

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended September 30, 2024
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____
Commission File Number 000-56284

Grayscale Digital Large Cap Fund LLC

MANAGED BY GRAYSCALE INVESTMENTS, LLC
(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands
(State or Other Jurisdiction of
Incorporation or Organization)

98-1406784
(I.R.S. Employer
Identification No.)

c/o Grayscale Investments, LLC
290 Harbor Drive, 4th Floor
Stamford, Connecticut 06902
(Address of Principal Executive Offices) (Zip Code)
(212) 668-1427
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Grayscale Digital Large Cap Fund LLC Shares	GDLC	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of Shares of the registrant outstanding as of October 28, 2024: 15,867,400

GRAYSCALE® DIGITAL LARGE CAP FUND LLC
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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” with respect to the financial conditions, results of operations, plans, objectives, future performance and business of Grayscale Digital Large Cap Fund LLC (the “Fund”). 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 Investments, LLC (the “Manager”) 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. 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, but not limited to, those described in “Part I, Item 1A. Risk Factors” of our Annual Report on Form 10-K and in “Part II, Item 1A. Risk Factors” herein. 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. Investors are therefore cautioned against relying on forward-looking statements.

Unless otherwise stated or the context otherwise requires, the terms “we,” “our” and “us” in this Quarterly Report refer to the Manager acting on behalf of the Fund.

A glossary of industry and other defined terms is included in this Quarterly Report, beginning on page 40.

This Quarterly Report supplements and where applicable amends the Memorandum, as defined in the Fund’s Second Amended and Restated Limited Liability Company Agreement, for general purposes.

INDUSTRY AND MARKET DATA

Although we are responsible for all disclosure contained in this Quarterly Report on Form 10-Q, in some cases we have relied on certain market and industry data obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications in conjunction with our assumptions regarding the digital asset industry and market. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings “Forward-Looking Statements,” “Part I, Item 1A. Risk Factors” in the Annual Report on Form 10-K for the year ended June 30, 2024, filed with the Securities and Exchange Commission (the “SEC”) on September 6, 2024 (the “Annual Report”), and “Part II, Item 1A. Risk Factors” in this Quarterly Report on Form 10-Q.

PART I – FINANCIAL INFORMATION:

Item 1. Financial Statements (Unaudited)

GRAYSCALE DIGITAL LARGE CAP FUND LLC
STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)
(Amounts in thousands, except Share and per Share amounts)

	September 30, 2024	June 30, 2024
Assets:		
Investments in digital assets, at fair value (cost \$122,524 and \$122,519 as of September 30, 2024 and June 30, 2024, respectively)	\$ 506,603	\$ 526,956
Total assets	\$ 506,603	\$ 526,956
Liabilities:		
Manager's Fee payable, related party	\$ -	\$ -
Total liabilities	-	-
Net assets	\$ 506,603	\$ 526,956
Shares issued and outstanding, no par value (unlimited Shares authorized)	15,867,400	15,867,400
Principal market net asset value per Share	\$ 31.93	\$ 33.21

See accompanying notes to the unaudited financial statements.

GRAYSCALE DIGITAL LARGE CAP FUND LLC
SCHEDULES OF INVESTMENTS (UNAUDITED)
(Amounts in thousands, except quantity of each Fund Component and percentages)

September 30, 2024

	Quantity	Cost	Fair Value	% of Net Assets
Investment in Bitcoin	5,944.50511779	\$ 73,297	\$ 377,267	74.47%
Investment in Ether	36,226.90392275	18,134	93,988	18.55%
Investment in SOL	139,322.47482893	16,927	21,592	4.26%
Investment in XRP	16,768,772.061552	9,777	10,440	2.06%
Investment in AVAX	118,712.78658314	4,389	3,316	0.66%
Net assets		<u>\$ 122,524</u>	<u>\$ 506,603</u>	<u>100.00%</u>

June 30, 2024

	Quantity	Cost	Fair Value	% of Net Assets
Investment in Bitcoin	5,990.49484890	\$ 73,864	\$ 370,987	70.41%
Investment in Ether	36,577.59452337	18,310	125,205	23.76%
Investment in SOL	135,348.78720949	16,294	19,574	3.71%
Investment in XRP	16,719,307.919340	9,764	7,917	1.50%
Investment in AVAX	114,955.66479380	4,287	3,273	0.62%
Net assets		<u>\$ 122,519</u>	<u>\$ 526,956</u>	<u>100.00%</u>

See accompanying notes to the unaudited financial statements.

GRAYSCALE DIGITAL LARGE CAP FUND LLC
STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands)

	Three Months Ended September 30,	
	2024	2023
Investment income:		
Investment income	\$ -	\$ -
Expenses:		
Manager's Fee, related party	3,135	1,584
Net investment loss	(3,135)	(1,584)
Net realized and unrealized loss from:		
Net realized gain on investments in digital assets	3,140	1,701
Net change in unrealized appreciation on investments in digital assets	(20,358)	(32,520)
Net realized and unrealized loss on investments in digital assets	(17,218)	(30,819)
Net decrease in net assets resulting from operations	\$ (20,353)	\$ (32,403)

See accompanying notes to the unaudited financial statements.

GRAYSCALE DIGITAL LARGE CAP FUND LLC
STATEMENTS OF CHANGES IN NET ASSETS (UNAUDITED)
(Amounts in thousands, except change in Shares outstanding)

	Three Months Ended September 30,	
	2024	2023
Decrease in net assets from operations:		
Net investment loss	\$ (3,135)	\$ (1,584)
Net realized gain on investments in digital assets	3,140	1,701
Net change in unrealized appreciation on investments in digital assets	(20,358)	(32,520)
Net decrease in net assets resulting from operations	(20,353)	(32,403)
Increase in net assets from capital share transactions:		
Shares issued	-	-
Net increase in net assets resulting from capital share transactions	-	-
Total decrease in net assets from operations and capital share transactions	(20,353)	(32,403)
Net assets:		
Beginning of period	526,956	272,632
End of period	\$ 506,603	\$ 240,229
Change in Shares outstanding:		
Shares outstanding at beginning of period	15,867,400	15,867,400
Shares issued	-	-
Net increase in Shares	-	-
Shares outstanding at end of period	15,867,400	15,867,400

See accompanying notes to the unaudited financial statements.

GRAYSCALE DIGITAL LARGE CAP FUND LLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Organization

Grayscale Digital Large Cap Fund LLC (the “Fund”) was constituted as a Cayman Islands limited liability company on January 25, 2018 (the inception of the Fund) and commenced operations on February 1, 2018. In general, the Fund will hold digital assets. Historically, through the period ended June 30, 2022, a digital asset had been eligible for inclusion in the Fund’s portfolio if it satisfied market capitalization, liquidity and coverage criteria as determined by the Manager (as defined below in Note 4). Effective July 1, 2022, the Fund’s digital assets consist of digital assets that comprise the CoinDesk Large Cap Select Index (the “DLCS”), as rebalanced from time to time, subject to the Manager’s discretion to exclude individual digital assets in certain cases. The DLCS is designed and managed by CoinDesk Indices, Inc. (in this capacity, the “Index Provider”), as discussed in Note 4. As of September 30, 2024, the digital assets included in the Fund’s portfolio were: Bitcoin, Ether, Solana (“SOL”), XRP, and Avalanche (“AVAX”) (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 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. As of September 30, 2024, the Fund had not sought such regulatory approval to operate an ongoing redemption program. However, on October 15, 2024, NYSE Arca, Inc. (“NYSE Arca”) submitted an application under Rule 19b-4 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) to list the Shares of the Fund on NYSE Arca. As of the date of this filing, the NYSE Arca 19b-4 application has not been approved by the SEC, and the Fund makes no representation as to when or if such approval and relief will be obtained. The Fund’s investment objective is to hold the top digital assets by market capitalization 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 (“Grayscale” or the “Manager”) acts as the Manager of the Fund and is a 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. Grayscale 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 Grayscale a Manager’s Fee as discussed in Note 7. The Manager also acts as the sponsor and manager of other investment products including Grayscale Aave Trust (AAVE), Grayscale Avalanche Trust (AVAX), Grayscale Basic Attention Token Trust (BAT) (OTCQB: GBAT), Grayscale Bitcoin Trust (BTC) (NYSE Arca: GBTC), Grayscale Bitcoin Cash Trust (BCH) (OTCQX: BCHG), Grayscale Bitcoin Mini Trust (BTC) (NYSE Arca: BTC), Grayscale Bittensor Trust (TAO), Grayscale Chainlink Trust (LINK) (OTCQX: GLNK), Grayscale Decentraland Trust (MANA) (OTCQX: MANA), Grayscale Ethereum Trust (ETH) (NYSE Arca: ETHE), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), Grayscale Ethereum Mini Trust (ETH) (NYSE Arca: ETH), Grayscale Filecoin Trust (FIL) (OTC Markets: FILG), Grayscale Horizen Trust (ZEN) (OTCQX: HZEN), Grayscale Litecoin Trust (LTC) (OTCQX: LTCN), Grayscale Livepeer Trust (LPT) (OTCQX: GLIV), Grayscale MakerDao Trust (MKR), Grayscale NEAR Trust (NEAR), Grayscale Solana Trust (SOL) (OTCQX: GSOL), Grayscale Stacks Trust (STX), Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM), Grayscale Sui Trust (SUI), Grayscale XRP Trust, Grayscale Zcash Trust (ZEC) (OTCQX: ZCSH), Grayscale Decentralized AI Fund LLC, Grayscale Decentralized Finance (DeFi) Fund LLC (OTCQB: DEFG), and Grayscale Smart Contract Platform Ex Ethereum (ETH) Fund LLC, each of which is an affiliate of the Fund. The following investment products sponsored or managed by the Manager are also SEC reporting companies with their shares registered pursuant to Section 12(g) of the Exchange Act: Grayscale Bitcoin Cash Trust (BCH), Grayscale Ethereum Classic Trust (ETC), Grayscale Horizen Trust (ZEN), Grayscale Litecoin Trust (LTC), Grayscale Stellar Lumens Trust (XLM), and Grayscale Zcash Trust (ZEC). The following investment products managed by the Manager are SEC reporting companies with their shares registered pursuant to Section 12(b) of the Exchange Act: Grayscale Bitcoin Trust (BTC), Grayscale Ethereum Trust (ETH), Grayscale Ethereum Mini Trust (ETH), and Grayscale Bitcoin Mini Trust (BTC). Grayscale Advisors, LLC, a Registered Investment Advisor and an affiliate of the Manager, is the advisor to the Grayscale Future of Finance (NYSE Arca: GFOF) product.

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 wholly owned subsidiary 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.

On October 14, 2019, the Fund received notice that its Shares were qualified for public trading on the OTCQX Best Market® (“OTCQX”) of OTC Markets Group Inc. The Fund’s trading symbol on OTCQX is “GDLC” and the CUSIP number for its Shares is G40705108. The Fund’s previous trading symbol was “GDLCF” on OTCQX and was changed to “GDLC” on April 14, 2020.

On July 21, 2020, the Fund registered with the Cayman Islands Monetary Authority (the “Authority”) (reference number: 1688783). 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”).

2. Summary of Significant Accounting Policies

In the opinion of management of the Manager of the Fund, all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position as of September 30, 2024 and June 30, 2024 and results of operations for the three months ended September 30, 2024 and 2023 have been made. The results of operations for the periods presented are not necessarily indicative of the results of operations expected for the full year. These unaudited financial statements should be read in conjunction with the audited financial statements for the year ended June 30, 2024 included in the Fund’s Annual Report on Form 10-K.

