As filed with the Securities and Exchange Commission on October 10, 2025

File No. 000-

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

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934

Grayscale Bittensor Trust (TAO)

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**99-6506784**
(State or Other Jurisdiction of Incorporation or Organization)	**(U.S. Taxpayer 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)

Copies to:

Joseph A. Hall
Daniel P. Gibbons
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017

Securities to be registered pursuant to Section 12(b) of the Act: None
Securities to be registered pursuant to Section 12(g) of the Act: Grayscale Bittensor Trust (TAO) Shares

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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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 7(a)(2)(B) of the Securities Act. ☒

EXPLANATORY NOTE

Grayscale Bittensor Trust (TAO) (the "Trust") is voluntarily filing this General Form for Registration of Securities on Form 10, or this "Registration Statement," to register its common units of fractional undivided beneficial interest ("Shares") pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Once this Registration Statement becomes effective, the Trust will be subject to the requirements of Regulation 13A under the Exchange Act, which will require it to file annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, and to comply with all other obligations of the Exchange Act applicable to issuers filing Registration Statements pursuant to Section 12(g) of the Exchange Act.

INFORMATION REQUIRED IN REGISTRATION STATEMENT
CROSS REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

We have filed our Information Statement as Exhibit 99.1 to this Form 10. For your convenience, we have provided below a cross-reference sheet identifying where the items required by Form 10 can be found in our Information Statement. None of the information contained in the Information Statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item No.	Item Caption	Location in Information Statement
1.	Business.	The following sections of our Information Statement are hereby incorporated by reference: "Forward-Looking Statements," "Determination of NAV," "Overview," "Risk Factors," "Overview of Bittensor," "Activities of the Trust," "Description of the Trust," "The Sponsor," "The Trustee," "The Transfer Agent," "The Authorized Participant," "The Custodian," "The Distributor and Marketer," "Custody of the Trust's TAO," "Description of Creation of Shares," "Valuation of TAO and Determination of NAV," "Expenses; Sales of TAO," "Statements, Filings and Reports," "Description of Trust Documents" and "Where You Can Find More Information."
1A.	Risk Factors.	The following sections of our Information Statement are hereby incorporated by reference: "Forward-Looking Statements" and "Risk Factors."
2.	Financial Information.	The following sections of our Information Statement are hereby incorporated by reference: "Determination of NAV," "Overview," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Valuation of TAO and Determination of NAV," and "Index to Financial Statements" and the statements referenced therein.
3.	Properties.	None.
4.	Security Ownership of Certain Beneficial Owners and Management.	The following section of our Information Statement is hereby incorporated by reference: "Conflicts of Interest."
5.	Directors and Executive Officers.	The following sections of our Information Statement are hereby incorporated by reference: "The Sponsor."
6.	Executive Compensation.	The following sections of our Information Statement are hereby incorporated by reference: "Expenses; Sales of TAO."

Item No.	Item Caption	Location in Information Statement
7.	Certain Relationships and Related Transactions, and Director Independence.	The following sections of our Information Statement are hereby incorporated by reference: "Management's Discussion and Analysis of Financial Condition and Results of Operations—Transactions with Related Parties," "The Sponsor" and "Conflicts of Interest."
8.	Legal Proceedings.	None.
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.	The following sections of our Information Statement are hereby incorporated by reference: "Management's Discussion and Analysis of Financial Condition and Results of Operations."
10.	Recent Sales of Unregistered Securities.	The following sections of our Information Statement are hereby incorporated by reference: "Description of the Shares."
11.	Description of Registrant's Securities to be Registered.	The following sections of our Information Statement are hereby incorporated by reference: "Description of the Shares," "Description of Creation of Shares" and "Description of Trust Documents."
12.	Indemnification of Directors and Officers.	The following section of our Information Statement is hereby incorporated by reference: "Description of Trust Documents."
13.	Financial Statements and Supplementary Data.	The following section of our Information Statement is hereby incorporated by reference: "Index to Financial Statements" and the statements referenced therein.
14.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.	Not Applicable.
15.	Financial Statements and Exhibits.	The following sections of our Information Statement are hereby incorporated by reference: "Index to Financial Statements" and the statements referenced therein.

(a) List of Financial Statements and Schedules: The following financial statements are included in the Information Statement and filed as part of this Registration Statement on Form 10:

Grayscale Bittensor Trust (TAO) Unaudited Interim Financial Statements

Grayscale Bittensor Trust (TAO) Annual Financial Statements

(b) Exhibits. The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
4.1	Amended and Restated Declaration of Trust and Trust Agreement
4.2	Certificate of Trust (attached as Exhibit A to the Amended and Restated Declaration of Trust and Trust Agreement)
4.3†	Participant Agreement, dated October 3, 2022, between the Sponsor and Grayscale Securities, LLC
10.1†	Custodian Agreement, dated March 12, 2025, between the Sponsor and the Custodian
10.2†	Distribution and Marketing Agreement
10.3*	Reference Rate License Agreement
10.4†	Transfer Agency and Service Agreement
99.1	Information Statement

† Portions of this exhibit (indicated by asterisks) have been omitted as the Registrant has determined that (i) the omitted information is not material and (ii) the omitted information is of the type that the registrant treats as private or confidential.

* To be filed by amendment.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Grayscale Investments Sponsors, LLC
as Sponsor of Grayscale Bittensor Trust (TAO)

By: /s/ Edward McGee
Name: Edward McGee
Title: Chief Financial Officer*

Date: October 10, 2025

* The Registrant is a trust and the signatory is signing in his capacity as an authorized officer of Grayscale Investments Sponsors, LLC, the Sponsor of the Registrant.

Exhibit 4.1

AMENDED AND RESTATED DECLARATION OF TRUST AND TRUST AGREEMENT OF GRAYSCALE BITTENSOR TRUST (TAO)

Dated as of May 10, 2024

By and Among

GRAYSCALE INVESTMENTS, LLC

CSC DELAWARE TRUST COMPANY

and

THE SHAREHOLDERS FROM TIME TO TIME HEREUNDER

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GRAYSCALE BITTENSOR TRUST (TAO)

AMENDED AND RESTATED

DECLARATION OF TRUST

AND TRUST AGREEMENT

This **AMENDED AND RESTATED DECLARATION OF TRUST AND TRUST AGREEMENT** of **GRAYSCALE BITTENSOR TRUST (TAO)** is made and entered into as of the 10th day of May, 2024, by and among **GRAYSCALE INVESTMENTS, LLC**, a Delaware limited liability company, **CSC DELAWARE TRUST COMPANY (f/k/a DELAWARE TRUST COMPANY)**, a Delaware corporation, as trustee, and the **SHAREHOLDERS** from time to time hereunder.

* * *

RECITALS

WHEREAS, the Sponsor and the Trustee entered into the Declaration of Trust and Trust Agreement dated as of April 30, 2024 (the "**Existing Agreement**");

WHEREAS, the Sponsor initially contributed $1 to the Trust, constituting the initial trust estate;

WHEREAS, concurrent with the initial issuance of Shares (as defined below), the Trust will distribute the aforementioned $1 to the Sponsor in complete redemption of the Sponsor's beneficial interest in the Trust; and

WHEREAS, the Sponsor and the Trustee wish to amend the Existing Agreement pursuant to Section 8 thereof.

NOW, THEREFORE, pursuant to Section 8 of the Existing Agreement, the Trustee and the Sponsor hereby amend and restate the Existing Agreement in its entirety as set forth below.

ARTICLE I

DEFINITIONS; THE TRUST

SECTION 1.1 *Definitions.*

As used in this Trust Agreement, the following terms shall have the following meanings unless the context otherwise requires:

"**Actual Exchange Rate**" means, with respect to any particular asset, at any time, the price per single unit of such asset (determined net of any associated fees) at which the Trust is able to sell such asset for U.S. Dollars (or other applicable fiat currency) at such

time to enable the Trust to timely pay any Additional Trust Expenses, through use of the Sponsor's commercially reasonable efforts to obtain the highest such price.

"**Additional Trust Expenses**" has the meaning set forth in SECTION 6.8(a)(vi).

"**Administrator**" means any Person or Persons from time to time engaged by the Sponsor to assist in the administration of the Shares.

"**Administrator Fee**" means the fee payable to any Administrator for services it provides to the Trust, which the Sponsor shall pay as a Sponsor-paid Expense.

"**Affiliate**" means (i) any Person directly or indirectly owning, controlling or holding with power to vote 10% or more of the outstanding voting securities of such Person, (ii) any Person 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such Person, (iii) any Person, directly or indirectly, controlling, controlled by or under common control of such Person, (iv) any employee, officer, director, member, manager or partner of such Person, or (v) if such Person is an employee, officer, director, member, manager or partner, any Person for which such Person acts in any such capacity.

"**Annual Report**" means (i) the Trust's most recent annual report prepared and publicly disseminated pursuant to the standards of any Secondary Market on which the Shares are then listed, quoted or traded or (ii) if the Shares are then registered under the Exchange Act, the Trust's most recent annual report on Form 10-K prepared and filed in accordance with the rules and regulations of the SEC.

"**APA Procedures**" has the meaning assigned thereto in SECTION 3.3(a).

"**Authorized Participant**" means a Person that (i) is a registered broker-dealer, (ii) has entered into an Authorized Participant Agreement, and (iii) in the case of Authorized Participants creating and redeeming Shares through In-Kind Orders, has access to an Authorized Participant Self-Administered Account.

"**Authorized Participant Agreement**" means an agreement among the Trust, the Sponsor, the Transfer Agent and an Authorized Participant, that provides the procedures for the creation and redemption of Baskets.

"**Authorized Participant Self-Administered Account**" means a TAO wallet address known to the Key Maintainer as belonging to such Authorized Participant or its designee.

"**Basket**" means a block of 100 Shares.

"**Basket Amount**" means, on any Trade Date, the number of TAO required as of such Trade Date for each Creation Basket or Redemption Basket, as determined by dividing (x) the number of TAO owned by the Trust at 4:00 p.m., New York time, on such Trade Date, after deducting the number of TAO representing the U.S. Dollar value of accrued but unpaid fees and expenses of the Trust (in the case of any such fee and

expense other than the Sponsor's Fee, converted using the Reference Rate Price at such time, and carried to the eighth decimal place), by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth of one TAO (i.e., carried to the eighth decimal place)), and multiplying such quotient by 100.

"**Bittensor Network**" means 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 the Bittensor network.

"**Business Day**" means any day other than a Saturday, Sunday or other day on which national securities exchanges are permitted or required to close for business in New York, New York.

"**Cash Orders**" means orders for creations or redemptions of Shares other than through In-Kind Orders.

"**Certificate of Trust**" means the Certificate of Trust of the Trust, including all amendments thereto, in the form attached hereto as Exhibit A, filed with the Secretary of State of the State of Delaware pursuant to Section 3810 of the Delaware Trust Statute.

"**CFTC**" means the Commodity Futures Trading Commission.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Corporate Trust Office**" means the principal office at which at any particular time the corporate trust business of the Trustee is administered, which office at the date hereof is located at 251 Little Falls Drive, Wilmington, DE 19808.

"**Covered Person**" means the Sponsor and its Affiliates and their respective members, managers, directors, officers, employees, agents and controlling persons.

"**Creation Basket**" means a Basket issued by the Trust upon the deposit of the Basket Amount with the Key Maintainer.

"**Creation Order**" has the meaning assigned thereto in SECTION 3.3(a)(i).

"**Creation Settlement Date**" means, with respect to any Creation Order, the Business Day on which such Creation Order settles, as specified in the APA Procedures.

"**Delaware Trust Statute**" means the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq., as the same may be amended from time-to-time.

"**Distributor**" means any Person or Persons from time to time engaged to provide distribution services or related services to the Trust pursuant to authority delegated by the Sponsor.

"**Event of Withdrawal**" has the meaning set forth in SECTION 12.1(a)(iv) hereof.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Expenses**" has the meaning set forth in SECTION 2.4.

"**FinCEN**" means the Financial Crimes Enforcement Network, a bureau of the U.S. Department of Treasury.

"**Fiscal Year**" has the meaning set forth in Article IX hereof.

"**GAAP**" means U.S. generally accepted accounting principles.

"**In-Kind Orders**" means orders for creations or redemptions in which an Authorized Participant or its designees will deliver TAO from, or receive TAO in, an Authorized Participant Self-Administered Account.

"**Incidental Rights**" means the rights to acquire, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of TAO and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust.

"**Indemnified Persons**" has the meaning assigned to such term in SECTION 2.4.

"**IR Virtual Currency**" means any virtual currency or other asset or right acquired by the Trust through the exercise (subject to Section 1.5(b) and Section 6.4(m)) of any Incidental Right.

"**IRS**" means the U.S. Internal Revenue Service or any successor thereto.

"**Key Maintainer**" means any Person or Persons from time to time engaged to provide Key Maintainer, security or related services (including, for the avoidance of doubt, prime brokerage services) to the Trust pursuant to authority delegated by the Sponsor.

"**Key Maintainer Fee**" means the fee payable to any Key Maintainer for the services it provides to the Trust, which the Sponsor shall pay as a Sponsor-paid Expense.

"**Liquidating Trustee**" has the meaning assigned thereto in SECTION 12.2.

"**Liquidity Provider**" means an entity eligible to facilitate the purchase and sale of TAO in connection with creations or redemptions pursuant to Cash Orders.

"**Liquidity Provider Account**" means, with respect to any Liquidity Provider, a TAO wallet address known to the Key Maintainer as belonging to such Liquidity Provider.

"**Marketing Agent**" means any Person or Persons from time to time engaged to provide marketing services or related services to the Trust pursuant to authority delegated by the Sponsor.

"**Marketing Fee**" means the fee payable to any Marketing Agent for services it provides to the Trust, which the Sponsor shall pay as a Sponsor-paid Expense.

"**Memorandum**" means (i) the Confidential Private Placement Memorandum of the Trust, as the same may, at any time and from time to time, be amended or supplemented, or (ii) if the Shares are registered under the Exchange Act, the most recent of (x) any prospectus of the Trust that has been filed with the SEC as a part of the Registration Statement and (y) any report filed by the Trust with the SEC under the Exchange Act that states that it is to be treated as the Memorandum for general purposes or any specific purpose.

"**NAV**" means, at any time, the aggregate value, expressed in U.S. Dollars, of the Trust's assets (other than U.S. Dollars or other fiat currency), less its liabilities (which include estimated accrued but unpaid fees and expenses), calculated in accordance with Section 8.4.

"**NAV Fee Basis Amount**" has the meaning assigned thereto in Section 8.4.

"**Other Staking Consideration**" means any Staking Consideration other than TAO.

"**Percentage Interest**" means, with respect to any Shareholder at any time, a fraction, the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total number of Shares outstanding, in each case as of 4:00 p.m., New York time, on the date of determination.

"**Person**" means any natural person, partnership, limited liability company, statutory trust, corporation, association or other legal entity.

"**Purchase Agreement**" means an agreement among the Trust, the Sponsor and any Shareholder through which the Shareholder agrees to transfer TAO to the TAO Account in exchange for the creation and issuance of Shares.

"**Quarterly Report**" means (i) the Trust's most recent quarterly report prepared and publicly disseminated pursuant to the standards of any Secondary Market on which the Shares are then listed, quoted or traded or (ii) if the Shares are then registered under the Exchange Act, the Trust's most recent quarterly report on Form 10-Q prepared and filed in accordance with the rules and regulations of the SEC.

"**Redemption Basket**" means a Basket redeemed by the Trust in exchange for TAO in an amount equal to the Basket Amount.

"**Redemption Order**" has the meaning assigned thereto in SECTION 5.2(a).

"**Redemption Settlement Date**" means, with respect to any Redemption Order, the Business Day on which such Redemption Order settles, as specified in the APA Procedures.

"**Reference Rate Price**" has the meaning ascribed to such term in the Trust's Memorandum.

"**Rules**" has the meaning assigned thereto in SECTION 13.3.

"**SEC**" means the Securities and Exchange Commission.

"**Secondary Market**" means any marketplace or other alternative trading system, as determined by the Sponsor, on which the Shares may then be listed, quoted or traded, including but not limited to, the OTCQX tier of the OTC Markets Group Inc. and NYSE Arca, Inc.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Settlement Balance**" means the one or more omnibus accounts maintained by the Key Maintainer and in which a portion of the Trust's TAO may be stored from time to time.

"**Shareholder**" means any Person that owns Shares.

"**Shares**" means the common units of fractional undivided beneficial interest in the profits, losses, distributions, capital and assets of, and ownership of, the Trust.

"**Sponsor**" means Grayscale Investments, LLC, or any substitute therefor as provided herein, or any successor thereto by merger or operation of law.

"**Sponsor-paid Expense**" and "**Sponsor-paid Expenses**" have the meaning set forth in SECTION 6.8(a)(v).

"**Sponsor's Fee**" has the meaning set forth in SECTION 6.8(a)(i).

"**Staking**" means (i) using, or permitting to be used, in any manner, directly or indirectly, through an agent or otherwise (including, for the avoidance of doubt, through a delegation of rights to any third party with respect to any portion of the Trust Estate, by making any portion of the Trust Estate available to any third party or by entering into any similar arrangement with a third party), any portion of the Trust Estate in a proof-of-stake validation protocol, (ii) accepting any Staking Consideration and (iii) holding any Other Staking Consideration accepted by the Trust pursuant to clause (ii), for not more than 30 days after the Trust's receipt thereof, pending the use of such Other Staking Consideration for payment of Additional Trust Expenses or distribution to the Shareholders. For the avoidance of doubt, (i) the mere act of transferring units of virtual currency on a peer-to-peer virtual currency network that utilizes a proof-of-stake validation protocol shall not be considered to be "Staking" and (ii) "Staking" shall include any related activity contemplated by a Tax Ruling and/or described in the private

letter ruling request (as supplemented from time to time) submitted to the U.S. Internal Revenue Service in connection therewith.

"**Staking Consideration**" means any consideration of any kind whatsoever, including, but not limited to, any staking reward paid in fiat currency or paid in kind, in exchange for using, or permitting to be used, any portion of the Trust Estate as described in clause (i) of the definition of "Staking."

"**TAO**" means TAO, a type of virtual currency based on an open source cryptographic protocol existing on the Bittensor Network as determined by the Sponsor in accordance with Section 6.2(m), and the assets underlying the Trust's Shares.

"**TAO Account**" means collectively, the Vault Balance, the Settlement Balance and any subaccounts associated therewith.

"**Tax Advisor**" means an independent law firm that is recognized as being expert in tax matters.

"**Tax Ruling**" means a binding ruling issued by the U.S. Internal Revenue Service.

"**Total Basket Amount**" means, with respect to any Creation Order or Redemption Order, the applicable Basket Amount multiplied by the number of Creation Baskets or Redemption Baskets, as specified in the applicable Creation Order or Redemption Order.

"**Trade Date**" means, for any Creation Order or Redemption Order, the Business Day on which the Total Basket Amount with respect to such Creation Order or Redemption Order is determined in accordance with the APA Procedures.

"**Transfer Agent**" means any Person or Persons from time to time engaged to provide transfer agent services or related services to the Trust pursuant to authority delegated by the Sponsor.

"**Treasury Regulations**" means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

"**Trust**" means Grayscale Bittensor Trust (TAO), a Delaware statutory trust formed pursuant to the Certificate of Trust, the affairs of which are governed by this Trust Agreement.

"**Trust Agreement**" means this Amended and Restated Declaration of Trust and Trust Agreement, as it may at any time or from time-to-time be amended.

"**Trust Counsel**" has the meaning set forth in SECTION 13.3.

"**Trustee**" means CSC Delaware Trust Company, its successors and assigns, or any substitute therefor as provided herein, acting not in its individual capacity but solely as trustee of the Trust.

"**Trust Estate**" means, without duplication, (i) all the TAO in the Trust's accounts, including the TAO Account, (ii) all Incidental Rights held by the Trust, (iii) all IR Virtual Currency in the Trust's accounts, (iv) all Other Staking Consideration held by the Trust, (v) all proceeds from the sale of TAO, Incidental Rights, IR Virtual Currency and Other Staking Consideration pending use of such cash for payment of Additional Trust Expenses or distribution to the Shareholders and (vi) any rights of the Trust pursuant to any agreements, other than this Trust Agreement, to which the Trust is a party.

"**Trust Expense**" has the meaning set forth in SECTION 2.3.

"**U.S. Dollar**" means United States dollars.

"**Vault Balance**" means one or more segregated custody accounts of the Trust maintained by the Key Maintainer to store private keys, which allow for the transfer of ownership or control of the Trust's TAO on the Trust's behalf.

SECTION 1.2 *Name.*

The name of the Trust is "Grayscale Bittensor Trust (TAO)" in which name the Trustee and the Sponsor shall cause the Trust to carry out its purposes as set forth in SECTION 1.5, make and execute contracts and other instruments in the name and on behalf of the Trust and sue and be sued in the name and on behalf of the Trust.

SECTION 1.3 *Delaware Trustee; Offices.*

(a) The sole Trustee of the Trust is CSC Delaware Trust Company, which is located at the Corporate Trust Office or at such other address in the State of Delaware as the Trustee may designate in writing to the Shareholders. The Trustee shall receive service of process on the Trust in the State of Delaware at the foregoing address. In the event CSC Delaware Trust Company resigns or is removed as the Trustee, the trustee of the Trust in the State of Delaware shall be the successor Trustee, subject to SECTION 2.1.

(b) The principal office of the Trust, and such additional offices as the Sponsor may establish, shall be located at such place or places inside or outside the State of Delaware as the Sponsor may designate from time to time in writing to the Trustee and the Shareholders. Initially, the principal office of the Trust shall be at c/o Grayscale Investments, LLC, 290 Harbor Drive, 4th Floor, Stamford, Connecticut 06902.

SECTION 1.4 *Declaration of Trust.*

The Trust Estate shall be held in trust for the Shareholders. It is the intention of the parties hereto that the Trust shall be a statutory trust, under the Delaware Trust Statute

and that this Trust Agreement shall constitute the governing instrument of the Trust. It is not the intention of the parties hereto to create a general partnership, limited partnership, limited liability company, joint stock association, corporation, bailment or any form of legal relationship other than a Delaware statutory trust that is treated as a grantor trust for U.S. federal income tax purposes and for purposes of applicable state and local tax laws. Nothing in this Trust Agreement shall be construed to make the Shareholders partners or members of a joint stock association. Effective as of the date hereof, the Trustee and the Sponsor shall have all of the rights, powers and duties set forth herein and in the Delaware Trust Statute with respect to accomplishing the purposes of the Trust. The Trustee has filed the certificate of trust required by Section 3810 of the Delaware Trust Statute in connection with the formation of the Trust under the Delaware Trust Statute.

SECTION 1.5 *Purposes and Powers.*

(a) The purposes of the Trust shall be to (i) accept TAO for subscriptions of Shares in accordance with Article III hereof or accept cash (to be used to purchase TAO) for subscriptions of Shares in accordance with Section 13.13 hereof, to hold TAO, Incidental Rights and IR Virtual Currency, to distribute TAO (or cash from the sale of TAO) upon redemptions of Shares in accordance with Article V hereof (if authorized in accordance with SECTION 5.1 hereof) and to distribute TAO, Incidental Rights and IR Virtual Currency (or cash from the sale thereof) pursuant to Section 3.7 hereof or upon the liquidation of the Trust or at such intervals as the Sponsor may determine (it being understood that the Trust shall not create or redeem Shares at any time that it holds Incidental Rights, IR Virtual Currency, Other Staking Consideration or cash from the sale of TAO, Incidental Rights, IR Virtual Currency or Other Staking Consideration), (ii) engage in any form of Staking (iii) to enter into any lawful transaction and engage in any lawful activities in furtherance of or incidental to the foregoing. For the avoidance of doubt, such activities include any lawful action necessary or desirable in connection with Staking or the Trust's ownership of Incidental Rights, including the acquisition of IR Virtual Currency, except if such action would be prohibited by SECTION 1.5(b) or any other provision of this Trust Agreement. The Trust shall not engage in any business activity and shall not acquire or own any assets other than (i) TAO, (ii) Incidental Rights, (iii) if permissible under Section 1.5(b) and Section 6.4(m), (x) IR Virtual Currency or (y) Other Staking Consideration or other assets incident to Staking, and (iv) cash from the sale of any of the foregoing or take any of the actions set forth in SECTION 6.4. The Trust shall have all of the powers specified in SECTION 3.1 hereof as powers which may be exercised by a Sponsor on behalf of the Trust under this Trust Agreement.

(b) If the Trust engages in Staking, the Trust shall engage in Staking with respect to all of the Trust's digital assets, except as necessary to pay the Sponsor's Fee, pay Additional Trust Expenses, be able to satisfy existing and reasonably foreseen potential requests for the redemption of Redemption Baskets, if applicable, or to facilitate the distribution of any Staking Consideration (or cash proceeds from the sale thereof). The Sponsor may also cause the Trust to cease Staking with respect to a portion or all of the Trust's assets if (i) the Sponsor determines such Staking potentially raises significant governmental, policy or regulatory concerns or is subject or likely subject to

a specialized regulatory regime, (ii) there exists vulnerabilities in the source code or cryptography underlying the Bittensor Network, in the Sponsor's sole discretion, (iii) any of the Trust's Staking counterparties discontinue their arrangements with the Trust, (iv) the Sponsor otherwise determines that continued Staking of such portion of the Trust's assets would be inconsistent with the Trust's purpose of protecting and preserving the value of the Trust Estate, or (v) in accordance with any other exception that is expressly contemplated by an opinion or regulatory ruling.

(c) The Trust shall not take any action that could cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes. Without limiting the generality of the foregoing, nothing in this Trust Agreement (including, for the avoidance of doubt, SECTION 1.5(a)) shall be construed to give the Trustee or the Sponsor the power to vary the investment of the Shareholders within the meaning of Section 301.7701-4(c) or similar provisions of the Treasury Regulations, nor shall the Trustee or the Sponsor take any action that would vary the investment of the Shareholders.

SECTION 1.6 *Tax Treatment.*

Each of the parties hereto, by entering into this Trust Agreement, (i) expresses its intention that the Shares will qualify under applicable tax law as interests in a grantor trust which holds the Trust Estate, (ii) agrees that it will file its own U.S. federal, state and local income, franchise and other tax returns in a manner that is consistent with clause (i) of this Section 1.6 and with the classification of the Trust as a grantor trust, and (iii) agrees to use reasonable efforts to notify the Sponsor promptly upon a receipt of any notice from any taxing authority having jurisdiction over such holders of Shares with respect to the treatment of the Shares as anything other than interests in a grantor trust.

SECTION 1.7 *Legal Title.*

Legal title to all of the Trust Estate shall be vested in the Trust as a separate legal entity; *provided*, *however*, that if applicable law in any jurisdiction requires legal title to any portion of the Trust Estate to be vested otherwise, the Sponsor may cause legal title to such portion of the Trust Estate to be held by or in the name of the Sponsor or any other Person (other than a Shareholder) as nominee.

ARTICLE II

THE TRUSTEE

SECTION 2.1 *Term; Resignation; Removal.*

(a) CSC Delaware Trust Company has been appointed and hereby agrees to serve as the Trustee of the Trust. The Trust shall have only one Trustee unless otherwise determined by the Sponsor. The Trustee shall serve until such time as the Trust is terminated or if the Sponsor removes the Trustee or the Trustee resigns. The Trustee is appointed to serve as the trustee of the Trust in the State of Delaware and shall at all times satisfy the requirements of Section 3807(a) of the Delaware Trust Statute and be

authorized to exercise corporate trust powers under the laws of Delaware, having a combined capital, surplus and undivided profits of at least $50,000,000 and subject to supervision or examination by federal or state authorities. If the Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Article II the combined capital, surplus and undivided profits of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible to serve as trustee of the Trust in accordance with the provisions of this Section 2.1, the Trustee shall resign promptly in the manner and with the effect specified in this Article II. The Trustee may have normal banking and trust relationships with the Sponsor and their respective Affiliates; *provided* that none of (i) the Sponsor, (ii) any Person involved in the organization or operation of the Sponsor or the Trust or (iii) any Affiliate of any of them may be the Trustee hereunder. The Trust shall have at least one trustee with a principal place of business in Delaware. It is understood and agreed by the parties hereto that the Trustee shall have none of the duties or liabilities of the Sponsor and shall have no obligation to supervise or monitor the Sponsor or otherwise manage the Trust.

(b) The Trustee is permitted to resign upon at least one hundred and eighty (180) days' notice to the Sponsor upon which date such resignation shall be effective.

(c) If at any time the Trustee shall cease to be eligible to serve as trustee of the Trust in accordance with the provisions of this Trust Agreement, or if at any time the Trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Sponsor may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, which instrument shall be delivered to the Trustee so removed and the successor trustee. The Sponsor may at any time, upon sixty (60) days' prior notice to the Trustee, remove the Trustee and appoint a successor trustee by written instrument or instruments, in triplicate, signed by the Sponsor or its attorney-in-fact duly authorized, one complete set of which instruments shall be delivered to the Trustee so removed and one complete set to the successor so appointed.

SECTION 2.2 *Powers.*

Except to the extent expressly set forth in SECTION 1.3 and this ARTICLE II, the duty and authority to manage the affairs of the Trust is vested in the Sponsor, which duty and authority the Sponsor may further delegate as provided herein, all pursuant to Section 3806(b)(7) of the Delaware Trust Statute. The duties of the Trustee shall be limited to (i) accepting legal process served on the Trust in the State of Delaware, (ii) the execution of any certificates required to be filed with the Secretary of State of the State of Delaware which the Trustee is required to execute under Section 3811 of the Delaware Trust Statute and (iii) any other duties specifically allocated to the Trustee in this Trust Agreement. The Trustee shall provide prompt notice to the Sponsor of its performance of

any of the foregoing. The Sponsor shall reasonably keep the Trustee informed of any actions taken by the Sponsor with respect to the Trust that would reasonably be expected to affect the rights, obligations or liabilities of the Trustee hereunder or under the Delaware Trust Statute.

SECTION 2.3 *Compensation and Expenses of the Trustee.*

The Trustee shall be entitled to receive from the Sponsor, as a Sponsor-paid Expense, reasonable compensation for its services hereunder as set forth in a separate fee agreement and shall be entitled to be reimbursed by the Sponsor on behalf of the Trust for reasonable out-of-pocket expenses incurred by it in the performance of its duties hereunder, including without limitation, the reasonable compensation, out-of-pocket expenses and disbursements of counsel, any experts and such other agents as the Trustee may employ in connection with the exercise and performance of its rights and duties hereunder (together, the "**Trust Expenses**"). To the extent that the Sponsor fails to pay the Trust Expenses, the Trust will be responsible for such Trust Expenses.

SECTION 2.4 *Indemnification.*

(a) The Trust hereby agrees to be primary obligor and shall indemnify, defend and hold harmless the Trustee and any of the officers, directors, employees and agents of the Trustee (the "**Indemnified Persons**") from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and fees and expenses incurred in connection with enforcement of its indemnification rights hereunder), taxes and penalties of any kind and nature whatsoever (collectively, "**Expenses**"), to the extent that such Expenses arise out of or are imposed upon or asserted at any time against such Indemnified Persons with respect to the performance of this Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated hereby; *provided*, *however*, that the Trust shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of an Indemnified Person. If the Trust shall have insufficient assets or improperly refuses to pay an Indemnified Person within sixty (60) days of a request for payment owed hereunder, the Sponsor shall, as secondary obligor, compensate or reimburse the Trustee or indemnify, defend and hold harmless an Indemnified Person as if it were the primary obligor hereunder; *provided*, *however*, that the Sponsor shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of an Indemnified Person. To the fullest extent permitted by law and by the requirement for treatment of the Trust as a grantor trust for tax purposes, Expenses to be incurred by an Indemnified Person shall, from time to time, be advanced by, or on behalf of, the Sponsor prior to the final disposition of any matter upon receipt by the Sponsor of an undertaking by, or on behalf of, such Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified under this Trust Agreement.

(b) As security for any amounts owing to the Trustee hereunder, the Trustee shall have a lien against the Trust property, which lien shall be prior to the rights

of the Sponsor or any other Shareholder. The obligations of the Sponsor and the Trust to indemnify the Indemnified Persons under this SECTION 2.4 shall survive the termination of this Trust Agreement.

SECTION 2.5 *Successor Trustee.*

Upon the resignation or removal of the Trustee, the Sponsor shall appoint a successor Trustee by delivering a written instrument to the outgoing Trustee. Any successor Trustee must satisfy the requirements of Section 3807 of the Delaware Trust Statute. The successor Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Trustee under this Trust Agreement, with like effect as if originally named as Trustee, and the outgoing Trustee shall be discharged of its duties and obligations under this Trust Agreement. Any business entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, to the fullest extent permitted by law without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 2.6 *Liability of Trustee.*

Except as otherwise provided in this Article II, in accepting the trust created hereby, CSC Delaware Trust Company acts solely as Trustee hereunder and not in its individual capacity, and all Persons having any claim against CSC Delaware Trust Company by reason of the transactions contemplated by this Trust Agreement and any other agreement to which the Trust is a party shall look only to the Trust Estate for payment or satisfaction thereof. The Trustee shall not be liable or accountable hereunder to the Trust or to any other Person or under any other agreement to which the Trust is a party, except for the Trustee's own fraud, gross negligence, bad faith or willful misconduct. In particular, but not by way of limitation:

(a) The Trustee shall have no liability or responsibility for the validity or sufficiency of this Trust Agreement or for the form, character, genuineness, sufficiency, enforceability, collectability, location, existence, value or validity of the Trust Estate;

(b) The Trustee has not prepared or verified, and shall not be responsible or liable for, any information, disclosure or other statement or in any document issued or delivered in connection with the sale or transfer of the Shares;

(c) The Trustee shall not be liable for any actions taken or omitted to be taken by it in accordance with the instructions of the Sponsor or the Liquidating Trustee;

(d) The Trustee shall not have any liability for the acts or omissions of the Sponsor, the Key Maintainer or their respective delegates;

(e) The Trustee shall have no duty or obligation to supervise the performance of any obligations of the Sponsor, the Key Maintainer or their respective delegates or any Authorized Participant;

(f) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder;

(g) Under no circumstances shall the Trustee be liable for any obligations of the Trust arising under this Trust Agreement or any other agreements to which the Trust is a party;

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement, or to institute, conduct or defend any litigation under this Trust Agreement or any other agreements to which the Trust is a party, at the request, order or direction of the Sponsor unless the Sponsor has offered to CSC Delaware Trust Company (in its capacity as Trustee and individually) security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by CSC Delaware Trust Company (including, without limitation, the reasonable fees and expenses of its counsel) therein or thereby;

(i) Notwithstanding anything contained herein to the contrary, the Trustee shall not be required to take any action in any jurisdiction other than in the State of Delaware if the taking of such action will (i) require the consent or approval or authorization or order of, or the giving of notice to, or the registration with or taking of any action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware, (ii) result in any fee, tax or other governmental charge becoming payable by the Trustee under the laws of any jurisdiction or any political subdivision thereof other than the State of Delaware or (iii) subject the Trustee to personal jurisdiction, other than in the State of Delaware, for causes of action arising from personal acts unrelated to the consummation of the actions of the Trustee contemplated by this Trust Agreement;

(j) To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or any other Person, the Trustee, acting under this Trust Agreement, shall not be liable to the Trust, the Shareholders or any other Person for its good faith reliance on the provisions of this Trust Agreement, and the provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Trustee otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Trustee; and

(k) The Trustee shall not be liable for punitive, exemplary, consequential or similar damages for a breach of the Trust Agreement under any circumstances.

SECTION 2.7 *Reliance; Advice of Counsel.*

(a) In the absence of bad faith, the Trustee may conclusively rely upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement in determining the truth of the statements and the correctness of the opinions contained therein, and shall incur no liability to anyone in acting or not acting on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties and need not investigate any fact or matter pertaining to, or contained in, any such document; *provided*, *however*, that the Trustee shall have examined any certificates and opinions so as to reasonably determine compliance of such certificates and opinions with the requirements of this Trust Agreement. The Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that such resolution is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed in this Trust Agreement, the Trustee may for all purposes hereof rely on a certificate, signed by the president, any vice president, the treasurer or any other authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the Trust hereunder and in the performance of its duties and obligations under this Trust Agreement, the Trustee, at the expense of the Trust (i) may act directly or through its agents, attorneys, custodians or nominees pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the conduct or misconduct of such agents, attorneys, custodians or nominees if such agents, attorneys, custodians or nominees shall have been selected by the Trustee with reasonable care and (ii) may consult with counsel, accountants and other skilled professionals to be selected with reasonable care by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the opinion or advice of any such counsel, accountant or other such Persons.

SECTION 2.8 *Payments to the Trustee.*

Any amounts paid to the Trustee pursuant to this Article II shall be deemed not to be a part of the Trust Estate immediately after such payment. Any amounts owing to the Trustee under this Trust Agreement shall constitute a claim against the Trust Estate. Notwithstanding any other provision of this Trust Agreement, all payments to the Trustee, including fees, expenses and any amounts paid in connection with indemnification of the Trustee in accordance with the terms of this Trust Agreement will be payable only in U.S. Dollars.

ARTICLE III

SHARES; CREATIONS AND ISSUANCE OF CREATION BASKETS

SECTION 3.1 *General.*

The Sponsor shall have the power and authority, without action or approval by the Shareholders, to cause the Trust to issue Shares from time to time as it deems necessary or desirable. The number of Shares authorized shall be unlimited, and the Shares so authorized may be represented in part by fractional Shares, calculated to one one-hundred-millionth of one TAO (i.e., carried to the eighth decimal place). From time to time, the Sponsor may cause the Trust to divide or combine the Shares into a greater or lesser number without thereby changing the proportionate beneficial interests in the Trust Estate, or in any way affecting the rights, of the Shareholders, without action or approval by the Shareholders. The Trust shall issue Shares solely in exchange for contributions of TAO (or for no consideration if pursuant to a Share distribution or split-up). All Shares when so issued shall be fully paid and non-assessable. Subject to the limitations upon, and requirements for, the issuance of Creation Baskets stated herein and in the APA Procedures (as defined below), the number of Creation Baskets that may be issued by the Trust is unlimited. Every Shareholder, by virtue of having purchased or otherwise acquired a Share, shall be deemed to have expressly consented and agreed to be bound by the terms of this Trust Agreement.

SECTION 3.2 *Offer of Shares; Procedures for Creation and Issuance of Creation Baskets to Persons Other than Authorized Participants.*

On any Business Day, the Trust may create and issue Creation Baskets to any Person that has signed a Purchase Agreement with the Trust upon a transfer of the Total Basket Amount into the Trust's TAO Account; *provided* that the Trust shall create and issue Creation Baskets only if the Sponsor has determined in good faith that such creation and issuance does not conflict with the other terms of this Trust Agreement or with applicable law.

SECTION 3.3 *Offer of Shares; Procedures for Creation and Issuance of Creation Baskets to Authorized Participants.*

(a) General. The following procedures, as supplemented by the more detailed procedures specified in the exhibits, annexes, attachments and procedures, as applicable, to each Authorized Participant Agreement (the "**APA Procedures**"), which may be amended from time to time in accordance with the provisions of the relevant Authorized Participant Agreement (*provided* that any such amendment shall not constitute an amendment of this Trust Agreement), shall govern the Trust with respect to the creation and issuance of Creation Baskets to Authorized Participants, subject to Section 3.3(b).

(i) On any Business Day, an Authorized Participant may place an order for one or more Creation Baskets (each, a "**Creation Order**") in the manner provided in the APA Procedures.

(ii) The Sponsor or its delegate shall process Creation Orders only from Authorized Participants with respect to which an Authorized Participant Agreement is in full force and effect and only in accordance with the APA Procedures. The Sponsor or its delegate shall maintain and make available at the Trust's principal offices during normal business hours a current list of the Authorized Participants with respect to which an Authorized Participant Agreement is in full force and effect.

(iii) The Trust shall create and issue Creation Baskets only upon deposit with the Key Maintainer on the applicable Creation Settlement Date of the applicable Total Basket Amount by the relevant Authorized Participant or Liquidity Provider, as applicable.

(iv) The Sponsor or its delegate has final determination of all questions as to the calculation of the Total Basket Amount at any time.

(v) Deposits of TAO other than those received from an Authorized Participant Self-Administered Account or a Liquidity Provider Account shall be rejected. The expense and risk of delivery, ownership and safekeeping of TAO, until such TAO have been received and not rejected by the Trust, shall be borne solely by the Authorized Participant or a Liquidity Provider, as applicable.

(vi) Upon the Key Maintainer's receipt of the Total Basket Amount, the Sponsor or its delegate shall (A) if the Total Basket Amount is received into the Settlement Balance, direct the Key Maintainer to transfer the Total Basket Amount to the Vault Balance, (B) direct the Transfer Agent to credit to the Authorized Participant's account the number of Creation Baskets ordered by the Authorized Participant and (C) compensate the Liquidity Provider pursuant to the APA Procedures.

(vii) The Key Maintainer may accept delivery of TAO by such other means as the Sponsor, from time to time, may determine to be acceptable for the Trust.

(b) Rejection or Suspension. The Sponsor or its delegate shall reject a Creation Order if the Creation Order is not in proper form as described in the relevant Authorized Participant Agreement or if the fulfillment of the Creation Order, in the opinion of its counsel, might be unlawful. The issuance of Creation Baskets may be suspended by the Sponsor generally, or refused with respect to a particular Creation Order, during any period when the transfer books of the Transfer Agent are closed or if circumstances outside the control of the Sponsor or its delegate make it for all practicable purposes not feasible to process Creation Orders or for any other reason at

any time or from time to time. None of the Sponsor, its delegates or the Key Maintainer shall be liable for the suspension or rejection of any Creation Order.

(c) Conflict. In the event of any conflict between the procedures described in this SECTION 3.3 and the APA Procedures, the APA Procedures shall control.

(d) Successor Key Maintainer. If a successor to the Key Maintainer shall be employed, the Trust and the Sponsor shall establish procedures acceptable to such successor with respect to the matters addressed in this SECTION 3.3.

SECTION 3.4 *Book-Entry System*.

(a) Shares shall be held in book-entry form by the Transfer Agent. The Sponsor or its delegate shall direct the Transfer Agent to (i) credit or debit the number of Creation Baskets or Redemption Baskets to the account of the applicable Shareholder and (ii) issue or cancel Creation Baskets or Redemption Baskets, as applicable, at the direction of the Sponsor or its delegate.

(b) The Sponsor or its delegate may cause the Trust to issue Shares in certificated form in its sole discretion.

SECTION 3.5 *Assets of the Trust.*

The Trust Estate shall irrevocably belong to the Trust for all purposes, subject only to the rights of creditors of the Trust and shall be so recorded upon the books of account of the Trust.

SECTION 3.6 *Liabilities of the Trust.*

The Trust Estate shall be charged with the liabilities of the Trust and with all expenses, costs, charges and reserves attributable to the Trust. The Sponsor shall have full discretion, to the extent not inconsistent with applicable law, to determine which items shall be treated as income and which items as capital, and each such determination and allocation shall be conclusive and binding upon the Shareholders.

SECTION 3.7 *Distributions.*

(a) The Trust may make distributions on Shares either in cash or in kind (including TAO, whether obtained as Staking Consideration or otherwise), including in such form as is necessary and permissible for the Trust to facilitate the distribution of TAO, Incidental Rights, IR Virtual Currency and/or Other Staking Consideration.

(b) Distributions on Shares, if any, may be made with such frequency as the Sponsor may determine, which may be daily or otherwise, to the Shareholders, from the Trust Estate, after providing for actual and accrued liabilities. All distributions

on Shares shall be made *pro rata* to the Shareholders in proportion to their respective Percentage Interests at the date and time of record established for such distribution.

(c) If the Trust sells TAO, Incidental Rights, IR Virtual Currency and/or Other Staking Consideration in order to pay Additional Trust Expenses, then any cash remaining from these sales after the payment of any Additional Trust Expenses shall promptly be distributed to the Shareholders.

SECTION 3.8 *Voting Rights.*

Notwithstanding any other provision hereof, on each matter submitted to a vote of the Shareholders, each Shareholder shall be entitled to a proportionate vote based upon its Percentage Interest at such time.

SECTION 3.9 *Equality.*

All Shares shall represent an equal proportionate beneficial interest in the Trust Estate subject to the liabilities of the Trust, and each Share's interest in the Trust Estate shall be equal to each other Share.

ARTICLE IV

TRANSFERS OF SHARES

SECTION 4.1 *General Prohibition.*

A Shareholder may not sell, assign, transfer or otherwise dispose of, or pledge, hypothecate or in any manner encumber any or all of its Shares or any part of its right, title and interest in the Trust Estate except as permitted in this Article IV and any act in violation of this Article IV shall not be binding upon or recognized by the Trust (regardless of whether the Sponsor shall have knowledge thereof), unless approved in writing by the Sponsor.

SECTION 4.2 *Restricted Securities.*

Except for Shares transferred in a transaction registered under the Securities Act, the Shares are "restricted securities" that cannot be resold, pledged or otherwise transferred without registration under the Securities Act and state securities laws or exemption therefrom and may not be resold, pledged or otherwise transferred without the prior written consent of the Sponsor, which it may withhold in its sole discretion for any reason or for no reason. The Sponsor may provide any such written consent in the Memorandum or any document issued or delivered in connection with the sale or transfer of Shares, including any filings with the SEC.

SECTION 4.3 *Transfer of Shares Generally.*

Shares shall be transferable on the books of account for the Trust only by the record holder thereof or by his or her duly authorized agent upon delivery to the Sponsor

or the Transfer Agent or similar agent of a duly executed instrument of transfer, and such evidence of the genuineness of each such execution and authorization and of such other matters as may be required by the Sponsor. Upon such delivery, and subject to any further requirements specified by the Sponsor, the transfer shall be recorded on the books of account for the Trust. Until a transfer is so recorded, the Shareholder of record of Shares shall be deemed to be the Shareholder with respect to such Shares for all purposes hereunder and neither the Sponsor nor the Trust, nor the Transfer Agent or any similar agent or registrar or any officer, employee or agent of the Trust, shall be affected by any notice of a proposed transfer.

ARTICLE V

REDEMPTIONS

SECTION 5.1 *Unavailability of Redemption Program.*

Unless otherwise determined by the Sponsor in its sole discretion following the Trust's receipt of regulatory approval therefor, the Trust shall not offer a redemption program for the Shares. The Trust may, but shall not be required to, seek regulatory approval to operate a redemption program. If any redemption program is approved, then any redemption authorized by the Sponsor shall be subject to the provisions of this Article V.

SECTION 5.2 *Redemption of Redemption Baskets.*

(a) General. Upon the approval of a redemption program and authorization by the Sponsor, the following procedures, as supplemented by the APA Procedures, which may be amended from time to time in accordance with the provisions of the Authorized Participant Agreement (*provided* that any such amendment shall not constitute an amendment of this Trust Agreement), shall govern the Trust with respect to the redemption of Redemption Baskets, subject to Section 5.2(b).

(i) On any Business Day, an Authorized Participant may place an order to redeem Redemption Baskets (each, a "**Redemption Order**") in the manner provided in the APA Procedures.

(ii) The Sponsor or its delegates shall process Redemption Orders only from Authorized Participants with respect to which an Authorized Participant Agreement is in full force and effect.

(iii) The Trust shall redeem Redemption Baskets only upon deposit with the Transfer Agent on the Redemption Settlement Date of the total number of Baskets indicated in the Authorized Participant's Redemption Order.

(iv) Upon receipt of the total number of Baskets indicated in the Authorized Participant's Redemption Order, the Sponsor or its delegate shall instruct the Transfer Agent to cancel the Shares in the Baskets so redeemed. The Sponsor or its delegate shall also instruct the Key Maintainer to deposit into the

Authorized Participant Self-Administered Account or the Liquidity Provider Account, as applicable, a number of TAO equal to the Total Basket Amount.

(v) The Sponsor or its delegate has final determination of all questions as to the determination of the Total Basket Amount at any time.

(vi) The Total Basket Amount shall be delivered only to an Authorized Participant Self-Administered Account or a Liquidity Provider Account.

(vii) The Total Basket Amount shall be subject to the deduction of any applicable tax or other governmental charges that may be due.

(b) Rejection or Suspension. The Sponsor or its delegate shall reject a Redemption Order if the Redemption Order is not in proper form as described in the relevant Authorized Participant Agreement or if the fulfillment of the Redemption Order, in the opinion of its counsel, might be unlawful. The redemption of Baskets may be suspended by the Sponsor generally, or refused with respect to a particular Redemption Order, during any period when the transfer books of the Transfer Agent are closed or if circumstances outside the control of the Sponsor or its delegate make it for all practicable purposes not feasible to process Redemption Orders or for any other reason at any time or from time to time. None of the Sponsor, its delegates or the Key Maintainer shall be liable for the suspension or rejection of any Redemption Order.

(c) Conflict. In the event of any conflict between the procedures described in this 0 and the APA Procedures, the APA Procedures shall control.

SECTION 5.3 *Other Redemption Procedures.*

The Sponsor or its delegates from time to time may, but shall have no obligation to, establish procedures with respect to redemption of Shares in lot sizes smaller than the Redemption Basket and permitting the redemption distribution to be delivered in a manner other than that specified in 0.

ARTICLE VI

THE SPONSOR

SECTION 6.1 *Management of the Trust.*

Pursuant to Section 3806(b)(7) of the Delaware Trust Statute, the Trust shall be managed by the Sponsor in accordance with this Trust Agreement. The Sponsor may delegate, as provided herein, the duty and authority to manage the affairs of the Trust. Any determination as to what is in the interests of the Trust made by the Sponsor in good faith shall be conclusive. In construing the provisions of this Trust Agreement, the presumption shall be in favor of a grant of power to the Sponsor, but subject, for the avoidance of doubt, to the restrictions, prohibitions and limitations expressly set forth in Section 1.5, Section 6.4(m) and otherwise in this Trust Agreement. The enumeration of

any specific power in this Trust Agreement shall not be construed as limiting the aforesaid power.

SECTION 6.2 *Authority of Sponsor.*

In addition to, and not in limitation of, any rights and powers conferred by law or other provisions of this Trust Agreement, and except as limited, restricted or prohibited by the express provisions of this Trust Agreement or the Delaware Trust Statute, the Sponsor shall have and may exercise on behalf of the Trust, all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes of the Trust, which powers and rights shall include, without limitation, the following:

(a) To enter into, execute, accept, deliver and maintain, and to cause the Trust to perform its obligations under, contracts, agreements and any or all other documents and instruments incidental to the Trust's purposes, and to do and perform all such acts as may be in furtherance of the Trust's purposes, or necessary or appropriate for the offer and sale of the Shares, including, but not limited to, causing the Trust to enter into (i) contracts or agreements with the Sponsor or an Affiliate, *provided* that any such contract or agreement does not conflict with the provisions of Section 1.5(b) of this Trust Agreement, Section 6.4 of this Trust Agreement or clause (ii) of this Section 6.2(a) and (ii) contracts with third parties for various services, it being understood that any document or instrument executed or accepted by the Sponsor in the Sponsor's name shall be deemed executed and accepted on behalf of the Trust by the Sponsor, *provided*, *however*, that such services may be performed by an Affiliate or Affiliates of the Sponsor so long as the Sponsor has made a good faith determination that (A) the Affiliate that it proposes to engage to perform such services is qualified to do so (considering the prior experience of the Affiliate or the individuals employed by the Affiliate); (B) the terms and conditions of the agreement pursuant to which such Affiliate is to perform services for the Trust are no less favorable to the Trust than could be obtained from equally-qualified unaffiliated third parties; and (C) the maximum period covered by the agreement pursuant to which such Affiliate is to perform services for the Trust shall not exceed one year, and such agreement shall be terminable without penalty upon one hundred twenty (120) days' prior written notice by the Trust;

(b) To establish, maintain, deposit into, and sign checks and/or otherwise draw upon, accounts on behalf of the Trust with appropriate banking and savings institutions;

(c) To deposit, withdraw, pay, retain and distribute the Trust Estate or any portion thereof in any manner consistent with the provisions of this Trust Agreement;

(d) To supervise the preparation of any confidential private placement memoranda, prospectuses, registration statements and supplements and amendments thereto and any filings of the Trust with the SEC;

(e) To make or authorize the making of distributions to the Shareholders and expenses of the Trust out of the Trust Estate;

(f) To cause the Trust to appoint an agent to act on behalf of the Shareholders pursuant to Section 7.5;

(g) To prepare, or cause to be prepared, and file, or cause to be filed, an application to register any Shares under the Securities Act and/or the Exchange Act and to take any other action and execute and deliver any certificates or documents that may be necessary to effectuate such registration;

(h) To prepare, or cause to be prepared, and file, or cause to be filed, an application to enable the Shares to be listed, quoted or traded on any Secondary Market and to take any other action and execute and deliver any certificates or documents that may be necessary to effectuate such listing, quotation or trading;

(i) To appoint one or more Key Maintainers, custodians or other security vendors, including itself or an Affiliate, to provide for custodial or non-custodial security services, or to determine not to appoint any Key Maintainer, custodian or other security vendors, and to otherwise take any action with respect to the Key Maintainer, custodian, or other security vendors to safeguard the Trust Estate;

(j) In the sole and absolute discretion of the Sponsor, to admit an Affiliate or Affiliates of the Sponsor as additional Sponsors;

(k) To delegate those of its duties hereunder as it shall determine from time to time to one or more Distributors, and add any additional service providers, if needed and as applicable;

(l) To engage in Staking;

(m) To perform such other services as the Sponsor believes that the Trust may from time to time require;

(n) To determine, in good faith, which peer-to-peer network, among a group of incompatible forks of the Bittensor Network, is generally accepted as TAO and should therefore be considered "TAO" for the Trust's purposes, which the Sponsor will determine based on a variety of then relevant factors, including (but not limited to) the following: (i) the Sponsor's beliefs regarding expectations of the core developers of Bittensor, users, services businesses, miners and other constituencies and (ii) the actual, continued development, acceptance, mining power and community engagement; *provided* that the Sponsor shall not make a determination that would conflict with Section 1.5(b) or Section 6.4(m) of this Trust Agreement; and

(o) In general, but subject to SECTION 1.5Section 1.5 and Section 6.4 of this Trust Agreement, to do everything necessary, suitable or proper for the accomplishment of any purpose or the furtherance of any power herein set forth, either alone or in association with others, and to do every other act or thing incidental or appurtenant to, or growing out of or connected with, the aforesaid purposes or powers.

SECTION 6.3 *Obligations of the Sponsor.*

In addition to the obligations expressly provided by the Delaware Trust Statute or this Trust Agreement, the Sponsor shall:

(a) Devote such of its time to the affairs of the Trust as it shall, in its discretion exercised in good faith, determine to be necessary to carry out the purposes of the Trust, as set forth in SECTION 1.5, for the benefit of the Shareholders;

(b) Execute, file, record and/or publish all certificates, statements and other documents and do any and all other things as may be appropriate for the formation, qualification and operation of the Trust and for the conduct of its affairs in all appropriate jurisdictions;

(c) Retain independent public accountants to audit the accounts of the Trust;

(d) Employ attorneys to represent the Sponsor and, as necessary, the Trust;

(e) Select and enter into agreements with the Trustee and any other service provider to the Trust;

(f) Use its best efforts to maintain the status of the Trust as a grantor trust for U.S. federal income tax purposes under Subpart E, Part I of Subchapter J of the Code;

(g) Monitor all fees charged to the Trust, and the services rendered by the service providers to the Trust, to determine whether the fees paid by, and the services rendered to, the Trust are at competitive rates and are the best price and services available under the circumstances, and if necessary, renegotiate the fee structure to obtain such rates and services for the Trust;

(h) Have fiduciary responsibility for the safekeeping and use of the Trust Estate, whether or not in the Sponsor's immediate possession or control;

(i) Not employ or permit others to employ the Trust Estate in any manner except for the benefit of the Trust, including, among other things, the utilization of any portion of the Trust Estate as compensating balances for the exclusive benefit of the Sponsor;

(j) At all times act with integrity and good faith and exercise due diligence in all activities relating to the Trust and in resolving conflicts of interest;

(k) Enter into an Authorized Participant Agreement with each Authorized Participant and discharge the duties and responsibilities of the Trust and the Sponsor thereunder;

(l) Receive directly or through its delegates from Authorized Participants and process properly submitted Creation Orders, as described in SECTION 3.3(a);

(m) Receive directly or through its delegates from Authorized Participants and process properly submitted Redemption Orders (if authorized), as described in SECTION 5.2(a), or as may from time to time be permitted by SECTION 5.3;

(n) Interact with the Key Maintainer and any other party as required;

(o) If the Shares are listed, quoted or traded on any Secondary Market, cause the Trust to comply with all rules, orders and regulations of such Secondary Market to which the Trust is subject as a result of the listing, quotation or trading of the Shares on such Secondary Market, and take all such other actions that may reasonably be taken and are necessary for the Shares to remain listed, quoted or traded on such Secondary Market until the Trust is terminated or the Shares are no longer listed, quoted or traded on such Secondary Market;

(p) If the Shares are transferred in a transaction registered under the Securities Act or registered under the Exchange Act, cause the Trust to comply with all rules, orders and regulations of the SEC and take all such other actions as may reasonably be taken and are necessary for the Shares to remain registered under the Exchange Act until the Trust is terminated or the Shares are no longer registered under the Exchange Act; and

(q) Take all actions to prepare and, to the extent required by this Trust Agreement or by law, mail to Shareholders any reports, press releases or statements, financial or otherwise, that the Sponsor determines are required to be provided to Shareholders by applicable law or governmental regulation or the requirements of any Secondary Market on which the Shares are listed, quoted or traded or, if any Shares are transferred in a transaction registered under the Securities Act or registered under the Exchange Act, the SEC, as applicable.

The foregoing clauses of SECTION 6.2 and SECTION 6.2(n) shall be construed as powers, and the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the general powers of the Sponsor. Any action by the Sponsor hereunder shall be deemed an action on behalf of the Trust, and not an action in an individual capacity.

SECTION 6.4 *General Prohibitions.*

The Trust shall not, and the Sponsor shall not have the power to cause the Trust to:

(a) Receive any property other than TAO upon the issuance of Shares;

(b) Hold any property other than (i) TAO, Incidental Rights, IR Virtual Currency and (for a period not exceeding thirty (30) Business Days from its receipt) Other Staking Consideration, (ii) cash from the sale of TAO, Incidental Rights, IR Virtual Currency or Other Staking Consideration and (iii) interests in any liquidating trust or other vehicle formed to hold TAO, Incidental Rights, IR Virtual Currency or Other Staking Consideration pending distribution of such interests to the Shareholders;

(c) Hold any cash (i) from the sale of TAO, Incidental Rights, IR Virtual Currency or Other Staking Consideration or (ii) received as Other Staking Consideration, in each case, for more than thirty (30) Business Days prior to using such cash to pay Additional Trust Expenses, or to fund the redemption of Redemption Baskets, and distributing any remaining cash to the Shareholders;

(d) If the redemption of Shares is not authorized pursuant to SECTION 5.1, redeem any Shares other than upon the dissolution of the Trust;

(e) If the redemption of Shares is authorized pursuant to SECTION 5.1, redeem the Shares other than (i) to satisfy a Redemption Order from an Authorized Participant, (ii) as provided in 0 or SECTION 5.3 or (iii) upon the dissolution of the Trust;

(f) Borrow money from, or loan money to, any Shareholder, the Sponsor or any other Person;

(g) Create, incur, assume or suffer to exist any lien, mortgage, pledge conditional sales or other title retention agreement, charge, security interest or encumbrance on or with respect to the Trust Estate, except for (i) liens for taxes not delinquent or being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established and (ii) liens by the Trustee against the Trust property as security for any amounts owing to the Trustee hereunder;

(h) Commingle the Trust Estate with the assets of any other Person; *provided* that, for the avoidance of doubt, a portion of the Trust Estate may be held in the Settlement Balance from time to time in order to facilitate the creation and redemption of Shares;

(i) Permit rebates to be received by the Sponsor or any Affiliate of the Sponsor, or permit the Sponsor or any Affiliate of the Sponsor to engage in any reciprocal business arrangements which would circumvent the foregoing prohibition;

(j) Enter into any contract with the Sponsor or an Affiliate of the Sponsor (A) that, except for selling agreements for the sale of Shares, has a term of more than one year and that does not provide that it may be canceled by the Trust without penalty on one hundred twenty (120) days prior written notice or (B) for the provision of services, except at rates and terms at least as favorable as those that may be obtained from third parties in arm's length negotiations;

(k) Enter into any exclusive brokerage contract;

(l) Elect to be treated as an association taxable as a corporation for U.S. federal income tax purposes;

(m) Notwithstanding any other provision of this Trust Agreement, including SECTION 6.4(b), take any action that could cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes; or

SECTION 6.5 *Liability of Covered Persons.*

A Covered Person shall have no liability to the Trust or to any Shareholder or other Covered Person for any loss suffered by the Trust which arises out of any action or inaction of such Covered Person if such Covered Person, in good faith, determined that such course of conduct was in the best interest of the Trust and such course of conduct did not constitute fraud, gross negligence, bad faith or willful misconduct of such Covered Person. Subject to the foregoing, neither the Sponsor nor any other Covered Person shall be personally liable for the return or repayment of all or any portion of the TAO transferred, or the purchase price otherwise paid, by a Shareholder for its Shares, it being expressly agreed that any such return made pursuant to this Trust Agreement shall be made solely from the assets of the Trust without any rights of contribution from the Sponsor or any other Covered Person. A Covered Person shall not be liable for the conduct or misconduct of any delegate selected by the Sponsor with reasonable care.

SECTION 6.6 *Fiduciary Duty.*

(a) To the extent that, at law or in equity, the Sponsor has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or any other Person, the Sponsor acting under this Trust Agreement shall not be liable to the Trust, the Shareholders or any other Person for its good faith reliance on the provisions of this Trust Agreement subject to the standard of care set forth in Section 6.5 herein. The provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Sponsor otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Sponsor. To the fullest extent permitted by law, no Person other than the Sponsor and the Trustee shall have any duties (including fiduciary duties) or liabilities at law or in equity to the Trust, the Shareholders or any other Person.

(b) Unless otherwise expressly provided herein, (i) whenever a conflict of interest exists or arises between the Sponsor or any of its Affiliates, on the one hand, and the Trust, any Shareholder or any other Person, on the other hand; or (ii) whenever this Trust Agreement or any other agreement contemplated herein provides that the Sponsor shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust, any Shareholder or any other Person, the Sponsor shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Sponsor, the resolution, action or terms

so made, taken or provided by the Sponsor shall not constitute a breach of this Trust Agreement or any other agreement contemplated herein or of any duty or obligation of the Sponsor at law or in equity or otherwise.

(c) The Sponsor and any Affiliate of the Sponsor may engage in or possess an interest in profit-seeking or business ventures of any nature or description, independently or with others, whether or not such ventures are competitive with the Trust and the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to the Sponsor. If the Sponsor acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Trust, it shall have no duty to communicate or offer such opportunity to the Trust, and the Sponsor shall not be liable to the Trust or to the Shareholders for breach of any fiduciary or other duty by reason of the fact that the Sponsor pursues or acquires for, or directs such opportunity to, another Person or does not communicate such opportunity or information to the Trust. Neither the Trust nor any Shareholder shall have any rights or obligations by virtue of this Trust Agreement or the trust relationship created hereby in or to such independent ventures or the income or profits or losses derived therefrom, and the pursuit of such ventures, even if competitive with the purposes of the Trust, shall not be deemed wrongful or improper. Except to the extent expressly provided herein, the Sponsor may engage or be interested in any financial or other transaction with the Trust, the Shareholders or any Affiliate of the Trust or the Shareholders.

(d) To the fullest extent permitted by law and notwithstanding any other provision of this Trust Agreement or in any agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever in this Trust Agreement a Person is permitted or required to make a decision (a) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust, the Shareholders or any other Person, or (b) in its "good faith" or under another express standard, the Person shall act under such express standard and shall not be subject to any other or different standard. The term "good faith" as used in this Trust Agreement shall mean subjective good faith as such term is understood and interpreted under Delaware law.

SECTION 6.7 *Indemnification of the Sponsor.*

(a) The Sponsor shall be indemnified by the Trust against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with its activities for the Trust, provided that (i) the Sponsor was acting on behalf of, or performing services for, the Trust and has determined, in good faith, that such course of conduct was in the best interests of the Trust and such liability or loss was not the result of fraud, gross negligence, bad faith, willful misconduct, or a material breach of this Trust Agreement on the part of the Sponsor and (ii) any such indemnification will be recoverable only from the Trust Estate. All rights to indemnification permitted herein and payment of associated expenses shall not be affected by the dissolution or other cessation of existence of the Sponsor, or the

withdrawal, adjudication of bankruptcy or insolvency of the Sponsor, or the filing of a voluntary or involuntary petition in bankruptcy under Title 11 of the United States Code by or against the Sponsor.

(b) Notwithstanding the provisions of SECTION 6.7(a) above, the Sponsor, any Authorized Participant and any other Person acting as a broker-dealer for the Trust shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of U.S. federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves the indemnification of such expenses (including, without limitation, litigation costs), (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves the indemnification of such expenses (including, without limitation, litigation costs) or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made.

(c) The Trust shall not incur the cost of that portion of any insurance that insures any party against any liability, the indemnification of which is herein prohibited.

(d) Expenses incurred in defending a threatened or pending civil, administrative or criminal action suit or proceeding against the Sponsor shall be paid by the Trust in advance of the final disposition of such action, suit or proceeding, if (i) the legal action relates to the performance of duties or services by the Sponsor on behalf of the Trust; (ii) the legal action is initiated by a third party who is not a Shareholder or the legal action is initiated by a Shareholder and a court of competent jurisdiction specifically approves such advance; and (iii) the Sponsor undertakes to repay the advanced funds with interest to the Trust in cases in which it is not entitled to indemnification under this SECTION 6.7.

(e) The term "Sponsor" as used only in this SECTION 6.7 shall include, in addition to the Sponsor, any other Covered Person performing services on behalf of the Trust and acting within the scope of the Sponsor's authority as set forth in this Trust Agreement.

(f) In the event the Trust is made a party to any claim, dispute, demand or litigation or otherwise incurs any loss, liability, damage, cost or expense as a result of or in connection with any Shareholder's (or assignee's) obligations or liabilities unrelated to Trust affairs, such Shareholder (or assignees cumulatively) shall indemnify, defend, hold harmless, and reimburse the Trust for all such loss, liability, damage, cost and expense incurred, including attorneys' and accountants' fees.

SECTION 6.8 *Expenses and Limitations Thereon*.

(a) Sponsor's Fee.

(i) The Trust shall pay to the Sponsor a fee (the "**Sponsor's Fee**"), payable in TAO (except as provided in Section 6.8(a)(iv)), which shall accrue daily in U.S. Dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day; *provided* that for a day that is not a Business Day, the calculation shall be based on the NAV Fee Basis Amount from the most recent Business Day, reduced by the accrued and unpaid Sponsor's Fee for such most recent Business Day and for each day after such most recent Business Day and prior to the relevant calculation date. The amount of TAO payable in respect of each daily U.S. Dollar accrual shall be determined by reference to the same Reference Rate Price used to determine such accrual. The Sponsor's Fee is payable to the Sponsor daily in arrears.

(ii) Except as provided in Section 6.8(a)(iv), to cause the Trust to pay the Sponsor's Fee, the Sponsor shall instruct the Key Maintainer to withdraw from the TAO Account the number of TAO equal to the accrued but unpaid Sponsor's Fee and transfer such TAO to the account designated by the Sponsor at such times as the Sponsor determines in its absolute discretion.

(iii) After the payment of the Sponsor's Fee to the Sponsor, the Sponsor may elect to convert the TAO it receives into U.S. Dollars. The Shareholders acknowledge that the rate at which the Sponsor converts such TAO to U.S. Dollars may differ from the rate at which the Sponsor's Fee was initially converted into TAO. The Trust shall not be responsible for any fees and expenses incurred by the Sponsor to convert TAO received in payment of the Sponsor's Fee into U.S. Dollars.

(iv) If the Trust holds any Incidental Rights, IR Virtual Currency and/or Other Staking Consideration at any time, the Trust may pay the Sponsor's Fee, in whole or in part, with such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration by transferring such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration to the Sponsor; *provided* that the Trust shall use Incidental Rights, IR Virtual Currency and/or Other Staking Consideration to pay the Sponsor's Fee only if such transfer does not otherwise conflict with the terms of this Trust Agreement. In the case of Incidental Rights, IR Virtual Currency or Other Staking Consideration other than cash, such Incidental Rights, IR Virtual Currency or Other Staking Consideration other than cash shall be transferred at a value to be determined in good faith by the Sponsor. If the Trust pays the Sponsor's Fee in Incidental Rights, IR Virtual Currency and/or Other Staking Consideration, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment shall be correspondingly reduced.

(v) The Sponsor may, from time to time, temporarily waive all or a portion of the Sponsor's Fee in its sole discretion.

(vi) As partial consideration for receipt of the Sponsor's Fee, the Sponsor shall assume and pay all fees and other expenses incurred by the

Trust in the ordinary course of its affairs, excluding taxes, but including: (i) the Marketing Fee, (ii) the Administrator Fee, (iii) the Key Maintainer Fee, (iv) the Transfer Agent fee, (v) the Trustee fee, (vi) 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, (vii) ordinary course legal fees and expenses, (viii) audit fees, (ix) regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act, (x) printing and mailing costs, (xi) costs of maintaining the Trust's website and (xii) applicable license fees (each, a "**Sponsor-paid Expense**" and together, the "**Sponsor-paid Expenses**"), *provided* that any expense that qualifies as Additional Trust Expenses as set forth in SECTION 6.8(b) shall be deemed to be Additional Trust Expenses and not a Sponsor-paid Expense.

(b) Additional Trust Expenses.

(i) The Trust shall pay any expenses incurred by the Trust in addition to the Sponsor's Fee that are not Sponsor-paid Expenses, including, but not limited to, (i) taxes and governmental charges, (ii) expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of Shareholders (including in connection with any Incidental Rights, any IR Virtual Currency or any Other Staking Consideration), (iii) any indemnification of the Key Maintainer or other agents, service providers or counterparties of the Trust, (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 (collectively, "**Additional Trust Expenses**").

(ii) To cause the Trust to pay the Additional Trust Expenses, if any, the Sponsor or its delegates (i) shall instruct the Key Maintainer to withdraw TAO from the TAO Account in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust (or its delegate) to convert such TAO into U.S. Dollars or other fiat currencies at the Actual Exchange Rate or (y) cause the Trust (or its delegate) to deliver such TAO in kind in satisfaction of such Additional Trust Expenses.

(iii) If the Trust holds any Incidental Rights, IR Virtual Currency and/or Other Staking Consideration at any time, the Trust may pay any Additional Trust Expenses, in whole or in part, with such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration by entering into an agreement with the relevant payee and transferring such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration to that payee at a value to be determined pursuant to such agreement; *provided* that the Trust shall use Incidental Rights, IR Virtual Currency and/or Other Staking Consideration to pay

Additional Trust Expenses only if such transfer does not otherwise conflict with the terms of this Trust Agreement. In the case of Incidental Rights, IR Virtual Currency or Other Staking Consideration other than cash, such Incidental Rights, IR Virtual Currency or Other Staking Consideration other than cash shall be transferred at a value to be determined in good faith by the Sponsor. If the Trust pays the Additional Trust Expenses in Incidental Rights, IR Virtual Currency and/or Other Staking Consideration, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment shall be correspondingly reduced.

(c) The Sponsor or any Affiliate of the Sponsor may be reimbursed only for the actual cost to the Sponsor or such Affiliate of any expenses that it advances on behalf of the Trust for payment of which the Trust is responsible. In addition, payment to the Sponsor or such Affiliate for indirect expenses incurred in performing services for the Trust in its capacity as the Sponsor (or an Affiliate of the Sponsor) of the Trust, such as salaries and fringe benefits of officers and directors, rent or depreciation, utilities and other administrative items generally falling within the category of the Sponsor's "overhead," is prohibited.

SECTION 6.9 *Voluntary Withdrawal of the Sponsor.*

The Sponsor may withdraw voluntarily as the Sponsor of the Trust only upon one hundred and twenty (120) days' prior written notice to all Shareholders and the Trustee. If the withdrawing Sponsor is the last remaining Sponsor, the Shareholders holding Shares equal to at least a majority (over 50%) of the Shares may vote to elect and appoint, effective as of a date on or prior to the withdrawal, a successor Sponsor who shall carry on the affairs of the Trust. If the Sponsor withdraws and a successor Sponsor is named, the withdrawing Sponsor shall pay all expenses as a result of its withdrawal.

SECTION 6.10 *Litigation.*

The Sponsor is hereby authorized to prosecute, defend, settle or compromise actions or claims at law or in equity as may be necessary or proper to enforce or protect the Trust's interests. The Sponsor shall satisfy any judgment, decree or decision of any court, board or authority having jurisdiction or any settlement of any suit or claim prior to judgment or final decision thereon, first, out of any insurance proceeds available therefor, next, out of the Trust's assets and, thereafter, out of the assets (to the extent that it is permitted to do so under the various other provisions of this Trust Agreement) of the Sponsor.

SECTION 6.11 *Bankruptcy; Merger of the Sponsor*.

(a) The Sponsor shall not cease to be a Sponsor of the Trust merely upon the occurrence of its making an assignment for the benefit of creditors, filing a voluntary petition in bankruptcy, filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, filing an answer or other pleading

admitting or failing to contest material allegations of a petition filed against it in any proceeding of this nature or seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator for itself or of all or any substantial part of its properties.

(b) To the fullest extent permitted by law, and on sixty (60) days' prior written notice to the Shareholders of their right to vote thereon, if any such transaction is other than with an affiliated entity, nothing in this Trust Agreement shall be deemed to prevent the merger of the Sponsor with another corporation or other entity, the reorganization of the Sponsor into or with any other corporation or other entity, the transfer of all the capital stock of the Sponsor or the assumption of the rights, duties and liabilities of the Sponsor by, in the case of a merger, reorganization or consolidation, the surviving corporation or other entity by operation of law. Without limiting the foregoing, none of the transactions referenced in the preceding sentence shall be deemed to be a voluntary withdrawal for purposes of SECTION 6.9 or an Event of Withdrawal for purposes of SECTION 12.1(a)(iv).

