair Value	Level 1	Level 2	Level 3
March 31, 2025					
Assets					
Investment in UNI	\$	1,333,124	\$ 1,333,124	\$ -	\$ -
Investment in AAVE		909,007	909,007	-	-
Investment in MKR		449,097	449,097	-	-
Investment in LDO		294,351	294,351	-	-
Investment in CRV		235,714	235,714	-	-
	\$	3,221,293	\$ 3,221,293	\$ -	\$ -

		Fair Value Measurement Using			
		Amount at	Level 1	Level 2	Level 3
		Fair Value			
June 30, 2024					
Assets					
Investment in UNI	\$	2,431,754	\$ 2,431,754	\$ -	\$ -
Investment in MKR		808,083	808,083	-	-
Investment in LDO		602,491	602,491	-	-
Investment in AAVE		488,584	488,584	-	-
Investment in SNX		223,113	223,113	-	-
	\$	4,554,025	\$ 4,554,025	\$ -	\$ -

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update (“ASU”) 2023-08, *Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets* (“ASU 2023-08”). ASU 2023-08 is intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity’s crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period. ASU 2023-08 is effective for annual and interim reporting periods beginning after December 15, 2024. Early adoption is permitted for both interim and annual financial statements that have not yet been issued. The Fund adopted this new guidance on July 1, 2024, with no material impact on its financial statements and disclosures as the Fund historically used fair value as its method of accounting for digital assets in accordance with its classification as an investment company for accounting purposes.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): *Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). ASU 2023-07 was issued to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance requires public entities to provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually and also applies to public entities with a single reportable segment. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Manager of the Fund is currently evaluating the impact the ASU will have on its financial statements and related disclosures.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

3. Fair Value of Investments in Digital Assets

The Fund Components are held by the Custodian on behalf of the Fund and are carried at fair value. The following table represents the fair value of each Fund Component using the price provided at 4:00 p.m., New York time, by the relevant Digital Asset Trading Platform Market considered to be its principal market, as determined by the Fund:

Fund Component	Principal Market	March 31, 2025	June 30, 2024
UNI	Coinbase	\$ 5.98	\$ 9.19
AAVE	Coinbase	\$ 159.44	\$ 95.33
MKR	Coinbase	\$ 1,328.17	\$ 2,518.40
LDO	Coinbase	\$ 0.87	\$ 1.95
CRV	Coinbase	\$ 0.50	N/A
SNX	Coinbase	N/A	\$ 1.96

The following represents the changes in quantity of each Fund Component and their respective fair values:

	Quantity	Fair Value
UNI balance at June 30, 2023	337,028.79033805	\$ 1,772,771
UNI contributed	-	-
Net UNI distributed from portfolio rebalancing	(65,767.34139804)	(353,720)
UNI distributed for Manager's Fee, related party	(6,652.76373878)	(47,586)
Net change in unrealized depreciation on investments in UNI	-	1,972,480
Net realized loss on investment in UNI	-	(912,191)
UNI balance at June 30, 2024	264,608.68520123	\$ 2,431,754
UNI contributed	1,327.33750002	8,349
Net UNI distributed from portfolio rebalancing	(38,317.53359115)	(588,501)
UNI distributed for Manager's Fee, related party	(4,687.97222481)	(42,727)
Net change in unrealized depreciation on investments in UNI	-	(393,110)
Net realized loss on investment in UNI	-	(82,641)
UNI balance at March 31, 2025	222,930.51688529	\$ 1,333,124

	Quantity	Fair Value
AAVE balance at June 30, 2023	6,231.99423618	\$ 437,673
AAVE contributed	-	-
Net AAVE distributed from portfolio rebalancing	(979.39354454)	(65,872)
AAVE distributed for Manager's Fee, related party	(127.41173872)	(11,249)
Net change in unrealized depreciation on investment in AAVE	-	314,679
Net realized loss on investment in AAVE	-	(186,647)
AAVE balance at June 30, 2024	5,125.18895292	\$ 488,584
AAVE contributed	33.94551412	5,757
Net AAVE contributed from portfolio rebalancing	641.72372793	207,293
AAVE distributed for Manager's Fee, related party	(99.60210968)	(19,392)
Net change in unrealized depreciation on investment in AAVE	-	229,375
Net realized loss on investment in AAVE	-	(2,610)
AAVE balance at March 31, 2025	5,701.25608529	\$ 909,007