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.

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 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.

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 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 for Share creations and the delivery of Fund Components for 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.

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.

(Amounts in thousands)	Amount at Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
September 30, 2024				
Assets				
Investment in Bitcoin	\$ 377,267	\$ 377,267	\$ -	\$ -
Investment in Ether	93,988	93,988	-	-
Investment in SOL	21,592	21,592	-	-
Investment in XRP	10,440	10,440	-	-
Investment in AVAX	3,316	3,316	-	-
	<u>\$ 506,603</u>	<u>\$ 506,603</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2024				
Assets				
Investment in Bitcoin	\$ 370,987	\$ 370,987	\$ -	\$ -
Investment in Ether	125,205	125,205	-	-
Investment in SOL	19,574	19,574	-	-
Investment in XRP	7,917	7,917	-	-
Investment in AVAX	3,273	3,273	-	-
	<u>\$ 526,956</u>	<u>\$ 526,956</u>	<u>\$ -</u>	<u>\$ -</u>

Recently Issued 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.

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	September 30, 2024	June 30, 2024
Bitcoin	Coinbase	\$ 63,464.76	\$ 61,929.29
Ether	Coinbase	\$ 2,594.43	\$ 3,423.00
SOL	Coinbase	\$ 154.98	\$ 144.62
XRP ⁽²⁾	Coinbase	\$ 0.62	\$ 0.47
AVAX ⁽¹⁾⁽²⁾	Coinbase	\$ 27.93	\$ 28.47

- (1) Effective January 5, 2023, the Fund removed AVAX from the Fund’s portfolio and sold the AVAX holdings to purchase additional tokens of the remaining Fund Components in proportion to their respective weightings in accordance with the DLCS Methodology. See Note 4. Portfolio Rebalancing for a description of the portfolio rebalancing.
- (2) Effective January 3, 2024, the Manager removed MATIC from the Fund’s portfolio and used the cash proceeds to purchase AVAX and XRP and adjusted the existing Fund Components in proportion to their respective weightings in accordance with the DLCS Methodology. See Note 4. Portfolio Rebalancing for a description of the portfolio rebalancing.

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

(Amounts in thousands, except Bitcoin amounts)	Quantity	Fair Value
Bitcoin balance at June 30, 2023	6,230.97866186	\$ 189,185
Bitcoin contributed	-	-
Bitcoin distributed from portfolio rebalancing	(87.42054382)	(2,751)
Bitcoin distributed for Manager's Fee, related party	(153.06326914)	(6,964)
Net change in unrealized appreciation on investment in Bitcoin	-	180,523
Net realized gain on investment in Bitcoin	-	10,994
Bitcoin balance at June 30, 2024	5,990.49484890	\$ 370,987
Bitcoin contributed	-	-
Bitcoin distributed from portfolio rebalancing	(8.51348210)	(527)
Bitcoin distributed for Manager's Fee, related party	(37.47624901)	(2,287)
Net change in unrealized appreciation on investment in Bitcoin	-	6,847
Net realized gain on investment in Bitcoin	-	2,247
Bitcoin balance at September 30, 2024	5,944.50511779	\$ 377,267

(Amounts in thousands, except Ether amounts)	Quantity	Fair Value
Ether balance at June 30, 2023	39,445.13266916	\$ 75,964
Ether contributed	-	-
Ether distributed from portfolio rebalancing	(1,925.59571086)	(3,779)
Ether distributed for Manager's Fee, related party	(941.94243493)	(2,337)
Net change in unrealized appreciation on investment in Ether	-	50,085
Net realized gain on investment in Ether	-	5,272
Ether balance at June 30, 2024	36,577.59452337	\$ 125,205
Ether contributed	-	-
Ether distributed from portfolio rebalancing	(122.29384902)	(418)
Ether distributed for Manager's Fee, related party	(228.39675160)	(639)
Net change in unrealized appreciation on investment in Ether	-	(31,041)
Net realized gain on investment in Ether	-	881
Ether balance at September 30, 2024	36,226.90392275	\$ 93,988

(Amounts in thousands, except SOL amounts)	Quantity	Fair Value
SOL balance at June 30, 2023	123,915.89529091	\$ 2,366
SOL contributed	-	-
SOL contributed from portfolio rebalancing	14,724.90144955	1,274
SOL distributed for Manager's Fee, related party	(3,292.00953097)	(292)
Net change in unrealized appreciation on investment in SOL	-	16,330
Net realized loss on investment in SOL	-	(104)
SOL balance at June 30, 2024	135,348.78720949	\$ 19,574
SOL contributed	-	-
SOL contributed from portfolio rebalancing	4,851.33537551	741
SOL distributed for Manager's Fee, related party	(877.64775607)	(131)
Net change in unrealized appreciation on investment in SOL	-	1,385
Net realized gain on investment in SOL	-	23
SOL balance at September 30, 2024	139,322.47482893	\$ 21,592

(Amounts in thousands, except XRP amounts)	Quantity	Fair Value
XRP balance at June 30, 2023	-	\$ -
XRP contributed	-	-
XRP contributed from portfolio rebalancing	16,922,626.498281	9,882
XRP distributed for Manager's Fee, related party	(203,318.578941)	(111)
Net change in unrealized depreciation on investment in XRP	-	(1,847)
Net realized loss on investment in XRP	-	(7)
XRP balance at June 30, 2024	16,719,307.919340	\$ 7,917
XRP contributed	-	-
XRP contributed from portfolio rebalancing	155,155.893956	75
XRP distributed for Manager's Fee, related party	(105,691.751744)	(60)
Net change in unrealized appreciation on investment in XRP	-	2,510
Net realized loss on investment in XRP	-	(2)
XRP balance at September 30, 2024	16,768,772.061552	\$ 10,440

(Amounts in thousands, except AVAX amounts)	Quantity	Fair Value
AVAX balance at June 30, 2023	-	\$ -
AVAX contributed	-	-
AVAX contributed from portfolio rebalancing	116,340.93500452	4,338
AVAX distributed for Manager's Fee, related party	(1,385.27021072)	(53)
Net change in unrealized depreciation on investment in AVAX	-	(1,014)
Net realized gain on investment in AVAX	-	2
AVAX balance at June 30, 2024	114,955.66479380	\$ 3,273
AVAX contributed	-	-
AVAX contributed from portfolio rebalancing	4,504.89019509	129
AVAX distributed for Manager's Fee, related party	(747.76840575)	(18)
Net change in unrealized depreciation on investment in AVAX	-	(59)
Net realized loss on investment in AVAX	-	(9)
AVAX balance at September 30, 2024	118,712.78658314	\$ 3,316

(Amounts in thousands, except ADA amounts)	Quantity	Fair Value
ADA balance at June 30, 2023	11,194,902.551275	\$ 3,195
ADA contributed	-	-
ADA distributed from portfolio rebalancing	(10,984,888.769029)	(6,478)
ADA distributed for Manager's Fee, related party	(210,013.782246)	(89)
Net change in unrealized appreciation on investment in ADA	-	12,051
Net realized loss on investment in ADA	-	(8,679)
ADA balance at June 30, 2024	-	\$ -

(Amounts in thousands, except MATIC amounts)	Quantity	Fair Value
MATIC balance at June 30, 2023	2,926,029.61320324	\$ 1,922
MATIC contributed	-	-
MATIC distributed from portfolio rebalancing	(2,887,850.26244458)	(2,486)
MATIC distributed for Manager's Fee, related party	(38,179.35075866)	(26)
Net change in unrealized appreciation on investment in MATIC	-	565
Net realized gain on investment in MATIC	-	25
MATIC balance at June 30, 2024	-	\$ -

4. Portfolio Rebalancing

Since July 1, 2022, the Fund Components have consisted of the digital assets that make up the DLCS, as rebalanced from time to time, subject to the Manager's discretion to exclude individual digital assets in certain cases. The DLCS is designed and managed by the Index Provider. The process followed by the Index Provider to determine the digital assets included in the DLCS and their respective weightings in the DLCS is referred to as the "DLCS Methodology." Through the DLCS Methodology, the Fund seeks to (i) provide large-cap coverage of the digital asset market; (ii) minimize transaction costs through low turnover of the Fund's portfolio; and (iii) create a portfolio that could be replicated through direct purchases in the Digital Asset Market.

Effective July 1, 2022, the Index Provider reviews the DLCS for rebalancing according to the DLCS 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 DLCS Methodology to determine any changes to the Index Components and the respective weightings of the Index Components within DLCS, 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 DLCS and should therefore be removed as Fund Components, (ii) determine whether any new digital assets have been added to the DLCS 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 DLCS, 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 DLCS except when the Manager exercises its limited discretion to exclude one or more digital assets included in the DLCS 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 DLCS 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 DLCS, 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.

From inception through June 30, 2022, the Fund sought to hold digital assets with market capitalizations that collectively constituted at least 70% of the market capitalization of the entire digital asset market (the “Target Coverage Ratio”) and determined the Fund Components by reference to fund construction criteria that consisted of market capitalization, liquidity and coverage criteria established by the Manager (the “Target Coverage Ratio Methodology”).

Effective July 1, 2022, the Manager replaced the Target Coverage Ratio Methodology with the DLCS Methodology as the fund construction criteria, and no longer seeks to hold Fund Components meeting the Target Coverage Ratio. The change in methodology resulted in the removal of BCH, LINK, LTC, DOT, and UNI in proportion to their respective weighing on July 7, 2022 following the quarterly Fund Rebalancing Period. On July 7, 2022, the Fund recognized a realized loss of \$14,895,069 in connection with the sale of 6,311.61385070 BCH, 23,715.33881688 LTC, 158,922.26469191 LINK, 232,591.41465073 UNI and 328,052.64509826 DOT, to purchase 199.83559815 Bitcoin, 1,507.83089471 Ether, 451,468.27947474 ADA, 4,253.16323862 SOL and 5,714.46623435 AVAX.

On October 4, 2022, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL, MATIC and AVAX met the inclusion criteria of the DLCS Index. On October 4, 2022, 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 SOL, AVAX and MATIC. As a result, MATIC was added to the Fund. No tokens were removed from the Fund. On October 5, 2022, following the rebalancing, the Fund recognized a realized gain of \$1,133,040 in connection with the sale of 98.97782869 Bitcoin, 363.52443217 Ether and 54,505.66521500 ADA, to purchase 1,776.60193605 SOL, and 3,070.74446103 AVAX and 2,879,708.35424883 MATIC.

On January 4, 2023, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL and MATIC met the inclusion criteria of the DLCS Index, but AVAX did not. 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 AVAX and using the cash proceeds to purchase certain amounts of the other existing Fund Components in proportion to their respective Weightings following the rebalancing. As a result of the rebalancing, AVAX was removed from the Fund. On January 5, 2023, following the rebalancing, the Fund recognized a realized loss of \$7,304,129 in connection with the sale of 96,557.16902347 AVAX to purchase 53.65562532 Bitcoin, 108.99277511 Ether, 133,890.68719500 ADA, 4,362.39069485 SOL, and 143.42553998 MATIC.