ARTICLE VII

THE SHAREHOLDERS

SECTION 7.1 *No Management or Control; Limited Liability; Exercise of Rights through an Authorized Participant.*

The Shareholders shall not participate in the management or control of the Trust nor shall they enter into any transaction on behalf of the Trust or have the power to sign for or bind the Trust, said power being vested solely and exclusively in the Sponsor. Except as provided in SECTION 7.3 hereof, no Shareholder shall be bound by, or be personally liable for, the expenses, liabilities or obligations of the Trust in excess of its Percentage Interest of the Trust Estate. Except as provided in SECTION 7.3 hereof, each Share owned by a Shareholder shall be fully paid and no assessment shall be made against any Shareholder. No salary shall be paid to any Shareholder in its capacity as a Shareholder, nor shall any Shareholder have a drawing account or earn interest on its Percentage Interest of the Trust Estate. By the purchase and acceptance or other lawful delivery and acceptance of Shares, each owner of such Shares shall be deemed to be a Shareholder and beneficiary of the Trust and vested with beneficial undivided interest in the Trust to the extent of the Shares owned beneficially by such Shareholder, subject to the terms and conditions of this Trust Agreement.

SECTION 7.2 *Rights and Duties.*

The Shareholders shall have the following rights, powers, privileges, duties and liabilities:

(a) The Shareholders shall have the right to obtain from the Sponsor information on all things affecting the Trust, provided that such information is for a purpose reasonably related to the Shareholder's interest as a beneficial owner of the Trust.

(b) The Shareholders shall receive the share of the distributions provided for in this Trust Agreement in the manner and at the times provided for in this Trust Agreement.

(c) Except for the Shareholders' transfer rights set forth in Article IV and the Shareholders' redemption rights set forth in Article V hereof, Shareholders shall have the right to demand a redemption of their Shares only upon the dissolution and winding up of the Trust and only to the extent of funds available therefor, as provided in SECTION 12.2. In no event shall a Shareholder be entitled to demand or receive property other than cash upon the dissolution and winding up of the Trust. No Shareholder shall have priority over any other Shareholder as to distributions. The Shareholder shall not have any right to bring an action for partition against the Trust.

(d) Shareholders holding Shares representing at least a majority (over 50%) of the Shares may vote to appoint a successor Sponsor as provided in Section 6.10 or to continue the Trust as provided in SECTION 12.1(a)(iv).

Except as set forth above, the Shareholders shall have no voting or other rights with respect to the Trust.

SECTION 7.3 *Limitation of Liability.*

(a) Except as provided in SECTION 6.7(f) hereof, and as otherwise provided under Delaware law, the Shareholders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of Delaware and no Shareholder shall be liable for claims against, or debts of the Trust in excess of its Percentage Interest of the Trust Estate, except in the case of a Shareholder that is an Authorized Participant, in the event that the liability is founded upon misstatements or omissions contained in such Shareholder's Authorized Participant Agreement. In addition, and subject to the exceptions set forth in the immediately preceding sentence, the Trust shall not make a claim against a Shareholder with respect to amounts distributed to such Shareholder or amounts received by such Shareholder upon redemption of such Shareholder's Shares unless, under Delaware law, such Shareholder is liable to repay such amount.

(b) The Trust shall indemnify to the full extent permitted by law and the other provisions of this Trust Agreement, and to the extent of the Trust Estate, each Shareholder against any claims of liability asserted against such Shareholder solely because it is a beneficial owner of one or more Shares as a Shareholder.

(c) Every written note, bond, contract, instrument, certificate or undertaking made or issued by the Sponsor on behalf of the Trust shall give notice to the effect that the same was executed or made by or on behalf of the Trust and that the obligations of such instrument are not binding upon the Shareholders individually but are binding only upon the assets and property of the Trust, and no resort shall be had to the Shareholders' personal property for satisfaction of any obligation or claim thereunder, and appropriate references may be made to this Trust Agreement and may contain any

further recital that the Sponsor deems appropriate, but the omission thereof shall not operate to bind the Shareholders individually or otherwise invalidate any such note, bond, contract, instrument, certificate or undertaking. Nothing contained in this SECTION 7.3 shall diminish the limitation on the liability of the Trust to the extent set forth in SECTION 3.6 hereof.

SECTION 7.4 *Derivative Actions.*

Subject to any other requirements of applicable law including Section 3816 of the Delaware Trust Statute, no Shareholder shall have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more Shareholders who (i) are not Affiliates of one another and (ii) collectively hold at least 10% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding. This Section 7.4 shall not apply to any derivative claims brought under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the rules and regulations thereunder.

SECTION 7.5 *Appointment of Agents.*

(a) By the purchase and acceptance or other lawful delivery, acceptance or holding of the Shares, the Shareholders shall be deemed to agree that the Sponsor may cause the Trust to appoint an agent to act on their behalf in connection with any distribution of Incidental Rights, IR Virtual Currency and/or Other Staking Consideration if the Sponsor has determined in good faith that such appointment is reasonably necessary or in the best interests of the Trust and the Shareholders in order to facilitate the distribution of any Incidental Rights, IR Virtual Currency and/or Other Staking Consideration. For the avoidance of doubt, the Sponsor may cause the Trust to appoint the Sponsor or any of its Affiliates to act in such capacity, subject to Section 6.2(a) of this Trust Agreement. Any Person appointed as agent of the Shareholders pursuant to this Section 7.5(a) (i) shall receive an in-kind distribution of Incidental Rights, IR Virtual Currency and/or Other Staking Consideration on behalf of the Shareholders of record with respect to such distribution and (ii) following receipt of any such distribution, shall determine, in such Person's sole discretion and without any direction from the Trust or the Sponsor (in its capacity as Sponsor of the Trust), whether and when to sell the distributed Incidental Rights, IR Virtual Currency and/or Other Staking Consideration on behalf of the record date Shareholders.

(b) Any agent appointed pursuant to Section 7.5(a) shall not receive any compensation in connection with its role as agent. The foregoing notwithstanding, any such agent shall be entitled to receive from any distribution of Incidental Rights, IR Virtual Currency and/or Other Staking Consideration, Incidental Rights, IR Virtual Currency and/or Other Staking Consideration with an aggregate fair market value equal to the amount of administrative and other reasonable expenses incurred by such agent in connection with such in-kind distribution of Incidental Rights, IR Virtual Currency and/or Other Staking Consideration, including expenses incurred by such agent in connection with any post-distribution sale of such Incidental Rights, Virtual Currency and/or Other Staking Consideration.

SECTION 7.6 *Business of Shareholders.*

Except as otherwise specifically provided herein, any of the Shareholders and any shareholder, officer, director, employee or other Person holding a legal or beneficial interest in an entity that is a Shareholder, may engage in or possess an interest in business ventures of every nature and description, independently or with others, and the pursuit of such ventures, even if competitive with the affairs of the Trust, shall not be deemed wrongful or improper.

SECTION 7.7 *Authorization of Memorandum and Filings.*

Each Shareholder (or any permitted assignee thereof) hereby agrees that the Trust, the Sponsor and the Trustee are authorized to (i) prepare and file registration statements with the SEC and take such action as is necessary from time to time to qualify the Shares for offering and sale under the federal securities laws of the United States, (ii) prepare and file any current or periodic reports that may be required under the Exchange Act, and (iii) execute, deliver and perform the agreements, acts, transactions and matters contemplated hereby or described in, or contemplated by, the Memorandum or any such registration statements or such reports on behalf of the Trust without any further act, approval or vote of the Shareholders, notwithstanding any other provision of this Trust Agreement, the Delaware Trust Statute or any applicable law, rule or regulation.

ARTICLE VIII

BOOKS OF ACCOUNT AND REPORTS

SECTION 8.1 *Books of Account.*

Proper books of account for the Trust shall be kept and shall be audited annually by an independent certified public accounting firm selected by the Sponsor in its sole discretion, and there shall be entered therein all transactions, matters and things relating to the Trust as are required by the applicable law and regulations and as are usually entered into books of account kept by trusts. The books of account shall be kept at the principal office of the Trust and each Shareholder (or any duly constituted designee of a Shareholder) shall have, at all times during normal business hours, free access to and the right to inspect and copy the same for any purpose reasonably related to the Shareholder's interest as a beneficial owner of the Trust. Such books of account shall be kept, and the Trust shall report its profits and losses on, the accrual method of accounting for financial accounting purposes on a Fiscal Year basis as described in Article IX.

SECTION 8.2 *Annual Updates, Quarterly Updates and Account Statements.*

(a) If the Shares are not then listed, quoted or traded on any Secondary Market or registered under the Securities Act or the Exchange Act, the Sponsor shall furnish each Shareholder with an annual report of the Trust within one hundred and eighty (180) calendar days after the Trust's fiscal year (or as soon as reasonably practicable thereafter) including, but not limited to, annual audited financial statements (including a statement of income and statement of financial condition),

prepared in accordance with GAAP and accompanied by a report of the independent registered public accounting firm that audited such statements.

(b) If the Shares are then listed, quoted or traded on a Secondary Market or registered under the Securities Act or the Exchange Act, the Sponsor shall prepare and publish the Trust's Annual Reports and Quarterly Reports as required by the rules and regulations of such Secondary Market or the SEC, as applicable.

SECTION 8.3 *Tax Information.*

Appropriate tax information (adequate to enable each Shareholder to complete and file its U.S. federal tax return) shall be delivered to each Shareholder following the end of each Fiscal Year but, to the extent possible, no later than April 1. All such information shall be prepared, and all of the Trust's tax returns shall be filed, in a manner consistent with the treatment of the Trust as a grantor trust. The Trust's taxable year shall be the calendar year. The Trustee shall comply with all U.S. federal withholding requirements respecting distributions to, or receipts of amounts on behalf of, Shareholders that the Trustee reasonably believes are applicable under the Code. The consent of Shareholders shall not be required for such withholding.

SECTION 8.4 *Calculation of NAV.*

The Sponsor or its delegate shall calculate and publish the Trust's NAV on each Business Day as of 4:00 p.m., New York time, or as soon as practicable thereafter. In order to calculate the NAV , the Sponsor shall:

1. Determine the Reference Rate Price as of such Business Day;

2. Multiply the Reference Rate Price by the Trust's aggregate number of TAO owned by the Trust as of 4:00 p.m., New York time, on the immediately preceding day, less the aggregate number of TAO payable as the accrued and unpaid Sponsor's Fee as of 4:00 p.m., New York time, on the immediately preceding day;

3. Add the U.S. Dollar value of TAO, calculated using the Reference Rate Price , receivable under pending Creation Orders, if any, determined by multiplying the number of the Creation Baskets represented by such Creation Orders by the Basket Amount and then multiplying such product by the Reference Rate Price ;

4. Subtract the U.S. Dollar amount of accrued and unpaid Additional Trust Expenses, if any;

5. Subtract the U.S. Dollar value of the TAO, calculated using the Reference Rate Price , which are either (i) to be distributed under pending Redemption Orders, if any, determined by multiplying the number of Redemption Baskets represented by such Redemption Orders by the Basket Amount and then multiplying such product by the Reference Rate Price , (ii) to be distributed to

Shareholders pursuant to a binding obligation of the Trust following the declaration of an in-kind dividend (including through interests in any liquidating trust or other vehicle formed to hold such TAO) (the amount derived from steps 1 through 5 above, the "**NAV Fee Basis Amount**"); and

6. Subtract the U.S. Dollar amount of the Sponsor's Fee that accrues for such Business Day, as calculated based on the NAV Fee Basis Amount for such Business Day.

Notwithstanding the foregoing, (i) in the event that the Sponsor determines that the methodology used to determine the Reference Rate Price is not an appropriate basis for valuation of the Trust's TAO, the Sponsor shall use an alternative methodology as set forth in the Trust's Memorandum and (ii) in the event that the Trust holds any Incidental Rights, IR Virtual Currency and/or Other Staking Consideration, the Sponsor may, at its discretion, include the value of such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration in the determination of the Trust's NAV, provided that the Sponsor has determined in good faith a method for assigning an objective value to such Incidental Rights, IR Virtual Currency and/or Other Staking Consideration.

SECTION 8.5 *Maintenance of Records.*

The Sponsor shall maintain for a period of at least six Fiscal Years (a) all books of account required by SECTION 8.1 hereof; (b) a list of the names and last known address of, and number of Shares owned by, all Shareholders; (c) a copy of the Certificate of Trust and all certificates of amendment thereto; (d) executed copies of any powers of attorney pursuant to which any certificate has been executed; (e) copies of the Trust's U.S. federal, state and local income tax returns and reports, if any; (f) copies of any effective written Trust Agreements, Authorized Participant Agreements, including any amendments thereto; and (g) any financial statements of the Trust. The Sponsor may keep and maintain the books and records of the Trust in paper, magnetic, electronic or other format as the Sponsor may determine in its sole discretion, *provided* that the Sponsor shall use reasonable care to prevent the loss or destruction of such records. If there is a conflict between this 1 and the rules and regulations of any Secondary Market on which the Shares are listed, quoted or traded or, if applicable, the SEC with respect to the maintenance of records, the records shall be maintained pursuant to the rules and regulations of such Secondary Market or the SEC.

ARTICLE IX

FISCAL YEAR

SECTION 9.1 *Fiscal Year.*

The fiscal year of the Trust for financial accounting purposes (the "**Fiscal Year**") shall begin on the 1st day of January and end on the 31st day of December of each year. The first Fiscal Year of the Trust commenced on the 30th day of April 2024 and shall end

on the 31st day of December, 2024. The Fiscal Year in which the Trust shall terminate shall end on the date of such termination.

ARTICLE X

AMENDMENT OF TRUST AGREEMENT; MEETINGS

SECTION 10.1 *Amendments to the Trust Agreement.*

(a) *Amendment Generally*.

(i) Except as otherwise specifically provided in this Section 10.1, the Sponsor, in its sole discretion and without Shareholder consent, may amend or otherwise supplement this Trust Agreement by making an amendment, an agreement supplemental hereto, or an amended and restated declaration of trust and trust agreement. Any such restatement, amendment and/or supplement hereto shall be effective on such date as designated by the Sponsor in its sole discretion; *provided* that the Sponsor shall not be permitted to make any such amendment, or otherwise supplement this Trust Agreement, if such amendment or supplement would permit the Sponsor, the Trustee or any other Person to vary the investment of the Shareholders (within the meaning of Treasury Regulations Section 301.7701-4(c)) or would otherwise adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes.

(ii) Any amendments to this Trust Agreement which materially adversely affects the interests of the Shareholders shall occur only upon the vote of Shareholders holding Shares equal to at least a majority (over 50%) of the Shares (not including Shares held by the Sponsor and its Affiliates). For all purposes of this Section 10.1, a Shareholder shall be deemed to consent to a modification or amendment of this Trust Agreement if the Sponsor has notified such Shareholder in writing of the proposed modification or amendment and the Shareholder has not, within twenty (20) calendar days of such notice, notified the Sponsor in writing that the Shareholder objects to such modification or amendment. Notwithstanding anything to the contrary herein, notice pursuant to this Section 10.1 may be given by the Sponsor to the Shareholder by email or other electronic transmission and shall be deemed given upon receipt without requirement of confirmation.

(b) Without limitation of the foregoing, the Sponsor may, without the approval of the Shareholders, amend the provisions of this Trust Agreement if the Trust is advised at any time by the Trust's accountants or legal counsel that the amendments made are necessary to ensure that the Trust's status as a grantor trust will be respected for U.S. federal income tax purposes.

(c) No amendment affecting the rights or duties of the Trustee shall be binding upon or effective against the Trustee unless consented to by the Trustee in writing. No amendment shall be made to this Trust Agreement without the consent of the

Trustee if the Trustee reasonably believes that such amendment adversely affects any of its rights, duties or liabilities. The Trustee shall be under no obligation to execute any amendment to the Trust Agreement or to any agreement to which the Trust is a party until it has received an instruction letter from the Sponsor, in form and substance reasonably satisfactory to the Trustee (i) directing the Trustee to execute such amendment, (ii) representing and warranting to the Trustee that such execution is authorized and permitted by the terms of the Trust Agreement and (if applicable) such other agreement to which the Trust is a party and does not conflict with or violate any other agreement to which the Trust is a party and (iii) confirming that such execution and acts related thereto are covered by the indemnity provisions of the Trust Agreement in favor of the Trustee and do not adversely affect the Trustee.

(d) Upon amendment of this Trust Agreement, the Certificate of Trust shall also be amended, if required by the Delaware Trust Statute, to reflect such change. At the expense of the Sponsor, the Trustee shall execute and file any amendment to the Certificate of Trust if so directed by the Sponsor.

(e) To the fullest extent permitted by law, no provision of this Trust Agreement may be amended, waived or otherwise modified orally but only by a written instrument adopted in accordance with this SECTION 10.1.

SECTION 10.2 *Meetings of the Trust.*

Meetings of the Shareholders may be called by the Sponsor in its sole discretion. The Sponsor shall furnish written notice to all Shareholders thereof of the meeting and the purpose of the meeting, which shall be held on a date, not less than ten (10) nor more than sixty (60) days after the date of mailing of said notice, at a reasonable time and place. Any notice of meeting shall be accompanied by a description of the action to be taken at the meeting. Shareholders may vote in person or by proxy at any such meeting.

SECTION 10.3 *Action Without a Meeting.*

Any action required or permitted to be taken by Shareholders by vote may be taken without a meeting by written consent setting forth the actions so taken. Such written consents shall be treated for all purposes as votes at a meeting. If the vote or consent of any Shareholder to any action of the Trust or any Shareholder, as contemplated by this Trust Agreement, is solicited by the Sponsor, the solicitation shall be effected by notice to each Shareholder given in the manner provided in SECTION 13.6. The vote or consent of each Shareholder so solicited shall be deemed conclusively to have been cast or granted as requested in the notice of solicitation, whether or not the notice of solicitation is actually received by that Shareholder, unless the Shareholder expresses written objection to the vote or consent by notice given in the manner provided in SECTION 13.6 and actually received by the Trust within twenty (20) days after the notice of solicitation is sent. The Covered Persons dealing with the Trust shall be entitled to act in reliance on any vote or consent that is deemed cast or granted pursuant to this SECTION 10.3 and shall be fully indemnified by the Trust in so doing. Any action taken or omitted in reliance on any such deemed vote or consent of one or more Shareholders

shall not be void or voidable by reason of any communication made by or on behalf of all or any of such Shareholders in any manner other than as expressly provided in SECTION 13.6.

ARTICLE XI

TERM

SECTION 11.1 *Term.*

The term for which the Trust is to exist shall be perpetual, unless terminated pursuant to the provisions of Article XII hereof or as otherwise provided by law.

ARTICLE XII

TERMINATION

SECTION 12.1 *Events Requiring Dissolution of the Trust.*

(a) The Trust shall dissolve at any time upon the happening of any of the following events:

(i) a U.S. federal or state regulator requires the Trust to shut down or forces the Trust to liquidate its TAO or seizes, impounds or otherwise restricts access to the Trust Estate;

(ii) any ongoing event exists that either prevents the Trust from making or makes impractical the Trust's reasonable efforts to make a fair determination of the Reference Rate Price ;

(iii) any ongoing event exists that either prevents the Trust from converting or makes impractical the Trust's reasonable efforts to convert TAO to U.S. Dollars; or

(iv) a certificate of dissolution or revocation of the Sponsor's charter is filed (and ninety (90) days have passed after the date of notice to the Sponsor of revocation without a reinstatement of the Sponsor's charter) or the withdrawal, adjudication or admission of bankruptcy or insolvency of the Sponsor (each of the foregoing events an "**Event of Withdrawal**") has occurred unless (i) at the time there is at least one remaining Sponsor or (ii) within ninety (90) days of such Event of Withdrawal Shareholders holding at least a majority (over 50%) of the Shares agree in writing to continue the affairs of the Trust and to select, effective as of the date of such event, one or more successor Sponsors.

(b) The Sponsor may, in its sole discretion, dissolve the Trust if any of the following events occur:

(i) the SEC determines that the Trust is an investment company required to be registered under the Investment Company Act of 1940;

(ii) the CFTC determines that the Trust is a commodity pool under the Commodity Exchange Act;

(iii) the Trust is determined to be a "money service business" under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act and is required to comply with certain FinCEN regulations thereunder;

(iv) the Trust is required to obtain a license or make a registration under any state law regulating money transmitters, money services businesses, providers of prepaid or stored value or similar entities, or virtual currency businesses;

(v) the Trust becomes insolvent or bankrupt;

(vi) the Key Maintainer resigns or is removed without replacement;

(vii) all of the Trust's TAO are sold;

(viii) the Sponsor determines that the size of the Trust Estate in relation to the expenses of the Trust makes it unreasonable or imprudent to continue the affairs of the Trust;

(ix) the Sponsor receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Code;

(x) the Trustee notifies the Sponsor of the Trustee's election to resign and the Sponsor does not appoint a successor trustee within one hundred and eighty (180) days; or

(xi) the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust.

The death, legal disability, bankruptcy, insolvency, dissolution, or withdrawal of any Shareholder (as long as such Shareholder is not the sole Shareholder of the Trust) shall not result in the termination of the Trust, and such Shareholder, his or her estate, Key Maintainer or personal representative shall have no right to a redemption of such Shareholder's Shares. Each Shareholder (and any assignee thereof) expressly agrees that in the event of his or her death, he or she waives on behalf of himself or herself and his or her estate, and he or she directs the legal representative of his or her estate and any person interested therein to waive the furnishing of any inventory, accounting or appraisal of the Trust Estate and any right to an audit or examination of the books of account for the

Trust, except for such rights as are set forth in Article VIII hereof relating to the books of account and reports of the Trust.

SECTION 12.2 *Distributions on Dissolution.*

Upon the dissolution of the Trust, the Sponsor (or in the event there is no Sponsor, such person (the "**Liquidating Trustee**") as the majority in interest of the Shareholders may propose and approve) shall take full charge of the Trust Estate. Any Liquidating Trustee so appointed shall have and may exercise, without further authorization or approval of any of the parties hereto, all of the powers conferred upon the Sponsor under the terms of this Trust Agreement, subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, and provided that the Liquidating Trustee shall not have general liability for the acts, omissions, obligations and expenses of the Trust. Thereafter, in accordance with Section 3808(e) of the Delaware Trust Statute, the affairs of the Trust shall be wound up and all assets owned by the Trust shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order of priority: (a) to the expenses of liquidation and termination and to creditors, including Shareholders who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Trust (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for distributions to Shareholders, and (b) to the Shareholders *pro rata* in accordance with their respective Percentage Interests of the Trust Estate.

SECTION 12.3 *Termination; Certificate of Cancellation.*

Following the dissolution and distribution of the assets of the Trust, the Trust shall terminate and the Sponsor or the Liquidating Trustee, as the case may be, shall instruct the Trustee to execute and cause such certificate of cancellation of the Certificate of Trust to be filed in accordance with the Delaware Trust Statute at the expense of the Sponsor or the Liquidating Trustee, as the case may be. Notwithstanding anything to the contrary contained in this Trust Agreement, the existence of the Trust as a separate legal entity shall continue until the filing of such certificate of cancellation.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.1 *Governing Law.*

The validity and construction of this Trust Agreement and all amendments hereto shall be governed by the laws of the State of Delaware, and the rights of all parties hereto and the effect of every provision hereof shall be subject to and construed according to the laws of the State of Delaware without regard to the conflict of laws provisions thereof; *provided*, *however*, that causes of action for violations of U.S. federal or state securities laws shall not be governed by this SECTION 13.1, and *provided*, *further*, that the parties hereto intend that the provisions hereof shall control over any contrary or limiting

statutory or common law of the State of Delaware (other than the Delaware Trust Statute) and that, to the maximum extent permitted by applicable law, there shall not be applicable to the Trust, the Trustee, the Sponsor, the Shareholders or this Trust Agreement any provision of the laws (statutory or common) of the State of Delaware (other than the Delaware Trust Statute) pertaining to trusts that relate to or regulate in a manner inconsistent with the terms hereof: (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding of trust assets or (g) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees or managers that are inconsistent with the limitations on liability or authorities and powers of the Trustee or the Sponsor set forth or referenced in this Trust Agreement. Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust. The Trust shall be of the type commonly called a "statutory trust," and without limiting the provisions hereof, but subject to SECTION 1.5 and SECTION 1.6, the Trust may exercise all powers that are ordinarily exercised by such a statutory trust under Delaware law. Subject to SECTION 1.5 and SECTION 1.6, the Trust specifically reserves the right to exercise any of the powers or privileges afforded to statutory trusts and the absence of a specific reference herein to any such power, privilege or action shall not imply that the Trust may not exercise such power or privilege or take such actions.

SECTION 13.2 *Provisions In Conflict With Law or Regulations.*

(a) The provisions of this Trust Agreement are severable, and if the Sponsor shall determine, with the advice of counsel, that any one or more of such provisions (the "**Conflicting Provisions**") are in conflict with the Code, the Delaware Trust Statute, the Securities Act, if applicable, or other applicable U.S. federal or state laws or the rules and regulations of any Secondary Market, the Conflicting Provisions shall be deemed never to have constituted a part of this Trust Agreement, even without any amendment of this Trust Agreement pursuant to this Trust Agreement; *provided*, *however*, that such determination by the Sponsor shall not affect or impair any of the remaining provisions of this Trust Agreement or render invalid or improper any action taken or omitted prior to such determination. No Sponsor or Trustee shall be liable for making or failing to make such a determination.

(b) If any provision of this Trust Agreement shall be held invalid or unenforceable in any jurisdiction, such holding shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Trust Agreement in any jurisdiction.

SECTION 13.3 *Counsel to the Trust.*

Counsel to the Trust may also be counsel to the Sponsor and its Affiliates. The Sponsor may execute on behalf of the Trust and the Shareholders any consent to the representation of the Trust that counsel may request pursuant to the New York Rules of Professional Conduct or similar rules in any other jurisdiction (the "**Rules**"). The Shareholders acknowledge that the Trust has selected Davis Polk & Wardwell LLP as legal counsel to the Trust ("**Trust Counsel**"). Trust Counsel shall not represent any Shareholder in the absence of a clear and explicit agreement to such effect between the Shareholder and Trust Counsel (and that only to the extent specifically set forth in that agreement), and in the absence of any such agreement Trust Counsel shall owe no duties directly to a Shareholder. Each Shareholder agrees that, in the event any dispute or controversy arises between any Shareholder and the Trust, or between any Shareholder or the Trust, on the one hand, and the Sponsor (or an Affiliate thereof that Trust Counsel represents), on the other hand, that Trust Counsel may represent either the Trust or the Sponsor (or its Affiliate), or both, in any such dispute or controversy to the extent permitted by the Rules, and each Shareholder hereby consents to such representation. Each Shareholder further acknowledges that, regardless of whether Trust Counsel has in the past represented any Shareholder with respect to other matters, Trust Counsel has not represented the interests of any Shareholder in the preparation and negotiation of this Trust Agreement.

SECTION 13.4 *Merger and Consolidation.*

Subject to the provisions of SECTION 1.5 and SECTION 1.6, the Sponsor may cause (i) the Trust to be merged into or consolidated with, converted to or to sell all or substantially all of its assets to, another trust or entity; (ii) the Shares of the Trust to be converted into beneficial interests in another statutory trust (or series thereof); or (iii) the Shares of the Trust to be exchanged for shares in another trust or company under or pursuant to any U.S. state or federal statute to the extent permitted by law. For the avoidance of doubt, subject to the provisions of SECTION 1.5, the Sponsor, with written notice to the Shareholders, may approve and effect any of the transactions contemplated under (i), (ii) and (iii) above without any vote or other action of the Shareholders.

SECTION 13.5 *Construction.*

In this Trust Agreement, unless the context otherwise requires, words used in the singular or in the plural include both the plural and singular and words denoting any gender include all genders. The title and headings of different parts are inserted for convenience and shall not affect the meaning, construction or effect of this Trust Agreement.

SECTION 13.6 *Notices.*

All notices or communications under this Trust Agreement (other than notices of pledge or encumbrance of Shares, and reports and notices by the Sponsor to the Shareholders) shall be in writing and shall be effective upon personal delivery, or if sent by mail, postage prepaid, or if sent electronically, by email, or by overnight courier; and addressed, in each such case, to the address set forth in the books and records of the Trust

or such other address as may be specified in writing, of the party to whom such notice is to be given, upon the deposit of such notice in the United States mail, upon transmission and electronic confirmation thereof or upon deposit with a representative of an overnight courier, as the case may be. Notices of pledge or encumbrance of Shares shall be effective upon timely receipt by the Sponsor in writing. Any reports or notices by the Sponsor to the Shareholders which are given electronically shall be effective upon receipt without requirement of confirmation. Any notice to be given to owners of beneficial interests in the Shares shall be duly given if mailed or delivered to participants of The Depository Trust Company for delivery to such owners.

All notices that are required to be provided to the Trustee shall be sent to:

CSC Delaware Trust Company
Attention: Corporate Trust Administration
251 Little Falls Drive
Wilmington, DE 19808

All notices that the Trustee is required to provide shall be sent to:

if to the Trust, at

Grayscale Bittensor Trust (TAO)
290 Harbor Drive, 4th Floor
Stamford, CT 06902
Attention: Grayscale Investments, LLC

if to the Sponsor, at

Grayscale Investments, LLC
290 Harbor Drive, 4th Floor
Stamford, CT 06902
Attention: Michael Sonnenshein

SECTION 13.7 *Counterparts; Electronic Signatures.*

This Trust Agreement may be executed in one or more counterparts (including those by facsimile or other electronic means), all of which shall constitute one and the same instrument binding on all of the parties hereto, notwithstanding that all parties are not signatory to the original or the same counterpart. This Trust Agreement, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

SECTION 13.8 *Binding Nature of Trust Agreement.*

The terms and provisions of this Trust Agreement shall be binding upon and inure to the benefit of the heirs, custodians, executors, estates, administrators, personal representatives, successors and permitted assigns of the respective Shareholders. For purposes of determining the rights of any Shareholder or assignee hereunder, the Trust and the Sponsor may rely upon the Trust records as to who are Shareholders and permitted assignees, and all Shareholders and assignees agree that the Trust and the Sponsor, in determining such rights, shall rely on such records and that Shareholders and their assignees shall be bound by such determination.

SECTION 13.9 *No Legal Title to Trust Estate.*

Subject to the provisions of SECTION 1.7 in the case of the Sponsor, the Shareholders shall not have legal title to any part of the Trust Estate.

SECTION 13.10 *Creditors.*

No creditors of any Shareholders shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to the Trust Estate.

SECTION 13.11 *Integration.*

This Trust Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

SECTION 13.12 *Goodwill; Use of Name.*

No value shall be placed on the name or goodwill of the Trust, which shall belong exclusively to Grayscale Investments, LLC.

SECTION 13.13 *Alternative Procedures for Creation and Redemption.*

(a) Notwithstanding Sections 3.1, 3.3, 6.4(a) and 6.4(b), the Trust may, and the Sponsor shall have the power to cause the Trust to, create and issue Baskets in exchange for the receipt of cash from an Authorized Participant, but only if such creation and issuance is made in compliance with all of the following requirements:

(i) On the date and by no later than the specified time established for the settlement of such creation and issuance, which date and time shall be fixed, under procedures to be adopted by the Sponsor, on the date a Cash Order for creation is placed and accepted, the Trust shall have received and be simultaneously in possession of (A) from the applicable Liquidity Provider, TAO in an amount equal to the Total Basket Amount in respect of such Cash Order (the "**Required Creation TAO**") and (B) from such Authorized Participant, cash in an amount at least equal to the full purchase price to be paid by the Trust to such Liquidity Provider in exchange for the Required Creation TAO (such purchase price, the "**Required Creation Cash**," and such receipt and simultaneous possession of the Required Creation TAO and the Required Creation Cash at or

prior to such specified time, the "**Creation Settlement Condition**"); *provided*, that such cash shall be held by the Trust in a non-interest bearing account established solely for the purpose of creating, issuing and redeeming Shares in accordance with the terms of this Section 13.13;

(ii) If the Creation Settlement Condition is met with respect to such Cash Order, the Sponsor shall cause the Trust to deliver, promptly and in full satisfaction of the Trust's obligations to the applicable Liquidity Provider and such Authorized Participant in respect of such Cash Order, (A) to the applicable Liquidity Provider, the Required Creation Cash, and (B) to such Authorized Participant, (x) the Shares comprising the Creation Baskets to be issued pursuant to such Cash Order and (y) to the extent that the amount of cash previously received by the Trust from such Authorized Participant in connection with such Cash Order exceeded the Required Creation Cash, the amount of such excess cash;

(iii) If, for any or no reason, the Creation Settlement Condition is not met with respect to such Cash Order, the Sponsor shall cause the Trust to return, promptly and in full satisfaction of the Trust's obligations to the applicable Liquidity Provider and Authorized Participant in respect of such Cash Order, any and all cash and TAO previously received by the Trust in connection with such Cash Order to such Authorized Participant (in the case of cash) or Liquidity Provider (in the case of TAO); and

(iv) The Sponsor, such Authorized Participant and the applicable Liquidity Provider shall have agreed, as a condition to the participation in the consummation of such Cash Order, (A) to fully (and without exception) exculpate the Trust with respect to, and to irrevocably waive any and all claims against the Trust or the Trust Estate arising from or in connection with, such Cash Order and (B) to fully indemnify and hold the Trust harmless against any failure by such person to perform its obligations in respect of such Cash Order.

(b) Notwithstanding Section 5.2, during any time at which the Sponsor has authorized a redemption program, the Trust may, and the Sponsor shall have the power to cause the Trust to, redeem Baskets in exchange for the delivery of cash to an Authorized Participant, but only if such redemption is made in compliance with all of the following requirements:

(i) On the date and by no later than the specified time established for the settlement of such redemption, which date and time shall be fixed, under procedures to be adopted by the Sponsor, on the date a Cash Order for redemption is placed and accepted, the Trust shall have received and be simultaneously in possession of (A) from the applicable Liquidity Provider, cash proceeds from the sale of TAO in an amount equal to the Total Basket Amount in respect of such Cash Order (the "**Required Redemption Cash**"), provided, that such cash shall be held by the Trust in a non-interest bearing account established solely for the purpose of creating, issuing and redeeming Shares in accordance

with the terms of this Section 13.13, and (B) from such Authorized Participant, the Shares comprising the Baskets to be redeemed pursuant to such Cash Order (such Shares, the "**Required Redemption Shares,**" and such receipt and simultaneous possession of the Required Redemption Cash and the Required Redemption Shares at or prior to such specified time, the "**Redemption Settlement Condition**");

(ii) If the Redemption Settlement Condition is met with respect to such Cash Order, the Sponsor shall cause the Trust to deliver, promptly and in full satisfaction of the Trust's obligations to the applicable Liquidity Provider and such Authorized Participant in respect of such Cash Order, (A) to the applicable Liquidity Provider, TAO in an amount equal to the Total Basket Amount in respect of such Cash Order, and (B) to such Authorized Participant, the Required Redemption Cash;

(iii) If, for any or no reason, the Redemption Settlement Condition is not met with respect to such Cash Order, the Sponsor shall cause the Trust to return, promptly and in full satisfaction of the Trust's obligations to the applicable Liquidity Provider and Authorized Participant in respect of such Cash Order, any and all cash and Shares previously received by the Trust in connection with such Cash Order to such Authorized Participant (in the case of Shares) or Liquidity Provider (in the case of cash); and

(iv) The Sponsor, such Authorized Participant and the applicable Liquidity Provider shall have agreed, as a condition to the participation in the consummation of such Cash Order, (A) to fully (and without exception) exculpate the Trust with respect to, and to irrevocably waive any and all claims against the Trust or the Trust Estate arising from or in connection with, such Cash Order and (B) to fully indemnify and hold the Trust harmless against any failure by such person to perform its obligations in respect of such Cash Order.

(c) The Sponsor from time to time may, but shall have no obligation to, modify or supplement the requirements set forth in Section 13.13(a) and Section 13.13(b), but only if the Sponsor, with advice of counsel, has determined that creating or redeeming Shares (as the case may be) pursuant to such modified or supplemented requirements should not cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes.

(d) By the purchase and acceptance or other lawful delivery, acceptance or holding of the Shares, the Shareholders shall be deemed to have acknowledged and agreed that any action taken in the manner contemplated by this Section 13.13 shall be permitted under Section 1.5 and Section 6.4(m). For the avoidance of doubt, the definitions of any defined terms used in this Trust Agreement shall be deemed modified or supplemented to the extent necessary for the Sponsor and the Trust to effectuate any action taken in the manner contemplated by this Section 13.13; *provided, however*, that neither the Required Creation Cash nor the Required Redemption Cash shall be considered to be part of the Trust Estate.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Declaration of Trust and Trust Agreement as of the day and year first above written.

CSC DELAWARE TRUST COMPANY, as Trustee

By: /s/ Gregory Daniels
Name: Gregory Daniels
Title: Vice President

GRAYSCALE INVESTMENTS, LLC, as Sponsor

By: /s/ Michael Sonnenshein
Name: Michael Sonnenshein
Title: Chief Executive Officer

EXHIBIT A

FORM OF CERTIFICATE OF TRUST

CERTIFICATE OF TRUST
OF
GRAYSCALE BITTENSOR TRUST (TAO)

This Certificate of Trust of Grayscale Bittensor Trust (TAO) (the "Trust") is being duly executed and filed to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. § 3801 et seq.) (the "Act").

1. Name. The name of the statutory trust formed hereby is Grayscale Bittensor Trust (TAO).

2. Delaware Trustee. The name and business address of the trustee of the Trust in the State of Delaware are Delaware Trust Company, 251 Little Falls Drive, Wilmington, DE 19808.

3. Effective Date. This Certificate of Trust shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Trust in accordance with Section 3811(a)(1) of the Act.

DELAWARE TRUST COMPANY, not in its individual capacity but solely as Trustee of the Trust

By:_____
Name:
Title:

Exhibit 4.3

Certain confidential information contained in this document, marked by [***], has been omitted because the registrant has determined that the information (i) is not material and (ii) is the type that the registrant treats as private or confidential.

MASTER PARTICIPANT AGREEMENT

This Master Participant Agreement (this "**Agreement**"), dated as of August 12, 2025 is entered into by and among Grayscale Securities, LLC (the "**Authorized Participant**"), and Grayscale Investments Sponsors, LLC, a Delaware limited liability company, as sponsor (the "**Sponsor**") of each Trust listed on Schedule I to this Agreement (each, a "**Trust**" and, collectively, the "**Trusts**"). This Agreement shall amend, restate and modify in its entirety that certain Master Participation Agreement entered into by the Authorized Participant, the Sponsor and the Trusts on July 17, 2025.

SUMMARY

As provided in the trust agreement governing each Trust (each, a "**Trust Agreement**"), as currently in effect and described in the Confidential Private Placement Memorandum of each Trust (each, a "**Memorandum**"), common units of fractional undivided beneficial interest in a Trust ("**Shares**") may be created or, if authorized by the Sponsor, redeemed by such Trust, in aggregations of 100 Shares (each aggregation, a "**Basket**"), and integral multiples thereof, and only in transactions with a party who, at the time of the transaction, shall have signed and entered into an effective Participant Agreement with such Trust. Baskets of a Trust are offered only pursuant to the relevant Memorandum, as the same may be amended from time to time thereafter, or any successor Memorandum in respect of Shares of such Trust. Under each Trust Agreement, the Sponsor is authorized to issue Baskets, or delegate authority to issue Baskets, to, and, if redemptions are authorized by the Sponsor, accept redemptions of Baskets from, Authorized Participants. The Authorized Participant may purchase Baskets of a Trust for its own account or as agent for investors who have entered into a subscription agreement (the "**Subscription Agreement**") relating to such Trust with the Authorized Participant (each such investor, an "**Investor**"), but it does not have any obligation or responsibility to the Sponsor or any Trust to affect any sale or resale of Shares. This Agreement sets forth the specific procedures by which an Authorized Participant may create or redeem Baskets of a Trust.

Capitalized terms used but not defined in this Agreement shall have the meanings assigned to such terms in each Trust Agreement. To the extent there is a conflict between any provision of this Agreement and the provisions of a Trust Agreement, the provisions of such Trust Agreement shall control, and to the extent there is a conflict between any provision of this Agreement and the provisions of a Memorandum, such Memorandum shall control; *provided, however*, that if there is a conflict between the Procedures (defined below) and any provision of a Trust Agreement (other than Section 1.5 and Section 6.4(m) of such Trust Agreement) or a Memorandum, the Procedures shall control; and *provided, further*, that in the event of any conflict between Section 1.5 and Section 6.4(m) of such Trust Agreement and any of the provisions of this Agreement, the corresponding Memorandum or the Procedures, Section 1.5 and Section 6.4(m) of such Trust Agreement shall control. For the avoidance of doubt, any action which is referred to herein as an action being taken by the Sponsor may be taken by a party

whom the Sponsor has duly authorized to take such action. Additionally, any amendments to the Procedures will not require any amendments to any Trust Agreement.

The Authorized Participant may designate one or more third parties, which may be affiliates, to source, deliver and/or receive digital assets on behalf of the Authorized Participant (any such third party, a "Liquidity Provider"). If the Authorized Participant has designated a Liquidity Provider, then where the Authorized Participant is under an obligation to deliver, receive or otherwise transfer digital assets under this Agreement (including pursuant to any provisions of any schedule or attachment hereto), that obligation shall be performed by its Liquidity Provider and not the Authorized Participant. In addition, the Authorized Participant shall cause its Liquidity Provider to comply with any representation, warranty or covenant thereof relating to the delivery, receipt or transfer of digital assets required to be made by the Authorized Participant hereunder. For the avoidance of doubt and notwithstanding anything else herein to the contrary, the Authorized Participant shall be fully liable for any failure of any Liquidity Provider to perform such obligation or make such representation, warranty or covenant and no Liquidity Provider shall receive any fees or other form of compensation from the Sponsor or any of the Trusts hereunder.

To give effect to the foregoing premises and in consideration of the mutual covenants and agreements set forth below, the parties hereto agree as follows:

Section 1. Order Placement. To place orders to create or, if authorized by the Sponsor, redeem, one or more Baskets of a Trust, the Authorized Participant must follow the procedures for creation and redemption referred to in Section 3 of this Agreement and the procedures described in Annex A hereto (the "**Procedures**"), as each may be amended, modified or supplemented from time to time.

Section 2. Representations, Warranties and Covenants of Authorized Participant. The Authorized Participant represents and warrants and covenants the following:

(a) The Authorized Participant is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended ("**1934 Act**"), and is a member in good standing of the Financial Industry Regulatory Authority, Inc. ("**FINRA**"). The Authorized Participant will maintain any such registrations, qualifications and membership in good standing, or, if applicable, exempt status, in full force and effect throughout the term of this Agreement. The Authorized Participant will comply with all applicable United States federal laws, the laws of the states or other jurisdictions concerned, and the rules and regulations promulgated thereunder, and with the Constitution, By-Laws and Conduct Rules of FINRA and shall not offer or sell Shares in any state or jurisdiction where they may not lawfully be offered and/or sold.

(b) The Authorized Participant shall act, and cause any Liquidity Provider to act, in a manner consistent with the instructions of any Trust and materially comply with all applicable laws, including, without limitation, securities laws of each jurisdiction in which the Authorized Participant proposes to carry on the business contemplated by this Agreement. Without limitation on the foregoing, the Authorized Participant shall not, and shall not permit any Liquidity Provider to, knowingly take any action or omit to take any

action that would cause the Authorized Participant, any Trust or the Sponsor to be in violation of, or to lose any applicable exemption from registration under the Securities Act, the 1934 Act, and the rules and regulations promulgated thereunder, the Investment Company Act or the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and the rules and regulations promulgated thereunder. The Authorized Participant represents and warrants that it has sufficient familiarity with the Securities Act, the 1934 Act, the Investment Company Act, and the Advisers Act to carry out its duties under this Agreement in compliance with the preceding sentence. The Authorized Participant's responsibility to each Trust is solely contractual in nature, the Authorized Participant has been retained solely to act as a placement agent and no fiduciary, advisory or agency relationship between any Trust and the Authorized Participant has been created.

(c) The Authorized Participant hereby represents, covenants and warrants that it or its Liquidity Provider maintains a wallet or wallets from a reputable digital asset wallet software provider, or with a third party provider of digital asset wallets, for the digital assets held by each Trust. If there is any change in the foregoing, the Authorized Participant shall give immediate notice to the Sponsor of such event.

(d) The Authorized Participant understands and acknowledges that some activities on its part, or on the part of its Liquidity Provider, depending on the circumstances and under certain possible interpretations of applicable law, could be interpreted as resulting in (i) its being deemed a "money services business" by the Financial Crimes Enforcement Network, a bureau of the United States Department of Treasury and/or (ii) a money transmitter or entity engaged in virtual currency business activity under state law. The Authorized Participant agrees to consult its own counsel in connection with entering into this Agreement and transacting in digital assets.

(e) The Authorized Participant is and will cause any Liquidity Provider to be in compliance with the money laundering and related provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**USA PATRIOT Act**"), and the regulations promulgated thereunder, if the Authorized Participant or such Liquidity Provider is subject to the requirements of the USA PATRIOT Act.

(f) The Authorized Participant shall act, and shall cause any Liquidity Provider to act, in a manner consistent with all applicable laws concerning money laundering and similar activities. In furtherance of such efforts, the Authorized Participant shall not and shall cause any Liquidity Provider to not mention or send any materials related to a Trust to any prospective investor, unless, to the Authorized Participant's or such Liquidity Provider's knowledge, on the basis of the Authorized Participant's or such Liquidity Provider's prior relationship with the prospective investor: (i) none of the digital assets, cash or property that would be paid to the Authorized Participant or such Liquidity Provider in connection with an investment in such Trust, would be derived from, or related to, any activity that is deemed criminal under the United States law or any other applicable law, including anti-corruption laws, anti-bribery laws, OFAC regulations or otherwise; and (ii) no contribution or payment to the Authorized Participant or such Liquidity Provider in connection with an investment in

such Trust by such prospective investor would cause such Trust or the Sponsor to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001.

(g) The Authorized Participant hereby represents and warrants to each Trust that the Authorized Participant: (i) has exercised reasonable care to identify each covered person of each Trust set forth in paragraph (d)(1) of Rule 506 of Regulation D under the Securities Act of 1933, as amended (the "**Securities Act**"), that is an officer of the Authorized Participant participating in the offering of the securities that is the subject of this Agreement or a financial advisor or registered representative/agent soliciting investors in connection with such offering; (ii) has exercised reasonable care to ascertain whether (A) a disqualification exists under clauses (i) through (viii) of paragraph (d)(1) of such Rule 506 with respect to each such covered person, as well as the Authorized Participant's general partners, managing members, or directors, and executive officers, as applicable, and (B) whether any disclosure is required to be made pursuant to paragraph (e) of such Rule 506 in respect of any matter experienced by any such person; and (iii) does not know of (A) any disqualification that exists under paragraph (d)(1) of such Rule 506 in respect of any such person or (B) of any disclosure required to be made pursuant to paragraph (e) of such Rule 506 in respect of any matter experienced by any such person. The Authorized Participant further represents and warrants to each Trust that the Authorized Participant shall, within a reasonable time, implement policies, procedures and controls reasonably designed to detect the occurrence of any event that could reasonably be expected to lead to any disqualification under paragraph (d)(1) of Rule 506 in respect of any such covered person. The Authorized Participant covenants to each Trust that the Authorized Participant will inform such Trust as promptly as reasonably practical of the occurrence of any event in respect of any covered person of such Trust that could reasonably be expected to give rise to a disqualification under such paragraph, including any pending or threatened litigation or regulatory actions, as well as the occurrence of any event that does, in fact, give rise to a disqualification under paragraph (d)(1) of Rule 506.

(h) The Authorized Participant hereby confirms to each Trust that the Authorized Participant, prior to submission of any order to create one or more Baskets of such Trust, will have taken reasonable steps to verify that any Investor for whom the Authorized Participant is acting as agent in connection with such Creation Order is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act, and will have determined that such Investor is an "accredited investor" within the meaning of such Rule 501(a). Each submission of a Creation Order by the Authorized Participant shall be deemed to bring down this representation to such date and to make such representation on and as of such date with respect to each such Investor on behalf of which the Authorized Participant is placing such Creation Order. The Authorized Participant understands that the Shares of each Trust are being offered by means of a general solicitation or general advertising, that each Trust relies upon Rule 506(c) of Regulation D under the Securities Act for exemption from the registration requirements of the Securities Act for offerings not subject to limitation on the manner of offering, and that each Trust is relying on the foregoing representations from the

Authorized Participant for exemption from the registration requirements of the Securities Act in respect of the Shares of such Trust being created in any creation transaction by the Authorized Participant.

(i) The Authorized Participant hereby represents, covenants and warrants that it has all requisite authority, whether arising under applicable federal or state law, the rules and regulations of any self-regulatory organization to which it is subject, or its certificate of incorporation, formation or limited liability company operating agreement or other organizational document, as the case may be, to enter into this Agreement and to discharge the duties and obligations apportioned to it in accordance with the terms hereof.

(j) The Authorized Participant hereby represents, covenants and warrants that there are no actions, grievances, proceedings (including, without limitation, arbitration proceedings), orders, inquiries or claims pending, or to the Authorized Participant's knowledge, threatened against or affecting its or its Liquidity Provider's brokers or employees (in his or her capacity as such) by the Securities and Exchange Commission, FINRA or any other self-regulatory organization that would affect the Authorized Participant's ability or Liquidity Provider's ability to fulfill its obligations hereunder.

(k) The Authorized Participant hereby represents, covenants and warrants that each Investor in a Trust shall be required in its Subscription Agreement to make the usual and customary representations made in private placements undertaken pursuant to Rule 506 of Regulation D, including:

1. that they have had an opportunity at a reasonable time prior the date that a Creation Order is processed to ask questions and receive answers concerning the terms and conditions of the offering of Shares of such Trust and to obtain any additional information which the Authorized Participant possesses or can acquire without unreasonable effort or expense that is necessary to verify the accuracy of the information in such Trust's Memorandum; and

2. that they understand that the Shares of such Trust are "restricted securities" that cannot be resold without registration under the Securities Act and state securities laws or exemption therefrom, and that they are purchasing the securities for investment purposes only and not with a view to resale.

(l) The Authorized Participant understands and agrees that the submission of a Creation Order also will be deemed to bring down representations made by the Authorized Participant in this Agreement that no general partner, managing member, director, executive officer or other officer of the Authorized Participant participating in the offering of the Shares of any Trust has experienced any disqualifying event set forth in clauses (d)(1)(i) through (d)(1)(viii) of Rule 506 of Regulation D.

(m) The Authorized Participant understands that the Sponsor intends to restrict the aggregate investment by "benefit plan investors" (as defined in the Memorandum) in

each Trust to under 25% of the total value of each class of equity interests of each Trust to ensure that the assets of each Trust will not be deemed to be "plan assets" for purposes of the "Plan Asset Regulations" set forth at 29 C.F.R. 2510.3-101 and the Employee Retirement Income Security Act of 1974, as amended, or Section 4975 of the Internal Revenue Code of 1986, as amended. Accordingly, the Authorized Participant represents covenants and agrees that (1) the Authorized Participant is not a "benefit plan investor" (as that term is defined in the Plan Asset Regulations) and (2) that it has ascertained, through the Subscription Agreement, and communicated to the Sponsor and the relevant Trust, whether any Investor in such Trust is a benefit plan investor.

(n) The Authorized Participant represents and warrants that it will not place a Redemption Order (as defined in the Procedures) for the purpose of, if redemption of Baskets of a Trust is permitted, redeeming Baskets of such Trust unless it first ascertains that (i) it or the relevant Investor, as the case may be, owns outright or has full legal authority and legal and beneficial right to tender for redemption the Baskets to be redeemed and to receive the Total Basket Amount (as defined in the Procedures) associated with such redemption and (ii) such Baskets have not been loaned or pledged to another party and are not the subject of any arrangement which would preclude the unfettered delivery of such Baskets to the Sponsor as required pursuant to the Procedures.

(o) The Authorized Participant represents and warrants that prior to submitting a Redemption Order to the Sponsor or its delegate, the Authorized Participant will first ascertain (i) that the digital asset wallet to be used in connection with the Redemption Order is owned outright by the Authorized Participant or its Liquidity Provider or that the Authorized Participant otherwise has full legal authority and legal and beneficial right to any digital assets transferred to such digital asset wallet address and (ii) that the relevant Authorized Participant Account (as defined below) is appropriately designated for delivery of digital assets in the Total Basket Amount by the relevant Trust.

Section 3. Orders. (a) All orders to create or redeem Baskets of a Trust shall be made in accordance with the terms of the relevant Trust Agreement, this Agreement and the Procedures. Each party shall comply with such foregoing terms and procedures to the extent applicable to it. The Sponsor may issue procedures from time to time relating to the manner of creating or redeeming Baskets of a Trust which are not related to the Procedures, and the Authorized Participant shall, and shall cause any Liquidity Provider to, comply with such procedures of which it has been notified in accordance with this Agreement.

(b) The Authorized Participant acknowledges and agrees on behalf of itself and any party for which it is acting (whether such party is an Investor or otherwise) that each order to create one or more Baskets (a "**Creation Order**") and each order to redeem one or more Baskets (a "**Redemption Order**", and any Redemption Order or Creation Order, an "**Order**") of a Trust may not be revoked by the Authorized Participant upon its delivery to the Sponsor or its delegate. A form of Creation Order Form is attached hereto as Exhibit B and a form of Redemption Order Form is attached hereto as Exhibit C.

(c) The Sponsor or its delegate shall have the absolute right, but shall have no obligation, to reject any Creation Order or Total Basket Amount if (i) the Creation Order is not in proper form as described herein, (ii) the Creation Order would cause participation by benefit plan investors in the relevant Trust to be "significant" (as that term is defined in the Plan Asset Regulations), (iii) circumstances outside the control of the Sponsor or its delegates make it for all practical purposes not feasible for the relevant Trust to issue Creation Baskets, (iv) the fulfillment of the Creation Order, in the opinion of counsel, might be unlawful, (v) any such action is deemed necessary or advisable by the Sponsor or its delegate or (vi) for any reason at any time or from time to time. The Sponsor or its delegates shall not be liable to any person by reason of the rejection of any Creation Order or Total Basket Amount.

(d) The Sponsor or its delegate shall have the absolute right, but shall have no obligation, to reject any Redemption Order or Redemption Baskets if (i) the Redemption Order is not in proper form as described herein, (ii) the Redemption Order would cause participation by benefit plan investors in the relevant Trust to be "significant" (as that term is defined in the Plan Asset Regulations), (iii) circumstances outside the control of the Sponsor or its delegates make it for all practical purposes not feasible the relevant Trust to redeem Redemption Baskets, (iv) the fulfillment of the Redemption Order, in the opinion of counsel, might be unlawful, (v) any such action is deemed necessary or advisable by the Sponsor or its delegate or (vi) for any reason at any time or from time to time. The Sponsor or its delegates shall not be liable to any person by reason of the rejection of any Redemption Order or Redemption Baskets.

(e) The creation and, if permitted, redemption of Shares of a Trust may be suspended generally, or refused with respect to a particular Creation Order or Redemption Order relating to such Trust, during any period during which the transfer books of the Transfer Agent (as defined in the relevant Trust Agreement) are closed or if circumstances outside the control of the Sponsor or its delegate make it for all practicable purposes not feasible to process such Orders. None of the Sponsor or its delegates shall be liable for the suspension or rejection of any Order.

Section 4. Authorized Persons. Concurrently with the execution of this Agreement and from time to time thereafter, the Authorized Participant shall deliver to the Sponsor or its delegate notarized and duly certified as appropriate by its secretary or other duly authorized official, a certificate in the form of Exhibit A setting forth (i) the names and signatures of all persons authorized to give instructions relating to activity contemplated hereby or by any other notice, request or instruction given on behalf of the Authorized Participant (each, an "**Authorized Person**") and (ii) one or more email addresses from which notices regarding a Creation Order or Redemption Order will be generated and to which notices regarding a Creation Order or Redemption Order can be sent (a "**Participant email**"). The Sponsor or its delegate may accept and rely upon such certificate as conclusive evidence of the facts set forth therein and shall consider such certificate to be in full force and effect until the Sponsor or its delegate receives a superseding certificate bearing a subsequent date. Upon the elimination of any of the Participant emails, the Authorized Participant shall give immediate written notice of such fact to the Sponsor or its delegate and such notice shall be effective upon receipt by the Sponsor or its delegate. Upon the termination or revocation of authority of any Authorized Person by the

Authorized Participant, the Authorized Participant shall give immediate written notice of such fact to the Sponsor or its delegate and such notice shall be effective upon receipt by the Sponsor or its delegate.

Section 5. Role of Authorized Participant. (a) The Authorized Participant acknowledges that, for all purposes of this Agreement and each Trust Agreement, the Authorized Participant is and shall be deemed to be an independent contractor, and not an employee, director, officer, constituent partner, manager, member or affiliate of any Trust. The Authorized Participant has no authority to represent that it or any person affiliated with it is anything other than an independent contractor of each Trust, and such representation, if made, shall not bind any Trust or any affiliate thereof, and must not be relied upon by any person. The Authorized Participant, in its capacity as Authorized Participant, agrees that neither it nor any of its affiliates is authorized to make any representation concerning any Trust.

(b) The Authorized Participant shall make itself and its employees available, upon request, during normal business hours to consult with the Sponsor or its designees concerning the performance of the Authorized Participant's responsibilities under this Agreement.

(c) The Authorized Participant acknowledges that each submission of a Creation Order by the Authorized Participant shall be deemed to bring down the representations made in Section 2 above to such date.

(d) The Authorized Participant acknowledges that it has obtained a copy of each Trust's Memorandum.

Section 6. Digital Asset Transactions. EACH OF THE PARTIES HERETO ACKNOWLEDGES AND AGREES THAT DIGITAL ASSET TRANSFERS MAY BE IRREVERSIBLE.

(a) The digital asset wallet addresses that (i) are known to the Sponsor or its delegates or to any security vendor or vendors of a Trust (the "**Security Vendors**"), as specified in the Procedures and (ii) are currently active at the time of a creation or redemption transaction with a Trust are each a digital asset account administered by the Authorized Participant or a Liquidity Provider (each, an "**Authorized Participant Account**"). The Authorized Participant, or its designated Liquidity Provider, shall provide the Sponsor or its delegates with one or more Authorized Participant Accounts. If the Authorized Participant becomes unable to continue to provide any Trust with at least one Authorized Participant Account, the Authorized Participant shall give immediate notice to the Sponsor of such event.

(b) Any digital assets to be transferred in connection with any Creation Order or Redemption Order shall be transferred between an Authorized Participant Account and the account or accounts holding the relevant Trust's digital assets (each, a "**Digital Asset Account**"; each Digital Asset Account and Authorized Participant Account, an "**Account**") in accordance with the Procedures.

(c) Each of the parties hereto acknowledges and agrees that (i) it, (or, in the case of the Authorized Participant, its Liquidity Provider), has the computer hardware, software and technological knowhow required to transact in digital assets; (ii) it is responsible for confirming the accuracy of any Account it is provided and that it provides in connection with any Creation Order or Redemption Order pursuant to this Agreement; and (iii) it is responsible for and bears the risk of loss for all digital assets transferred from an Account it (or, in the case of the Authorized Participant, its Liquidity Provider) owns to an Account owned by another party hereto.

(d) Authorized Participants will receive no other fees, commissions or other form of compensation or inducement of any kind from the Sponsor or any Trust in connection with a Creation Orders and Redemption Orders, and Authorized Participants will receive no Fee in connection with any subscription amount paid to the relevant Authorized Participant in digital assets.

Section 7. Indemnification.

(a) The Authorized Participant hereby indemnifies and holds harmless each Trust and the Sponsor, their respective direct or indirect affiliates and their respective directors, trustees, sponsors, partners, members, managers, officers, employees and agents (each, an "**AP Indemnified Party**") from and against any losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and the reasonable cost of investigation, including reasonable costs involved in defending itself in connection with an investigation) incurred by such AP Indemnified Party as a result of or in connection with: (i) any breach by the Authorized Participant or its Liquidity Provider of any provision of this Agreement; (ii) any failure on the part of the Authorized Participant to perform any of its obligations set forth in this Agreement; (iii) any failure by the Authorized Participant to comply with any applicable laws or the applicable rules and regulations in connection with this Agreement; (iv) any actions of such AP Indemnified Party in reliance upon any instructions issued in accordance with the Procedures believed by the AP Indemnified Party to be genuine and to have been given by the Authorized Participant or its Liquidity Provider; or (v) any representation by the Authorized Participant, its employees or its agents or other representatives about the Shares of a Trust, any AP Indemnified Party or such Trust that is not consistent with such Trust's then-current Memorandum made in connection with the offer or the solicitation of an offer to buy or sell such Shares.

(b) The Sponsor hereby indemnifies and holds harmless the Authorized Participant, its respective subsidiaries, affiliates, directors, officers, employees and agents (each, a "**Sponsor Indemnified Party**") from and against any losses (other than *de minimis* losses), liabilities, damages, costs and expenses (including reasonable attorneys' fees and the reasonable cost of investigation, including reasonable costs involved in defending itself in connection with an investigation) incurred by such Sponsor Indemnified Party as a result of or in connection with: (i) any breach by the Sponsor of any provision of this Agreement; (ii) any failure on the part of the Sponsor to perform any of its obligations set forth in this Agreement; (iii) any failure by the Sponsor to comply with any applicable laws and any applicable rules and regulations in connection

with this Agreement, except that the Sponsor shall not be required to indemnify a Sponsor Indemnified Party to the extent that such failure was caused by the reasonable reliance on instructions given or representations made by one or more Sponsor Indemnified Parties or the negligence or willful malfeasance of any Sponsor Indemnified Party; or (iv) any untrue statement or alleged untrue statement of a material fact contained in a Memorandum or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except those statements in such Memorandum based on information furnished in writing by or on behalf of the Authorized Participant expressly for use in such Memorandum.

(c) This Section 7 shall not apply to the extent any such losses, liabilities, damages, costs and expenses are incurred as a result of or in connection with any fraud, gross negligence, bad faith or willful misconduct on the part of the AP Indemnified Party or the Sponsor Indemnified Party, as the case may be.

(d) The term "affiliate" in this Section 7 shall include, with respect to any person, entity or organization, any other person, entity or organization which directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person, entity or organization.

(e) If the indemnification provided for in this Section 7 is unavailable to an indemnified party under Section 7(a) or Section 7(b) or is insufficient to hold an indemnified party harmless in respect of any losses, liabilities, damages, costs and expenses referred to therein, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, liabilities, damages, costs and expenses (i) in such proportion as is appropriate to reflect the relative benefits received by the Sponsor and the relevant Trust, on the one hand, and by the Authorized Participant, on the other hand, from the services provided hereunder or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Sponsor and the relevant Trust, on the one hand, and of the Authorized Participant, on the other hand, in connection with, to the extent applicable, the statements or omissions which resulted in such losses, liabilities, damages, costs and expenses, as well as any other relevant equitable considerations. The relative benefits received by the Sponsor and a Trust, on the one hand, and the Authorized Participant, on the other hand, shall be deemed to be in the same respective proportions as the amount of digital assets transferred to such Trust under this Agreement, on the one hand (expressed in U.S. Dollars), and the amount of economic benefit received by the Authorized Participant in connection with this Agreement, on the other hand. To the extent applicable, the relative fault of the Sponsor, on the one hand, and of the Authorized Participant, on the other, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or omission or alleged omission relates to information supplied by the Sponsor or by the Authorized Participant and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by a party as a result of the losses, liabilities, damages, costs and expenses referred to in this Section 7(d) shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with investigating, preparing to defend or defending any action, suit or proceeding (each a "**Proceeding**") related to such losses, liabilities, damages, costs and expenses.

(f) The Sponsor and the Authorized Participant agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 7(d) above. The Authorized Participant shall not be required to contribute any amount in excess of the amount by which the total price (expressed in U.S. Dollars) at which the Shares of a Trust were initially created by the Authorized Participant (for avoidance of doubt, in an amount equal to the U.S. Dollar value of the Total Basket Amount deposited with such Trust at the time of creation) exceeds the amount of any damages which the Authorized Participant has otherwise been required to pay by reason of such untrue statement or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(g) The indemnity and contribution agreements contained in this Section 7 shall remain in full force and effect regardless of any investigation made by or on behalf of the Authorized Participant, its partners, stockholders, members, directors, officers, employees and shall survive any termination of this Agreement. The Sponsor and the Authorized Participant agree to promptly notify each other of the commencement of any Proceeding against it and, in the case of the Sponsor, against any of the Sponsor's officers or directors, in connection with the issuance and sale of the Shares of any Trust or in connection with a Memorandum.

Section 8. Liability.

(a) Limitation of Liability. Subject to Section 8(c), in the absence of fraud, gross negligence, bad faith or willful misconduct, neither the Sponsor nor the Authorized Participant shall be liable to each other or to any other person, including any party claiming by, through or on behalf of the Authorized Participant, for any losses, liabilities, damages, costs or expenses arising out of any mistake or error in data or other information provided to any of them by each other or any other person or out of any interruption or delay in the electronic means of communications used by them.

(b) Tax Liability. The Authorized Participant shall be responsible for the payment of any transfer tax, sales or use tax, stamp tax, recording tax, value added tax and any other similar tax or government charge applicable to the creation or redemption of any Basket made pursuant to this Agreement, regardless of whether or not such tax or charge is imposed directly on the Authorized Participant. To the extent the Sponsor or a Trust is required by law to pay any such tax or charge, the Authorized Participant agrees to promptly indemnify such party for any such payment, together with any applicable penalties, additions to tax or interest thereon.

(c) Notwithstanding anything to the contrary herein, the Authorized Participant shall be liable for any breach by a Liquidity Provider of the provisions of this Agreement and any losses, liabilities, damages, costs and expenses arising out of any mistake or error in data or other information provided to any of them by each other or any other person or out of any interruption or delay in the electronic means of communications used by them.

Section 9. Effectiveness and Termination. Upon the execution of this Agreement by the parties hereto, this Agreement shall become effective in this form as of the date first set forth above, and may be terminated at any time by any party upon thirty (30) calendar days prior written notice to the other parties unless earlier terminated: (i) upon notice to the Authorized Participant by the Sponsor in the event of a breach by the Authorized Participant (or its Liquidity Provider) of this Agreement or the procedures described or incorporated herein; (ii) at such time as all of the Trusts have been terminated pursuant to their respective Trust Agreements or (iii) as mutually agreed upon in writing by the parties hereto.

Section 10. Certain Representations, Warranties and Covenants of the Sponsor. The Sponsor, on its own behalf and as sponsor of each Trust:

(a) agrees to notify the Authorized Participant promptly of the happening of any event during the term of this Agreement which could require the making of any change in a Memorandum then being used so that such Memorandum would not include an untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, to promptly prepare and furnish, at the expense of the relevant Trust, to the Authorized Participant such amendments or supplements to such Memorandum as may be necessary to reflect any such change;

(b) represents and warrants to the Authorized Participant that the Sponsor, on behalf of each Trust, (i) has exercised reasonable care to identify each covered person of each Trust set forth in paragraph (d)(1) of Rule 506 of Regulation D under the Securities Act (other than the Authorized Participant and its directors, the executive officers and other employees or officers who participate in the offering); (ii) has exercised reasonable care to ascertain whether (A) a disqualification exists under clauses (i) through (viii) of paragraph (d)(1) of Rule 506 with respect to each such covered person and (B) whether any disclosure is required to be made pursuant to paragraph (e) of such Rule 506 in respect of any matter experienced by any such covered person; and (iii) does not know of (A) any disqualification that exists under paragraph (d)(1) of Rule 506 in respect of any such covered person or (B) of any disclosure required to be made pursuant to paragraph (e) of such Rule 506 in respect of any matter experienced by any such covered person;

(c) further represents and warrants to the Authorized Participant that each Trust has in place policies, procedures and controls reasonably designed to detect the occurrence of any event that could reasonably be expected to lead to any disqualification under paragraph (d)(1) of Rule 506 in respect of such covered person; and

(d) covenants to the Authorized Participant that the Sponsor will inform the Authorized Participant as promptly as reasonably practical of the occurrence of any event in respect of any such covered person that could reasonably be expected to give rise to a disqualification under such paragraph, including any pending or threatened litigation or regulatory actions, as well as the occurrence of any event that does, in fact, give rise to a disqualification under paragraph (d)(1) of Rule 506.

In addition, any certificate signed by any officer of the Sponsor and delivered to the Authorized Participant or counsel for the Authorized Participant pursuant hereto shall be deemed to be a representation and warranty by the Sponsor as to matters covered thereby to the Authorized Participant.

Section 11. Third Party Beneficiaries. Each AP Indemnified Party and Sponsor Indemnified Party, to the extent it is not a party to this Agreement, is a third-party beneficiary of this Agreement (each, a "**Third Party Beneficiary**") and may proceed directly against any party hereto (including by bringing proceedings against the parties hereto in its own name) to enforce any obligation of such party under this Agreement which directly or indirectly benefits such Third Party Beneficiary.

Section 12. Force Majeure. No party to this Agreement shall incur any liability for any delay in performance, or for the non-performance, of any of its obligations under this Agreement by reason of any cause beyond its reasonable control. This includes any act of God or war or terrorism; any breakdown, malfunction or failure of transmission in connection with or other unavailability of any wire, communication or computer facilities; any transport, port, or airport disruption; and acts and regulations and rules of any governmental or supra-national bodies or authorities or regulatory or self-regulatory organization or failure of any such body, authority or organization for any reason, to perform its obligations.

Section 13. Miscellaneous.

(a) Amendment and Modification. This Agreement, the Procedures and the Schedules and Exhibits hereto may be amended, modified or supplemented by the Sponsor without consent of any beneficial owner or the Authorized Participant from time to time by the following procedure: the Sponsor will send a copy of the proposed amendment, modification or supplement to the Authorized Participant via email or regular mail. For the purposes of this Agreement, (i) an email will be deemed received by the recipient thereof on the day the notice is sent and (ii) mail will be deemed received by the recipient thereof on the third (3rd) day following the deposit of such mail into the United States postal system. Within ten (10) calendar days after its deemed receipt, the amendment, modification or supplement will become part of this Agreement, the Procedures, the Schedules or the Exhibits, as the case may be, in accordance with its terms; provided, however, that any amendments to the Procedures shall not apply retroactively to Orders submitted prior to the effectiveness of such amended Procedures as set forth herein.

(b) Waiver of Compliance. Any failure of any of the parties to comply with any obligation, covenant, agreement or condition herein may be waived by the party

entitled to the benefits thereof only by a written instrument signed by the party granting such waiver, but any such written waiver, or the failure to insist upon strict compliance with any obligation, covenant, agreement or condition herein, shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

(c) Notices. Except as otherwise specifically provided in this Agreement, all notices required or permitted to be given pursuant to this Agreement shall be in writing, given in person, by mail (postage prepaid) by overnight courier, or by confirmed email or confirmed facsimile, and any such notice shall be effective when received at the address or email address specified for the intended recipient below (or at such other address as such recipient may designate from time to time by written notice to the other parties), and with it being agreed that electronic signature (e.g. PDF email) shall have the same force and effect as an original signature for all notice purposes. Unless otherwise notified in writing, all notices to a Trust shall be given or sent to the Sponsor. All notices shall be directed to the address or facsimile numbers indicated below the signature line of the parties on the signature page hereof or such other address as any of the parties hereto shall have communicated in writing to the remaining parties in compliance with the provisions hereof.

(d) Successors and Assigns. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

(e) Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party without the prior written consent of the other parties hereto, which shall not be unreasonably withheld, provided that any entity into which a party hereto may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion, or consolidation to which such party hereunder shall be a party, or any entity succeeding to all or substantially all of the business of the party, shall be the successor of such party without further action under this Agreement and except that the Sponsor may delegate its obligations hereunder to any such person as the Sponsor, in its sole discretion, deems fit by notice to the Authorized Participant. The party resulting from any such merger, conversion, consolidation or succession shall promptly notify the other parties hereto of the change. Any purported assignment in violation of the provisions hereof shall be null and void. Notwithstanding the foregoing, this Agreement shall be automatically assigned to any successor Sponsor of a Trust at such time as such successor qualifies as a successor Sponsor of such Trust under the terms of the relevant Trust Agreement.

(f) Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable Delaware conflict of laws principles) as to all matters, including matters of validity, construction, effect, performance and remedies. Each party hereto irrevocably consents to the jurisdiction of the courts of the State of New York located in the Borough of Manhattan, and of any federal court located in the Borough of Manhattan in such State, in connection with any action, suit or other proceeding arising out of or relating to this Agreement or any action

taken or omitted hereunder, and waives any claim of forum non conveniens and any objections as to laying of venue. Each party further waives personal service of any summons, complaint or other process and agrees that service thereof may be made by certified or registered mail directed to such party at such party's address for purposes of notices hereunder. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

(g) Counterparts. This Agreement may be executed in several counterparts (including by facsimile and other electronic means), each of which when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument. This Agreement, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

(h) Interpretation. The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement.

(i) Entire Agreement. This Agreement and each Trust Agreement, along with any other agreement or instrument delivered pursuant to this Agreement and any Trust Agreement, supersede all prior agreements and understandings between the parties with respect to the subject matter hereof; provided, however, that the Authorized Participant shall not be deemed by this provision, or any other provision of this Agreement, to be a party to any Trust Agreement.

(j) Severance. If any provision of this Agreement is held by any court or any act, regulation, rule or decision of any other governmental or supra-national body or authority or regulatory or self-regulatory organization to be invalid, illegal or unenforceable for any reason, it shall be invalid, illegal or unenforceable only to the extent so held and shall not affect the validity, legality or enforceability of the other provisions of this Agreement and this Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein, unless the Sponsor determines in its discretion that the provision of this Agreement that was held invalid, illegal or unenforceable does affect the validity, legality or enforceability of one or more other provisions of this Agreement, and that this Agreement should not be continued without the provision that was held invalid, illegal or unenforceable. In that case, upon the Sponsor's notification to the Authorized Participant of such a determination, this Agreement shall immediately terminate.