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

3. Fair Value of Investments in Digital Assets (continued)

	Quantity	Fair Value
MKR balance at June 30, 2023	432.61014448	\$ 352,902
MKR contributed	-	-
Net MKR distributed from portfolio rebalancing	(103.44542220)	(108,058)
MKR distributed for Manager's Fee, related party	(8.29295637)	(15,653)
Net change in unrealized appreciation on investment in MKR	-	665,879
Net realized loss on investment in MKR	-	(86,987)
MKR balance at June 30, 2024	320.87176591	\$ 808,083
MKR contributed	2.01324648	2,473
Net MKR contributed from portfolio rebalancing	21.25046229	37,089
MKR distributed for Manager's Fee, related party	(6.00438724)	(9,810)
Net change in unrealized depreciation on investment in MKR	-	(381,118)
Net realized loss on investment in MKR	-	(7,620)
MKR balance at March 31, 2025	338.13108744	\$ 449,097

	Quantity	Fair Value
LDO balance at June 30, 2023	-	\$ -
LDO contributed	-	-
Net LDO contributed from portfolio rebalancing	316,557.39127434	672,367
LDO distributed for Manager's Fee, related party	(7,587.58316819)	(17,286)
Net change in unrealized depreciation on investment in LDO	-	(24,007)
Net realized loss on investment in LDO	-	(28,583)
LDO balance at June 30, 2024	308,969.80810615	\$ 602,491
LDO contributed	2,026.10243346	1,876
Net LDO contributed from portfolio rebalancing	35,254.41524237	69,128
LDO distributed for Manager's Fee, related party	(5,960.03582709)	(8,496)
Net change in unrealized depreciation on investment in LDO	-	(366,904)
Net realized loss on investment in LDO	-	(3,744)
LDO balance at March 31, 2025	340,290.28995489	\$ 294,351

	Quantity	Fair Value
CRV balance at June 30, 2023	331,227.98408682	\$ 255,178
CRV contributed	-	-
Net CRV distributed from portfolio rebalancing	(327,388.02356873)	(190,716)
CRV distributed for Manager's Fee, related party	(3,839.96051809)	(2,192)
Net change in unrealized depreciation on investments in CRV	-	434,852
Net realized loss on investment in CRV	-	(497,122)
CRV balance at June 30, 2024	-	\$ -
CRV contributed	2,819.31835934	1,247
Net CRV contributed from portfolio rebalancing	473,510.09596010	522,163
CRV distributed for Manager's Fee, related party	(2,816.00941786)	(1,693)
Net change in unrealized depreciation on investments in CRV	-	(292,712)
Net realized gain on investment in CRV	-	6,709
CRV balance at March 31, 2025	473,513.40490158	\$ 235,714

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

3. Fair Value of Investments in Digital Assets (continued)

	Quantity	Fair Value
SNX balance at June 30, 2023	112,109.05694379	\$ 256,730
SNX contributed	-	-
Net SNX contributed from portfolio rebalancing	4,256.49764788	45,999
SNX distributed for Manager's Fee, related party	(2,532.58467355)	(7,574)
Net change in unrealized depreciation on investment in SNX	-	(85,119)
Net realized gain on investment in SNX	-	13,077
SNX balance at June 30, 2024	113,832.96991812	\$ 223,113
SNX contributed	-	-
Net SNX distributed from portfolio rebalancing	(112,389.73258190)	(247,172)
SNX distributed for Manager's Fee, related party	(1,443.23733622)	(2,509)
Net change in unrealized depreciation on investment in SNX	-	9,737
Net realized gain on investment in SNX	-	16,831
SNX balance at March 31, 2025	-	\$ -

4. Portfolio Rebalancing

The Fund Components consist of the digital assets that make up the DFX, as rebalanced from time to time, subject to the Manager's discretion to exclude individual digital assets in certain cases. The DFX is designed and managed by the Index Provider. The process followed by the Index Provider to determine the digital assets included in the DFX and their respective weightings in the DFX is referred to as the "DFX Methodology."