On April 4, 2023, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL and MATIC met the inclusion criteria of the DLCS Index. 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings. No new tokens were added to or removed from the Fund. On April 5, 2023, following the rebalancing, the Fund recognized a realized gain of \$227,762

in connection with the sale of 165.79100190 Ether to purchase 2.5976090 Bitcoin, 28,762.28047849 ADA, 5,273.27942925 SOL, and 99,343.42747559 MATIC.

On July 5, 2023, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL and MATIC met the inclusion criteria of the DLCS 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings. No new tokens were added to or removed from the Fund. On July 6, 2023, following the rebalancing, the Fund recognized a realized gain of \$906,943 in connection with the sale of 645.45710183 Ether to purchase 34.54527749 Bitcoin, 81,945.38000000 ADA, 4,934.25000000 SOL, and 80,972.91000000 MATIC.

On October 3, 2023, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL and MATIC met the inclusion criteria of the DLCS 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings. No new tokens were added to or removed from the Fund. On October 4, 2023, following the rebalancing, the Fund recognized a realized gain of \$149,939 in connection with the sale of 131.74000000 Ether and 9,814.74000000 MATIC to purchase 4.60330000 Bitcoin, 19,528.13080000 ADA, and 3,893.97900000 SOL.

On January 3, 2024, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, ADA, SOL, AVAX, and XRP met the inclusion criteria of the DLCS Index. 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings and using the cash proceeds to purchase AVAX and XRP. As a result of the rebalancing, AVAX and XRP were added to the Fund, and MATIC was removed from the Fund. On January 4, 2024, following the rebalancing, the Fund recognized a realized gain of \$7,968,963 in connection with the sale of 189.52612820 Bitcoin, 1,345.61184068 Ether, 318,034.15333200 ADA, and 2,959,008.43244458 MATIC to purchase 111.26066974 SOL, 16,538,863.15409700 XRP, and, 111,647.44818623 AVAX.

On April 2, 2024, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, SOL, AVAX and XRP met the inclusion criteria of the DLCS 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings. As a result of the rebalancing, ADA was removed from the Fund. On April 3, 2024, following the rebalancing, the Fund recognized a realized loss of \$8,236,118 in connection with the sale of 10,769,799.360314 ADA to purchase 62.95700689 Bitcoin, 197.21323165 Ether, 5,785.41177981 SOL, 383,763.344184 XRP, and 4,693.48681829 AVAX.

On July 2, 2024, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, SOL, XRP, and AVAX met the inclusion criteria of the DLCS Index. On July 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 purchasing and selling the existing Fund Components in proportion to their respective Weightings. No new tokens were added to or removed from the Fund. On July 3, 2024, following the rebalancing, the Fund recognized a realized gain of \$777,961 in connection with the sale of 8.51348210 Bitcoin and 122.29384902 Ether to purchase 4,851.33537551 SOL, 4,504.89019509 AVAX, and 155,155.893956 XRP.

5. Creations and Redemptions of Shares

At September 30, 2024 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 0.0004 Bitcoin, 0.0023 Ether, 0.0088 SOL, 1.0568 XRP, and 0.0075 AVAX, at September 30, 2024. Each Share represented approximately 0.0004 Bitcoin, 0.0023 Ether, 0.0085 SOL, 0.0072 AVAX, and 1.0537 XRP 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.

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. On October 15, 2024, NYSE Arca filed an application with the SEC pursuant to Rule 19b-4 under the Exchange Act to list the Shares of the Fund on NYSE Arca. As of the date of this filing, the NYSE Arca 19b-4 application has not been approved by the SEC, and the Fund makes no representation as to when or if such approval and relief will be obtained. Further, the Fund is registered and regulated as a private fund under the Private Funds Act. The 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 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 September 30, 2024 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 September 30, 2024 or June 30, 2024.

7. Related Parties

The Fund considered the following entities, their directors, and certain employees to be related parties of the Fund as of September 30, 2024: DCG, Grayscale and Grayscale Securities. As of both September 30, 2024 and June 30, 2024, 1,055,487 Shares of the Fund were held by related parties of the Fund.

Genesis Global Trading, Inc. filed a certificate of dissolution during the three months ended September 30, 2024, and has therefore been removed from the list of related parties.

On November 20, 2023, it was announced that CoinDesk Indices, Inc., the Index Provider and Reference Rate Provider, previously an affiliate of the Manager and the Fund at the time of this event, was acquired by an unaffiliated third party. This transaction did not have any impact on the Fund, or disrupt the operations of the Fund.

The Manager's indirect parent, an affiliate of the Fund, holds a minority interest in Coinbase, Inc., the parent company of the Custodian, that represents less than 1.0% of Coinbase, Inc.'s ownership.

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 months ended September 30, 2024 and 2023.

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; trustee 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 September 30, 2024 and 2023, the Fund incurred Manager's Fees of \$3,133,907 and \$1,583,591, respectively. As of September 30, 2024 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 months ended September 30, 2024 and 2023, the Manager did not pay any Additional Fund Expenses on behalf of the Fund.

On March 2, 2022, the Board of Directors of the Manager approved the purchase by DCG, the indirect parent company of the Manager, of up to an aggregate total of \$200 million worth of Shares of the Fund and shares of any of the following five investment products the Manager also acts as the sponsor and manager of, including Grayscale Bitcoin Trust (BTC) (NYSE Arca: GBTC), Grayscale Bitcoin Cash Trust (BCH) (OTCQX: BCHG), Grayscale Ethereum Trust (ETH) (NYSE Arca: ETHE), Grayscale Ethereum Classic Trust (ETC)

(OTCQX: ETCG), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through September 30, 2024, DCG had not purchased any Shares of the Fund under this authorization.

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 the 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 assets or payment services, global or regional political, economic or financial conditions, and other unforeseen events and situations.

The Digital Asset Networks relevant to the Fund Components are decentralized to an extent, meaning no single entity owns or operates them. Some Digital Asset Networks, such as the Bitcoin, Ether, SOL, XRP, and AVAX networks, are collectively maintained by a decentralized user base.

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 SEC 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. 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 accepted 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 court 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. On the other hand, 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. For example, in June 2023, the SEC brought charges against Binance and Coinbase alleging violations of a variety of securities laws. In its complaints, the SEC asserted that SOL, ADA, MATIC, FIL, ATOM, SAND, MANA, ALGO, AXS, COTI, CHZ, FLOW, ICP, NEAR, VGX, DASH and NEXO, are securities under the federal securities laws. In addition, in November 2023, the SEC brought charges against Kraken, alleging that Kraken operated as an unregistered securities exchange, brokerage and clearing agency. Indeed, in September 2024, the SEC filed an enforcement action against Mango Labs, LLC, Mango DAO, and Blockworks Foundation, and in October 2024, the SEC filed an enforcement action against Cumberland DRW, LLC, in both instances describing a number of digital assets, including SOL, as examples of "crypto assets that are offered and sold as securities."

Further, Ripple Labs, Inc. ("Ripple"), the company that retains a key role in stewarding the development of XRP, is currently a defendant in a federal class-action lawsuit filed by certain XRP holders that alleges that XRP is a security issued by Ripple. In addition, in 2020 the SEC filed a complaint against the issuer of XRP, Ripple Labs, Inc., and two of its executives, alleging that they raised more than \$1.3 billion through XRP sales that should have been registered under the federal securities laws, but were not. Subsequently, in July 2023, the District Court for the Southern District of New York held that while XRP is not a "security", certain sales of XRP to certain

buyers (but not other types of sales to other buyers) amounted to “investment contracts” under the *Howey* test. The District Court entered a final judgment in the case on August 7, 2024. In October 2024, the SEC filed a notice of appeal.

SOL and XRP are currently Fund Components held by the Fund representing approximately 6.32% of the Fund’s NAV as of September 30, 2024. 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.

As with any computer network, Digital Asset Networks are vulnerable to various kinds of attacks and disruptions. For example, each Digital Asset Network of the Fund Components, for which it is relevant, is vulnerable to a “51% attack” where, if a malicious actor were to gain control of more than 50% of a network’s hash rate, it would be able to gain full control of the network and the ability to manipulate the relevant blockchains on which the respective Fund Components settle. In May 2019, the Bitcoin Cash network experienced a 51% attack when two mining pools combined their hash rates to reverse a block of transactions that rewarded tokens to an unknown actor who had taken advantage of an unrelated vulnerability in the Bitcoin Cash network. The Fund did not suffer any direct losses as a result of the attack. Although this particular attack could be interpreted as reversing a separate attack on the Bitcoin Cash network, the Bitcoin Cash network may be vulnerable to future 51% attacks that could result in a loss of confidence in the Bitcoin Cash network. Additionally, as an example of a network disruption, the Solana network experienced a significant disruption on September 14, 2021, later attributed to a type of denial of service attack, and was offline for 17 hours, only returning to full functionality 24 hours later. While persons associated with Solana Labs and/or the Solana Foundation are understood to have played a key role in bringing the network back online, the broader community also played a key role, as Solana validators coordinated to upgrade and restart the network.

Furthermore, like any smart contract platform that utilizes bridge technology, digital assets transferred to or from other blockchains are vulnerable to certain types of exploits. For example, on February 3, 2022, hackers were able to manipulate the Wormhole bridge smart contract code which enables the transfer of certain digital assets to the Solana network, to divert approximately 120,000 Ether from the Wormhole bridge to the attacker’s Ether wallet. While Jump Crypto, the creators of the Wormhole bridge, replenished the stolen Ether, effectively backstopping user losses, they or other creators may not be able to do so again in the future. The development of bridges on Digital Asset Networks is ongoing and further attacks on bridges compatible with a Digital Asset Network of a Fund Component could have a material adverse effect on the value of such Fund Component and an investment in the Shares.

To the extent a private key 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.

9. Financial Highlights Per Share Performance

	Three Months Ended September 30,	
	2024	2023
Per Share Data:		
Principal market net asset value, beginning of period	\$ 33.21	\$ 17.18
Net increase in net assets from investment operations:		
Net investment loss	(0.20)	(0.10)
Net realized and unrealized loss	(1.08)	(1.94)
Net decrease in net assets resulting from operations	(1.28)	(2.04)
Principal market net asset value, end of period	\$ 31.93	\$ 15.14
Total return	-3.85%	-11.87%
<i>Ratios to average net assets:</i>		
Net investment loss	-2.50%	-2.50%
Expenses	-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.

11. Subsequent Events

On October 2, 2024, the Index Provider completed the quarterly rebalancing of the DLCS and determined that Bitcoin, Ether, SOL, XRP, and AVAX met the inclusion criteria of the DLCS 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. No new tokens were added to or removed from the Fund. As of October 3, 2024, following the rebalancing, the Fund Components consisted of 75.68% Bitcoin, 17.79% Ether, 4.03% SOL, 1.87% XRP, and 0.63% AVAX, and each of the Fund's shares represented 0.0004 Bitcoin, 0.0023 Ether, 0.0089 SOL, 1.0702 XRP, and 0.0077 AVAX.

As of the close of business on October 28, 2024, the fair value of each Fund Component, determined in accordance with the Fund's accounting policy, was \$69,616.92 per Bitcoin, \$2,505.39 per Ether, \$176.34 per SOL, \$0.52 per XRP, and \$25.86 per AVAX.

There are no known events that have occurred that require disclosure other than that which has already been disclosed in these notes to the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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 included elsewhere in 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 "Part II, Item 1A. Risk Factors" in this Quarterly Report, or in "Part I, Item 1A. Risk Factors" and "Forward-Looking Statements" or other sections of our Annual Report on Form 10-K for the year ended June 30, 2024.