(k) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

(l) Other Usages. The following usages shall apply in interpreting this Agreement: (i) references to a governmental or quasi-governmental agency, authority or

instrumentality shall also refer to a regulatory body that succeeds to the functions of such agency, authority or instrumentality and (ii) "including" means "including, but not limited to."

Section 14. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of each Trust, the Sponsor and the Authorized Participant set forth in, or made pursuant to, this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Authorized Participant, any Trust, the Sponsor or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Securities. If this Agreement is terminated for any reason, Sections 7 and 11 hereof shall survive the termination of this Agreement and remain in effect. If this Agreement is terminated pursuant to Section 9, the representations and warranties in Sections 2, 5, 6 and 10 hereof and shall also remain in effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Authorized Participant and the Sponsor, on behalf of itself and each Trust, have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

Grayscale Investments Sponsors, LLC,
the Sponsor of each Trust

By: /s/ Edward McGee

Name: Edward McGee

Title: Chief Financial Officer

Address: [***]
[***]
Email: [***]

Grayscale Securities, LLC
the Authorized Participant

By: /s/ Craig Salm

Name: Craig Salm

Title: Chief Legal Officer

Address: [***]

Email: [***]

SCHEDULE I

Trusts		Governing Document
1.	[***]	[***]

EXHIBIT A

FORM OF CERTIFIED AUTHORIZED PERSONS OF AUTHORIZED PARTICIPANT

The following are the names, titles and signatures of all persons (each an "**Authorized Person**") authorized to give instructions relating to any activity contemplated by the Master Participant Agreement or any other notice, request or instruction on behalf of the Authorized Participant pursuant to the Master Participant Agreement.

Authorized Participant: Grayscale Securities, LLC

Name: Craig Salm	Name:
Title: Chief Legal Officer	Title:
Signature:	Signature:
Name: Craig Salm	Name:
Title: CLO	Title:
Signature:	Signature:

The following are email addresses (each a "**Participant email**") where the Sponsor, or any party delegated by the Sponsor, may send, and from which it may receive, emails relating to any activity contemplated by the Master Participant Agreement or any other notice, request or instruction on behalf of a Trust pursuant to the Master Participant Agreement.

email 1: [***]	email 2:
Confirm email 1: [***]	Confirm email 2:

The undersigned, Craig Salm, Chief Legal Officer of Grayscale Securities, LLC hereby certifies that the persons listed above have been duly elected to the offices set forth beneath their names, that they presently hold such offices, that they have been duly authorized to act as Authorized Persons pursuant to the Master Participant Agreement by and between Grayscale Securities, LLC and Grayscale Investments, LLC, dated October 3, 2022 (the "**Master Participant Agreement**"), and that their signatures set forth above are their own true and genuine signatures. The undersigned further certifies that the emails listed above are the correct email addresses where the Sponsor, or its delegate, may send emails relating to any activity contemplated by the Master Participant Agreement. A receipt confirmation for correspondence sent to any of the emails listed above shall serve as conclusive evidence that the confirmation was provided pursuant to the Master Participant Agreement.

IN WITNESS WHEREOF, the undersigned has hereby set his/her hand and the seal of Grayscale Securities, LLC on the date set forth below.

Subscribed and sworn to before me this day of

_____
Notary Public

By:

Name: Craig Salm

Title: Chief Legal Officer

Date:

EXHIBIT B
FORM OF CREATION ORDER FORM

Authorized Participant: Grayscale Securities, LLC

Order Date: _____

Product	**Number of Shares to be Issued:**	**Number of Creation Baskets to be Issued:**	**Total Basket Amount:**
[***]	[***]	[***]	[***]

All Creation Orders are subject to the terms and conditions of the applicable Trust Agreement listed in Schedule A hereto (the "**Trust Agreement**") of the applicable Trust listed in Schedule A (the "**Trust**"), as currently in effect and the Authorized Participant Agreement among the Authorized Participant and the Sponsor named therein (the "**Authorized Participant Agreement**"). All representations and warranties of the Authorized Participant set forth in the Authorized Participant Agreement are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meaning given in the Authorized Participant Agreement.

Listed below are the names of the investors that will beneficially own Shares obtained pursuant to this Creation Order (each, an "**Investor**"), the specific Trust listed in Schedule A to which the Investor is subscribing, whether the Shares represent an In-Kind Subscription, the number of Shares that each such Investor will own and an indication of whether the Investor is a benefit plan investor (as defined in the Trust's Memorandum).

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____ Trust_____ ☐ In-Kind # Shares_____ ☐ Benefit plan investor

Name:_____	Trust_____	☐ In-Kind	# Shares_____	☐ Benefit plan investor
Name:_____	Trust_____	☐ In-Kind	# Shares_____	☐ Benefit plan investor
Name:_____	Trust_____	☐ In-Kind	# Shares_____	☐ Benefit plan investor
Name:_____	Trust_____	☐ In-Kind	# Shares_____	☐ Benefit plan investor

The Authorized Participant confirms to the Trust that it has, within the past three months, taken reasonable steps to verify that each such Investor is an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the Securities Act, and has determined that such person is an accredited investor. Additionally, such Investor(s) represent(s) and warrant(s) in its (their) Subscription Agreement that, among other things, it has reviewed and understands the risks of an investment in the Trust, has the financial knowledge and experience to evaluate such investment, is able to bear the substantial risks of an investment in the Trust and is able to afford to lose its entire investment.

In connection with the Authorized Participant's acceptance of an interest in the Trust, the Authorized Participant does hereby irrevocably constitute and appoint the Sponsor, and its successors and assigns, as its true and lawful Attorney-in-Fact, with full power of substitution, in its name, place and stead, in the execution, acknowledgment, filing and publishing of Trust documents, including, but not limited to, the following: (i) any certificates and other instruments, including but not limited to, any applications for authority to do business and amendments thereto, which the Sponsor deems appropriate to qualify or continue the Trust as a business or statutory trust in the jurisdictions in which the Trust may conduct business, so long as such qualifications and continuations are in accordance with the terms of the Trust Agreement, or which may be required to be filed by the Trust or the Trust's Shareholders under the laws of any jurisdiction; (ii) any instrument which may be required to be filed by the Trust under the laws of any state or by any governmental agency, or which the Sponsor deems advisable to file; and (iii) the Trust Agreement and any documents which may be required to effect an amendment to the Trust Agreement approved under the terms of the Trust Agreement, and the continuation of the Trust, the admission of the signer of the Power of Attorney as a Shareholder, or of others as additional or substituted Shareholders, or the termination of the Trust, provided such continuation, admission or termination is in accordance with the terms of the Trust Agreement. The Power of Attorney granted hereby shall be deemed to be coupled with an interest and shall be irrevocable and shall survive, and shall not be affected by, the Authorized Participant's subsequent insolvency or dissolution or any delivery by the

Authorized Participant of an assignment of the whole or any portion of the Authorized Participant's Shares.

The undersigned understands that by submitting this Creation Order, he/she is making the representations and warranties set forth in the Authorized Participant Agreement and is also granting an irrevocable Power of Attorney.

The undersigned hereby certifies as of the date set forth below that he/she is an Authorized Person under the Authorized Participant Agreement and that he/she is authorized to deliver this Creation Order to the Sponsor on behalf of the Authorized Participant.

[Signature Page Follows]

Grayscale Securities, LLC,
as Authorized Participant

Date:

By:
Name:
Title:

Accepted by:

Grayscale Investments Sponsors, LLC,
the Sponsor of each Trust

On behalf of the relevant Trust listed in Schedule A

By:
Name: _____ Title:

Schedule A
to the Creation Order Form

Trust	**Token**	**Trust Agreement**
[***]	[***]	[***]

EXHIBIT C
FORM OF REDEMPTION ORDER FORM

Trust: _____

Authorized Participant: _____

Date: _____

Number of Shares to be redeemed: _____

Number of Redemption Baskets to be issued: _____

Authorized Participant Account*: _____

* "**Authorized Participant Account**" means a digital asset wallet address provided and known to the Sponsor, its delegates and the Trust's Security Vendors as belonging to the Authorized Participant or its Liquidity Provider.

All Redemption Orders are subject to the terms and conditions of the Amended and Restated Declaration of Trust and Trust Agreement, as amended from time to time (the "**Trust Agreement**"), of [_ _____] Trust (the "**Trust**") as currently in effect and the Master Participant Agreement among the Authorized Participant and the Sponsor named therein (the "**Master Participant Agreement**"). All representations and warranties of the Authorized Participant set forth in the Master Participant Agreement are incorporated herein by reference. Capitalized terms used but not defined herein shall have the meaning given in the Procedures.

The undersigned represents and warrants that prior to submitting this Redemption Order, the Authorized Participant has ascertained that (i) the digital asset wallet to be used in connection with the Redemption Order is owned outright by the Authorized Participant or it has full legal authority and legal and beneficial right to any digital assets transferred to such digital asset wallet and (ii) the Authorized Participant Account is appropriately designated for receipt of the number of digital assets equal to the Total Basket Amount distributed by the Trust.

THE UNDERSIGNED UNDERSTANDS THAT IT IS SOLELY RESPONSIBLE FOR THE ACCURACY OF THE AUTHORIZED PARTICIPANT ACCOUNT PROVIDED FOR THE TRANSFER OF THE TOTAL BASKET AMOUNT PURSUANT TO THIS REDEMPTION ORDER.

The undersigned does hereby certify as of the date set forth below that he/she is an Authorized Person under the Master Participant Agreement and that he/she is authorized to deliver this Redemption Order to the Sponsor on behalf of the Authorized Participant. The undersigned understands that by submitting this Redemption Order he/she is making the representations and warranties set forth in the Master Participant Agreement.

[NAME OF AUTHORIZED PARTICIPANT]

Date:

By:
Name:
Title:

ANNEX A

ARTICLE I

SCOPE OF PROCEDURES

This Annex A to the Master Participant Agreement (the "**Master Participant Agreement**") supplements the Master Participant Agreement, the Memorandum and each Trust Agreement (as defined below) with respect to the procedures (the "**Procedures**") to be used in processing (1) creation orders for the creation of one or more Baskets (as defined below) ("**Creation Order**") of any Trust listed on Schedule I to the Master Participant Agreement (each, a "**Trust**") or (2) redemption orders for the redemption of one or more Baskets ("**Redemption Order**") of any Trust. Shares of a Trust may be created or redeemed only in aggregations of 100 Shares (each such aggregation, a "**Basket**") of such Trust. Because the creation and redemption of Baskets involve the transfer of digital assets between the Authorized Participant and a Trust, certain processes relating to the underlying digital asset transfers are described below. If the Authorized Participant has designated a Liquidity Provider, then all references in these Procedures to (i) the delivery, receipt or other transfer of digital assets to, from or by the Authorized Participant shall be deemed to refer to the delivery, receipt or other transfer of digital assets to, from or by the Authorized Participant's Liquidity Provider and (ii) the provision of digital asset account information to or from the Authorized Participant shall refer to the provision of such information to or from the Authorized Participant's Liquidity Provider.

EACH TRUST AND THE AUTHORIZED PARTICIPANT ACKNOWLEDGE THAT DIGITAL ASSET TRANSFERS MAY BE IRREVERSIBLE.

Capitalized terms used but not defined in these Procedures shall have the meanings assigned to them in the Master Participant Agreement.

Each Participant is responsible for ensuring that the number of (i) digital assets that equal the Total Basket Amount (as defined below) or (ii) Baskets it intends to transfer to a Trust in exchange for digital assets, respectively, are available to transfer to such Trust in the manner and at the times described in these Procedures.

ARTICLE II

CREATION PROCEDURES

In order to create Baskets of a Trust, the Authorized Participant must transfer to such Trust the number of digital assets equal to the Total Basket Amount, as calculated in accordance with Section 2 of this Article II below. In order to facilitate the transfer of the Total Basket Amount in connection with a creation, the Sponsor, on behalf of such Trust as the digital asset recipient, will provide to the Authorized Participant the address for the Digital Asset Account belonging to such Trust, as the party initiating the transfer of digital assets. In the data packets distributed from digital asset software programs to confirm each transfer of digital assets, the Sponsor, the relevant Security Vendors and the Authorized Participant must "sign" transactions with a data code derived from entering the private key into a "hashing algorithm," which signature serves as validation that the transaction has been authorized by the Authorized Participant, as owner of the digital assets. The signing process is facilitated by either a software program or a third party provider used to generate digital asset wallets and the related addresses for each of the relevant Trust and the Authorized Participant. An Authorized Participant will receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or such Trust in connection with the creation of Shares, except as otherwise set forth in the Master Participant Agreement. For the avoidance of doubt, it is understood that there may be transaction fees associated with the validation of the transfer of digital assets by the relevant digital asset network.

1. Placing of Creation Order.

1.1. Authorized Participants may submit Creation Orders to the Sponsor or its delegate only on Business Days. Creation Orders can only be placed for a number of Shares of a Trust equal to one or more whole Baskets. A Creation Order to create one or more Creation Baskets must be placed by an Authorized Participant with the Sponsor or its delegate by 4:00 p.m., New York time, (the "**Order Cut-Off Time**") on a Business Day (the "**Creation Order Date**").

1.2. To place a Creation Order, an Authorized Person of the Authorized Participant must email the Sponsor or its delegate at [***].

1.3. ALL CREATION ORDERS REQUIRE WRITTEN CONFIRMATION FROM THE SPONSOR OR ITS DELEGATE VIA EMAIL (THE "**CREATION ORDER CONFIRMATION EMAIL**").

1.4. A CREATION ORDER FOR CREATION BASKETS OF A TRUST CANNOT BE CANCELED BY THE AUTHORIZED PARTICIPANT AFTER THE CREATION ORDER CONFIRMATION EMAIL HAS BEEN SENT.

1.5. After the Order Cut-Off Time, the Sponsor will calculate the number of digital assets that the Authorized Participant must transfer to the relevant Trust to fulfill the Creation Order on the Creation Order Date (in accordance with Sections 2 and 3

below) and send such calculation to the Authorized Participant to complete the Creation Order Form (the "**Creation Order Calculation Email**").

1.6. After the Creation Order Calculation Email is sent by the Sponsor or its delegate to the Authorized Participant, the Authorized Participant shall email a PDF copy of the completed Creation Order Form to the Sponsor or its delegate. Upon receipt, the Sponsor or its delegate shall immediately email or telephone the Authorized Participant if the Sponsor or its delegate believes that the Creation Order Form has not been completed correctly by the Authorized Participant.

1.7. Subject to the conditions that a properly completed Creation Order Form has been placed by the Authorized Participant not later than 6:00 p.m., New York time, Section 3(c) of the Master Participant Agreement and any other applicable provision contained in these Procedures, the Sponsor or its delegate will accept the Creation Order on behalf of the relevant Trust.

2. Determination of Total Basket Amount

2.1. After the Order Cut-Off Time, the Sponsor or its delegate will calculate the number of digital assets that the Authorized Participant must transfer to the relevant Trust to fulfill the Creation Order on the Creation Order Date.

2.2. The number of digital assets required for a Creation Basket or a Redemption Basket of a Trust shall be determined by the Sponsor or its delegate by dividing (x) the number of digital assets owned by such Trust at 4:00 p.m., New York time, on the Creation Order Date, after deducting the number digital assets representing the U.S. Dollar value of accrued but unpaid fees and expenses of such Trust (in the case of any such fee and expense other than the Sponsor's Fee, converted using the relevant Index Price (as defined in such Trust's Memorandum) at such time (carried to the eighth decimal place)), by (y) the number of Shares of such Trust outstanding at such time (the quotient so obtained calculated to one one-hundred-millionth of one digital asset (i.e., carried to the eighth decimal place)) and multiplying such quotient by 100 (the "**Basket Amount**"). The Basket Amount multiplied by the number of Baskets being created in accordance with this Article II or redeemed in accordance with Article III is the "**Total Basket Amount**." The Sponsor's determination of all questions as to the composition of the Total Basket Amount shall be final.

3. Settlement of Creation Order

3.1. Once the Total Basket Amount has been determined, the Sponsor or its delegate will send the Creation Order Calculation Email to the Authorized Participant providing the (i) Total Basket Amount and (ii) the address of a Digital Asset Account belonging to the relevant Trust.

3.2. Between the Authorized Participant's receipt of such e-mail, as provided in Section 3.1 of this Article II, and 6:00 p.m., New York time, the Authorized

Participant will initiate the transfer of the Total Basket Amount from such Authorized Participant Account to the relevant Digital Asset Account and will immediately notify the Sponsor or its delegate via e-mail of such transfer. THE AUTHORIZED PARTICIPANT IS SOLELY RESPONSIBLE FOR THE ACCURACY OF SUCH AUTHORIZED PARTICIPANT ACCOUNT USED IN CONNECTION WITH THE TRANSFER OF THE TOTAL BASKET AMOUNT PURSUANT TO A CREATION ORDER. TRANSFERS OTHER THAN THOSE RECEIVED FROM AN AUTHORIZED PARTICIPANT ACCOUNT WILL NOT BE CREDITED TO ANY AUTHORIZED PARTICIPANT. NONE OF THE SPONSOR, ITS DELEGATES OR ANY SECURITY VENDOR SHALL BE RESPONSIBLE FOR ANY TRANSFERS MADE FROM AN ACCOUNT OTHER THAN AN AUTHORIZED PARTICIPANT ACCOUNT.

3.3. The Sponsor or its delegate will confirm transfer of the Total Basket Amount from such Authorized Participant Account to the relevant Digital Asset Account and, if applicable, the validation of such transfer by the relevant digital asset network with the relevant Security Vendors. The Sponsor may determine another mechanism for a Trust to accept delivery of digital assets as the Sponsor may, from time to time, determine to be acceptable for such Trust.

3.4. The Sponsor or its delegate will send a confirmation email to the Authorized Participant to evidence such transfer of the Total Basket Amount to the relevant Digital Asset Account. The Sponsor or its delegate will call or e-mail the Authorized Participant to confirm the relevant Trust's receipt of the Total Basket Amount in such Digital Asset Account. The expense and risk of delivery, ownership and safekeeping of digital assets, until such digital assets have been transferred to such Digital Asset Account shall be borne solely by the Authorized Participant.

3.5. Upon confirmation of receipt of the Total Basket Amount in the relevant Digital Asset Account, the Sponsor or its delegate will direct the Transfer Agent to credit to the account of the Investor on behalf of which the Authorized Participant submitted the Creation Order the number of Creation Baskets of the relevant Trust ordered by the Authorized Participant as soon as possible thereafter, provided that the Transfer Agent shall credit the number of Creation Baskets to fill the Authorized Participant's Creation Order by no later than 6:00 p.m., New York time, on the Creation Order Date, or as soon thereafter as practicable.

3.6. The Transfer Agent will issue a statement to the Sponsor and the Authorized Participant reflecting the number of Creation Baskets that have been credited to the Authorized Participant.

4. DISCLAIMER. DIGITAL ASSET TRANSFERS MAY BE IRREVERSIBLE AND THERE IS NO RECOURSE AGAINST ANYONE FOR THE WRONGFUL DELIVERY OF DIGITAL ASSETS TO AN INADVERTENT RECIPIENT, AN INACTIVE (DEAD) WALLET ADDRESS OR AN INVALID WALLET ADDRESS AND THERE IS CURRENTLY NO METHOD TO RETRIEVE DIGITAL ASSETS FROM AN INADVERTENT RECIPIENT, AN INACTIVE (DEAD) WALLET ADDRESS OR AN INVALID ADDRESS. THE EXPENSE AND RISK OF

DELIVERY, OWNERSHIP AND SAFEKEEPING OF DIGITAL ASSETS, UNTIL SUCH DIGITAL ASSETS HAVE BEEN RECEIVED BY THE RELEVANT TRUST, SHALL BE BORNE SOLELY BY THE AUTHORIZED PARTICIPANT NOTWITHSTANDING THE AUTHORIZED PARTICIPANT'S USE OF A LIQUIDITY PROVIDER. SUCH TRUST, THE SPONSOR, ITS DELEGATES AND THE RELEVANT SECURITY VENDORS ARE NOT RESPONSIBLE FOR ERRANT TRANSFERS DUE TO TYPOGRAPHICAL, COMPUTER OR HUMAN ERROR ON THE PART OF THE AUTHORIZED PARTICIPANT OR ITS LIQUIDITY PROVIDER.

ARTICLE III

REDEMPTION PROCEDURES

In order to redeem Baskets of a Trust, the Authorized Participant must transfer Baskets to such Trust and such Trust must transfer an amount of digital assets equal to the Total Basket Amount, as calculated in accordance with Section 2 of Article II, to the Authorized Participant. In order to facilitate the transfer of the Total Basket Amount in connection with a redemption, the Authorized Participant, as the digital asset recipient, will provide the address of its Authorized Participant Account to the Sponsor or its delegate, who will, instructing the relevant Security Vendors as necessary, initiate the transfer of digital assets on behalf of the relevant Trust. In the data packets distributed from digital asset software programs to confirm each transfer of digital assets, the Sponsor and the relevant Security Vendors must "sign" transactions with a data code derived from entering the private key into a "hashing algorithm," which signature serves as validation that the transaction has been authorized by the relevant Trust, as owner of the digital assets. The signing process is facilitated by either a software program or a third party provider used to generate digital asset wallets and the related addresses for each of the relevant Trust and the Authorized Participant. An Authorized Participant will not incur any fees or other form of expenses in connection with a redemption transaction, except as otherwise set forth in the Master Participant Agreement. For the avoidance of doubt, it is understood that there may be transaction fees associated with the validation of the transfer of digital assets by the relevant digital asset network.

EACH TRUST AND THE AUTHORIZED PARTICIPANT ACKNOWLEDGE THAT DIGITAL ASSET TRANSFERS MAY BE IRREVERSIBLE.

1. Placing of Redemption Order.

   1.1. Authorized Participants may submit Redemption Orders only on Business Days. Redemption Orders may only be placed for a number of Shares of a Trust equal to one or more whole Baskets. A Redemption Order to redeem one or more Redemption Baskets must be placed by an Authorized Participant with the Sponsor or its delegate by 4:00 p.m., New York time, (the "**Order Cut-Off Time**") on a Business Day (the "**Redemption Order Date**").

   1.2. To place a Redemption Order, an Authorized Person of the Authorized Participant must email the Sponsor or its delegate at [***]

   1.3. ALL REDEMPTION ORDERS REQUIRE WRITTEN CONFIRMATION FROM THE SPONSOR OR ITS DELEGATE VIA EMAIL (THE "**REDEMPTION ORDER CONFIRMATION EMAIL**").

   1.4. A REDEMPTION ORDER FOR REDEMPTION BASKETS OF A TRUST CANNOT BE CANCELED BY THE AUTHORIZED PARTICIPANT AFTER THE SPONSOR'S OR ITS DELEGATE'S REDEMPTION ORDER CONFIRMATION EMAIL HAS BEEN SENT

1.5. After the Order Cut-Off Time, the Sponsor will calculate the Total Basket Amount that the relevant Trust must transfer to the Authorized Participant to fulfill the Redemption Order on the Redemption Order Date (in accordance with Section 2 of Article II of these Procedures) and send such calculation to the Authorized Participant to complete the Redemption Order Form (the "**Redemption Order Calculation Email**").

1.6. After the Redemption Order Calculation Email is sent by the Sponsor or its delegate to the Authorized Participant, the Authorized Participant shall email a PDF copy of the completed Redemption Order Form to the Sponsor or its delegate. Upon receipt, the Sponsor or its delegate shall immediately email or telephone the Authorized Participant if the Sponsor or its delegate believes that the Redemption Order Form has not been completed correctly by the Authorized Participant.

1.7. Subject to the conditions that a properly completed Redemption Order Form has been placed by the Authorized Participant not later than 6:00 p.m., New York time, Section 3(d) of the Master Participant Agreement and any other applicable provision contained in these Procedures, the Sponsor or its delegate will accept the Redemption Order on behalf of the relevant Trust.

2. Determination of Total Basket Amount.

2.1. After the Order Cut-Off Time, the Sponsor or its delegate will calculate the Total Basket Amount that the relevant Trust must transfer to the Authorized Participant to fulfill the Redemption Order on the Redemption Order Date in accordance with Section 2 of Article II of these Procedures.

3. Settlement of Redemption Order.

3.1. Once the Total Basket Amount has been determined, the Sponsor or its delegate will send the Redemption Order Calculation E-mail to the Authorized Participant providing the Total Basket Amount.

3.2. The Authorized Participant will then send an email to the Sponsor or its delegate (i) acknowledging the receipt and the content of the Sponsor's or its delegate's email, as provided in Section 3.1 of this Article III, and (ii) providing the address of its Authorized Participant Account.

3.3. Upon receipt of the Authorized Participant's email, the Sponsor or its delegate will email or telephone the Authorized Participant within 30 minutes, or as soon thereafter as practicable to orally confirm receipt of the e-mail and the information included in such e-mail generally, and such Authorized Participant Account specifically. THE AUTHORIZED PARTICIPANT IS SOLELY RESPONSIBLE FOR THE ACCURACY OF SUCH AUTHORIZED PARTICIPANT ACCOUNT PROVIDED IN CONNECTION WITH THE TRANSFER OF THE TOTAL BASKET AMOUNT PURSUANT TO A REDEMPTION ORDER. TRANSFERS WILL ONLY BE MADE TO AN

AUTHORIZED PARTICIPANT ACCOUNT AND ANY REQUEST FOR A TRANSFER TO AN ACCOUNT OTHER THAN AN AUTHORIZED PARTICIPANT ACCOUNT WILL BE REJECTED.

3.4. The Sponsor or its delegate will direct the Transfer Agent to debit the account of the Investor on behalf of which the Authorized Participant placed the Redemption Order the number of Redemption Baskets of the relevant Trust ordered by the Authorized Participant as soon as possible, provided that the Transfer Agent shall so debit the number of Redemption Baskets to fill the Authorized Participant's Redemption Order by no later than 6:00 p.m., New York time, on the Redemption Order Date, or as soon thereafter as practicable.

3.5. The Transfer Agent will e-mail the Sponsor or its delegate to confirm the debiting of the Redemption Baskets ordered by the Authorized Participant in the transfer register.

3.6. The Transfer Agent will issue a statement to the Sponsor and the Authorized Participant reflecting the number of Redemption Baskets that have been debited from the Authorized Participant.

3.7. The Sponsor or its delegate will, instructing the relevant Security Vendors as necessary, initiate the transfer of the Total Basket Amount from the relevant Digital Asset Account, to such Authorized Participant Account as soon as possible, provided that the transfer of the Total Basket Amount from such Digital Asset Account to such Authorized Participant Account shall occur by no later than the 6:00 p.m., New York time, on the Redemption Order Date. The expense and risk of delivery, ownership and safekeeping of digital assets, until such digital assets have been transferred into such Authorized Participant Account, shall be borne solely by the relevant Trust.

3.8. If applicable, one or more of the Security Vendors will provide confirmation to the Sponsor or its delegate after it receives confirmation of the transfer of the Total Basket Amount and the validation of such transfer by the relevant digital asset network.

3.9. The Sponsor or its delegate will e-mail and call the Authorized Participant to confirm receipt of the Total Basket Amount in such Authorized Participant Account.

4. DISCLAIMER. DIGITAL ASSET TRANSFERS MAY BE IRREVERSIBLE AND THERE IS NO RECOURSE AGAINST ANYONE FOR THE WRONGFUL DELIVERY OF DIGITAL ASSETS TO AN INADVERTENT RECIPIENT, AN INACTIVE (DEAD) WALLET ADDRESS OR AN INVALID WALLET ADDRESS AND THERE IS CURRENTLY NO METHOD TO RETRIEVE DIGITAL ASSETS FROM AN INADVERTENT RECIPIENT, AN INACTIVE (DEAD) WALLET ADDRESS OR AN INVALID WALLET ADDRESS. THE EXPENSE AND RISK OF DELIVERY, OWNERSHIP AND SAFEKEEPING OF DIGITAL ASSETS, UNTIL SUCH DIGITAL ASSETS HAVE BEEN RECEIVED BY THE

AUTHORIZED PARTICIPANT (OR ITS LIQUIDITY PROVIDER), SHALL BE BORNE SOLELY BY THE RELEVANT TRUST. SUCH TRUST, THE SPONSOR, ITS DELEGATES AND ANY SECURITY VENDORS ARE NOT RESPONSIBLE FOR ERRANT TRANSFERS DUE TO TYPOGRAPHICAL, COMPUTER OR HUMAN ERROR ON THE PART OF THE AUTHORIZED PARTICIPANT OR ITS LIQUIDITY PROVIDER.

Exhibit 10.1

Certain confidential information contained in this document, marked by [***], has been omitted because the registrant has determined that the information (i) is not material and (ii) is the type that the registrant treats as private or confidential.

BITGO CUSTODIAL SERVICES AGREEMENT

This Custodial Services Agreement (this "**Agreement**") is made as of the later date of the signatures below (the "**Effective Date**") by and between each entity listed on Schedule B (severally and not jointly, each a "**Client**") and BitGo Trust Company, Inc ("**Custodian**"). This Agreement governs Client's use of the Custodial Services and the Wallet Services (each as defined below, and collectively, the "**Services**") provided or made available by Custodian.

It is understood and agreed by the Parties that for ease of administration this single Agreement is being executed so as to enable each Client identified in Schedule B to transact with Custodian. The Parties agree that this Agreement shall be treated as if it were a separate agreement as if each Client had executed a separate agreement naming only itself as Client.

Definitions:

(a) "**Agreement**" means this Custodial Agreement, as it may be amended from time to time, and includes all schedules and exhibits to this Custodial Agreement, as they may be amended from time to time.

(b) "**Applicable Law**" means any applicable statute, rule, regulation, regulatory guideline, order, law (including without limitation, the Travel Rule), ordinance, or code; the common law and laws of equity; any binding court order, judgment, or decree; any applicable industry code, rule, guideline, policy or standard enforceable by law (including as a result of participation in a self-regulatory organization), and any official interpretations of any of the foregoing.

(c) "**Authorized Persons**" means any person authorized by the Client to give Instructions to the Custodian or perform other operations through the Company Site on behalf of the Client (i.e., viewer, admin, enterprise owner, viewer with additional video rights, etc.).

(d) "**Custodian**" means BitGo Trust Company, Inc., a South Dakota trust company duly organized and chartered under § 51A-6A-1(12A) of the South Dakota Banking Law, and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act of 1940, as amended, and licensed to act as custodian of Client's Digital Assets on Client's behalf.

(e) "**Digital Assets**" means digital assets, currencies, virtual currencies, tokens, or coins held for Client under the terms of this Agreement.

(v04/23)

(f) "**Fiat Currency**" means certain fiat currencies, such as U.S. Dollars.

(g) "**Travel Rule**" means 31 CFR 1010.410(e) and 31 CFR 1010.410(f), as

amended, modified, updated, or replaced from time to time, which requires all financial institutions to pass on certain information to the next financial institution, in certain funds transmittals involving more than one financial institution.

1. SERVICES.

1.1. Custodian.

Client authorizes, approves, and directs Custodian to establish and maintain one or more custody accounts on its books (each a "**Custodial Account**"), pursuant to the terms of this Agreement, for the receipt, safekeeping, and maintenance of supported Digital Assets, as well as Fiat Currency ("**Custodial Services**"). Digital Assets in Client's Custodial Account are not treated as general assets of Custodian. Custodian serves as a fiduciary and custodian on Client's behalf, and the Digital Assets in Client's Custodial Account are considered fiduciary assets that remain Client's property at all times.

1.2. Wallet Software and Non-Custodial Wallet Service.

(A) Custodian also provides Client with the option to create non-custodial wallets that support certain Digital Assets via an API and web interface ("**Wallet Services**"). Wallet Services are provided by BitGo, Inc, an affiliate of Custodian ("**BitGo Inc.**"). Wallet Services provide access to wallets where BitGo Inc. holds a minority of the keys, and Client is responsible for holding a majority of the keys ("**Client Keys**").

(B) The Wallet Services do not send or receive money or digital assets. The Wallet Services enable Client to interface with virtual currency networks to view and transmit information about a public cryptographic key commonly referred to as a blockchain address. As further set forth in Section 3.5, Client assumes all responsibility and liability for securing the Client Keys. Further, Client assumes all responsibility and liability for creation, storage, and maintenance of any backup keys associated with accounts created using the Wallet Services.

(C) Client's use of the Wallet Services is subject to the terms and conditions set forth at https://www.bitgo.com/terms (the "**Wallet Terms**"), as they may be amended from time to time. In the event of a conflict between the Wallet Terms and the terms of this Agreement, the terms of this Agreement shall control.

1.3. Fiat Services.

(A) Client may elect to store Fiat Currency with Custodian ("**Fiat Services**"). To use the Fiat Services, Client must link the Custodial Account with account(s) at a depository institution ("**Bank**") that has been approved by Custodian (each a "**Client Bank Account**"). All Fiat Currency deposits to and withdrawals from the Custodial Account must be processed through the approved Client Bank Account. Custodian has no right, interest, or title in such Fiat Currency. Custodian hereby confirms that the Fiat Currency is not an asset on the balance sheet of Custodian.

(B) Custodian will hold any permitted Fiat Currency received by Custodian on behalf of Client, at Custodian's sole discretion, in one or more omnibus deposit accounts that Custodian has established with Banks (each an "**Omnibus Account**"). Each Omnibus Account shall be titled in the name of Custodian for the benefit of its customers and shall be maintained separately and apart from Custodian's business, operating, and reserve accounts. Each Omnibus Account constitutes a banking relationship between Custodian and Bank and shall not constitute a custodial relationship between Custodian and Bank and does not create or represent any relationship between Client and any Bank.

(C) Client acknowledges and agrees that Custodian may hold some or any portion of Fiat Currency in accounts that may or may not receive interest or other earnings. Client hereby agrees that the amount of any such interest or earnings attributable to such Fiat Currency may be retained by Custodian as additional consideration for its services under this Agreement, and nothing in this Agreement entitles Client to any portion of such interest or earnings. In addition, Custodian may receive earnings or compensation for an Omnibus Account in the form of services provided at a reduced rate or similar compensation. Client agrees that any such compensation shall be retained by Custodian, Client is not entitled to any portion of such compensation, and no portion of any such compensation shall be paid to or for Client.

(D) Wire Transfers. Wire deposits sent before 4 PM Eastern Time ("**ET**") by domestic or international wire from a Client Bank Account will typically settle and be credited to Custodian's Omnibus Account on the same day or next business day. Wire withdrawals initiated before 4 PM ET will typically be processed on the same day or next business day. Wire deposits may not be credited, and wire withdrawals may not be processed outside of normal banking hours. Client agrees and understands that wire deposit settlement times and wire withdrawal transfer times are subject to factors outside of Custodian's control, including, among other things, processes and operations related to the Client Bank Account and the Custodian's Bank.

1.4. Third-Party Payments.

The Custodial Services are not intended to facilitate third-party payments of any kind, which shall include the use of both Fiat Currency or Digital Assets. As such, Custodian has no control over, or liability for, the delivery, quality, safety, legality or any other aspect of any goods or services that Client may purchase or sell to or from a third-party (including other users of Custodial Services) involving Digital Assets that Client intends to store, or have stored, in Client's Custodial Account.

1.5. API Access.

(A) Most Services are provided through https://www.bitgo.com/ or any associated websites or application programming interfaces ("**APIs**") (collectively, the "**Company Site**"). Client may elect to utilize the APIs either directly or indirectly within an independently developed application ("**Developer Application**").

(B) All API-based Services are subject to usage limits and the terms and conditions

set forth at https://www.bitgo.com/legal/services-agreement (the "**API Terms**"), as they may be amended from time to time upon notice to Client. In the event of a conflict between the API Terms and the terms of this Agreement, the terms of this Agreement shall control. If Client exceeds a usage limit, Custodian will notify Client in writing and will provide assistance to seek to reduce Client usage so that it conforms to that limit.

(C) Location of Digital Assets. The Location of the Digital Assets shall be the United States. Custodian shall acquire written approval of Client prior to changing the Location of the Digital Assets outside of the United States, except in the event of a security or disaster recovery event necessitating immediate remediation, in which case Custodian will provide notice to Client as soon as reasonably practicable. "**Location**" means, with respect to any Digital Assets, the jurisdiction in which Custodian deems such Digital Assets to be present.

1.6. Fees.

The fees associated with the Services shall be calculated, invoiced, and paid in accordance with Schedule A ("**Fee Schedule**"). Custodian reserves the right to revise its Fee Schedule at any time following the Initial Term, provided that Custodian will provide Client with at least sixty (60) days' advance notice of any such revision. Within such 60-day period, Client may terminate this Agreement in accordance with Section 5.4 and discontinue the Services hereunder at no additional charge to Client.

1.7. Opt-in to Article 8 of the Uniform Commercial Code of the State of South Dakota. The Parties agree the relationship between Custodian and Client is governed Article 8 of the Uniform Commercial Code, as adopted and implemented under South Dakota law ("**UCC**"): (i) Client is an "entitlement holder" pursuant to SDCL 57A-8-102(a)(7); instructions from Client to Custodian directing transfer or redemption of Digital Assets or fiat currency credit to the Custodial Account shall be "entitlement orders" under SDCL 57A-8-102(a)(8); (ii) any Digital Assets credited to the Custodial Account or fiat currency shall be treated as "financial assets" within the meaning of SDCL 57A-8-102(a)(9); (iii) Custodian is a "securities intermediary" pursuant to SDCL 57A-8-102(a)(14) with respect to all financial assets and Digital Assets held in such Custodial Accounts; (iv) the Custodial Accounts are each "securities accounts". Treating client assets in the Custody Accounts as financial assets under Article 8 does not determine the characterization or treatment of the cash and Digital Assets under any other law or rule .

1.8. Acknowledgement of Risks.

(A) General Risks; No Investment, Tax, or Legal Advice; No Brokerage. CLIENT ACKNOWLEDGES THAT CUSTODIAN DOES NOT PROVIDE INVESTMENT, TAX, OR LEGAL ADVICE, NOR DOES CUSTODIAN BROKER TRANSACTIONS ON CLIENT'S BEHALF. CLIENT ACKNOWLEDGES THAT CUSTODIAN HAS NOT PROVIDED AND WILL NOT PROVIDE ANY ADVICE, GUIDANCE OR RECOMMENDATIONS TO CLIENT WITH REGARD TO THE SUITABILITY OR VALUE OF ANY DIGITAL ASSETS, AND THAT CUSTODIAN HAS NO LIABILITY REGARDING ANY SELECTION OF A DIGITAL ASSET THAT IS HELD BY CLIENT THROUGH CLIENT'S CUSTODIAL ACCOUNT AND THE CUSTODIAL SERVICES OR THE WALLET SERVICES. ALL DEPOSIT AND WITHDRAWAL

TRANSACTIONS ARE EXECUTED BASED ON CLIENT'S INSTRUCTIONS, AND CLIENT IS SOLELY RESPONSIBLE FOR DETERMINING WHETHER ANY INVESTMENT, INVESTMENT STRATEGY, OR RELATED TRANSACTION INVOLVING DIGITAL ASSETS IS APPROPRIATE FOR CLIENT BASED ON CLIENT'S INVESTMENT OBJECTIVES, FINANCIAL CIRCUMSTANCES, AND RISK TOLERANCE. CLIENT SHOULD SEEK LEGAL AND PROFESSIONAL TAX ADVICE REGARDING ANY TRANSACTION.

(B) Material Risk in Investing in Digital Currencies. CLIENT ACKNOWLEDGES THAT:

(1) VIRTUAL CURRENCY IS NOT LEGAL TENDER, IS NOT BACKED BY THE GOVERNMENT, AND ACCOUNTS AND VALUE BALANCES ARE NOT SUBJECT TO FEDERAL DEPOSIT INSURANCE CORPORATION OR SECURITIES INVESTOR PROTECTION CORPORATION PROTECTIONS;

(2) LEGISLATIVE AND REGULATORY CHANGES OR ACTIONS AT THE STATE, FEDERAL, OR INTERNATIONAL LEVEL MAY ADVERSELY AFFECT THE USE, TRANSFER, EXCHANGE, AND VALUE OF VIRTUAL CURRENCY;

(3) TRANSACTIONS IN VIRTUAL CURRENCY MAY BE IRREVERSIBLE, AND, ACCORDINGLY, LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE;

(4) SOME VIRTUAL CURRENCY TRANSACTIONS SHALL BE DEEMED TO BE MADE WHEN RECORDED ON A PUBLIC LEDGER, WHICH IS NOT NECESSARILY THE DATE OR TIME THAT THE CLIENT INITIATES THE TRANSACTION;

(5) THE VALUE OF VIRTUAL CURRENCY MAY BE DERIVED FROM THE CONTINUED WILLINGNESS OF MARKET PARTICIPANTS TO EXCHANGE FIAT CURRENCY FOR VIRTUAL CURRENCY, WHICH MAY RESULT IN THE POTENTIAL FOR PERMANENT AND TOTAL LOSS OF VALUE OF A PARTICULAR VIRTUAL CURRENCY SHOULD THE MARKET FOR THAT VIRTUAL CURRENCY DISAPPEAR;

(6) THERE IS NO ASSURANCE THAT A PERSON WHO ACCEPTS A VIRTUAL CURRENCY AS PAYMENT TODAY WILL CONTINUE TO DO SO IN THE FUTURE;

(7) THE VOLATILITY AND UNPREDICTABILITY OF THE PRICE OF VIRTUAL CURRENCY RELATIVE TO FIAT CURRENCY MAY RESULT IN SIGNIFICANT LOSS OVER A SHORT PERIOD OF TIME;

(8) THE NATURE OF VIRTUAL CURRENCY MAY LEAD TO AN INCREASED RISK OF FRAUD OR CYBER ATTACK;

(9) THE NATURE OF VIRTUAL CURRENCY MEANS THAT ANY TECHNOLOGICAL DIFFICULTIES EXPERIENCED BY THE LICENSEE MAY PREVENT THE ACCESS OR USE OF A CUSTOMER'S VIRTUAL CURRENCY; AND

(10) ANY BOND OR TRUST ACCOUNT MAINTAINED BY THE LICENSEE FOR THE BENEFIT OF ITS CUSTOMERS MAY NOT BE SUFFICIENT TO COVER ALL LOSSES INCURRED BY CUSTOMERS.

(C) CLIENT ACKNOWLEDGES THAT USING DIGITAL ASSETS AND ANY RELATED NETWORKS AND PROTOCOLS, INVOLVES SERIOUS RISKS. CLIENT AGREES THAT IT HAS READ AND ACCEPTS THE RISKS LISTED IN THIS SECTION 1.8, WHICH IS NON- EXHAUSTIVE AND WHICH MAY NOT CAPTURE ALL RISKS ASSOCIATED WITH CLIENT'S ACTIVITY. IT IS CLIENT'S DUTY TO LEARN ABOUT ALL THE RISKS INVOLVED WITH DIGITAL ASSETS AND ANY RELATED PROTOCOLS AND NETWORKS. CUSTODIAN MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE VALUE OF DIGITAL ASSETS OR THE SECURITY OR PERFORMANCE OF ANY RELATED NETWORK OR PROTOCOL.

2. CUSTODIAL ACCOUNT.

2.1. Registration; Authorized Persons

(a) To use the Custodial Services, Client must create a Custodial Account by providing Custodian with all information requested. Custodian may, in its sole discretion, refuse to allow Client to establish a Custodial Account, limit the number of Custodial Accounts, and/or decide to subsequently terminate a Custodial Account.

(b) Client will maintain an updated and current list of Authorized Persons at all times on the Company Site and will as promptly as reasonably practicable notify Custodian of any changes to the list of Authorized Persons by updating the list on the Company Site, including for termination of employment, or otherwise. Client shall make available all necessary documentation and identification information, as reasonably requested by Custodian to confirm: (i) the identity of each Authorized Person; (ii) that each Authorized Person is eligible to be deemed an "**Authorized Person**" as defined in this Agreement; and (iii) the party(ies) requesting the changes in the list of Authorized Persons have valid authority to request changes on behalf of Client.

2.2. General.

The Custodial Services allow Client to deposit supported Digital Assets from a public blockchain address to Client's Account, and to withdraw supported Digital Assets from Client's Custodial Account to a public blockchain address, in each case, pursuant to Instructions Client provides through the Company Site (each such transaction is a "**Custody Transaction**"). The Digital Assets stored in Client's Custodial Account will not be commingled with other Digital Assets that Custodian custodies for its other clients or Digital Assets of Custodian without express action taken by Client and are custodied pursuant to the terms of this Agreement. Custodian reserves the right to refuse to process or to cancel any pending Custody Transaction: as required by Applicable Law; to enforce transaction, threshold, and condition limits, in each case as communicated to Client as soon as reasonably practicable where Custodian is permitted to do so; or if Custodian reasonably believes that the Custody Transaction may violate or facilitate the violation of any Applicable Law, regulation or rule of a governmental authority or self-regulatory organization. Custodian cannot reverse a Custody Transaction which has been broadcast to a Digital Asset network.

2.3. Instructions.

(a) Custodian acts upon instructions ("**Instructions**") given by Authorized Persons that are received and verified by Custodian in accordance with its procedures and this Agreement.

(b) Instructions will be required for any action requested of the Custodian. Instructions shall continue in full force and effect until canceled (if possible) or executed.

(c) The Custodian shall be entitled to rely upon any Instructions it receives from an Authorized Person (or from a person reasonably believed by the Custodian to be an Authorized Person) pursuant to this Agreement.

(d) The Custodian may assume that any Instructions received hereunder are not in any way inconsistent with the provisions of organizational documents of the Client or of any vote, resolution, or proper authorization and that the Client is authorized to take the actions specified in the Instructions.

(e) Client must verify all transaction information prior to submitting Instructions to the Custodian. The Custodian shall have no duty to inquire into or investigate the validity, accuracy, or content of any Instructions.

(f) If any Instructions are ambiguous, incomplete, or conflicting, Custodian may refuse to execute such Instructions until any ambiguity, incompleteness, or conflict has been resolved. Custodian may refuse to execute Instructions if, in its sole opinion, such Instructions are outside the scope of its duties under this Agreement or are contrary to any Applicable Law. If Custodian becomes aware of any Instructions that are illegible, unclear, or ambiguous, Custodian shall use reasonable efforts to promptly notify Client and may refuse to execute such Instructions until any ambiguity or conflict has been resolved to its satisfaction.

(g) Client is responsible for Losses (as defined below) resulting from inaccurate Instructions (e.g., if Client provides the wrong destination address for executing a withdrawal transaction). Custodian does not guarantee the identity of any user, receiver, requestee, or other party to a Custody Transaction. Custodian shall have no liability whatsoever for failure to perform pursuant to such Instructions except in the case of Custodian's gross negligence, fraud, or willful misconduct.

(h) Custodian is responsible for losses resulting from its errors in executing a transaction (e.g., if Client provides the correct destination address for executing a withdrawal transaction, but Custodian erroneously sends Client's Digital Assets to another destination address), subject to the standard of care set forth in Section 4.2.

(i) Except as set forth in herein, Custodian shall not take any action with respect to an Incidental Asset (as defined hereinafter) that has not previously been abandoned by Client unless an Affirmative Action (as defined hereinafter) is taken with respect to such Incidental Asset and the Custodian has specifically announced on the Custodian's website or through some other official public statement of Custodian that Custodian will support such Incidental Asset.

2.4. Digital Asset Deposits and Withdrawals.

(a) Prior to initiating a deposit of Digital Assets to Custodian, Client must confirm that Custodian offers Custodial Services for that specific Digital Asset. The list of supported Digital

Assets is currently available at: https://www.bitgo.com/resources/coins. The foregoing list or foregoing URL may be updated or changed from time to time in Custodian's sole discretion. By initiating a deposit of Digital Assets to a Custodial Account, Client attests that Client has confirmed that the Digital Asset being transferred is supported by Custodian.

(b) Client must initiate any Digital Assets withdrawal request through Client's Custodial Account to a Digital Assets wallet address. Custodian shall provide any Travel Rule information required by the receiving Digital Assets wallet address. Custodian will process withdrawal requests for amounts under $250,000.00, either in a single transaction or aggregated in a series of transactions, during a rolling 24-hour period without video verification, to a Client-whitelisted address which has been previously used to which Client has made a withdraw to at least once. The time of such a request shall be considered the time of transmission of such notice from Client's Custodial Account. Custodian or Client reserves the right to request video verification for any transaction or series of transactions under the threshold of $250,000.00. Custodian will require video verification for withdrawal requests greater than $250,000.00 or requests made to a new address, either in a single transaction or aggregated in a series of transactions, during a rolling 24-hour period; provided, Custodian can require video calls for amounts less than $250,000.00 if it deems necessary for security, compliance, or any other purposes in its sole discretion. The initiation of the 24-hour time period to process the withdrawal request shall be considered at the time at which client completes video verification.

(c) As further set forth in Section 3.5, Client must manage and keep secure any and all information or devices associated with deposit and withdrawal procedures, including YubiKeys and passphrases or other security or confirmation information. Subject to Schedule A, Custodian reserves the right to charge or pass through network fees (e.g., miner fees or validator fees, together "**Network Fees**") to process a Digital Asset transaction on Client's behalf. Custodian will notify Client of the estimated network fee at or before the time Client authorizes the transaction.

2.5. Digital Asset Access Time.

With respect to requests by Client to withdraw Digital Assets from Client's Custodial Account; (i) for withdrawal requests made prior to 3:00 PM ET on any Business Day (the "**Request Time**"), Custodian requires up to 12 hours following verification of the authorization of a complete set of Instructions to process such withdrawal and send the applicable Digital Assets to the applicable Digital Asset network; (ii) for any withdrawal requests made after the Request Time on any Business Day, following verification of the authorization of a complete set of Instructions, Custodian will process such withdrawal and send the applicable Digital Assets to the applicable Digital Asset network by 12:00 PM ET on the next succeeding Business Day. "**Business Day**" means any day other than a Saturday or Sunday or US federal holidays on which commercial banks are open for business in New York City, United States. "**Business Hours**" means between the hours of 9:00 am ET and 5:00 pm ET on a Business Day.

(A) Custodian reserves the right to take additional time beyond the periods described

in Section 2.5 if such time is required to verify security processes for large (or suspicious transactions. Any such processes will be executed reasonably and in accordance with Custodian documented protocols, which may change from time to time at the sole discretion of Custodian.

(B) Custodian makes no representations or warranties with respect to the availability and/or accessibility of the Digital Assets. Custodian will make commercially reasonable efforts to ensure that Client initiated deposits are processed in a timely manner, but Custodian makes no representations or warranties regarding the amount of time needed to complete processing of deposits which is dependent upon factors outside of Custodian's control.

2.6. Supported Digital Assets.

The Custodial Services are available only in connection with those Digital Assets that Custodian supports (list currently available at https://www.bitgo.com/resources/coins). The Digital Assets that Custodian supports may change from time to time in Custodian's discretion. Custodian assumes no obligation or liability whatsoever regarding any unsupported Digital Asset sent or attempted to be sent to it, or regarding any attempt to use the Custodial Services for Digital Assets that Custodian does not support. Custodian may, from time to time, determine types of Digital Assets that will be supported or cease to be supported by the Custodial Services. Custodian will use commercially reasonable efforts to provide Client with thirty (30) days' prior written notice before ceasing to support a Digital Asset, unless Custodian is required to cease such support sooner to comply with Applicable Law or in the event such support creates an urgent security or operational risk in Custodian's reasonable discretion (in which event Custodian will provide as much notice as is practicable under the circumstances). Under no circumstances should Client attempt to use the Custodial Services to deposit or store any Digital Assets that are not supported by Custodian. Depositing or attempting to deposit Digital Assets that are not supported by Custodian will result in such Digital Asset being unretrievable by Client and Custodian.

2.7. Advanced Protocols.

Unless specifically announced on the Custodian or Company website, Custodian does not support airdrops, side chains, or other derivative, enhanced, or forked protocols, tokens, or coins which supplement or interact with a Digital Asset supported by Custodian (collectively, "**Advanced Protocols**"). Client shall not use its Custodial Account to attempt to receive, request, send, store, or engage in any other type of transaction involving an Advanced Protocol. Custodian assumes absolutely no responsibility whatsoever in respect to Advanced Protocols.

2.8. Operation of Digital Asset Protocols.

(A) Custodian does not own or control the underlying software protocols which govern the operation of Digital Assets supported on the Custodian platform. By using the Custodial Services, Client acknowledges and agrees that (i) Custodian is not responsible for operation of the underlying protocols and that Custodian makes no guarantee of their functionality, security, or availability; and (ii) the underlying protocols are subject to sudden changes in operating rules (a.k.a. "forks"), and (iii) that such forks may materially affect the

value, function, and/or even the name of the Digital Assets that Client stores in Client's Custodial Account. In the event of a fork, Client agrees that Custodian may temporarily suspend Custodian operations provided that Custodian shall (where practical) provide advance written notice to Client promptly upon becoming aware of such a potential suspension, and that Custodian may, in its sole discretion, decide whether or not to support (or cease supporting) either branch of the forked protocol entirely. Client acknowledges and agrees that Custodian assumes absolutely no liability whatsoever in respect of an unsupported branch of a forked protocol.

(B) Client agrees that all "airdrops" (free distributions of certain Digital Assets) and forks will be handled by Custodian pursuant to its fork policy (the "**Fork Policy**") (currently available at www.bitgo.com/resources/bitgo-fork-policy). Client acknowledges that Custodian is under no obligation to support any airdrops or forks, or handle them in any manner, except as detailed above and in the Fork Policy. Client further acknowledges that Custodian, at its sole discretion, may update the Fork Policy from time to time and/or the URL at which it is available and Client agrees that Client is responsible for reviewing any such updates. Custodian is under no obligation to provide notification to Client of any modification to the Fork Policy.

(C) Prospective Abandonment Client will abandon irrevocably for no direct or indirect consideration (each such abandonment, a "**Prospective Abandonment**"), effective immediately prior to any time at which Client creates shares or units (each such time, a "**Creation Time**") or redeems shares or units (each such time, a "**Redemption Time**"), all Incidental Assets of Client, provided that a Prospective Abandonment immediately prior to any Creation Time or Redemption Time will not apply to any Incidental Asset if: (i) Client has taken an Affirmative Action to acquire or abandon such Incidental Asset at any time prior to such Creation Time or Redemption Time; or (ii) such Incidental Asset has been subject to a previous Prospective Abandonment. Custodian acknowledges that, as a consequence of a Prospective Abandonment, Client will have no right to receive any Incidental Asset that is subject to such Prospective Abandonment, and Custodian will have no authority, pursuant to this Agreement or otherwise, to exercise, obtain or hold, as the case may be, any such Incidental Asset on behalf of Client. Client represents that it will take no action at any time that is inconsistent with a Prospective Abandonment and, without limiting the generality of the foregoing, that it will not accept any future delivery of any abandoned Incidental Asset, that it will not accept any payment from any person in respect of any abandoned Incidental Asset and that it will not represent to any person or in any context that it has any remaining rights with respect to any abandoned Incidental Asset.

"**Affirmative Action**" is defined as the Sponsor's written notification to Custodian of Client's intention: (i) to acquire and/or retain an Incidental Asset; or (ii) to abandon, with effect prior to the relevant Creation Time, an Incidental Asset.

(v04/23) "**Incidental Asset**" is defined as any digital asset or other asset, and any right of Client to acquire any digital asset or other asset, that has arisen out of Client's ownership of Digital Assets, whether through a fork, airdrop or similar occurrence, without any action on the part of Client or its trustee or the Sponsor on its behalf

2.9. Account Statements.

(A) Custodian will provide Client with an electronic account statement every calendar month. Each statement will be provided via the Custodian's website and notice of its posting will be sent via electronic mail.

(B) The Client will have forty-five (45) days to file any written objections or exceptions with the Custodian after the posting of a Custodial Account statement online. If the Client does not file any objections or exceptions within a forty-five (45) day period, this shall indicate the Client's approval of the statement and will preclude the Client from making future objections or exceptions regarding the information contained in the statement. Such approval by the Client shall be full acquittal and discharge of Custodian regarding the transactions and information on such statement.

(C) To value Digital Assets held in the Client's account, the Custodian will electronically obtain USD equivalent prices from digital asset market data with amounts rounded up to the seventh decimal place to the right. Custodian cannot guarantee the accuracy or timeliness of prices received and the prices are not to be relied upon for any investment decisions for the Client's account.

2.10. Independent Verification.

If Client is subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, Custodian shall, upon written request, provide Client's authorized independent public accountant confirmation of, or access to, information sufficient to confirm (i) Client's Digital Assets as of the date of an examination conducted pursuant to Rule 206(4)-2(a)(4); and (ii) Client's Digital Assets are held either in a separate account under Client's name or in accounts under Client's name as agent or trustee for Client's clients.

2.11. Support and Service Level Agreement.

Custodian will use commercially reasonable efforts: (i) to provide reasonable technical support to Client, by email or telephone; (ii) to respond to support requests in a timely manner; provided that responses may take longer outside of Custodian's normal business hours (9:30 AM to 6PM ET); (iii) resolve such issues by providing updates and/or workarounds to Client (to the extent reasonably possible and practical), consistent with the severity level of the issues identified in such requests and their impact on Client's business operations; (iv) abide by the terms of the Service Level Agreement currently made available at https://www.bitgo.com/resources/bitgo-service-level-agreement (as Service Level Agreement or the URL at which it is made available may be amended from time to time); and (vii) to make Custodial Accounts available via the internet 24 hours a day, 7 days a week.
(v04/23)

2.12. Clearing and Settlement Services.

(A) Custodian may offer clearing and settlement services (the "**Settlement**

Services") that facilitate the settlement of transactions of Digital Assets or Fiat Currency between Client and Client's trade counterparty that also has a Custodial Account with Custodian ("**Settlement Partner**"). Client acknowledges that the Settlement Service is an API product complemented by a Web user interface (UI). Clients may utilize the Settlement Services by way of settlement of one-sided requests with counterparty affirmation or one-sided requests with instant settlement; and two-sided requests with reconciliation. Client understands that the Digital Assets available for use within the Settlement Services may not include all of Client's Digital Assets under custody. For the avoidance of doubt, use of the API product is subject to the terms and conditions set forth in Section 1.4 of this Agreement.

(B) The Settlement Services allow Client to submit, through the Custodian's settlement platform, a request to settle a purchase or sale of Digital Assets with a Settlement Partner. Custodian shall provide any Travel Rule information or message required by a Settlement Partner. Client authorizes Custodian to accept Client's cryptographic signature submitted by way of the Settlement Services API. When a cryptographic signature is received by way of the Settlement Services along with the settlement transaction details, Client is authorizing Custodian to act on Client's direction to settle such transaction.

i) A one-sided request with counterparty affirmation requires Client to submit a request, including its own cryptographic signature on the trade details, via API calls. Custodian will notify the Settlement Partner and lock funds of both parties while waiting for the Settlement Partner to affirm the request. Custodian will settle the trade immediately upon affirmation and the locked funds will be released.

ii) A one-sided request with instant settlement requires one side of the trade to submit a request, including cryptographic signatures of both parties to the trade, via API calls. Custodian will settle the trade immediately.

iii) A two-sided request with reconciliation requires that both Client and Settlement Partner submit requests via API calls, with each party providing their own cryptographic signatures. Custodian will reconcile the trades and settle immediately upon successful reconciliation.

iv) In any one-sided or two-sided request, the Settlement Partner must be identified and selected by Client prior to submitting a settlement request.

v) Client may submit a balance inquiry through the settlement platform, to verify that Settlement Partner has a sufficient balance of Digital Asset to be transacted before the Parties execute a transaction. This balance inquiry function is to be utilized only for the purpose of executing a trade transaction to ensure the Settlement Partner has sufficient fiat currency (funds) or Digital Assets to settle the transaction. Client hereby expressly authorizes and consents to Custodian providing access to such information to Client's Settlement Partner in order to facilitate the settlement.

vi) Client and Settlement Partner's Custodial Accounts must have sufficient funds or Digital Assets prior to initiating any settlement request. The full amount of assets required to fulfill a transaction are locked until such order has been completed. All orders are binding on Client and Client's Custodial Account. Custodian does not guarantee that any settlement will be completed by any Settlement Partner. Client may not be able to withdraw an offer (or withdraw its acceptance of an offer) prior to completion of a settlement and Custodian shall not be liable for the completion of any order after a cancellation request has been submitted.

vii) Client acknowledges and accepts responsibility for ensuring only an appropriate Authorized Person of its Custodial Account has access to the API key(s).

viii) Client further understands and agrees that Client is solely responsible for any decision to enter into a settlement by way of the Settlement Services, including the evaluation of any and all risks related to any such transaction and has not relied on any statement or other representation of Custodian. Client understands that Custodian is a facilitator and not a counterparty to any settlement; and, as a facilitator, Custodian bears no liability with respect to any transaction and does not assume any clearing risk.

ix) Any notifications that Client may receive regarding the Settlement Services are Client's responsibility to review in a timely manner.

(C) Upon execution of the settlement, the Settlement Services shall provide Client, by electronic means, a summary of the terms of the transaction, including: the type of Digital Asset purchased or sold; the delivery time; and the purchase or sale price. Settlement of a transaction is completed in an off-chain trading account by way of offsetting journal transactions within Custodian's Digital Asset Off-chain Settlement System. On-chain synchronization occurs at the time the withdrawal from Client's trading account takes place (other than through a subsequent Settlement Services transaction).

(D) Custodian reserves the right to refuse to settle any transaction, or any portion of any transaction, for any reason, at its sole discretion. Custodian bears no responsibility if any such order was placed or active during any time the Settlement Services system is unavailable or encounters an error; or, if any such order triggers certain regulatory controls.

(E) Client understands and agrees that Custodian may charge additional fees for the Settlement Services furnished to Client as indicated in the Fee Schedule attached as Schedule A and any amendments to Schedule A.

(F) Clearing and settlement transactions shall be subject to all Applicable Law.

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3. USE OF SERVICES.

3.1. Company Site and Content.

Custodian hereby grants Client a limited, nonexclusive, non-transferable, revocable, royalty-free license, subject to the terms of this Agreement, to access and use the Company Site and related content, materials, information (collectively, the "**Content**") solely for using the Services in accordance with this Agreement. Any other use of the Company Site or Content is expressly prohibited and all other right, title, and interest in the Company Site or Content is exclusively the property of Custodian and its licensors. Client shall not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit any of the Content, in whole or in part. "www.bitgo.com," "BitGo," "BitGo Custody," and all logos related to the Custodial Services or displayed on the Company Site are either trademarks or registered marks of Custodian or its licensors. Client may not copy, imitate, or use them without Custodian's prior written consent in each instance.

3.2. Website Accuracy.

Although Custodian intends to provide accurate and timely information on the Company Site, the Company Site (including, without limitation, the Content, but excluding any portions thereof that are specifically referenced in this Agreement) may not always be entirely accurate, complete, or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide Client with as complete and accurate information as possible, such information may be changed or updated from time to time without notice, including without limitation information regarding Custodian policies, products and services. Accordingly, Client should verify all information before relying on it, and all decisions based on information contained on the Company Site are Client's sole responsibility and Custodian shall have no liability for such decisions. Links to third-party materials (including without limitation websites) may be provided as a convenience but are not controlled by Custodian. Custodian is not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible from or linked to the Company Site.

3.3. Third-Party or Non-Permissioned Users.

Except for fund administrators, Client shall not grant permission to a third-party or non-permissioned user to access or connect to Client's Custodial Account, either through the third-party's product or service or through the Custodian Site. Client acknowledges that granting permission to a third-party or non-permissioned user to take specific actions on Client's behalf does not relieve Client of any of Client's responsibilities under this Agreement and may violate the terms of this Agreement. Client is fully responsible for all activities taken on Client's Custodial Account (including, without limitation, acts or omissions of any third-party or non-permissioned user with access to Client's Custodial Account). Client will indemnify Custodian from, any liability arising out of or related to any act or omission of any third-party with access to Client's Custodial Account, except to the extent of Custodian's fraud, negligence, or willful misconduct. Client must notify Custodian immediately if a third-party or non-permissioned user accesses or connects to Client's Custodial Account by contacting Client's Custodial Account representative or by emailing [***] from the email address associated with Client's Custodial Account.

3.4. Prohibited Use.

Client acknowledges and agrees that Custodian may monitor use of the Services and the resulting information may be utilized, reviewed, retained and or disclosed by Custodian in aggregated and non-identifiable forms for its legitimate business purposes or in accordance with Applicable Law. Client will not use the Services, directly or indirectly via the Developer Application, to: (i) upload, store or transmit any content that is infringing, libelous, unlawful, tortious, violate privacy rights, or that includes any viruses, software routines or other code designed to permit unauthorized access, disable, erase, or otherwise harm software, hardware, or data; (ii) engage in any activity that interferes with, disrupts, damages, or accesses in an unauthorized manner the Services, servers, networks, data, or other properties of Custodian or of its suppliers or licensors; (iii) develop, distribute, or make available the Developer Application in any way in furtherance of criminal, fraudulent, or other unlawful activity; (iv) make the Services available to, or use any Services for the benefit of, anyone other than Client or end users of the Developer Application; (v) sell, resell, license, sublicense, distribute, rent or lease any Services, or include any Services in a Services bureau or outsourcing offering; (vi) permit direct or indirect access to or use of any Services in a way that circumvents a contractual usage limit; (vii) obscure, remove, or destroy any copyright notices, proprietary markings or confidential legends; (viii) to build a competitive product or service; (ix) distribute the Developer Application in source code form in a manner that would disclose the source code of the Services; or (x) reverse engineer, decrypt, decompile, decode, disassemble, or otherwise attempt to obtain the human readable form of the Services, to the extent such restriction is permitted by applicable law. Client will comply with the restrictions set forth in Appendix 1.

3.5. Security; Client Responsibilities.

(A) Client is responsible for maintaining adequate security and control of any and all Client Keys, IDs, passwords, hints, personal identification numbers , non-custodial wallet keys, API keys, yubikeys, 2-factor authentication devices or backups, or any other codes that Client uses to access the Services. Any loss or compromise of the foregoing information and/or Client's personal information may result in unauthorized access to Client's Custodial Account by third parties and the loss or theft of Digital Assets or Fiat Currency. Client is responsible for keeping Client's email address and telephone number up to date in Client's profile in order to receive any notices or alerts that Custodian may send Client. Custodian assumes no responsibility for any loss that Client may sustain due to compromise of login credentials due to no fault of Custodian and/or failure to follow or act on any notices or alerts that Custodian may send to Client. In the event Client believes Client's Custodial Account information has been compromised, Client will contact Custodian Support immediately at [***].

(B) Client will ensure that all Authorized Persons will be adequately trained to safely and securely access the Services, including understanding of general security principles regarding passwords and physical security of computers, keys, and personnel.

(C) Client will immediately notify Custodian of any unauthorized access, use or disclosure of Client's Account credentials, or any relevant breach or suspected breach of security (including breach of Client's systems, networks, or developer applications). Client will

provide Custodian with all relevant information Custodian reasonably requests to assess the security of the assets, Custodial Accounts and wallets.

3.6. Taxes.

Client is solely responsible for any taxes applicable to any deposits or withdrawals Client conducts through the Custodial Services, and for withholding, collecting, reporting, and/or remitting the correct amount of taxes to the appropriate tax authorities. Client's deposit and withdrawal history is available by accessing Client's Custodial Account through the Company Site or by contacting Custodian directly.

3.7. Third Party Providers.

Client acknowledges and agrees that the Services may be provided from time to time by, through or with the assistance of affiliates of or vendors to Custodian, including BitGo Inc. as described above. Custodian shall remain liable for its obligations under this Agreement in the event of any breach of this Agreement caused by such affiliates or any vendor.

3.8. Developer Applications.

(A) Subject to Custodian's acceptance of Client as a developer, and subject to Client's performance of its obligations under this Agreement, Custodian grants Client a non-assignable, non-transferrable, revocable, personal and non-exclusive license under Custodian's applicable intellectual property rights to use and reproduce the Custodian software development kit for Developer Applications.

(B) Client agrees that all end users of any Developer Application will be subject to the same use restrictions that bind Client under this Agreement (including under Section 3.4 (Prohibited Use) and Appendix 1).

(C) Client is solely responsible and has sole liability for Client's end users that access or use the Services via the Developer Application and all acts or omissions taken by such end users will be deemed to have been taken (or not taken) by Client. Client is responsible for the accuracy, quality and legality of Developer Application content and user data. Client will comply with, and ensure that Client's Developer Application and end users comply with all Applicable Law.

4. CUSTODIAN OBLIGATIONS.

4.1. Insurance.

Custodian will obtain and/or maintain insurance coverage in such types and amounts as are commercially reasonable for the Custodial Services provided hereunder. Client acknowledges that any insurance related to theft of Digital Assets will apply to Custodial Services only (where keys are held by Custodian) and not Wallet Services for non-custodial accounts (where keys are held by Client).

4.2. Standard of Care.

Custodian will use commercially reasonable efforts in performing its obligations under this Agreement. Subject to the terms of this Agreement, Custodian shall not be responsible for any loss or damage suffered by Client as a result of the Custodian performing such duties unless the same results from an act of negligence, fraud, or willful misconduct on the part of the Custodian. Custodian shall not be responsible for the title, validity, or genuineness of any of the Digital Assets or Fiat Currency (or any evidence of title thereto) received or delivered by it pursuant to this Agreement.

4.3. Safekeeping of Digital Assets.

Custodian shall use commercially reasonable to keep in safe custody on behalf of Client all Digital Assets received by Custodian. All Digital Assets credited to the Custodial Account shall:

(i) be held in the Custodial Account at all times, and the keys with respect to the Custodial Account shall be held by Custodian;

(ii) be labeled or otherwise appropriately identified as being held for Client;

(iii) be held in the Custodial Account on a non-fungible basis, except with respect to Digital Assets specifically moved into shared accounts by Client;

(iv) not be commingled with other Digital Assets held by Custodian, whether held for Custodian's own account or the account of other clients other than Client, except with respect to Digital Assets specifically moved into shared accounts by Client; and

(v) not without the prior written consent or instruction of Client be deposited or held with any third-party depositary, custodian, clearance system or wallet.

4.4. Business Continuity Plan.

Custodian has established a business continuity plan that will support its ability to conduct business in the event of a significant business disruption ("**SBD**"). This plan is reviewed and updated annually, and can be updated more frequently, if deemed necessary by Custodian in its sole discretion. Should Custodian be impacted by an SBD, Custodian aims to minimize business interruption as quickly and efficiently as possible. To receive more information about Custodian's business continuity plan, please send a written request to [***].

4.5. Client Instructions.

Custodian shall not transfer or move Digital Assets, including as part of Custodian's maintenance, routine or otherwise, or upgrades, absent: (i) Client's prior Instructions; (ii) a Data Security Event (as defined hereinafter); (iii) as otherwise agreed by Client or set forth in this Agreement; (iv) after the occurrence of a default, event of default, or similar event with respect to this Agreement or any other agreement with Custodian or an affiliate of Custodian; or (v) in accordance with any applicable laws, rules, regulations, court order or binding order of a government authority.

5. TERM; TERMINATION.

5.1. Initial Term; Renewal Term.

This Agreement will commence on the Effective Date and will continue for two (2) year, unless earlier terminated in accordance with the terms of this Agreement (the "**Initial Term**"). After the Initial Term, this Agreement will automatically renew for successive one-year periods (each a "**Renewal Term**"), unless either party notifies the other of its intention not to renew at least sixty (60) days prior to the expiration of the then-current Term. "**Term**" means the Initial Term and any Renewal Term.

5.2. Termination for Breach.

Either party may terminate this Agreement if the other party breaches a material term of this Agreement and fails to cure such breach within thirty (30) calendar days following written notice thereof from the other party.

5.3. Suspension, Termination, or Cancellation by Custodian.

(A) Upon thirty (30) days prior written notice to Client (except with respect to Sections 5.3(A)(i), 5.3(A)(ii), and 5.3A(iii) which shall not require such notice) Custodian may suspend or restrict Client's access to the Custodial Services and/or deactivate, terminate, or cancel Client's Custodial Account if:

(i) Custodian is so required by a facially valid subpoena, court order, or binding order of a government authority;

(ii) Custodian reasonably suspects Client of using Client's Custodial Account in connection with a Prohibited Use or Prohibited Business, as set forth in Appendix 1 to this Agreement;

(iii) Custodian perceives a risk of legal or regulatory non-compliance associated with Client's Custodial Account activity or the provision of the Custodial Account to Client by Custodian (including but not limited to any risk perceived by Custodian in the review of any materials, documents, information, statements or related materials provided by Client after execution of this Agreement);

(iv) Custodian service partners are unable to support Client's use;

(v) Client takes any action that Custodian deems as circumventing Custodian's controls, including, but not limited to, opening multiple Custodial Accounts, abusing promotions which Custodian may offer from time to time, or otherwise misrepresenting of any information set forth in Client's Custodial Account;

(vi) Client fails to pay fees for a period of 90 days; or

(vii) Client fails to fund its Custodial Account to the "**Minimum Account Balance**" as indicated in the Fee Schedule within one hundred and eighty (180) days of Custodial Account opening.

(B) If Custodian suspends or restricts Client's access to the Custodial Services and/or deactivates, terminates, or cancels Client's Custodial Account for any reason, Custodian

will provide Client with notice of Custodian's actions via email unless prohibited by Applicable Law. Client acknowledges that Custodian's decision to take certain actions, including limiting access to, suspending, or closing Client's Custodial Account, may be based on confidential criteria that are essential to Custodian's compliance, risk management, or and security protocols. Client agrees that Custodian is under no obligation to disclose the details of any of its internal risk management and security procedures to Client.

(C) If Custodian terminates Client's Custodial Account, this Agreement will automatically terminate on the later of (i) the effective date of such cancellation or (ii) the date on which all of Client's funds are withdrawn.