The Index Provider reviews the DFX for rebalancing according to the DFX Methodology quarterly during a period beginning 14 days before the second business day of each January, April, July, and October (each such period, an "Index Rebalancing Period"). At the start of each Index Rebalancing Period, the Index Provider applies the DFX Methodology to determine any changes to the Index Components and the respective weightings of the Index Components within DFX, as determined by the Index Provider based on market capitalization criteria (the "Index Weightings"), after which the Manager rebalances the Fund's portfolio accordingly, subject to application of the Exclusion Criteria. In order to rebalance the Fund's portfolio, the Manager will (i) determine whether any Fund Components have been removed from the DFX and should therefore be removed as Fund Components, (ii) determine whether any new digital assets have been added to the DFX and should therefore be included as Fund Components, and (iii) determine how much cash and Forked Assets the Fund holds. If a Fund Component is no longer included in the DFX, the Manager will adjust the Fund's portfolio by selling such Fund Component in the Digital Asset Markets in proportion to their respective weightings in the Fund ("Weightings") and using the cash proceeds to purchase additional tokens of the remaining Fund Components and, if applicable, any new Fund Component in proportion to their respective Weightings. The Weightings of each Fund Component are generally expected to be the same as the weighting of each digital asset in the DFX except when the Manager exercises its limited discretion to exclude one or more digital assets included in the DFX from the Fund Components in certain rules-based circumstances, in which case the Weightings are generally expected to be calculated proportionally to the respective Index Weightings for the remaining Index Components. If a digital asset not then included in the Fund's portfolio is newly eligible for inclusion in the Fund's portfolio because it was added to the DFX and not excluded through the Exclusion Criteria, the Manager will adjust the Fund's portfolio by selling tokens of the then-current Fund Components in the Digital Asset Markets in proportion to their respective Weightings and using the cash proceeds to purchase tokens of the newly eligible digital assets.

The Manager will rebalance the Fund's portfolio quarterly during a period beginning on the second business day of each January, April, July and October (each such period, a "Fund Rebalancing Period"). The Manager expects each Fund Rebalancing Period to last between one and five business days. The DFX, and therefore the Fund, may also be rebalanced mid-quarter, prior to the Index Rebalancing Period under extraordinary circumstances, if, for example, a digital asset is removed from the Index.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

4. Portfolio Rebalancing (continued)

On January 4, 2023, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, CRV, AAVE, MKR, COMP and SNX met the inclusion criteria of the DFX Index. On January 4, 2023 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling the existing Fund Components in proportion to their respective Weightings and using the cash proceeds to purchase SNX. As a result, SNX was added to the Fund. No existing tokens were removed from the Fund. Effective January 5, 2023, the Fund recognized a realized loss of (\$449,849) in connection with the sale of 22,192.29519819 UNI, 410.49477950 AAVE, 28.47560365 MKR, 211.67152368 COMP, and 15,483.49429741 CRV to purchase 107,889.64437766 SNX.

On April 4, 2023, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, CRV, AAVE, MKR and SNX met the inclusion criteria of the DFX Index, but COMP did not. On April 4, 2023 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling COMP and using the cash proceeds to purchase the existing Fund Components in proportion to their respective Weightings. As a result of the rebalancing, COMP was removed from the Fund. No new tokens were added to the Fund. On April 5, 2023, following the rebalancing, the Fund recognized a realized loss of (\$828,620) in connection with the sale of 3,204.45456771 COMP to purchase 2,946.57976252 UNI, 54.84148694 AAVE, 4.10892671 MKR, 5,552.52718668 SNX, and 98,805.72989076 CRV.

On July 5, 2023, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, CRV, AAVE, MKR, SNX and LDO met the inclusion criteria of the DFX Index. On July 5, 2023 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling the existing Fund Components in proportion to their respective Weightings and using the cash proceeds to purchase LDO. As a result, LDO was added to the Fund. No existing tokens were removed from the Fund. Effective July 6, 2023, the Fund recognized a realized loss of (\$1,135,584) in connection with the sale of 71,993.36176976 UNI, 1,210.83143498 AAVE, 92.66818667 MKR, 20,225.21959102 SNX, and 32,427.27915554 CRV to purchase 301,754.74290000 LDO.

On October 3, 2023, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, CRV, AAVE, MKR, SNX and LDO met the inclusion criteria of the DFX Index. On October 3, 2023 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling the existing Fund Components in proportion to their respective Weightings and using the cash proceeds to purchase existing Fund Components. No new tokens were added or removed from the Fund. Effective October 4, 2023, the Fund recognized a realized loss of (\$26,860) in connection with the sale of 2,054.03000000 UNI, 2.11410000 AAVE, and 2.63460000 MKR to purchase 5,199.32000000 LDO, 4,191.95410000 CRV, and 1,376.41030000 SNX.