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 to reflect the value of the Fund Components held by the Fund, determined by reference to the Digital Asset Reference Rates and weightings within the Fund, 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 OTCQX have not reflected the value of Fund Components, 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.

Prior to July 1, 2022, the Fund determined which Fund Components to hold pursuant to the Target Coverage Ratio Methodology. Effective July 1, 2022, the Manager replaced the Target Coverage Ratio Methodology as the fund construction criteria and adopted the DLCS Methodology. Prior to the adoption of the DLCS Methodology, the Digital Asset Reference Rates used to value the Fund Components were Index Prices, or Old Indicative Prices. In connection with the adoption of the DLCS Methodology, the Manager changed the Digital Asset Reference Rates used to value the Fund Components and as of the date of this Quarterly Report, each of the Digital Asset Reference Rates are Indicative Prices. See "Item 1. Business—Investment Objective" and "Item 1. Business—Valuation of Digital Assets and Determination of NAV" in our Annual Report on Form 10-K for additional information.

Any references in this section to the Digital Reference Rates prior to July 1, 2022 are to the Digital Asset Reference Rates in effect prior to the adoption of the DLCS Methodology. In addition, all references in this section to the NAV and NAV per Share of the Fund for periods prior to July 1, 2022 have been calculated using Index Prices and/or Indicative Prices, based on the digital assets held by the Fund pursuant to the Target Coverage Ratio Methodology. All references in this section to the NAV and NAV per Share of the Fund for periods subsequent to July 1, 2022 have been calculated using Indicative Prices.

Critical Accounting Policies and Estimates

Investment Transactions and Revenue Recognition

The Fund considers investment transactions to be the receipt of Fund Components for Share creations and the delivery of Fund Components for 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 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.
- 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 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 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.

Review of Financial Results (unaudited)

Financial Highlights for the Three Months ended September 30, 2024 and 2023

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

	Three Months Ended September 30,	
	2024	2023
Net realized and unrealized loss on investments in digital assets	\$ (17,218)	\$ (30,819)
Net decrease in net assets resulting from operations	\$ (20,353)	\$ (32,403)
Net assets ⁽¹⁾	\$ 506,603	\$ 240,229

- (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 investments in digital assets for the three months ended September 30, 2024 was (\$17,218), which includes a realized gain of \$2,362 on the transfer of digital assets to pay the Manager's Fee, a realized gain of \$778 as a result of the quarterly rebalance of digital assets, and net change in unrealized appreciation on investments in digital assets of (\$20,358). Net decrease in net assets resulting from operations was (\$20,353) for the three months ended September 30, 2024, which consisted of the net realized and unrealized loss on investments in digital assets, plus the Manager's Fee of \$3,135. Net assets decreased to \$506,603 at September 30, 2024, a 4% decrease for the three-month period. The decrease in net assets primarily resulted from the price depreciation of Fund Components during the period, and the withdrawal of approximately 37 Bitcoin, 228 Ether, 878 SOL, 105,692 XRP, and 748 AVAX to pay the foregoing Manager's Fee.

Net realized and unrealized loss on investments in digital assets for the three months ended September 30, 2023 was (\$30,819), which includes a realized gain of \$794 on the transfer of digital assets to pay the Manager's Fee, a realized gain of \$907 as a result of the quarterly rebalance of digital assets, and net change in unrealized depreciation on investments in digital assets of (\$32,520). Net decrease in net assets resulting from operations was (\$32,403) for the three months ended September 30, 2023, which consisted of the net realized and unrealized loss on investments in digital assets, plus the Manager's Fee of \$1,584. Net assets decreased to \$240,229 at September 30, 2023, a 12% decrease for the three-month period. The decrease in net assets primarily resulted from the price depreciation of Fund Components during the period, and by the withdrawal of approximately 39 Bitcoin, 244 Ether, 808 SOL, 70,811 ADA and 18,862 MATIC 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.

Selected Operating Data

	Three Months Ended September 30,	
	2024	2023
(All Fund Component balances are rounded to the nearest whole number)		
Bitcoin:		
Opening balance	5,990	6,231
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	(8)	34
Manager's Fee, related party	(37)	(39)
Closing balance	5,945	6,226
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	5,945	6,226
Ether:		
Opening balance	36,578	39,445
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	(123)	(645)
Manager's Fee, related party	(228)	(244)
Closing balance	36,227	38,556
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	36,227	38,556
SOL:		
Opening balance	135,349	123,916
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	4,851	4,934
Manager's Fee, related party	(878)	(808)
Closing balance	139,322	128,042
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	139,322	128,042
XRP:		
Opening balance	16,719,308	-
Creations	-	-
Portfolio rebalancing ⁽³⁾	155,156	-
Manager's Fee, related party	(105,692)	-
Closing balance	16,768,772	-
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	16,768,772	-
ADA:		
Opening balance	-	11,194,903
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	-	81,945
Manager's Fee, related party	-	(70,811)
Closing balance	-	11,206,037
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	-	11,206,037

AVAX:		
Opening balance	114,956	-
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	4,505	-
Manager's Fee, related party	(748)	-
Closing balance	118,713	-
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	118,713	-

MATIC:		
Opening balance	-	2,926,030
Creations	-	-
Portfolio rebalancing ⁽¹⁾⁽²⁾⁽⁴⁾	-	80,973
Manager's Fee, related party	-	(18,862)
Closing balance	-	2,988,141
Accrued but unpaid Manager's Fee, related party	-	-
Net closing balance	-	2,988,141

Number of Shares:		
Opening balance	15,867,400	15,867,400
Creations	-	-
Closing balance	15,867,400	15,867,400

	As of September 30,	
	2024	2023
Prices of digital assets on principal market		
Bitcoin	\$ 63,464.76	\$ 27,030.47
Ether	\$ 2,594.43	\$ 1,679.48
SOL	\$ 154.98	\$ 21.41
XRP ⁽¹⁾	\$ 0.62	N/A
ADA ⁽³⁾	N/A	\$ 0.25
AVAX ⁽¹⁾⁽²⁾	\$ 27.93	N/A
MATIC ⁽¹⁾⁽⁴⁾	N/A	\$ 0.53
Principal Market NAV per Share ⁽⁵⁾	\$ 31.93	\$ 15.14
Digital Asset Reference Rates		
Bitcoin	\$ 63,425.40	\$ 27,020.35
Ether	\$ 2,592.22	\$ 1,678.44
SOL	\$ 154.75	\$ 21.40
XRP ⁽¹⁾	\$ 0.62	N/A
ADA ⁽³⁾	N/A	\$ 0.25
AVAX ⁽¹⁾⁽²⁾	\$ 28.02	N/A
MATIC ⁽¹⁾⁽⁴⁾	N/A	\$ 0.53
NAV per Share ⁽⁵⁾	\$ 31.91	\$ 15.13

- (1) Effective January 4, 2024, the Manager removed MATIC from the Fund's portfolio and used the cash proceeds to purchase AVAX and XRP and adjusted the existing Fund Components in proportion to their respective weightings in accordance with the DLCS Methodology.
- (2) Effective January 5, 2023, the Fund removed AVAX from the Fund's portfolio and sold the AVAX holdings to purchase additional tokens of the remaining Fund Components in proportion to their respective weightings in accordance with the DLCS Methodology.
- (3) Effective April 3, 2024, the Manager adjusted the Fund's portfolio by selling ADA and used the cash proceeds to purchase the existing Fund Components in proportion to their respective weightings in accordance with the DLCS Methodology.

- (4) Effective October 5, 2022, 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 MATIC in accordance with the DLCS Methodology.
- (5) 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.

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.

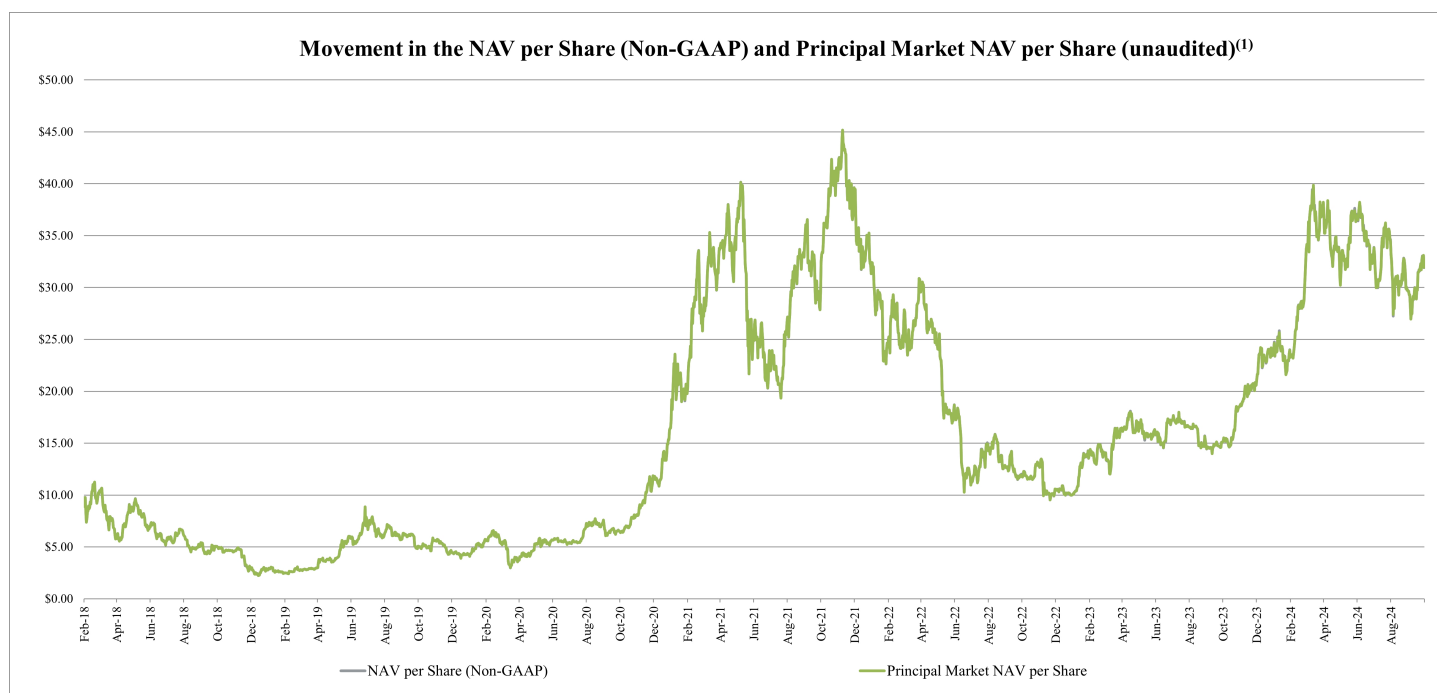
As of September 30, 2024, the Fund had a net closing balance with a value of \$506,268,281, based on the Digital Asset Reference Rates in effect under the DLCS Methodology (non-GAAP methodology). As of September 30, 2024, the Fund had a total market value of \$506,602,839, based on the principal market prices of the Fund Components.

As of September 30, 2023, the Fund had a net closing balance with a value of \$240,130,856, based on the Digital Asset Reference Rates in effect under the DLCS Methodology (non-GAAP methodology). As of September 30, 2023, the Fund had a total market value of \$240,228,669, 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.