5.4 Effect of Termination

On termination of this Agreement, (A) Client will withdraw Digital Assets and Fiat Currency associated with Client's Custodial Account within ninety (90) days after Custodial Account termination or cancellation unless such withdrawal is prohibited by Applicable Law (including but not limited to applicable sanctions programs or a facially valid subpoena, court order, or binding order of a government authority); (B) Client will pay all fees owed or accrued to Custodian through the date of Client's withdrawal of funds, which may include any applicable withdrawal fee; (C) Client authorizes Custodian to cancel or suspend any pending deposits or withdrawals as of the effective date of termination; and (D) the definitions set forth in this Agreement and Sections 1.6, 1.7, 5.4, 6, 8, 9.1, 10, 11, and 12 will survive.

5.5 Termination for Convenience

Client may terminate this Agreement for convenience only if: (a) Client provides Custodian at least sixty (60) days written notice of Client's intent to exercise its termination right under this Section; and (b) Client pays a one-time early termination fee equal to the lesser of: (i) the number of months remaining in the current term multiplied by seventy five thousand dollars ($75,000.00) divided by 12; or (ii) the highest monthly fees due, excluding any Onboarding Fee, for any month of Services before such termination multiplied by the number of months remaining in the term (including partial months), multiplied by 0.5 (the "**Early Termination Fee**"). Such termination for convenience will not be deemed effective unless and until BitGo receives such Early Termination Fee, which Client understands and acknowledges will not be deemed a penalty but a figure reasonably calculated to reflect discounts given by Custodian in return for Client's term commitment. Client may not cancel the subscription of Services before the expiration of their current term, except as specified herein.

(v04/23) **6. DISPUTE RESOLUTION.**

THE PARTIES AGREE THAT ALL CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE USE OF THE SERVICES ("DISPUTES"), WHETHER ARISING PRIOR, ON, OR SUBSEQUENT TO THE EFFECTIVE DATE, SHALL

BE ARBITRATED AS FOLLOWS: The Parties irrevocably agree to submit all Disputes between them to binding arbitration conducted under the Commercial Dispute Resolution Procedures of the American Arbitration Association (the "AAA"), including the Optional Procedures for Large Complex Commercial Disputes. The place and location of the arbitration shall be in New York , New York. All arbitration proceedings shall be closed to the public and confidential and all related records shall be permanently sealed, except as necessary to obtain court confirmation of the arbitration award. The arbitration shall be conducted before a single arbitrator selected jointly by the parties. The arbitrator shall be a retired judge with experience in custodial and trust matters under South Dakota law. If the parties are unable to agree upon an arbitrator, then the AAA shall choose the arbitrator. The language to be used in the arbitral proceedings shall be English. The arbitrator shall be bound to the strict interpretation and observation of the terms of this Agreement and shall be specifically empowered to grant injunctions and/or specific performance and to allocate between the parties the costs of arbitration, as well as reasonable attorneys' fees and costs, in such equitable manner as the arbitrator may determine. Judgment upon the award so rendered may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of any award and an order of enforcement, as the case may be. In no event shall a demand for arbitration be made after the date when institution of a legal, or equitable proceeding based upon such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding the foregoing, either party shall have the right, without waiving any right or remedy available to such party under this Agreement or otherwise, to seek and obtain from any court of competent jurisdiction any interim or provisional relief that is necessary or desirable to protect the rights or property of such party, pending the selection of the arbitrator hereunder or pending the arbitrator's determination of any dispute, controversy or claim hereunder.

7. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

7.1. By Client.

Client represents, warrants, and covenants to Custodian that:

(A) Client operates, to Client's best knowledge, in material compliance with all Applicable Law in each jurisdiction in which Client operates, including without limitation applicable securities and commodities laws and regulations, efforts to fight the funding of terrorism and money laundering, sanctions regimes, licensing requirements, and all related regulations and requirements.

(B) To the extent Client creates receive addresses to receive Digital Assets from third- parties, Client, to its best knowledge, represents and warrants that the receipt of said Digital Assets is based on lawful activity.

(C) Client shall have conducted and satisfied any and all due diligence procedures required by Applicable Law with respect to such third parties prior to placing with Custodian any

Digital Assets or Fiat Currency associated with such third-party.

(D) Client will not to its best knowledge use any Services for any illegal activity, including without limitation illegal gambling, money laundering, fraud, blackmail, extortion, ransoming data, the financing of terrorism, other violent activities, or any prohibited market practices, including without limitation the prohibited activities and business set forth in Appendix 1.

(E) To its best knowledge Client is currently in material good standing with all relevant government agencies, departments, regulatory or supervisory bodies in all relevant jurisdictions in which Client does business;

(F) Client will as promptly as reasonably practicable provide such information as Custodian may reasonably request from time to time regarding: (i) Client's policies, procedures, and activities which relate to the Custodial Services in any manner, as determined by Custodian in its sole and absolute discretion; and (ii) any transaction which involves the use of the Services, to the extent reasonably necessary to comply with Applicable Law, or the guidance or direction of, or request from any regulatory authority or financial institution, provided that such information may be redacted to remove confidential commercial information not relevant to the requirements of this Agreement;

(G) Client either owns or possesses lawful authorization to transact with all Digital Assets involved in the Custody Transactions;

(H) Client has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Client has full legal capacity and authorization to do so;

(I) All information for the purposes of completing Custodian's AML/KYC on-boarding obligations provided by Client to Custodian is complete, true, and accurate in all material respects, including with respect to the ownership of Client; and

(J) Client is not owned in part or in whole, nor controlled by any person or entity that is, nor is it conducting any activities on behalf of, any person or entity that is: (i) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, or any other Governmental Authority with jurisdiction over Custodian or its affiliates with respect to U.S. sanctions laws; (ii) identified on the Denied Persons, Entity, or Unverified Lists of the U.S. Department of Commerce's Bureau of Industry and Security; or (iii) located, organized or resident in a country or territory that is, or whose government is, the subject of U.S. economic sanctions, including, without limitation, the Crimean, Donetsk, and Luhansk regions of Ukraine, Cuba, Iran, North Korea, or Syria.

7.2. By Custodian.

Custodian represents, warrants, and covenants to Client that:

(A) Custodian will safekeep the Digital Assets and segregate all Digital Assets from both the: (i) property of Custodian; and (ii) assets of other customers of Custodian, except for Digital Assets specifically moved into shared accounts by Client;

(B) Custodian operates, to Custodian's best knowledge, in material compliance with all applicable laws, rules, and regulations in each jurisdiction in which Custodian operates, including U.S. securities laws and regulations, as well as any applicable state and federal laws, including, but not limited to, U.S. efforts to fight the funding of terrorism and money laundering, and USA PATRIOT Act and Bank Secrecy Act requirements.

(C) To its best knowledge, Custodian is currently in material good standing with all relevant government agencies, departments, regulatory or supervisory bodies in all relevant jurisdictions in which Custodian does business,

(D) Custodian will maintain adequate capital and reserves to the extent required by Applicable Law;

(E) Custodian is a custodian of the Digital Assets stored by Client in the Custodial Account, has no right, interest, or title in such Digital Assets (unless otherwise agreed in writing by Client, and will not reflect such Digital Assets as an asset on the balance sheet of the Custodian;

(F) Custodian will not, directly, or indirectly, lend, pledge, hypothecate, or re-hypothecate any Digital Assets unless otherwise agreed or instructed by Client;

(G) Custodian is duly organized, validly existing and in good standing under the applicable South Dakota laws, has all corporate powers required to carry on its business as now conducted, and is duly qualified to do business in each jurisdiction where such qualification is necessary;

(H) Custodian has the full capacity and authority to enter into and be bound by this Agreement and the person executing or otherwise accepting this Agreement for Custodian has full legal capacity and authorization to do so;

(I) Custodian will maintain records and bookkeeping of the Custodial Services as required by applicable law and in accordance with Custodian's internal document retention policies;

(J) Custodian possesses, and will maintain, all consents, permits, licenses, registrations, authorizations, approvals, and exemptions required by any governmental agency, regulatory authority, or other party necessary for it to operate its business and engage in the business relating to its provision of the Custodial Services;

(K) Materials prepared in response to Client's due diligence questions solely with respect to the Custodial Services, are accurate in all material respects at the time such

responses were given; and

(L) Any external fund movement into Client's Custody Account(s) at Custodian will be subject to sanctions screening check performed by Custodian, prior to any transfer, reasonably designed to ensure that any Digital Asset in-kind transactions did not, directly originate from persons, entities or countries that are the target or subject of sanctions or any country embargoes, or knowingly associated with such persons, entities or countries, or otherwise in violation of any sanctions Laws. In the event sanctions screening results in a Digital Asset in-kind transaction determined to be in violation of any sanctions laws, Custodial will provide notice Client (unless prohibited by Applicable Law), which notice may be in the form of an electronic alert or other action with respect to Client's Custody Account.

7.3. Notification.

Without limitation of either party's rights or remedies, each party shall immediately notify the other party if, at any time after the Effective Date, any of the representations, warranties, or covenants made by it under this Agreement fail to be true and correct as if made at and as of such time. Such notice shall describe in reasonable detail such representation, warranty, or covenant affected, the circumstances giving rise to such failure and the steps the notifying party has taken or proposes to take to rectify such failure.

8. DISCLAIMER.

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTODIAN SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND/OR NON-INFRINGEMENT. CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE COMPANY SITE, ANY PART OF THE SERVICES, OR ANY OF THE MATERIALS CONTAINED IN ANY OF THE FOREGOING WILL BE CONTINUOUS, UNINTERRUPTED, OR TIMELY; BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM OR OTHER SERVICES; OR BE SECURE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR-FREE.

8.1. Computer Viruses.

Custodian shall not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms, or other malware that may affect Client's computer or other equipment, or any phishing, spoofing or other attack, unless such damage or interruption results from Custodian's negligence, fraud, or willful misconduct. Custodian advises the regular use of a reputable and readily available virus screening and prevention software. Client should also be aware that SMS and email services are vulnerable to spoofing and phishing attacks and should use care in reviewing messages purporting to originate from Custodian. Client should always log into Client's Custodial Account

through the Company Site to review any deposits or withdrawals or required actions if Client has any uncertainty regarding the authenticity of any communication or notice.

9. CONFIDENTIALITY, PRIVACY, DATA SECURITY.

9.1. Confidentiality.

(A) As used in this Agreement, "**Confidential Information**" means any non-public, confidential or proprietary information of a party ("**Discloser**") including, without limitation information relating to Discloser, the fact that such Discloser is the beneficial owner of any Digital Assets, any information concerning its Digital Assets or cash positions, any banking or other relationships business operations or business relationships, financial information, pricing information, business plans, customer lists, data, records, reports, trade secrets, trade and other transaction data software, formulas, inventions, techniques, and strategies or any information from which any such information could be derived by a third-party. A party receiving Confidential Information of Discloser ("**Recipient**") will not disclose it to any unrelated third-party without the prior written consent of the Discloser, except as provided in subsection (B) below and has policies and procedures reasonably designed to create information barriers with respect to such party's officers, directors, agents, employees, affiliates, consultants, contractors, and professional advisors. Recipient will protect such Confidential Information from unauthorized access, use and disclosure. Recipient shall not use Discloser's Confidential Information for any purpose other than to perform its obligations or exercise its rights under this Agreement. The obligations herein shall not apply to any: (i) information that is or becomes generally publicly available through no fault of Recipient; (ii) information that Recipient obtains from a third-party (other than in connection with this Agreement) that, to recipient's best knowledge, is not bound by a confidentiality agreement prohibiting such disclosure; or (iii) information that is independently developed or acquired by Recipient without the use of or reference to Confidential Information provided by the disclosing party; (iv) disclosure with the prior written consent of the disclosing party; or (v) disclosures which are required by applicable law, rule, or regulation, provided that the disclosing party comply with the notification procedures set forth in this Section 9.1(A). For the avoidance of doubt, the parties acknowledge that the terms of this Agreement are Confidential Information.

(B) Notwithstanding the foregoing, Recipient may disclose Confidential Information of Discloser to the extent required under Applicable Law; provided, however, Recipient shall first notify Discloser (to the extent legally permissible) and shall afford Discloser a reasonable opportunity to seek a protective order or other confidential treatment. For the purposes of this Agreement, no affiliate of Custodian shall be considered a third-party and Custodian may share Client's Confidential Information with affiliates, as authorized by Client; provided that Custodian causes such entity to undertake the obligations in this Section 9.1.

(C) Confidential Information includes all documents and other tangible objects containing or representing Confidential Information and all copies or extracts thereof or notes derived therefrom that are in the possession or control of Recipient and all of the foregoing shall be and remain the property of the Discloser. Confidential Information shall include the existence

and the terms of this Agreement. At Discloser's request or on termination of this Agreement (whichever is earlier), Recipient shall return or destroy all Confidential Information; provided, however, Recipient may retain copies of Confidential Information: (i) if required by law or regulation; or (ii) pursuant to a bona fide and consistently applied document retention policy or regular backup of data storage systems; provided, further, that in either case, any Confidential Information so retained shall remain subject to the confidentiality obligations of this Agreement. For the avoidance of doubt, aggregated Depersonalized Information (as hereinafter defined) shall not be Confidential Information. "**Depersonalized Information**" means data provided by or on behalf of Client in connection with the Custodial Services and all information that is derived from such data, that has had names and other personal information removed such that it is not reasonably linkable to any person, company, or device.

9.2. Privacy.

Client acknowledges that Client has read the BitGo Privacy Notice, available at https://www.bitgo.com/privacy.

9.3. Security.

Custodian has implemented and will maintain a reasonable information security program that includes policies and procedures that are reasonably designed to safeguard Custodian's electronic systems and Client's Confidential Information from, among other things, unauthorized disclosure, access, or misuse, including, by Custodian and its affiliates. In the event of a [In the event of a Data Security Event (defined below), Custodian shall promptly (subject to any legal or regulatory requirements) notify Client in writing at the email addresses of each Authorized Representative and such notice shall include the following information: (i) the timing and nature of the Data Security Event; (ii) the information related to Client that was compromised, including the names of any individuals' acting on Client's behalf in his or her corporate capacity whose personal information was compromised; (iii) when the Data Security Event was discovered; and (iv) remedial actions that have been taken and that Custodian plans to take. "**Data Security Event**" is defined as any event whereby (a) an unauthorized person (whether within Custodian or a third-party) acquired or accessed Client's information, (b) Client's information is otherwise lost, stolen or compromised or (c) Custodian's Chief Risk Officer, or other senior security officer of a similar title, is no longer employed by Custodian and is not replaced within a reasonable amount of time or the departure is expected to have a material adverse effect on Custodian's ability to provide the Services, and Custodian shall provide all notices required under Applicable Law

9.4. Annual Certificate and Report.

For the year 2023, and for each year thereafter, no more than once per calendar year, Client shall be entitled to request that Custodian provide a copy of its most recent Services Organization Controls ("**SOC**") 1 report and SOC 2 report, (together, the "**SOC Reports**"), and promptly deliver to Client a copy thereof by December 31 of each year. The SOC 1 and SOC 2 reports shall not be dated more than one year prior to such request. Custodian reserves the right to combine the SOC 1 and SOC 2 reports into a comprehensive report. In the event that Custodian does not deliver a SOC 1 Report or SOC 2 Report, as applicable, Client shall be entitled to terminate this Agreement. Client may also request letters of representation regarding

any known changes or conclusions to the SOC Reports on a quarterly basis between SOC reports ("**SOC Bridge Letters**").

Upon request of Client, which request shall occur no more than once per calendar year, Custodian shall deliver to Client a certificate signed by a duly authorized officer, which certificate shall certify that the representations and warranties of Custodian contained in Section 7.2 of this Agreement are true and correct on and as of the date of such certificate and have been true and correct throughout the preceding year, but only to the extent that the representations and warranties of Custodian contained in Section 7.2 are not expressly addressed in the SOC Reports.

9.5. Inspection and Auditing. To the extent Custodian may legally do so, it shall permit auditors, including Client's internal auditors, or third-party accountants, upon thirty (30) days' advance written notice, to inspect, take extracts from and audit the records maintained pursuant to this Agreement, and take such steps as necessary to verify that satisfactory internal control system and procedures are in place, as Client may reasonably request.

9.6. Client shall reimburse Custodian (A) for all reasonable expenses incurred in connection with this Section 12.10 and (B) for reasonable time spent by Custodian's employees or consultants in connection with this Section 12.10 at reasonable hourly rates to be agreed upon by Client and Custodian. Any such audit will be conducted during normal business hours and in a manner designed to cause minimal disruption to Custodian's ordinary business activities. The scope of any such audit will be jointly agreed to by Client and Custodian in advance of any audit, provided that neither party shall be unreasonable with respect to the scope of such audit, and shall not include items other than those relevant to the Custodial Services that Custodian provides to Client. Nothing in this section shall be interpreted to require Custodian to disclose trade secrets, information related to other clients, provide access to secure facilities or services (such as "vault" locations), or otherwise impair the security or availability of services Custodian offers to other clients, provided that Custodian will use reasonable efforts to provide Client with such information or substantially equivalent information in a manner that does not violate the foregoing

9.7. Custodian Audit Reports. At Client's request Custodian shall, as soon as reasonably practicable after receipt of any audit report prepared by its internal or independent auditors pursuant to Custodian's annual audit or otherwise, provide Client notification if such audit report reveals any material deficiencies or makes any material objections, furnish to Client a report stating the nature of such deficiencies or such objections, and describing the steps taken or to be taken to remedy the same. Such audit report will be deemed Confidential Information of Custodian.

9.8. Material Adverse Effect.

(v04/23) Custodian shall give Client notice as promptly as reasonably practicable of any event, occurrence, development or state of circumstances or facts that has a Material Adverse Effect unless prohibited by Applicable Law or court order. Such notice shall reasonably describe such change in business conduct, event, occurrence, development, or state of circumstances or facts.

"**Material Adverse Effect**" means a material adverse effect on:

(i) the financial condition, business, or results of operations of Custodian;

(ii) Custodian's safekeeping of the Digital Assets; or

(iii) Custodian's ability to provide the services contemplated by this Agreement.

provided, however, that none of the following, either alone or in combination, will constitute, or be considered in determining whether there has been, a Material Adverse Effect: any event, change, circumstance, effect or other matter resulting from or related to: (i) any outbreak or escalation of war or major hostilities or any act of terrorism; (ii) changes in any laws, GAAP or enforcement or interpretation thereof; (iii) changes that generally affect the industries and markets in which Custodian operates; (iv) changes in financial markets, general economic conditions (including prevailing interest rates, exchange rates, commodity prices and fuel costs) or political conditions; (v) any failure, in and of itself, of Custodian to meet any published or internally prepared projections, budgets, plans or forecasts of revenues, earnings or other financial performance measures or operating statistics (it being understood that the facts and circumstances underlying any such failure that are not otherwise excluded from the definition of a Material Adverse Effect may be considered in determining whether there has been a Material Adverse Effect); or (vi) any action taken in accordance with this Agreement or at the written request of, or consented in writing to by, Client.

Any such notice of notice of a Material Adverse Effect (including the existence thereof) shall constitute the Confidential Information of Custodian and shall be subject to the Confidentiality provisions of this Agreement.

10. INDEMNIFICATION.

10.1. Indemnities.

(A) Client will indemnify and hold harmless Custodian, its affiliates and service providers, and each of its or their respective officers, directors, agents, employees, and representatives (collectively the "**Custodian Indemnitees**") from and against any liabilities, damages, losses, costs and expenses, including but not limited to attorneys' fees and costs and any fines, fees or penalties (including, without limitation, any of the foregoing imposed by any regulatory authority) (collectively, "**Losses**"), arising out of or incurred in connection with, and defend each of them from and against any third-party claim, demand, action or proceeding (a "**Claim**") arising out of or related to: (i) Client's use of the Services; (ii) Client's breach of this Agreement; (iii) any breach or inaccuracy of any of Client's representations, warranties or covenants in this Agreement; (iv) Client's violation of any Applicable Law, or the rights of any third-party; or (v) any Dispute between Client and a third-party; except where such Claim directly results from the gross negligence, fraud or willful misconduct of Custodian.

(B) In addition, in connection with any Developer Application, Client will indemnify and hold harmless the Custodian Indemnitees from and against any Losses arising out of any Claim arising out of or related to: (i) Client's content, Developer Application, trademarks, logos

or marks infringing any third-party intellectual property rights; (ii) Client's development, marketing, operation, use, licensing, support or distribution of Client's Developer Application; (iii) a dispute between Client and any end user; (iv) a security breach of involving a Developer Application or Client's computers, or systems; or (v) the unauthorized use, access or disclosure of confidential or personal information, private keys, or authentication credentials held by Client or Client's computers or systems.

(C) Custodian agrees to indemnify and hold harmless Client, its affiliates and service providers, and each of its or their respective officers, directors, agents, employees, joint venturers, employees and representatives, (collectively the "**Client Indemnitees**") harmless from any Claim resulting from a third-party claim or third-party demand (including reasonable and documented attorneys' fees and any fines, fees or penalties imposed by any regulatory authority) arising out of: (i) Custodian's breach of this Agreement; (ii) any breach or inaccuracy in any of Custodian's representations or warranties or covenants in this Agreement; (iii) Custodian's violation of any Applicable Law, or the rights of any third-party; or (iv) any Dispute between Client and a third-party; except where such claim directly results from the gross negligence, fraud, or willful misconduct of Client.

10.2. Indemnification Process.

(A) Each Party shall: (i) provide the other Party with prompt notice of any indemnifiable Claim under Section 10.1 (provided that the failure to provide prompt notice shall only relieve the indemnifying Party of its obligation to the extent it is materially prejudiced by such failure and can demonstrate such prejudice); (ii) permit the indemnifying Party to assume and control the defense of such action upon indemnifying Party's written notice to the other Party of indemnifying Party's intention to indemnify, with counsel acceptable to the other Party in its reasonable discretion; and (iii) upon indemnifying Party's written request, and at no expense to the other Party, provide to indemnifying Party all available information and assistance reasonably necessary for indemnifying Party to defend such Claim. The other Party shall be permitted to participate in the defense and settlement of any Claim with counsel of the other Party's choice at the other Party's expense (unless such retention is necessary because of Client's failure to assume the defense of such indemnifying Party, in which event indemnifying Party shall be responsible for all such fees and costs). Indemnifying Party will not enter into any settlement or compromise of any such indemnifying Party, which settlement or compromise would result in any liability to any other Party or constitute any admission of or stipulation to any guilt, fault or wrongdoing, without the other Party's prior written consent.

11. LIMITATIONS OF LIABILITY.

11.1 EXCEPT WITH RESPECT TO EXCLUDED LIABILITIES AND SUBJECT TO SECTIONS 11.2 AND 11.3, IN NO EVENT SHALL EITHER PARTY, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES (IN THE AGGREGATE), BE LIABLE

(A) FOR ANY AMOUNT GREATER THAN THE FEES PAID OR PAYABLE TO

CUSTODIAN UNDER THIS AGREEMENT DURING THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST INCIDENT GIVING RISE TO SUCH LIABILITY), OR

(B) FOR ANY LOST PROFITS OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE COMPANY SITE, THE SERVICES, OR THIS AGREEMENT, EVEN IF AN AUTHORIZED REPRESENTATIVE OF CUSTODIAN HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

THE "EXCLUDED LIABILITIES" MEANS (X) WITH RESPECT TO CLIENT (1) ANY OUTSTANDING COMMISSIONS OR FEES OWED BY CLIENT UNDER THIS AGREEMENT AND (2) CLIENT'S BREACH OF SECTION 3 (USE OF SERVICES).

11.2 NOTWITHSTANDING ANYTHING TO THE CONTRARY IN SECTION 11.1, CUSTODIAN SHALL BE LIABLE TO CLIENT FOR THE LOSS OF ANY DIGITAL ASSETS ON DEPOSIT IN CLIENT'S CUSTODIAL ACCOUNT TO THE EXTENT THAT CUSTODIAN CAUSED SUCH LOSS THROUGH ITS NEGLIGENCE, FRAUD, OR WILLFUL MISCONDUCT, AND CUSTODIAN SHALL BE REQUIRED TO RETURN TO CLIENT A QUANTITY OF DIGITAL ASSETS EQUAL TO THE QUANTITY OF ANY SUCH LOST DIGITAL ASSETS.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE CUSTODIAN CUSTODIAL SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CUSTODIAN SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND/OR NON-INFRINGEMENT. EXCEPT AS PROVIDED HEREIN, CUSTODIAN DOES NOT MAKE ANY REPRESENTATIONS OR WARRANTIES THAT ACCESS TO THE SITE, ANY PART OF THE CUSTODIAN CUSTODIAL SERVICES, OR ANY OF THE MATERIALS CONTAINED THEREIN, WILL BE CONTINUOUS, UNINTERRUPTED, OR TIMELY; OR BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM OR OTHER SERVICES; OR BE SECURE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR-FREE.

IN ADDITION TO THE LIMITATIONS SPECIFIED ABOVE, FOR SO LONG THAT A COLD STORAGE ADDRESS HOLDS AN EXCESS OF ONE HUNDRED MILLION US DOLLARS (US$100,000,000.00) (THE "COLD STORAGE THRESHOLD") FOR A PERIOD OF FIVE (5) CONSECUTIVE BUSINESS DAYS OR MORE WITHOUT BEING REDUCED TO THE COLD STORAGE THRESHOLD OR LOWER, CUSTODIAN'S MAXIMUM LIABILITY FOR SUCH COLD STORAGE ADDRESS SHALL BE LIMITED TO THE COLD STORAGE THRESHOLD. AS A BEST PRACTICE, CUSTODIAN RECOMMENDS LIMITING THE VALUE OF DIGITAL ASSETS DEPOSITED IN EACH COLD STORAGE ADDRESS TO LESS THAN EIGHTY MILLION US DOLLARS (US$80,000,000.00). IF ELECTED BY CLIENT, AT NO ADDITIONAL COST TO CLIENT, CUSTODIAN WILL PROVIDE CLIENT WITH ALL NECESSARY ASSISTANCE TO IMPLEMENT SUCH LIMITATIONS, INCLUDING NOTIFYING CLIENT IN WRITING IF THE VALUE OF DIGITAL ASSETS DEPOSITED IN A COLD STORAGE ADDRESS EXCEEDS THE COLD STORAGE THRESHOLD.

11.3 EXCEPTIONS TO EXCLUSIONS AND LIMITATIONS OF LIABILITY.

IN ADDITION TO THE LIABILTY SET FORTH IN SECTIONS 11.1 AND 11.2, EACH OF CUSTODIAN AND CLIENT SHALL BE LIABLE FOR THEIR FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE, WHICH SHALL NOT BE SUBJECT TO THE LIMITATIONS AND EXCLUSIION OF LIABILITY AS SET FORTH IN SECTIONS 11.1 AND 11.2.

12. MISCELLANEOUS.

12.1. Notice.

All notices under this Agreement shall be given in writing, in the English language, and shall be deemed given when personally delivered, when sent by email, or three days after being sent by prepaid certified mail or internationally recognized overnight courier to the addresses set forth in the signature blocks below (or such other address as may be specified by party following written notice given in accordance with this Section).if to Client, to:

[***]

if to Custodian, to the address and notice details in the signature block.

12.2. Publicity.

Neither party may use the name and approved or publicly available trademarks of the other Party without the prior written consent of the other Party approving such use, prior to first use thereof. If such prior written consent is granted: (i) Custodian may identify Client as a customer of the Services, including in marketing and/or investor materials; and (ii) Client may use of Custodian's name and/or approved logos or promotional materials to identify Custodian as its custodial service provider as contemplated by this Agreement. Notwithstanding the foregoing, either Party may revoke its consent to such publicity under this Section at any time for any reason, and upon notice, the other Party shall cease any further use of the Party's name, logos, and trademarks and remove all references and/or postings identifying the Party as soon as possible. In no event shall Custodian represent that it is the primary custodian for [***].

12.3. Entire Agreement.

This Agreement, any appendices or attachments to this Agreement, the BitGo Privacy Policy, and all disclosures, notices or policies available on the BitGo website that are specifically referenced in this Agreement, comprise the entire understanding and agreement between Client and Custodian as to the Custodial Services, and supersedes any and all prior discussions, agreements, and understandings of any kind (including without limitation any prior versions of this Agreement) and every nature between and among Client and Custodian with respect to the subject matter hereof. Section headings in this Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Agreement.

12.4. No Waiver.

The waiver by a party of any breach or default will not constitute a waiver of any different or subsequent breach or default.

12.5. Amendments.

Any modification or addition to this Agreement must be in a writing signed by a duly authorized representative of each of the parties. Client agrees that Custodian shall not be liable to Client or any third-party for any modification or termination of the Custodial Services, or suspension or termination of Client's access to the Custodial Services, except to the extent otherwise expressly set forth herein.

12.6. Assignment.

Client may not assign any rights and/or licenses granted under this Agreement without the prior written consent of Custodian. Custodian may not assign any of its rights without the prior written consent of Client; except that Custodian may assign this Agreement without the prior consent of Client to any Custodian affiliates or subsidiaries or pursuant to a transfer of all or substantially all of Custodian's business and assets, whether by merger, sale of assets, sale of stock, or otherwise. Any attempted transfer or assignment in violation hereof shall be null and void *ab initio*. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their successors, and permitted assigns.

12.7. Severability.

If any provision of this Agreement shall be determined to be invalid or unenforceable, such provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under any applicable law and the validity or enforceability of any other provision of this Agreement shall not be affected.

12.8. Survival.

All provisions of this Agreement which by their nature extend beyond the expiration or termination of this Agreement, including, without limitation, sections pertaining to suspension or termination, Custodial Account cancellation, debts owed to Custodian, general use of the Company Site, disputes with Custodian, indemnification, and general provisions, shall survive the termination or expiration of this Agreement.

12.9. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, except that any matters relating to Article 8 of the South Dakota Uniform Commercial Code or the regulation and governance of public trust companies acting as custodians shall be governed by the laws of South Dakota, except to the extent such state law is preempted by federal law.

12.10. Force Majeure.

Custodian shall not be liable for delays, suspension of operations, whether temporary or permanent, failure in performance, or interruption of service which result directly or indirectly from any cause or condition beyond the reasonable control of Custodian, including but not limited to, any delay or failure due to any act of God, natural disasters, act of civil or military authorities, act of terrorists, including but not limited to cyber-related terrorist acts, hacking, government restrictions, exchange or market rulings, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophe or any other occurrence which are beyond the reasonable control of Custodian. For the avoidance of doubt, a cybersecurity attack, hack, or other intrusion by a third-party or by someone associated with Custodian is not a circumstance that is beyond Custodian's reasonable control, to the extent due to Custodian's failure to comply with its obligations under this Agreement. The temporary failure of Custodian to perform its obligations pursuant to Section 2 of this Agreement, due to Custodian's good faith belief of an ongoing or reasonably suspected cybersecurity attack, hack, or other intrusion shall not constitute a breach of this Agreement.

12.11. Relationship of the Parties.

Nothing in this Agreement shall be deemed or is intended to be deemed, nor shall it cause, Client and Custodian to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either Client or Custodian to be treated as the agent of the other.

[**SIGNATURE PAGE FOLLOWS.**]

IN WITNESS WHEREOF, this Agreement is executed as of the Effective Date.

BITGO TRUST COMPANY, INC.	**SPONSOR: GRAYSCALE INVESTMENTS SPONSORS, LLC, as Sponsor** **By: Grayscale Operating, LLC, its sole member**
By: /s/ Jody Mettler	By: /s/ Hugh Ross
Name: Jody Mettler	Name: Hugh Ross
Title: President	Title: Chief Operating Officer
Date: 12 March 2025 | 11:08 AM PDT	Date: Mar 12, 2025
Address for Notice:	Address for Notice:
[***]	[***]

APPENDIX 1: PROHIBITED USE, PROHIBITED BUSINESSES AND CONDITIONAL USE

1.1. Prohibited Use.

Client may not use Client's Custodial Account to engage in the following categories of activity ("**Prohibited Uses**"). The Prohibited Uses extend to any third-party that gains access to the Custodial Services through Client's account or otherwise, regardless of whether such third-party was authorized or unauthorized by Client to use the Custodial Services associated with the Custodial Account. The specific types of use listed below are representative, but not exhaustive. If Client is uncertain as to whether or not Client's use of Custodial Services involves a Prohibited Use, or have questions about how these requirements applies to Client, please contact Custodian at [***].

By opening a Custodial Account, Client confirms that Client will not use Client's Custodial Account to do any of the following:

- **Unlawful Activity**: Activity which would violate, or assist in violation of any law, statute, ordinance, or regulation, sanctions programs administered in the countries where Custodian conducts business, including, but not limited to, the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"), or which would involve proceeds of any unlawful activity; publish, distribute or disseminate any unlawful material or information.
- **Abusive Activity**: Actions which impose an unreasonable or disproportionately large load on Custodian's infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information; transmit or upload any material to the Site that contains viruses, Trojan horses, worms, or any other harmful or deleterious programs; attempt to gain unauthorized access to the Site, other Custodial Accounts, computer systems or networks connected to the Site, through password mining or any other means; use Custodial Account information of another party to access or use the Site; or transfer Client's Custodial Account access or rights to Client's Custodial Account to a third-party, unless by operation of law or with the express permission of Custodian.
- **Abuse Other Users**: Interfere with another Custodian user's access to or use of any Custodial Services; defame, abuse, extort, harass, stalk, threaten or otherwise violate or infringe the legal rights (such as, but not limited to, rights of privacy, publicity and intellectual property) of others; incite, threaten, facilitate, promote, or encourage hate, racial intolerance, or violent acts against others; harvest or otherwise collect information from the Site about others, including, without limitation, email addresses, without proper consent.
- **Fraud**: Activity which operates to defraud Custodian, Custodian users, or any other person; provide any false, inaccurate, or misleading information to Custodian.

- **Gambling**: Lotteries; bidding fee auctions; sports forecasting or odds making; fantasy sports leagues with cash prizes; Internet gaming; contests; sweepstakes; games of chance.

- **Intellectual Property Infringement**: Engage in transactions involving items that infringe or violate any copyright, trademark, right of publicity or privacy or any other proprietary right under the law, including but not limited to sales, distribution, or access to counterfeit music, movies, software, or other licensed materials without the appropriate authorization from the rights holder; use of Custodian intellectual property, name, or logo, including use of Custodian trade or service marks, without express consent from Custodian or in a manner that otherwise harms Custodian, or Custodian's brand; any action that implies an untrue endorsement by or affiliation with Custodian.
- **Written Policies**: Client may not use the Custodial Account or the Custodial Services in a manner that violates, or is otherwise inconsistent with, any operating instructions promulgated by Custodian.

1.2. Prohibited Businesses.

The following categories of businesses, business practices, and sale items are barred from the Custodial Services ("**Prohibited Businesses**"). The specific types of use listed below are representative, but not exhaustive. If Client is uncertain as to whether or not Client's use of the Custodial Services involves a Prohibited Business or has questions about how these requirements apply to Client, please contact us at [***].

By opening a Custodial Account, Client confirms that Client will not use the Custodial Services in connection with any of the following businesses, activities, practices, or items:

- Individuals convicted of an offense related to drug trafficking, financial crimes, arms trafficking, human smuggling, or human trafficking
- Individuals or entities that own or operate virtual currency mixers or wallets with built-in mixers.
- Shell banks (a shell bank is a financial institution that does not have a physical presence in any country, unless it is controlled by, or is under common control with, a depository institution, credit union, or another foreign financial institution that maintains a physical presence either in the U.S. or a foreign country).
- Anonymous and fictitiously named accounts
- Companies that issue bearer shares.
- Business involved in the sale of narcotics or controlled substances.
- Any individual or entity designated under any trade, economic, or financial sanctions laws, regulations, embargoes, or restrictive measures imposed, administered, or enforced by the U.S. or the United Nations, including Specially Designated Nationals ("SDNs") and Blocked Persons.
- Any unlicensed/unregulated banks, remittance agents, exchanges houses, casa de cambio, bureaux de change or money transfer agents.
- Individuals and entities who trade in conflict diamonds, which are rough diamonds that have not been certified in accordance with the Kimberley Process Certification Scheme.

- *Individuals and entities designated as a Primary Money Laundering Concern by the U.S. Treasury under Section 311 of the USA PATRIOT Act*.
- Any foreign banks operating with a banking license issued by a foreign country

that has been designated as non-cooperative with international AML principles or procedures by FATF; or a banking license issued by a foreign country that has been designated by the Secretary of the Treasury as warranting *special measures due to money laundering concerns*.

SCHEDULE A: FEE SCHEDULE

[***]

SCHEDULE B
CLIENTS

[***]

Exhibit 10.2

Certain confidential information contained in this document, marked by [***], has been omitted because the registrant has determined that the information (i) is not material and (ii) is the type that the registrant treats as private or confidential.

MASTER DISTRIBUTION AND MARKETING AGREEMENT

MASTER DISTRIBUTION AND MARKETING AGREEMENT dated as of September 18, 2025, (this **"Agreement"**) among Grayscale Investments Sponsors, LLC, a Delaware limited liability company (the "**Sponsor**"), the investment products sponsored or managed by the Sponsor listed on Schedule A hereto, as amended from time to time (each a "**Product**" and together, the "**Products**"), and Grayscale Securities, LLC, a Delaware corporation (the **"Distributor and Marketer**") (each, a "**Party**" and together, the "**Parties**"). This Agreement shall amend, restate and modify in its entirety that certain Master Distribution and Marketing Agreement entered into by the Distributor and Marketer, the Sponsor and certain of the Products on August 12, 2025.

WHEREAS, the Sponsor serves as the sponsor or manager of the Products; and

WHEREAS, the Sponsor, on behalf of each Product, wishes to engage the Distributor and Marketer in connection with the performance of the services listed in Schedule B and additional services as may be agreed for each Product.

NOW, THEREFORE, in consideration of the mutual promises and undertakings herein contained, the Parties agree as follows:

1. Documents – Each Product has furnished or will furnish, upon request, to the Distributor and Marketer copies of such Product's constituent documents, agreements with its service providers and Confidential Private Placement Memorandum, as amended (its "**Memorandum**"). Each Product shall furnish, within a reasonable time period, to the Distributor and Marketer a copy of any amendment or supplement to any of the above-mentioned documents. Upon request, each entity shall furnish promptly to the Distributor and Marketer any additional documents necessary or advisable to perform its functions hereunder.

2. Compliance with Rules and Regulations – In carrying out its responsibilities under this Agreement, the Distributor and Marketer, including its employees and delegates, shall act in a manner consistent with the reasonable instructions of the Sponsor and comply with all applicable laws in all material respects, including, without limitation, securities laws, of each jurisdiction in which the Distributor and Marketer proposes to carry on the business contemplated by this Agreement. Without limiting the foregoing, each of the Distributor and Marketer, each Product, and the Sponsor have not taken and shall not take any action or omit to take any action that would cause the Distributor and Marketer, each Product, or the Sponsor to be in violation of, or to lose any applicable exemption from registration under, the Securities Act of 1933, as amended (the "**1933 Act**")**,** the Securities Exchange Act of 1934, as amended (the "**1934 Act**"), and the rules and regulations promulgated thereunder, the Investment Company Act of 1940, as amended (the "**Investment Company Act**"), or the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), and the rules and regulations promulgated thereunder. The Distributor and Marketer represents and warrants that is has sufficient familiarity with the 1933 Act, the 1934 Act, the Investment Company Act, and the Advisers Act to carry out its duties under this Agreement in compliance with the preceding sentence.

3. Authorized Representations – The Distributor and Marketer is not authorized by any of the Products to give any information or to make any representations other than those contained in such Product's Memorandum, or contained in other material that may be prepared by or on behalf of such Product for the Distributor and Marketer's use. Consistent with the foregoing, and subject to paragraph 9

below, the Distributor and Marketer may prepare and distribute marketing literature or other material as it may deem appropriate in consultation with the Sponsor, provided such marketing literature and its distribution complies with applicable law and regulations.

4. Fees and Product Expenses – (a) In consideration of the services to be performed by the Distributor and Marketer hereunder as set forth on Schedule B attached hereto and as it may be amended from time- to-time, the Sponsor will pay the Distributor and Marketer a fee in an amount to be agreed upon in writing by the Parties hereto from time-to-time, subject to any limitation imposed by any law, rule or regulation applicable to any of the Parties hereto.

(b) The Sponsor shall reimburse the Distributor and Marketer for any reasonable fees or disbursements incurred by the Distributor and Marketer in connection with the performance by the Distributor and Marketer of its duties under and pursuant to this Agreement with the prior written consent of the Sponsor. Further, unless otherwise agreed to by the Parties hereto in writing, the Distributor and Marketer shall not be responsible for fees and expenses in connection with (i) preparing, printing and mailing each Product's Memorandum, and any supplements thereto, to existing shareholders (ii) preparing, setting in type, printing and mailing any report or other communication to shareholders of such Product, and (iii) the Blue Sky registration and qualification of shares for sale in the various states in which the officers of the Sponsor shall determine it advisable to qualify such shares for sale (including registering such Product as a broker or dealer or any officer of such Product as agent or salesman in any state).

5. Use of the Distributor and Marketer's Name – No Product shall use the name of the Distributor and Marketer, or any of its affiliates, in its Memorandum, marketing literature, and other material relating to such Product in any manner without the prior consent of the Distributor and Marketer (which shall not be unreasonably withheld); *provided, however*, that the Distributor and Marketer hereby approves all lawful uses of the names of the Distributor and Marketer, including its affiliates, in such Product's Memorandum and in all other materials which merely refer in accurate terms to their appointment hereunder, or which are required under any applicable law, rule or regulation.

6. Use of the Product's Name – Neither the Distributor and Marketer nor any of its affiliates shall use the name of any Product in any publicly disseminated materials, including marketing literature in any manner without the prior consent of such Product (which shall not be unreasonably withheld); *provided, however*, that such Product hereby approves all lawful uses of its name in any required regulatory filings of the Distributor and Marketer which merely refer in accurate terms to the appointment of the Distributor and Marketer hereunder, or which are required under any applicable law, rule or regulation.

7. Authorization – Each Party represents and warrants, severally and not jointly, that this Agreement has been duly authorized, executed, and delivered by each Party, is a valid and binding agreement, and is enforceable in accordance with its terms. The provision of the services contemplated herein will not result in any breach of any of the terms or conditions of or constitute a default under any agreement or instrument to which any Party is a party, or by which any Party is bound or, to the best of its knowledge, any law, in each case the violation or breach of which would cause material harm to the Parties.

8. Indemnification – Each Product, as the primary obligor (and the Sponsor, as secondary obligor), agrees to indemnify and hold harmless the Distributor and Marketer and each of its directors and officers and each person, if any, who controls the Distributor and Marketer within the meaning of the 1933 Act, against any loss, liability, claim, damages or expenses (including the reasonable cost of investigating or defending any alleged loss, liability, claim, damages or expense and reasonable counsel fees incurred in connection therewith) arising by reason of any person acquiring any shares, based upon the ground that the its Memorandum or other information included an untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make the statements not misleading.

However, each Product, as the primary obligor (and the Sponsor, as secondary obligor), does not agree to indemnify the Distributor and Marketer or hold it harmless to the extent that the statement or omission was made in reliance upon, and in conformity with, information furnished to such Product by or on behalf of the Distributor and Marketer. In no case (i) is the indemnity of such Product, as the primary obligor (and the Sponsor, as secondary obligor), in favor of the Distributor and Marketer or any person indemnified to be deemed to protect the Distributor and Marketer or any person against any liability to such Product or its security holders to which the Distributor and Marketer or such person would otherwise be subject by reason of fraud, gross negligence, bad faith, or willful misfeasance in the performance of its duties or by reason of its reckless disregard of its obligations and duties under this Agreement, or (ii) is such Product, as the primary obligor (and Sponsor, as secondary obligor) to be liable under its indemnity agreement contained in this paragraph with respect to any claim made against the Distributor and Marketer or any person indemnified unless the Distributor and Marketer or person, as the case may be, shall have notified such Product in writing of the claim promptly after the summons or other first written notification giving information of the nature of the claims shall have been served upon the Distributor and Marketer or any such person (or after the Distributor and Marketer or such person shall have received notice of service on any designated agent). However, failure to notify such Product of any claim shall not relieve such Product (and the Sponsor) from any liability which it may have to any person against whom such action is brought otherwise than on account of its indemnity agreement contained in this paragraph. Each Product, as applicable, shall be entitled to participate at its own expense in the defense, or, if it so elects, to assume the defense of any suit brought to enforce any claims, and if such Product elects to assume the defense, the defense shall be conducted by counsel chosen by such Product. In the event such Product elects to assume the defense of any suit and retain counsel, the Distributor and Marketer, officers or directors or controlling person(s), defendant(s) in the suit, shall bear the fees and expenses of any additional counsel retained by them. If such Product does not elect to assume the defense of any suit, it will reimburse the Distributor and Marketer, officers or directors or controlling person(s) or defendant(s) in the suit for the reasonable fees and expenses of any counsel retained by them. Each Product agrees to notify the Distributor and Marketer promptly of the commencement of any litigation or proceeding against it or any of its officers in connection with the issuance or sale of any of the shares.

The Distributor and Marketer also covenants and agrees that it will indemnify and hold harmless each Product, the Sponsor, and each of their respective officers, representatives or agents and person, if any, who controls such Product or the Sponsor within the meaning of the 1933 Act (each, an "**Indemnified Party**"), against any loss, liability, damages, claims or expense (including the reasonable cost of investigating or defending any alleged loss, liability, damages, claim or expense and reasonable counsel fees incurred in connection therewith) arising by reason of any person acquiring any shares of such Product, alleging (a) any violation of any applicable law by the Distributor and Marketer or any of its employees or (b) that any marketing literature, advertisements, information, statements or representations used or made by the Distributor and Marketer or any of its affiliates or employees or that such Product's Memorandum included an untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make the statements not misleading, insofar as the statement or omission was made in reliance upon, and in conformity with, information furnished to such Product or Sponsor by or on behalf of the Distributor and Marketer. In no case (i) is the indemnity of the Distributor and Marketer in favor of and Indemnified Party to be deemed to protect any such party against any liability to which the Indemnified Party would otherwise be subject by reason of fraud, gross negligence, bad faith, or willful misfeasance in the performance of its duties or by reason of its reckless disregard of its obligations and duties under this Agreement, or (ii) is the Distributor and Marketer to be liable under its indemnity agreement contained in this paragraph with respect to any claim made against any Indemnified Party unless such Indemnified Party shall have notified the Distributor and Marketer in writing of the claim promptly after the summons or other first written notification giving information of the nature of the claim shall have been served upon such Indemnified Party (or after such Indemnified Party shall have received notice of service on any designated agent). However, failure to notify the Distributor and Marketer of any claim shall not relieve the Distributor and Marketer from any liability which it may have

to the Indemnified Party against whom the action is brought otherwise than on account of its indemnity agreement contained in this paragraph. In the case of any notice to the Distributor and Marketer it shall be entitled to participate, at its own expense, in the defense or, if it so elects, to assume the defense of any suit brought to enforce the claim, and if the Distributor and Marketer elects to assume the defense, the defense shall be conducted by counsel chosen by it and satisfactory to the Indemnified Party, to its officers and to any controlling person(s) or defendant(s) in the suit. In the event that the Distributor and Marketer elects to assume the defense of any suit and retain counsel, the Indemnified Party or controlling person(s), defendant(s) in the suit, shall bear the fees and expense of any additional counsel retained by them. If the Distributor and Marketer does not elect to assume the defense of any suit, it will reimburse the Indemnified Party, officers or controlling person(s), defendant(s) in the suit, for the reasonable fees and expenses of any counsel retained by them. The Distributor and Marketer agrees to notify the Indemnified Party promptly of the commencement of any litigation or proceedings against it in connection with the Indemnified Party and sale of any of the shares.

9. **Supplemental Information** – The Distributor and Marketer and the Sponsor shall regularly consult with each other regarding the Distributor and Marketer's performance of its obligations under this Agreement.

The Distributor and Marketer acknowledges that the only information provided to it by each Product is that contained in such Product's Memorandum. Neither the Distributor and Marketer nor any other person is authorized by each Product to give any information or to make any representations, other than those contained in such Product's Memorandum and any marketing literature or advertisements specifically approved by appropriate representatives of such Product.

10. **Distributor and Marketer's Registration** – The Distributor and Marketer is and shall remain registered as a broker-dealer under the 1934 Act, and a member in good standing of the Financial Industry Regulatory Authority, Inc. throughout the duration of this Agreement. It is understood that the Distributor and Marketer will not open or maintain customer accounts or handle orders for any Product. The Distributor and Marketer further represents and covenants that its employees will comply with all applicable laws, rules and regulations in connection with the marketing of each Product as contemplated under Schedule B hereto, and its employees' oral and written disclosure concerning each Product will be substantially in accord with the form and content of such Product's Memorandum.

11. **Term** – This Agreement shall become effective as of the date hereof and shall continue until one year from such date and thereafter shall continue automatically for successive annual periods, provided that such continuance is specifically approved at least annually by the Sponsor. This Agreement is terminable without penalty on sixty (60) days' written notice by the Sponsor or by the Distributor and Marketer.

Upon the termination of this Agreement, the Distributor and Marketer, at each Product's expense and direction, shall transfer to such successor as such Product shall specify all relevant books, records and other data established or maintained by the Distributor and Marketer under this Agreement.

12. **Notice** – Any notice required or permitted to be given by either Party to the other shall be deemed sufficient if sent by (i) email to an email address previously confirmed by the other Party to be an email address appropriately designated for receipt of notices pursuant to this agreement (ii) telecopier (fax) or (iii) registered or certified mail, postage prepaid, addressed by the Party giving notice to the other Party at the last address furnished by the other Party to the Party giving notice:

if to any Product at:

c/o Grayscale Investments Sponsors, LLC
[***]

Attn: Legal Department

if to the Sponsor at:

c/o Grayscale Investments Sponsors, LLC
[***]
Attn: Legal Department

if to the Distributor and Marketer at:

c/o Grayscale Securities, LLC
[***]
Attn: Legal Department

or such other telecopier (fax) number or address as may be furnished by one Party to the other.

13. **Confidential Information** – The Distributor and Marketer, its officers, directors, employees and agents will treat confidentially and as proprietary information of each Product and the Sponsor all records and other information relative to such Product and the Sponsor and to prior or present shareholders or to those persons or entities who respond to the Distributor and Marketer's inquiries concerning investment in such Product (together, the "**Confidential Information**"), and will not use the Confidential Information for any purposes other than performance of its responsibilities and duties hereunder. If the Distributor and Marketer is requested or required by, but not limited to, depositions, interrogatories, requests for information or documents, subpoena, civil investigation, demand or other action, proceeding or process or as otherwise required by law, statute, regulation, writ, decree or the like to disclose Confidential Information, the Distributor and Marketer will provide each Product and the Sponsor, as applicable, with prompt written notice of any such request or requirement so that such Product or the Sponsor may seek an appropriate protective order or other appropriate remedy and/or waive compliance with this provision. If such order or other remedy is not sought, or obtained, or waiver not received within a reasonable period following such notice, then the Distributor and Marketer may without liability hereunder, disclose to the person, entity or agency requesting or requiring the information, that portion of the Confidential Information that is legally required in the reasonable opinion of the Distributor and Marketer's counsel. Notwithstanding any provision to the contrary contained herein, Distributor and Marketer may disclose, without notice to Sponsor, such information pursuant to a request or regular or routine inspection by a governmental or regulatory agency.

14. **Limitation of Liability** – The Distributor and Marketer agrees that the obligations assumed by each Product under this contract shall be limited in all cases to such Product and its assets except as expressly set forth herein. The Distributor and Marketer agrees that it shall not seek satisfaction of any such obligation from the shareholders, any individual shareholder, officer, representative or agent of such Product.

15. **Miscellaneous** – Each Party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof. This Agreement shall be construed, interpreted, and enforced in accordance with and governed by the laws of the State of New York. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. This Agreement may not be changed, waived, discharged or amended except by written instrument that shall make specific reference to this Agreement and which shall be signed by the Party against which enforcement of such change, waiver, discharge or amendment is sought. This Agreement may be executed simultaneously in two or more counterparts, each of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized persons, all as of the day and year first above written.

GRAYSCALE INVESTMENTS SPONSORS, LLC,
as Sponsor

By:___/s/ Edward McGee_____
Name: Edward McGee
Title: CFO

THE ENTITIES LISTED ON SCHEDULE A HERETO

By: GRAYSCALE INVESTMENTS SPONSORS, LLC,
as sponsor or manager of each of the entities listed on Schedule A hereto

By:___/s/ Edward McGee_____
Name: Edward McGee
Title: CFO

GRAYSCALE SECURITIES, LLC,
as Distributing and Marketing Agent

By:___/s/ Craig Salm__
Name: Craig Salm
Title: Chief Legal Officer

Schedule A

	Product	Governing Document
1.	[***]	[***]

Schedule B

List of Services

The Distributor and Marketer shall perform the following services for each Product:

- Create an online website, to be hosted on Distributor and Marketer's platform, through which marketing materials of each Product may be distributed and accessed.
- Facilitate sales calls by Distributor and Marketer's registered representatives to the person(s) and entity(s) targeted by the ongoing marketing/sales campaign for each Product ("**Target Audience**").
- Conduct Outreach to the Target Audience through email and other electronic communications.
- Promote each Product to suitable users of the Distributor and Marketer's platform.
- Promote each Product using social and digital media.
- Respond to questions about the Sponsor's marketing materials as soon as reasonably practicable and direct all other questions to the Sponsor.
- Perform such additional distribution and marketing related services as may be agreed among the parties from time to time.

CONTINENTAL
STOCK TRANSFER & TRUST

Transfer Agent & Registrar Requirements
Continental Stock Transfer & Trust Company

INDEPENDENT SPIRIT. RELENTLESS DEDICATION.

SEC Registered Transfer Agent | New York State Chartered Trust Company
25M Blanket Bond | DTCC Custodian Transfer Agent

CONTINENTALSTOCK.COM
212.845.3224

Certain confidential information contained in this document, marked by [***], has been omitted because the registrant has determined that the information (i) is not material and (ii) is the type that the registrant treats as private or confidential.

TRANSFER AGENT & REGISTRAR REQUIREMENTS

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

1. Agreement and Certified Copy of Board Resolution for our Appointment as Transfer Agent and Registrar.

2. Charter or Certificate of Incorporation and any Amendments thereto certified by the proper official of the State of Incorporation, under original seal, or with evidence of their filing.

3. By-Laws and any amendments thereto certified by the Corporate Secretary.

4. Corporate Information including Authorized Signatories and Specimen Signatures (forms enclosed).

5. Form W-9, Request for Taxpayer Identification Number and Certification, signed by an authorized officer of the entity.

6. Supply of stock certificates signed by proper officers of the Corporation, if applicable.
   NOTE: PROOFS OF THE CERTIFICATES MUST BE SUBMITTED TO AND APPROVED BY US BEFORE PRINTING.

7. Opinion of Counsel for the Corporation advising as to:
   a. the proper organization of the Corporation;
   b. the legality of the issuance of its presently issued Capital Stock and Capital Stock being issued in connection with a public offering;
   c. the full compliance as to the aforementioned Capital Stock with the Federal Securities Act of 1933, as amended, or the reason and statutory reference under which exemption is claimed if registration under said Act is not necessary; and
   d. advice as to the details of any and all reserves of Capital Stock.

8. If any of the certificates of stock for which the Transfer Agent and Registrar will act are issued and outstanding prior to our appointment:
   a. a certified list of all stockholders showing their names, addresses, number of shares and certificate numbers held, certified by the Corporate Secretary under the Corporate seal;
   b. a letter signed by the Corporate Secretary listing all stock certificates against which stop transfer orders are in force, together with the nature and reason for such stop orders or, if no such stop orders are in force, a statement to that effect; and
   c. letter signed by the Corporate Secretary giving the numbers of any unused stock certificates and advising that such certificates have been destroyed or cancelled.

Initial Public Offering clients: please provide a letter of instruction, signed by two corporate officers, authorizing and directing the Transfer Agent and Registrar to issue securities in accordance with the underwriter's instructions or the Trust's instructions, as the case may be.

TRANSFER AGENCY AND REGISTRAR SERVICES AGREEMENT

This Transfer Agency and Registrar Services Agreement (this "**Agreement**"), dated as of May 15, 2024 is between Grayscale Bittensor Trust (TAO)□□□□, a Delaware statutory trust (the "**Trust**") and Continental Stock Transfer & Trust Company, a New York limited purpose trust company ("CST").

1. Appointment as Transfer Agent. The Trust hereby appoints CST to act as sole transfer agent and registrar for the shares of the Trust, and for any such other securities as set forth in Exhibit A hereto (which the Trust shall update as necessary to keep complete and accurate) and as the Trust may request in writing (the "**Shares**") in accordance with the terms and conditions hereof, and CST hereby accepts such appointment. In connection with the appointment of CST as transfer agent and registrar for the Trust, the Trust shall provide CST: (a) Specimens of all forms of outstanding stock certificates, in the forms approved by the Trust's sponsor, Grayscale Investments, LLC (the "**Sponsor**") with a certificate of the secretary of the Sponsor as to such approval; (b) Specimens of the signatures of the officers of the Sponsor authorized to sign stock certificates and specimens of the signatures of the individuals authorized to sign written instructions and requests; (c) A copy of the declaration of trust and trust agreement and, on a continuing basis, copies of all material amendments to such declaration of trust and trust agreement after the date of this Agreement (such amendments to be provided promptly after such amendments are made); and (d) A sufficient supply of blank certificates signed by (or bearing the facsimile signature of) the officers of the Sponsor authorized to sign stock certificates on behalf of the Trust and bearing the Trust's corporate seal (if required). CST may use certificates bearing the signature of a person who at the time of use is no longer an officer of the Sponsor. Whenever the terms "shares" or stock "certificates" are used herein they shall include physical stock certificates as well book entry and/or DRS positions.

2. Additional Services. CST may provide further services to, or on behalf of, the Trust as may be agreed upon between the Trust and CST. Should CST so elect, CST shall be entitled to provide services to reunify shareholders with their assets, provided the Trust incurs no additional charge for such services. Furthermore, CST shall provide information agent and proxy solicitation services to the Trust on terms to be mutually agreed upon by the parties hereto. This agreement shall include CST's additional authority as successor Exchange Agent on pre-existing exchanges and as Exchange Agent, Paying Agent or Dividend Disbursing Agent on any additional shares of said class or additional classes of stock which may hereafter be authorized by the Trust. If CST is designated as Exchange Agent or Paying Agent in connection with a corporate action, CST's authority will continue thereafter for escheatment and/or merger cleanup services for such transactions.

3. Trust Representations and Warranties.

a. The Trust represents and warrants to CST that: (i) it is a statutory trust duly organized and validly existing and in good standing under the laws of the state of its formation; (ii) it is empowered under applicable laws and governing instruments to enter into and perform this Agreement; and (iii) all corporate proceedings required by such governing instruments and applicable law have been taken to authorize it to enter into and perform this Agreement.

b. All shares issued and outstanding as of the date hereof, or to be issued during the term of this appointment, are/shall be duly authorized, validly issued, fully paid and non-assessable. All such shares are (or, in the case of shares that have not yet been issued, will be) duly registered under the Securities Act of 1933 and the Securities Exchange Act of 1934. Any shares not so registered were or shall be issued or transferred in a transaction or series of transactions exempt from the registration provisions of the relevant law, and in each such issuance or transfer, the Trust was or shall be so advised by its legal counsel's opinion and all shares issued or to be issued bear or shall bear all appropriate legends.

c. The Trust shall promptly advise CST in writing of any change in the capital structure of the Trust, and the Trust shall promptly provide CST with shareholder consent authorizing any recapitalization of the Shares or change in the number of issued or authorized Shares.

d. When certificates of the Trust's stock shall be presented to it for transfer and registration, CST is hereby authorized to refuse to transfer and register the same until it is satisfied that the requested transfer is legally in order; and that the Trust, shall indemnify and hold harmless CST, and CST shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized. CST may rely upon the Uniform Commercial Code and generally accepted industry practice in effecting transfers, or delaying or refusing to effect transfers. If, on a transfer of a restricted item, the Trust's counsel fails to issue an opinion or to provide adequate reasons therefore within ten business days of a request to do so, CST is authorized, but not required, to process such transfer upon receipt of an appropriate opinion of presenter's counsel.

4. CST's Reliance.

a. CST may act and rely on, and shall incur no liability and shall be fully indemnified by the Trust from any liability whatsoever in acting in accordance with, written or oral instructions received from any person it believes in good faith to be an officer, authorized agent or employee of the Trust, unless prior thereto (i) the Trust shall have advised CST in writing that it is entitled to act and rely only on written instructions of designated officers of the Sponsor; (ii) it furnishes CST with an appropriate incumbency certificate for such officers and their signatures; and (iii) the Trust thereafter keeps such designation current with an annual (or more frequent, if required) re-filing . If it is uncertain at any time with respect to its legal obligations hereunder CST may also request and/or act and rely on advice, opinions or instructions received from the Trust's legal counsel. CST may, in any event, act and rely without liability on advice received from its legal counsel or Trust counsel.

b. CST may act and rely on, and shall incur no liability and shall be fully indemnified by the Trust from any liability whatsoever in acting in accordance with: (i) any writing or other instruction believed by it in good faith to have been furnished by or on behalf of the Trust or a holder of one or more Shares (a "**Shareholder**"), including, but not limited to, any certificate, instrument, opinion, notice, letter, stock power, affidavit or other document or security; (ii) on any statement of fact contained in any such writing or instruction which CST in good faith does not believe to be inaccurate; (iii) on the apparent authority of any person to act on behalf of the Trust or a Shareholder as having actual authority to the extent of such apparent authority; (iv) on the authenticity and genuineness of any signature (manual or facsimile) appearing on any writing, including, but not limited to, any certificate, instrument, opinion, notice, letter, stock power, affidavit or other document or security; and (v) on the conformity to original of any copy. CST shall further be entitled to rely on any information, records and documents provided to CST by a former transfer agent or former registrar on behalf of the Trust. CST is authorized by the Trust to respond to subpoenas and/or document requests from the SEC without further authorization, and may bill the Trust for reasonable compliance costs.

c. When CST deems it expedient, it may apply to the Trust, or the counsel for the Trust, or to its own counsel for instructions and advice, that the Trust will promptly furnish or will cause its counsel to furnish such instructions and advice, and, for any action taken in accordance with such instructions or advice, or in case such instructions and advice shall not be promptly furnished as required by this resolution, the Trust will indemnify and hold harmless CST from any and all liability, including attorney fees and court costs. CST may, at its discretion, but shall have no duty to prosecute or defend any action or suit arising out of authorizations hereby granted unless the Trust shall, when requested, furnish it with funds or the equivalent to defray the costs of such prosecution or defense. CST may, without liability to CST, refuse to perform any act in connection with this Agreement when, in good faith reliance on opinion of its counsel, it believes such act may subject it to civil or criminal liability under any statute or law of any state or of the United States and, in particular, under the Securities Act of 1933 and the Securities Exchange Act of 1934, as amended.

5. **Compensation.** CST shall be entitled to reasonable compensation for all services rendered (in accordance with the Fee Agreement and/or CST's then-current fee schedule) and shall be reimbursed for all expenses incurred, including without limitation legal costs and costs of responding to subpoenas and SEC requests related to the Trust's records (regardless of whether CST is still an Agent for the Trust) in connection with its acting as Agent. In the event that the scope of services to be provided by CST is increased substantially, the parties shall negotiate in good faith to determine reasonable compensation for such additional services. In the event that the Trust, without terminating this Agreement in its entirety, retains a third-party to provide services already provided hereunder, the Trust shall pay to CST a reasonable fee to compensate CST for costs associated with interfacing with such third-party as mutually agreed upon by the Trust and CST. In addition, on termination of its services as Agent, CST shall be entitled to any unpaid fees and expenses as well as the compensation outlined in its then current fee schedule described in Section 19.

6. **Performance of Services.** In the event that the Trust commits any breach of its material obligations to CST, including non-payment of any amount owing to CST, and such breach remains uncured for more than forty-five (45) days, CST shall have the right to terminate or suspend its services upon notice to the Trust. During such time as CST may suspend its services, CST shall have no obligation to act as transfer agent and/or registrar on behalf of the Trust, shall have no duties to act in such capacity and shall have a lien on the Trust's records until it receives payment in full. Such suspension shall not affect CST's rights under this Agreement. On termination of the appointment of CST for any reason, CST will perform its services in assisting with the transfer of records in a diligent and professional manner.

7. **CST as Distributor of Funds.** All funds received by CST for distribution on behalf of the Trust will be deposited by CST in a segregated bank account.

8. **Lost Certificates.** CST shall be authorized to issue replacement certificates for stock certificates claimed by a Shareholder to have been lost, stolen or mutilated upon receipt of an affidavit of the Shareholder to such effect and receipt of payment from the Shareholder of a premium for CST's services and an indemnity bond purchased through CST or, at the option of the Shareholder, any surety company reasonably acceptable to CST.

9. **Over Issuance.** If CST receives a stock certificate not reflected in its records, CST will research records, if any, delivered to it upon its appointment as transfer agent from a prior transfer agent (or from the Trust). If such records do not exist or if such certificate cannot be reconciled with such records, then CST will notify the Trust. If neither the Trust nor CST is able to reconcile such certificate with any records (so that the transfer of such certificate on the records maintained by CST would create an overissue), the Trust shall within sixty (60) days either: (i) increase the number of its issued Shares, or (ii) acquire and cancel a sufficient number of issued Shares to correct the overissue.

10. **Confidentiality.** CST acknowledges that it will acquire information and data from the Trust, and such information and data are confidential and proprietary information of the Trust (collectively, "**Confidential Information**"). Confidential Information may include, but shall not be limited to, information related to clients, business plans, shareholders, business processes, and other related data, all in any form whether electronic or otherwise, that CST acquires in connection with this Agreement. Confidential Information will not include, however, any information that (i) was in the possession of CST at the commencement of the services contemplated under this Agreement, (ii) became part of the public domain through no fault of CST or (iii) became rightfully known to CST or its affiliates through a third party with no obligation of confidentiality to the Trust, or (iv) is independently developed by CST. CST agrees not to disclose the Confidential Information to others (except as required by law or permitted by CST's privacy policy then in effect) or use it in any way, commercially or otherwise, except in performing services hereunder, and shall not allow any unauthorized person access to the Confidential Information. CST further agrees to exercise at least the same degree of care as it uses with regard to its own confidential information, but in no event less than reasonable degree of care, in protecting the Confidential Information.

11. **Limitations on CST's Responsibilities.** CST shall not be responsible for the validity of the issuance, presentation or transfer of stock, the genuineness of endorsements, the authority of presenters, or the collection or payment of charges or taxes incident to the issuance or transfer of stock. CST may, however, delay or decline an issuance or transfer if it deems it to be in its or the Trust's best interests to receive evidence or assurance of such validity, authority, collection or payment. CST shall not be responsible for any discrepancies in its records or between its records and those of the Trust, if it is a

successor transfer agent or successor registrar, caused by or arising from a difference or error in predecessor records. CST shall not be deemed to have notice of, or be required to inquire regarding, any provision of the Trust's declaration of trust and trust agreement, any court or administrative order, or any other document, unless it is specifically advised of such in a writing from the Trust, which writing shall set forth the manner in which it affects the Shares. In no event shall CST be responsible for any transfer or issuance not effected by it.

12. **Limitations on CST's Liability**. In no event shall CST have any liability for any incidental, special, statutory, indirect or consequential damages, or for any loss of profits, revenue, data or cost of cover. CST's liability arising out of or in connection with its acting as Agent for the Trust shall not exceed the aggregate amount of all fees (excluding expenses) paid under this Agreement in the twelve (12) month period immediately preceding the date of the first event giving rise to liability.

13. **Indemnities.** From and at all times after the date of this Agreement, the Trust covenants and agrees to defend, indemnify, reimburse and hold harmless CST and its officers, directors, employees, affiliates and agents (each, an "**Indemnified Party**") against any actions, claims, losses, liability or reasonable expenses (including legal and other fees and expenses) incurred by or asserted against any Indemnified Party, including by the Trust, arising out of or in connection with entering into this Agreement, the performance of CST's duties thereunder, or the enforcement of the indemnity hereunder, except for such losses, liabilities or expenses incurred as a result of an Indemnified Party's gross negligence, bad faith or willful misconduct. The Trust shall not be liable under this indemnity with respect to any claim against an Indemnified Party unless the Trust is notified of the written assertion of such a claim, or of any action commenced against an Indemnified Party, promptly after CST shall have received any such written information as to the nature and basis of the claim; provided, however, that failure by CST to provide such notice shall not relieve the Trust of any liability hereunder if no prejudice occurs. All provisions regarding indemnification, liability and limits thereon shall survive the termination of this Agreement.

14. **Force Majeure.** CST is not liable for failure or delay in the performance of its obligations under this Agreement if such failure or delay is due to causes beyond its reasonable control, including but not limited to Acts of God (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, cyber-attack, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service or any other force majeure event. The Trust is not entitled to terminate this Agreement under Section 6 (Performance of Services) in such circumstances.

15. **No Third Party.** This Agreement, when executed by the Trust, shall constitute the full agreement between it and CST and shall not be amended or modified except in writing signed by both parties. The Agent shall act solely as agent for the Trust under this Agreement and owes no duties hereunder to any other person or entity. The Agent undertakes to perform the duties and only the duties that are specifically set forth herein, and no implied covenants or obligations should be read into this Agreement against it. No rights shall be granted to any other person by virtue of this Agreement, and there are no third party beneficiaries of this Agreement.

16. **Governing Law.** This Agreement shall be construed and interpreted in accordance with the internal laws of the State of New York, without giving effect to the conflict of laws principles thereof.

17. **Jurisdiction and Venue.** In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Agreement or services provided hereunder, the parties hereto agree that the United States District Court for the Southern District of New York shall have the sole and exclusive jurisdiction over any such proceeding. If such court lacks federal subject matter jurisdiction, the parties hereto agree that the Supreme Court of the State of New York within New York County shall have sole and exclusive jurisdiction. Any final judgment shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue and irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such suit or proceeding in any such court has been brought in an inconvenient forum. The parties hereto consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process by mail to vest personal jurisdiction over them in

any of these courts. Each party hereto irrevocably and unconditionally waives any right to a trial by jury.

18. **Assignment.** CST may assign this Agreement or any rights granted thereunder, in whole or in part, either to affiliates, another division, subsidiaries or in connection with its reorganization or to successors of all or a majority of CST's assets or business without the prior written consent of the Trust.

19. **Term**: The initial term of this Agreement shall be three (3) years from the date hereof and the appointment shall automatically be renewed for further three (3) year successive terms with the same transaction provisions without further action of the parties, unless written notice of intent not to renew is provided by the Sponsor at least ninety (90) days prior to the end of the Initial Term or any subsequent three (3) year period. The term of this appointment shall be governed in accordance with this Section, notwithstanding the cessation of active trading in the capital stock of the Trust or discontinuance of services for non-payment. CST will be entitled to, and the Trust will pay to CST, compensation (including fees in accordance with CST's then-current rate schedule and reimbursement of expenses), for the service of preparing records for delivery to the successor agent or to the Trust, and for forwarding and maintaining records with respect to certificates received after such termination.

20. **Trust Information.** The Sponsor shall provide certified documents, opinions of counsel, certificates, specimen signatures of officers and information as CST may require in connection with its duties hereunder, and immediately upon any change therein which might affect CST in its duties, to give CST written notice and to furnish such additional certified documents, certificates, specimen signatures of officers and information as CST may require, it being understood and agreed that CST shall be fully protected and held harmless for the failure of the Sponsor to give proper and sufficient notice of any such change.

21. **DTCC Fast Program.** At any time that the Trust shall elect to have its shares traded and processed in the DTCC FAST electronic program, it shall do so upon approval of its Sponsor which shall agree to adhere to DTCC's Balance Certificate Agreement (incorporated by reference herein) as it shall be amended from time to time.

22. **Notices.** The address of the Sponsor to which notices may be sent is:

[***]

The address of CST to which notices may be sent is [***]

CONTINENTAL STOCK TRANSFER & TRUST COMPANY

By: /s/ Douglas Reed

Its: Vice President

Date: May 15, 2024

GRAYSCALE INVESTMENTS, LLC, as Sponsor of Grayscale Bittensor Trust (TAO)

/s/ Michael Sonnenshein

By: Michael Sonnenshein

Its: CEO

Date: May 15, 2024

Certificate of Secretary

I, Michael Sonnenshein, Officer of Grayscale Investments, LLC, a limited liability company duly organized and existing under the laws of the State of Delaware, (the "Sponsor") do hereby certify on behalf of Grayscale Bittensor Trust (TAO) (the "Trust"):

A. That, accompanying this Certificate are:
   1. A copy of the Declaration of Trust of the Trust, with all amendments to date, duly certified under official seal by the state officer having custody of the original thereof or with evidence of their filing;
   2. A Corporate Information Form;
   3. An opinion by counsel for the Trust covering the validity of the outstanding shares and their exemption from registration under the Securities Act of 1933, as amended.

B. That the total authorized shares of the Trust is unlimited. There is now issued no shares of stock.

IN WITNESS WHEREOF, I have hereunto set my hand, this May 15, 2024.

/s/ Michael Sonnenshein

Officer

Agreed to and Accepted:

Continental Stock Transfer & Trust

By /s/ Douglas Reed

Vice President

Corporate Information

[***]

List of Officers and Directors of Grayscale Investments, LLC Authorized to Provide Instructions Relating to Issuances of Shares and Corporate Actions on Behalf of:

Grayscale Bittensor Trust (TAO)

[***]

Information Statement

GRAYSCALE BITTENSOR TRUST (TAO)

Grayscale Bittensor Trust (TAO) (the "Trust") issues common units of fractional undivided beneficial interest ("Shares"), which represent ownership in the Trust. The Trust's purpose is to hold Bittensor ("TAO"), which are digital assets that are created and transmitted through the operations of the peer-to-peer Subtensor Blockchain, a decentralized network of computers that operates on cryptographic protocols which underpins the Bittensor Network. The Trust issues Shares only in one or more blocks of 100 Shares (a block of 100 Shares is called a "Basket") to certain authorized participants from time to time. Baskets are offered in exchange for TAO. Shares are distributed by Grayscale Securities, LLC ("Grayscale Securities"), acting as the sole authorized participant ("Authorized Participant"), through sales in private placement transactions exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Rule 506(c) thereunder. The Trust intends to list the Shares on OTCQX under the ticker symbol GTAO.