On January 3, 2024, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, AAVE, MKR, SNX and LDO met the inclusion criteria of the DFX Index, but CRV did not. On January 3, 2024 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling CRV and MKR and using the cash proceeds to purchase the existing Fund Components in proportion to their respective Weightings. As a result of the rebalancing, CRV was removed from the Fund. No new tokens were added to the Fund. On January 4, 2024, following the rebalancing, the Fund recognized a realized loss of (\$449,046) in connection with the sale of 299152.69851319 CRV and 7.41665874 MKR to purchase 10,401.75055200 UNI, 243.72675710 AAVE, 14,566.71480131 SNX, and 12,147.52214070 LDO.

On April 2, 2024, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, AAVE, MKR, SNX and LDO met the inclusion criteria of the DFX Index. On April 2, 2024 following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by selling the existing Fund Components in proportion to their respective Weightings and using the cash proceeds to purchase existing Fund Components. No new tokens were added to or removed from the Fund. On April 3, 2024, following the rebalancing, the Fund recognized a realized loss of (\$8,397) in connection with the sale of 10.17476666 AAVE, 2,544.193766 LDO, 0.72597679 MKR and 2,121.70018 UNI to purchase 8,538.592138 SNX.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

4. Portfolio Rebalancing (continued)

On July 3, 2024, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, LDO, MKR, AAVE, and SNX met the inclusion criteria of the DFX Index. On July 3, 2024, following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by purchasing and selling the existing Fund Components in proportion to their respective weightings. As a result of the rebalancing, no new tokens were added or removed from the Fund. On July 3, 2024, following the rebalancing, the Fund recognized a realized gain of \$3,922 in connection with the sale of 527.14358767 UNI and 477.71540857 SNX to purchase 21.30162095 AAVE, 724.77697225 LDO, and 0.91069714 MKR.

On October 3, 2024, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, LDO, MKR, AAVE, and SNX met the inclusion criteria of the DFX Index. On October 3, 2024, following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by purchasing and selling the existing Fund Components in proportion to their respective weightings. As a result of the rebalancing, no new tokens were added or removed from the Fund. On October 3, 2024, following the rebalancing, the Fund recognized a realized gain of \$10,240 in connection with the sale of 14.32966029 MKR to purchase 59.21583974 AAVE, 862.55823284 LDO, 1,601.16726784 UNI, and 688.00101713 SNX.

On January 4, 2025, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, LDO, MKR, AAVE, and CRV met the inclusion criteria of the DFX Index. On January 4, 2025, following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by purchasing and selling the existing Fund Components in proportion to their respective weightings. As a result of the rebalancing, no new tokens were added or removed from the Fund. On January 4, 2025, following the rebalancing, the Fund recognized a realized gain of \$20,631 in connection with the sale of 112,600.01819046 SNX and 39,391.55727132 UNI to purchase 561.20626724 AAVE, 33,667.08003728 LDO, 34.66942544 MKR, and 473,510.09596010 CRV.

5. Creations and Redemptions of Shares

At March 31, 2025 and June 30, 2024, there were an unlimited number of Shares authorized by the Fund. The Fund creates (and, should the Fund commence a redemption program, redeems) Shares from time to time, but only in one or more Baskets. The creation and redemption of Baskets on behalf of investors are made by the Authorized Participant in exchange for the delivery of tokens of each Fund Component to the Fund, or the distribution of tokens of each Fund Component by the Fund, plus cash representing the Forked Asset portion, if any, and the U.S. Dollar portion, if any. The amount of tokens of each Fund Component required for each Creation Basket or redemption Basket is determined by dividing (x) the total amount of tokens of such Fund Component held by the Fund at 4:00 p.m., New York time, on such trade date of a creation or redemption order, after deducting the amount of tokens of each Fund Component payable as the Manager's Fee and the amount of tokens of such Fund Component payable as a portion of Additional Fund Expenses (as defined in Note 7), by (y) the number of Shares outstanding at such time and multiplying the quotient obtained by 100. Each Share represented approximately 0.9472 UNI, 0.0242 AAVE, 0.0014 MKR, 1.4458 LDO, and 2.0119 CRV at March 31, 2025. Each Share represented approximately 1.1310 UNI, 0.0219 AAVE, 0.0014 MKR, 0.4865 SNX, and 1.3206 LDO at June 30, 2024.