The following chart illustrates the movement in the Fund’s NAV per Share versus the Fund’s Principal Market NAV per Share from February 1, 2018 (the inception of the Fund’s operations) to September 30, 2024. For more information on the determination of the Fund’s NAV, see “Item 1. Business—Overview of the Digital Asset Industry and Market—Fund Component Value—Digital Asset Trading Platform Valuation.”



- (1) NAV per Share of the Fund prior to and after July 1, 2022 are not comparable due to the change in the fund construction criteria on July 1, 2022. See “Item 1. Business—Investment Objective” for further details.

Bitcoin

The following table illustrates the movements in the Digital Asset Reference Rate for Bitcoin from October 1, 2019 to September 30, 2024. Prior to July 1, 2022, the Digital Asset Reference Rate for Bitcoin was an Index Price for Bitcoin. Effective July 1, 2022, the Digital Asset Reference Rate for Bitcoin is an Indicative Price for Bitcoin. As a result, the Digital Asset Reference Rates for Bitcoin for periods subsequent to July 1, 2022 are not directly comparable to the Digital Asset Reference Rates for Bitcoin for periods prior to July 1, 2022. During the period from October 1, 2019 to September 30, 2024, the Digital Asset Reference Rate has ranged from \$4,941.00 to \$73,128.99, with the straight average being \$32,501.16 through September 30, 2024. The Manager has not observed a material difference between the Digital Asset Reference Rate and average prices from the constituent Digital Asset Trading Platforms included in the relevant reference rate individually or as a group.

Period	Average	High		Low		End of period	Last business day
		Digital Asset Reference Rate	Date	Digital Asset Reference Rate	Date		
Twelve months ended September 30, 2020	\$ 8,882.82	\$ 12,344.33	8/17/2020	\$ 4,941.00	3/16/2020	\$ 10,714.86	\$10,714.86
Twelve months ended September 30, 2021	\$ 37,557.27	\$ 63,472.70	4/15/2021	\$ 10,520.62	10/2/2020	\$ 43,578.00	\$43,578.00
Twelve months ended September 30, 2022	\$ 37,742.69	\$ 67,352.59	11/9/2021	\$ 18,034.01	6/18/2022	\$ 19,651.65	\$19,651.65
Twelve months ended September 30, 2023	\$ 24,254.89	\$ 31,589.40	7/13/2023	\$ 15,786.90	11/21/2022	\$ 27,020.35	\$26,924.90
Twelve months ended September 30, 2024	\$ 54,073.75	\$ 73,128.99	3/13/2024	\$ 26,684.69	10/12/2023	\$ 63,425.40	\$63,425.40
October 1, 2019 to September 30, 2024	\$ 32,501.16	\$ 73,128.99	3/13/2024	\$ 4,941.00	3/16/2020	\$ 63,425.40	\$63,425.40

The following table illustrates the movements in the Digital Asset Market price of Bitcoin, as reported on the Fund's principal market for Bitcoin, from October 1, 2019 to September 30, 2024. During such period, the price of Bitcoin has ranged from \$4,950.39 to \$73,517.19, with the straight average being \$32,497.95 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended September 30, 2020	\$ 8,882.90	\$ 12,342.86	8/17/2020	\$ 4,950.39	3/16/2020	\$ 10,708.57	\$10,708.57
Twelve months ended September 30, 2021	\$ 37,558.18	\$ 63,466.92	4/15/2021	\$ 10,515.13	10/2/2020	\$ 43,529.16	\$43,529.16
Twelve months ended September 30, 2022	\$ 37,741.26	\$ 67,371.70	11/9/2021	\$ 18,026.58	6/18/2022	\$ 19,480.51	\$19,480.51
Twelve months ended September 30, 2023	\$ 24,255.42	\$ 31,674.08	7/13/2023	\$ 15,766.93	11/21/2022	\$ 27,030.47	\$26,922.47
Twelve months ended September 30, 2024	\$ 54,057.60	\$ 73,517.19	3/13/2024	\$ 26,698.00	10/12/2023	\$ 63,464.76	\$63,464.76
October 1, 2019 to September 30, 2024	\$ 32,497.95	\$ 73,517.19	3/13/2024	\$ 4,950.39	3/16/2020	\$ 63,464.76	\$63,464.76

Ether

The following table illustrates the movements in the Digital Asset Reference Rate for Ether from October 1, 2019 to September 30, 2024. Prior to July 1, 2022, the Digital Asset Reference Rate for Ether was an Index Price for Ether. Effective July 1, 2022, the Digital Asset Reference Rate for Ether is an Indicative Price for Ether. As a result, the Digital Asset Reference Rates for Ether for periods subsequent to July 1, 2022 are not directly comparable to the Digital Asset Reference Rates for Ether for periods prior to July 1, 2022. During the period from October 1, 2019 to September 30, 2024, the Digital Asset Reference Rate has ranged from \$109.83 to \$4,776.32, with the straight average being \$1,833.47 through September 30, 2024. The Manager has not observed a material difference between the Digital Asset Reference Rate and average prices from the constituent Digital Asset Trading Platforms included in the relevant reference rate individually or as a group.

Period	Average	High		Low		End of period	Last business day
		Digital Asset Reference Rate	Date	Digital Asset Reference Rate	Date		
Twelve months ended September 30, 2020	\$ 223.48	\$ 476.12	9/1/2020	\$ 109.83	3/16/2020	\$ 355.69	\$ 355.69
Twelve months ended September 30, 2021	\$ 1,867.35	\$ 4,090.65	5/12/2021	\$ 340.74	10/6/2020	\$ 2,994.79	\$ 2,994.79
Twelve months ended September 30, 2022	\$ 2,692.59	\$ 4,776.32	11/9/2021	\$ 913.51	6/18/2022	\$ 1,347.62	\$ 1,347.62
Twelve months ended September 30, 2023	\$ 1,626.79	\$ 2,131.48	4/16/2023	\$ 1,101.80	11/21/2022	\$ 1,678.44	\$ 1,665.27
Twelve months ended September 30, 2024	\$ 2,759.00	\$ 4,049.30	3/11/2024	\$ 1,531.22	10/12/2023	\$ 2,592.22	\$ 2,592.22
October 1, 2019 to September 30, 2024	\$ 1,833.47	\$ 4,776.32	11/9/2021	\$ 109.83	3/16/2020	\$ 2,592.22	\$ 2,592.22

The following table illustrates the movements in the Digital Asset Market price of Ether, as reported on the Fund's principal market for Ether, from October 1, 2019 to September 30, 2024. During such period, the price of Ether has ranged from \$110.29 to \$4,776.95, with the straight average being \$1,833.61 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended September 30, 2020	\$ 223.47	\$ 476.23	9/1/2020	\$ 110.29	3/16/2020	\$ 355.34	\$ 355.34
Twelve months ended September 30, 2021	\$ 1,867.44	\$ 4,089.92	5/12/2021	\$ 340.17	10/6/2020	\$ 2,992.38	\$ 2,992.38
Twelve months ended September 30, 2022	\$ 2,692.75	\$ 4,776.95	11/9/2021	\$ 913.24	6/18/2022	\$ 1,337.53	\$ 1,337.53
Twelve months ended September 30, 2023	\$ 1,626.78	\$ 2,116.20	4/16/2023	\$ 1,103.92	11/21/2022	\$ 1,679.48	\$ 1,665.09
Twelve months ended September 30, 2024	\$ 2,759.50	\$ 4,033.86	3/11/2024	\$ 1,530.88	10/12/2023	\$ 2,594.43	\$ 2,594.43
October 1, 2019 to September 30, 2024	\$ 1,833.61	\$ 4,776.95	11/9/2021	\$ 110.29	3/16/2020	\$ 2,594.43	\$ 2,594.43

Solana

Effective October 1, 2021, the Manager adjusted the Fund's portfolio in connection with its quarterly review by selling the existing Fund Components in proportion to their respective weightings and using the cash proceeds to purchase SOL in accordance with the Target Coverage Ratio Methodology.

The following table illustrates the movements in the Digital Asset Reference Rate from the addition of the token to the Fund's portfolio on October 1, 2021 to September 30, 2024. Prior to July 1, 2022, the Digital Asset Reference Rate for SOL was an Index Price for SOL. Effective July 1, 2022, the Digital Asset Reference Rate for SOL is an Indicative Price for SOL. As a result, the Digital Asset Reference Rates for SOL for periods subsequent to July 1, 2022 are not directly comparable to the Digital Asset Reference Rates for SOL for periods prior to July 1, 2022. Since the token was added to the Fund's portfolio, the Digital Asset Reference Rate for SOL has ranged from \$8.37 to \$254.78, with the straight average being \$80.86 through September 30, 2024. The Manager has not observed a material difference between the Digital Asset Reference Rate for SOL and average prices from the constituent Digital Asset Trading Platforms included in the relevant reference rate individually or as a group.

Period	Average	High		Low		End of period	Last business day
		Digital Asset Reference Rate	Date	Digital Asset Reference Rate	Date		
Twelve months ended September 30, 2022	\$ 101.64	\$ 254.78	11/6/2021	\$ 28.04	6/18/2022	\$ 33.83	\$ 33.83
Twelve months ended September 30, 2023	\$ 20.97	\$ 36.49	11/5/2022	\$ 8.37	12/29/2022	\$ 21.40	\$ 20.26
Twelve months ended September 30, 2024	\$ 119.86	\$ 199.88	3/31/2024	\$ 21.29	10/12/2023	\$ 154.75	\$ 154.75
October 1, 2021 to September 30, 2024	\$ 80.86	\$ 254.78	11/6/2021	\$ 8.37	12/29/2022	\$ 154.75	\$ 154.75

The following table illustrates the movements in the Digital Asset Market price of SOL, as reported on the Fund's principal market for SOL, from the addition of the token to the Fund's portfolio on October 1, 2021 to September 30, 2024. Since the addition of the token to the Fund's portfolio, the price of SOL has ranged from \$8.29 to \$254.44, with the straight average being \$80.85 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended September 30, 2022	\$ 101.65	\$ 254.44	11/6/2021	\$ 28.04	6/18/2022	\$ 33.72	\$ 33.72
Twelve months ended September 30, 2023	\$ 20.97	\$ 37.09	11/5/2022	\$ 8.29	12/29/2022	\$ 21.41	\$ 20.24
Twelve months ended September 30, 2024	\$ 119.84	\$ 200.17	3/31/2024	\$ 21.21	10/12/2023	\$ 154.98	\$ 154.98
October 1, 2021 to September 30, 2024	\$ 80.85	\$ 254.44	11/6/2021	\$ 8.29	12/29/2022	\$ 154.98	\$ 154.98

XRP

Effective January 3, 2024, the Manager adjusted the Fund's portfolio in connection with its quarterly review by selling the existing Fund Components in proportion to their respective weightings and using the cash proceeds to purchase XRP in accordance with the DLCS Methodology.