The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of TAO held by the Trust, determined by reference to the Reference Rate Price (as defined herein), less the Trust's expenses and other liabilities. There can be no assurance that the value of the Shares will reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities and the Shares, if traded on any Secondary Market in the future, may trade at a substantial premium over, or substantial discount to, such value and the Trust may be unable to meet its investment objective. In the event the Shares trade at a substantial premium, investors who purchase Shares on a Secondary Market will pay substantially more for their Shares than investors who purchase Shares in the private placement. The value of the Shares may not reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities, for a variety of reasons, including the holding period under Rule 144 for Shares purchased in the private placement, the lack of an ongoing redemption program, any halting of creations by the Trust, TAO price volatility, trading volumes on, or closures of, trading platforms where digital assets trade due to fraud, failure, security breaches or otherwise, and the non-current trading hours between any Secondary Market that the Shares may be publicly traded on (for example, OTC Markets Group Inc.'s OTCQX® Best Market) and the global trading platforms for trading TAO. As a result, the Shares may trade at a substantial premium over, or a substantial discount to, the value of the Trust's TAO, less the Trust's expenses and other liabilities, and the Trust may be unable to meet its investment objective for the foreseeable future. While an investment in the Shares is not a direct investment in TAO, the Shares are designed to provide investors with a cost-effective and convenient way to gain investment exposure to TAO.

At this time, none of the Trust, the Sponsor, the Custodian, nor any other person associated with the Trust may, directly or indirectly, engage in Staking of the Trust's TAO on behalf of the Trust, meaning no action will be taken pursuant to which any portion of the Trust's TAO becomes used in any staking protocol or is used to earn additional digital assets or generate income or other earnings, and there can be no assurance that the Trust, the Sponsor, the Custodian or any other person associated with the Trust will ever be permitted to engage in Staking of the Trust's TAO or such income generating activity in the future.

Grayscale Investments Sponsors, LLC is the sponsor and administrator of the Trust (the "Sponsor"), CSC Delaware Trust Company is the trustee of the Trust (the "Trustee"), Continental Stock Transfer & Trust Company is the transfer agent of the Trust (in such capacity, the "Transfer Agent") and BitGo Trust Company, Inc. is the custodian of the Trust (the "Custodian"). The Shares are neither interests in nor obligations of the Sponsor or the Trustee.

Investments in the Shares involves significant risks. See "Risk Factors" starting on page 14.

The date of this Information Statement is October 10, 2025

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Neither the Sponsor nor the Trust have authorized anyone to provide you with information different from that contained in this Information Statement or any amendment or supplement to this Information Statement prepared by us or on our behalf. Neither the Sponsor nor the Trust take any responsibility for, or can provide any assurance as to the reliability of, any information other than the information in this Information Statement or any amendment or supplement to this Information Statement prepared by the Sponsor, the Trust or on the Trust's behalf. The information in this Information Statement is accurate only as of the date of this Information Statement.

In this Information Statement, unless otherwise stated or the context otherwise requires, "we," "our" and "us" refers to the Sponsor acting on behalf of the Trust.

Upon effectiveness of the registration statement on Form 10 of which this Information Statement is a part, this Information Statement will supplement and where applicable amend the Memorandum, as defined in the Trust's Amended and Restated Declaration of Trust and Trust Agreement, for general purposes.

INDUSTRY AND MARKET DATA

Although we are responsible for all disclosure contained in this Information Statement, 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 TAO 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" and "Risk Factors" in this Information Statement.

FORWARD-LOOKING STATEMENTS

This Information Statement contains "forward-looking statements" with respect to the Trust's financial conditions, results of operations, plans, objectives, future performance and business. Statements preceded by, followed by or that include words such as "may," "might," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of these terms and other similar expressions are intended to identify some of the forward-looking statements. All statements (other than statements of historical fact) included in this Information Statement 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 Trust's operations, the Sponsor's plans and references to the Trust'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 Sponsor made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. You should specifically consider the numerous risks outlined under "Risk Factors." Whether or not actual results and developments will conform to the Sponsor's expectations and predictions, however, is subject to a number of risks and uncertainties, including but not limited to:

- the extreme volatility of trading prices that many digital assets, including TAO, have experienced in recent periods and may continue to experience, which could cause the value of the Shares to be volatile and/or have a material adverse effect on the value of the Shares;
- the recency of the development of digital assets and the uncertain medium-to-long term value of the Shares due to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets;
- the value of the Shares depending on the acceptance of digital assets, such as TAO, which represent a new and rapidly evolving industry;
- a temporary or permanent "fork" or a "clone" of the Subtensor Blockchain that underpins the Bittensor Network could adversely affect the value of the Shares;
- recent developments in the digital asset economy which have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity;
- the value of the Shares relating directly to the value of TAO then held by the Trust, the value of which may be highly volatile and subject to fluctuations due to a number of factors;
- the largely unregulated nature and lack of transparency surrounding the operations of Digital Asset Trading Platforms, which may adversely affect the value of digital assets and, consequently, the value of the Shares;
- the limited history of the Reference Rate;
- the lack of active trading markets for the Shares, which may result in losses on investors' investments at the time of disposition of Shares;
- the possibility that illiquid markets may exacerbate losses or increase the variability between the Trust's NAV and its market price;
- competition from the emergence or growth of other digital assets could have a negative impact on the price of TAO and adversely affect the value of the Shares;
- because of the holding period under Rule 144, the lack of an ongoing redemption program, and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share;
- the possibility that, if publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between such Secondary Market and the Digital Asset Trading Platform Market;

- a determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust;
- regulatory changes or actions by the U.S. Congress or any U.S. federal or state agencies that may affect the value of the Shares or restrict the use of one or more digital assets, the use or the operation of their underlying networks or the Digital Asset Trading Platform Market in a manner that adversely affects the value of the Shares;
- changes in the policies of the U.S. Securities and Exchange Commission (the "SEC") that could adversely impact the value of the Shares;
- regulatory changes or other events in foreign jurisdictions that may affect the value of the Shares or restrict the use of one or more digital assets, the use or the operation of their underlying networks or the Digital Asset Trading Platform Market in a manner that adversely affects the value of the Shares;
- the possibility that an Authorized Participant, the Trust or the Sponsor could be subject to regulation as a money service business or money transmitter, which could result in extraordinary expenses to such Authorized Participant, the Trust or the Sponsor and also result in decreased liquidity for the Shares;
- regulatory changes or interpretations that could obligate the Trust or the Sponsor to register and comply with new regulations, resulting in potentially extraordinary, nonrecurring expenses to the Trust;
- potential conflicts of interest that may arise among the Sponsor or its affiliates and the Trust;
- the potential discontinuance of the Sponsor's continued services, which could be detrimental to the Trust;
- the lack of ability to participate in Staking (as defined herein), which could have adverse consequences for the Trust;
- the Trust's reliance on third-party service providers to perform certain functions essential to the affairs of the Trust and the challenges replacement of such service providers could pose to the safekeeping of the Trust's TAO and to the operations of the Trust;
- the Custodian's possible resignation or removal by the Sponsor or otherwise, without replacement, which could trigger early termination of the Trust; and
- additional risk factors discussed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Information Statement on Form 10, as well as those described from time to time in our future reports filed with the SEC.

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

Unless otherwise stated or the context otherwise requires, the terms "we," "our" and "us" in this Information Statement refer to the Sponsor acting on behalf of the Trust.

A glossary of industry and other defined terms is included in this Information Statement, beginning on page 125.

This Information Statement supplements and where applicable amends the Memorandum, as defined in the Trust's Amended and Restated Declaration of Trust and Trust Agreement, for general purposes.

DETERMINATION OF NAV

The Trust's TAO are carried, for financial statement purposes, at fair value, as required by the U.S. generally accepted accounting principles ("U.S. GAAP"). The Trust determines the fair value of TAO based on the price provided by the Digital Asset Market (defined below) that the Trust considers its principal market as of 4:00 p.m., New York time, on the valuation date. The net asset value of the Trust determined on a U.S. GAAP basis is referred to in this Information Statement as "Principal Market NAV." See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Principal Market and Fair Value Determination" for more information on the Trust's principal market selection.

To determine which market is the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's Principal Market NAV, the Trust 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 TAO in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that TAO 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 Trust only receives TAO in connection with a creation order from the Authorized Participant (or a Liquidity Provider as defined below in "Description of the Trust—Authorized Participants") and does not itself transact on any Digital Asset Markets. Therefore, the Trust 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 Information Statement), each as defined in the FASB ASC Master Glossary (collectively, "Digital Asset Markets").

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

- First, the Trust 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 Trust 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 Trust sorts these Digital Asset Markets from high to low by market-based volume and level of activity of TAO traded on each Digital Asset Market in the trailing twelve months.
- Third, the Trust 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 Trust 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 Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust 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. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust 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 Trust 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 Trust's determination of its principal market.

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

The Trust performed an assessment of the principal market as of June 30, 2025 and December 31, 2024, and identified the principal market as Coinbase and Kraken, respectively.

The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of TAO held by the Trust, determined by reference to the Reference Rate Price, less the Trust's expenses and other liabilities. The "Reference Rate Price" is the price set by Coin Metrics Real-Time Rate as of 4:00 p.m., New York time, on the valuation date. The Reference Rate Price is a real-time Reference Rate price, calculated using trade data from constituent markets selected by Coin Metrics, Inc., the "Reference Rate Provider". The Reference Rate Price is calculated using non-GAAP methodology and is not used in the Trust's financial statements. See "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price." If in the future the Trust's Shares publicly trade on such Secondary Market at a substantial premium, investors who purchase Shares on the Secondary Market will pay substantially more for their Shares than investors who purchase Shares in the private placement.

The Trust uses the Reference Rate Price to calculate its "NAV," which is the aggregate value, expressed in U.S. dollars, of the Trust's assets (other than U.S. dollars, other fiat currency, Incidental Rights or IR Virtual Currency), less the U.S. dollar value of the Trust's expenses and other liabilities, calculated in the manner set forth under "Valuation of TAO and Determination of NAV." "NAV per Share" is calculated by dividing NAV by the number of Shares then outstanding. NAV and NAV per Share are not measures calculated in accordance with GAAP. NAV is not intended to be a substitute for the Trust's Principal Market NAV calculated in accordance with GAAP, and NAV per Share is not intended to be a substitute for the Trust's Principal Market NAV per Share calculated in accordance with GAAP.

OVERVIEW

See "Glossary of Defined Terms" for the definition of certain capitalized terms used in this Information Statement. All other capitalized terms used, but not defined, herein have the meanings given to them in the Trust Agreement.

The Trust and the Shares

The Trust is a Delaware statutory trust that was formed on April 30, 2024 by the filing of the Certificate of Trust with the Delaware Secretary of State in accordance with the provisions of the Delaware Statutory Trust Act ("DSTA"). The Trust operates pursuant to the Trust Agreement. The Trust's purpose is to hold TAO.

TAO is a digital asset that is created and transmitted through the operations of the peer-to-peer Subtensor Blockchain, a distributed network of computers that operates on cryptographic protocols which underpins the Bittensor Network. No single entity owns or operates the Subtensor Blockchain or the wider Bittensor Network, the infrastructure of which is collectively maintained by a decentralized user base. The Subtensor Blockchain allows people to transmit tokens of value, called TAO, which are recorded on a public transaction ledger known as a blockchain. TAO can be used to participate in certain capacities on the Bittensor Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on Digital Asset Trading Platforms or in individual end-user-to-end-user transactions under a barter system. The Bittensor Network was designed to facilitate an open-access, peer-to-peer marketplace for artificial intelligence ("AI") models. Users can query the Bittensor Network's registered AI model collections to help with performing or resolving certain tasks, which are assessed by the Bittensor Network's unique ranking method. The results of this ranking system and transactions in TAO are recorded on the Subtensor Blockchain. The Bittensor Network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Bittensor Network protocol introduced the Yuma Consensus mechanism as a method to assess the performance of user-submitted AI generated output. Yuma Consensus is a mechanism whereby certain parties (known as "Miners") host AI models and make them available to the network. Miners form coalitions (known as "Subnets") based on the types of task they seek to perform. Subnets within the Bittensor Network are self-contained incentive frameworks for Miners to perform their duties according to specified predetermined rulesets. Other parties (known as "Validators") rank Miners' AI generated output within a Subnet based on how effectively they believe the Miners are accomplishing the task specified by the Subnet. The goal is to help application developers and other users of the Bittensor Network ("Consumers") find the best AI generated solutions for their purposes. Under Yuma Consensus, a Validator's weight in ranking Miners depends on how much TAO that Validator has "staked," or locked up to signal support, for their validating efforts. Validators may stake TAO on their own behalf, or other TAO-holders ("Delegators") may "delegate," or stake TAO to support another party's validation efforts.

As of June 30, 2025, TAO had a circulating supply of 8.9 million tokens As of June 30, 2025, the 24-hour trading volume and the aggregate market value of TAO were approximately $47.0 million and $3.0 billion, respectively. As of June 30, 2025, TAO was the 33rd largest digital asset by market capitalization as tracked by CoinMarketCap.com.

As of June 30, 2025, the Trust holds 0.03% of the TAO in circulation. The size of the Trust's position does not itself enable the Sponsor or the Trust to participate in or otherwise influence the development of the Bittensor Network. However, DCG, the sole equity holder and indirect parent company of the Sponsor, is reported to be one of the largest holders of TAO, and has investments in companies closely involved in the Bittensor ecosystem. See "Conflicts of Interest." As a decentralized digital asset network, the Bittensor Network consists of several stakeholders, including core developers of the Bittensor Network, Miners, Validators, Consumers, and other users, services, businesses, providers and other constituencies, of which the Trust is only one constituent. Furthermore, in contrast to other protocols in which token holders participate in the governance of the network, ownership of TAO confers no such rights.

The Trust issues Shares, which represent common units of fractional undivided beneficial interest in, and ownership of, the Trust, on a periodic basis to certain "accredited investors" within the meaning of Rule 501(a) of

Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). The Trust issues Shares only in one or more whole Baskets. A Basket equals 100 Shares. The creation of a Basket requires the delivery to the Trust of the number of TAO represented by one Share immediately prior to such creation multiplied by 100. See "Description of Creation of Shares."

Shares purchased in a private placement are restricted securities that may not be resold except in transactions exempt from registration under the Securities Act and state securities laws and any such transaction must be approved in advance by the Sponsor. In determining whether to grant approval, the Sponsor will specifically look at whether the conditions of Rule 144 under the Securities Act, including the requisite holding period thereunder, and any other applicable laws have been met. Any attempt to sell such Shares without the approval of the Sponsor in its sole discretion will be void ab initio. See "—Description of the Shares—Transfer Restrictions" for more information.

Pursuant to Rule 144, once the Trust has been subject to the reporting requirements of Section 13 under the Exchange Act for a period of 90 days, the minimum holding period for Shares purchased in the private placement will be shortened from one year to six months. As a result, Shares purchased in the private placement will be able to have their transfer restriction legends removed sooner.

At this time, the Trust is not operating a redemption program for the Shares and is not accepting redemption requests from Shareholders, and therefore Shares are not redeemable by the Trust. In addition, the Trust may from time to time halt creations, including for extended periods of time, for a variety of reasons, including in connection with forks, airdrops and other similar occurrences. As a result of these factors, in addition to the holding period under Rule 144, Authorized Participants are not able to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's NAV per Share, which may cause the Shares, if traded on any Secondary Market in the future, to trade at a substantial premium over, or a substantial discount to, the value of the Trust's NAV per Share.

Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. If such regulatory approval is granted and the Sponsor approves a redemption program, the Shares will be redeemable in accordance with the provisions of the Trust Agreement and the relevant Authorized Participant Agreement. Although the Sponsor cannot predict with certainty what effect, if any, the operation of a redemption program would have on the trading price of the Shares, a redemption program would allow Authorized Participants to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's TAO, less the Trust's expenses and other liabilities, which may have the effect of reducing any premium or discount at which the Shares trade on a Secondary Market, if any, over or below such value respectively. As such, the Shares, if traded on any Secondary Market in the future, will likely trade at prices that do not reflect the Trust's NAV per Share, and could include substantial discounts.

For a discussion of risks relating to the deviation in the trading price of the Shares from the NAV per Share, see "Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares have historically traded at a substantial premium over, and may trade at a substantial discount to, the NAV per Share," "Risk Factors—Risk Factors Related to the Trust and the Shares—If publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between such Secondary Market and the Digital Asset Trading Platform," "Risk Factors—Risk Factors Related to the Trust and the Shares—Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share" and "Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

Pursuant to the terms of the Trust Agreement, the Trust is required to dissolve under certain circumstances. In addition, the Sponsor may, in its sole discretion, dissolve the Trust for a number of reasons, including if the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust. For example, if the Sponsor determines that TAO is a security under the federal securities laws, whether that

determination is initially made by the Sponsor itself, or because the SEC or a federal court subsequently makes that determination, the Sponsor does not intend to permit the Trust to continue holding TAO in violation of the federal securities laws (and therefore would either dissolve the Trust or potentially seek to operate the Trust in a manner that complies with the federal securities laws, including the Investment Company Act of 1940 (the "Investment Company Act")). See "Description of Trust Documents—The Trustee—Termination of the Trust" for additional discussion of the circumstances under which the Trust could be dissolved. See "Risk Factors—Risks Related to the Trust and the Shares—A determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust."

Investment Objective

The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of the TAO held by the Trust, determined by reference to the Reference Rate Price, less the Trust's expenses and other liabilities. To date, the Trust has not met its investment objective. In the event the Shares trade on a Secondary Market in the future at a substantial premium, investors who purchase Shares on such Secondary Market will pay substantially more for their Shares than investors who purchase Shares in a private placement. The value of the Shares may not reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities, for a variety of reasons, including the holding period under Rule 144 for Shares purchased in a private placement, the lack of an ongoing redemption program, any halting of creations by the Trust, TAO price volatility, trading volumes on, or closures of, trading platforms where digital assets trade due to fraud, failure, security breaches or otherwise, and, if applicable in the future, the non-current trading hours between Secondary Markets and the global trading platform market for trading TAO. As a result, the Shares may continue to trade at a substantial premium over, or a substantial discount to, the value of the Trust's TAO, less the Trust's expenses and other liabilities, and the Trust may be unable to meet its investment objective for the foreseeable future.

Valuation of TAO and NAV

The Trust's NAV is the aggregate value of the Trust's net assets at any time, expressed in U.S. dollars, and therefore represents the aggregate U.S. dollar value of TAO held by the Trust (other than U.S. dollars, other fiat currency, Incidental Rights or IR Virtual Currency), less the U.S. dollar value of its expenses and other liabilities. The Trust uses the Reference Rate Price to value its TAO for operational purposes and calculate its NAV. The Reference Rate Price is calculated using non-GAAP methodology and is not used in the Trust's financial statements. See "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price."

There may be variances in the prices of TAO on the various Digital Asset Trading Platforms, including as a result of differences in fee structures or administrative procedures on different Digital Asset Trading Platforms. For example, based on data provided by the Reference Rate Provider, on any given day during the twelve-month period ended June 30, 2025, the maximum differential between the 4:00 p.m., New York time spot price of any single Digital Asset Trading Platform included in the Reference Rate and the Reference Rate Price was 8.53% and the average of the maximum differentials of the 4:00 p.m., New York time spot price of each Digital Asset Trading Platform included in the Reference Rate and the Reference Rate Price was 1.57%. During this same period, the average differential between the 4:00 p.m., New York time spot prices of all the Digital Asset Trading Platforms included in the Reference Rate and the Reference Rate Price was 0.005%. All Digital Asset Trading Platforms that were included in the Reference Rate throughout the period were considered in this analysis

The Reference Rate Provider has sole discretion over the determination of Reference Rate Price and may change the methodologies for determining the Reference Rate Price from time to time. If the Reference Rate Price becomes unavailable, or if the Sponsor determines in good faith that the Reference Rate Price does not reflect an accurate TAO price, then the Sponsor will, on a best efforts basis, contact the Reference Rate Provider to obtain the Reference Rate Price directly from the Reference Rate Provider. If after such contact the Reference Rate Price remains unavailable or the Sponsor continues to believe in good faith that such Reference Rate Price does not reflect an accurate TAO price, then the Sponsor will employ a cascading set of rules to determine the Reference Rate Price, as described in "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price."

As of September 30, 2025, the NAV per Share, which is equal to the price at which Shares are issued to the Authorized Participant, was $5.91.

Incidental Rights and IR Virtual Currency

The Trust may from time to time come into possession of Incidental Rights and/or IR Virtual Currency by virtue of its ownership of TAO, generally through a fork in the Subtensor Blockchain, an airdrop offered to holders of TAO or other similar event. Pursuant to the terms of the Trust Agreement, the Trust may take any lawful action necessary or desirable in connection with the Trust's ownership of Incidental Rights, including the acquisition of IR Virtual Currency, unless such action would adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes or otherwise be prohibited by the Trust Agreement. These actions include (i) selling Incidental Rights and/or IR Virtual Currency in the Digital Asset Market and distributing the cash proceeds to shareholders, (ii) distributing Incidental Rights and/or IR Virtual Currency in-kind to the shareholders or to an agent acting on behalf of the shareholders for sale by such agent if an in-kind distribution would otherwise be infeasible and (iii) irrevocably abandoning Incidental Rights or IR Virtual Currency. The Trust may also use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee and Additional Trust Expenses, if any, as discussed below under "—Expenses; Sales of TAO." However, the Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for purposes of determining the Trust's NAV, the NAV per Share, the Principal Market NAV and the Principal Market NAV per Share.

With respect to any fork, airdrop or similar event, the Sponsor may, in its discretion, decide to cause the Trust to distribute the Incidental Rights or IR Virtual Currency in-kind to an agent of the shareholders for resale by such agent, or to irrevocably abandon the Incidental Rights or IR Virtual Currency. In the case of a distribution in-kind to an agent acting on behalf of the shareholders, the shareholders' agent will attempt to sell the Incidental Rights or IR Virtual Currency, and if the agent is able to do so, will remit the cash proceeds to shareholders, net of expenses and any applicable withholding taxes. There can be no assurance as to the price or prices for any Incidental Rights or IR Virtual Currency that the agent may realize, and the value of the Incidental Rights or IR Virtual Currency may increase or decrease after any sale by the agent. In the case of abandonment of Incidental Rights or IR Virtual Currency, the Trust would not receive any direct or indirect consideration for the Incidental Rights or IR Virtual Currency and thus the value of the Shares will not reflect the value of the Incidental Rights or IR Virtual Currency.

On March 12, 2025, the Sponsor delivered to the Custodian a notice (the "Pre-Creation Abandonment Notice") stating that the Trust is abandoning irrevocably for no direct or indirect consideration, effective immediately prior to each time at which the Trust creates Shares (any such time, a "Creation Time"), all Incidental Rights and IR Virtual Currency to which it would otherwise be entitled as of such time (any such abandonment, a "Pre-Creation Abandonment"); provided that a Pre-Creation Abandonment will not apply to any Incidental Rights and/or IR Virtual Currency if (i) the Trust has taken, or is taking at such time, an Affirmative Action to acquire or abandon such Incidental Rights and/or IR Virtual Currency at any time prior to such Creation Time or (ii) such Incidental Rights and/or IR Virtual Currency has been subject to a previous Pre-Creation Abandonment. An Affirmative Action refers to a written notification from the Sponsor to the Custodian of the Trust's intention (i) to acquire and/or retain any Incidental Rights and/or IR Virtual Currency or (ii) to abandon, with effect prior to the relevant Creation Time, any Incidental Rights and/or IR Virtual Currency.

Staking

Staking on the Bittensor Network refers to using TAO, or permitting TAO to be used, directly or indirectly, through an agent or otherwise, in a staking protocol, in exchange for the receipt of consideration, including, but not limited to, staking rewards paid in fiat currency or paid in kind (collectively, "Staking"). At this time, none of the Trust, the Sponsor, the Custodian, nor any other person associated with the Trust may, directly or indirectly, engage in Staking of the Trust's TAO on behalf of the Trust, meaning no action will be taken pursuant to which any portion of the Trust's TAO becomes used in any staking protocol or is used to earn additional digital assets or generate income or other earnings, and there can be no assurance that the Trust, the Sponsor, the Custodian or any other person associated with the Trust will ever be permitted to engage in Staking of the Trust's TAO or such income generating activity in the future. Under current law, there can be no assurance that Staking the Trust's TAO would be consistent with the intended treatment of the Trust as a grantor trust for U.S. federal income tax purposes.

To the extent the Trust were to amend its Trust Agreement to permit Staking of the Trust's TAO, in the future the Trust may seek to establish a program to use its TAO in a staking protocol to receive rewards comprising additional TAO or other digital assets in respect of a portion of its TAO holdings. However, as long as such conditions and requirements have not been satisfied, the Trust will not use its TAO in a staking protocol to receive

rewards comprising additional TAO or other digital assets in respect of its TAO holdings. The current inability of the Trust to use its TAO in Staking and receive rewards could place the Shares at a comparative disadvantage relative to an investment in TAO directly or through a vehicle that is not subject to such a prohibition, which could negatively affect the value of the Shares. See "Risk Factor—Risk Factors Related to the Trust and the Shares—The Trust is not permitted to engage in Staking, which could negatively affect the value of the Shares."

Trust Expenses

The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee. The Sponsor's Fee will accrue daily in U.S. dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day; provided that for a day that is not a business day, the calculation will be based on the NAV Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. This dollar amount for each daily accrual will then be converted into TAO by reference to the same Reference Rate Price used to determine such accrual. The Sponsor's Fee is payable in TAO to the Sponsor monthly in arrears.

If the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may also pay the Sponsor's Fee, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by transferring such Incidental Rights and/or IR Virtual Currency to the Sponsor. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee only if such transfer does not otherwise conflict with the terms of the Trust Agreement. In the case of Incidental Rights or IR Virtual Currency other than cash, such Incidental Rights or IR Virtual Currency other than cash shall be transferred at fair market value, as determined in good faith by the Sponsor. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to a Reference Rate provided by the Reference Rate Provider or, in the absence of such Reference Rate, by reference to the cascading set of rules described in "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced.

To cause the Trust to pay the Sponsor's Fee, the Sponsor will instruct the Custodian to withdraw from the Digital Asset Account the number of TAO, Incidental Rights and/or IR Virtual Currency equal to the accrued but unpaid Sponsor's Fee and transfer such TAO, Incidental Rights and/or IR Virtual Currency to the Sponsor's account at such times as the Sponsor determines in its absolute discretion. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee in its sole discretion. Presently, the Sponsor does not intend to waive any of the Sponsor's Fee and there are no circumstances under which the Sponsor has determined it will definitely waive the fee.

After the Trust's payment of the Sponsor's Fee to the Sponsor, the Sponsor may elect to convert the TAO, Incidental Rights and/or IR Virtual Currency received as payment of the Sponsor's Fee into U.S. dollars. The rate at which the Sponsor converts such TAO, Incidental Rights and/or IR Virtual Currency to U.S. dollars may differ from the rate at which the relevant Sponsor's Fee was determined. The Trust will not be responsible for any fees and expenses incurred by the Sponsor to convert TAO, Incidental Rights and/or IR Virtual Currency received in payment of the Sponsor's Fee into U.S. dollars.

As partial consideration for its receipt of the Sponsor's Fee, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including: the Marketing Fee; the Administrator Fee, if any; the Custodian Fee and fees for any other security vendor engaged by the Trust; the Transfer Agent Fee; the Trustee fee; 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; printing and mailing costs; costs of maintaining the Trust's website; and applicable license fees (the "Sponsor-paid Expenses"), provided that any expense that qualifies as an Additional Trust Expense will be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense.

The Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights or any IR Virtual Currency), any indemnification of the Custodian or other agents, service providers or counterparties of the Trust, 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 Trust Expenses").

In such circumstances, the Sponsor or its delegate (i) will instruct the Custodian to withdraw from the Digital Asset Account TAO, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust (or its delegate) to convert such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such TAO, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor in satisfaction of such Additional Trust Expenses. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay Additional Trust Expenses only if doing so does not otherwise conflict with the terms of the Trust Agreement. In the case of Incidental Rights or IR Virtual Currency other than cash, such Incidental Rights or IR Virtual Currency other than cash shall be transferred at fair market value, as determined in good faith by the Sponsor. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to a reference rate provided by the Reference Rate Provider or, in the absence of such reference rate, by reference to the cascading set of rules described in "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays the Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced. The number of TAO represented by a Share will decline each time the Trust pays the Sponsor's Fee or any Additional Trust Expenses by transferring or selling TAO. See "Expenses; Sales of TAO."

The quantity of TAO, Incidental Rights or IR Virtual Currency to be delivered to the Sponsor or other relevant payee in payment of the Sponsor's Fee or any Additional Trust Expenses, or sold to permit payment of Additional Trust Expenses, will vary from time to time depending on the level of the Trust's expenses and the value of TAO, Incidental Rights or IR Virtual Currency held by the Trust. See "Activities of the Trust—Trust Expenses." Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, each delivery or sale of TAO, Incidental Rights an IR Virtual Currency by the Trust for the payment of expenses will be a taxable event to shareholders. See "Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

Summary of Risk Factors

Investing in the Shares involves risks. You should carefully consider the risks described in the "Risk Factors" section beginning on page 14 before making a decision to invest in the Shares. If any of these risks actually occur, the Trust's business, financial condition or results of operations may be materially adversely affected. In such case, the trading price of the Shares would likely decline, and you may lose all or part of your investment. The following is a summary of some of the principal risks the Trust faces:

- Extreme volatility of trading prices that many digital assets, including TAO, have experienced in recent periods and may continue to experience, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value;
- The medium-to-long term value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets;
- The value of the Shares is dependent on the acceptance of digital assets, such as TAO, which represent a new and rapidly evolving industry;
- Digital assets may have concentrated ownership and large sales or distributions by holders of such digital assets could have an adverse effect on the market price of such digital assets;

- A temporary or permanent "fork" or a "clone" of the Subtensor Blockchain that underpins the Bittensor Network could adversely affect the value of the Shares;
    - Recent developments in the digital asset economy have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity;
    - The value of the Shares relates directly to the value of TAO held by the Trust, the value of which may be highly volatile and subject to fluctuations;
    - Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share;
    - The possibility that, if publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between such Secondary Market and the Digital Asset Trading Platform Market;
    - The largely unregulated nature and lack of transparency surrounding the operations of Digital Asset Trading Platforms may adversely affect the value of digital assets and, consequently, the value of the Shares;
    - The limited history of the Reference Rate;
    - The lack of active trading markets for the Shares, which may result in losses on investors' investments at the time of disposition of Shares;
    - The possibility that illiquid markets may exacerbate losses or increase the variability between the Trust's NAV and its market price;
    - Competition from the emergence or growth of other digital assets could have a negative impact on the price of TAO and adversely affect the value of the Shares;
    - Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share;
    - A determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust;
    - Regulatory changes or actions by the U.S. Congress or any U.S. federal or state agencies may affect the value of the Shares or restrict the use of TAO, the use or the operation of the Bittensor Network or the Digital Asset Markets in a manner that adversely affects the value of the Shares;
    - Changes in the policies of the SEC could adversely impact the value of the Shares;
    - The lack of ability to participate in Staking, which could have adverse consequences for the Trust;
    - The Trust's reliance on third-party service providers to perform certain functions essential to the affairs of the Trust and the challenges replacement of such service providers could pose to the safekeeping of the Trust's TAO and to the operations of the Trust;
    - Regulatory changes or other events in foreign jurisdictions may affect the value of the Shares or restrict the use of one or more digital assets, the use or the operation of their networks or the Digital Asset Trading Platform Market in a manner that adversely affects the value of the Shares;
    - The Authorized Participant, the Trust or the Sponsor could be subject to regulation as a money service business or money transmitter, which could result in extraordinary expenses to the Authorized Participant, the Trust or the Sponsor and also result in decreased liquidity for the Shares;
    - Regulatory changes or interpretations could obligate the Trust or the Sponsor to register and comply with new regulations, resulting in potentially extraordinary, nonrecurring expenses to the Trust;

- Conflicts of interest may arise among the Sponsor or its affiliates and the Trust;
- The Sponsor's services may be discontinued, which could be detrimental to the Trust; and
- If the Custodian resigns or is removed by the Sponsor or otherwise, without replacement, it could trigger early termination of the Trust.

Emerging Growth Company Status

The Trust is an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as the Trust is an emerging growth company, unlike other public companies, it will not be required to, among other things:

- provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002; or
- comply with any new audit rules adopted by the PCAOB after April 5, 2012, unless the SEC determines otherwise.

The Trust will cease to be an "emerging growth company" upon the earliest of (i) it having $1.235 billion or more in annual revenues, (ii) it becomes a "large accelerated filer," as defined in Rule 12b-2 of the Exchange Act, (iii) it issuing more than $1.0 billion of non-convertible debt over a three-year period or (iv) the last day of the fiscal year following the fifth anniversary of its initial public offering.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies; however, the Trust is choosing to "opt out" of such extended transition period, and as a result, the Trust will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Section 107 of the JOBS Act provides that the Trust's decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Principal Offices

The Sponsor's principal office is located at 290 Harbor Drive, 4th Floor, Stamford, CT 06902 and its telephone number is (212) 668-1427. The Trustee's principal office is located at 251 Little Falls Drive, Wilmington, DE 19808. The Custodian's principal office is located at 200 Park Avenue South, Suite 1208, New York, NY 10003.

RISK FACTORS

An investment in the Shares involves certain risks as described below. These risks should also be read in conjunction with the other information included in this Information Statement, including the Trust's financial statements and related notes thereto.

See "Glossary of Defined Terms" for the definition of certain capitalized terms used in this Information Statement. All other capitalized terms used, but not defined, herein have the meanings given to them in the Trust Agreement.

Risk Factors Related to Digital Assets

The trading prices of many digital assets, including TAO, have experienced extreme volatility in recent periods and may continue to do so. Extreme volatility in the future, including declines in the trading prices of TAO, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value.

The trading prices of many digital assets, including TAO, have experienced extreme volatility throughout their existence, including in recent periods, and may continue to do so. For instance, digital asset prices, including TAO, experienced significant volatility throughout 2021 and 2022. This volatility became extreme in November 2022 when FTX Trading Ltd. ("FTX") , then a major Digital Asset Trading Platform, halted customer withdrawals. See "—Recent developments in the digital asset economy have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity." Digital asset prices, including TAO, have continued to fluctuate widely through the date of this Information Statement.

Extreme volatility in the future, including declines in the trading prices of TAO, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value. Furthermore, negative perception, a lack of stability and standardized regulation in the digital asset economy may reduce confidence in the digital asset economy and may result in greater volatility in the price of TAO and other digital assets, including a depreciation in value. The Trust is not actively managed and will not take any actions to take advantage, or mitigate the impacts, of volatility in the price of TAO. For additional information that quantifies the volatility of TAO prices and the value of the Shares, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Historical NAV and TAO Prices."

Furthermore, changes in U.S. political leadership and economic policies may create uncertainty that materially affects the price of TAO and the Trust's Shares. For example, on March 6, 2025, President Trump signed an executive order to establish a Strategic Bitcoin Reserve and a United States Digital Asset Stockpile. Pursuant to this executive order, the Strategic Bitcoin Reserve will be capitalized with Bitcoin owned by the Department of Treasury that was forfeited as part of criminal or civil asset forfeiture proceedings, and the Secretaries of Treasury and Commerce are authorized to develop budget-neutral strategies for acquiring additional Bitcoin, provided that those strategies impose no incremental costs on American taxpayers. Conversely, the Digital Asset Stockpile will consist of all digital assets other than Bitcoin owned by the Department of Treasury that were forfeited in criminal or civil asset forfeiture proceedings, but the U.S. government will not acquire additional assets for the U.S. Digital Asset Stockpile beyond those obtained through such proceedings. The anticipation of a U.S. government-funded strategic cryptocurrency reserve had motivated large-scale purchases of certain digital assets in the expectation of the U.S. government acquiring such digital assets to fund such reserve, and the market price of such digital assets decreased significantly as a result of the ultimate content of the executive order. Any similar action or omission by the U.S. federal administration or other government authorities with respect to TAO or other digital assets may negatively and significantly impact the price of TAO and the Trust's Shares.

Digital assets such as TAO were only introduced within the past two decades, and the medium-to-long term value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of digital assets.

Digital assets such as TAO were only introduced within the past two decades, and the medium-to-long term value of the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies, such as the recency of their development, their dependence on the internet and other technologies,

their dependence on the role played by users, developers and validators and the potential for malicious activity. For example, the realization of one or more of the following risks could materially adversely affect the value of the Shares:

- Digital asset networks and related protocols are in the early stages of development. Given the recency of the development of digital asset networks and related protocols, digital assets and the underlying digital asset networks and related protocols may not function as intended and parties may be unwilling to use digital assets, which would dampen the growth, if any, of digital asset networks and related protocols.
- The loss of access to a private key required to access a digital asset may be irreversible. If a private key is lost and no backup of the private key is accessible, or if the private key is otherwise compromised, the owner would be unable to access the digital asset corresponding to that private key.
- Digital asset networks and related protocols are dependent upon the internet. A disruption of the internet or a digital asset network or related protocol, such as the Bittensor Network, would affect the ability to transfer digital assets, including TAO, and, consequently, their value.
- The acceptance of software patches or upgrades to a digital asset network by a significant, but not overwhelming, percentage of the users and validators in a digital asset network, such as the Bittensor Network, could result in a "fork" in such network's blockchain, resulting in the operation of multiple separate blockchain networks.
- Many digital asset networks face significant scaling challenges and are being upgraded with various features to increase the speed and throughput of digital asset transactions. These attempts to increase the volume of transactions may not be effective.
- The open-source structure of many digital asset network protocols, such as the protocol for the Bittensor Network, means that developers and other contributors are generally not directly compensated for their contributions in maintaining and developing such protocols. As a result, the developers and other contributors of a particular digital asset may lack a financial incentive to maintain or develop the network or may lack the resources to adequately address emerging issues. Alternatively, some developers may be funded by companies whose interests are at odds with other participants in a particular digital asset network. A failure to properly monitor and upgrade the protocol of the Bittensor Network could damage that network.
- Moreover, in the past, flaws in the source code for digital asset networks and related protocols have been exposed and exploited, including flaws that disabled some functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography underlying the Bittensor Network could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to take the Trust's TAO, which would adversely affect the value of the Shares. Moreover, functionality of the Bittensor Network may be negatively affected by such an exploit such that it is no longer attractive to users, thereby dampening demand for TAO. Even if another digital asset other than TAO were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital asset networks and related protocols generally could negatively affect the demand for digital assets and therefore adversely affect the value of the Shares.

Moreover, because digital assets, including TAO, have existed for a short period of time and are continuing to be developed, there may be additional risks to digital asset networks and related protocols that are impossible to predict as of the date of this Information Statement.

Digital assets represent a new and rapidly evolving industry, and the value of the Shares depends on the acceptance of TAO.

The first digital asset, Bitcoin, was launched in 2009. TAO launched in 2021. In general, digital asset networks, including the Bittensor Network and related protocols represent a new and rapidly evolving industry that is subject to a variety of factors that are difficult to evaluate. For example, the realization of one or more of the following risks could materially adversely affect the value of the Shares:

- Banks and other established financial institutions, whether voluntarily or in response to regulatory feedback, may refuse to process funds for TAO transactions; process wire transfers to or from Digital Asset Trading Platforms, TAO-related companies or service providers; or maintain accounts for persons or entities transacting in TAO. As a result, the prices of TAO are largely determined by speculators and validators, thus contributing to price volatility that makes retailers less likely to accept TAO in the future.
- Banks may not provide banking services, or may cut off banking services, to businesses that provide digital asset-related services or that accept digital assets as payment, which could dampen liquidity in the market and damage the public perception of digital assets generally or any one digital asset in particular, such as TAO, and their or its utility as a payment system, which could decrease the price of digital assets generally or individually.
- The prices of digital assets may be determined on a relatively small number of Digital Asset Trading Platforms by a relatively small number of market participants, many of whom are speculators or those intimately involved with the issuance of such digital assets, such as validators or developers, which could contribute to price volatility that makes retailers less likely to accept digital assets in the future.
- Certain privacy-preserving features have been or are expected to be introduced to a number of digital asset networks. If any such features are introduced to the Bittensor Network, any trading platforms or businesses that facilitate transactions in TAO may be at an increased risk of criminal or civil lawsuits, or of having banking services cut off if there is a concern that these features interfere with the performance of anti-money laundering duties and economic sanctions checks.
- Users, developers and validators may switch to or adopt certain digital asset networks or protocols at the expense of their engagement with other digital asset networks and protocols, which may negatively impact those networks and protocols, including the Bittensor Network.

The Bittensor Network was only conceived around 2017 and its Yuma Consensus or its Proof-of-Authority consensus mechanisms may not function as intended, which could have an adverse impact on the value of TAO and an investment in the Shares.

The Bittensor Network was first conceived by the pseudonymous Yuma Rao in a whitepaper, and introduced the Yuma Consensus mechanism ("Yuma Consensus") as a method to assess the performance of user-submitted AI generated outputs. The Bittensor Network's underlying Subtensor Blockchain also operates on a consensus mechanism known as "Proof-of-Authority" or "PoA" to confirm transactions. Under PoA, certain computers ("Nodes") automatically order on-chain transactions by creating a historical record showing that an event or transaction has occurred at a moment in time relative to others. Nodes can only be admitted to the network by the network's administrator, which is the Opentensor Foundation. A majority of the Subtensor Blockchain's Nodes are owned or controlled by the Opentensor Foundation. PoA is intended to provide a transaction processing speed and capacity advantage over traditional Proof-of-Work ("PoW") and Proof-of-Stake ("PoS") networks, which rely on sequential production of blocks and can lead to delays caused by validator confirmations, and is thought of as simpler to upgrade and to fix errors.

Both Yuma Consensus and PoA are new blockchain technologies that are not widely used, and may not function as intended. For example, they may require more specialized equipment to participate in the network and fail to attract a significant number of users. Yuma Consensus is still experimental, and it is still unclear to what degree it may deliver its intended results, if at all. The development of the Bittensor Network is ongoing and any further disruption could have a material adverse effect on the value of TAO and an investment in the Shares. Yuma Consensus involves coming to agreement over outputs which are subjective, which could cause the outputs of AI generated outputs to be less accurate or effective. Yuma Consensus is also highly experimental, and it might be exploitable by those seeking its rewards without contributing to the protocol as intended or whose interests are not aligned with the larger Bittensor ecosystem.

In addition, there may be flaws in the cryptography or security underlying PoA, including flaws that affect functionality of the Bittensor Network or make the network vulnerable to attack or failure. This risk can be considered heightened for a blockchain network whose majority of blockchain nodes are controlled by a single party, such as is the case with the Bittensor Network. For example, the party who controls the majority of a blockchain's nodes may engage in self-interested behavior that is not beneficial to the network as a whole. Further,

with single party control, a blockchain's nodes may be more likely to be compromised by a nefarious actor. In an example from another digital asset network, in March 2022, the nodes of the party who controlled a majority of nodes for the PoA-based Ronin blockchain network were compromised by an attacker, allowing the attacker to steal over $600 million in digital-assets. Similarly, it is possible that upgrades to a PoA network like the Bittensor Network are not widely verified before deployment, which may cause unintended consequences. For example, in March 2024, the Subtensor Blockchain implemented an update that removed code necessary to the network's proper operation, preventing the creation of new blocks. While PoA did allow a further update to be deployed to begin restoring the network within an hour, such programmatic flaws may be better detected in networks that encourage more diverse ownership of nodes such as PoW or PoS.

Moreover, it is possible that operations of a PoA network may be affected or restricted by a party that controls its nodes. For example, in July 2024, the Opentensor Foundation reported that several wallets were drained due to a security incident in which an attacker distributed malicious software that was disguised as a legitimate upgrade package allowed the attacker to gain illegitimate access to private keys of those users who downloaded the package and initiate unauthorized transactions to the attacker's wallet addresses. Consequently, the Opentensor Foundation team placed the blockchain in "safe mode" and did not fully reopen the network for ten days. The result was that transactions on the Subtensor Blockchain were paused while the Opentensor Foundation team investigated and attempted to alleviate the effects of the attack. Any future measures affecting the normal operations of the Subtensor Blockchain, even if successful, could negatively impact the value of TAO and the value of the Shares of the Trust.

Smart contracts are a new technology and ongoing development may magnify initial problems, cause volatility on the networks that use smart contracts and reduce interest in them, which could have an adverse impact on the value of TAO.

Smart contracts are programs that run on a blockchain that execute automatically when certain conditions are met. Since smart contracts typically cannot be stopped or reversed, vulnerabilities in their programming can have damaging effects. For example, in June 2016, a vulnerability in the smart contracts underlying The DAO, a distributed autonomous organization for venture capital funding, allowed an attack by a hacker to syphon approximately $60 million worth of Ether from The DAO's accounts into a segregated account. In the aftermath of the theft, certain developers and core contributors pursued a "hard fork" of the Ethereum network in order to erase any record of the theft. Despite these efforts, the price of Ether dropped approximately 35% in the aftermath of the attack and subsequent hard fork. In addition, in July 2017, a vulnerability in a smart contract for a multi-signature wallet software developed by Parity led to a $30 million theft of Ether, and in November 2017, a new vulnerability in Parity's wallet software led to roughly $160 million worth of Ether being indefinitely frozen in an account. In another example, in February 2022, a vulnerability in a smart contract for Wormhole, a bridge between the Ethereum and Solana networks led to a $320 million theft of Ether. 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. Other smart contracts, such as bridges between blockchain networks and DeFi protocols have also been manipulated, exploited or used in ways that were not intended or envisioned by their creators such that attackers syphoned over $3.8 billion worth of digital assets from smart contracts in 2022. Initial problems and continued problems with the development, design and deployment of smart contracts may have an adverse effect on the value of TAO, which could have a negative impact on the value of the Shares.

Changes in the governance of a digital asset network or protocol may not receive sufficient support from users and validators, which may negatively affect that digital asset network's or protocol's ability to grow and respond to challenges.

The governance of some digital asset networks and protocols is generally by voluntary consensus and open competition. For such networks and protocols, there may be a lack of consensus or clarity on that network's or protocol's governance, which may stymie such network's or protocol's utility, adaptability and ability to grow and face challenges.

The foregoing notwithstanding, the underlying software for some digital asset networks and protocols, such as the Bittensor Network, is informally or formally managed or developed by a group of core developers that propose amendments to the relevant network's or protocol's source code. Core developers' roles may evolve over time, generally based on self-determined participation. Because the Opentensor Foundation develops and implements updates to the Bittensor Network, they may develop and implement, and users and validators may adopt amendments to the Bittensor Network that may adversely affect the value of TAO.

As a result of the foregoing, it may be difficult to find solutions or marshal sufficient effort to overcome any future problems, especially long-term problems, on digital asset networks.

Digital asset networks face significant scaling challenges and efforts to increase the volume and speed of transactions may not be successful.

Many digital asset networks face significant scaling challenges due to the fact that public, permissionless blockchains generally face a tradeoff between security and scalability. One means through which digital asset networks that utilize public, permissionless blockchains achieve security is decentralization, meaning that no intermediary is responsible for securing and maintaining these systems. For example, a greater degree of decentralization of a public, permissionless blockchain generally means a given digital asset network is less susceptible to manipulation or capture. In practice, this typically means that every single node on a given digital asset network is responsible for securing the system by processing every transaction and maintaining a copy of the entire state of the network. As a result, a digital asset network that utilizes a public permissionless blockchain may be limited in the number of transactions it can process by the computing capabilities of each single fully participating node. Many developers are actively researching and testing scalability solutions for public blockchains that do not necessarily result in lower levels of security or decentralization, such as off-chain payment channels and Layer 2 networks. Off-chain payment channels would allow parties to transact without requiring the full processing power of a blockchain. Layer 2 networks can increase the scalability of a blockchain by allowing users to transact on a second blockchain deployed on top of a "Layer 1" network.

In an effort to increase the volume of transactions that can be processed on a given digital asset network, many digital assets are being upgraded with various features to increase the speed and throughput of digital asset transactions. For example, in August 2017, the Bitcoin Network was upgraded with a technical feature known as "Segregated Witness" that potentially doubles the transactions per second that can be handled on-chain. More importantly, Segregated Witness also enables so-called second layer solutions, such as the Lightning Network, or payment channels that greatly increase transaction throughput (i.e., millions of transactions per second). Wallets and "intermediaries," or connecting nodes that facilitate payment channels, that support Segregated Witness or Lightning Network-like technologies have not seen wide-scale use as of June 30, 2025. Additionally, questions remain regarding Lightning Network services, such as its cost and who will serve as intermediaries.

As corresponding increases in throughput lag behind growth in the use of digital asset networks, average transaction fees and settlement times may increase considerably. For example, the Bitcoin network has been, at times, at capacity, which has led to increased transaction fees. Since January 1, 2022, Bitcoin average daily transaction fees have ranged from $0.38 per transaction on September 8, 2024, to as high as $124.17 per transaction on April 20, 2024. As of June 30, 2025, Bitcoin average daily transaction fees stood at $1.36 per Bitcoin transaction. Increased transaction fees and decreased settlement speeds could preclude certain uses for TAO (e.g., micropayments), and could reduce demand for, and the price of, TAO, which could adversely impact the value of the Shares.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement or throughput of Bittensor Network transactions will be effective, or how long these mechanisms will take to become effective, which could adversely impact the value of the Shares.

Digital asset networks and their ecosystems are developed by a diverse set of contributors and the perception that certain high-profile contributors will no longer contribute to the network could have an adverse effect on the market price of the related digital asset.

Digital asset networks and related protocols are often developed by a diverse set of contributors, but are also often developed by identifiable and high-profile contributors. The perception that certain high-profile contributors may no longer contribute to the applicable digital asset network or protocol may have an adverse effect on the market price of any related digital assets. For example, in June 2017, an unfounded rumor circulated that Ethereum

protocol developer Vitalik Buterin had died. Following the rumor, the price of Ether decreased approximately 20% before recovering after Buterin himself dispelled the rumor. Some have speculated that the rumor led to the decrease in the price of Ether. In the event a high-profile contributor or group contributors to the Bittensor Network, such as Ala Shaabana and Jacob Steeves, is perceived as no longer contributing to the Bittensor Network due to death, retirement, withdrawal, incapacity, focusing on other digital asset projects or otherwise, whether or not such perception is valid, it could negatively affect the price of TAO, which could adversely impact the value of the Shares.

Digital assets may have concentrated ownership and large sales or distributions by holders of such digital assets, or any ability to participate in or otherwise influence a digital asset's underlying network, could have an adverse effect on the market price of such digital asset.

It is possible that other persons or entities control multiple wallets that collectively hold a significant amount of TAO, even if they individually only hold a small amount, and it is possible that some of these wallets are controlled by the same person or entity. As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect on the market price of TAO.

If the transaction fees for recording transactions on the Subtensor Blockchain or the rewards for ranking and providing AI generated output to the Bittensor Network are not sufficiently high to incentivize nodes, Validators and Miners, nodes may cease to validate the Subtensor Blockchain, Validators may cease validating such AI generated output or Miners may cease providing such AI generated output, which could negatively impact the value of TAO and the value of the Shares.

If the digital asset awards for providing or ranking AI generated output on the Bittensor Network are not sufficiently high to incentivize validators and miners, as applicable, validators may cease reviewing and ranking AI generated output and miners may cease providing AI generated output on the Subtensor Blockchain which would limit the utility of the Bittensor Network and decrease the demand for and therefore value of TAO and the Shares. For example, the realization of one or more of the following risks could materially adversely affect the value of the Shares:

- A reduction in digital assets staked by Validators could increase the likelihood of a malicious actor or botnet manipulating the market for AI generated outputs on the Bittensor Network. See "—If a malicious actor or botnet obtains control of more than 50% of the validating power on the Bittensor Network, or otherwise obtains control over the Bittensor Network through its influence over core developers or otherwise, such actor or botnet could manipulate the Subtensor Blockchain or the rewards paid to Miners for generating AI output in a way that could adversely affect the value of the Shares or the ability of the Trust to operate."
- Validation nodes have historically accepted relatively low transaction confirmation fees on most digital asset networks and accept zero transaction confirmation fees on the Bittensor Network. If nodes on the Subtensor Blockchain demand transaction fees for recording transactions on the Subtensor Blockchain or a software upgrade automatically charges fees for all transactions on the Subtensor Blockchain, the cost of using the Bittensor Network may increase and the marketplace for AI generated output may be reluctant to accept TAO as a means of payment.
- Alternatively, Validators and Miners could collude in an anti-competitive manner to reject low rewards on the Bittensor Network and force the Bittensor Network's protocol designers to adjust the protocol so that it provides Validators and Miners with higher rewards, thus reducing the attractiveness of the Bittensor Network. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of the Bittensor Network, the value of TAO and the value of the Shares.
- To the extent that any nodes on the Subtensor Blockchain cease to record transactions that do not include the payment of a transaction fee in validated blocks, such transactions will not be recorded on the Subtensor Blockchain until a block is validated by a node who does not require the payment of transaction fees. Any widespread delays in the recording of transactions could result in a loss of confidence in the Bittensor Network.

If a malicious actor or botnet obtains control of more than 50% of the validating power on the Bittensor Network, or otherwise obtains control over the Bittensor Network through its influence over core developers or otherwise, such actor or botnet could manipulate the Subtensor Blockchain or the rewards paid to Miners for generating AI output in a way that could adversely affect the value of the Shares or the ability of the Trust to operate.

If a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtains control over the Opentensor Foundation or otherwise obtained control over a majority of the Nodes processing transactions on the Subtensor Blockchain,, it may be able to alter the Subtensor Blockchain on which transactions in TAO rely by constructing fraudulent blocks or preventing certain transactions from completing in a timely manner, or at all. The malicious actor or botnet could also control, exclude or modify the ordering of transactions. Further, the malicious actor or botnet could be able to generate new tokens or transactions using such control by deploying new malicious code on the compromised Nodes, or it could "double-spend" its own tokens (i.e., spend the same tokens in more than one transaction) and prevent the confirmation of other users' transactions for so long as it maintained control. To the extent that such malicious actor or botnet did not yield its control of the processing power on the Subtensor Blockchain or the Bittensor community did not reject the fraudulent blocks as malicious, reversing any changes made to the Subtensor Blockchain may not be possible. Further, a malicious actor or botnet could create a flood of transactions in order to slow down the Bittensor Network.

For example, in August 2020, the Ethereum Classic Network, a proof-of-work network, was the target of two double-spend attacks by an unknown actor or actors that gained more than 50% of the processing power of the Ethereum Classic Network. The attacks resulted in reorganizations of the Ethereum Classic blockchain that allowed the attacker or attackers to reverse previously recorded transactions in excess of $5.0 million and $1.0 million.

In addition, in May 2019, the Bitcoin Cash Network, a proof-of-work network, experienced a 50% attack when two large mining pools reversed a series of transactions in order to stop an unknown validator from taking advantage of a flaw in a recent Bitcoin Cash protocol upgrade. Although this particular attack was arguably benevolent, the fact that such coordinated activity was able to occur may negatively impact perceptions of the Bitcoin Cash network. Although the two attacks described above took place on PoW-based networks, it is possible that a similar attack may occur on the Bittensor Network, which could negatively impact the value of TAO and the value of the Shares.

Although there are no known reports of malicious control of, the Bittensor Network, if groups of coordinating or connected persons were to obtain a majority of the nodes on the Subtensor Blockchain, they could exert authority over the validation of TAO transactions. If network participants, including the core developers and the administrators of validating pools, do not act to ensure greater decentralization of TAO, the feasibility of a malicious actor obtaining control of the validating power on the Bittensor Network will increase, which may adversely affect the value of TAO and the value of the Shares.

In addition, a malicious actor may obtain control over a sufficient amount of TAO to enable it to manipulate the rewards that accrue to a particular Subnet, Validator or Miner. The malicious actor could, for example, manipulate which Subnet is most heavily weighted in order for participants in that Subnet to receive higher rewards than its actual AI generated output would otherwise deserve. Within a subnet, if the malicious actor obtained a sufficient threshold of the validator weight for that subnet, the malicious actor could also vote to approve of AI generated output provided by a particular Miner that does not reflect the quality of that AI generated output in order to ensure that the particular Miner earns a higher reward for its output. Any of these voting patterns could cause the AI generated output provided through the Bittensor Network to be of a lower quality than it otherwise would be or that users believe is useful to them such that demand for using the Bittensor Network falls, which could negatively impact the value of TAO and the value of the Shares.

A malicious actor may also obtain control over the Bittensor Network through its influence over core developers by gaining direct control over a core developer or an otherwise influential programmer. To the extent that the Bittensor ecosystem does not grow, the possibility that a malicious actor may be able to maliciously influence the Bittensor Network in this manner will remain heightened.

If Nodes exit the Bittensor Network, it could increase the likelihood of a malicious actor obtaining control.

Nodes exiting the network could make the Bittensor Network more vulnerable to a malicious actor obtaining control of a large percentage of staked TAO, which might enable them to manipulate the Blockchain by censoring or manipulating specific transactions, as discussed previously. If the Blockchain suffers such an attack, the price of

TAO could be negatively affected, and a loss of confidence in the Bittensor Network could result. Any reduction in confidence in the transaction confirmation process or staking power of the Bittensor Network may adversely affect an investment in the Trust.

A temporary or permanent "fork" or a "clone" of the Subtensor Blockchain that underpins the Bittensor Network could adversely affect the value of the Shares.

When a modification is introduced to the Bittensor Network and a substantial portion of core network participants consent to the modification, the change is implemented and the network remains uninterrupted. When the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" of the Bittensor Network, whereby any node, Miner or Validator running the pre-modified software and would be unable to interact with the updated software until or unless they updated their software to be compatible with the update. The effect of such a fork would be the existence of two versions of the Bittensor Network running in parallel, yet lacking interchangeability. Although at present all of the upgrades to the Bittensor Network's code and the nodes of the Subtensor Blockchain are authorized to participate in the Subtensor Blockchain by the Opentensor Foundation, it is possible that another entity proposes changes to the Bittensor Network's code and that nodes not controlled by the Opentensor Foundation, if any, elect to utilize the code produced by the other entity. In such an event, there may be two different versions of the Bittensor Network and Validators and Miners, as well as users, would have to choose which of the two Bittensor Networks to utilize. Although the Opentensor Foundation has previously forked the Bittensor Network in the past, there has not yet been a split among users of the Bittensor Network. Other digital asset networks have experienced significant forks that have at times led to two competing digital asset networks. For example, in September 2022, the Ethereum Network transitioned to a PoS model, in an upgrade referred to as the "Merge." Following the Merge, a hard fork of the Ethereum Network occurred, as certain Ethereum miners and network participants planned to maintain the PoW consensus mechanism that was removed as part of the Merge. This version of the network was rebranded as "Ethereum Proof-of-Work."

Forks may also occur as a digital asset network community's response to a significant security breach. For example, in July 2016, Ethereum "forked" into Ethereum and a new digital asset network, Ethereum Classic, as a result of the Ethereum Network community's response to a significant security breach. In June 2016, an anonymous hacker exploited a smart contract running on the Ethereum Network to syphon approximately $60 million of Ether held by The DAO, a distributed autonomous organization, into a segregated account. In response to the exploit, most participants in the Ethereum community elected to adopt a "fork" that effectively reversed the exploit. However, a minority of users continued to develop the original blockchain, referred to as "Ethereum Classic" with the digital asset on that blockchain now referred to as ETC. ETC now trades on several Digital Asset Trading Platforms. A fork may also occur as a result of an unintentional or unanticipated software flaw in the various versions of otherwise compatible software that users run. Such a fork could lead to users and validators abandoning the digital asset with the flawed software. It is possible, however, that a substantial number of users and validators could adopt an incompatible version of the digital asset while resisting community-led efforts to merge the two chains. This could result in a permanent fork, as in the case of Ethereum and Ethereum Classic.

Furthermore, a hard fork can lead to new security concerns. For example, when the Ethereum and Ethereum Classic networks split in July 2016, replay attacks, in which transactions from one network were rebroadcast to nefarious effect on the other network, plagued Ethereum trading platforms through at least October 2016. An Ethereum trading platform announced in July 2016 that it had lost 40,000 Ethereum Classic, worth about $100,000 at that time, as a result of replay attacks. Similar replay attack concerns occurred in connection with the Bitcoin Cash and Bitcoin Satoshi's Vision networks split in November 2018. Another possible result of a hard fork is an inherent decrease in the level of security due to significant amounts of validating power remaining on one network or migrating instead to the new forked network. After a hard fork, it may become easier for an individual validator or validating pool's validating power to exceed 50% of the validating power of a digital asset network that retained or attracted less validating power, thereby making digital asset networks that rely on PoS more susceptible to attack.

Digital asset networks and related protocols may also be cloned. Unlike a fork of a digital asset network, which modifies an existing blockchain, and results in two competing digital asset networks, each with the same genesis block, a "clone" is a copy of a protocol's codebase, but results in an entirely new blockchain and new genesis block. Tokens are created solely from the new "clone" network and, in contrast to forks, holders of tokens of the existing network that was cloned do not receive any tokens of the new network. A "clone" results in a competing network that has characteristics substantially similar to the network it was based on, subject to any changes as determined by the developer(s) that initiated the clone.

A hard fork may adversely affect the price of TAO at the time of announcement or adoption. For example, if the market anticipates that a hard fork on the Bittensor Network would result in two competing networks, as has occurred with other digital asset networks in the past, the announcement of a hard fork could lead to increased demand for the pre-fork digital asset, in anticipation that ownership of the pre-fork digital asset would entitle holders to a new digital asset following the fork. The increased demand for the pre-fork digital asset may cause the price of the digital asset to rise. After the hard fork, it is possible the aggregate price of the two versions of the digital asset running in parallel would be less than the price of the digital asset immediately prior to the fork. Furthermore, while the Trust would be entitled to both versions of the digital asset running in parallel, the Sponsor will, as permitted by the terms of the Trust Agreement, determine which version of the digital asset is generally accepted as the Bittensor Network and should therefore be considered the appropriate network for the Trust's purposes, and there is no guarantee that the Sponsor will choose the digital asset that is ultimately the most valuable fork. Either of these events could therefore adversely impact the value of the Shares. As an illustrative example of a digital asset hard fork, following The DAO hack in July 2016, holders of Ether voted on-chain to reverse the hack, effectively causing a hard fork. For the days following the vote, the price of Ether rose from $11.65 on July 15, 2016 to $14.66 on July 21, 2016, the day after the first Ethereum Classic block was mined. A clone may also adversely affect the price of TAO at the time of announcement or adoption. For example, on November 6, 2016, Rhett Creighton, a Zcash developer, cloned the Zcash network to launch Zclassic, a substantially identical version of the Zcash network that eliminated the Founders' Reward. For the days following the date the first Zclassic block was mined, the price of ZEC fell from $504.57 on November 5, 2016 to $236.01 on November 7, 2016 in the midst of a broader sell off of ZEC beginning immediately after the Zcash network launch on October 28, 2016. A clone may also adversely affect the price of TAO at the time of announcement or adoption.

A future fork in or clone of the Bittensor Network could adversely affect the value of the Shares or the ability of the Trust to operate.

In the event of a hard fork of the Bittensor Network, the Sponsor will, if permitted by the terms of the Trust Agreement, use its discretion to determine which network should be considered the appropriate network for the Trust's purposes, and in doing so may adversely affect the value of the Shares.

In the event of a hard fork of the Bittensor Network, the Sponsor will, as permitted by the terms of the Trust Agreement, use its discretion to determine, in good faith, which digital asset network, among a group of incompatible forks of the Bittensor Network, is generally accepted as the Bittensor Network and should therefore be considered the appropriate digital asset network for the Trust's purposes. The Sponsor will base its determination on a variety of then relevant factors, including, but not limited to, the Sponsor's beliefs regarding expectations of the core developers of the Bittensor Network, users, services, businesses, Miners, Validators and other constituencies, as well as the actual continued acceptance of and community engagement with, the Bittensor Network. There is no guarantee that the Sponsor will choose the digital asset network or digital asset that is ultimately the most valuable fork, and the Sponsor's decision may adversely affect the value of the Shares as a result. The Sponsor may also disagree with shareholders, security vendors and the Reference Rate Provider on what is generally accepted as TAO and should therefore be considered "TAO" for the Trust's purposes, which may also adversely affect the value of the Shares as a result.

Any name change and any associated rebranding initiative by the core developers of TAO may not be favorably received by the digital asset community, which could negatively impact the value of TAO and the value of the Shares.

From time to time, digital assets may undergo name changes and associated rebranding initiatives. For example, Bitcoin Cash may sometimes be referred to as Bitcoin ABC in an effort to differentiate itself from any Bitcoin Cash hard forks, such as Bitcoin Satoshi's Vision, and in the third quarter of 2018, the team behind ZEN rebranded and changed the name of ZenCash to "Horizen." We cannot predict the impact of any name change and any associated rebranding initiative on the Bittensor Network or TAO. After a name change and an associated rebranding initiative, a digital asset may not be able to achieve or maintain brand name recognition or status that is comparable to the recognition and status previously enjoyed by such digital asset. The failure of any name change and any associated rebranding initiative by a digital asset may result in such digital asset not realizing some or all of

the anticipated benefits contemplated by the name change and associated rebranding initiative, and could negatively impact the value of TAO and the value of the Shares.

If the Bittensor Network is used to facilitate illicit activities, businesses that facilitate transactions in TAO could be at increased risk of criminal or civil lawsuits, or of having services cut off, which could negatively affect the price of TAO and the value of the Shares.

Digital asset networks have in the past been, and may continue to be, used to facilitate illicit activities. If the Bittensor Network is used to facilitate illicit activities, businesses that facilitate transactions in TAO could be at increased risk of potential criminal or civil lawsuits, or of having banking or other services cut off, if there is a concern that certain smart contracts on the Bittensor Network could interfere with the performance of anti-money laundering duties and economic sanctions checks. There is also a risk that Digital Asset Trading Platforms may remove TAO from their platforms as a result of these concerns. Other service providers of such businesses may also cut off services if there is a concern that the Bittensor Network is being used to facilitate crime. Any of the aforementioned occurrences could increase regulatory scrutiny of the Bittensor Network and/or adversely affect the price of TAO, the attractiveness of the Bittensor Network and an investment in the Shares of the Trust.

When the Trust and the Sponsor, acting on behalf of the Trust, sell or deliver, as applicable, TAO, Incidental Rights and/or IR Virtual Currency, they generally do not transact directly with counterparties other than the Authorized Participant, a Liquidity Provider, or other similarly eligible financial institutions that are subject to federal and state licensing requirements and maintain practices and policies designed to comply with AML and KYC regulations. When an Authorized Participant or a Liquidity Provider sources TAO in connection with the creation of the Shares or facilitates transactions in TAO at the direction of the Trust or the Sponsor, it directly faces its counterparty and, in all instances, the Authorized Participant or the Liquidity Provider, as applicable, follow policies and procedures designed to ensure that it knows the identity of its counterparty. The Authorized Participant is a registered broker-dealer and therefore subject to AML and countering the financing of terrorism obligations under the Bank Secrecy Act as administered by FinCEN and further overseen by the SEC and FINRA. In addition, one or more Liquidity Providers may be a virtual currency entity licensed by the NYDFS, which additionally may subject it to AML obligations.

In accordance with its regulatory obligations, the Authorized Participant, or the Liquidity Provider, conducts customer due diligence and enhanced due diligence on its counterparties, which enables it to determine each counterparty's AML and other risks and assign an appropriate risk rating.

As part of its counterparty onboarding process, each of the Authorized Participant and the Liquidity Provider uses third-party services to screen prospective counterparties against various watch lists, including the Specially Designated Nationals List of the Treasury Department Office of Foreign Assets Control ("OFAC") and countries and territories identified as non-cooperative by the Financial Action Task Force. If the Sponsor, the Trust, the Authorized Participant or the Liquidity Provider were nevertheless to transact with such a sanctioned entity, the Sponsor, the Trust, the Authorized Participant and the Liquidity Provider would be at increased risk of potential criminal or civil lawsuits.

Risk Factors Related to the Digital Asset Markets

Recent developments in the digital asset economy have led to extreme volatility and disruption in digital asset markets, a loss of confidence in participants of the digital asset ecosystem, significant negative publicity surrounding digital assets broadly and market-wide declines in liquidity.

In the past and through the date of this Information Statement, digital asset prices have experienced significant fluctuations, leading to volatility and disruption in the digital asset markets and financial difficulties for several prominent industry participants, including Digital Asset Trading Platforms, hedge funds and lending platforms. For example, in the first half of 2022, digital asset lenders Celsius Network LLC and Voyager Digital Ltd. and digital asset hedge fund Three Arrows Capital each entered into insolvency proceedings. This resulted in a loss of confidence in participants in the digital asset ecosystem, negative publicity surrounding digital assets more broadly and market-wide declines in digital asset trading prices and liquidity.

Thereafter, in November 2022, FTX, the third largest Digital Asset Trading Platform by volume at the time, halted customer withdrawals amid rumors of the company's liquidity issues and likely insolvency. Shortly thereafter, FTX's CEO resigned and FTX and several affiliates of FTX filed for bankruptcy. The U.S. Department of

Justice subsequently brought criminal charges, including charges of fraud, violations of federal securities laws, money laundering, and campaign finance offenses, against FTX's former CEO and others. In November 2023, FTX's former CEO was convicted of fraud and money laundering. Similar charges related to violations of anti-money laundering laws were brought in November 2023 against Binance and its former CEO. In addition, several other entities in the digital asset industry filed for bankruptcy following FTX's bankruptcy filing, such as BlockFi Inc. and Genesis Global Capital, LLC ("Genesis Capital"), a subsidiary of Genesis Global Holdco, LLC ("Genesis Holdco"). The SEC also brought charges against Genesis Capital and Gemini Trust Company, LLC ("Gemini") in January 2023 for their alleged unregistered offer and sale of securities to retail investors. In October 2023, the New York Attorney General ("NYAG") brought charges against Gemini, Genesis Capital, Genesis Asia Pacific PTE. LTD. ("Genesis Asia Pacific"), Genesis Holdco, (together with Genesis Capital and Genesis Asia Pacific, the "Genesis Entities"), Genesis Capital's former CEO, DCG, and DCG's CEO alleging violations of the New York Penal Law, the New York General Business Law and the New York Executive Law. In February 2024, the NYAG amended its complaint to expand the charges against Gemini, the Genesis Entities, Genesis Capital's former CEO, DCG, and DCG's CEO to include harm to additional investors. Also in February 2024, the Genesis Entities entered into a settlement agreement with the NYAG to resolve the NYAG's allegations against the Genesis Entities, which settlement was subsequently approved by the Bankruptcy Court of the Southern District of New York.

Furthermore, Genesis Holdco, together with certain of its subsidiaries, filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in January 2023. While Genesis Holdco is not a service provider to the Trust, it is a wholly owned subsidiary of DCG, and is an affiliate of the Trust and the Sponsor.

These events have also led to significant negative publicity around digital asset market participants including DCG, Genesis and DCG's other affiliated entities. This publicity could negatively impact the reputation of the Sponsor and have an adverse effect on the trading price and/or the value of the Shares. Moreover, sales of a significant number of Shares of the Trust as a result of these events could have a negative impact on the trading price of the Shares.

These events led to a substantial increase in regulatory and enforcement scrutiny of the industry as a whole and of Digital Asset Trading Platforms in particular, including from the Department of Justice, the SEC, the CFTC, the White House and Congress. For example, in June 2023, the SEC brought charges against Binance (the "Binance Complaint") and Coinbase (the "Coinbase Complaint"), two of the largest Digital Asset Trading Platforms, alleging that they solicited U.S. investors to buy, sell, and trade "crypto asset securities" through their unregistered trading platforms and operated unregistered securities exchanges, brokerages and clearing agencies. Binance subsequently announced that it would be suspending USD deposits and withdrawals on Binance.US and that it plans to delist its USD trading pairs. In addition, in November 2023, the SEC brought similar charges against Kraken (the "Kraken Complaint"), alleging that it operated as an unregistered securities exchange, brokerage and clearing agency. The Binance Complaint, the Coinbase Complaint and the Kraken Complaint have led, and may in the future lead, to further volatility in digital asset prices. Between February 2025 and May 2025, the SEC entered into court-approved joint stipulations to dismiss each of the Binance Complaint, Coinbase Complaint and the Kraken Complaint. The SEC has terminated its investigation or enforcement action into many other digital asset market participants as well.

In January 2025, the SEC launched a Crypto Task Force dedicated to developing a comprehensive and clear regulatory framework for digital assets led by Commissioner Hester Peirce. Subsequently, Commissioner Peirce announced a list of specific priorities to further that initiative, which included pursuing final rules related to a digital asset's security status, a revised path to registered offerings and listings for digital asset-based investment vehicles, and clarity regarding digital asset custody, lending and staking. On July 31, 2025, Chairman Atkins announced "Project Crypto," a Commission-wide initiative to modernize securities rules for digital assets, reshore innovation in the United States, and implement the recommendations of the working group report. Chairman Atkins had directed the SEC's policy divisions to work with the Crypto Task Force to draft "clear and simple rules of the road for crypto asset distributions, custody, and trading," and the Commission and SEC staff will also consider using interpretive, exemptive, and other authorities with respect to digital asset markets. However, the efforts of the crypto task force and Project Crypto have only just begun, and how or whether the SEC regulates digital asset activity in the future remains to be seen.