The cost basis of investments in each Fund Component recorded by the Fund is the fair value of each Fund Component, as determined by the Fund, at 4:00 p.m., New York time, on the date of transfer to the Fund by the Authorized Participant, or Liquidity Provider, based on the Creation Baskets. The cost basis recorded by the Fund may differ from proceeds collected by the Authorized Participant from the sale of each Share to investors. The Authorized Participant or Liquidity Provider may realize significant profits buying, selling, creating, and, if permitted, redeeming Shares as a result of changes in the value of Shares or each Fund Component. In addition, the Authorized Participant or Liquidity Provider may realize significant profits through the sale of digital assets during a Fund Rebalancing Period.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

5. Creations and Redemptions of Shares (continued)

At this time, the Fund is not operating a redemption program and is not accepting redemption requests. Subject to receipt of regulatory approval and approval by the Manager in its sole discretion, the Fund may in the future operate a redemption program. The Fund currently has no intention of seeking regulatory approval to operate an ongoing redemption program. Further, the Fund is registered and regulated as a private fund under the Private Funds Act. The Cayman Islands Monetary Authority has supervisory and enforcement powers to ensure the Fund's compliance with the Private Funds Act. Before the Fund is able to effect open redemptions as an open-ended Fund, it will be required to meet the requirements of, and register with, the Cayman Islands Monetary Authority and be regulated as a mutual fund under the Mutual Funds Act (As Revised) of the Cayman Islands.

6. Income Taxes

The Government of the Cayman Islands does not, and will not, under existing Cayman law, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the shareholders. Interest, dividends and gains payable to the Fund and all distributions by the Fund to shareholders will be received free of any Cayman Islands income or withholding taxes.

The Fund has elected to be treated as a corporation for U.S. federal income tax purposes. The Manager believes that the Fund will not be treated as engaged in a trade or business in the United States and thus will not derive income that is treated as "effectively connected" with the conduct of a trade or business in the United States ("effectively connected income") under the U.S. Internal Revenue Code of 1986, as amended (the "Code") and corresponding tax regulations (e.g., including under Sections 861 through 865). There can, however, be no complete assurance in this regard. If the Fund were treated as engaged in a trade or business in the United States, it would be subject to U.S. federal income tax, at the rates applicable to U.S. corporations (currently, at the rate of 21%), on its net effectively connected income. Any such income might also be subject to U.S. state and local income taxes. In addition, the Fund would be subject to a 30% U.S. branch profits tax in respect of its "dividend equivalent amount," as defined in Section 884 of the Code, attributable to its effectively connected income (generally, the after-tax amount of certain effectively connected income that is not treated as reinvested in the trade or business).

If the Fund were treated as engaged in a trade or business in the United States during any taxable year, it would be required to file a U.S. federal income tax return for that year, regardless of whether it recognized any effectively connected income. If the Fund did not file U.S. federal income tax returns and were later determined to have engaged in a U.S. trade or business, it would generally not be entitled to offset its effectively connected income and gains against its effectively connected losses and deductions (and, therefore, would be taxable on its gross, rather than net, effectively connected income). If the Fund recognizes any effectively connected income, the imposition of U.S. taxes on such income may have a substantial adverse effect on the return to shareholders.

Due to the new and evolving nature of digital assets and a general absence of clearly controlling authority with respect to digital assets, many significant aspects of the U.S. federal income tax treatment of digital assets (including with respect to the amount, timing, and character of income recognition) are uncertain. The Manager believes that, in general, gains and losses recognized by the Fund from the sale or other disposition of digital assets will be treated as capital gains or losses. However, it is possible that the IRS will not agree with the Fund's U.S. federal tax treatment of digital assets.

In accordance with U.S. GAAP, the Fund has defined the threshold for recognizing the benefits of tax positions in the financial statements as "more-likely-than-not" to be sustained by the applicable taxing authority and requires measurement of a tax position meeting the "more-likely-than-not" threshold, based on the largest benefit that is more than 50% likely to be realized. Tax positions not deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit or expense in the current period. As of, and during the periods ended March 31, 2025 and June 30, 2024, the Fund did not have a liability for any unrecognized tax amounts. However, the Manager's conclusions concerning its determination of "more-likely-than-not" tax positions may be subject to review and adjustment at a later date based on factors including, but not limited to, further implementation guidance, and ongoing analyses of and changes to tax laws, regulations and interpretations thereof.