The following table illustrates the movements in the Digital Asset Reference Rate during the period from October 1, 2019 to January 3, 2021 and during the period from January 4, 2024 (when XRP was subsequently re-added to the Fund) to September 30, 2024. The Digital Asset Reference Rate for XRP is an Indicative Price for XRP. The Digital Asset Reference Rate for XRP has ranged from \$0.14 to \$0.73, with the straight average being \$0.37 for the periods October 1, 2019 through January 3, 2021 and January 4, 2024 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Reference Rate	Date	Digital Asset Reference Rate	Date		
Twelve months ended September 30, 2020	\$ 0.23	\$ 0.33	2/14/2020	\$ 0.14	3/16/2020	\$ 0.24	\$ 0.24
October 1, 2020 to January 3, 2021	\$ 0.36	\$ 0.71	11/24/2020	\$ 0.21	12/30/2020	\$ 0.23	\$ 0.23
January 4, 2024 to September 30, 2024	\$ 0.55	\$ 0.73	3/11/2024	\$ 0.43	7/5/2024	\$ 0.62	\$ 0.62
October 1, 2019 to January 3, 2021 and January 4, 2024 to September 30, 2024	\$ 0.37	\$ 0.73	3/11/2024	\$ 0.14	3/16/2020	\$ 0.62	\$ 0.62

The following table illustrates the movements in the Digital Asset Market price of XRP, as reported on the Fund's principal market for XRP, during the period from October 1, 2019 to January 3, 2021 and during the period from January 4, 2024 (when XRP was subsequently re-added to the Fund) to September 30, 2024. The price of XRP has ranged from \$0.14 to \$0.73, with the straight average being \$0.37 for the periods October 1, 2019 through January 3, 2021 and January 4, 2024 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended September 30, 2020	\$ 0.23	\$ 0.33	2/14/2020	\$ 0.14	3/16/2020	\$ 0.24	\$ 0.24
October 1, 2020 to January 3, 2021	\$ 0.36	\$ 0.71	11/24/2020	\$ 0.21	12/29/2020	\$ 0.23	\$ 0.23
January 4, 2024 to September 30, 2024	\$ 0.55	\$ 0.73	3/11/2024	\$ 0.43	7/5/2024	\$ 0.62	\$ 0.62
October 1, 2019 to January 3, 2021 and January 4, 2024 to September 30, 2024	\$ 0.37	\$ 0.73	3/11/2024	\$ 0.14	3/16/2020	\$ 0.62	\$ 0.62

Avalanche

Effective April 5, 2022, the Manager adjusted the Fund's portfolio in connection with its quarterly review by selling the existing Fund Components in proportion to their respective weightings and using the cash proceeds to purchase AVAX in accordance with the Target Coverage Ratio Methodology.

The following table illustrates the movements in the Digital Asset Reference Rate during the period from April 5, 2022 (when AVAX was added to the Fund) to January 4, 2023 and during the period from January 4, 2024 (when AVAX was subsequently re-added to the Fund) to September 30, 2024. Prior to July 1, 2022, the Digital Asset Reference Rate for AVAX was an Old Indicative Price for AVAX. Effective July 1, 2022, the Digital Asset Reference Rate for AVAX is an Indicative Price for AVAX. As a result, the Digital Asset Reference Rates for AVAX for periods subsequent to July 1, 2022 are not directly comparable to the Digital Asset Reference Rates for AVAX for periods prior to July 1, 2022. The Digital Asset Reference Rate for AVAX has ranged from \$10.79 to \$95.06, with the straight average being \$29.86 from the periods April 5, 2022 through January 4, 2023 and January 4, 2024 through September 30, 2024. The Manager has not observed a material difference between the Digital Asset Reference Rate for AVAX and average prices from the constituent Digital Asset Trading Platforms included in the relevant index individually or as a group.

Period	Average	High		Low		End of period	Last business day
		Digital Asset Reference Rate	Date	Digital Asset Reference Rate	Date		
April 5, 2022 to September 30, 2022	\$ 32.11	\$ 95.06	4/5/2022	\$ 14.62	6/19/2022	\$ 17.28	\$ 17.28
October 1, 2022 to January 4, 2023	\$ 14.38	\$ 19.73	11/5/2022	\$ 10.79	12/29/2022	\$ 12.04	\$ 12.04
January 4, 2024 to September 30, 2024	\$ 33.85	\$ 62.75	3/18/2024	\$ 19.26	8/5/2024	\$ 28.02	\$ 28.02
April 5, 2022 to January 4, 2023 and January 4, 2024 to September 30, 2024	\$ 29.86	\$ 95.06	4/5/2022	\$ 10.79	12/29/2022	\$ 28.02	\$ 28.02

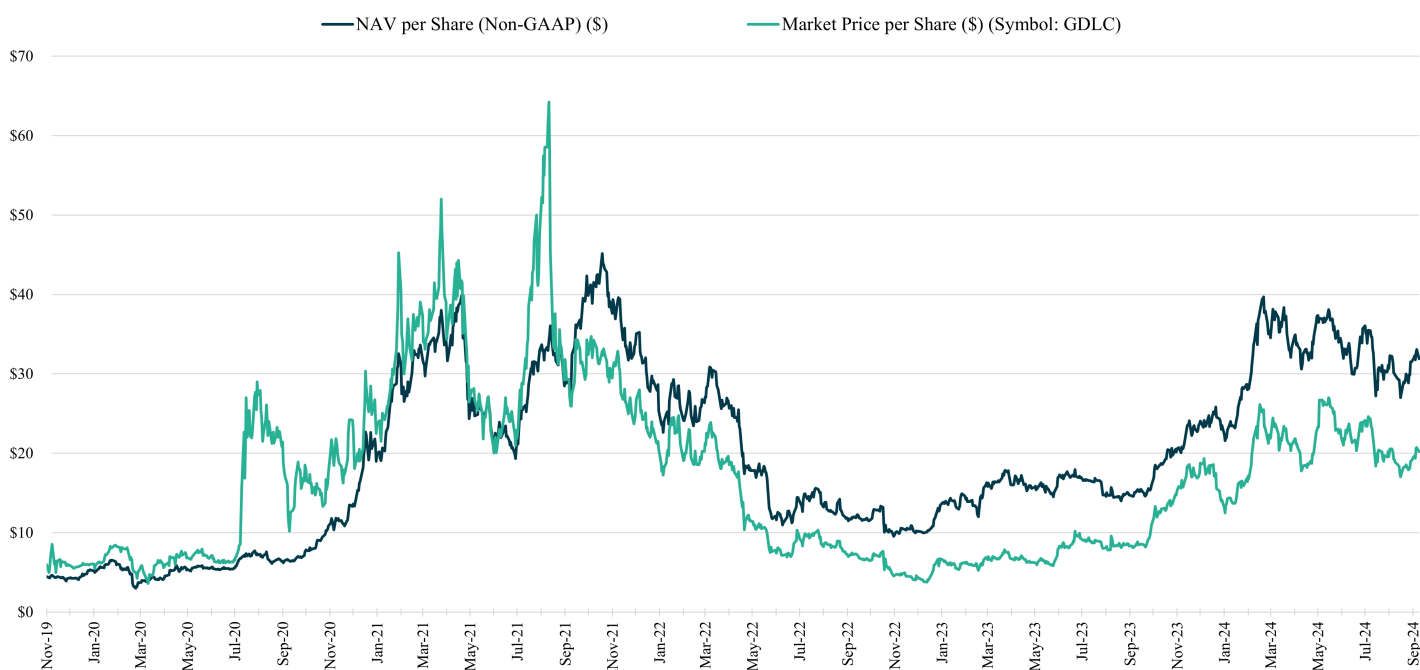
The following table illustrates the movements in the Digital Asset Market price of AVAX, as reported on the Fund's principal market for AVAX, during the period from April 5, 2022 (when AVAX was added to the Fund) to January 4, 2023 and during the period from January 4, 2024 (when AVAX was subsequently re-added to the Fund) to September 30, 2024. The price of AVAX has ranged

from \$10.76 to \$93.01, with the straight average being \$29.78 from the periods April 5, 2022 through January 4, 2023 and January 4, 2024 through September 30, 2024:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
April 5, 2022 to September 30, 2022	\$ 31.88	\$ 93.01	4/5/2022	\$ 14.18	6/18/2022	\$ 17.22	\$ 17.22
October 1, 2022 to January 4, 2023	\$ 14.38	\$ 19.85	11/5/2022	\$ 10.76	12/29/2022	\$ 12.03	\$ 12.03
January 4, 2024 to September 30, 2024	\$ 33.84	\$ 62.35	3/18/2024	\$ 19.40	8/5/2024	\$ 27.93	\$ 27.93
April 5, 2022 to January 4, 2023 and January 4, 2024 to September 30, 2024	\$ 29.78	\$ 93.01	4/5/2022	\$ 10.76	12/29/2022	\$ 27.93	\$ 27.93

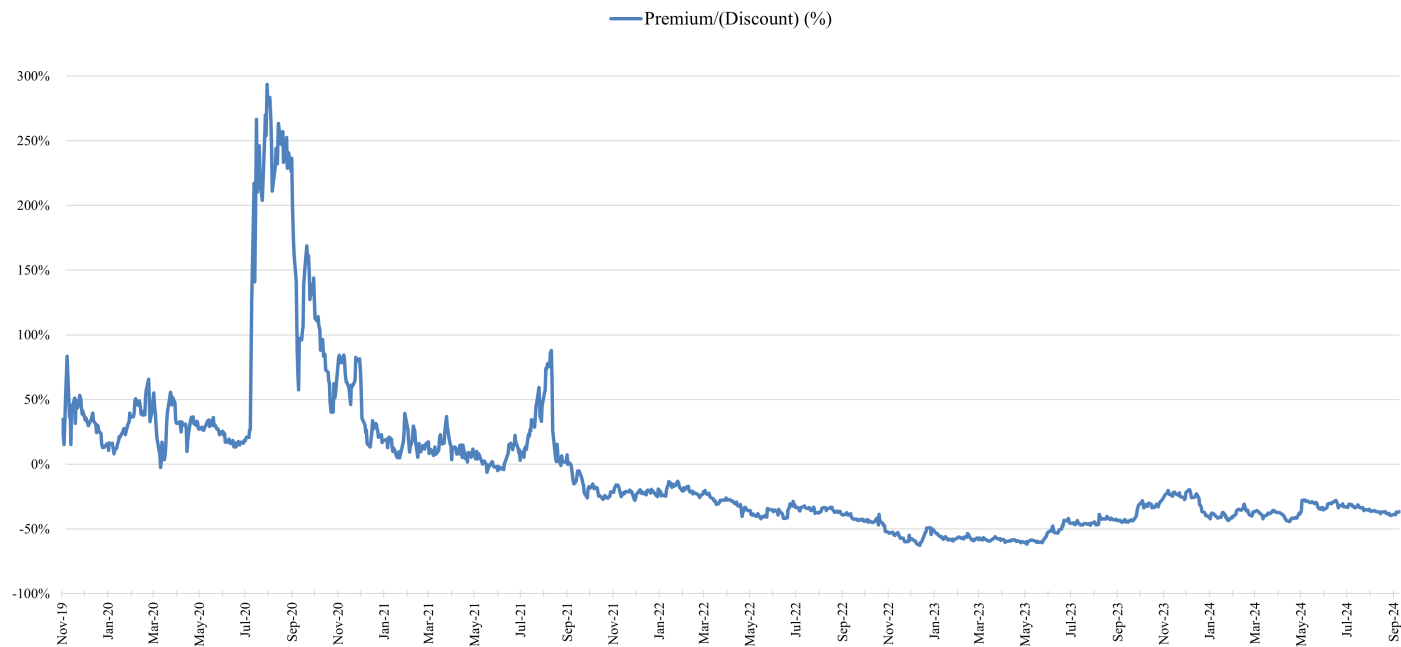
The following chart sets out the historical closing prices for the Shares as reported by OTCQX and the Fund's NAV per Share from November 22, 2019 to September 30, 2024. Prior to July 1, 2022, the NAV per Share was calculated based on the Fund Components held by the Fund pursuant to the Target Coverage Ratio Methodology and using Index Prices or Old Indicative Prices. Effective July 1, 2022, the NAV per Share is calculated based on the Fund Components held by the Fund pursuant to the DLCS Methodology and using Indicative Prices. As a result, the NAV per Share for periods subsequent to July 1, 2022 is not directly comparable to the NAV per Share in periods prior to July 1, 2022.