Digital asset markets have also been negatively impacted by the failure of entities perceived to be integral to the digital asset ecosystem. For example, in March 2023, state banking regulators placed Silicon Valley Bank and Signature Bank into FDIC receiverships. Also, in March 2023, Silvergate Bank announced plans to wind down and

liquidate its operations. Because these banks were perceived to be the banks most open to providing services for the digital asset ecosystem in the United States, their failures may impact the willingness of banks (based on regulatory pressure or otherwise) to provide banking services to digital asset market participants. In addition, because these banks were perceived to be the banks most open to providing services for the digital asset ecosystem, their failure has caused a number of companies that provide digital asset-related services to be unable to find banks that are willing to provide them with such banking services. The inability to access banking services could negatively impact digital asset market participants and therefore the value of digital assets, including TAO, and thus the Shares. In addition, although these events occurred prior to the creation of the Trust and therefore did not have an impact directly on the Trust nor the Sponsor when these bank failures occurred, it is possible that a future closing of a bank with which the Trust or the Sponsor has a financial relationship could subject the Trust or the Sponsor to adverse conditions and pose challenges in finding an alternative suitable bank to provide the Trust or the Sponsor with bank accounts and banking services.

Events such as these that impact the wider digital asset ecosystem are continuing to develop and change at a rapid pace and it is not possible to predict at this time all of the risks that they may pose to the Sponsor, the Trust, their affiliates and/or the Trust's third-party service providers, or on the digital asset industry as a whole.

Continued disruption and instability in the digital asset markets as these events develop, including declines in the trading prices and liquidity of TAO, or the failure of service providers to the Trust, could have a material adverse effect on the value of the Shares and the Shares could lose all or substantially all of their value.

The value of the Shares relates directly to the value of TAO, the value of which may be highly volatile and subject to fluctuations due to a number of factors.

The value of the Shares relates directly to the value of the TAO held by the Trust and fluctuations in the price of TAO could adversely affect the value of the Shares. The market price of TAO may be highly volatile, and subject to a number of factors, including:

- an increase in the global TAO supply that is publicly available for trading;
- manipulative trading activity on Digital Asset Trading Platforms, which, in many cases, are largely unregulated;
- the adoption of TAO as a medium of exchange, store-of-value or other consumptive asset and the maintenance and development of the open-source software protocol of the Bittensor Network;
- forks in the Bittensor Network;
- investors' expectations with respect to interest rates, the rates of inflation of fiat currencies or TAO, and Digital Asset Trading Platform rates;
- consumer preferences and perceptions of TAO specifically and digital assets generally;
- fiat currency withdrawal and deposit policies on Digital Asset Trading Platforms;
- the liquidity of Digital Asset Markets and any increase or decrease in trading volume on Digital Asset Markets;
- investment and trading activities of large investors that invest directly or indirectly in TAO;
- an active derivatives market for TAO or for digital assets generally;
- a determination that TAO is a security or changes in TAO's status under the federal securities laws;
- monetary policies of governments, trade restrictions, currency devaluations and revaluations and regulatory measures or enforcement actions, if any, that restrict the use of TAO as a form of payment or the purchase of TAO on the Digital Asset Markets;
- global or regional political, economic or financial conditions, events and situations, such as the novel coronavirus outbreak;
- fees associated with processing a TAO transaction and the speed at which TAO transactions are settled on the Bittensor Network;

- interruptions in service from or closures or failures of major Digital Asset Trading Platforms;
- decreased confidence in Digital Asset Trading Platforms due to the largely unregulated nature and lack of transparency surrounding the operations of Digital Asset Trading Platforms;
- increased competition from other forms of digital assets or payment services; and
- the Trust's own acquisitions or dispositions of TAO, since there is no limit on the amount of TAO that the Trust may acquire.

In addition, there is no assurance that TAO will maintain its value in the long or intermediate term. In the event that the price of TAO declines, the Sponsor expects the value of the Shares to decline proportionately.

The value of TAO as represented by the Reference Rate Price or by the Trust's principal market may also be subject to momentum pricing due to speculation regarding future appreciation in value, leading to greater volatility that could adversely affect the value of the Shares. Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for future appreciation in value, if any. The Sponsor believes that momentum pricing of TAO has resulted, and may continue to result, in speculation regarding future appreciation in the value of TAO, inflating and making the Reference Rate Price more volatile. As a result, TAO may be more likely to fluctuate in value due to changing investor confidence, which could impact future appreciation or depreciation in the Reference Rate Price and could adversely affect the value of the Shares.

Due to the largely unregulated nature and lack of transparency surrounding the operations of Digital Asset Trading Platforms, they may experience fraud, market manipulation, business failures, security failures or operational problems, which may adversely affect the value of TAO and, consequently, the value of the Shares.

Digital Asset Trading Platforms are relatively new and, in many ways, are not subject to, or may not comply with, regulation in relevant jurisdictions in a manner similar to other regulated trading platforms, such as national securities exchanges or designated contract markets. While many prominent Digital Asset Trading Platforms provide the public with significant information regarding their on-chain activities, ownership structure, management teams, corporate practices, cybersecurity practices and regulatory compliance, many other Digital Asset Trading Platforms do not provide this information. Furthermore, while Digital Asset Trading Platforms are and may continue to be subject to federal and state licensing requirements in the United States, Digital Asset Trading Platforms do not currently appear to be subject to regulation in a similar manner as other regulated trading platforms, such as national securities exchanges or designated contract markets. As a result, the marketplace may lose confidence in Digital Asset Trading Platforms, including prominent trading platforms that handle a significant volume of TAO trading.

Many Digital Asset Trading Platforms, both in the United States and abroad, are unlicensed, not subject to, or not in compliance with, regulation in relevant jurisdictions, or operate without extensive supervision by governmental authorities. In particular, those located outside the United States may be subject to significantly less stringent regulatory and compliance requirements in their local jurisdictions and may take the position that they are not subject to laws and regulations that would apply to a national securities exchange or designated contract market in the United States, or may, as a practical matter, be beyond the ambit of U.S. regulators. As a result, trading activity on or reported by these Digital Asset Trading Platforms is generally significantly less regulated than trading activity on or reported by regulated U.S. securities and commodities markets, and may reflect behavior that would be prohibited in regulated U.S. trading venues. For example, in 2022 one report claimed that trading volumes on Digital Asset Trading Platforms were inflated by over 70% due to false or non-economic trades, with specific focus on unlicensed trading platforms located outside of the United States. Such reports may indicate that the Digital Asset Trading Platform Market is significantly smaller than expected and that the U.S. makes up a significantly larger percentage of the Digital Asset Trading Platform Market than is commonly understood, or that a much larger portion of digital asset market activity takes place on decentralized finance platforms than is commonly understood. Nonetheless, any actual or perceived false trading in the Digital Asset Trading Platform Market, and any other fraudulent or manipulative acts and practices, could adversely affect the value of TAO and/or negatively affect the market perception of TAO, which could in turn adversely impact the value of the Shares.

The SEC has also identified possible sources of fraud and manipulation in the Digital Asset Markets generally, including, among others (1) "wash-trading"; (2) persons with a dominant position in a digital asset manipulating pricing in such digital asset; (3) hacking of the underlying digital asset network and trading platforms; (4) malicious control of the underlying digital asset network; (5) trading based on material, non-public information

(for example, plans of market participants to significantly increase or decrease their holdings in a digital asset, new sources of demand for a digital asset) or based on the dissemination of false and misleading information; (6) manipulative activity involving purported "stablecoins," including Tether; and (7) fraud and manipulation at Digital Asset Markets. The use or presence of such acts and practices in the Digital Asset Markets could, for example, falsely inflate the volume of TAO present in the Digital Asset Markets or cause distortions in the price of TAO, among other things that could adversely affect the Trust or cause losses to shareholders. Moreover, tools to detect and deter fraudulent or manipulative trading activities, such as market manipulation, front-running of trades, and wash-trading, may not be available to or employed by Digital Asset Markets, or may not exist at all. Many Digital Asset Markets also lack certain safeguards put in place by exchanges for more traditional assets to enhance the stability of trading on the exchanges and prevent "flash crashes," such as limit-down circuit breakers. As a result, the prices of TAO on Digital Asset Markets may be subject to larger and/or more frequent sudden declines than assets traded on more traditional exchanges.

In addition, over the past several years, some Digital Asset Trading Platforms have been closed, been subject to criminal and civil litigation and have entered into bankruptcy proceedings due to fraud and manipulative activity, business failure and/or security breaches. In many of these instances, the customers of such Digital Asset Trading Platforms were not compensated or made whole for the partial or complete losses of their account balances in such Digital Asset Trading Platforms. In some instances, customers are made whole only in dollar terms as of the Digital Asset Trading Platform's date of failure, rather than on a digital asset basis, meaning customers may still lose out on any price increase in digital assets.

While smaller Digital Asset Trading Platforms are less likely to have the infrastructure and capitalization that make larger Digital Asset Trading Platforms more stable, larger Digital Asset Trading Platforms are more likely to be appealing targets for hackers and malware. For example, in February 2025, hackers reportedly compromised a transaction from Bybit's multisignature cold wallets, enabling the hackers to steal over $1.5 billion of ETH from Bybit. Shortcomings or ultimate failures of larger Digital Asset Trading Platforms are more likely to have contagion effects on the digital asset ecosystem, and therefore may also be more likely to be targets of regulatory enforcement action. For example, in November 2022, FTX, another of the world's largest Digital Asset Trading Platforms, filed for bankruptcy protection and subsequently halted customer withdrawals as well as trading on its FTX.US platform. Fraud, security failures and operational problems all played a role in FTX's issues and downfall. Moreover, Digital Asset Trading Platforms have been a subject of enhanced regulatory and enforcement scrutiny, and Digital Asset Markets have experienced continued instability, following the failure of FTX. In particular, in June 2023, the SEC brought the Binance Complaint and Coinbase Complaint, alleging that Binance and Coinbase operated unregistered securities exchanges, brokerages and clearing agencies. In addition, in November 2023, the SEC brought the Kraken Complaint, alleging that Kraken operated as an unregistered securities exchange, brokerage and clearing agency. Between February 2025 and May 2025, the SEC entered into court-approved joint stipulations to dismiss each of the Binance Complaint, Coinbase Complaint and the Kraken Complaint. The SEC has terminated its investigation or enforcement action into many other digital asset market participants as well.

Negative perception, a lack of stability and standardized regulation in the Digital Asset Markets and/or the closure or temporary shutdown of Digital Asset Trading Platforms due to fraud, business failure, security breaches or government mandated regulation, and associated losses by customers, may reduce confidence in the Bittensor Network and result in greater volatility in the prices of TAO. Furthermore, the closure or temporary shutdown of a Digital Asset Trading Platform used in calculating the Reference Rate Price may result in a loss of confidence in the Trust's ability to determine its NAV on a daily basis. These potential consequences of such a Digital Asset Trading Platform's failure could adversely affect the value of the Shares.

Digital Asset Trading Platforms may be exposed to front-running.

Digital Asset Trading Platforms may be susceptible to "front-running," which refers to the process when someone uses technology or market advantage to get prior knowledge of upcoming transactions. Front-running is a frequent activity on centralized as well as decentralized trading platforms. By using bots functioning on a millisecond-scale timeframe, bad actors are able to take advantage of the forthcoming price movement and make economic gains at the cost of those who had introduced these transactions. The objective of a front runner is to buy tokens at a low price and later sell them at a higher price while simultaneously exiting the position. To the extent

that front-running occurs, it may result in investor frustrations and concerns as to the price integrity of Digital Asset Trading Platforms and digital assets more generally.

Digital Asset Trading Platforms may be exposed to wash-trading.

Digital Asset Trading Platforms may be susceptible to wash-trading. Wash-trading occurs when offsetting trades are entered into for other than bona fide reasons, such as the desire to inflate reported trading volumes. Wash-trading may be motivated by non-economic reasons, such as a desire for increased visibility on popular websites that monitor markets for digital assets so as to improve a trading platform's attractiveness to investors who look for maximum liquidity, or it may be motivated by the ability to attract listing fees from token issuers who seek the most liquid and high-volume trading platforms on which to list their tokens. Results of wash-trading may include unexpected obstacles to trade and erroneous investment decisions based on false information.

Even in the United States, there have been allegations of wash-trading even on regulated venues. Any actual or perceived false trading on Digital Asset Trading Platforms, and any other fraudulent or manipulative acts and practices, could adversely affect the value of TAO and/or negatively affect the market perception of TAO.

To the extent that wash-trading either occurs or appears to occur in Digital Asset Trading Platforms, investors may develop negative perceptions about TAO and the digital assets industry more broadly, which could adversely impact the price of TAO and, therefore, the price of the Shares. Wash-trading also may place more legitimate Digital Asset Trading Platforms at a relative competitive disadvantage.

Possible illiquid markets may exacerbate losses or increase the variability between the Trust's NAV and its market price.

TAO is a novel asset with a limited trading history. Therefore, the markets for TAO may be less liquid and more volatile than other markets for more established products, such as futures contracts for traditional physical commodities. It may be difficult to execute a TAO trade at a specific price when there is a relatively small volume of buy and sell orders in the TAO market. A market disruption can also make it more difficult to liquidate a position or find a suitable counterparty at a reasonable cost.

Market illiquidity may cause losses for the Trust. The large size of the positions that the Trust may acquire could increase the risk of illiquidity, by both making the positions more difficult to liquidate and increasing the losses incurred while trying to do so, should the Trust need to liquidate its TAO. Any type of disruption or illiquidity will potentially be exacerbated due to the fact that the Trust will only invest in TAO, which is highly concentrated.

As of the date of this filing, the total market value of the TAO circulating supply is approximately $3.5 billion, comprised of approximately 10.1 million TAO. On average over the last 30 days, over any given 24-hour period, the reported global TAO trading volume was approximately $50.8 million.

The Reference Rate has a limited history and a failure of the Reference Rate Price could adversely affect the value of the Shares.

The Reference Rate has a limited history and the Reference Rate Price is a composite Reference Rate calculated using trading price data from various Digital Asset Trading Platforms chosen by the Reference Rate Provider. The Digital Asset Trading Platforms chosen by the Reference Rate Provider have also changed over time. The Reference Rate Provider may remove or add Digital Asset Trading Platforms to the Reference Rate in the future at its discretion. For more information on the inclusion criteria for Digital Asset Trading Platforms in the Reference Rate, see "Business—Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price."

Although the Reference Rate is designed to accurately capture the market price of TAO, third parties may be able to purchase and sell TAO on public or private markets not included among the Constituent Trading Platforms of the Reference Rate, and such transactions may take place at prices materially higher or lower than the Reference Rate Price. Moreover, there may be variances in the prices of TAO on the various Digital Asset Trading Platforms, including as a result of differences in fee structures or administrative procedures on different Digital Asset Trading Platforms. For example, based on data provided by the Reference Rate Provider, on any given day during the period from July 1, 2024 to June 30, 2025, the maximum differential between the 4:00 p.m., New York time spot price of any single Digital Asset Trading Platform included in the Reference Rate and the Reference Rate Price was 8.53% and the average of the maximum differentials of the 4:00 p.m., New York time spot price of each Digital Asset

Trading Platform included in the Reference Rate and the Reference Rate Price was 1.57%. During this same period, the average differential between the 4:00 p.m., New York time spot prices of all the Digital Asset Trading Platforms included in the Reference Rate and the Reference Rate Price was 0.005%. All Digital Asset Trading Platforms that were included in the Reference Rate throughout the period were considered in this analysis. To the extent such prices differ materially from the Reference Rate Price, investors may lose confidence in the Shares' ability to track the market price of TAO, which could adversely affect the value of the Shares.

The Reference Rate Price used to calculate the value of the Trust's TAO may be volatile, and purchasing activity in the Digital Asset Markets associated with Basket creations may affect the Reference Rate Price and Share trading prices, adversely affecting the value of the Shares.

The price of TAO on public Digital Asset Trading Platforms has a very limited history, and during this history, TAO prices on the Digital Asset Markets more generally, and on Digital Asset Trading Platforms individually, have been volatile and subject to influence by many factors, including operational interruptions. While the Reference Rate is designed to limit exposure to the interruption of individual Digital Asset Trading Platforms, the Reference Rate Price, and the price of TAO generally, remains subject to volatility experienced by Digital Asset Trading Platforms, and such volatility could adversely affect the value of the Shares. For example, from June 10, 2024 (the commencement of the Trust's operations) through June 30, 2025, the Reference Rate Price ranged from $188.82 to $709.06, with the straight average being $389.24. In addition, during the twelve months ended June 30, 2025, the Reference Rate Price ranged from $188.82 to $709.06. The Sponsor has not observed a material difference between the Reference Rate Price and average prices from the Constituent Trading Platforms individually or as a group. The price of TAO more generally has experienced volatility similar to the Reference Rate Price during these periods. For additional information on movement of the Reference Rate Price and the price of TAO, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Historical NAV and TAO Prices."

Furthermore, because the number of Digital Asset Trading Platforms is limited, the Reference Rate will necessarily be comprised of a limited number of Digital Asset Trading Platforms. If a Digital Asset Trading Platform were subjected to regulatory, volatility or other pricing issues, the Reference Rate Provider would have limited ability to remove such Digital Asset Trading Platform from the Reference Rate, which could skew the price of TAO as represented by the Reference Rate. Trading on a limited number of Digital Asset Trading Platforms may result in less favorable prices and decreased liquidity of TAO and, therefore, could have an adverse effect on the value of the Shares.

Purchasing activity associated with acquiring TAO required for the creation of Baskets may increase the market price of TAO on the Digital Asset Markets, which will result in higher prices for the Shares. Increases in the market price of TAO may also occur as a result of the purchasing activity of other market participants. Other market participants may attempt to benefit from an increase in the market price of TAO that may result from increased purchasing activity of TAO connected with the issuance of Baskets. Consequently, the market price of TAO may decline immediately after Baskets are created. Decreases in the market price of TAO may also occur as a result of sales in Secondary Markets by other market participants. If the Reference Rate Price declines, the value of the Shares will generally also decline.

Competition from the emergence or growth of other digital assets could have a negative impact on the price of TAO and adversely affect the value of the Shares.

As of June 30, 2025, TAO was the thirty-third largest digital asset by market capitalization as tracked by CoinMarketCap.com. As of June 30, 2025, the alternative digital assets tracked by CoinMarketCap.com, had a total market capitalization of approximately $3,072.1 billion (including the approximately $3.0 billion market cap of TAO), as calculated using market prices and total available supply of each digital asset, excluding tokens pegged to other assets. TAO faces competition from a wide range of digital assets including Bitcoin and Ether. TAO is supported by fewer trading platforms than more established digital assets, such as Bitcoin and Ether, which could impact its liquidity. In addition, TAO is in direct competition to other AI-related crypto assets, such as NEAR, Gensyn, Modulus Labs, Akash, and Render among others. Competition from the emergence or growth of alternative digital assets in the crypto and AI intersection could have a negative impact on the demand for, and price of, TAO and thereby adversely affect an investment in the Shares.

Investors may also invest in TAO through means other than the Shares, including through direct investments in TAO and other potential financial vehicles, possibly including securities backed by or linked to TAO and digital asset financial vehicles similar to the Trust. Market and financial conditions, and other conditions beyond the Sponsor's control, may make it more attractive to invest in other financial vehicles or to invest in TAO directly, which could limit the market for, and reduce the liquidity of, the Shares. In addition, to the extent digital asset financial vehicles other than the Trust tracking the price of TAO are formed and represent a significant proportion of the demand for TAO, large purchases or redemptions of the securities of these digital asset financial vehicles, or private funds holding TAO, could negatively affect the Reference Rate Price, the NAV, the NAV per Share, the value of the Shares, the Principal Market NAV and the Principal Market NAV per Share. Moreover, any reduced demand for Shares of the Trust may cause the Shares of the Trust to trade at a discount to the NAV per Share.

Congestion or delays on the Bittensor Network may delay purchases or sales of TAO by the Trust.

Increased transaction or staking activity on the Bittensor Network could result in delays in recording transactions or processing staking and unstaking operations due to network congestion. Moreover, unforeseen system failures, disruptions in validator operations, or connectivity issues may also result in delays in the recording of transactions on the Blockchain.

For example, in July 2024, wallets on the Bittensor Network suffered malicious attacks by hackers, which prompted the Opentensor Foundation to temporarily halt normal operations and place the Bittensor Network under "safe mode" as a protective measure.

Any such delays could affect an Authorized Participant's ability to buy or sell TAO at an advantageous price and may result in decreased confidence in the Bittensor Network. Over the longer term, persistent delays in transaction confirmation or network responsiveness could reduce the attractiveness of the Bittensor Network to participants and adversely affect the value of TAO and the Trust.

The SEC has approved generic listing standards for commodity-based trust shares and may approve other applications under Rule 19b-4 of the Exchange Act to list competing digital assets as exchange-traded products, which could reduce demand for, and the price of, TAO and adversely impact the value of the Shares.

To date, the SEC has approved applications under Rule 19b-4 of the Exchange Act to list spot digital asset exchange-traded products which hold Bitcoin and Ether as well as generic listing standards for commodity-based trust shares holding digital assets. To the extent such competing digital assets have been filed and are currently pending, and there can be no guarantee the SEC will not one day approve any such application. If applications to list spot digital asset exchange-traded products are approved, to the extent such competing digital asset exchange-traded products come to represent a significant proportion of the demand for digital assets generally, demand for, and the price of, TAO could be reduced. Such reduced demand could in turn negatively affect the Reference Rate Price, the NAV, the NAV per Share, the value of the Shares, the Principal Market NAV and the Principal Market NAV per Share. Accordingly, there can be no assurance that the Trust will be able to maintain its scale and achieve its intended competitive positioning relative to competitors, which could adversely affect the performance of the Trust and the value of the Shares.

Prices of TAO may be affected due to stablecoins (including Tether and USDC), the activities of stablecoin issuers and their regulatory treatment.

While the Trust does not invest in stablecoins, it may nonetheless be exposed to these and other risks that stablecoins pose for the market for TAO and other digital assets. Stablecoins are digital assets designed to have a stable value over time as compared to typically volatile digital assets, and are typically marketed as being pegged to the value of a referenced asset, normally a fiat currency, such as the U.S. dollar. Although the prices of stablecoins are intended to be stable compared to their referenced asset, in many cases their prices fluctuate, sometimes significantly. This volatility has in the past impacted the prices of certain digital assets, and has at times caused certain stablecoins to lose their "peg" to the underlying fiat currency. Stablecoins are a relatively new phenomenon, and it is impossible to know all of the risks that they could pose to participants in the digital asset markets. In addition, some have argued that some stablecoins, particularly Tether, are improperly issued without sufficient backing in a way that could cause artificial rather than genuine demand for digital assets, raising their prices. Regulators have also charged stablecoin issuers with violations of law or otherwise required certain stablecoin issuers to cease certain operations. For example, on February 17, 2021, the New York Attorney General entered into

an agreement with Tether's operators, requiring them to cease any further trading activity with New York persons and pay $18.5 million in penalties for false and misleading statements made regarding the assets backing Tether. On October 15, 2021, the CFTC announced a settlement with Tether's operators in which they agreed to pay $42.5 million in fines to settle charges that, among others, Tether's claims that it maintained sufficient U.S. dollar reserves to back every Tether stablecoin in circulation with the "equivalent amount of corresponding fiat currency" held by Tether were untrue.

USDC is a reserve-backed stablecoin issued by Circle Internet Financial that is commonly used as a method of payment in digital asset markets, including the TAO market. The issuer of USDC uses the Circle Reserve Fund to hold cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Treasury, and repurchase agreements secured by such obligations or cash, which serve as reserves backing USDC stablecoins. While USDC is designed to maintain a stable value at 1 U.S. dollar at all times, on March 10, 2023, the value of USDC fell below $1.00 (and remained below for multiple days) after Circle Internet Financial disclosed that $3.3 billion of the USDC reserves were held at Silicon Valley Bank, which had entered FDIC receivership earlier that day. Popular stablecoins are reliant on the U.S. banking system and U.S. treasuries, and the failure of either to function normally could impede the function of stablecoins or lead to outsized redemption requests, and therefore could adversely affect the value of the Shares.

Given the role that stablecoins play in global digital asset markets, their fundamental liquidity can have a dramatic impact on the broader digital asset market, including the market for TAO. Because a large portion of the digital asset market still depends on stablecoins such as Tether and USDC, there is a risk that a disorderly de-pegging or a run on Tether or USDC could lead to dramatic market volatility in, and/or materially and adversely affect the prices of, digital assets more broadly.

Volatility in stablecoins, operational issues with stablecoins (for example, technical issues that prevent settlement), concerns about the sufficiency of any reserves that support stablecoins, or regulatory concerns about stablecoin issuers or intermediaries, such as Bitcoin spot markets, that support stablecoins, could impact individuals' willingness to trade on trading venues that rely on stablecoins and could impact the price of TAO, and in turn, an investment in the Shares.

Risk Factors Related to the Trust and the Shares

The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose a challenge to the safekeeping of the Trust's TAO and to the operations of the Trust.

The Trust relies on the Custodian, the Authorized Participants and other third-party service providers to perform certain functions essential to managing the affairs of the Trust. In addition, the Authorized Participant may rely on one or more Liquidity Providers to source TAO in connection with the creation of Shares. Any disruptions to such service provider's business operations, resulting from business failures, financial instability, security failures, government mandated regulation or operational problems could have an adverse impact on the Trust's ability to access critical services and be disruptive to the operations of the Trust and require the Sponsor to replace such service provider. Moreover, the Sponsor could decide to replace a service provider to the Trust, or a Liquidity Provider could be replaced for other reasons.

If the Sponsor decides, or is required, to replace BitGo Trust Company, Inc. ("BitGo") as the custodian of the Trust's TAO, transferring maintenance responsibilities of the Digital Asset Account to another party will likely be complex and could subject the Trust's TAO to the risk of loss during the transfer, which could have a negative impact on the performance of the Shares or result in loss of the Trust's assets.

Moreover, the legal rights of customers with respect to digital assets held on their behalf by a third-party custodian, such as the Custodian, in insolvency proceedings are currently uncertain. Due to the novelty of digital asset custodial arrangements courts have not yet considered this type of treatment for custodied digital assets and it is not possible to predict with certainty how they would rule in such a scenario. If the Custodian became subject to insolvency proceedings and a court were to rule that the custodied digital assets were part of the Custodian's general estate and not the property of the Trust, then the Trust would be treated as a general unsecured creditor in the Custodian's insolvency proceedings and the Trust could be subject to the loss of all or a significant portion of its assets.

To the extent that Sponsor is not able to find a suitable party willing to serve as the custodian, the Sponsor may be required to terminate the Trust and liquidate the Trust's TAO. In addition, to the extent that the Sponsor finds a suitable party and must enter into a modified Custodian Agreement that is less favorable for the Trust or Sponsor and/or transfer the Trust's assets in a relatively short time period, the safekeeping of the Trust's TAO may be adversely affected, which may in turn adversely affect value of the Shares. Likewise, if the Sponsor and/or the Authorized Participant is required to replace any other service provider, they may not be able to find a party willing to serve in such capacity in a timely manner or at all. If the Sponsor decides, or is required, to replace the Authorized Participant and/or if a Liquidity Provider is replaced or required to be replaced, this could negatively impact the Trust's ability to create new Shares, which would impact the Shares' liquidity and could have a negative impact on the value of the Shares.

The Trust is an "emerging growth company" and the reduced disclosure requirements applicable to emerging growth companies may make the Shares less attractive to investors.

The Trust is an "emerging growth company," as defined in the JOBS Act, and intends to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and exemptions from the requirement of shareholder approval of any golden parachute payments not previously approved. The Trust intends to take advantage of these reporting exemptions until it is no longer an emerging growth company. The Sponsor and the Trust cannot predict if investors will find the Shares less attractive because the Trust will rely on these exemptions. The Trust will remain an emerging growth company for up to five years after its initial public offering, although it will lose that status sooner if the Trust has more than $1.235 billion of revenues in a fiscal year, has more than $700 million in market value of Shares held by non-affiliates as of any June 30 or issues more than $1.0 billion of non-convertible debt over a rolling three-year period. If some investors find the Shares less attractive as a result, there may be a less active trading market for the Shares and the price of the Shares may be more volatile.

Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares may trade at a substantial premium over, or substantial discount to, the NAV per Share.

Shares purchased in a private placement are subject to a holding period under Rule 144. Pursuant to Rule 144, the minimum holding period for Shares purchased in a private placement is one year. In addition, the Trust does not currently operate an ongoing redemption program and may halt creations from time to time. As a result, the Trust cannot rely on arbitrage opportunities resulting from differences between the value of the Shares and the price of TAO to keep the value of the Shares closely linked to the Reference Rate Price. As a result, the value of the Shares of the Trust may not approximate the value of the Trust's NAV per Share or meet the Trust's investment objective, and the Shares of the Trust, if traded on any Secondary Market, may trade at a substantial premium over, or a substantial discount to, the value of the Trust's NAV per Share, which may have an adverse impact on the value of the Shares.

If publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between the Secondary Market and the Digital Asset Trading Platform Market.

The Trust's NAV per Share will fluctuate with changes in the market value of TAO, and the Sponsor expects the trading price of the Shares to fluctuate in accordance with changes in the Trust's NAV per Share, as well as market supply and demand. However, if the Shares are publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share for a variety of reasons. For example, OTCQX is open for trading in the Shares for a limited period each day, but the Digital Asset Trading Platform Market is a 24-hour marketplace. During periods when OTCQX is closed but Digital Asset Trading Platforms are open, significant changes in the price of TAO on the Digital Asset Trading Platform Market could result in a difference in performance between the value of TAO as measured by the Reference Rate and the most recent NAV per Share or closing trading price. For example, if the price of TAO on the Digital Asset Trading Platform Market, and the value of TAO as measured by the Reference Rate, move significantly in a negative direction after the close of OTCQX, the trading price of the Shares may "gap" down to the full extent of such

negative price shift when OTCQX reopens. If the price of TAO on the Digital Asset Trading Platform Market drops significantly during hours OTCQX is closed, shareholders may not be able to sell their Shares until after the "gap" down has been fully realized, resulting in an inability to mitigate losses in a negative market. Even during periods when OTCQX is open, large Digital Asset Trading Platforms (or a substantial number of smaller Digital Asset Trading Platforms) may be lightly traded or closed for any number of reasons, which could increase trading spreads and widen any premium or discount on the Shares.

Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share.

There can be no assurance that the value of the Shares of the Trust will reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities and the Shares, if traded on any Secondary Market, may trade at a substantial premium over, or substantial discount to, such value and the Trust may be unable to meet its investment objective. The value of the Shares of the Trust may not reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities, for a variety of reasons, including the holding period under Rule 144 for Shares purchased in the private placement, the lack of an ongoing redemption program, any halting of creations by the Trust, TAO price volatility, trading volumes on, or closures of, exchanges where TAO trades due to fraud, failure, security breaches or otherwise, and the non-current trading hours between any Secondary Market, if applicable, and the global exchange market for trading TAO. As a result, the Shares of the Trust, if traded on any Secondary Market in the future, may trade at a substantial premium over, or a substantial discount to, the value of the Trust's TAO, less the Trust's expenses and other liabilities, and the Trust may be unable to meet its investment objective. For as long as the Shares trade at a substantial premium, investors who purchase Shares on the Secondary Market will pay substantially more for their Shares than investors who purchase Shares in the private placement. As a result, shareholders who purchase Shares on the Secondary Market may suffer a loss on their investment if they sell their Shares at a time when the premium has decreased from the premium at which they purchased the Shares even if the NAV per Share remains the same. Likewise, shareholders that purchase Shares directly from the Trust may suffer a loss on their investment if they sell their Shares at a time when the Shares are trading at a discount on the Secondary Market. Furthermore, shareholders may suffer a loss on their investment even if the NAV per Share increases because the decrease in such premium may offset any increase in the NAV per Share.

The amount of the Trust's assets represented by each Share will decline over time as the Trust pays the Sponsor's Fee and Additional Trust Expenses, and as a result, the value of the Shares may decrease over time.

The Sponsor's Fee accrues daily in U.S. dollars at an annual rate based on the NAV Fee Basis Amount, which is based on the NAV of the Trust, and is paid to the Sponsor in TAO. See "Business—Valuation of TAO and Determination of NAV—Disposition of TAO, Incidental Rights and/or IR Virtual Currency" and "Business—Activities of the Trust—Hypothetical Expense Example." As a result, the amount of Trust's assets represented by each Share declines as the Trust pays the Sponsor's Fee (or sells TAO in order to raise cash to pay any Additional Trust Expenses), which may cause the Shares to decrease in value over time or dampen any increase in value.

The value of the Shares may be influenced by a variety of factors unrelated to the value of TAO.

The value of the Shares may be influenced by a variety of factors unrelated to the price of TAO and the Digital Asset Trading Platforms included in the Reference Rate that may have an adverse effect on the value of the Shares. These factors include the following factors:

- Unanticipated problems or issues with respect to the mechanics of the Trust's operations and the trading of the Shares may arise, in particular due to the fact that the mechanisms and procedures governing the creation and offering of the Shares and storage of TAO have been developed specifically for this product;
- The Trust could experience difficulties in operating and maintaining its technical infrastructure, including in connection with expansions or updates to such infrastructure, which are likely to be complex and could lead to unanticipated delays, unforeseen expenses and security vulnerabilities;
- The Trust could experience unforeseen issues relating to the performance and effectiveness of the security procedures used to protect the Digital Asset Account, or the security procedures may not

protect against all errors, software flaws or other vulnerabilities in the Trust's technical infrastructure, which could result in theft, loss or damage of its assets; or

- Although the Bittensor Network does not have any privacy enhancing features at this time, if any such features are introduced to the Bittensor Network in the future, service providers may decide to terminate their relationships with the Trust due to concerns that the introduction of privacy enhancing features to the Bittensor Network may increase the potential for TAO to be used to facilitate crime, exposing such service providers to potential reputational harm.

Any of these factors could affect the value of the Shares, either directly or indirectly through their effect on the Trust's assets.

Shareholders do not have the protections associated with ownership of shares in an investment company registered under the Investment Company Act or the protections afforded by the CEA.

The Investment Company Act is designed to protect investors by preventing insiders from managing investment companies to their benefit and to the detriment of public investors, such as: the issuance of securities having inequitable or discriminatory provisions; the management of investment companies by irresponsible persons; the use of unsound or misleading methods of computing earnings and asset value; changes in the character of investment companies without the consent of investors; and investment companies from engaging in excessive leveraging. To accomplish these ends, the Investment Company Act requires the safekeeping and proper valuation of fund assets, restricts greatly transactions with affiliates, limits leveraging, and imposes governance requirements as a check on fund management.

The Trust is not a registered investment company under the Investment Company Act, and the Sponsor believes that the Trust is not required to register under such act. Consequently, shareholders do not have the regulatory protections provided to investors in investment companies.

The Trust will not hold or trade in commodity interests regulated by the CEA, as administered by the CFTC. Furthermore, the Sponsor believes that the Trust is not a commodity pool for purposes of the CEA, and that neither the Sponsor nor the Trustee is subject to regulation by the CFTC as a commodity pool operator or a commodity trading adviser in connection with the operation of the Trust. Consequently, shareholders will not have the regulatory protections provided to investors in CEA-regulated instruments or commodity pools.

There is no guarantee that an active trading market for the Shares will develop.

The Shares are not yet qualified for public trading on any Secondary Market and an active trading market for the Shares has not been developed. Even if an active trading market is developed in the future, there can be no assurance that such trading market will be maintained or continue to develop. In addition, the Secondary Market can halt the trading of the Shares for a variety of reasons. To the extent that the Secondary Market halts trading in the Shares, whether on a temporary or permanent basis, investors may not be able to buy or sell Shares, which could adversely affect the value of the Shares. If an active trading market for the Shares does not continue to exist, the market prices and liquidity of the Shares may be adversely affected. The Sponsor may also seek to list the Shares on NYSE Arca sometime in the future, but there can be no guarantee that the Shares will ever be listed on NYSE Arca.

The restrictions on transfer and redemption may result in losses on the value of the Shares.

Shares purchased in a private placement may not be resold except in transactions exempt from registration under the Securities Act and state securities laws, and any such transaction must be approved in advance by the Sponsor. In determining whether to grant approval, the Sponsor will specifically look at whether the conditions of Rule 144 under the Securities Act and any other applicable laws have been met. Any attempt to sell Shares without the approval of the Sponsor in its sole discretion will be void ab initio. See "Business—Description of the Shares—Transfer Restrictions" for more information.

At this time the Sponsor is not accepting redemption requests from shareholders. Absent the institution of such redemption program, the Shares may trade at a discount in the future, and may do so indefinitely. Therefore, unless the Trust is permitted to, and does, establish a Share redemption program, shareholders will be unable to (or could be significantly impeded in attempting to) sell or otherwise liquidate investments in the Shares, which could have a material adverse impact on demand for the Shares and their value.

As the Sponsor and its management have limited history of operating investment vehicles like the Trust, their experience may be inadequate or unsuitable to manage the Trust.

The past performances of the Sponsor's management in other investment vehicles, including their experiences in the digital asset and venture capital industries, are no indication of their ability to manage an investment vehicle such as the Trust. If the experience of the Sponsor and its management is inadequate or unsuitable to manage an investment vehicle such as the Trust, the operations of the Trust may be adversely affected.

Furthermore, the Sponsor is currently engaged in the management of other investment vehicles which could divert their attention and resources. If the Sponsor were to experience difficulties in the management of such other investment vehicles that damaged the Sponsor or its reputation, it could have an adverse impact on the Sponsor's ability to continue to serve as Sponsor for the Trust.

Security threats to the Digital Asset Account could result in the halting of Trust operations and a loss of Trust assets or damage to the reputation of the Trust, each of which could result in a reduction in the value of the Shares.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in relation to digital assets. The Sponsor believes that the Trust's TAO held in the Digital Asset Account will be an appealing target to hackers or malware distributors seeking to destroy, damage or steal the Trust's TAO and will only become more appealing as the Trust's assets grow. To the extent that the Trust, the Sponsor or the Custodian is unable to identify and mitigate or stop new security threats or otherwise adapt to technological changes in the digital asset industry, the Trust's TAO may be subject to theft, loss, destruction or other attack.

The Sponsor believes that the security procedures in place for the Trust, including, but not limited to, offline storage, or "cold storage", multiple encrypted private key "shards", usernames, passwords and 2-step verification, are reasonably designed to safeguard the Trust's TAO. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach, software defect or act of God that may be borne by the Trust.

The security procedures and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of the Sponsor, the Custodian, or otherwise, and, as a result, an unauthorized party may obtain access to a Digital Asset Account, the relevant private keys (and therefore TAO) or other data of the Trust. Additionally, outside parties may attempt to fraudulently induce employees of the Sponsor or the Custodian to disclose sensitive information in order to gain access to the Trust's infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, the Sponsor and the Custodian may be unable to anticipate these techniques or implement adequate preventative measures.

An actual or perceived breach of a Digital Asset Account could harm the Trust's operations, result in loss of the Trust's assets, damage the Trust's reputation and negatively affect the market perception of the effectiveness of the Trust, all of which could in turn reduce demand for the Shares, resulting in a reduction in the value of the Shares. The Trust may also cease operations, the occurrence of which could similarly result in a reduction in the value of the Shares.

TAO transactions are irrevocable and stolen or incorrectly transferred TAO may be irretrievable. As a result, any incorrectly executed TAO transactions could adversely affect the value of the Shares.

TAO transactions are typically not reversible without the consent and active participation of the recipient of the transaction. Once a transaction has been verified and recorded in a block that is added to the Subtensor Blockchain, an incorrect transfer or theft of TAO generally will not be reversible and the Trust may not be capable of seeking compensation for any such transfer or theft. Although the Trust's transfers of TAO will regularly be made to or from the Digital Asset Account, it is possible that, through computer or human error, or through theft or criminal action, the Trust's TAO could be transferred from the Trust's Digital Asset Account in incorrect amounts or to unauthorized third parties, or to uncontrolled accounts.

Such events have occurred in connection with digital assets in the past. To the extent that the Trust is unable to seek a corrective transaction with such third party or is incapable of identifying the third party which has received the Trust's TAO through error or theft, the Trust will be unable to revert or otherwise recover incorrectly transferred TAO. The Trust will also be unable to convert or recover its TAO transferred to uncontrolled accounts. To the extent

that the Trust is unable to seek redress for such error or theft, such loss could adversely affect the value of the Shares.

The lack of full insurance and shareholders' limited rights of legal recourse against the Trust, Trustee, Sponsor, Transfer Agent and Custodian expose the Trust and its shareholders to the risk of loss of the Trust's TAO for which no person or entity is liable.

The Trust is not a banking institution or otherwise a member of the FDIC or Securities Investor Protection Corporation ("SIPC") and, therefore, deposits held with or assets held by the Trust are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. In addition, neither the Trust nor the Sponsor insures the Trust's TAO.

While the Custodian is required under the Custodian Agreement to maintain insurance coverage that is commercially reasonable for the custodial services it provides, and the Custodian has advised the Sponsor that it maintains insurance coverage at commercially reasonable amounts for the digital assets custodied on behalf of clients, including the Trust's TAO, shareholders cannot be assured that the Custodian will maintain adequate insurance or that such coverage will cover losses with respect to the Trust's TAO. Moreover, while the Custodian maintains certain capital reserve requirements depending on the assets under custody and to the extent required by applicable law, and such capital reserves may provide additional means to cover client asset losses, the Sponsor does not know the amount of such capital reserves, and neither the Trust nor the Sponsor have access to such information. The Trust cannot be assured that the Custodian will maintain capital reserves sufficient to cover losses with respect to the Trust's digital assets.

Furthermore, under the Custodian Agreement, the Custodian's liability with respect to the Trust will never exceed the fees paid or payable to the Custodian under the Custodian Agreement during the 12-month period immediately precedent the first incident giving rise to such liability. In addition, for as long as a cold storage address holds TAO with a value in excess of the Cold Storage Threshold for a period of five consecutive business days or more without being reduced to the Cold Storage Threshold or lower, the Custodian's maximum liability for such cold storage address shall be limited to the Cold Storage Threshold. The Sponsor monitors the value of TAO deposited in cold storage addresses for whether the Cold Storage Threshold has been met by determining the U.S. dollar value of TAO deposited in each cold storage address on business days. The Custodian is not liable for any lost profits or any special, incidental, indirect, intangible, or consequential damages, whether based in contract, tort, negligence, strict liability or otherwise, and whether or not the Custodian has been advised of such losses or the Custodian knew or should have known of the possibility of such damages. Notwithstanding the foregoing, the Custodian is liable to the Sponsor and the Trust for the loss of any TAO to the extent that the Custodian directly caused such loss through a breach of the Custodian Agreement, even if the Custodian meets its duty of exercising best efforts, and the Custodian is required to return to the Trust a quantity equal to the quantity of any such lost TAO. Although the Cold Storage Threshold has never been met for a given cold storage address, to the extent it is met and not reduced within five business days, the Trust would not have a claim against the Custodian with respect to the digital assets held in such address to the extent the value exceeds the Cold Storage Threshold.

The shareholders' recourse against the Sponsor and the Trust's other service providers for the services they provide to the Trust, including those relating to the provision of instructions relating to the movement of TAO, is limited. Consequently, a loss may be suffered with respect to the Trust's TAO that is not covered by insurance and for which no person is liable in damages. As a result, the recourse of the Trust or the shareholders, under New York law, is limited.

The Trust is not permitted to engage in Staking, which could negatively affect the value of the Shares.

At this time, none of the Trust, the Sponsor, the Custodian, nor any other person associated with the Trust may, directly or indirectly, engage in Staking of the Trust's TAO on behalf of the Trust, meaning no action will be taken pursuant to which any portion of the Trust's TAO becomes used in any staking protocol or is used to earn additional digital assets or generate income or other earnings, and there can be no assurance that the Trust, the Sponsor, the Custodian or any other person associated with the Trust will ever be permitted to engage in Staking of the Trust's TAO or such income generating activity in the future. Under current law, there can be no assurance that Staking the Trust's TAO would be consistent with the intended treatment of the Trust as a grantor trust for U.S. federal income tax purposes.

To the extent the Trust were to amend its Trust Agreement to permit Staking of the Trust's TAO, in the future the Trust may seek to establish a program to use its TAO in a staking protocol to receive rewards comprising additional TAO or other digital assets in respect of a portion of its TAO holdings. However, as long as such conditions and requirements have not been satisfied, the Trust will not use its TAO in a staking protocol to receive rewards comprising additional TAO or other digital assets in respect of its TAO holdings. The current inability of the Trust to use its TAO in Staking and receive rewards could place the Shares at a comparative disadvantage relative to an investment in TAO directly or through a vehicle that is not subject to such a prohibition, which could negatively affect the value of the Shares.

The Trust may be required, or the Sponsor may deem it appropriate, to terminate and liquidate at a time that is disadvantageous to shareholders.

Pursuant to the terms of the Trust Agreement, the Trust is required to dissolve under certain circumstances. In addition, the Sponsor may, in its sole discretion, dissolve the Trust for a number of reasons, including if the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust. For example, the Sponsor expects that it may be advisable to discontinue the affairs of the Trust if a federal court upholds an allegation that TAO is a security under the federal securities laws, among other reasons. See "Business—Description of the Trust Agreement—Termination of the Trust."

If the Trust is required to terminate and liquidate, or the Sponsor determines in accordance with the terms of the Trust Agreement that it is appropriate to terminate and liquidate the Trust, such termination and liquidation could occur at a time that is disadvantageous to shareholders, such as when the Actual Exchange Rate of TAO is lower than the Reference Rate Price was at the time when shareholders purchased their Shares. In such a case, when the Trust's TAO is sold as part of its liquidation, the resulting proceeds distributed to shareholders will be less than if the Actual Exchange Rate were higher at the time of sale. See "Business—Description of the Trust Agreement—Termination of the Trust" for more information about the termination of the Trust, including when the termination of the Trust may be triggered by events outside the direct control of the Sponsor, the Trustee or the shareholders.

The Trust Agreement includes provisions that limit shareholders' voting rights and restrict shareholders' right to bring a derivative action.

Under the Trust Agreement, shareholders have limited voting rights and the Trust will not have regular shareholder meetings. Shareholders take no part in the management or control of the Trust. Accordingly, shareholders do not have the right to authorize actions, appoint service providers or take other actions as may be taken by shareholders of other trusts or companies where shares carry such rights. The shareholders' limited voting rights give almost all control under the Trust Agreement to the Sponsor and the Trustee. The Sponsor may take actions in the operation of the Trust that may be adverse to the interests of shareholders and may adversely affect the value of the Shares.

Moreover, pursuant to the terms of the Trust Agreement, shareholders' statutory right under Delaware law to bring a derivative action (i.e., to initiate a lawsuit in the name of the Trust in order to assert a claim belonging to the Trust against a fiduciary of the Trust or against a third-party when the Trust's management has refused to do so) is restricted. Under Delaware law, a shareholder may bring a derivative action if the shareholder is a shareholder at the time the action is brought and either (i) was a shareholder at the time of the transaction at issue or (ii) acquired the status of shareholder by operation of law or the Trust's governing instrument from a person who was a shareholder at the time of the transaction at issue. Additionally, Section 3816(e) of the Delaware Statutory Trust Act specifically provides that a "beneficial owner's right to bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing instrument of the statutory trust, including, without limitation, the requirement that beneficial owners owning a specified beneficial interest in the statutory trust join in the bringing of the derivative action." In addition to the requirements of applicable law and in accordance with Section 3816(e), the Trust Agreement provides that no shareholder will have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more shareholders who (i) are not "Affiliates" (as defined in the Trust Agreement and below) of one another and (ii) collectively hold at least 10.0% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding. This provision applies to any derivative actions brought in the name of the Trust other than claims under the federal securities laws and the rules and regulations thereunder.

Due to this additional requirement, a shareholder attempting to bring or maintain a derivative action in the name of the Trust will be required to locate other shareholders with which it is not affiliated and that have sufficient Shares to meet the 10.0% threshold based on the number of Shares outstanding on the date the claim is brought and thereafter throughout the duration of the action, suit or proceeding. This may be difficult and may result in increased costs to a shareholder attempting to seek redress in the name of the Trust in court. Moreover, if shareholders bringing a derivative action, suit or proceeding pursuant to this provision of the Trust Agreement do not hold 10.0% of the outstanding Shares on the date such an action, suit or proceeding is brought, or such shareholders are unable to maintain Share ownership meeting the 10.0% threshold throughout the duration of the action, suit or proceeding, such shareholders' derivative action may be subject to dismissal. As a result, the Trust Agreement limits the likelihood that a shareholder will be able to successfully assert a derivative action in the name of the Trust, even if such shareholder believes that he or she has a valid derivative action, suit or other proceeding to bring on behalf of the Trust. See "Business—Description of the Trust Agreement—The Sponsor—Fiduciary and Regulatory Duties of the Sponsor" for more detail.

The Sponsor is solely responsible for determining the value of the NAV and NAV per Share and any errors, discontinuance or changes in such valuation calculations may have an adverse effect on the value of the Shares.

The Sponsor will determine the Trust's NAV and NAV per Share on a daily basis as soon as practicable after 4:00 p.m., New York time, on each business day. The Sponsor's determination is made utilizing data from the operations of the Trust and the Reference Rate Price, calculated at 4:00 p.m., New York time, on such day. If the Sponsor determines in good faith that the Reference Rate does not reflect an accurate TAO price, then the Sponsor will employ an alternative method to determine the Reference Rate Price under the cascading set of rules set forth in "Business—Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price—Determination of the Reference Rate Price When Reference Rate Price is Unavailable." In the context of applying such rules, the Sponsor may determine in good faith that the alternative method applied does not reflect an accurate TAO price and apply the next alternative method under the cascading set of rules. If the Sponsor determines after employing all of the alternative methods that the Reference Rate Price does not reflect an accurate TAO price, the Sponsor will use its best judgment to determine a good faith estimate of the Reference Rate Price. There are no predefined criteria to make a good faith assessment in these scenarios and such decisions will be made by the Sponsor in its sole discretion. The Sponsor may calculate the Reference Rate Price in a manner that ultimately inaccurately reflects the price of TAO. To the extent that the NAV, NAV per Share or the Reference Rate Price are incorrectly calculated, the Sponsor may not be liable for any error and such misreporting of valuation data could adversely affect the value of the Shares and investors could suffer a substantial loss on their investment in the Trust. Moreover, the terms of the Trust Agreement do not prohibit the Sponsor from changing the Reference Rate Price used to calculate the NAV and NAV per Share of the Trust. Any such change in the Reference Rate Price could affect the value of the Shares and investors could suffer a substantial loss on their investment in the Trust.

Extraordinary expenses resulting from unanticipated events may become payable by the Trust, adversely affecting the value of the Shares.

In consideration for the Sponsor's Fee, the Sponsor has contractually assumed all ordinary-course operational and periodic expenses of the Trust. See "Business—Expenses; Sales of TAO." Extraordinary expenses incurred by the Trust, such as taxes and governmental charges; expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency); or extraordinary legal fees and expenses are not assumed by the Sponsor and are borne by the Trust. The Sponsor will cause the Trust to either (i) sell TAO, Incidental Rights and/or IR Virtual Currency held by the Trust or (ii) deliver TAO, Incidental Rights and/or IR Virtual Currency in-kind to the Sponsor to pay Trust expenses not assumed by the Sponsor on an as-needed basis. Accordingly, the Trust may be required to sell or otherwise dispose of TAO, Incidental Rights and/or IR Virtual Currency at a time when the trading prices for those assets are depressed.

The sale or other disposition of assets of the Trust in order to pay extraordinary expenses could have a negative impact on the value of the Shares for several reasons. These include the following factors:

- The Trust is not actively managed and no attempt will be made to protect against or to take advantage of fluctuations in the prices of TAO, Incidental Rights or IR Virtual Currency. Consequently, if the Trust incurs expenses in U.S. dollars, the Trust's TAO, Incidental Rights or IR Virtual Currency may be sold

at a time when the values of the disposed assets are low, resulting in a negative impact on the value of the Shares.

- Because the Trust does not generate any income, every time that the Trust pays expenses, it will deliver TAO, Incidental Rights or IR Virtual Currency to the Sponsor or sell TAO, Incidental Rights or IR Virtual Currency. Any sales of the Trust's assets in connection with the payment of expenses will decrease the amount of the Trust's assets represented by each Share each time its assets are sold or transferred to the Sponsor.
- Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, each delivery or sale of TAO, Incidental Rights or IR Virtual Currency by the Trust to pay the Sponsor's Fee and/or Additional Trust Expenses will be a taxable event to beneficial owners of Shares. Thus, the Trust's payment of expenses could result in beneficial owners of Shares incurring tax liability without an associated distribution from the Trust. Any such tax liability could adversely affect an investment in the Shares. See "Business—Material U.S. Federal Income Tax Consequences."

The Trust's delivery or sale of TAO to pay expenses or other operations of the Trust could result in shareholders' incurring tax liability without an associated distribution from the Trust.

Assuming that the Trust is treated as a grantor trust for U.S. federal income tax purposes, each delivery of TAO by the Trust to pay the Sponsor's Fee or other expenses and each sale of TAO by the Trust to pay Additional Trust Expenses will be a taxable event to beneficial owners of Shares. Thus, the Trust's payment of expenses could result in beneficial owners of Shares incurring tax liability without an associated distribution from the Trust. Any such tax liability could adversely affect an investment in the Shares. See "Business—Material U.S. Federal Income Tax Consequences."

The value of the Shares will be adversely affected if the Trust is required to indemnify the Sponsor, the Trustee, the Transfer Agent or the Custodian under the Trust Documents.

Under the Trust Documents, each of the Sponsor, the Trustee, the Transfer Agent and the Custodian has a right to be indemnified by the Trust for certain liabilities or expenses that it incurs without gross negligence, bad faith or willful misconduct on its part. Therefore, the Sponsor, Trustee, Transfer Agent or the Custodian may require that the assets of the Trust be sold in order to cover losses or liability suffered by it. Any sale of that kind would reduce the NAV of the Trust and the value of the Shares.

Intellectual property rights claims may adversely affect the Trust and the value of the Shares.

The Sponsor is not aware of any intellectual property rights claims that may prevent the Trust from operating and holding TAO, Incidental Rights or IR Virtual Currency. However, third parties may assert intellectual property rights claims relating to the operation of the Trust and the mechanics instituted for the investment in, holding of and transfer of TAO, Incidental Rights or IR Virtual Currency. Regardless of the merit of an intellectual property or other legal action, any legal expenses to defend or payments to settle such claims would be extraordinary expenses that would be borne by the Trust through the sale or transfer of its TAO, Incidental Rights or IR Virtual Currency. Additionally, a meritorious intellectual property rights claim could prevent the Trust from operating and force the Sponsor to terminate the Trust and liquidate its TAO, Incidental Rights or IR Virtual Currency. As a result, an intellectual property rights claim against the Trust could adversely affect the value of the Shares.

Pandemics, epidemics and other natural and man-made disasters could negatively impact the value of the Trust's holdings and/or significantly disrupt its affairs.

Pandemics, epidemics and other natural and man-made disasters could negatively impact demand for digital assets, including TAO, and disrupt the operations of many businesses, including the businesses of the Trust's service providers. For example, the COVID-19 pandemic had serious adverse effects on the economies and financial markets of many countries, resulting in increased volatility and uncertainty in economies and financial markets of many countries and in the Digital Asset Markets. Moreover, governmental authorities and regulators throughout the world have in the past responded to major economic disruptions, including as a result of the COVID-19 pandemic, with a variety of fiscal and monetary policy changes, such as quantitative easing, new monetary programs and lower interest rates. An unexpected or quick reversal of any such policies, or the ineffectiveness of such policies, could

increase volatility in economies and financial market generally, and could specifically increase volatility in the Digital Asset Markets, which could adversely affect the value of TAO and the value of the Shares.

In addition, pandemics, epidemics and other natural and man-made disasters could disrupt the operations of many businesses. For example, in response to the COVID-19 pandemic, many governments imposed travel restrictions and prolonged, closed international borders and enhanced health screenings at ports of entry and elsewhere, which disrupted businesses around the world. While the Sponsor and the Trust were not materially impacted by these events, any disruptions to the Sponsor's, the Trust or the Trust's service providers' business operations resulting from business restrictions, quarantines or restrictions on the ability of personnel to perform their jobs as a result of any future pandemic, epidemic or other disaster could have an adverse impact on the Trust's ability to access critical services and could be disruptive to the affairs of the Trust.

Shareholders may not receive the benefits of any forks or airdrops.

The Bittensor Network operates using open-source protocols, meaning that any user can download the software, modify it and then propose that the users and validators of TAO adopt the modification. When a modification is introduced and a substantial majority of users and validators consent to the modification, the change is implemented and the network remains uninterrupted. However, if less than a substantial majority of users and validators consent to the proposed modification, and the modification is not compatible with the software prior to its modification, the consequence would be what is known as a "hard fork" of the Bittensor Network, with one group running the pre-modified software and the other running the modified software. The effect of such a fork would be the existence of two versions of TAO running in parallel, yet lacking interchangeability. In addition to forks, a digital asset may become subject to a similar occurrence known as an "airdrop." In an airdrop, the promoters of a new digital asset announce to some group of users, such as the group that are holders of another digital asset, that such group will be entitled to claim a certain amount of the new digital asset for free, based on the fact that they are part of that group.

Shareholders may not receive the benefits of any forks, the Trust may not choose, or be able, to participate in an airdrop, and the timing of receiving any benefits from a fork, airdrop or similar event is uncertain. We refer to the right to receive any such benefit as an "Incidental Right" and any such virtual currency acquired through an Incidental Right as "IR Virtual Currency." There are likely to be operational, tax, securities law, regulatory, legal and practical issues that significantly limit, or prevent entirely, shareholders' ability to realize a benefit, through their Shares in the Trust, from any such Incidental Rights or IR Virtual Currency. For instance, the Custodian may not agree to provide access to the IR Virtual Currency. In addition, the Sponsor may determine that there is no safe or practical way to custody the IR Virtual Currency, or that trying to do so may pose an unacceptable risk to the Trust's holdings in TAO, or that the costs of taking possession and/or maintaining ownership of the IR Virtual Currency exceed the benefits of owning the IR Virtual Currency. Additionally, laws, regulation or other factors may prevent shareholders from benefiting from the Incidental Right or IR Virtual Currency even if there is a safe and practical way to custody and secure the IR Virtual Currency. For example, it may be illegal to sell or otherwise dispose of the Incidental Right or IR Virtual Currency, or there may not be a suitable market into which the Incidental Right or IR Virtual Currency can be sold (immediately after the fork or airdrop, or ever). The Sponsor may also determine, in consultation with its legal advisers, that the Incidental Right or IR Virtual Currency is, or is likely to be deemed, a security under federal or state securities laws. In such a case, the Sponsor would irrevocably abandon, as of any date on which the Trust creates Shares, such Incidental Right or IR Virtual Currency if holding it would have an adverse effect on the Trust and it would not be practicable to avoid such effect by disposing of the Incidental Right or IR Virtual Currency in a manner that would result in shareholders receiving more than insignificant value thereof. In making such a determination, the Sponsor expects to take into account a number of factors, including the various definitions of a "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, as well as reports, orders, press releases, public statements and speeches by the SEC and its staff providing guidance on when a digital asset may be a security for purposes of the federal securities laws.

The Trust has informed the Custodian that it is irrevocably abandoning, as of any date on which the Trust creates Shares, any Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such date and with respect to which it has not taken any Affirmative Action at or prior to such date. In order to avert abandonment of an Incidental Right or IR Virtual Currency, the Trust will send a notice to the Custodian of its intention to retain such Incidental Right or IR Virtual Currency. The Sponsor intends to evaluate each future fork or airdrop on a case-by-case basis in consultation with the Trust's legal advisers, tax consultants and Custodian. Any

inability to recognize the economic benefit of a hard fork or airdrop could adversely affect the value of the Shares. See "Overview—Incidental Rights and IR Virtual Currency."

Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares

A determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust.

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 the exchange rule filings to list shares of trusts holding Ether as commodity-based ETPs, appears to have implicitly taken the view 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 under former SEC Chair Gensler's leadership brought enforcement actions against the issuers and promoters of several other digital assets on the basis that the digital assets in question are securities. More recently, the SEC under former SEC Chair Gensler's leadership 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.

Whether a digital asset is a security, or offers and sales of a digital asset are securities transactions, under the federal securities laws depends on whether it is included in the lists of instruments making up the definition of "security" in such laws. 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 or the offer and sale of a digital asset is a securities transaction 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 or a particular offer and sale of a digital asset qualifying as a securities transaction 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 TAO is a security or a transaction in TAO by the Sponsor is a securities transaction, for purposes of the federal securities laws, the Sponsor 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 or when an offer and sale of a digital asset may be a securities transaction for purposes of the federal securities laws. Finally, the Sponsor discusses the security status of TAO and the Sponsor's transactions in TAO with external counsel, and has received a memorandum regarding the status of TAO and the Sponsor's transactions in TAO under the federal securities laws from external counsel. Through this process the Sponsor believes that it is applying the proper legal standards in determining that TAO is not a security in light of the uncertainties inherent in the *Howey and Reves* tests. However, such policies and procedures are risk-based judgments made by the Sponsor and not a legal standard or determination binding on any regulatory body or court.

In light of these uncertainties and the fact-based nature of the analysis, the Sponsor acknowledges that the SEC may take a contrary position; and the Sponsor's conclusion, even if reasonable under the circumstances, would not preclude legal or regulatory action based on the presence of a security.

As is the case with TAO, 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 Sponsor 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, or transactions in the digital asset, in question is or is not a security, or are or are not securities transactions, respectively, for purposes of the federal securities laws. Often, certain factors appear to support a conclusion that the digital asset in question, or transactions in the digital asset, is a security, or are or are not securities transactions, respectively, 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 Sponsor 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, or transactions in the digital asset, is or is not a security, or are or are not securities transactions, respectively, for federal securities law purposes. The Sponsor 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 Sponsor understands that at present counsel is generally not in a position to render a legal "opinion" on the securities-law status of TAO or any other particular digital asset.

As such, notwithstanding the Sponsor's receipt of a memorandum regarding the status of TAO under the federal securities laws from external counsel and the Sponsor's view that TAO is not a security and the Sponsor's transactions in TAO are not securities transactions, the SEC or a federal court may in the future take a different view as to the security status of TAO.

If the Sponsor determines that TAO, or transactions in TAO, are a security or securities transactions, respectively, under the federal securities laws, whether that determination is initially made by the Sponsor itself, or because a federal court upholds an allegation that TAO is a security, the Sponsor does not intend to permit the Trust to continue holding TAO in a way that would violate the federal securities laws (and therefore would either dissolve the Trust or potentially seek to operate the Trust in a manner that complies with the federal securities laws, including the Investment Company Act). Because the legal tests for determining whether a digital asset or transactions in the digital asset, are or are not a security or securities transactions, respectively, often leave room for interpretation, for so long as the Sponsor believes there to be good faith grounds to conclude that the Trust's TAO is not a security, the Sponsor does not intend to dissolve the Trust on the basis that TAO 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 TAO, or transactions in TAO, are a security, or securities transactions, respectively, or a court decision to that effect, would be expected to have an immediate material adverse impact on the trading value of TAO, as well as the Shares. This is because the market structure behind most digital assets are incompatible with regulations applying to transactions in securities. If a digital asset or transactions in that digital asset are determined to be a security or securities transactions, respectively, 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 or transactions in that digital asset are a security or securities transactions, respectively, by the SEC or another regulatory authority may have similar effects.

For example, 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 years prior to the SEC's action, XRP's market capitalization at

times reached over $140 billion. However, in the weeks following the SEC's complaint, 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.

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 and the parties each dismissed their appeals to the Second Circuit on August 7, 2025.

Likewise, in the days following the announcement of SEC enforcement actions against certain digital asset issuers and trading platforms, the prices of various digital assets have declined significantly and may continue to decline as such cases advance through the federal court system. Furthermore, the decisions in cases involving digital assets have resulted in seemingly inconsistent views of different district court judges, including one that explicitly disagreed with the analysis underlying the decision regarding XRP, which underscore the continuing uncertainty around which digital assets, or transactions in 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 TAO, or transactions in TAO, are determined to be securities by a federal court, the Trust could be considered an unregistered "investment company" under the Investment Company Act, which could necessitate the Trust's liquidation. In this case, the Trust and the Sponsor may be deemed to have participated in an illegal offering of investment company securities and there is no guarantee that the Sponsor will be able to register the Trust under the Investment Company Act at such time or take such other actions as may be necessary to ensure the Trust's activities comply with applicable law, which could force the Sponsor to liquidate the Trust.

Moreover, whether or not the Sponsor or the Trust were subject to additional regulatory requirements as a result of any determination that the Trust's assets include securities or the Trust's transactions in digital assets constitute securities transactions, the Sponsor may nevertheless decide to terminate the Trust, in order, if possible, to liquidate the Trust's assets while a liquid market still exists. For example, in response to the SEC's action against the issuer of the digital asset 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 Sponsor's conclusion that it was likely to be increasingly difficult for U.S. investors, including Grayscale XRP Trust (XRP), an affiliate of the Trust, to convert XRP into U.S. dollars. The Sponsor subsequently dissolved Grayscale XRP Trust (XRP) and liquidated its assets. The Sponsor has since established a new investment vehicle that holds XRP, Grayscale XRP Trust. If the SEC or a federal court were to determine that TAO is a security or transactions in TAO are securities transactions, it is likely that the value of the Shares of the Trust would decline significantly. Furthermore, if a federal court upholds an allegation that TAO is a security or transactions in TAO are securities transactions, the Trust itself may be terminated and, if practical, its assets liquidated.

Regulatory changes or actions by the U.S. Congress or any U.S. federal or state agencies may affect the value of the Shares or restrict the use of TAO, validating activity or the operation of the Bittensor Network or the Digital Asset Markets in a manner that adversely affects the value of the Shares.

As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies (including FinCEN, OFAC, SEC, CFTC, FINRA, the Consumer Financial Protection Bureau ("CFPB"), the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve and state financial institution and securities regulators) have been examining the operations of digital asset networks, digital asset users and the Digital Asset Markets, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, evade sanctions, or fund criminal or terrorist enterprises and the safety and soundness of trading platforms and other service providers that hold or custody digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. Ongoing and future regulatory actions with respect to digital assets generally or TAO in particular may alter, perhaps to a materially adverse extent, the nature of an investment in the Shares or the ability of the Trust to continue to operate.

On January 23, 2025, President Trump issued an executive order titled "Strengthening American Leadership in Digital Financial Technology" aimed at supporting "the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy." The executive order also established an interagency working group that is tasked with "proposing a Federal regulatory framework governing the issuance and operation of digital assets" in the United States. Pursuant to this executive order, the working group released a report in July 2025 outlining the administration's recommendations to Congress and various agencies reflecting the administration's "pro-innovation mindset toward digital assets and blockchain technologies." In particular, the report recommends that Congress enact legislation regarding self custody of digital assets, clarifying the applicability of Bank Secrecy Act obligations with respect to digital asset service providers, granting the CFTC authority to regulate spot markets in non-security digital assets, prohibiting the adoption of a CBDC, and clarifying tax laws as relevant to digital assets. In addition, the report recommends that agencies reevaluate existing guidance on digital asset activities, use existing authorities to enable the trading of digital assets at the federal level, embrace DeFi, launch or relaunch crypto innovation efforts, and promote U.S. private sector leadership in the responsible development of cross-border payments and financial markets technologies, among others.

There have also been several bills introduced in Congress that propose to establish additional regulation and oversight of the digital asset markets. For example, the CLARITY Act was passed by the House of Representatives in July 2025, which would, if enacted, regulate digital asset markets and digital asset trading platforms in the United States. In addition, also in July 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 (the "GENIUS Act") became the first federal law specifically regulating the issuance, custody and other stablecoin-related matters in the United States. It is difficult to predict whether, or when, the CLARITY Act or another Bill that would regulate digital asset markets and digital asset trading platforms may become law or what any such Bill may entail. It is difficult to predict whether, or when, any of these developments will lead to Congress granting additional authorities to the SEC or other regulators, what the nature of such additional authorities might be, how additional legislation and/or regulatory oversight might impact the ability of Digital Asset Markets to function or how any new regulations or changes to existing regulations might impact the value of digital assets generally and TAO held by the Trust specifically. The consequences of increased federal regulation of digital assets and digital asset activities could have a material adverse effect on the Trust and the Shares.

Law enforcement agencies have often relied on the transparency of blockchains to facilitate investigations. However, certain privacy-enhancing features have been, or are expected to be, introduced to a number of digital asset networks. If the Bittensor Network were to adopt any of these features, these features may provide law enforcement agencies with less visibility into transaction-level data. Europol, the European Union's law enforcement agency, released a report in October 2017 noting the increased use of privacy-enhancing digital assets like Zcash and Monero in criminal activity on the internet. In August 2022, OFAC banned all U.S. citizens from using Tornado Cash, a digital asset protocol designed to obfuscate blockchain transactions, by adding certain Ethereum wallet addresses associated with the protocol to its Specially Designated Nationals and Blocked Persons List. A large portion of Ethereum validators globally, as well as notable industry participants such as Centre, the issuer of the USDC stablecoin, have reportedly complied with the sanctions and blacklisted the sanctioned addresses from interacting with their networks. In October 2023, FinCEN issued a notice of proposed rulemaking that identified convertible virtual currency (CVC) mixing as a class of transactions of primary money laundering concern and proposed requiring covered financial institutions to implement certain recordkeeping and reporting requirements on transactions that covered financial institutions know, suspect, or have reason to suspect involve CVC mixing within or involving jurisdictions outside the United States. In April 2024, the DOJ arrested and charged the developers of the Samourai Wallet mixing service with conspiracy to commit money laundering and conspiracy to operate an unlicensed money transmitting business. In May 2024, a co-founder of Tornado Cash was sentenced to more than five years imprisonment in the Netherlands for developing Tornado Cash on the basis that he had helped launder more than $2 billion worth of digital assets through Tornado Cash. In August 2025, a co-founder of Tornado Cash was convicted of conspiracy to operate an unlicensed money transmitting business, but a mistrial was declared with respect to charges of conspiracy to commit money laundering and conspiracy to violate U.S. sanctions. Future additional regulatory action with respect to privacy-enhancing digital assets is possible.

TAO's initial manner of sale may resemble that of certain digital assets found to be securities, and a determination that TAO is a "security" may adversely affect the value of TAO and an investment in the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, such Trust.

Through enforcement actions and other statements, the SEC and its staff have taken the position that a digital

asset's initial manner of sale may be a key factor in determining whether that digital asset was a security, at least at the time of the digital asset's delivery as part of that sale. This has meant that many blockchain startups that have offered digital assets to the public in the form of initial coin offerings, also known as ICOs, have been found to have engaged in illegal unregistered distributions of securities. One variant of an ICO involves a digital asset being sold through a Simple Agreement for Future Token, or a or a SAFT. Under a SAFT, a purchaser agrees to contribute funds to enable the development of a digital asset network in exchange for an agreement by the developer to deliver digital assets in the future, once the network becomes operational. The legal theory behind the SAFT is that, while the SAFT itself may be an "investment contract" and thus a "security" under the federal securities laws (and is therefore typically offered in reliance on an exemption from registration), the tokens themselves should not be securities at the time of their delivery because at that time the network will be operational and the tokens will have real consumptive uses, rather than representing an investment to fund the initial development work.

The SEC has cast doubt on the legal argument underpinning the SAFT structure, and has litigated in federal court at least two significant enforcement actions involving digital assets sold under SAFTs, arguing in each case that the digital assets sold under a SAFTs, and not just SAFTs themselves, were securities. In March 2020, the SEC obtained a preliminary injunction barring Telegram Group, Inc. from conducting an unregistered distribution of digital assets known as Grams, on the grounds that Grams were securities under the federal securities laws, notwithstanding the fact that they had been sold under one variant of an ICO involving a digital asset being sold through a Simple Agreement for Future Tokens, or a SAFT. Telegram Group ultimately agreed to return $1.2 billion to investors and to pay a $18.5 million civil penalty. Similarly, in September 2020 the SEC won a motion for summary judgment against Kik Interactive, Inc., persuading the court that Kik Interactive's sale of digital assets, called Kin, through a SAFT structure should be integrated with Kik Interactive's separate public sale of Kin (which the court held to be illegal), as the sales were conducted using the same marketing efforts, involved the same asset, and were conducted very close in time to one another. Kik Interactive ultimately agreed to pay a $5 million civil penalty. The SEC in December 2020 filed a complaint against the issuer of XRP, Ripple Labs, Inc., and two of its executives, alleging that Ripple Labs and its executives raised over $1.3 billion through XRP sales that should have been registered under the federal securities laws, but were not. Multiple digital assets the SEC alleged to be securities in the Coinbase, Binance and Kraken Complaints were first sold to the public in similar circumstances or ICOs. 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 amounted to "investment contracts" under the Howey test. For a discussion of the evolution of the SEC's complaint against Ripple Labs, see "Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—A determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust."

The Opentensor Foundation, the developer of the Bittensor Network and the creator of TAO, did not use an ICO to distribute TAO. However, from the creation of the Bittensor Network until approximately October 2023, the Opentensor Foundation or its affiliates will have earned a significant amount of all TAO that the Bittensor Network had then created as a result of (i) the Opentensor Foundation being one of the only miners of TAO until May 2021 when the Bittensor Network adopted its current PoA consensus mechanism; (ii) the Opentensor Foundation being one of only a small number of Validators earning TAO rewards until approximately October 2023; and (iii) the Opentensor Foundation being the "owner" of the only Subnet that existed from April to October 2023 and therefore receiving 18% of all TAO emissions during that period. See "Overview of the TAO Industry and Market—Creation of TAO." Certain individuals and entities associated with the Opentensor Foundation continue to distribute TAO. Because the Opentensor Foundation and its affiliates are believed to have held a significant amount of TAO during the infancy of the Bittensor Network that it or they then distributed to users, some may argue that TAO's distribution shares several characteristics with other offerings of digital assets, including those conducted by Telegram Group, Kik Interactive, and Ripple Labs that the SEC has argued were used to effect the illegal unregistered public distribution of a security. While there are reasonable grounds on which TAO may be distinguished from Grams, Kin, and XRP, TAO therefore has certain characteristics that mean that the risk of the SEC or a court finding TAO to be a security is greater than the risk that digital assets like Bitcoin would be found to be securities. The degree of control retained by the Opentensor Foundation and its affiliates is such that it or they would likely be viewed by a regulator as continuing to play a material role in the development of the Bittensor Network, which could adversely affect any argument that TAO is not a security. In addition, as noted under "Overview of the TAO Industry and Market," a significant portion of demand for digital assets is generated by speculators and investors, not necessarily by those looking to use digital assets for consumptive purposes.