The Manager of the Fund has evaluated whether or not there are uncertain tax positions that require financial statement recognition and has determined that no reserves for uncertain tax positions related to federal, state and local income taxes existed as of March 31, 2025 or June 30, 2024.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

7. Related Parties

The Fund considered the following entities, their directors, and certain employees to be related parties of the Fund as of March 31, 2025: DCG, GSO, GSIS, and Grayscale Securities. As of March 31, 2025 and June 30, 2024, 35,464 and 41,382 Shares of the Fund were held by related parties of the Fund, respectively.

In accordance with the LLC Agreement governing the Fund, the Fund pays a fee to the Manager, calculated as 2.5% of the aggregate value of the Fund's digital asset holdings, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Manager or its delegates (the "Manager's Fee"). The Manager's Fee accrues daily in U.S. dollars and is payable in Fund Components then held by the Fund in proportion to their respective Fund Component's Weighting. The U.S. dollar amount of the Manager's Fee will be converted into Fund Components on a daily basis by multiplying such U.S. dollar amount by the Weighting for each Fund Component and dividing the resulting product for each Fund Component by the U.S. dollar value for such Fund Component on such day. For purposes of these financial statements, the U.S. dollar value of Fund Components is determined by reference to the Digital Asset Trading Platform Market that the Fund considers its principal market as of 4:00 p.m., New York time, on each valuation date. No Forked Assets have been distributed in payment of the Manager's Fee during the three and nine months ended March 31, 2025 and 2024.

As partial consideration for receipt of the Manager's Fee, the Manager shall assume and pay all fees and other expenses incurred by the Fund in the ordinary course of its affairs, excluding taxes, but including marketing fees; the administrator fee, if any; custodian fees; transfer agent fees; the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including customary legal, marketing and audit fees and expenses) in an amount up to \$600,000 in any given fiscal year; ordinary course legal fees and expenses; audit fees; regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act and fees relating to registration and any other regulatory requirements in the Cayman Islands; printing and mailing costs; the costs of maintaining the Fund's website and applicable license fees (together, the "Manager-paid Expenses").

The Fund may incur certain extraordinary, non-recurring expenses that are not Manager-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Manager (or any other service provider) on behalf of the Fund to protect the Fund or the interests of shareholders (including in connection with any Forked Assets), any indemnification of the Custodian or other agents, service providers or counterparties of the Fund, the fees and expenses related to the listing, quotation or trading of the Shares on any secondary market (including legal, marketing and audit fees and expenses) to the extent exceeding \$600,000 in any given fiscal year and extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters (collectively "Additional Fund Expenses").

In such circumstances, the Manager or its delegate (i) will instruct the Custodian to withdraw from the digital asset accounts Fund Components in proportion to their respective Weightings at such time and in such quantity as may be necessary to permit payment of such Additional Fund Expenses and (ii) may either (x) cause the Fund (or its delegate) to convert such Fund Components into U.S. dollars or other fiat currencies at the price per single unit of such asset (determined net of any associated fees) at which the Fund is able to sell such asset or (y) when the Manager incurs such expenses on behalf of the Fund, cause the Fund (or its delegate) to deliver such Fund Components, and/or Forked Assets in kind to the Manager, in each case in such quantity as may be necessary to permit payment of such Additional Fund Expenses.

For the three months ended March 31, 2025 and 2024, the Fund incurred Manager's Fees of \$29,753 and \$31,674, respectively. For the nine months ended March 31, 2025 and 2024, the Fund incurred Manager's Fees of \$84,627 and \$71,832, respectively. As of March 31, 2025 and June 30, 2024, there were no accrued and unpaid Manager's Fees. In addition, the Manager may pay Additional Fund Expenses on behalf of the Fund, which are reimbursable by the Fund to the Manager.

For the three and nine months ended March 31, 2025 and 2024, the Manager did not pay any Additional Fund Expenses on behalf of the Fund.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

8. Risks and Uncertainties

The Fund is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in digital assets. Investing in digital assets is currently highly speculative and volatile.

The Principal Market NAV of the Fund, calculated by reference to the principal market prices in accordance with U.S. GAAP, relates primarily to the value of the Fund Components, and fluctuations in the prices of such Fund Components could materially and adversely affect an investment in the Shares of the Fund. The prices of the Fund Components have a very limited history. During such history, the market prices of such Fund Components have been volatile and subject to influence by many factors, including the levels of liquidity. If Digital Asset Markets continue to experience significant price fluctuations, the Fund may experience losses. Several factors may affect the market price of the Fund Components, including, but not limited to, global supply and demand of such Fund Components, theft of such Fund Components from global trading platforms or vaults, competition from other forms of digital currency or payment services, global or regional political, economic or financial conditions, and other unforeseen events and situations.