GDLC Premium/(Discount): GDLC Share Price vs. NAV per Share (Non-GAAP) (\$)



The following chart sets out the historical premium and discount for the Shares as reported by OTCQX and the Fund's NAV per Share from November 22, 2019 to September 30, 2024. Prior to July 1, 2022, the NAV per Share was calculated based on the Fund Components held by the Fund pursuant to the Target Coverage Ratio Methodology and using Index Prices or Old Indicative Prices. Effective July 1, 2022, the NAV per Share is calculated based on the Fund Components held by the Fund pursuant to the DLCS Methodology and using Indicative Prices. As a result, the NAV per Share for periods subsequent to July 1, 2022 is not directly comparable to the NAV per Share in periods prior to July 1, 2022.

GDLC Premium/(Discount): GDLC Share Price vs. NAV per Share (Non-GAAP) (%)



Item 3. 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 derivative financial instruments and has no foreign operations or long-term debt instruments.

Item 4. Controls and Procedures

The Fund maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Principal Executive Officer and Principal Financial and Accounting Officer of the Manager, and to the audit committee of the board of directors of the Manager, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of the Principal Executive Officer and the Principal Financial and Accounting Officer of the Manager, the Manager conducted an evaluation of the Fund's disclosure controls and procedures, as defined under Exchange Act Rule 13a-15(e). Based on this evaluation, the Principal Executive Officer and the Principal Financial and Accounting Officer of the Manager concluded that the Fund's disclosure controls and procedures were effective as of the end of the period covered by this report.

Changes in Internal Control Over Financial Reporting

There was no change in the Fund's internal controls over financial reporting that occurred during the Fund's most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, these internal controls.

PART II – OTHER INFORMATION:

Item 1. Legal Proceedings

The Manager and an affiliate of the Fund, Grayscale Bitcoin Trust (BTC) (“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, 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 Sponsor’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. The Manager and Grayscale Bitcoin Trust believe this lawsuit is without merit and intend to vigorously defend against it.

As of the date of this Quarterly Report, the Manager does not expect the foregoing proceedings, either individually or in the aggregate, 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 1A. Risk Factors

There have been no material changes to the Risk Factors last reported under “Part I, Item 1A. Risk Factors” of the registrant’s Annual Report on Form 10-K, except as set forth below.

The SEC has taken, and may in the future take, the view that some of the digital assets held by the Fund are securities, which has adversely affected, and could adversely affect the value of such digital assets and the price of the Shares and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Fund.

Depending on its characteristics, a digital asset may be considered a “security” 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. 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, by action through delegated authority approving exchange rule filings to list shares of trusts holding Ether as commodity-based ETPs, appears to have implicitly accepted that Ether is not a security. The SEC staff has also provided informal assurances via no action letter to a handful of promoters that their digital assets are not securities. On the other hand, 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, including Fund Components. More recently, the SEC has also brought enforcement actions against Digital Asset Trading Platforms for allegedly operating unregistered securities exchanges on the basis that certain of the digital assets traded on their platforms are securities.

For example, in June 2023, the SEC brought the Binance Complaint and the Coinbase Complaint alleging violations of a variety of securities laws. In its complaints, the SEC asserted that SOL, ADA, MATIC, FIL, ATOM, SAND, MANA, ALGO, AXS, COTI, CHZ, FLOW, ICP, NEAR, VGX, DASH and NEXO, are securities under the federal securities laws. In addition, in November 2023, the SEC brought the Kraken Complaint, alleging that Kraken operated as an unregistered securities exchange, brokerage and clearing agency, and in its complaint the SEC again asserted that SOL and various other digital assets are securities under the federal securities laws. In July 2024, the SEC amended the Binance Complaint to remove its claims asserting that SOL, ADA, MATIC, FIL, ATOM, SAND, MANA, ALGO, AXS and COTI are securities under the federal securities laws. However, there can be no guarantee that the SEC will not bring similar claims involving these or other digital assets in the future.

Whether a digital asset is a security under the federal securities laws depends on whether it is included in the lists of instruments making up the definition of “security” in the Securities Act, the Exchange Act and the Investment Company Act. Digital assets as such do not appear in any of these lists, although each list includes the terms “investment contract” and “note,” and the SEC has typically analyzed whether a particular digital asset is a security by reference to whether it meets the tests developed by the federal courts interpreting these terms, known as the *Howey* and *Reves* tests, respectively. For many digital assets, whether or not the *Howey* or *Reves* tests are met is difficult to resolve definitively, and substantial legal arguments can often be made both in favor of and against a particular digital asset qualifying as a security under one or both of the *Howey* and *Reves* tests. Adding to the complexity, the SEC staff has indicated that the security status of a particular digital asset can change over time as the relevant facts evolve, though recent arguments advanced in ongoing litigation may suggest that the SEC no longer believes the status of a digital asset can change over time.

As part of determining whether a Fund Component is a security for purposes of the federal securities laws, the Manager takes into account a number of factors, including the various definitions of “security” under the federal securities laws and federal court decisions interpreting elements of these definitions, such as the U.S. Supreme Court’s decisions in the *Howey* and *Reves* cases and their progeny, as well as reports, orders, press releases, public statements and speeches by the SEC, its commissioners and its staff providing guidance on when a digital asset may be a security for purposes of the federal securities laws. Finally, the Manager discusses the security status of each Fund Component with external counsel and typically receives a memorandum regarding the status of each Fund Component under the federal securities laws from them. Through this process the Manager believes that it is applying the proper legal standards in determining that the Fund Components are not securities in light of the uncertainties inherent in the *Howey* and *Reves* tests.

In light of these developments, and the uncertainties and fact-based nature of the analysis as to whether a Fund Component is a “security” under the federal securities laws, the Manager acknowledges that the SEC takes the position that certain Fund Components, including SOL and XRP, are each a security and the Manager’s conclusion otherwise does not preclude legal or regulatory action based on the presence of a security.

As is the case with the Fund Components, analyses from counsel typically review the often-complex facts surrounding a particular digital asset’s underlying technology, creation, use case and usage development, distribution and secondary-market trading characteristics as well as contributions of and marketing or promotional efforts by the individuals or organizations who appear to be involved in these activities, among other relevant facts, usually drawing on publicly available information. This information, usually found on the internet, often includes both information that originated with or is attributed to such individuals or organizations, as well as information from third-party sources and databases that may or may not have a connection to such individuals or organizations, and the availability and nature of such information can change over time. The Manager and counsel often have no independent means of verifying the accuracy or completeness of such information, and therefore of necessity usually must assume that such information is materially accurate and complete for purposes of the *Howey* and *Reves* analyses. After having gathered this information, counsel typically analyzes it in light of the *Howey* and *Reves* tests, in order to inform a judgment as to whether or not a federal court would conclude that the digital asset in question is or is not a security for purposes of the federal securities laws. Often, certain factors appear to support a conclusion that the digital asset in question is a security, while other factors appear to support the opposite conclusion, and in such a case counsel endeavors to weigh the importance and relevance of the competing factors. This analytical process is further complicated by the fact that, at present, federal judicial case law applying the relevant tests to digital assets is limited and in some situations inconsistent, with no federal appellate court having considered the question on the merits, as well as the fact that because each digital asset presents its own unique set of relevant facts, it is not always possible to directly analogize the analysis of one digital asset to another. Because of this factual complexity and the current lack of a well-developed body of federal case law applying the relevant tests to a variety of different fact patterns, the Manager has not in the past received, and currently does not expect that it would be able to receive, “opinions” of counsel stating that a particular digital asset is or is not a security for federal securities law purposes. The Manager understands that as a matter of practice, counsel is generally able to render a legal “opinion” only when the relevant facts are substantially ascertainable and the applicable law is both well-developed and settled. As a result, given the relative novelty of digital assets, the challenges inherent in fact-gathering for particular digital assets, and the fact that federal courts have only recently been tasked with adjudicating the applicability of federal securities law to digital assets, the Manager understands that at present counsel is generally not in a position to render a legal “opinion” on the securities-law status of a specific Fund Component or any other particular digital asset.

As such, notwithstanding the Manager’s view that each of the Fund Components are not securities, the SEC has taken and a federal court may in the future take a different view as to the security status of certain Fund Components, such as SOL or XRP. If the Manager determines that a Fund Component is a security under the federal securities laws, whether that determination is initially made by the Manager itself, or because a federal court upholds an allegation that such Fund Component is a security, the Manager does not intend to permit the Fund to continue holding that Fund Component in a way that would violate the federal securities laws. Because the legal tests for determining whether a digital asset is or is not a security often leave room for interpretation, for so long as the Manager believes there to be good faith grounds to conclude that each of the Fund Components is not a security, the Manager does not intend to dissolve the Fund on the basis that any of the Fund Components could at some future point be finally determined to be a security.

Any enforcement action by the SEC or a state securities regulator asserting that a Fund Component is a security, or a court decision to that effect, would be expected to have an immediate material adverse impact on the trading value of that Fund Component, as well as the Shares. This is because the business models behind most digital assets are incompatible with regulations applying to transactions in securities. If a digital asset is determined to be a security, it is likely to become difficult or impossible for the digital asset to be traded, cleared or custodied in the United States through the same channels used by non-security digital assets, which in addition to materially and adversely affecting the trading value of the digital asset is likely to significantly impact its liquidity and market participants' ability to convert the digital asset into U.S. dollars. Any assertion that a digital asset is a security by the SEC or another regulatory authority may have similar effects. For example, the SEC has alleged that certain Fund Components are securities. In 2020 the SEC filed a complaint against the issuer of XRP, Ripple Labs, Inc., and two of its executives, alleging that they raised more than \$1.3 billion through XRP sales that should have been registered under the federal securities laws, but were not. In the weeks following the SEC's complaint against XRP's issuer, XRP's market capitalization fell to less than \$10 billion, which was less than half of its market capitalization in the days prior to the complaint, and certain significant market participants, including the Fund's authorized participant at the time, announced they would no longer support XRP, among other measures, including the delisting of XRP from major digital asset trading platforms. Following these developments, the Manager removed XRP from the Fund's portfolio. Subsequently, in July 2023, the District Court for the Southern District of New York held that while XRP is not a "security", certain sales of XRP to certain buyers (but not other types of sales to other buyers) amounted to "investment contracts" under the Howey test. Following the filing of the court order, the Manager discussed the security status of XRP with external counsel and continues to believe that XRP is not a security. The District Court entered a final judgment in the case on August 7, 2024. In October 2024, the SEC filed a notice of appeal. In July 2023, another judge in the District Court for the Southern District of New York, in litigation between the SEC and the issuer of the UST and LUNA digital assets, suggested that he disagreed with the approach underlying the XRP decision. Likewise, in June and November 2023, the SEC asserted in the Binance, Coinbase and Kraken Complaints that SOL is a "crypto asset security" and at times that it was "offered and sold as an investment contract." Following the filing of the Coinbase Complaint, Binance Complaint, and the Kraken Complaint, the Manager discussed the security status of SOL with external counsel and continues to believe that SOL is not a security. In the days following the announcement of the Binance Complaint and Coinbase Complaint, the price of various digital assets named in the Binance Complaint and the Coinbase Complaint, as well as Fund Components such as Bitcoin, Ether, and SOL, declined significantly. In September 2024, the SEC filed an enforcement action against Mango Labs, LLC, Mango DAO, and Blockworks Foundation, and in October 2024, the SEC filed an enforcement action against Cumberland DRW, LLC, in both instances describing a number of digital assets, including SOL, as examples of "crypto assets that are offered and sold as securities." Despite these allegations, the Manager has discussed the security status of the Fund Components, including XRP and SOL, with external counsel and does not believe that any of the Fund Components are securities. However, in light of these developments and the uncertainties and fact-based nature of the analysis as to whether certain of such digital assets are "securities" under the federal securities laws, the Manager acknowledges that the SEC takes the position that one or more are securities. Nonetheless, the outcomes of such complaints and the consequent litigation is unknown and unknowable at this time and the price of these digital assets may decline as these cases advance through the federal court system.