If the Bittensor Network cannot retain users and demonstrate that its primary consumptive use case for TAO is serious and viable, this could also increase the risk that TAO is determined to be a security.

If TAO is determined to be a "security" or transactions in TAO are determined to be securities transactions under federal or state securities laws by the SEC or a state regulatory agency, or in a proceeding in a court of law or otherwise, it will have material adverse consequences for TAO and an investment in the Shares. If TAO or transactions in TAO are determined to be a security, or a securities transaction, it is likely to become difficult or impossible for TAO to be traded, cleared or custodied in the United States through the same channels used by non-security digital assets, which could in turn materially and adversely affect the trading value, liquidity, market participants' ability to convert TAO into U.S. dollars and general acceptance of TAO and cause users to migrate to other digital assets. As such, any determination that TAO or transactions in that digital asset are a security under federal or state securities laws may adversely affect the value of TAO and, as a result, an investment in the Shares.

To the extent that TAO is determined to be a security or transactions in TAO are determined to be securities transactions, the Trust could be considered an unregistered "investment company" under the Investment Company Act, which could necessitate the Trust's liquidation. In this case, the Trust and the Sponsor may be deemed to have participated in an illegal offering of investment company securities and there is no guarantee that the Sponsor will be able to register the Trust under the Investment Company Act at such time or take such other actions as may be necessary to ensure the Trust's activities comply with applicable law, which could force the Sponsor to liquidate the Trust. The Sponsor could also be subject to an SEC enforcement action. If the Sponsor determines not to comply with, or is unable to comply with, such additional regulatory and registration requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust's TAO at a time that is disadvantageous to Shareholders.

Changes in SEC policy could adversely impact the value of the Shares.

The effect of any future regulatory change on the Trust or the digital assets held by the Trust is impossible to predict, but such change could be substantial and adverse to the Trust and the value of the Shares. If the SEC were to approve any such ETF other than ours in the future, such an ETF may be perceived to be a superior investment product offering exposure to digital assets compared to the Trust because the value of the shares issued by such an ETF may more closely track the ETF's net asset value than do Shares of the Trust, and investors may therefore favor investments in such ETFs over investments in the Trust. Any weakening in demand for the Shares compared to digital asset ETF shares could cause the value of the Shares to decline.

Competing industries may have more influence with policymakers than the digital asset industry, which could lead to the adoption of laws and regulations that are harmful to the digital asset industry.

The digital asset industry is relatively new, although its influence over public policy is increasing, and it does not have the same access to policymakers and lobbying organizations in many jurisdictions compared to industries with which digital assets may be seen to compete, such as banking, payments and consumer finance. Competitors from other, more established industries may have greater access to and influence with governmental officials and regulators and may be successful in persuading these policymakers that digital assets require heightened levels of regulation compared to the regulation of traditional financial services. As a result, new laws and regulations may be proposed and adopted in the United States and elsewhere, or existing laws and regulations may be interpreted in new ways, that disfavor or impose compliance burdens on the digital asset industry or digital asset platforms, which could adversely impact the value of TAO and therefore the value of the Shares.

Regulatory changes or other events in foreign jurisdictions may affect the value of the Shares or restrict the use of one or more digital assets, validating activity or the operation of their networks or the Digital Asset Trading Platform Market in a manner that adversely affects the value of the Shares.

Various foreign jurisdictions have, and may continue to adopt laws, regulations or directives that affect the digital asset network, the Digital Asset Markets, and their users, particularly Digital Asset Trading Platforms and service providers that fall within such jurisdictions' regulatory scope. For example, if foreign jurisdictions in addition to China were to ban or otherwise restrict mining activity, including by regulating or limiting manufacturers' ability to produce or sell semiconductors or hard drives in connection with mining, it would have a material adverse effect on digital asset networks (including the Bittensor Network), the Digital Asset Market, and as a result, impact the value of the Shares.

A number of foreign jurisdictions have recently taken regulatory action aimed at digital asset activities. China has made transacting in cryptocurrencies illegal for Chinese citizens in mainland China, and additional restrictions may follow. Both China and South Korea have banned initial coin offerings entirely and regulators in other jurisdictions, including Canada, Singapore and Hong Kong, have opined that initial coin offerings may constitute securities offerings subject to local securities regulations. The United Kingdom's Financial Conduct Authority published final rules in October 2020 banning the sale of derivatives and exchange-traded notes that reference certain types of digital assets, contending that they are "ill-suited" to retail investors citing extreme volatility, valuation challenges and association with financial crime. A new law, the Financial Services and Markets Act 2023 ("FSMA"), received royal assent in June 2023. The FSMA brings digital asset activities within the scope of existing laws governing financial institutions, markets and assets. In addition, the Parliament of the European Union approved the text of the Markets in Crypto Assets Regulation ("MiCA") in April 2023, establishing a regulatory framework for digital asset services across the European Union. Certain parts of MiCA became effective as of June 2024 and the remainder became effective as of December 2024. MiCA is intended to serve as a comprehensive regulation of digital asset markets and imposes various obligations on digital asset issuers and service providers. The main aims of MiCA are industry regulation, consumer protection, prevention of market abuse and upholding the integrity of digital asset markets. See "Business—Overview of the TAO Industry and Market—Government Oversight."

Foreign laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of one or more digital assets by users, merchants and service providers outside the United States and may therefore impede the growth or sustainability of the digital asset economy in the European Union, China, Japan, Russia and the United States and globally, or otherwise negatively affect the value of TAO. Moreover, other events, such as the interruption in telecommunications or internet services, cyber-related terrorist acts, civil disturbances, war or other catastrophes, could also negatively affect the digital asset economy in one or more jurisdictions. For example, Russia's invasion of Ukraine on February 24, 2022 led to volatility in digital asset prices, with an initial steep decline followed by a sharp rebound in prices. The effect of any future regulatory change or other events on the Trust or TAO is impossible to predict, and such change could be substantial and adverse to the Trust and the value of the Shares.

If regulators subject an Authorized Participant, the Trust or the Sponsor to regulation as a money service business or money transmitter, this could result in extraordinary expenses to the Authorized Participant, the Trust or the Sponsor and also result in decreased liquidity for the Shares.

To the extent that the activities of any Authorized Participant, the Trust or the Sponsor cause it to be deemed a "money services business" under the regulations promulgated by FinCEN, such Authorized Participant, the Trust or the Sponsor may be required to comply with FinCEN regulations, including those that would mandate the Authorized Participant, the Trust or the Sponsor to implement anti-money laundering programs, make certain reports to FinCEN and maintain certain records. Similarly, the activities of an Authorized Participant, the Trust or the Sponsor may require it to be licensed as a money transmitter or as a digital asset business, such as under the NYDFS' BitLicense regulations or California's Digital Financial Assets Law, once effective.

Such additional regulatory obligations may cause the Authorized Participant, the Trust or the Sponsor to incur extraordinary expenses. If the Authorized Participant, the Trust or the Sponsor decided to seek the required licenses, there is no guarantee that they will timely receive them. An Authorized Participant may instead decide to terminate its role as Authorized Participant of the Trust, or the Sponsor may decide to discontinue and wind up the Trust. An Authorized Participant's decision to cease acting as such may decrease the liquidity of the Shares, which could adversely affect the value of the Shares, and termination of the Trust in response to the changed regulatory circumstances may be at a time that is disadvantageous to the shareholders.

Additionally, to the extent an Authorized Participant, the Trust or the Sponsor is found to have operated without appropriate state or federal licenses or registration, it may be subject to investigation, administrative or court proceedings, and civil or criminal monetary fines and penalties, all of which would harm the reputation of the Trust or the Sponsor, decrease the liquidity, and have a material adverse effect on the price of, the Shares.

Regulatory changes or interpretations could obligate the Trust or the Sponsor to register and comply with new regulations, resulting in potentially extraordinary, nonrecurring expenses to the Trust.

Current and future legislation, CFTC and SEC rulemaking and other regulatory developments may impact the manner in which TAO is treated. In particular, TAO may be classified by the CFTC as a "commodity interest" under the CEA or may be classified by the SEC as a "security" under U.S. federal securities laws. It is possible that a new Administration and Congress in the United States creates a new classification for digital assets. The Sponsor and the Trust cannot be certain as to how future regulatory developments will impact the treatment of TAO under the law. In the face of such developments, the required registrations and compliance steps may result in extraordinary, nonrecurring expenses to the Trust. If the Sponsor decides to terminate the Trust in response to the changed regulatory circumstances, the Trust may be dissolved or liquidated at a time that is disadvantageous to shareholders.

To the extent that TAO is deemed to fall within the definition of a "commodity interest" under the CEA, the Trust and the Sponsor may be subject to additional regulation under the CEA and CFTC regulations. The Sponsor may be required to register as a commodity pool operator or commodity trading adviser with the CFTC and become a member of the National Futures Association and may be subject to additional regulatory requirements with respect to the Trust, including disclosure and reporting requirements. These additional requirements may result in extraordinary, recurring and/or nonrecurring expenses of the Trust, thereby materially and adversely impacting the Shares. If the Sponsor determines not to comply with such additional regulatory and registration requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust's TAO at a time that is disadvantageous to shareholders.

To the extent that TAO is determined to be a security under U.S. federal securities laws, the Trust and the Sponsor may be subject to additional requirements under the Investment Company Act and the Sponsor may be required to register as an investment adviser under the Investment Advisers Act. Such additional registration may result in extraordinary, recurring and/or non-recurring expenses of the Trust, thereby materially and adversely impacting the Shares. If the Sponsor determines not to comply with such additional regulatory and registration requirements, the Sponsor will terminate the Trust. Any such termination could result in the liquidation of the Trust's TAO at a time that is disadvantageous to shareholders.

The treatment of the Trust for U.S. federal income tax purposes is uncertain.

The Sponsor intends to take the position that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. Assuming that the Trust is a grantor trust, the Trust will not be subject to U.S. federal income tax. Rather, if the Trust is a grantor trust, each beneficial owner of Shares will be treated as directly owning its pro rata share of the Trust's assets and a pro rata portion of the Trust's income, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the IRS were to disagree with, and successfully challenge certain positions the Trust may take, including with respect to Incidental Rights and IR Virtual Currency, the Trust might not qualify as a grantor trust. In addition, the Sponsor has delivered the Pre-Creation Abandonment Notice to the Custodian stating that the Trust is abandoning irrevocably, for no direct or indirect consideration, effective immediately prior to each Creation Time, all Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such time and with respect to which it has not taken any Affirmative Action at or prior to such time. There can be no complete assurance that these abandonments will be treated as effective for U.S. federal income tax purposes. If the Trust were treated as owning any asset other than TAO as of any date on which it creates Shares, it might cease to qualify as a grantor trust for U.S. federal income tax purposes.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and other similar occurrences. Assuming that the Trust is currently a grantor trust for U.S. federal income tax purposes, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for such purposes.

If the Trust is not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. However, due to the uncertain treatment of digital assets for U.S. federal income tax purposes (as discussed above in "Business—Material U.S. Federal Income Tax Consequences—Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets"), there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, the tax consequences of owning Shares generally would not be materially different from the tax consequences described herein, although there might be certain differences, including with respect to timing of the recognition of taxable income or loss. In addition, tax

information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable dividends to the extent of the Trust's current and accumulated earnings and profits. Any such dividend distributed to a beneficial owner of Shares that is a non-U.S. person for U.S. federal income tax purposes would be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate as provided in an applicable tax treaty).

The treatment of digital assets for U.S. federal income tax purposes is uncertain.

As discussed in the section entitled "Business—Material U.S. Federal Income Tax Consequences—Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets" below, assuming that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes, each beneficial owner of Shares will be treated for U.S. federal income tax purposes as the owner of an undivided interest in the TAO (and, if applicable, any Incidental Rights and/or IR Virtual Currency) held in the Trust. Due to the new and evolving nature of digital assets and the absence of comprehensive guidance with respect to digital assets, many significant aspects of the U.S. federal income tax treatment of digital assets are uncertain.

In 2014, the Internal Revenue Service ("IRS") released a notice (the "Notice") discussing certain aspects of "convertible virtual currency" (that is, digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency) for U.S. federal income tax purposes and, in particular, stating that such digital assets (i) are "property" (ii) are not "currency" for purposes of the rules relating to foreign currency gain or loss and (iii) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of "Frequently Asked Questions" (the "Ruling & FAQs") that provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital assets are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital assets. However, the Notice and the Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of digital assets. Moreover, although the Ruling & FAQs address the treatment of hard forks, there continues to be uncertainty with respect to the timing and amount of the income inclusions.

There can be no assurance that the IRS will not alter its position with respect to digital assets in the future or that a court would uphold the treatment set forth in the Notice and the Ruling & FAQs. It is also unclear what additional guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for shareholders and could have an adverse effect on the value of TAO. Future developments that may arise with respect to digital assets may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. For example, the Notice addresses only digital assets that are "convertible virtual currency," and it is conceivable that, as a result of a fork, airdrop or similar occurrence, the Trust could hold certain types of digital assets that are not within the scope of the Notice.

Shareholders are urged to consult their tax advisers regarding the tax consequences of owning and disposing of Shares and digital assets in general.

Future developments regarding the treatment of digital assets for U.S. federal income tax purposes could adversely affect the value of the Shares.

As discussed above, many significant aspects of the U.S. federal income tax treatment of digital assets, such as TAO, are uncertain, and it is unclear what guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. It is possible that any such guidance would have an adverse effect on the prices of digital assets, including on the price of TAO in the Digital Asset Markets, and therefore may have an adverse effect on the value of the Shares.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and similar occurrences. Such developments may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. Moreover, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for U.S. federal income tax purposes.

Future developments in the treatment of digital assets for tax purposes other than U.S. federal income tax purposes could adversely affect the value of the Shares.

The taxing authorities of certain states, including New York, (i) have announced that they will follow the Notice with respect to the treatment of digital assets for state income tax purposes and/or (ii) have issued guidance exempting the purchase and/or sale of digital assets for fiat currency from state sales tax. However, it is unclear what further guidance on the treatment of digital assets for state tax purposes may be issued in the future.

The treatment of digital assets for tax purposes by non-U.S. jurisdictions may differ from the treatment of digital assets for U.S. federal, state or local tax purposes. It is possible, for example, that a non-U.S. jurisdiction would impose sales tax or value-added tax on purchases and sales of digital assets for fiat currency. If a foreign jurisdiction with a significant share of the market of TAO users imposes onerous tax burdens on digital asset users, or imposes sales or value-added tax on purchases and sales of digital assets for fiat currency, such actions could result in decreased demand for TAO in such jurisdiction.

Any future guidance on the treatment of digital assets for state, local or non-U.S. tax purposes could increase the expenses of the Trust and could have an adverse effect on the prices of digital assets, including on the price of TAO in the Digital Asset Markets. As a result, any such future guidance could have an adverse effect on the value of the Shares.

A U.S. tax-exempt shareholder may recognize "unrelated business taxable income" as a consequence of an investment in Shares.

Under the guidance provided in the Ruling & FAQs, hard forks, airdrops and similar occurrences with respect to digital assets will under certain circumstances be treated as taxable events giving rise to ordinary income. In the absence of guidance to the contrary, it is possible that any such income recognized by a U.S. tax-exempt shareholder would constitute "unrelated business taxable income" ("UBTI"). A tax-exempt shareholder should consult its tax adviser regarding whether such shareholder may recognize UBTI as a consequence of an investment in Shares. See "Business—Material U.S. Federal Income Tax Consequences."

The tax treatment of TAO and transactions involving TAO for state and local tax purposes is not settled.

Because TAO is a new technological innovation, the tax treatment of TAO for state and local tax purposes, including, without limitation state and local income and sales and use taxes, is not settled. It is uncertain what guidance, if any, on the treatment of TAO for state and local tax purposes may be issued in the future. A state or local government authority's treatment of TAO may have negative consequences, including the imposition of a greater tax burden on investors in TAO or the imposition of a greater cost on the acquisition and disposition of TAO generally. Any such treatment may have a negative effect on prices of TAO and may adversely affect the value of the Shares.

Non-U.S. Holders may be subject to U.S. federal withholding tax on income derived from forks, airdrops and similar occurrences.

The Ruling & FAQs do not address whether income recognized by a non-U.S. person as a result of a fork, airdrop or similar occurrence could be subject to the 30% withholding tax imposed on U.S.-source "fixed or determinable annual or periodical" income. Non-U.S. Holders (as defined under "Business—Material U.S. Federal Income Tax Consequences—Tax Consequences to Non-U.S. Holders" below) should assume that, in the absence of guidance, a withholding agent (including the Sponsor) is likely to withhold 30% of any such income recognized by a non-U.S. Holder in respect of its Shares, including by deducting such withheld amounts from proceeds that such non-U.S. Holder would otherwise be entitled to receive in connection with a distribution of Incidental Rights or IR Virtual Currency. See "Business—Material U.S. Federal Income Tax Consequences."

Risk Factors Related to Potential Conflicts of Interest

Potential conflicts of interest may arise among the Sponsor or its affiliates and the Trust. The Sponsor and its affiliates have no fiduciary duties to the Trust and its shareholders other than as provided in the Trust Agreement, which may permit them to favor their own interests to the detriment of the Trust and its shareholders.

The Sponsor will manage the affairs of the Trust. Conflicts of interest may arise among the Sponsor and its affiliates, including the Authorized Participants, on the one hand, and the Trust and its shareholders, on the other hand. As a result of these conflicts, the Sponsor may favor its own interests and the interests of its affiliates over the Trust and its shareholders. These potential conflicts include, among others, the following:

- The Sponsor has no fiduciary duties to, and is allowed to take into account the interests of parties other than, the Trust and its shareholders in resolving conflicts of interest, provided the Sponsor does not act in bad faith;
- The Trust has agreed to indemnify the Sponsor and its affiliates pursuant to the Trust Agreement;
- The Sponsor is responsible for allocating its own limited resources among different clients and potential future business ventures, to each of which it owes fiduciary duties;
- The Sponsor and its staff also service affiliates of the Sponsor, including several other digital asset investment vehicles, and their respective clients and cannot devote all of its, or their, respective time or resources to the management of the affairs of the Trust;
- The Sponsor, its affiliates and their respective officers and employees are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with the Trust;
- Affiliates of the Sponsor have substantial direct investments in TAO that they are permitted to manage taking into account their own interests without regard to the interests of the Trust or its shareholders, and any increases, decreases or other changes in such investments could affect the Reference Rate Price and, in turn, the value of the Shares;
- There is an absence of arm's-length negotiation with respect to certain terms of the Trust, and, where applicable, there has been no independent due diligence conducted with respect to the Trust;
- Several employees of the Sponsor and the Sponsor's indirect parent company, DCG, are FINRA-registered representatives who maintain their licenses through Grayscale Securities;
- DCG is (i) the sole equity-holder and indirect parent company of the Sponsor; (ii) the indirect parent company of Grayscale Securities, the only acting Authorized Participant, as of the date of this Information Statement; and (iii) a minority interest holder in Kraken, one of the Digital Asset Trading Platforms included in the Reference Rate, representing less than 1.0% of its equity;
- DCG has investments in a large number of digital assets (including TAO and subnet tokens) and companies involved in Bittensor, subnets, trading platforms and custodians. DCG is reported to be one of the largest holders of TAO. DCG's positions on changes that should be adopted in the Bittensor Network could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork on the Bittensor Network, DCG's position regarding which fork among a group of incompatible forks of the Bittensor Network should be considered the "true" Bittensor Network could be adverse to positions that would most benefit the Trust;
- DCG has been vocal in the past about its support for digital assets other than TAO. Any investments in, or public positions taken on, digital assets other than TAO by DCG could have an adverse impact on the price of TAO;
- Yuma and Foundry, two subsidiaries of DCG and affiliates of the Sponsor and the Trust, have in the past owned and operated nodes on the Subtensor Blockchain. Yuma, a decentralized AI-focused company, invests in, builds and scales the Bittensor Network. Barry Silbert, the founder and Chief Executive Officer of DCG and the chairman of the Board of GSOIH, founded YUMA and serves as CEO;
- BitGo Trust Company, Inc., the Custodian of the Trust, provides institutional TAO staking through a partnership with Yuma, a subsidiary of DCG and an affiliate of the Sponsor and the Trust;
- While the Reference Rate Provider does not currently utilize data from over-the-counter markets or derivatives platforms, it may decide to include pricing from such markets or platforms in the future;

- The Sponsor decides whether to retain separate counsel, accountants or others to perform services for the Trust;
- The Sponsor and Grayscale Securities, which acts as Authorized Participant and distributor and marketer for the Shares, are affiliated parties that share a common indirect parent company, DCG;
- The Sponsor may appoint an agent to act on behalf of the shareholders, including in connection with the distribution of any Incidental Rights and/or IR Virtual Currency, and such agent may be the Sponsor or an affiliate of the Sponsor; and
- The Sponsor has historically, and may again select a Reference Rate Provider that is an affiliate of the Sponsor and the Trust.

By purchasing the Shares, shareholders agree and consent to the provisions set forth in the Trust Agreement. See "Business—Description of the Trust Agreement."

For a further discussion of the conflicts of interest among the Sponsor, the distributor, the marketer, Authorized Participant, Liquidity Providers, the Trust and others, see "Certain Relationships and Related Transactions and Director Independence—Conflicts of Interest."

Because the Sponsor and the Trust's sole Authorized Participant are affiliated with each other, the Trust's Baskets will not be exchanged for TAO in arm's-length transactions.

The Sponsor is an affiliate of Grayscale Securities, LLC, a registered broker dealer currently acting as the sole Authorized Participant, distributor and marketer for the Shares. The Trust issues Creation Baskets in exchange for deposits of TAO. See "Business—Description of Creation of Shares." As the sole Authorized Participant, Grayscale Securities is currently the only entity that may place orders to create Creation Baskets. As a result, the issuance of Creation Baskets does not occur on an arm's-length basis.

While additional Authorized Participants may be added at any time, subject to the discretion of the Sponsor, the Sponsor may be disincentivized from replacing affiliated service providers due to its affiliated status. In connection with this conflict of interest, shareholders should understand that affiliated service providers will receive fees for providing services to the Trust. Clients of the affiliated service providers may pay commissions at negotiated rates that are greater or less than the rate paid by the Trust. The Sponsor may have an incentive to resolve questions between Grayscale Securities, on the one hand, and the Trust and shareholders, on the other hand, in favor of Grayscale Securities (including, but not limited to, questions as to the calculation of the Basket Amount).

A single shareholder currently owns a significan portion of the Shares representing ownership in the Trust, which could limit the ability of other shareholders to exercise voting influence or otherwise adversely impact the value of the Shares .

As of September 2, 2025 a single shareholder held a significant portion of the Shares representing ownership in the Trust. As a result, such shareholder has significant influence over the limited voting rights granted to the shareholders and, if such shareholder were to obtain a majority of the Shares, has the ability to control the outcome of virtually all matters presented to our shareholders for their approval. Such shareholder's interests may conflict with the interests of the Trust's other shareholders. As long as a single shareholder continues to own a significant or majority percentage of our Shares, this concentrated ownership, and influence could impede the development of an active trading market in our Shares or adversely affect an investment in the Shares. Additionally, sales of substantial amounts of Shares by such shareholder, or the perception that these sales may occur, could cause the price of the Shares to experience significant volatility and/or decline, including at a resulting discount to the Trust's NAV per Share, which would adversely impact the value of the Shares.

DCG is a minority interest holder in Kraken, which operates one of the Digital Asset Trading Platforms included in the Reference Rate.

DCG, the sole equity holder and indirect parent company of the Sponsor, holds a minority interest of less than 1.0% in Kraken. The Sponsor values its digital assets by reference to the Reference Rate. The Reference Rate is the price in U.S. dollars of a TAO derived from the Digital Asset Trading Platforms that are reflected in the Reference Rate developed by Coin Metrics, Inc. as of 4:00 p.m., New York time, on each business day. Kraken is one of such Digital Asset Trading Platforms included in the Reference Rate.

Although DCG does not exercise control over Kraken, it is possible that investors could have concerns that DCG could influence market data provided by this Digital Asset Trading Platform in a way that benefits DCG, for example by artificially inflating the values of TAO in order to increase the Sponsor's fees. This could make the Trust's Shares less attractive to investors than the shares of similar vehicles that do not present these concerns, adversely affect investor sentiment about the Trust and negatively affect Share trading prices.

Shareholders cannot be assured of the Sponsor's continued services, the discontinuance of which may be detrimental to the Trust.

Shareholders cannot be assured that the Sponsor will be willing or able to continue to serve as sponsor to the Trust for any length of time. If the Sponsor discontinues its activities on behalf of the Trust and a substitute sponsor is not appointed, the Trust will terminate and liquidate its TAO.

Appointment of a substitute sponsor will not guarantee the Trust's continued operation, successful or otherwise. Because a substitute sponsor may have no experience managing a digital asset financial vehicle, a substitute sponsor may not have the experience, knowledge or expertise required to ensure that the Trust will operate successfully or continue to operate at all. Therefore, the appointment of a substitute sponsor may not necessarily be beneficial to the Trust and the Trust may terminate. See "Certain Relationships and Related Transactions and Director Independence—The Sponsor."

Although the Custodian is a fiduciary with respect to the Trust's assets, if the Custodian resigns or is removed by the Sponsor, or otherwise, without replacement, it would trigger early termination of the Trust.

The Custodian is a fiduciary under § 100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act and is licensed to custody the Trust's TAO in trust on the Trust's behalf. However, the SEC has released proposed amendments to Rule 206(4)-2 that, if enacted as proposed, would amend the definition of a "qualified custodian" under Rule 206(4)-2(d)(6). Executive officers of the Custodian's parent company have made public statements indicating that the Custodian will remain a qualified custodian under the proposed SEC rule, if enacted as currently proposed. However, there can be no assurance that the Custodian would continue to qualify as a "qualified custodian" under a final rule.

Furthermore, during the initial term, the Custodian may terminate the Custodian Agreement for Cause (as defined in "Description of the Custodian Agreement—Termination") at any time, and after the initial term, the Custodian can terminate the Agreement for any reason upon the notice period provided under the Custodian Agreement. If the Custodian resigns or is removed by the Sponsor or otherwise, without replacement, the Trust will dissolve in accordance with the terms of the Trust Agreement.

Shareholders may be adversely affected by the lack of independent advisers representing investors in the Trust.

The Sponsor has consulted with counsel, accountants and other advisers regarding the formation and operation of the Trust. No counsel was appointed to represent investors in connection with the formation of the Trust or the establishment of the terms of the Trust Agreement and the Shares. Moreover, no counsel has been appointed to represent an investor in connection with the offering of the Shares. Accordingly, an investor should consult his, her or its own legal, tax and financial advisers regarding the desirability of the value of the Shares. Lack of such consultation may lead to an undesirable investment decision with respect to investment in the Shares.

OVERVIEW OF BITTENSOR

Introduction to TAO and the Bittensor Network

TAO is a digital asset that is created and transmitted through the operations of the peer-to-peer Subtensor Blockchain, a distributed network of computers that operates on cryptographic protocols, which underpins the Bittensor Network. No single entity owns or operates the Subtensor Blockchain or the wider Bittensor Network, the infrastructure of which is collectively maintained by a decentralized user base. The Subtensor Blockchain allows people to transmit tokens of value, called TAO, which are recorded on a public transaction ledger known as a blockchain. TAO can be used to participate in certain capacities on the Bittensor Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on Digital Asset Trading Platforms or in individual end-user-to-end-user transactions under a barter system. The Bittensor Network was designed to facilitate an open-access, peer-to-peer marketplace for AI generated output. Users can query the Bittensor Network's registered AI model collections to help with performing or resolving certain tasks, which are assessed by the Protocol's unique ranking method. The results of this ranking system and transactions in TAO are recorded on the Subtensor Blockchain. The Bittensor Network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Bittensor Network's protocol introduced the Yuma Consensus mechanism as a method to assess the performance of user-submitted AI generated output. Yuma Consensus is a mechanism whereby certain parties (known as "Miners") host AI models and make them available to the network. Miners form coalitions known as "Subnets" based on the types of task they seek to perform. Subnets within the Bittensor Network are self-contained incentive frameworks for Miners to perform their duties according to specified predetermined rulesets. Other parties (known as "Validators") rank Miners' AI generated output within a Subnet based on how effectively they believe the Miners are accomplishing the task specified by the Subnet. The goal is to help application developers and other users of the Bittensor Network ("Consumers") find the best AI generated solutions for their purposes. Under Yuma Consensus, a Validator's weight in ranking Miners depends on how much TAO such Validator has "staked," or locked up to signal support, for their validating efforts. Validators may stake TAO on their own behalf, or other TAO-holders ("Delegators") may "delegate," or stake TAO to support another party's validation efforts.

The Subtensor Blockchain also operates on a consensus mechanism known as "Proof-of-Authority" or "PoA" to confirm transactions. Under PoA, certain computers ("Nodes") automatically order on-chain transactions by creating a historical record showing that an event or transaction has occurred at a moment in time relative to others. Nodes can only be admitted to the network by the network's administrator, which is the Opentensor Foundation. As of December 2024, a majority of the Subtensor Blockchain's Nodes are owned or controlled by the Opentensor Foundation. The Opentensor Foundation continues to maintain significant influence over the Node set and is widely believed to control a significant majority of authority Nodes. PoA is intended to provide a transaction processing speed and capacity advantage over traditional PoW and PoS networks, which rely on sequential production of blocks and can lead to delays caused by validator confirmations.

In February 2025, the Dynamic TAO (dTAO) upgrade was implemented on the Bittensor Network. Under dTAO, each Subnet is paired with it own token (often generically called an "alpha token"), and liquidity pools are created, such that Validators who wish to support a particular Subnet now stake TAO into that Subnet's pool and receive its alpha token in exchange. The amount of TAO staked into each Subnet's pool (versus other Subnets) now directly governs how much of the new TAO emission is allocated to that Subnet. After the upgrade, stakers must choose which Subnet(s) they believe will thrive, exposing them to price risk of alpha tokens rather than simply earning yields in TAO. Validators also must hold alpha tokens to participate in ranking Miners' models within the relevant Subnet. Further, the previous role of Delegators has effectively been subsumed into alpha token holders generally, since anyone staking TAO into a Subnet pool receives that Subnet's alpha tokens and thereby gains the economic exposure once limited to Delegators.

The Bittensor Network protocol was first conceived by the pseudonymous Yuma Rao in a whitepaper. Development of the Bittensor Network is overseen by the Opentensor Foundation, an American non-profit organization which administered the original network launch and maintains a sizeable TAO position, though it did not facilitate any initial token distribution.

Although the Opentensor Foundation continues to exert significant influence over the direction of the development of the Bittensor Network, the Bittensor Network, like the Ethereum network, does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of TAO. Rather, as described below, the utility of the Bittensor Network and the supply and demand thereof determines the value of TAO.

Development of the Bittensor Network

The Bittensor Network was developed in response to the increased publicity and utility of machine learning and AI capabilities. The development of machine learning and AI is constrained by its significant demand for computing power and need for large and diverse data sets, resources that are difficult to access by all but the largest companies. The Bittensor Network was designed to respond to these development limitations by using blockchain technology to promote collaboration and data and hardware sharing among individuals interested in AI technology. The Bittensor Network consists of two main components: a group of Subnets and a blockchain called the "Subtensor Blockchain," which work together to incentivize the creation of AI-generated outputs. The Bittensor Network is designed to reward those who best contribute to the production of high-quality AI-generated outputs utilizing the Bittensor Network. In total, as of the date of this filing, there were approximately 100 Subnets registered on the Bittensor Network.

Overview of the Bittensor Network's Operations

Subnets are the foundation of the Bittensor Network. A Subnet is a market governed by a particular set of rules designed to incentivize, via the distribution of TAO, the Subnet's Miners to produce AI-generated outputs in response to queries. The wallet address on the Subtensor Blockchain that registers a new Subnet to the Subtensor Blockchain (the Subnet's "Owner") defines the rules of that Subnet's protocol (e.g., the type of AI-generated content to be produced) and retains ownership permissions and therefore control over that Subnet. For certain Subnets with end-users of the AI-generated output, that end-user may input their request to the Subnet via regular web-based interactions (i.e., an http request) according to the rules of the Subnet. Most of the Subnets with end-users do not require any payment to use; in some instances, an end-user may be required to pay for such services, in the form of fiat currency, other digital assets, or in limited cases, TAO. For some other Subnets, only the Subnet Owner consumes the AI-generated output, and there is no "end-user" at all.

For each Subnet on which they decide to participate, a Validator ranks each of that Subnet's Miners' AI-generated output against that of the Subnet's other Miners,' with what each Validator deems to be the best AI-generated output receiving the highest ranking and the worst AI-generated output receiving the lowest rank. Once each Validator on the Subnet generates its individual rankings of the Subnet's Miners' AI-generated output, each Validator on that Subnet sends its ranking to the Subtensor Blockchain. The Subtensor Blockchain then compiles all the Validators' rankings, generating a "ranking weight matrix," and then runs that ranking weight matrix through the "Yuma Consensus" module on-chain. The Yuma Consensus then uses the ranking weight matrix, along with the amount of stake associated with each Validator, to calculate how the reward of TAO tokens should be distributed among the Miners and Validators in the Subnet. The more TAO a Validator stakes, the more weight the Subtensor Blockchain gives to its ranking within each Subnet it validates.

Each time this process occurs, TAO is emitted and dispersed among the various Subnets. Since the February 2025 dTAO upgrade, the amount of TAO dispersed to a particular Subnet is a function of how much TAO has been placed in a Subnet's alpha token liquidity pool, which is designed to reflect the market's view of which Subnets produce the most useful and high-quality outputs. Of each Subnet's portion of each TAO emission, 18% is disbursed to that Subnet's Owner, 41% is disbursed to that Subnet's Validators, and 41% is disbursed to that Subnet's Miners. Of the 41% of each emission disbursed to the Validators of each Subnet, each Validator earns a proportional share of the Validator's stake (including amounts delegated to it). Within this proportional share, the Validator keeps 100% of the TAO reward attributable to its own stake, and 18% of the TAO attributable to delegates' stake. Although Validators do not directly compete with other Validators in a given Subnet, the amount of the 41% TAO incentive distributed to Miners within each Subnet is determined according to its ranking compared to other Miners in a given Subnet pursuant to Yuma Consensus. The intent of this emissions schedule is to incentivize Miners to produce high quality output (as defined by the parameters of the applicable Subnet's rules) and to incentivize Validators to produce accurate rankings of the output.

In order to own, transfer or use TAO directly on the Bittensor Network (as opposed to through an intermediary, such as a custodian), a person generally must have internet access to connect to the Bittensor Network and thus the Bittensor Network. TAO transactions may be made directly between end-users without the need for a third-party intermediary. To prevent the possibility of double-spending TAO, a user must notify the Bittensor Network of the transaction by broadcasting the transaction data to its network peers. The Subtensor Blockchain provides confirmation against double-spending by memorializing every transaction in the Subtensor Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending is accomplished through the Bittensor Network's validation process, which adds "blocks" of data, including recent transaction information, to the Subtensor Blockchain. Unlike other blockchains that rely solely on production of blocks through PoW or PoS mechanisms, however, the Bittensor Network uses PoA, which only allows new Nodes into the system upon other Nodes' approval. As of the date hereof, a majority of the Bittensor Nodes are owned or controlled by the Opentensor Foundation.

Summary of a TAO Transaction

Prior to engaging in TAO transactions directly on the Bittensor Network, a user generally must first install on its computer or mobile device a Bittensor Network software program that will allow the user to generate a private and public key pair associated with a TAO address. The Bittensor Network software program and the TAO address also enable the user to connect to the Bittensor Network and transfer TAO to, and receive TAO from, other users.

Each Bittensor Network address, or wallet, is associated with a unique "public key" and "private key" pair. To receive TAO, the TAO recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient's account. The payor approves the transfer to the address provided by the recipient by "signing" a transaction that consists of the recipient's public key with the private key of the address from where the payor is transferring the TAO. The recipient, however, does not make public or provide to the sender its related private key.

Neither the recipient nor the sender reveal their private keys in a transaction, because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses his private key, the user may permanently lose access to the TAO contained in the associated address. Likewise, TAO is irretrievably lost if the private key associated with them is deleted and no backup has been made. When sending TAO, a user's Bittensor Network software program must validate the transaction with the associated private key. The resulting digitally validated transaction is sent by the user's Bittensor Network software program to the Nodes to allow transaction confirmation a service performed by miners in PoW networks such as the Bitcoin network, or validators in PoS networks such as the Ethereum network.

Bittensor Nodes record and confirm transactions when they mine and add blocks of information to the Subtensor Blockchain. When a Node creates that block, it includes data relating to a reference to the prior block in the Subtensor Blockchain to which the new block is being added. The blockchain Node becomes aware of outstanding, unrecorded transactions through the data packet transmission and distribution discussed above.

Upon the addition of a block of TAO transactions, the Bittensor Network software program of both the spending party and the receiving party will show confirmation of the transaction on the Subtensor Blockchain and reflect an adjustment to the TAO balance in each party's Bittensor Network public key, completing the TAO transaction. Once a transaction is confirmed on the Subtensor Blockchain, it is irreversible without changing the protocol underlying the Bittensor Network's protocol.

Some TAO transactions are conducted "off-blockchain" and are therefore not recorded in the Subtensor Blockchain. Some "off-blockchain transactions" involve the transfer of control over, or ownership of, a specific digital wallet holding TAO or the reallocation of ownership of certain TAO in a pooled-ownership digital wallet, such as a digital wallet owned by a Digital Asset Trading Platform. In contrast to on-blockchain transactions, which are publicly recorded on the Subtensor Blockchain, information and data regarding off-blockchain transactions are generally not publicly available. Therefore, off-blockchain transactions are not truly TAO transactions in that they do not involve the transfer of transaction data on the Bittensor Network and do not reflect a movement of TAO

between addresses recorded in the Subtensor Blockchain. For these reasons, off-blockchain transactions are subject to risks as any such transfer of TAO ownership is not protected by the protocol behind the Bittensor Network or recorded in, and validated through, the blockchain mechanism.

Creation of TAO

Initial Creation of TAO

Unlike other digital asset protocols such as Ethereum, which had a certain number of digital assets created in connection with their launches, TAO are created through a progressive minting process for performing certain functions in relation to the protocol. The first TAO were minted through a PoW consensus mechanism prior to the current iteration of the Bittensor Network. TAO minting for PoW ceased in November 2021 when the PoA consensus mechanism was introduced. Since then, all TAO has been emitted by the Bittensor Network's protocol to those who perform various functions, on the Bittensor Network such as Subnet Owners, Miners or Validators (and, since the February 2025 dTAO upgrade, those who contribute TAO to liquidity pools).

TAO Supply

Following the example set by Bitcoin, only 21 million TAO are ever expected to exist, a limit which is currently hardcoded into the Bittensor Network. Under the current emissions schedule, 1 TAO is created with each new block, occurring at approximately 12 second intervals. Also, like Bitcoin, the emissions schedule is designed to "halve" every four years; so, for example, after the first halving event expected in October 2025, only one-half of a TAO will be minted with each 12-second block, and one quarter of a TAO every block after the halving event expected in 2029, etc. However, the length of the TAO halving schedule is shorter than Bitcoin's, with the final halving event is expected to occur in September 2069, after which a final approximate 5,127 TAO will be minted before the supply cap will be achieved and minting will cease.

Modifications to the TAO Protocol

Historically, the Bittensor Network's development has been overseen by the Opentensor Foundation and other core developers. The Opentensor Foundation and core developers are able to access and alter the Bittensor Network source code and, as a result, they are responsible for quasi-official releases of updates and other changes to the Bittensor Network's source code. Opentensor also possesses the power to make what is known as a "sudo upgrade," or unilateral upgrade, to the Opentensor Network using what is known as a "sudo key." The sudo key enables the holder to unilaterally change the Subtensor ledger and its rules, including an ability to change the number of TAO in existence, the number of TAO belonging to a particular account, or rules in place to prevent a double-spend.

For example, The Bittensor Network was first launched in January 2021. The initial iteration of Bittensor was codenamed "Kusanagi," though Kusanagi was halted in May 2021. In November 2021, the code underlying Kusanagi was adjusted and released under a new codename, "Nakamoto." The current version of Bittensor, "Finney," was derived from the code underlying Nakamoto and launched in March 2023 to incorporate Subnets, among other features.

The release of updates to the Bittensor Network's source code does not guarantee that the updates will be automatically adopted by users of the Bittensor Network. Nodes must accept any changes made to the Bittensor Network's source code by downloading the proposed modification of the Bittensor Network's source code. A modification of the Bittensor Network's source code is only effective with respect to the Bittensor Nodes that download it. If a modification is accepted only by a percentage of Nodes, a division in the Bittensor Network will occur such that one network will run the pre-modification source code and the other network will run the modified source code. Such a division is known as a "fork." See "Risk Factors—Risk Factors Related to Digital Assets—A temporary or permanent "fork" could adversely affect an investment in the Shares." However, as a practical matter, a modification to the source code becomes part of the Bittensor Network only if accepted by Nodes collectively having a majority of the processing power on the Bittensor Network and therefore will likely be adopted because the Opentensor Foundation controls the majority of all Nodes on the Subtensor Blockchain.

TAO Value

Digital Asset Trading Platform Valuation

The value of TAO is determined by the value that various market participants place on TAO through their transactions. The most common means of determining the value of a TAO is by surveying one or more Digital Asset Trading Platforms where TAO is traded publicly and transparently. Additionally, there may be over-the-counter dealers or market makers that transact in TAO.

Digital Asset Trading Platform Public Market Data

On each online Digital Asset Trading Platform, TAO is traded with publicly disclosed valuations for each executed trade, measured by one or more fiat currencies such as the U.S. dollar or euro or by the widely used cryptocurrencies Bitcoin and Ethereum. Over-the-counter dealers or market makers do not typically disclose their trade data.

As of June 30, 2025, the Digital Asset Trading Platforms included in the Reference Rate and used to determine the Reference Rate Price are Binance, Coinbase, Gate.IO, Kraken, Kucoin and MEXC.

Currently, there are several Digital Asset Trading Platforms operating worldwide and online Digital Asset Trading Platforms represent a substantial percentage of TAO buying and selling activity and provide the most data with respect to prevailing valuations of TAO. These trading platforms include established trading platforms such as trading platforms included in the Reference Rate which provide a number of options for buying and selling TAO. The below table reflects the trading volume in TAO and market share of the TAO‑U.S. dollar, TAO-USDC and TAO USDT trading pair of each of the Digital Asset Trading Platforms included when determining the Reference Rate Price as of June 30, 2025, using data reported by the Reference Rate Provider since the inception of the Trust's operations:

Digital Asset Trading Platforms included in the Reference Rate as of June 30, 2025	**Volume (TAO)**	**Market Share[(1)]**
Kraken	3,370,583	52.59%
Coinbase	2,860,584	44.63%
Total TAO-U.S. dollar trading pair	**6,231,167**	**97.22%**

Digital Asset Trading Platforms included in the Reference Rate as of June 30, 2025	**Volume (TAO)**	**Market Share[(1)]**
Binance	4,556,420	79.29%
MEXC	1,190,286	20.71%
Total TAO-USDC dollar trading pair	**5,746,706**	**100.00%**

Digital Asset Trading Platforms included in the Reference Rate as of June 30, 2025	**Volume (TAO)**	**Market Share[(1)]**
Binance	46,129,587	58.71%
Gate.IO	12,587,925	16.02%
MEXC	11,749,576	14.95%
KuCoin	8,108,034	10.32%
Total TAO-USDT dollar trading pair	**78,575,123**	**100.00%**

(1) Market share is calculated using trading volume (in TAO) provided by the Reference Rate Provider for certain Digital Asset Trading Platforms including, Binance, Coinbase, Gate.IO, Kraken, Kucoin and MEXC, as well as certain other U.S.-dollar denominated Digital Asset Trading Platforms that were not included in the Reference Rate as of June 30, 2025, including Crypto.com.

The domicile, regulation and legal compliance of the Digital Asset Trading Platforms included in the Reference Rate varies. Information regarding each Digital Asset Trading Platform may be found, where available, on the websites for such Digital Asset Trading Platforms, among other places.

Although the Reference Rate is designed to accurately capture the market price of TAO, third parties may be able to purchase and sell TAO on public or private markets not included among the constituent Digital Asset trading Platform of the Reference Rate, and such transactions may take place at prices materially higher or lower than the Reference Rate Price. Moreover, there may be variances in the prices of TAO on the various Digital Asset Trading Platforms, including as a result of differences in fee structures or administrative procedures on different Digital Asset Trading Platforms. For example, based on data provided by the Reference Rate Provider, on any given day during the twelve-month period ended June 30, 2025, the maximum differential between the 4:00 p.m., New York time spot price of any single Digital Asset Trading Platform included in the Reference Rate and Reference Rate Price was 8.53% and the average of the maximum differentials of the 4:00 p.m., New York time spot price of each Digital Asset Trading Platform included in the Reference Rate and the Reference Rate Price was 1.57%. During this same period, the average differential between the 4:00 p.m., New York time spot prices of all the Digital Asset Trading Platform included in the Reference Rate and Reference Rate Price was 0.005%. All Digital Asset Trading Platforms that were included in the Reference Rate throughout the period were considered in this analysis. To the extent such prices differ materially from the Reference Rate Price, investors may lose confidence in the Shares' ability to track the market price of TAO.

The Reference Rate and the Reference Rate Price

The Reference Rate is a U.S. dollar-denominated composite Reference Rate for the price of TAO. The Reference Rate is designed to provide a semi real-time, volume-weighted value of TAO.

The Reference Rate Price is determined by the Reference Rate Provider through a process in which trade data from the Digital Asset Trading Platforms included in the Reference Rate is compiled to calculate a volume-weighted average price. Pursuant to the set of rules described under "—Determination of the Reference Rate Price When Reference Rate is Unavailable." CoinDesk Indices, Inc. no longer determines the Reference Rate Price, and the Reference Rate Price is the price set by Coin Metrics Real-Time Rate (the "Secondary Reference Rate") as of 4:00 p.m., New York time, on the valuation date (the "Secondary Reference Rate Price"), as further described under "—Determination of the Secondary Reference Rate Price."

Determination of the Reference Rate Price

The Reference Rate Price for TAO is calculated daily at 4:00 p.m., New York time, by the Reference Rate Provider using a volume-weighted average price across three Constituent Trading Platforms over the prior 24‑hour period. Price and volume inputs are sourced from the Constituent Trading Platforms. Price and volume inputs are weighted as received with no further adjustments made to the weighting of each trading platform based on market anomalies observed on a Constituent Trading Platform or otherwise.

Each Constituent Trading Platform is weighted relative to its share of trading volume to the trading volume of all Constituent Trading Platforms. As such, price inputs from Constituent Trading Platforms with higher trading volumes will be weighted more heavily in calculating the Reference Rate Price than price inputs from Constituent Trading Platforms with lower trading volumes.

If the Reference Rate Price becomes unavailable, or if the Sponsor determines in good faith that the Reference Rate Price does not reflect an accurate price for TAO, then the Sponsor will, on a best efforts basis, contact the Reference Rate Provider to obtain the Reference Rate Price directly from the Reference Rate Provider. If after such contact the Reference Rate Price remains unavailable or the Sponsor continues to believe in good faith that such Reference Rate Price does not reflect an accurate price for the relevant digital asset, then the Sponsor will employ a cascading set of rules to determine the Reference Rate Price, as described below in "—Determination of the Reference Rate Price When Reference Rate Price is Unavailable."

The Trust values its TAO for operational and non-GAAP purposes by reference to the Reference Rate Price. The Reference Rate Price is the value of a TAO as represented by the Reference Rate, calculated at 4:00 p.m., New York time, on each business day.

Constituent Trading Platform Selection

The Digital Asset Trading Platforms that are included in the Reference Rate are selected by the Reference Rate Provider utilizing a methodology that is guided by the International Organization of Securities Commissions ("IOSCO") principles for financial benchmarks. For a trading platform to become a Constituent Trading Platform, it must satisfy the criteria listed below (the "Inclusion Criteria"):

- Sufficient liquidity;
- No trading restrictions on individuals or entities that would otherwise meet the trading platforms eligibility requirements to trade;
- Real-time price discovery;
- Limited or no capital controls;
- Transparent ownership including a publicly owned ownership entity;
- Applicable legal and regulatory compliance;
- Be a U.S.-domiciled trading platform or a non-U.S. domiciled trading platform that is able to service U.S. investors;
- Offer programmatic spot trading of the trading pair;
- Reliably publish trade prices and volumes on a real-time basis through APIs;
- No undisclosed restrictions on deposits or withdrawals from user accounts;
- Must have a publicly known ownership entity; and
- Have KYC, AML and other policies designed to comply with relevant regulations that might apply to it, or its users based on relevant jurisdictions.

A Digital Asset Trading Platform is removed from the Constituent Trading Platforms when it no longer satisfies the Inclusion Criteria. The Reference Rate Provider does not currently include data from over-the-counter markets or derivatives platforms among the Constituent Trading Platforms. Over-the-counter data is not currently included because of the potential for trades to include a significant premium or discount paid for larger liquidity, which creates an uneven comparison relative to more active markets. There is also a higher potential for over-the-counter transactions to not be arms-length, and thus not be representative of a true market price. TAO derivative markets are also not currently included as the markets remain relatively thin. While the Reference Rate Provider has no plans to include data from over-the-counter markets or derivative platforms at this time, the Reference Rate Provider will consider IOSCO principles for financial benchmarks, the management of trading venues of TAO derivatives and the aforementioned Inclusion Criteria when considering whether to include over-the-counter or derivative platform data in the future.

The Reference Rate Provider and the Sponsor have entered into a master reference rate license agreement, dated as of February 1, 2022 (the "Reference Rate License Agreement"), governing the Sponsor's use of the Reference Rate Price. In connection with the entry into the Reference Rate License Agreement, the Sponsor and the Reference Rate Provider terminated that certain license agreement, dated as of February 28, 2019, between the Sponsor and the Reference Rate Provider. There was no change to the methodology used to calculate the Reference Rate Price under the Reference Rate License Agreement dated as of February 1, 2022. Pursuant to the terms of the Reference Rate License Agreement, the Reference Rate Provider may adjust the calculation methodology for the Reference Rate Price without notice to, or consent of, the Trust or its shareholders. The Reference Rate Provider has sole discretion over the determination of Reference Rate Price and may change the methodologies for determining the Reference Rate Price from time to time.

The Reference Rate Provider may change the trading venues that are used to calculate the Reference Rate or otherwise change the way in which the Reference Rate is calculated at any time. For example, the Reference Rate Provider has scheduled quarterly reviews in which it may add or remove Constituent Trading Platforms that satisfy or fail the Inclusion Criteria. The Reference Rate Provider does not have any obligation to consider the interests of the Sponsor, the Trust, the shareholders, or anyone else in connection with such changes. While the Reference Rate Provider is not required to publicize or explain the changes or to alert the Sponsor to such changes, it has historically notified the Trust of any material changes to the Constituent Trading Platforms, including any additions or removals of the Constituent Trading Platforms, in addition to issuing press releases in connection with the same. The Sponsor will notify investors of any such material event by filing a current report on Form 8-K. Although the Reference Rate methodology is designed to operate without any manual intervention, rare events would justify manual intervention. Intervention of this kind would be in response to non-market-related events, such as the halting of deposits or withdrawals of funds on a Digital Asset Trading Platform, the unannounced closure of operations on a Digital Asset Trading Platform, insolvency or the compromise of user funds. In the event that such an intervention is necessary, the Reference Rate Provider would issue a public announcement through its website, API and other established communication channels with its clients.

Illustrative Example

The Reference Rate Price is calculated by multiplying the average price on each Constituent Trading Platform by the trading volume on such Constituent Trading Platform for the prior 24 hours, multiplied by the Constituent Trading Platform's weighting based on trading volume relative to the other Constituent Trading Platforms included in the Reference Rate. For purposes of illustration, outlined below is an example using a limited number of trades.

Venue	Average Price	Volume	Notional	Weight	Reference Rate Price Contribution
Trading Platform 1	999.12	800	799,296	53.33%	532.60
Trading Platform 2	997.23	500	498,615	33.33%	332.25
Trading Platform 3	996.65	200	199,330	13.33%	132.82
Reference Rate Price	—	**1,500**	**1,497,241**	—	**997.67**

Determination of the Reference Rate Price When Reference Rate Price is Unavailable

The Sponsor uses the following cascading set of rules to calculate the Reference Rate Price. For the avoidance of doubt, the Sponsor will employ the below rules sequentially and in the order as presented below, should one or more specific rule(s) fail:

1. Reference Rate Price = The price set by the Reference Rate Provider as of 4:00 p.m., New York time, on the valuation date. If the Reference Rate becomes unavailable, or if the Sponsor determines in good faith that the Reference Rate does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Reference Rate Provider to obtain the Reference Rate Price directly from the Reference Rate Provider. If after such contact the Reference Rate remains unavailable or the Sponsor continues to believe in good faith that such Reference Rate Price does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Reference Rate Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

2. Reference Rate Price = The price set by Coin Metrics Real-Time Rate (the "Secondary Reference Rate") as of 4:00 p.m., New York time, on the valuation date (the "Secondary Reference Rate Price"). The Secondary Reference Rate Price is a real-time reference rate price, calculated using trade data from constituent markets selected by Coin Metrics (the "Secondary Reference Rate Provider"). The Secondary Reference Rate Price is calculated by applying weighted-median techniques to such trade data where half the weight is derived from the trading volume on each constituent market and half is derived from inverse price variance, where a constituent market with high price variance as a result of outliers or market anomalies compared to other constituent markets is assigned a smaller weight. If the Secondary Reference Rate becomes unavailable, or if the Sponsor determines in good faith that the Secondary Reference Rate does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Secondary Reference Rate Provider to obtain the Secondary Reference Rate Price directly from the Secondary

Reference Rate Provider. If after such contact the Secondary Reference Rate remains unavailable or the Sponsor continues to believe in good faith that such Secondary Reference Rate does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Reference Rate Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

3. Reference Rate Price = The price set by the Trust's principal market (the "Tertiary Pricing Option") as of 4:00 p.m., New York time, on the valuation date. The Tertiary Pricing Option is a spot price derived from the principal market's public data feed that is believed to be consistently publishing pricing information as of 4:00 p.m., New York time, and is provided to the Sponsor via an application programming interface. If the Tertiary Pricing Option becomes unavailable, or if the Sponsor determines in good faith that the Tertiary Pricing Option does not reflect an accurate price, then the Sponsor will, on a best efforts basis, contact the Tertiary Pricing Provider to obtain the Tertiary Pricing Option directly from the Tertiary Pricing Provider. If after such contact the Tertiary Pricing Option remains unavailable after such contact or the Sponsor continues to believe in good faith that such Tertiary Pricing Option does not reflect an accurate price, then the Sponsor will employ the next rule to determine the Reference Rate Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.
4. Reference Rate Price = The Sponsor will use its best judgment to determine a good faith estimate of the Reference Rate Price. There are no predefined criteria to make a good faith assessment and it will be made by the Sponsor in its sole discretion.

In the event of a fork, the Reference Rate Provider may calculate the Reference Rate Price based on a digital asset that the Sponsor does not believe to be the appropriate asset that is held by the Trust. In this event, the Sponsor has full discretion to use a different Reference Rate provider or calculate the Reference Rate Price itself using its best judgment.

The Sponsor may, in its sole discretion, select a different reference rate provider, select a different reference rate provided by the Reference Rate Provider or calculate the Reference Rate Price by using the cascading set of rules set forth above or change the cascading set of rules set forth above at any time.

Forms of Attack Against the Bittensor Network

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the Bittensor Network contains certain flaws. For example, the Subtensor Blockchain is currently vulnerable to a "51% attack" where, if a malicious actor were to gain control of more than 50% of the validation power for a digital asset, a malicious actor would be able to gain full control of the network and the ability to manipulate the Subtensor Blockchain.

In addition, many digital asset networks have been subjected to a number of denial of service attacks, which has led to temporary delays in block creation and in the transfer of TAO. Any similar attacks on the Bittensor Network that impact the ability to transfer TAO could have a material adverse effect on the price of TAO and the value of an investment in the Shares.

Market Participants

Miners, Validators and Delegators

Miners, or those who produce AI generated output and make the outputs available to the Bittensor Network, and Validators, or those who rank Miners' AI generated output, range from Bittensor enthusiasts to professional operations that design and build dedicated machines and data centers, to provide or rank AI generated output. Delegators, or those who stake TAO to support another party's validation efforts, range from Bittensor enthusiasts to professional service providers involved with the Bittensor Network. When one of these parties performs its duties, it receives a reward in the form of emissions. See "—Overview of the Bittensor Network's Operations" and "—Summary of a TAO Transaction" above.

Investment and Speculative Sector

This sector includes the investment and trading activities of both private and professional investors and speculators. Historically, larger financial services institutions are publicly reported to have limited involvement in investment and trading in digital assets, although the participation landscape is beginning to change. Currently, there is relatively limited use of digital assets in the retail and commercial marketplace in comparison to relatively extensive use by speculators, and a significant portion of demand for digital assets is generated by speculators and investors seeking to profit from the short- or long-term holding of digital assets.

Retail Sector

The retail sector includes users transacting in direct peer-to-peer TAO transactions through the direct sending of TAO over the Bittensor Network. The retail sector also includes transactions in which consumers pay for goods or services from commercial or service businesses through direct transactions or third-party service providers, although the use of TAO as a means of payment is still developing and has not been accepted in the same manner as Bitcoin due to TAO's relative nascency and because TAO has a different purpose than Bitcoin.

Service Sector

This sector includes companies that provide a variety of services including the buying, selling, payment processing and storing of TAO. Binance, Gate.io, and MEXC are some of the largest Digital Asset Trading Platforms by volume traded. As the Bittensor Network continues to grow in acceptance, it is anticipated that service providers will expand the currently available range of services and that additional parties will enter the service sector for the Bittensor Network.

Competition

Thousands of digital assets, as tracked by CoinMarketCap.com, have been developed since the inception of Bitcoin, currently the most developed digital asset because of the length of time it has been in existence, the investment in the infrastructure that supports it, and the network of individuals and entities that are using Bitcoin in transactions. While TAO has enjoyed some success in its limited history, the aggregate value of outstanding TAO is smaller than that of Bitcoin and may be eclipsed by the more rapid development of other digital assets. Further, a number of other AI-oriented digital assets have also emerged, including Render, Fetch.ai, and Injective. The Bittensor Network may also experience competition from centralized AI providers, such as ChatGPT and Microsoft Copilot.

Government Oversight

As digital assets have grown in both popularity and market size, the U.S. Congress and a number of U.S. federal and state agencies (including FinCEN, the Treasury Department Office of Foreign Assets Control ("OFAC"), SEC, CFTC, the Financial Industry Regulatory Authority ("FINRA"), the Consumer Financial Protection Bureau ("CFPB"), the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the U.S. Internal Revenue Service, a bureau of the U.S. Department of the Treasury (the "IRS"), the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Reserve and state financial institution and securities regulators) have been examining the operations of digital asset networks, digital

asset users and the Digital Asset Markets, with particular focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, evade sanctions or fund criminal or terrorist enterprises and the safety and soundness of trading platforms and other service providers that hold or custody digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries and international bodies have issued rules or guidance about the treatment of digital asset transactions or requirements for businesses engaged in digital asset activity. Moreover, the failure of FTX in November 2022, and the resulting market turmoil substantially increased regulatory scrutiny in the United States and globally and led to SEC enforcement actions, criminal investigations, and other regulatory activity across the digital asset ecosystem.

There have been several bills introduced in, and in the case of the GENIUS Act passed by, Congress that propose to establish additional regulation and oversight of the digital asset markets. It is difficult to predict whether, or when, any of these developments will lead to Congress granting additional authorities to the SEC or other regulators, what the nature of such additional authorities might be, how additional legislation and/or regulatory oversight might impact the ability of digital asset markets to function or how any new regulations or changes to existing regulations might impact the value of digital assets generally and those held by us specifically. In addition, on January 23, 2025, President Trump issued an executive order titled "Strengthening American Leadership in Digital Financial Technology" aimed at supporting "the responsible growth and use of digital assets, blockchain technology, and related technologies across all sectors of the economy." The executive order established an interagency working group tasked with "proposing a Federal regulatory framework governing the issuance and operation of digital assets" in the United States. Pursuant to this executive order, the working group released a report in July 2025, outlining the administration's recommendations to Congress and various agencies reflecting the administration's "pro-innovation mindset toward digital assets and blockchain technologies." In particular, the report recommends that Congress enact legislation regarding self custody of digital assets, clarifying the applicability of Bank Secrecy Act obligations with respect to digital asset service providers, granting the CFTC authority to regulate spot markets in non-security digital assets, prohibiting the adoption of a CBDC, and clarifying tax laws as relevant to digital assets. In addition, the report recommends that agencies reevaluate existing guidance on digital asset activities, use existing authorities to enable the trading of digital assets at the federal level, embrace DeFi, launch or relaunch crypto innovation efforts, and promote U.S. private sector leadership in the responsible development of cross-border payments and financial markets technologies, among others.

In addition, the SEC, U.S. state securities regulators and several foreign governments have issued warnings and instituted legal proceedings in which they argue that certain digital assets may be classified as securities and that both those digital assets and any related initial coin offerings or other primary and secondary market transactions are subject to securities regulations. For example, in June 2023, the SEC brought charges against Binance Holdings Ltd. (the "Binance Complaint") and Coinbase, Inc. (the "Coinbase Complaint"), and in November 2023, the SEC brought charges against Kraken (the "Kraken Complaint"), alleging that they operated unregistered securities exchanges, brokerages and clearing agencies. In its complaints, the SEC asserted that several digital assets are securities under the federal securities laws. Between February 2025 and May 2025, the SEC entered into court-approved joint stipulations to dismiss each of the Binance Complaint, Coinbase Complaint and the Kraken Complaint. The SEC has terminated its investigation or enforcement action into many other digital asset market participants as well. Additionally, U.S. state and federal, and foreign regulators and legislatures have taken action against virtual currency businesses or enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from virtual currency activity.

In August 2021, the former chair of the SEC stated that he believed investors using Digital Asset Trading Platforms are not adequately protected, and that activities on the platforms can implicate the securities laws, commodities laws and banking laws, raising a number of issues related to protecting investors and consumers, guarding against illicit activity, and ensuring financial stability. The former chair expressed a need for the SEC to have additional authorities to prevent transactions, products, and platforms from "falling between regulatory cracks," as well as for more resources to protect investors in "this growing and volatile sector." The former chair called for federal legislation centering on digital asset trading, lending, and decentralized finance platforms, seeking "additional plenary authority" to write rules for digital asset trading and lending. The SEC under the current administration, however, is taking a different approach to digital assets.

There have been several bills introduced in Congress that propose to establish additional regulation and oversight of the digital asset markets. Certain of these bills passed out of relevant committees and were passed in the House of Representatives in the last Congress, though not the Senate. Some of these bills have since been

reintroduced with changes, and continue to be contemplated in the relevant committees, as well as the full House of Representatives and Senate. For example, in July 2025, the GENIUS Act was signed into law and the House of Representatives passed the CLARITY Act in an effort to pass laws relating to digital asset market structure. It is difficult to predict whether, or when, any of these developments will lead to Congress granting additional authorities to the SEC or other regulators, what the nature of such additional authorities might be, how additional legislation and/or regulatory oversight might impact the ability of digital asset markets to function or how any new regulations or changes to existing regulations might impact the value of digital assets. See "Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Regulatory changes or actions by the U.S. Congress or any U.S. federal or state agencies may affect the value of the Shares or restrict the use of TAO, the use or the operation of the Bittensor Network or the Digital Asset Trading Platform Market in a manner that adversely affects the value of the Shares," "Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—A determination that TAO or any other digital asset is a "security" may adversely affect the value of TAO and the value of the Shares, and result in potentially extraordinary, nonrecurring expenses to, or termination of, the Trust" and "Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Changes in SEC policy could adversely impact the value of the Shares."

Various foreign jurisdictions have, and may continue to, in the near future, adopt laws, regulations or directives that affect a digital asset network, the Digital Asset Markets, and their users, particularly Digital Asset Trading Platforms and service providers that fall within such jurisdictions' regulatory scope. For example:

- China has made transacting in cryptocurrencies illegal for Chinese citizens in mainland China, and additional restrictions may follow. China has banned initial coin offerings and there have been reports that Chinese regulators have taken action to shut down a number of China-based Digital Asset Trading Platforms.
- South Korea determined to amend its Financial Information Act in March 2020 to require virtual asset service providers to register and comply with its AML and counter-terrorism funding framework. These measures also provide the government with the authority to close Digital Asset Trading Platforms that do not comply with specified processes. South Korea has also banned initial coin offerings.
- The Reserve Bank of India in April 2018 banned the entities it regulates from providing services to any individuals or business entities dealing with or settling digital assets. In March 2020, this ban was overturned in the Indian Supreme Court, although the Reserve Bank of India is currently challenging this ruling.
- The United Kingdom's Financial Conduct Authority published final rules in October 2020 banning the sale of derivatives and exchange-traded notes that reference certain types of digital assets, contending that they are "ill-suited" to retail investors citing extreme volatility, valuation challenges and association with financial crime. A new law, the Financial Services and Markets Act 2023 ("FSMA"), received royal assent in June 2023. The FSMA brings digital asset activities within the scope of existing laws governing financial institutions, markets and assets.
- The Parliament of the European Union approved the text of the MiCA in April 2023, establishing a regulatory framework for digital asset services across the European Union. MiCA is intended to serve as a comprehensive regulation of digital asset markets and imposes various obligations on digital asset issuers and service providers. The main aims of MiCA are industry regulation, consumer protection, prevention of market abuse and upholding the integrity of digital asset markets. MiCA was formally approved by the European Union's member states in 2023. Certain parts of MiCA became effective as of June 2024 and the remainder applied as of December 2024.

There remains significant uncertainty regarding foreign governments' future actions with respect to the regulation of digital assets and Digital Asset Trading Platforms. Such laws, regulations or directives may conflict with those of the United States and may negatively impact the acceptance of TAO by users, merchants and service providers outside the United States and may therefore impede the growth or sustainability of the Bittensor ecosystem in the United States and globally, or otherwise negatively affect the value of the TAO held by the Trust. The effect of any future regulatory change on the Trust or the TAO held by the Trust is impossible to predict, but such change could be substantial and adverse to the Trust and the value of the Shares. See "Risk Factors—Risk Factors Related to the Regulation of Digital Assets, the Trust and the Shares—Regulatory changes or actions by the U.S. Congress or any U.S. federal or state agencies may affect the value of the Shares or restrict the use of TAO, the

use or the operation of the Bittensor Network or the Digital Asset Markets in a manner that adversely affects the value of the Shares."

Not a Regulated Commodity Pool

The Trust is not a registered investment company under the Investment Company Act and the Sponsor believes that the Trust is not required to register under the Investment Company Act. The Trust will not trade, buy, sell or hold TAO derivatives, including TAO futures contracts, on any futures exchange. The Trust is authorized solely to take immediate delivery of actual TAO. The Sponsor does not believe the Trust's activities are required to be regulated by the CFTC under the CEA as a "commodity pool" under current law, regulation and interpretation. The Trust will not be operated by a CFTC-regulated commodity pool operator because it will not trade, buy, sell or hold TAO derivatives, including TAO futures contracts, on any futures exchange. Investors in the Trust will not receive the regulatory protections afforded to investors in regulated commodity pools, nor may the COMEX division of the New York Mercantile Exchange or any futures exchange enforce its rules with respect to the Trust's activities. In addition, investors in the Trust will not benefit from the protections afforded to investors in TAO futures contracts on regulated futures exchanges.

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 audited financial statements and related notes included elsewhere in this Information Statement, 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 discussed below and elsewhere in this Information Statement, particularly in "Risk Factors" and "Forward-Looking Statements."

Trust Overview

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

	As of	
	June 30, 2025	**December 31, 2025**
Number of Shares authorized	Unlimited	Unlimited
Number of Shares outstanding	1,454,900	501,700
Number of Shares freely tradable[(1)]	0	0
Number of beneficial holders owning at least 100 Shares	68	50
Number of holders of record	68	50

(1) Includes the total number of Shares that are not restricted securities as such term is defined under Rule 144.

Critical Accounting Policies and Estimates

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of TAO for Share creations and the delivery of TAO for Share redemptions or for payment of expenses in TAO. At this time, the Trust is not accepting redemption requests from shareholders. The Trust 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 Sponsor's Fee in TAO.

Principal Market and Fair Value Determination

To determine which market is the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's net asset value in accordance with U.S. GAAP ("Principal Market NAV"), the Trust follows ASC Topic 820-10, *Fair Value Measurement*, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for SOL in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that SOL 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 Trust only receives TAO in connection with a creation order from the Authorized Participant (or its Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Trust 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 Information Statement), each as defined in the FASB ASC Master Glossary (collectively "Digital Asset Markets").

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

- *First*, the Trust 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 Trust 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 Trust sorts these Digital Asset Markets from high to low by market-based volume and level of activity of TAO traded on each Digital Asset Market in the trailing twelve months.
- *Third*, the Trust 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 Trust 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 Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust 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. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust 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 Trust 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 Trust's determination of its principal market.

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

Investment Company Considerations

The Trust 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 Trust uses fair value as its method of accounting for TAO in accordance with its classification as an investment company for accounting purposes. The Trust is not a registered investment company under the Investment Company Act. U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates and these differences could be material.

Review of Financial Results

Financial Highlights for the Three and Six Months Ended June 30, 2025 and for the Period from June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024

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

	Three Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	Six Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024
Net realized and unrealized gain (loss) on investment in TAO	$ 3,302	$ (117)	$ (1,009)	$ (117)
Net increase (decrease) in net assets resulting from operations	$ 3,241	$ (118)	$ (1,104)	$ (118)
Net assets[(1)]	$ 9,701	$ 722	$ 9,701	$ 722

(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 TAO on the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date.

Net realized and unrealized gain on investment in TAO for the three months ended June 30, 2025 was $3,302, which resulted from the net change in unrealized depreciation on investment in TAO of $3,302. Net realized and unrealized gain on investment in TAO for the period was driven by TAO price appreciation from $222.27 per TAO as of March 31, 2025, to $342.29 per TAO as of June 30, 2025. Net increase in net assets resulting from operations was $3,241 for the three months ended June 30, 2025, which consisted of the net realized and unrealized gain on investment in TAO, less the Sponsor's Fee of $61. Net assets increased to $9,701 at June 30, 2025, a 94% increase for the three-month period. The increase in net assets was due to the contribution of approximately 5,999 TAO with a value of $1,456 to the Trust in connection with Share creations and the aforementioned TAO price appreciation, partially offset by the withdrawal of approximately 172 TAO to pay the foregoing Sponsor's Fee.

Net realized and unrealized loss on investment in TAO for the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024 was ($117), which resulted from the net change in unrealized depreciation on investment in TAO of ($117). Net realized and unrealized loss on investment in TAO for the period was driven by TAO price depreciation from $346.42 per TAO as of June 10, 2024, to $268.99 per TAO as of June 30, 2024. Net decrease in net assets resulting from operations was ($118) for the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024, which consisted of the net realized and unrealized loss on investment in TAO, plus the Sponsor's Fee of $1. Net assets increased to $722 at June 30, 2024. The increase in net assets was due to the contribution of approximately 2,685 TAO with a value of $840 to the Trust in connection with Share creations, offset by the aforementioned TAO price depreciation and the withdrawal of approximately 840 TAO to pay the foregoing Sponsor's Fee.

Net realized and unrealized loss on investment in TAO for the six months ended June 30, 2025 was ($1,009), which includes a realized loss of ($4) on the transfer of TAO to pay the Sponsor's Fee and net change in unrealized depreciation on investment in TAO of ($1,005). Net realized and unrealized loss on investment in TAO for the period was driven by TAO price depreciation from $444.19 per TAO as of December 31, 2024, to $342.29 per TAO as of June 30, 2025. Net decrease in net assets resulting from operations was ($1,104) for the six months ended June 30, 2025, which consisted of the net realized and unrealized loss on investment in TAO, plus the Sponsor's Fee of $95. Net assets increased to $9,701 at June 30, 2025, a 121% increase for the six-month period. The increase in net assets was due to the contribution of approximately 18,716 TAO with a value of $6,409 to the Trust in connection

with Share creations, offset by the aforementioned TAO price depreciation and the withdrawal of approximately 290 TAO to pay the foregoing Sponsor's Fee.

Financial Highlights for the Period from June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024

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

	June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024
Net realized and unrealized gain on investment in TAO	$ 534
Net increase in net assets resulting from operations	$ 493
Net assets[(1)]	$ 4,396

(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 TAO on the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date.

Net realized and unrealized gain on investment in TAO for the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024 was $534, which includes a realized gain of $7 on the transfer of TAO to pay the Sponsor's Fee, net change in unrealized depreciation on the Sponsor's Fee payable of $2, and net change in unrealized appreciation on investment in TAO of $525. Net realized and unrealized gain on investment in TAO for the period was driven by TAO price appreciation from $346.42 per TAO as of June 10, 2024, to $444.19 per TAO as of December 31, 2024. Net increase in net assets resulting from operations was $493 for the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, which consisted of the net realized and unrealized gain on investment in TAO, less the Sponsor's Fee of $41. Net assets increased to $4,396 at June 30, 2024. The increase in net assets was due to the contribution of approximately 9,986 TAO with a value of $3,903 to the Trust in connection with Share creations and the aforementioned TAO price appreciation, partially offset by the withdrawal of approximately 70 TAO to pay the foregoing Sponsor's Fee.