The Fund Components are commingled, and the Fund's shareholders have no specific rights to any specific Fund Component. In the event of the insolvency of the Fund, its assets may be inadequate to satisfy a claim by its shareholders.

There is currently no clearing house for the Fund Components, nor is there a central or major depository for the custody of such Fund Components. There is a risk that some or all of the Fund Components could be lost or stolen. There can be no assurance that the Custodian will maintain adequate insurance or that such coverage will cover losses with respect to the Fund Components. Further, transactions in the Fund Components are irrevocable. Stolen or incorrectly transferred Fund Components may be irretrievable. As a result, any incorrectly executed Fund Component transactions could adversely affect an investment in the Shares.

The Securities and Exchange Commission (the "SEC"), at least under the prior administration, has stated that certain digital assets may be considered "securities" under the federal securities laws. The test for determining whether a particular digital asset is a "security" is complex and difficult to apply, and the outcome is difficult to predict. A number of SEC and SEC staff actions with respect to a variety of digital assets demonstrate this difficulty. For example, public though non-binding, statements by senior officials at the SEC have indicated that the SEC did not consider Bitcoin or Ether to be securities, and does not currently consider Bitcoin to be a security. In addition, the SEC appears to have implicitly taken the view that Ether is not a security (i) by not objecting to Ether futures trading on Commodity Futures Trading Commission-regulated markets under rules designed for futures on non-security commodity underliers and (ii) by approving the listing and trading of exchange-traded products ("ETPs") that invest in Ether (i.e., approving the redemption of shares of such ETPs) under the rules for commodity-based trust shares, without requiring these ETPs to be registered as investment companies. Likewise, in various courts filings and arguments the SEC has distinguished Ether from assets that it claimed were securities, and in judicial opinions, courts have accepted or even assumed that Ether is not a security. Moreover, in a recent settlement with another market participant relating to allegations that it acted as an unregistered broker-dealer for facilitating trading in certain digital assets, the SEC highlighted that the firm would cease trading in all digital assets other than Bitcoin, Bitcoin Cash and Ether—activity that, if the SEC believed Ether was presently a security—would continue to constitute unregistered brokerage activity. The SEC staff has also provided informal assurances via no-action letter to a handful of promoters that their digital assets are not securities. Moreover, the SEC's Division of Corporation Finance has published statements that it does not consider, under certain circumstances, "meme coins" or some stablecoins to be securities. However, such statements may be withdrawn at any time without notice and comment by the Division of Corporation Finance at the SEC or the SEC itself. In addition, the SEC has brought enforcement actions against the issuers and promoters of several other digital assets on the basis that the digital assets in question are securities and has not formally or explicitly confirmed that it does not deem Ether to be a security. Even though the Fund only holds the Fund Components, these developments demonstrate the difficulty in applying the federal securities laws to digital assets generally, including the Fund Components. In January 2025, the SEC launched a crypto task force dedicated to developing a comprehensive and clear regulatory framework for digital assets led by Commissioner Hester Peirce. Subsequently, Commissioner Peirce announced a list of specific priorities to further that initiative, which included pursuing final rules related to a digital asset's security status, a revised path to registered offerings and listings for digital assets-based investment vehicles, and clarity regarding digital asset custody, lending, and staking. However, the efforts of the crypto task force have only just begun, and how or whether the SEC regulates digital asset activity in the future remains to be seen.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

8. Risks and Uncertainties (continued)

If a Fund Component is determined to be a “security” under federal or state securities laws by the SEC or any other agency, or in a proceeding in a court of law or otherwise, it may have material adverse consequences for such Fund Component.

For example, it may become more difficult for such Fund Component to be traded, cleared and custodied as compared to other digital assets that are not considered to be securities, which could, in turn, negatively affect the liquidity and general acceptance of such Fund Component and cause users to migrate to other digital assets. As such, any determination that a Fund Component is a security under federal or state securities laws may adversely affect the value of such Fund Component and, as a result, an investment in the Shares.

To the extent that a Fund Component is determined to be a security, the Fund and the Manager may also be subject to additional regulatory requirements, including under the Investment Company Act of 1940, and the Manager may be required to register as an investment adviser under the Investment Advisers Act of 1940. If the Manager determines not to comply with such additional regulatory and registration requirements, the Manager will terminate the Fund. Any such termination could result in the liquidation of the Fund’s digital assets at a time that is disadvantageous to shareholders.