The Binance Complaint, the Coinbase Complaint, the Kraken Complaint and the SEC's actions against XRP's issuer and the issuer of the UST and LUNA digital assets, as well as seemingly inconsistent views of different district court judges, underscore the continuing uncertainty around which digital assets are securities and what the correct analysis is to determine each digital asset's status. For example, the conflicting district court opinions and analyses demonstrate that factors such as how long a digital asset has been in existence, how widely held it is, how large its market capitalization is, the manner in which it is offered, sold or promoted, and whether it has actual use in commercial transactions, ultimately may have limited or no bearing on whether the SEC, a state securities regulator or any particular court will find it to be a security.

In addition, if a significant portion of the Fund Components are determined to be securities, the Fund could be considered an unregistered "investment company" under the Investment Company Act, which could necessitate the Fund's liquidation. In this case, the Fund and the Manager may be deemed to have participated in an illegal offering of investment company securities and there is no guarantee that the Manager will be able to register the Fund under the Investment Company Act at such time or take such other actions as may be necessary to ensure the Fund's activities comply with applicable law, which could force the Manager to liquidate the Fund.

Moreover, whether or not the Manager or the Fund were subject to additional regulatory requirements as a result of any determination that the Fund's assets include securities, the Manager may nevertheless decide to terminate the Fund, in order, if possible, to liquidate the Fund's assets while a liquid market still exists. For example, in response to the SEC's action against the issuer of XRP, certain significant market participants announced they would no longer support XRP and announced measures, including the delisting of XRP from major digital asset trading platforms, resulting in the Manager's conclusion that it was likely to be increasingly difficult for U.S. investors, including Grayscale XRP Trust (XRP), an affiliate of the Fund, to convert XRP into U.S. dollars. The Manager subsequently dissolved Grayscale XRP Trust (XRP) and liquidated its assets. Similarly, following the SEC's complaints against Binance and Coinbase in June 2023, the trading platform Robinhood and crypto service providers Revolut and Bakkt each announced that they would cease support for SOL. Furthermore, if a federal court upholds an allegation that a Fund Component is a security, the Fund itself may be terminated and, if practical, its assets liquidated.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of equity securities by the issuer and affiliated purchasers —The table below sets forth information regarding open market purchases of Shares of Grayscale Digital Large Cap Fund LLC (OTCQX: GDLC) by DCG, the indirect parent company of the Manager, on a monthly basis during the three months ended September 30, 2024:

Period	(a) Total Number of Shares of GDLC Purchased	(b) Average Price Paid per Share of GDLC	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs⁽¹⁾	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs⁽¹⁾ (in millions)
July 1, 2024 - July 31, 2024	-	\$ -	-	\$ 200.0
August 1, 2024 - August 31, 2024	-	-	-	200.0
September 1, 2024 - September 30, 2024	-	-	-	200.0
Total	-	\$ -	-	\$ 200.0

- (1) On March 2, 2022, the Board approved the purchase by DCG, the indirect parent company of the Manager, of up to an aggregate total of \$200 million worth of Shares of the Fund and shares of any of the following five investment products the Manager also acts as the sponsor and manager of, including Grayscale Bitcoin Trust (BTC) (NYSE Arca: GBTC), Grayscale Bitcoin Cash Trust (BCH) (OTCQX: BCHG), Grayscale Ethereum Trust (ETH) (OTCQX: ETHE), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), and Grayscale Stellar Lumens Trust (XLM) (OTCQX: GXLM). Subsequently, DCG authorized such purchase. The Share purchase authorization does not obligate DCG to acquire any specific number of Shares in any period, and may be expanded, extended, modified, or discontinued at any time. From March 2, 2022 through October 28, 2024, DCG had not purchased any Shares of the Fund under this authorization.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit Description
31.1	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Fund's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.</u>
31.2	<u>Certification of Principal Financial and Accounting Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended, with respect to the Fund's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.</u>
32.1	<u>Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Fund's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.</u>
32.2	<u>Certification of Principal Financial and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the Fund's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024.</u>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
104	Cover Page Interactive Data File—The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for the purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

GLOSSARY OF DEFINED TERMS

“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.

“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.

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

“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.

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

“Bitcoin Cash” or “BCH”—A type of digital asset based on an open-source cryptographic protocol existing on the Bitcoin Cash network.

“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.

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

“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.

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

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

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

“Custodian”—Coinbase Custody Trust Company, LLC.

“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.

“DCG”—Digital Currency Group, Inc.

“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 Accounting Standards Codification 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 “Item 1. Business—Overview of the Digital Asset Industry and Market” in our Annual Report on Form 10-K.

“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 the Index Price or an Indicative Price (or prior to July 1, 2022, an Old 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.

“DLCS”—The CoinDesk Large Cap Select Index (DLCS).

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

“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 Component”—A digital asset designated as such by the Manager in accordance with the policies and procedures set forth in our Annual Report on Form 10-K.

“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 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 on Form 10-K. For purposes of the Limited Liability Company Agreement, the term Fund Rebalancing Period shall mean the Fund Rebalancing Period as defined herein.

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

“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 DLCS. Prior to its sale to an unaffiliated third party on November 20, 2023, DCG was the indirect parent company of CoinDesk Indices, Inc. As a result, CoinDesk Indices, Inc. was an affiliate of the Manager and the Fund and was considered a related party of the Fund.

“Index Rebalancing Period”—Any period during which the Index Provider reviews for rebalancing the DLCS in accordance with the policies and procedures set forth in our Annual Report on Form 10-K.

“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.

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

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

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

“LLC Agreement”—The Second Amended and Restated Limited Liability Company Agreement establishing and governing the operations of the Fund, as amended by Amendments No. 1, No. 2, and No. 3 thereto, and as the same may be amended from time to time.

“Manager”—Grayscale Investments, LLC, or any substitute therefor as provided herein, or any successor thereto by merger or operation of law.

“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’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.

“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 “Item 1. Business—Valuation of Digital Assets and Determination of NAV.” See also “Item 1. Business—Investment Objective” for a description of the Fund’s Principal Market NAV, as calculated in accordance with U.S. GAAP. Prior to February 7, 2024, NAV was referred to as Digital Asset Holdings. For purposes of the LLC Agreement, the term Digital Asset Holdings shall mean the NAV as defined herein.

“NAV Fee Basis Amount”—The amount on which the Manager’s Fee for the Fund is based, as calculated in the manner set forth under “Item 1. Business—Valuation of Digital Assets and Determination of NAV.” For purposes of the LLC Agreement, the term Digital Asset Holdings Basis Amount shall mean the NAV Fee Basis Amount as defined herein.

“Old Indicative Price”—A volume-weighted average price in U.S. dollars for the Fund Component for the immediately preceding 24-hour period derived from data collected from Digital Asset Trading Platforms trading such Fund Component selected by the Reference Rate Provider.

“OTCQX”—The OTCQX Best 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.

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

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

“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.

“Reference Rate Provider”—CoinDesk Indices, Inc., a Delaware corporation that publishes the Digital Asset Reference Rates. Prior to its sale to an unaffiliated third party on November 20, 2023, DCG was the indirect parent company of CoinDesk Indices, Inc. As a result, CoinDesk Indices, Inc. was an affiliate of the Manager and the Fund and was considered a related party of the Fund.

“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 OTCQX 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.

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

“Target Coverage Ratio Methodology”—The criteria, established by the Manager, that the Fund used to determine which digital assets would be included in the Fund Components, prior to July 1, 2022.

“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.

“XRP”—XRP tokens, which are a type of digital asset based on a cryptographic protocol existing on the Ripple network.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned in the capacities* indicated, thereunto duly authorized.

Grayscale Investments, LLC
as Manager of Grayscale Digital Large Cap Fund
LLC

By: /s/ Peter Mintzberg
Name: Peter Mintzberg
Title: Member of the Board of Directors and Chief
Executive Officer (Principal Executive
Officer)*

By: /s/ Edward McGee
Name: Edward McGee
Title: Member of the Board of Directors and
Chief Financial Officer (Principal Financial
and Accounting Officer)*

Date: November 1, 2024

* The Registrant is a fund and the persons are signing in their capacities as officers or directors of Grayscale Investments, LLC, the Manager of the Registrant.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a)
AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Mintzberg, certify that:

1. I have reviewed this quarterly report of Grayscale Digital Large Cap Fund LLC (the “Fund”);
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 1, 2024

/s/ Peter Mintzberg

Peter Mintzberg *

Chief Executive Officer (Principal Executive Officer)

* The Registrant is a fund and Mr. Mintzberg is signing in his capacity as Principal Executive Officer of Grayscale Investments, LLC, the Manager of the Registrant.

**CERTIFICATION OF PRINCIPAL FINANCIAL AND ACCOUNTING OFFICER PURSUANT TO RULE 13a-14(a)
AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Edward McGee, certify that:

1. I have reviewed this quarterly report of Grayscale Digital Large Cap Fund LLC (the “Fund”);
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 1, 2024

/s/ Edward McGee

Edward McGee *
Chief Financial Officer (Principal Financial and
Accounting Officer)

* The Registrant is a fund and Mr. McGee is signing in his capacity as Principal Financial and Accounting Officer of Grayscale Investments, LLC, the Manager of the Registrant.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Grayscale Digital Large Cap Fund LLC (the “Fund”) on Form 10-Q for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter Mintzberg, Principal Executive Officer of Grayscale Investments, LLC, the Manager of the Fund, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

/s/ Peter Mintzberg

Peter Mintzberg *

Chief Executive Officer (Principal Executive Officer)

November 1, 2024

* The Registrant is a fund and Mr. Mintzberg is signing in his capacity as Principal Executive Officer of Grayscale Investments, LLC, the Manager of the Registrant.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Grayscale Digital Large Cap Fund LLC (the “Fund”) on Form 10-Q for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Edward McGee, Principal Financial and Accounting Officer of Grayscale Investments, LLC, the Manager of the Fund, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

/s/ Edward McGee

Edward McGee *
Chief Financial Officer (Principal Financial and
Accounting Officer)
November 1, 2024

* The Registrant is a fund and Mr. McGee is signing in his capacity as Principal Financial and Accounting Officer of Grayscale Investments, LLC, the Manager of the Registrant.