To the extent a private key, held by the Custodian, required to access a Fund Component address is lost, destroyed or otherwise compromised and no backup of the private key is accessible, the Fund may be unable to access the relevant Fund Component controlled by the private key and the private key will not be capable of being restored by the network of such Fund Component. The processes by which the Fund Component transactions are settled are dependent on the peer-to-peer network of such Fund Component, and as such, the Fund is subject to operational risk. A risk also exists with respect to previously unknown technical vulnerabilities, which may adversely affect the value of the Fund Component.

The Fund relies on third-party service providers to perform certain functions essential to its operations. Any disruptions to the Fund’s service providers’ business operations resulting from business failures, financial instability, security failures, government mandated regulation or operational problems could have an adverse impact on the Fund’s ability to access critical services and be disruptive to the operations of the Fund.

The Manager and the Fund may be subject to various litigation, regulatory investigations, and other legal proceedings that arise in the ordinary course of its business.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

9. Financial Highlights Per Share Performance

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2025	2024	2025	2024
Per Share Data:				
Principal Market NAV, beginning of period	\$ 27.19	\$ 18.77	\$ 19.46	\$ 13.14
Net (decrease) increase in net assets from investment operations				
Net investment loss	(0.13)	(0.14)	(0.36)	(0.31)
Net realized and unrealized (loss) gain	(13.37)	10.75	(5.41)	16.55
Net (decrease) increase in net assets resulting from operations	(13.50)	10.61	(5.77)	16.24
Principal Market NAV, end of period	\$ 13.69	\$ 29.38	\$ 13.69	\$ 29.38
Total return	-49.65%	56.53%	-29.65%	123.59%
<i>Ratios to average net assets:</i>				
Net investment loss	-2.50%	-2.50%	-2.50%	-2.50%
Expenses	-2.50%	-2.50%	-2.50%	-2.50%

Ratios of net investment loss and expenses to average net assets have been annualized.

An individual shareholder's return, ratios, and per Share performance may vary from those presented above based on the timing of Share transactions. The amount shown for a Share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the number of Shares issued in Creations occurring at an operational value derived from an operating metric as defined in the LLC Agreement.

Total return is calculated assuming an initial investment made at the Principal Market NAV at the beginning of the period and assuming redemption on the last day of the period.

10. Indemnifications

In the normal course of business, the Fund enters into certain contracts that provide a variety of indemnities, including contracts with the Manager and affiliates of the Manager, DCG and its officers, directors, employees, subsidiaries and affiliates, and the Custodian as well as others relating to services provided to the Fund. The Fund's maximum exposure under these and its other indemnities is unknown. However, no liabilities have arisen under these indemnities in the past and, while there can be no assurances in this regard, there is no expectation that any will occur in the future. Therefore, the Manager does not consider it necessary to record a liability in this regard.

Grayscale Decentralized Finance (DeFi) Fund LLC
Notes to Unaudited Financial Statements

11. Subsequent Events

On April 2, 2025, the Index Provider completed the quarterly rebalancing of the DFX and determined that UNI, LDO, MKR, AAVE, and CRV met the inclusion criteria of the DFX Index. On April 2, 2025, following the rebalancing of the Index, the Manager completed its quarterly review of the Fund's portfolio and initiated the process of rebalancing the Fund. The Manager adjusted the Fund's portfolio by purchasing and selling existing Fund Components in proportion to their respective weightings. As a result of the rebalancing, no new tokens were added or removed from the Fund. As of April 3, 2025, following the rebalancing, the Fund Components consisted of 42.75% UNI, 27.44% AAVE, 12.81% MKR, 8.80% LDO, and 8.20% CRV, and each of the Fund's Shares represented 0.9745 UNI, 0.0239 AAVE, 0.0013 MKR, 1.4217 LDO, and 2.0686 CRV.

On January 3, 2025, GSO voluntarily withdrew as a Manager of the Fund pursuant to the terms of the LLC Agreement, and, effective May 3, 2025, GSIS became the sole remaining Manager of the Fund.

As of the close of business on May 5, 2025, the fair value of each Fund Component, determined in accordance with the Fund's accounting policy, was \$4.97 per UNI, \$177.58 per AAVE, \$1,541.46 per MKR, \$0.79 per LDO, and \$0.70 per CRV.

Subsequent events have been evaluated through May 9, 2025, the date the financial statements were available to be issued.