Cash Resources and Liquidity

The Trust has not had a cash balance at any time since inception. When selling TAO, Incidental Rights, and/or IR Virtual Currency in the Digital Asset Market to pay Additional Trust Expenses on behalf of the Trust, the Sponsor endeavors to sell the exact amount of TAO, Incidental Rights, and/or IR Virtual Currency needed to pay expenses in order to minimize the Trust's holdings of assets other than TAO. As a consequence, the Sponsor expects that the Trust 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 Trust is not a party to any off‑balance sheet arrangements.

In Trading Platform for the Sponsor's Fee, the Sponsor has agreed to assume most of the expenses incurred by the Trust. As a result, the only ordinary expense of the Trust during the periods covered by this Information Statement was the Sponsor's Fee. The Trust 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 and Six Months Ended June 30, 2025 and the Period from June 10, 2024 (the Commencement of the Trust's Operations) to June 30, 2024 (unaudited)

(All TAO balances are rounded to the nearest whole TAO)

	Three Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	Six Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024
TAO:				
Opening balance	22,515	-	9,916	-
Creations	5,999	2,685	18,716	2,685
Sponsor's Fee, related party	(172)	-	(290)	-
Closing balance	28,342	2,685	28,342	2,685
Accrued but unpaid Sponsor's Fee, related party	-	(2)	-	(2)
Net closing balance	28,342	2,683	28,342	2,683
Number of Shares:				
Opening balance	1,148,600	-	501,700	-
Creations	306,300	134,300	953,200	134,300
Closing balance	1,454,900	134,300	1,454,900	134,300

	As of June 30,	
	2025	2024
Price of TAO on principal market	$ 342.29	$ 268.99
Principal Market NAV per Share	$ 6.67	$ 5.37
Reference Rate Price	$ 342.13	$ 268.99
NAV per Share	$ 6.66	$ 5.37

(1) The Trust performed an assessment of the principal market at June 30, 2025, and identified the principal market as Coinbase.

(2) As of June 30, 2025, the NAV per Share was calculated using the fair value of TAO based on the price provided by Coinbase, the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date.

(3) The Trust's NAV per Share is derived from the Reference Rate Price, as represented by the Reference Rate as of 4:00 p.m., New York time, on the valuation date. The Trust's NAV per Share is calculated using a non-GAAP methodology where the volume-weighted average price is derived from multiple Digital Asset Trading Platforms. The Digital Asset Trading Platforms included in the Reference Rate (the "Constituent Trading Platforms") as of June 30, 2025 were Binance, Coinbase, Gate.IO, Kraken, KuCoin, and MEXC. The Constituent Trading Platforms included in the Reference Rate as of June 30, 2024 were Binance, Gate.IO, Kraken, KuCoin, and MEXC.

As of June 30, 2025, the Trust had a net closing balance with a value of $9,696,571, based on the Reference Rate Price (non-GAAP methodology). As of June 30, 2025, the Trust had a total market value of $9,701,106, based on the principal market (Coinbase).

As of June 30, 2024, the Trust had a net closing balance with a value of $721,521, based on the Reference Rate Price (non-GAAP methodology). As of June 30, 2024, the Trust had a total market value of $721,521, based on the principal market (Kraken).

Period from June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024

(All TAO balances are rounded to the nearest whole TAO)

	June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024
TAO:	
Opening balance	-
Creations	9,986
Sponsor's Fee, related party	(70)
Closing balance	9,916
Accrued but unpaid Sponsor's Fee, related party	(21)
Net closing balance	9,895
Number of Shares:	
Opening balance	-
Creations	501,700
Closing balance	501,700

	As of December 31, 2024
Price of TAO on principal market	$ 444.19
Principal Market NAV per Share	$ 8.76
Reference Rate Price	$ 444.13
NAV per Share	$ 8.76

(1) The Trust performed an assessment of the principal market at December 31, 2024, and identified the principal market as Kraken.

(2) As of December 31, 2024, the NAV per Share was calculated using the fair value of TAO based on the price provided by Kraken, the Digital Asset Trading Platform that the Trust considered its principal market, as of 4:00 p.m., New York time, on the valuation date.

(3) The Trust's NAV per Share is derived from the Reference Rate Price, as represented by the Reference Rate as of 4:00 p.m., New York time, on the valuation date. The Trust's NAV per Share is calculated using a non-GAAP methodology where the volume-weighted average price is derived from multiple Digital Asset Trading Platforms. The Constituent Trading Platforms included in the Reference Rate as of December 31, 2024 were Binance, Gate.IO, Kraken, KuCoin, MEXC.

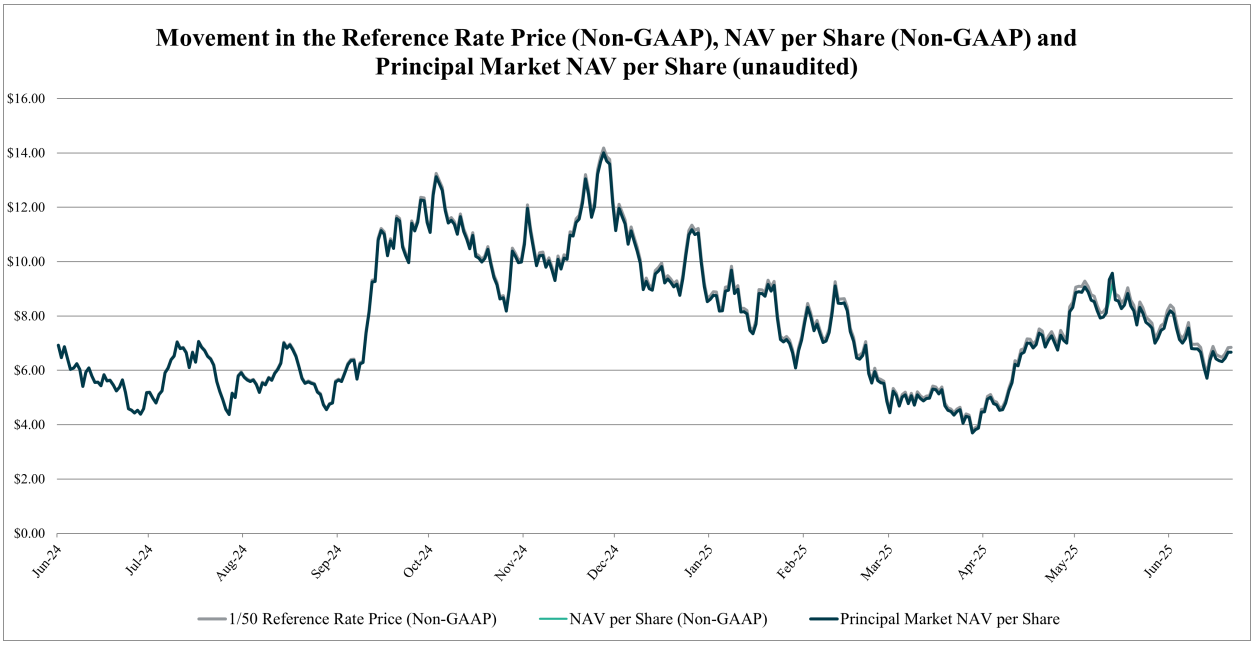
For accounting purposes, the Trust reflects creations and the TAO receivable with respect to such creations on the date of receipt of a notification of a creation but does not issue Shares until the requisite amount of TAO is received. At this time, the Trust is not accepting redemption requests from shareholders. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

As of December 31, 2024, the Trust had a net closing balance with a value of $4,394,732, based on the Reference Rate Price (non-GAAP methodology). As of December 31, 2024, the Trust had a total market value of $4,395,326, based on the principal market (Kraken).

Historical NAV and TAO Prices

As movements in the price of TAO will directly affect the price of the Shares, investors should understand recent movements in the price of TAO. Investors, however, should also be aware that past movements in the TAO price 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 Trust's NAV per Share (non-GAAP) versus the Reference Rate Price (non-GAAP) and the Trust's Principal Market NAV per Share from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2025. For more information on the determination of the Trust's NAV, see "Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price."



The following table illustrates the movements in the Reference Rate Price from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2025. During such period, the price has ranged from $188.82 to $709.06, with the straight average being $389.24 through June 30, 2025. The Sponsor has not observed a material difference between the Reference Rate Price and average prices from the Constituent trading Platforms individually or as a group.

		High		Low			
Period	**Average**	**Reference Rate Price**	**Date**	**Reference Rate Price**	**Date**	**End of period**	**Last business day**
June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	$ 295.52	$ 346.42	6/10/2024	$ 262.26	6/29/2024	$ 268.99	$ 273.08
Twelve months ended June 30, 2025	$ 394.63	$ 709.06	12/6/2024	$ 188.82	4/6/2025	$ 342.13	$ 342.13
June 10, 2024 (the commencement of the Trust's operations) to June 30, 2025	$ 389.24	$ 709.06	12/6/2024	$ 188.82	4/6/2025	$ 342.13	$ 342.13

The following table illustrates the movements in the Digital Asset Market price of TAO, as reported on the Trust's principal market, from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2025. During such period, the price of TAO has ranged from $188.87 to $708.85, with the straight average being $389.39.

		High		Low			
Period	Average	Digital Asset Market Price	Date	Digital Asset Market Price	Date	End of period	Last business day
June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	$ 295.53	$ 346.42	6/10/2024	$ 262.37	6/29/2024	$ 268.99	$ 273.24
Twelve months ended June 30, 2025	$ 394.79	$ 708.85	12/6/2024	$ 188.87	4/6/2025	$ 342.29	$ 342.29
June 10, 2024 (the commencement of the Trust's operations) to June 30, 2025	$ 389.39	$ 708.85	12/6/2024	$ 188.87	4/6/2025	$ 342.29	$ 342.29

Secondary Market Trading

While the Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of the TAO held by the Trust, determined by reference to the Reference Rate Price, less the Trust's expenses and other liabilities, if the Shares trade on a Secondary Market in the future, they may trade at prices that are lower or higher than the NAV per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours and liquidity between the Secondary Market and larger Digital Asset Trading Platforms. While the Shares (if publicly traded in the future) are expected to generally trade on the Secondary Market during certain hours of the day (for example, OTCQX trades from 6:00 a.m. until 5:00 p.m., New York time), liquidity in the Digital Asset Markets may fluctuate depending upon the volume and availability of larger Digital Asset Trading Platforms. As a result, during periods in which Digital Asset Market liquidity is limited or a major Digital Asset Trading Platform is off-line, trading spreads, and the resulting premium or discount, on the Shares may widen.

Quantitative and Qualitative Disclosures about Market Risk

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

ACTIVITIES OF THE TRUST

The activities of the Trust are limited to (i) issuing Baskets in exchange for TAO transferred to the Trust as consideration in connection with the creations, (ii) transferring or selling TAO, Incidental Rights and IR Virtual Currency as necessary to cover the Sponsor's Fee and/or any Additional Trust Expenses, (iii) transferring TAO in exchange for Baskets surrendered for redemption (subject to obtaining regulatory approval from the SEC and approval from the Sponsor), (iv) causing the Sponsor to sell TAO, Incidental Rights and IR Virtual Currency on the termination of the Trust, (v) making distributions of Incidental Rights and/or IR Virtual Currency or cash from the sale thereof, (vi) engaging in any form of Staking, but only if (and, then, only to the extent that) the Staking Condition has been satisfied with respect thereto, and (vii) engaging in all administrative and security procedures necessary to accomplish such activities in accordance with the provisions of the Trust Agreement, the Custodian Agreement, the Reference Rate License Agreement and the Participant Agreements.

In addition, the Trust may engage in any lawful activity necessary or desirable in order to facilitate shareholders' access to Incidental Rights or IR Virtual Currency, provided that such activities do not conflict with the terms of the Trust Agreement. The Trust will not be actively managed. It will not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the market prices of TAO.

Investment Objective

The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of TAO held by the Trust, determined by reference to the Reference Rate Price, less the Trust's expenses and other liabilities. To date, the Trust has not met its investment objective.

If in the future the Shares trade on a Secondary Market at a substantial premium, investors who purchase Shares on the Secondary Market will pay substantially more for their Shares than investors who purchase Shares in the private placement. The value of the Shares may not reflect the value of the Trust's TAO, less the Trust's expenses and other liabilities, for a variety of reasons, including the holding period under Rule 144 for Shares purchased in the private placement, the lack of an ongoing redemption program, any halting of creations by the Trust, TAO price volatility, trading volumes on, or closures of, trading platforms where digital assets trade due to fraud, failure, security breaches or otherwise, and the non-current trading hours between such Secondary Market (e.g., OTCQX) and the global trading platform market for trading TAO. As a result, the Shares may continue to trade at a substantial premium over, or a substantial discount to, the value of the Trust's TAO, less the Trust's expenses and other liabilities, and the Trust may be unable to meet its investment objective for the foreseeable future.

While an investment in the Shares is not a direct investment in TAO, the Shares are designed to provide investors with a cost-effective and convenient way to gain investment exposure to TAO. A substantial direct investment in TAO may require expensive and sometimes complicated arrangements in connection with the acquisition, security and safekeeping of the TAO and may involve the payment of substantial fees to acquire such TAO from third-party facilitators through cash payments of U.S. dollars. Because the value of the Shares is correlated with the value of the TAO held by the Trust, it is important to understand the investment attributes of, and the market for, TAO.

Shares purchased in the private placement are restricted securities that may not be resold except in transactions exempt from registration under the Securities Act and state securities laws and any such transaction must be approved in advance by the Sponsor. In determining whether to grant approval, the Sponsor will specifically look at whether the conditions of Rule 144 under the Securities Act, including the requisite holding period thereunder, and any other applicable laws have been met. Any attempt to sell the Shares without the approval of the Sponsor in its sole discretion will be void ab initio. See "Description of the Shares—Transfer Restrictions" for more information.

Pursuant to Rule 144, once the Trust has been subject to the reporting requirements of Section 13 under the Exchange Act for a period of 90 days, the minimum holding period for Shares purchased in the private placement will be shortened from one year to six months. As a result, Shares purchased in the private placement will be able to have their transfer restriction legends removed sooner. If the Shares are publicly traded on a Secondary Market in

the future, the removal of such transfer restriction legends will increase the supply of tradeable Shares, which may cause the price of the Shares to decline on such Secondary Market. In addition, the shortened holding period may increase demand for the Shares in the private placement, which may further increase the number of Shares being sold by investors into such Secondary Market after they have been held for the holding period.

At this time, the Trust is not operating a redemption program for Shares and therefore Shares are not redeemable by the Trust. In addition, the Trust may halt creations for extended periods of time for a variety of reasons, including in connection with forks, airdrops and other similar occurrences. As a result, Authorized Participants are not able to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's NAV per Share, which may cause the Shares to trade at a substantial premium over, or a substantial discount to, the value of the Trust's NAV per Share.

Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. If such relief is granted and the Sponsor approves a redemption program, the Shares will be redeemable in accordance with the provisions of the Trust Agreement and the relevant Participant Agreement. Although the Sponsor cannot predict with certainty what effect, if any, the operation of a redemption program would have on the trading price of the Shares, a redemption program would allow Authorized Participants to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's TAO, less the Trust's expenses and other liabilities, which may have the effect of reducing any premium at which the Shares trade on a Secondary Market (if applicable in the future) over such value or cause the Shares to trade at a discount to such value from time to time.

For a discussion of risks relating to the deviation in the trading price of the Shares from the NAV per Share, see "Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares have historically traded at a substantial premium over, and may trade at a substantial discount to, the NAV per Share," "Risk Factors—Risk Factors Related to the Trust and the Shares— If publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between such Secondary Market and the Digital Asset Trading Platform Market, "Risk Factors—Risk Factors Related to the Trust and the Shares—Shareholders may suffer a loss on their investment if the Shares trade above or below the Trust's NAV per Share" and "Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

Characteristics of the Shares

The Shares are intended to offer investors an opportunity to participate in Digital Asset Markets through an investment in securities. As of June 30, 2025, each Share represented approximately 0.0195 TAO. The logistics of accepting, transferring and safekeeping of TAO are dealt with by the Sponsor and Custodian, and the related expenses are built into the value of the Shares. Therefore, shareholders do not have additional tasks or costs over and above those generally associated with investing in any other privately placed security.

The Shares have certain other key characteristics, including the following:

- *Easily Accessible and Relatively Cost Efficient*. Investors in the Shares can also directly access the Digital Asset Markets. The Sponsor believes that investors will be able to more effectively implement strategic and tactical asset allocation strategies that use TAO by using the Shares instead of directly purchasing and holding TAO, and for many investors, transaction costs related to the Shares will be lower than those associated with the direct purchase, storage and safekeeping of TAO.
- *Transparent*. The Trust will not hold or employ any derivative securities. The value of the Trust's assets will be reported each day on www.grayscale.com/funds/grayscale-bittensor-trust.
- *Minimal Credit Risk*. The Shares represent an interest in actual TAO owned by the Trust. The Trust's TAO is not subject to borrowing arrangements with third parties and are subject to only minimal counterparty and credit risk with respect to the Custodian. This contrasts with the other financial products such as CoinShares exchange-traded notes, TeraExchange swaps and futures traded on the Chicago

Mercantile Exchange ("CME") and the Intercontinental Exchange ("ICE") through which investors gain exposure to digital assets through the use of derivatives that are subject to counterparty and credit risks.

- *Safekeeping System*. The Custodian has been appointed to control and secure the TAO for the Trust using offline storage, or "cold storage", mechanisms to secure the Trust's private key "shards". The hardware, software, administration and continued technological development that are used by the Custodian may not be available or cost-effective for many investors.

The Trust differentiates itself from competing digital asset financial vehicles, to the extent that such digital asset financial vehicles may develop, in the following ways:

- *Custodian*. The Custodian that holds the private key shards associated with the Trust's TAO is BitGo Trust Company, Inc. Other digital asset financial vehicles that use cold storage may not use a custodian to hold their private keys.
- *Cold Storage of Private Keys*. The private key shards associated with the Trust's TAO are kept in cold storage, which means that the Trust's TAO is disconnected and/or deleted entirely from the internet. See "Custody of the Trust's TAO" for more information relating to the storage and retrieval of the Trust's private keys to and from cold storage. Other digital asset financial vehicles may not utilize cold storage or may utilize less effective cold storage-related hardware and security protocols.
- *Location of Private Vaults*. Private key shards associated with the Trust's TAO are distributed geographically by the Custodian in secure vaults around the world, including in the United States. The locations of the secure vaults may change regularly and are kept confidential by the Custodian for security purposes.
- *Enhanced Security*. Transfers from the Trust's Digital Asset Account require certain security procedures, including but not limited to, multiple encrypted private key shards, usernames, passwords and 2-step verification. Multiple private key shards held by the Custodian must be combined to reconstitute the private key to sign any transaction in order to transfer the Trust's TAO. Private key shards are distributed geographically in secure vaults around the world, including in the United States. As a result, if any one secure vault is ever compromised, this event will have no impact on the ability of the Trust to access its assets, other than a possible delay in operations, while one or more of the other secure vaults is used instead. These security procedures are intended to remove single points of failure in the protection of the Trust's TAO.
- *Custodian Audits*. The Custodian has agreed to allow the Trust and the Sponsor to take any necessary steps to verify that satisfactory internal control systems and procedures are in place, and to visit and inspect the systems on which the Custodian's coins are held.
- *Directly Held TAO*. The Trust directly owns actual TAO held through the Custodian. This may differ from other digital asset financial vehicles that provide TAO exposure through other means, such as the use of financial or derivative instruments.
- *Sponsor's Fee*. The Sponsor's Fee is a competitive factor that may influence the value of the Shares.

Incidental Rights and IR Virtual Currency

The Trust may from time to time come into possession of Incidental Rights and/or IR Virtual Currency by virtue of its ownership of TAO, generally through a fork in the Subtensor Blockchain, an airdrop offered to holders of TAO or other similar event. Pursuant to the terms of the Trust Agreement, the Trust may take any lawful action necessary or desirable in connection with the Trust's ownership of Incidental Rights, including the acquisition of IR Virtual Currency, unless such action would adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes or otherwise be prohibited by the Trust Agreement. These actions include (i) selling Incidental Rights and/or IR Virtual Currency in the Digital Asset Market and distributing the cash proceeds to shareholders, (ii) distributing Incidental Rights and/or IR Virtual Currency in-kind to the shareholders or to an agent acting on behalf of the shareholders for sale by such agent if an in-kind distribution would otherwise be infeasible and (iii) irrevocably abandoning Incidental Rights or IR Virtual Currency. The Trust may also use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee and Additional Trust Expenses, if any, as discussed below under "—Expenses; Sales of TAO." However, the Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for purposes of determining the Trust's NAV, the NAV per Share, the Principal Market NAV and the Principal Market NAV per Share.

With respect to any fork, airdrop or similar event, the Sponsor may, in its discretion, decide to cause the Trust to distribute the Incidental Rights or IR Virtual Currency in-kind to an agent of the shareholders for resale by such agent, or to irrevocably abandon the Incidental Rights or IR Virtual Currency. In the case of a distribution in-kind to an agent acting on behalf of the shareholders, the shareholders' agent will attempt to sell the Incidental Rights or IR Virtual Currency, and if the agent is able to do so, will remit the cash proceeds to shareholders, net of expenses and any applicable withholding taxes. There can be no assurance as to the price or prices for any Incidental Rights or IR Virtual Currency that the agent may realize, and the value of the Incidental Rights or IR Virtual Currency may increase or decrease after any sale by the agent. In the case of abandonment of Incidental Rights or IR Virtual Currency, the Trust would not receive any direct or indirect consideration for the Incidental Rights or IR Virtual Currency and thus the value of the Shares will not reflect the value of the Incidental Rights or IR Virtual Currency.

On March 12, 2025, the Sponsor delivered to the Custodian the Pre-Creation Abandonment Notice stating that the Trust is abandoning irrevocably for no direct or indirect consideration, effective immediately prior to each Creation Time, all Incidental Rights and IR Virtual Currency to which it would otherwise be entitled as of such time; provided that a Pre-Creation Abandonment will not apply to any Incidental Rights and/or IR Virtual Currency if (i) the Trust has taken, or is taking at such time, an Affirmative Action to acquire or abandon such Incidental Rights and/or IR Virtual Currency at any time prior to such Creation Time or (ii) such Incidental Rights and/or IR Virtual Currency has been subject to a previous Pre-Creation Abandonment. An Affirmative Action refers to a written notification from the Sponsor to the Custodian of the Trust's intention (i) to acquire and/or retain any Incidental Rights and/or IR Virtual Currency or (ii) to abandon, with effect prior to the relevant Creation Time, any Incidental Rights and/or IR Virtual Currency.

In determining whether to take an Affirmative Action to acquire and/or retain an Incidental Right and/or IR Virtual Currency, the Trust takes into consideration a number of factors, including:

- the Custodian's agreement to provide access to the IR Virtual Currency;
- the availability of a safe and practical way to custody the IR Virtual Currency;
- the costs of taking possession and/or maintaining ownership of the IR Virtual Currency and whether such costs exceed the benefits of owning such IR Virtual Currency;
- whether there are any legal restrictions on, or tax implications with respect to, the ownership, sale or disposition of the Incidental Right or IR Virtual Currency, regardless of whether there is a safe and practical way to custody and secure such Incidental Right or IR Virtual Currency;
- the existence of a suitable market into which the Incidental Right or IR Virtual Currency may be sold; and
- whether the Incidental Right or IR Virtual Currency is, or may be, a security under federal securities laws.

In determining whether the IR Virtual Currency is, or may be, a security under federal securities laws, the Sponsor 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, as well as reports, orders, press releases, public statements and speeches by the SEC and its staff providing guidance on when a digital asset may be a security for purposes of the federal securities laws.

As a result of the Pre-Creation Abandonment Notice, since March 12, 2025, the Trust has irrevocably abandoned, prior to the Creation Time of any Shares, any Incidental Right or IR Virtual Currency that it may have any right to receive at such time. The Trust has no right to receive any Incidental Right or IR Virtual Currency abandoned pursuant to either the Pre-Creation Abandonment Notice or Affirmative Actions. Furthermore, the Custodian has no authority, pursuant to the Custodian Agreement or otherwise, to exercise, obtain or hold, as the case may be, any such abandoned Incidental Right or IR Virtual Currency on behalf of the Trust or to transfer any such abandoned Incidental Right or IR Virtual Currency to the Trust if the Trust terminates its custodial agreement with the Custodian.

The Sponsor intends to evaluate each fork, airdrop or similar occurrence on a case-by-case basis in consultation with the Trust's legal advisers, tax consultants, and Custodian, and may decide to abandon any Incidental Rights or IR Virtual Currency resulting from a hard fork, airdrop or similar occurrence should the Sponsor conclude, in its discretion, that such abandonment is in the best interests of the Trust. In the event the Sponsor decides to sell any Incidental Right or IR Virtual Currency, it would expect to execute the sale to or through an eligible financial institution that is subject to federal and state licensing requirements and practices regarding anti-money laundering ("AML") and know-your-customer ("KYC") regulations, which may include an Authorized Participant, a Liquidity Provider (as defined below in "—Service Providers of the Trust—Authorized Participants"), or one or more of their affiliates. In either case, the Sponsor expects that an Authorized Participant or Liquidity Provider would only be willing to transact with the Sponsor on behalf of the Trust if an Authorized Participant or Liquidity Provider considered it possible to trade the Incidental Right or IR Virtual Currency on a Digital Asset Trading Platform or other venue to which the Authorized Participant or Liquidity Provider has access. Generally, any such Authorized Participant or Liquidity Provider would have access only to Digital Asset Trading Platforms or other venues that it 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 venue.

Staking

Staking on the Bittensor Network refers to using TAO, or permitting TAO to be used, directly or indirectly, through an agent or otherwise, in a staking protocol, in exchange for the receipt of consideration, including, but not limited to, staking rewards paid in fiat currency or paid in kind (collectively, "Staking"). At this time, none of the Trust, the Sponsor, the Custodian, nor any other person associated with the Trust may, directly or indirectly, engage in Staking of the Trust's TAO on behalf of the Trust, meaning no action will be taken pursuant to which any portion of the Trust's TAO becomes used in any staking protocol or is used to earn additional digital assets or generate income or other earnings, and there can be no assurance that the Trust, the Sponsor, the Custodian or any other person associated with the Trust will ever be permitted to engage in Staking of the Trust's TAO or such income generating activity in the future. Under current law, there can be no assurance that Staking the Trust's TAO would be consistent with the intended treatment of the Trust as a grantor trust for U.S. federal income tax purposes.

To the extent the Trust were to amend its Trust Agreement to permit Staking of the Trust's TAO, in the future the Trust may seek to establish a program to use its TAO in a staking mechanism to receive rewards comprising additional TAO or other digital assets in respect of a portion of its TAO holdings. However, as long as such conditions and requirements have not been satisfied, the Trust will not use its TAO in a staking protocol to receive rewards comprising additional TAO or other digital assets in respect of its TAO holdings. The current inability of the Trust to use its TAO in Staking and receive rewards could place the Shares at a comparative disadvantage relative to an investment in TAO directly or through a vehicle that is not subject to such a prohibition, which could negatively affect the value of the Shares. See "Risk Factor—Risk Factors Related to the Trust and the Shares—The Trust is not permitted to engage in Staking, which could negatively affect the value of the Shares."

Secondary Market Trading

While the Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of the TAO held by the Trust, determined by reference to the Reference Rate Price, less the Trust's expenses and other liabilities, if the Shares trade on a Secondary Market in the future, they may trade at prices that are lower

or higher than the NAV per Share. The amount of the discount or premium in the trading price relative to the NAV per Share may be influenced by non-concurrent trading hours and liquidity between such Secondary Market and larger Digital Asset Trading Platforms. While the Shares generally trade on such Secondary Market during certain hours of the day (for example, OTCQX trades from 6:00 a.m. until 5:00 p.m., New York time), liquidity in the Digital Asset Markets may fluctuate depending upon the volume and availability of larger Digital Asset Trading Platforms. As a result, during periods in which Digital Asset Market liquidity is limited or a major Digital Asset Trading Platform is off-line, trading spreads, and the resulting premium or discount, on the Shares may widen.

Trust Expenses

The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee. The Sponsor's Fee will accrue daily in U.S. dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day; provided that for a day that is not a business day, the calculation will be based on the NAV Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. This dollar amount for each daily accrual will then be converted into TAO by reference to the same Reference Rate Price used to determine such accrual. The Sponsor's Fee is payable in TAO to the Sponsor monthly in arrears.

To cause the Trust to pay the Sponsor's Fee, the Sponsor will instruct the Custodian to (i) withdraw from the Digital Asset Account the amount of TAO, Incidental Rights and/or IR Virtual Currency, determined as described above in "—Trust," equal to the accrued but unpaid Sponsor's Fee and (ii) transfer such TAO, Incidental Rights and/or IR Virtual Currency to an account maintained by the Custodian for the Sponsor at such times as the Sponsor determines in its absolute discretion.

If the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may also pay the Sponsor's Fee, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by transferring such Incidental Rights and/or IR Virtual Currency to the Sponsor. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee only if such transfer does not otherwise conflict with the terms of the Trust Agreement. In the case of Incidental Rights or IR Virtual Currency other than cash, such Incidental Rights or IR Virtual Currency other than cash shall be transferred at fair market value, as determined in good faith by the Sponsor. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to a reference rate provided by the Reference Rate Provider or, in the absence of such reference rate, by reference to the cascading set of rules described in "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee in its sole discretion. Presently, the Sponsor does not intend to waive any of the Sponsor's Fee and there are no circumstances under which the Sponsor has determined it will definitely waive the fee.

After the Trust's payment of the Sponsor's Fee to the Sponsor, the Sponsor may elect to convert the TAO, Incidental Rights and/or IR Virtual Currency received as payment of the Sponsor's Fee into U.S. dollars. The rate at which the Sponsor converts such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars may differ from the rate at which the relevant Sponsor's Fee was determined. The Trust will not be responsible for any fees and expenses incurred by the Sponsor to convert TAO, Incidental Rights and/or IR Virtual Currency received in payment of the Sponsor's Fee into U.S. dollars.

As partial consideration for its receipt of the Sponsor's Fee, the Sponsor has assumed the obligation to pay the Sponsor-paid Expenses. There is no cap on such Sponsor-Paid Expenses. The Sponsor has not assumed the obligation to pay Additional Trust Expenses. Any expense that qualifies as an Additional Trust Expense will be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense. If Additional Trust Expenses are incurred, the Sponsor (i) will instruct the Custodian to withdraw from the Digital Asset Account TAO, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust (or its delegate) to convert such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such TAO, Incidental Rights

and/or IR Virtual Currency in kind to the Sponsor in satisfaction of such Additional Trust Expenses. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay Additional Trust Expenses only if doing so does not conflict with the terms of the Trust Agreement. In the case of Incidental Rights or IR Virtual Currency other than cash, such Incidental Rights or IR Virtual Currency other than cash shall be transferred at fair market value, as determined in good faith by the Sponsor. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to an index or reference rate provided by the Reference Rate Provider or, in the absence of such an index or reference rate, by reference to the cascading set of rules described in "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays the Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced.

The number of TAO represented by a Share will decline each time the Trust pays the Sponsor's Fee or any Additional Trust Expenses by transferring or selling TAO. See "Expenses; Sales of TAO."

Impact of Trust Expenses on the Trust's NAV

The Trust will pay the Sponsor's Fee to the Sponsor in TAO, Incidental Rights and/or IR Virtual Currency. In addition, the Trust will sell TAO, Incidental Rights and/or IR Virtual Currency to raise the funds needed for the payment of any Additional Trust Expenses or will pay Additional Trust Expenses in TAO, Incidental Rights and/or IR Virtual Currency. The Trust's TAO, Incidental Rights and IR Virtual Currency, and the purchase price received as consideration for such sales of TAO, Incidental Rights and IR Virtual Currency, will be the Trust's sole source of funds to cover the Sponsor's Fee and any Additional Trust Expenses. Because the number of TAO held by the Trust will decrease when TAO is used to pay the Sponsor's Fee or Additional Trust Expenses or are sold to permit the payment of Additional Trust Expenses, it is expected that the fractional number of TAO represented by each Share will gradually decrease over the life of the Trust. Accordingly, the shareholders will bear the cost of the Sponsor's Fee and Additional Trust Expenses. New TAO deposited into the Digital Asset Account in exchange for additional new Baskets issued by the Trust will not reverse this trend.

Hypothetical Expense Example

The following table illustrates the anticipated impact of the payment of the Trust's expenses on the amount of TAO represented by each outstanding Share for three years, assuming that the Trust does not make any payments using any Incidental Rights and/or IR Virtual Currency. It assumes that the only transfers of TAO will be those needed to pay the Sponsor's Fee and that the price of TAO and the number of Shares remain constant during the three-year period covered. The table does not show the impact of any Additional Trust Expenses. Any Additional Trust Expenses, if and when incurred, will accelerate the decrease in the fractional amount of TAO represented by each Share. In addition, the table does not show the effect of any waivers of the Sponsor's Fee that may be in effect from time to time.

	Year		
	1	2	3
Hypothetical price per TAO	$100.00	$100.00	$100.00
Sponsor's Fee	2.50%	2.50%	2.50%
Shares of Trust, beginning	100,000.00	100,000.00	100,000.00
TAO in Trust, beginning	10,000.00	9,750.00	9,506.25
Hypothetical value of TAO in Trust	$1,000,000.00	$975,000.00	$950,625.00
Beginning NAV of the Trust	$1,000,000.00	$975,000.00	$950,625.00
TAO to be delivered to cover the Sponsor's Fee	250.00	243.75	237.66
TAO in Trust, ending	9,750.00	9,506.25	9,268.59
Ending NAV of the Trust	$975,000.00	$950,625.00	$926,859.38
Ending NAV per share	$9.75	$9.51	$9.27
Hypothetical price per TAO	$100.00	$100.00	$100.00

Discretion of the Reference Rate Provider

The Reference Rate Provider has sole discretion over the determination of Reference Rate Price and may change the methodologies for determining the Reference Rate Price from time to time.

DESCRIPTION OF THE TRUST

The Trust is a Delaware Statutory Trust that was formed on April 30, 2024 by the filing of the Certificate of Trust with the Delaware Secretary of State in accordance with the provisions of the Delaware Statutory Trust Act ("DSTA"). The Trust operates pursuant to the Trust Agreement.

The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust. The Trust is passive and is not managed like a corporation or an active investment vehicle. The Trust's TAO are held by the Custodian on behalf of the Trust. The Trust's TAO will be transferred out of the Digital Asset Account only in the following circumstances: (i) transferred to pay the Sponsor's Fee or any Additional Trust Expenses, (ii) sold on an as-needed basis to pay Additional Trust Expenses or (iii) sold on behalf of the Trust in the event the Trust terminates and liquidates its assets or as otherwise required by law or regulation. Assuming that the Trust is treated as a grantor trust for U.S. federal income tax purposes, each delivery or sale of TAO by the Trust to pay the Sponsor's Fee or any Additional Trust Expenses will be a taxable event for shareholders. See "Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

The Trust is not a registered investment company under the Investment Company Act and the Sponsor believes that the Trust is not required to register under the Investment Company Act. The Trust will not trade, buy, sell, or hold TAO derivatives, including TAO futures contracts, on any futures exchange. The Trust is authorized solely to take immediate delivery of actual TAO. The Sponsor does not believe the Trust's activities are required to be regulated by the CFTC under the CEA as a "commodity pool" under current law, regulation and interpretation. The Trust will not be operated by a CFTC-regulated commodity pool operator because it will not trade, buy, sell or hold TAO derivatives, including TAO futures contracts, on any futures exchange. Investors in the Trust will not receive the regulatory protections afforded to investors in regulated commodity pools, nor may the COMEX division of the New York Mercantile Exchange or any futures exchange enforce its rules with respect to the Trust's activities. In addition, investors in the Trust will not benefit from the protections afforded to investors in TAO futures contracts on regulated futures exchanges.

The Trust creates Shares from time to time but only in Baskets. A Basket equals a block of 100 Shares. The number of outstanding Shares is expected to increase from time to time as a result of the creation of Baskets. The creation of Baskets will require the delivery to the Trust of the amount of TAO represented by the Baskets being created. The creation of a Basket will be made only in exchange for the delivery to the Trust of the amount of whole and fractional TAO represented by each Basket being created, the amount of which is determined by dividing (x) the amount of TAO owned by the Trust at 4:00 p.m., New York time, on the relevant trade date, after deducting the amount of TAO representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust (converted using the Reference Rate Price at such time, and carried to the eighth decimal place) by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth of one TAO (*i.e.*, carried to the eighth decimal place)), and multiplying such quotient by 100.

Although the redemption of Shares is provided for in the Trust Agreement, the redemption of Shares is not currently permitted and the Trust does not currently operate a redemption program. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. Even if such relief is sought in the future, no assurance can be given as to the timing of such relief or that such relief will be granted. If such relief is granted and the Sponsor approves a redemption program, the Shares will be redeemable in accordance with the provisions of the Trust Agreement and the relevant Participant Agreement. Although the Sponsor cannot predict with certainty what effect, if any, the operation of a redemption program would have on the trading price of the Shares, this will allow Authorized Participants to take advantage of arbitrage opportunities created when the market value of the Shares deviates from the value of the Trust's TAO, less the Trust's expenses and other liabilities, which may have the effect of reducing any premium at which the Shares trade on the Secondary Market (if applicable in the future) over such value, or cause the Shares to trade at a discount to such value which at times has been substantial.

Each Share represented approximately 0.0195 TAO as of June 30, 2025. Each Share in the initial Baskets represented approximately 0.02 TAO. The amount of TAO required to create a Basket is expected to continue to gradually decrease over time due to the transfer or sale of the Trust's TAO to pay the Sponsor's Fee and any

Additional Trust Expenses. The Trust will not accept or distribute cash in exchange for Baskets other than upon its dissolution. Authorized Participants may sell to other investors the Shares they purchase from the Trust only in transactions exempt from registration under the Securities Act. For a discussion of risks relating to the unavailability of a redemption program, see "Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share" and "Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

The Sponsor will determine the Trust's NAV on each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable. The Sponsor will also determine the NAV per Share, which equals the NAV divided by the number of outstanding Shares. Each business day, the Sponsor will publish the Trust's NAV and NAV per Share on the Trust's website, www.grayscale.com/funds/grayscale-bittensor-trust/, as soon as practicable after the Trust's NAV and NAV per Share have been determined by the Sponsor. See "Valuation of TAO and Determination of NAV."

The Trust's assets consist solely of TAO, Incidental Rights, IR Virtual Currency, proceeds from the sale of TAO, Incidental Rights, and IR Virtual Currency pending use of such cash for payment of Additional Trust Expenses or distribution to the shareholders and any rights of the Trust pursuant to any agreements, other than the Trust Agreement, to which the Trust is a party. Each Share represents a proportional interest, based on the total number of Shares outstanding, in each of the Trust's assets as determined in the case of TAO by reference to the Reference Rate Price, less the Trust's expenses and other liabilities (which include accrued but unpaid fees and expenses). The Sponsor expects that the market price of the Shares will fluctuate over time in response to the market prices of TAO. In addition, because the Shares reflect the estimated accrued but unpaid expenses of the Trust, the amount of TAO represented by a Share will gradually decrease over time as the Trust's TAO are used to pay the Trust's expenses. The Trust does not expect to take any Incidental Rights, IR Virtual Currency it may hold into account for purposes of determining the Trust's NAV or the NAV per Share.

TAO pricing information is available on a 24-hour basis from various financial information service providers or Bittensor Network information sites such CoinMarketCap.com. The spot price and bid/ask spreads may also be available directly from Digital Asset Trading Platforms. As of June 30, 2025, the Constituent Digital Asset Trading Platforms of the Reference Rate were Binance, Coinbase, Gate.IO, Kraken, KuCoin, and MEXC. The Reference Rate Provider may remove or add Digital Asset Trading Platforms to the Reference Rate in the future at its discretion. Market prices for the Shares will be available from a variety of sources, including brokerage firms, information websites and other information service providers. In addition, on each business day the Trust's website will provide pricing information for the Shares.

The Trust has no fixed termination date.

THE SPONSOR

Until December 31, 2024, Grayscale Investments, LLC was the sponsor of the Trust. As a result of the Reorganization (as defined herein), on January 1, 2025, Grayscale Investments Sponsors, LLC ("GSIS") and Grayscale Operating, LLC ("GSO"), indirect wholly owned subsidiaries of Digital Currency Group, Inc. ("DCG"), became Co-Sponsors of the Trust. On January 3, 2025, GSO voluntarily withdrew as a Sponsor of the Trust, and effective May 3, 2025, GSIS is the sole remaining Sponsor. Prior to May 3, 2025, all references herein to the "Sponsor" shall be deemed to include both GSIS and GSO as Sponsors unless the context otherwise requires, and on or after May 3, 2025, all references herein to the "Sponsor" shall refer only to GSIS. The Sponsor's principal place of business is 290 Harbor Drive, 4th Floor, Stamford, Connecticut 06902 and its telephone number is (212) 668‑1427. Under the Delaware Limited Liability Company Act and the governing documents of the Sponsor, DCG, the sole equity holder of the Sponsor, is not responsible for the debts, obligations and liabilities of the Sponsor solely by reason of being the sole equity holder of the Sponsor.

The Sponsor is neither an investment adviser registered with the SEC nor a commodity pool operator registered with the CFTC, and will not be acting in either such capacity with respect to the Trust, and the Sponsor's provision of services to the Trust will not be governed by the Investment Advisers Act or the CEA.

The Sponsor's Role

The Sponsor arranged for the creation of the Trust. As partial consideration for its receipt of the Sponsor's Fee from the Trust, the Sponsor is obligated to pay the Sponsor-paid Expenses. The Sponsor also paid the costs of the Trust's organization and the costs of the initial sale of the Shares.

The Sponsor is generally responsible for the day‑to‑day administration of the Trust under the provisions of the Trust Agreement. This includes (i) preparing and providing periodic reports and financial statements on behalf of the Trust for investors, (ii) processing orders to create Baskets and coordinating the processing of such orders with the Custodian and the Transfer Agent, (iii) calculating and publishing the NAV and the NAV per Share of the Trust each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable, (iv) selecting and monitoring the Trust's service providers and from time to time engaging additional, successor or replacement service providers, (v) instructing the Custodian to transfer the Trust's TAO, as needed to pay the Sponsor's Fee and any Additional Trust Expenses, (vi) upon dissolution of the Trust, distributing the Trust's remaining TAO, Incidental Rights, and IR Virtual Currency or the cash proceeds of the sale thereof to the owners of record of the Shares and (vii) establishing the principal market for GAAP valuation. In addition, if there is a fork in the Bittensor Network after which there is a dispute as to which network resulting from the fork is the Bittensor Network, the Sponsor has the authority to select the network that it believes in good faith is the Bittensor Network, unless such selection or authority would otherwise conflict with the Trust Agreement.

The Sponsor does not store, hold, or maintain custody or control of the Trust's TAO but instead has entered into the Custodian Agreement with the Custodian to facilitate the security of the Trust's TAO.

The Sponsor may transfer all or substantially all of its assets to an entity that carries on the business of the Sponsor if at the time of the transfer the successor assumes all of the obligations of the Sponsor under the Trust Agreement. In such an event, the Sponsor will be relieved of all further liability under the Trust Agreement.

The Sponsor's Fee is paid by the Trust to the Sponsor as compensation for services performed under the Trust Agreement and as partial consideration for the Sponsor's agreement to pay the Sponsor-paid Expenses. See "Activities of the Trust—Trust Expenses."

The Sponsor may, in its sole discretion, select a different Reference Rate provider, select a different Reference Rate price provided by the Reference Rate Provider, calculate the Reference Rate Price by using the cascading set of rules set forth under "Overview of the TAO industry and Market—TAO Value—The Reference Rate and the Reference Rate Price—Determination of the Reference Rate Price When Reference Rate Price is Unavailable" above, or change the cascading set of rules set forth above at any time.

Distribution and Marketing Agreement

On September 18, 2025, the Sponsor entered into a distribution and marketing agreement (the "Distribution and Marketing Agreement") with Grayscale Securities, LLC, a Delaware limited liability company, ("Grayscale Securities"), affiliate of the Sponsor and an affiliate and related party of the Trust to assist the Sponsor in distributing the Shares, developing an ongoing marketing plan for the Trust, preparing marketing materials regarding the Shares, including the content on the Trust's website, and executing the marketing plan for the Trust.

Reference Rate License Agreement

The Sponsor has entered into the Reference Rate License Agreement with Coin Metrics, Inc., the Reference Rate Provider governing the Sponsor's use of the Reference Rate for calculation of the Reference Rate Price. The Reference Rate Provider may adjust the calculation methodology for the Reference Rate without notice to, or consent of, the Trust or its shareholders. Under the Reference Rate License Agreement, the Sponsor pays a monthly fee and a fee based on the NAV of the Trust to the Reference Rate Provider in consideration of its license to the Sponsor of Reference Rate-related intellectual property. The Reference Rate License Agreement will automatically renew on an annual basis, unless a notice of non-renewal is provided. The Reference Rate License Agreement is terminable by either party upon written notice in the event of a material breach that remains uncured for thirty days after initial written notice of such breach. Further, either party may terminate the Reference Rate License Agreement immediately upon notice under certain circumstances, including with respect to the other party's (i) insolvency, bankruptcy or analogous event or (ii) violation of money transmission, taxation or trading regulations that materially adversely affect either party's ability to perform under the Reference Rate License Agreement.

Management of the Sponsor

The Trust does not have any directors, officers or employees. Under the Trust Agreement, all management functions of the Trust have been delegated to and are conducted by the Sponsor, its agents and its affiliates, including without limitation, the Custodian and its agents. As officers of the Sponsor, Peter Mintzberg, the principal executive officer of the Sponsor, and Edward McGee, the principal financial and accounting officer of the Sponsor, may take certain actions and execute certain agreements and certifications for the Trust, in their capacity as the principal officers of the Sponsor.

As of and prior to December 31, 2024, GSI had a board of directors that was responsible for managing and directing the affairs of the Sponsor. From and after January 1, 2025, GSO Intermediate Holdings Corporation ("GSOIH"), a Delaware corporation formed in connection with the Reorganization, which is the sole managing member of GSO and an indirect subsidiary of DCG, has a board of directors (the "Board"). The Board consists of Barry Silbert, Mark Shifke, Matthew Kummell, Mr. Mintzberg, and Mr. McGee. Mr. Mintzberg and Mr. McGee also retain the authority granted to them as officers under the limited liability company agreement of the Sponsor.

The Sponsor has an Audit Committee. The Audit Committee has the responsibility for overseeing the financial reporting process of the Trust, including the risks and controls of that process and such other oversight functions as are typically performed by an audit committee of a public company.

The Sponsor has a code of ethics (the "Code of Ethics") that applies to its executive officers and agents. The Code of Ethics is available by writing the Sponsor at 290 Harbor Drive, 4th Floor, Stamford, Connecticut 06902 or calling the Sponsor at (212) 668‑1427. The Sponsor's Code of Ethics is intended to be a codification of the business and ethical principles that guide the Sponsor, and to deter wrongdoing, to promote honest and ethical conduct, to avoid conflicts of interest, and to foster compliance with applicable governmental laws, rules and regulations, the prompt internal reporting of violations and accountability for adherence to this code.

Prior to January 1, 2025, references to the "Sponsor" in this section refer to GSI, and thereafter refer to GSO or GSIS, as applicable. In connection with the Reorganization, the former Board of GSI was reconstituted at GSOIH. From and after January 1, 2025, any references to the Board in this section refer to the Board of GSOIH.

Barry Silbert, Chairman of the Board

Barry Silbert, 49, is the founder and Chief Executive Officer of DCG and has served as chairman of the Board since August 2025 (previously served as a director and chairman of the Board from February 2020 through December 2023). Until January 2021, Mr. Silbert was the Chief Executive Officer of the Sponsor. A pioneer in blockchain investing, Mr. Silbert established himself in 2012 as one of the earliest and most active investors in the industry. Mr. Silbert founded DCG in 2015 and today, it is one of the world's most prolific investors in decentralized technologies, backing over 250 early-stage companies in more than 40 countries. Mr. Silbert founded Yuma, a decentralized AI-focused subsidiary of DCG, where he also serves as CEO. Yuma invests in, builds, and scales the Bittensor network. The Sponsor is a wholly owned indirect subsidiary of DCG. DCG also owns Foundry, Fortitude, Luno and Yuma. DCG also invests directly in digital currencies and other digital assets. Prior to leading DCG, Mr. Silbert was the founder and CEO of SecondMarket, a venture-backed technology company that was acquired by Nasdaq. Mr. Silbert has received numerous awards and accolades, including being named "Entrepreneur of the Year" by both Ernst & Young and Crain's, and being selected to Fortune's prestigious "40 under 40" list. Before becoming an entrepreneur, Mr. Silbert worked as an investment banker. He graduated with honors from the Goizueta Business School of Emory University.

Mark Shifke, Board Member

Mark Shifke, 66, is the Chief Financial Officer of DCG and has served as a director of the Board since January 2024 (previously served as chairman of the Board through August 2025, upon the appointment of Mr. Silbert). Since March 2021, Mr. Shifke has served on the board of directors of Dock Ltd., a full-stack payments and digital banking platform. Since September 2023, Mr. Shifke has served on the board of directors of Luno, a cryptocurrency platform. Mr. Shifke has nearly four decades of financial and fintech experience, and more than eight years of CFO experience leading two publicly-traded companies. Prior to joining DCG, Mr. Shifke served as CFO of Billtrust, a company focused on providing AR and cloud-based solutions around payments, and as CFO of Green Dot (NYSE: GDOT), a mobile banking company and payments platform. Previously, Mr. Shifke led teams at JPMorgan Chase and Goldman Sachs, specializing in M&A Structuring and Advisory, as well as Tax Asset Investments. Mr. Shifke also served as the Head of International Structured Finance Group at KPMG. Mr. Shifke began his career at Davis Polk, where he was a partner. He is a graduate of Tulane University (B.A./J.D.) and the New York University School of Law (LL.M. in Taxation).

Matthew Kummell, Board Member

Matthew Kummell, 49, is Senior Vice President of Institutional and Enterprise at the NEAR Foundation and has served as a director of the Sponsor since January 2024. In his role at the NEAR Foundation, Mr. Kummell leads efforts to engage institutional and enterprise businesses with the NEAR Protocol ecosystem. From December 2023 through June 2025, Mr. Kummell served as a member of the board of directors of Foundry, a digital asset mining and staking company. Until November 2023, Mr. Kummell served on the board of directors of CoinDesk, Inc., a digital media, events and information services company. Until January 2012, Mr. Kummell served on the board of directors of Derivix Corporation, a financial services software company. Prior to joining the NEAR Foundation in 2025, Mr. Kummell was Senior Vice President of Strategy & Operations at DCG (2021 to 2025). From 2018 to 2021, he served as the Head of North America for Citi's Business Advisory Services team, a strategic consulting group within Citi's Markets division focused on institutional investor clients. Earlier in his career, Mr. Kummell held strategic and front-office roles at Citadel, Balyasny Asset Management, and S.A.C. Capital Advisors (the predecessor to Point 72 Asset Management). He also worked as a Case Team Leader at Bain & Company in its Boston office. From 2020 to 2025, Mr. Kummell was an Adjunct Professor at the Tuck School of Business at Dartmouth College. He holds a B.A. from the University of California, Los Angeles, and an M.B.A. from the Tuck School of Business at Dartmouth College.

Peter Mintzberg, Board Member and Chief Executive Officer

Peter Mintzberg, 57, has been the Chief Executive Officer of the Sponsor and has served as a director of the Sponsor since August 2024. Mintzberg joins the Sponsor from Goldman Sachs, where he served as Global Head of Strategy for Asset and Wealth Management. Prior, he held several global leadership roles in Strategy, M&A, and Investor Relations at BlackRock, Apollo, OppenheimerFunds, and Invesco. With deep knowledge across a broad base of client types and asset classes, Mintzberg has over two decades of experience developing and executing strategy and innovating to drive growth. Mintzberg started his career working at McKinsey & Co. in New York, San Francisco, and São Paulo, focused on the financial services and technology sectors. Mintzberg was recognized as a Latino leader in Finance by The Alumni Society in 2018, and was selected as a David Rockefeller Fellow in the 2016-2017 Class by the Partnership for New York City. He earned a bachelor's degree in engineering from the Universidade Federal Rio de Janeiro, and an MBA from Harvard University.

Edward McGee, Board Member and Chief Financial Officer

Edward McGee, 41, has been the Chief Financial Officer of the Sponsor since January 2022 and has served as a director of the Sponsor since January 2024. Before serving as CFO, Mr. McGee was Vice President, Finance and Controller of the Sponsor since June 2019. Prior to taking on his role at the Sponsor, Mr. McGee served as a Vice President, Accounting Policy at Goldman, Sachs & Co. providing coverage to their SEC Financial Reporting team facilitating the preparation and review of their financial statements and provided U.S. GAAP interpretation, application and policy development while servicing their Special Situations Group, Merchant Banking Division and Urban Investments Group from 2014 to 2019. From 2011 to 2014, Mr. McGee was an auditor at Ernst & Young providing assurance services to publicly listed companies. Mr. McGee earned his Bachelor of Science degree in accounting from the John H. Sykes College of Business at the University of Tampa and graduated with honors while earning his Master of Accountancy in Financial Accounting from the Rutgers Business School at the State University of New Jersey. Mr. McGee is a Certified Public Accountant licensed in the state of New York.

THE TRUSTEE

CSC Delaware Trust Company serves as Delaware trustee of the Trust under the Trust Agreement. The Trustee has its principal office at 251 Little Falls Drive, Wilmington, Delaware 19808. The Trustee is unaffiliated with the Sponsor. A copy of the Trust Agreement is available for inspection at the Sponsor's principal office identified above.

The Trustee is appointed to serve as the trustee of the Trust in the State of Delaware for the sole purpose of satisfying the requirement of Section 3807(a) of the DSTA that the Trust have at least one trustee with a principal place of business in the State of Delaware. The duties of the Trustee will be limited to (i) accepting legal process served on the Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Delaware Secretary of State which the Delaware Trustee is required to execute under the DSTA. To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or the shareholders, such duties and liabilities will be replaced by the duties and liabilities of the Trustee expressly set forth in the Trust Agreement. The Trustee will have no obligation to supervise, nor will it be liable for, the acts or omissions of the Sponsor, Transfer Agent, Custodian or any other person.

Neither the Trustee, either in its capacity as trustee or in its individual capacity, nor any director, officer or controlling person of the Trustee is, or has any liability as, the issuer, director, officer or controlling person of the issuer of Shares. The Trustee's liability in connection with the issuance and sale of Shares is limited solely to the express obligations of the Trustee as set forth in the Trust Agreement.

The Trustee has not prepared or verified, and will not be responsible or liable for, any information, disclosure or other statement in this Information Statement or in any other document issued or delivered in connection with the sale or transfer of the Shares. The Trust Agreement provides that the Trustee will not be responsible or liable for the genuineness, enforceability, collectability, value, sufficiency, location or existence of any of the TAO or other assets of the Trust. See "Description of the Trust Documents—Description of the Trust Agreement."

The Trustee is permitted to resign upon at least 180 days' notice to the Trust. The Trustee will be compensated by the Sponsor and indemnified by the Sponsor and the Trust against any expenses it incurs relating to or arising out of the formation, operation or termination of the Trust, or the performance of its duties pursuant to the Trust

Agreement except to the extent that such expenses result from gross negligence, willful misconduct or bad faith of the Trustee. The Sponsor has the discretion to replace the Trustee.

Fees paid to the Trustee are a Sponsor-paid Expense.

THE TRANSFER AGENT

Continental Stock Transfer & Trust Company, a Delaware corporation, serves as the Transfer Agent of the Trust pursuant to the terms and provisions of the Transfer Agency and Service Agreement. The Transfer Agent has its principal office at 1 State Street, 30th Floor, New York, New York 10004. A copy of the Transfer Agency and Service Agreement is available for inspection at the Sponsor's principal office identified herein.

The Transfer Agent holds the Shares primarily in book-entry form. The Sponsor directs the Transfer Agent to credit the number of Creation Baskets to the investor on behalf of which an Authorized Participant submitted a creation order. The Transfer Agent will issue Creation Baskets. The Transfer Agent will also assist with the preparation of shareholders' accounts and tax statements.

The Sponsor will indemnify and hold harmless the Transfer Agent, and the Transfer Agent will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

Fees paid to the Transfer Agent are a Sponsor-paid Expense.

AUTHORIZED PARTICIPANTS

An Authorized Participant must enter into a "Participant Agreement" with the Sponsor and the Trust to govern its placement of orders to create Baskets. The Participant Agreement sets forth the procedures for the creation of Baskets and for the delivery of TAO required for creations. A copy of the form of Participant Agreement is available for inspection at the Sponsor's principal office identified herein.

Each Authorized Participant must (i) be a registered broker-dealer, (ii) enter into a Participant Agreement with the Sponsor and (iii) own a TAO wallet address that is known to the Custodian as belonging to the Authorized Participant, or another entity that has been engaged to source digital assets (any such representative, a "Liquidity Provider"). A list of the current Authorized Participants can be obtained from the Sponsor.

As of the date of this Information Statement, Grayscale Securities is the only acting Authorized Participant. The Sponsor intends to engage additional Authorized Participants that are unaffiliated with the Trust in the future.

No Authorized Participant has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

THE CUSTODIAN

BitGo Trust Company, Inc. is a fiduciary under § 100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act. The Custodian is authorized to serve as the Trust's custodian under the Trust Agreement and pursuant to the terms and provisions of the Custodian Agreement. The Custodian has its principal office at 6216 Pinnacle Place, Suite 101, Sioux Falls, SD 57108. A copy of the Custodian Agreement is available for inspection at the Sponsor's principal office identified herein.

Under the Custodian Agreement, the Custodian controls and secures the Trust's "Digital Asset Account," a segregated custody account to store private keys, which allow for the transfer of ownership or control of the Trust's TAO, on the Trust's behalf. The Custodian's services (i) allow TAO to be deposited from a public blockchain address to the Trust's Digital Asset Account and (ii) allow the Trust or Sponsor to withdraw TAO from the Trust's Digital Asset Account to a public blockchain address the Trust or Sponsor controls (the "Custodial Services"). The Digital Asset Account uses offline storage, or "cold" storage, mechanisms to secure the Trust's private keys. The term cold storage refers to a safeguarding method by which the private keys corresponding to digital assets are disconnected and/or deleted entirely from the internet.

The Custodian will withdraw from the Trust's Digital Asset Account the amount of TAO necessary to pay the Trust's expenses.

Fees paid to the Custodian are a Sponsor-paid Expense.

Under the Custodian Agreement, each of the Custodian and the Trust has agreed to indemnify and hold harmless the other party from any third-party claim or third-party demand (including but not limited to attorneys' fees and costs and any fines, fees or penalties imposed by any regulatory authority) arising out of or related to the Custodian's or the Trust's, as the case may be, use of the Custodian's services, breach of the Custodian Agreement, or any breach or inaccuracy in any of the Custodian's or the Trust's, as the case may be, representations, warranties or covenants in the Custodian Agreement, or the Trust's violation, or the Custodian's knowing violation, of any law, rule or regulation, or the rights of any third party, except where such claim directly results from the gross negligence, fraud or willful misconduct of the other such party.

The Custodian and its affiliates may from time to time purchase or sell TAO for their own accounts and as agent for their customers or Shares for their own accounts. The foregoing notwithstanding, TAO in the Digital Asset Account are not treated as general assets of the Custodian and cannot be commingled with any other digital assets held by the Custodian. The Custodian serves as a fiduciary and custodian on the Trust's behalf, and the TAO in the Digital Asset Account are considered fiduciary assets that remain the Trust's property at all times.

Once each calendar year, the Sponsor or the Trust may request that the Custodian deliver a certificate signed by a duly authorized officer to certify that all representations and warranties made by the Custodian in the Custodian Agreement are true and correct on and as of the date of such certificate, and have been true and correct throughout the preceding year. In addition, the Custodian has agreed to allow the Trust and the Sponsor to take any necessary steps to verify that satisfactory internal control system and procedures are in place, and to visit and inspect the systems on which the Custodian's coins are held.

If the Custodian resigns in its capacity as custodian, the Sponsor may appoint an additional or replacement custodian and enter into a custodian agreement on behalf of the Trust with such custodian. Furthermore, the Sponsor and the Trust may use TAO custody services or similar services provided by entities other than BitGo Trust Company, Inc. at any time without prior notice to BitGo Trust Company, Inc.

THE DISTRIBUTOR AND MARKETER

Grayscale Securities is the distributor and marketer of the Shares. Grayscale Securities is a registered broker-dealer with the SEC and is a member of FINRA.

In its capacity as distributor and marketer, Grayscale Securities assists the Sponsor in developing an ongoing marketing plan for the Trust; preparing marketing materials regarding the Shares, including the content on the Trust's website, www.grayscale.com/funds/grayscale-bittensor-trust/; and executing the marketing plan for the Trust. Grayscale Securities is an affiliate of the Sponsor.

The Sponsor has entered into a Distribution and Marketing Agreement with Grayscale Securities. The Sponsor may engage additional or successor distributors and marketers in the future.

CONFLICTS OF INTEREST

General

The Sponsor has not established formal procedures to resolve all potential conflicts of interest. Consequently, shareholders may be dependent on the good faith of the respective parties subject to such conflicts to resolve them equitably. Although the Sponsor attempts to monitor these conflicts, it is extremely difficult, if not impossible, for the Sponsor to ensure that these conflicts do not, in fact, result in adverse consequences to the Trust.

The Sponsor presently intends to assert that shareholders have, by subscribing for Shares of the Trust, consented to the following conflicts of interest in the event of any proceeding alleging that such conflicts violated any duty owed by the Sponsor to investors.

Digital Currency Group, Inc.

DCG is (i) the sole equity holder and indirect parent company of the Sponsor, (ii) the indirect parent company of Grayscale Securities, the only acting Authorized Participant as of the date of this Information Statement, and (iii) a minority interest holder in Kraken, one of the Digital Asset Trading Platforms included in the Reference Rate, representing less than 1.0% of its equity.

DCG has investments in a large number of digital assets (including TAO and subnet tokens) and companies involved in the digital asset ecosystem, including companies invovled in Bittensor, subnets, trading platforms and custodians. In particular, DCG is reported to be one of the largest holders of TAO and has been vocal in the past about its support for the Bittensor Network. In addition, Yuma and Foundry, two subsidiaries of DCG and affiliates of the Sponsor and the Trust, have in the past owned and operated validator nodes on the Subtensor Blockchain. Yuma, a decentralized AI-focused company, was founded by Barry Silbert, the founder and CEO of DCG and chairman of the Board of GSOIH, to invest in, build and scale the Bittensor Network. DCG could prioritize its own interests in these and other investments over those of the Trust, in ways that may adversely impact the value of the Shares.

Additionally, DCG and its subsidiaries may engage in activities with respect to digital asset ecosystems, including the Bittensor Network, such as staking, running validator nodes, investing in ecosystem participants or voting on governance proposals. DCG's and its subsidiaries' activities with respect to a digital asset ecosystem and positions on changes that should be adopted in various digital asset networks, including the Bittensor Network, could be adverse to positions that would benefit the Trust or its shareholders. DCG's positions on changes that should be adopted in the Bittensor Network could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork, DCG's and its subsidiaries' position regarding which fork among a group of incompatible forks of the Bittensor Network should be considered the "true" Bittensor Network could be adverse to positions that would most benefit the Trust. DCG and its subsidiaries may also make token-related decisions to benefit its own holdings, including buying or selling TAO or subnet tokens, which could cause price volatility, adversely affecting the value of the Shares.

Such potential conflicts of interest may result in misalignment between the interests of the Sponsor's parent company, on the one hand, and those of the Trust and the shareholders, on the other hand.

The Sponsor

The Sponsor has a conflict of interest in allocating its own limited resources among, when applicable, different clients and potential future business ventures, to each of which it owes fiduciary duties. Additionally, the professional staff of the Sponsor also services other affiliates of the Trust, including several other digital asset investment vehicles, and their respective clients. Although the Sponsor and its professional staff cannot and will not devote all of its or their respective time or resources to the management of the affairs of the Trust, the Sponsor intends to devote, and to cause its professional staff to devote, sufficient time and resources to manage properly the affairs of the Trust consistent with its or their respective fiduciary duties to the Trust and others.

The Sponsor and Grayscale Securities are affiliates of each other, and the Sponsor may engage other affiliated service providers in the future. Because of the Sponsor's affiliated status, it may be disincentivized from replacing affiliated service providers. In connection with this conflict of interest, shareholders should understand that affiliated service providers will receive fees for providing services to the Trust. Clients of the affiliated service providers may pay commissions at negotiated rates which are greater or less than the rate paid by the Trust.

The Sponsor and any affiliated service provider may, from time to time, have conflicting demands in respect of their obligations to the Trust and, in the future, to other clients. It is possible that future business ventures of the Sponsor and affiliated service providers may generate larger fees, resulting in increased payments to employees, and therefore, incentivizing the Sponsor and/or the affiliated service providers to allocate its/their limited resources accordingly to the potential detriment of the Trust.

There is an absence of arm's length negotiation with respect to some of the terms of the Trust, and, where applicable, there has been no independent due diligence conducted with respect to the Trust. The Sponsor will, however, not retain any affiliated service providers for the Trust which the Sponsor has reason to believe would knowingly or deliberately favor any other client over the Trust.

The Authorized Participant

The only Authorized Participant is Grayscale Securities, an affiliate of the Trust and the Sponsor. As a result of this affiliation, the Sponsor has an incentive to resolve questions between Grayscale Securities, on the one hand, and the Trust and shareholders, on the other hand, in favor of Grayscale Securities (including, but not limited to, questions as to the calculation of the Basket Amount).

Several employees of the Sponsor and DCG are FINRA-registered representatives who maintain their licenses through Grayscale Securities.

Proprietary Trading/Other Clients

Because the officers of the Sponsor may trade TAO for their own personal trading accounts (subject to certain internal trading policies and procedures) at the same time as they are managing the account of the Trust, the activities of the officers of the Sponsor, subject to their fiduciary duties, may, from time-to-time, result in their taking positions in their personal trading accounts which are opposite of the positions taken for the Trust. Records of the Sponsor's officers' personal trading accounts will not be available for inspection by shareholders.

The Custodian

BitGo Trust Company, Inc., the Custodian of the Trust, provides institutional TAO staking through a partnership with Yuma, a subsidiary of DCG and an affiliate of the Sponsor of the Trust. In addition, Barry Silbert, the founder and CEO of DCG and the chairman of the Board of GSOIH, founded Yuma and serves as CEO.

BitGo's partnership with Yuma could result in custodial or staking decisions that prioritize Yuma's or DCG's interests, potentially in ways that are adverse to the Trust or its shareholders.

PRINCIPAL SHAREHOLDERS

The Trust does not have any directors, officers or employees. The following table sets forth certain information with respect to the beneficial ownership of the Shares for (i) each person that, to the Sponsor's knowledge based on the records of the Transfer Agent and other ownership information provided to the Sponsor, owns beneficially a significant portion of the Shares; (ii) each director and executive officer of the Sponsor individually; and (iii) all directors and executive officers of the Sponsor as a group.

The number of Shares beneficially owned and percentages of beneficial ownership set forth below are based on the number of Shares outstanding as of October 8, 2025.

In accordance with the rules of the SEC, beneficial ownership includes voting or investment power with respect to securities.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Beneficial Ownership
Significant Shareholders:		
Digital Currency Group, Inc.[1][2]	101,452	6.08%
Directors & Executive Officers of the Sponsor:[3]		
Barry Silbert[4]	104,569	6.27%
Mark Shifke	*	* %
Matthew Kummell	*	* %
Peter Mintzberg	*	* %
Edward McGee	*	* %
Directors & Executive Officers of the Sponsor as a group	104,569	6.27%

(1) Includes 98,608 Shares held by DCG International Investments Ltd., a wholly owned subsidiary of Digital Currency Group, Inc., and 2,844 Shares held by Grayscale Securities, LLC, the Authorized Participant of the Trust and a wholly owned subsidiary of Digital Currency Group, Inc.

(2) Barry Silbert is the Chief Executive Officer of DCG and in such capacity may be deemed to have voting and dispositive power over the securities held, directly or indirectly, by such entity.

(3) The Trust does not have any directors, officers or employees. Under the Trust Agreement, all management functions of the Trust have been delegated to and are conducted by the Sponsor, its agents and its affiliates.

(4) Does not include Shares beneficially owned through DCG.

* Represents beneficial ownership of less than 1%.

Unless otherwise indicated, the address for each shareholder listed in the table above is c/o Grayscale Investments Sponsors, LLC, 290 Harbor Drive, 4th Floor, Stamford, CT 06902.

DESCRIPTION OF THE SHARES

General

The Trust is authorized under the Trust Agreement to create and issue an unlimited number of Shares. Shares will be issued only in Baskets (a Basket equals a block of 100 Shares) in connection with creations. The Shares represent units of fractional undivided beneficial interest in and ownership of the Trust and have no par value.

Recent Sales of Unregistered Shares

As of June 30, 2025, the Registrant has distributed 1,454,900 Shares at varying prices determined by reference to the NAV per Share to selected "accredited investors," within the meaning of Rule 501 of Regulation D under the Securities Act. The Shares were sold in connection with an ongoing offering pursuant to Rule 506(c) of Regulation D under the Securities Act. Grayscale Securities acted as the Authorized Participant with respect to these distributions. In exchange for these sales, the Trust received an aggregate of 10,402,442.02607340 TAO. During the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, the Registrant distributed 501,700 Shares. Because Shares have been, and continue to be, created and issued on a periodic basis, a "distribution," as such term is used in the Securities Act, may be occurring from time to time. As a result, the Authorized Participant facilitating the creation of Shares and acting as a distributor and marketer during any such period may be deemed an "underwriter" under Section 2(a)(11) of the Securities Act. No underwriting discounts or commissions were paid to the Authorized Participant with respect to such sales.

Description of Limited Rights

The Shares do not represent a traditional investment and should not be viewed as similar to "shares" of a corporation operating a business enterprise with management and a board of directors. A shareholder will not have the statutory rights normally associated with the ownership of shares of a corporation. Each Share is transferable, is fully paid and non-assessable and entitles the holder to vote on the limited matters upon which shareholders may vote under the Trust Agreement. For example, shareholders do not have the right to elect or remove directors and will not receive dividends. The Shares do not entitle their holders to any conversion or pre-emptive rights or, except as discussed below, any redemption rights or rights to distributions.

Voting and Approvals

The shareholders take no part in the management or control of the Trust. Under the Trust Agreement, shareholders have limited voting rights. For example, in the event that the Sponsor withdraws, a majority of the shareholders may elect and appoint a successor sponsor to carry out the affairs of the Trust. In addition, no amendments to the Trust Agreement that materially adversely affect the interests of shareholders may be made without the vote of at least a majority (over 50%) of the then-outstanding Shares (not including any Shares held by the Sponsor or its affiliates). A shareholder will be deemed to have consented to a modification or amendment of the Trust Agreement if the Sponsor has notified the shareholders in writing of the proposed modification or amendment and the shareholder has not, within 20 calendar days of such notice, notified the Sponsor in writing that the shareholder objects to such modification or amendment. Additionally, subject to certain limitations, the Sponsor may make any other amendments to the Trust Agreement which do not materially adversely affect the interests of the shareholders in its sole discretion without shareholder consent.

Distributions

Pursuant to the terms of the Trust Agreement, the Trust may make distributions on the Shares in-cash or in-kind, including in such form as is necessary or permissible for the Trust to facilitate its shareholders' access to any Incidental Rights or to IR Virtual Currency.

In addition, if the Trust is terminated and liquidated, the Sponsor will distribute to the shareholders any amounts of the cash proceeds of the liquidation remaining after the satisfaction of all outstanding liabilities of the Trust and the establishment of reserves for applicable taxes, other governmental charges and contingent or future liabilities as the Sponsor will determine. See "Description of Trust Documents—Description of the Trust Agreement—The Trustee—Termination of the Trust." Shareholders of record on the record date fixed by the Transfer Agent for a distribution will be entitled to receive their pro rata portions of any distribution.

Appointment of Agent

Pursuant to the terms of the Trust Agreement, by holding the Shares, shareholders will be deemed to agree that the Sponsor may cause the Trust to appoint an agent (any person appointed in such capacity, an "Agent") to act on their behalf in connection with any distribution of Incidental Rights and/or IR Virtual Currency if the Sponsor has determined in good faith that such appointment is reasonably necessary or in the best interests of the Trust and the shareholders in order to facilitate the distribution of any Incidental Rights and/or IR Virtual Currency. The Sponsor may cause the Trust to appoint Grayscale Investments Sponsors, LLC (acting other than in its capacity as Sponsor) or any of its affiliates to act in such capacity.

Any Agent appointed to facilitate a distribution of Incidental Rights and/or IR Virtual Currency will receive an in-kind distribution of Incidental Rights and/or IR Virtual Currency on behalf of the shareholders of record with respect to such distribution, and following receipt of such distribution, will determine, in its sole discretion and without any direction from the Trust, or the Sponsor, in its capacity as Sponsor of the Trust, whether and when to sell the distributed Incidental Rights and/or IR Virtual Currency on behalf of the record date shareholders. If the Agent is able to do so, it will remit the cash proceeds to the record date shareholders. There can be no assurance as to the price or prices for any Incidental Rights and/or IR Virtual Currency that the Agent may realize, and the value of the Incidental Rights and/or IR Virtual Currency may increase or decrease after any sale by the Agent.

Any Agent appointed pursuant to the Trust Agreement will not receive any compensation in connection with its role as agent. However, any Agent will be entitled to receive from the record-date shareholders, out of the distributed Incidental Rights and/or IR Virtual Currency, an amount of Incidental Rights and/or IR Virtual Currency with an aggregate fair market value equal to the amount of administrative and other reasonable expenses incurred by the Agent in connection with its activities as agent of the record-date shareholders, including expenses incurred by the Agent in connection with any post-distribution sale of such Incidental Rights and/or IR Virtual Currency.

The Sponsor currently expects to cause the Trust to appoint Grayscale Investments Sponsors, LLC, acting other than in its capacity as Sponsor, as Agent to facilitate any distribution of Incidental Rights and/or IR Virtual Currency to shareholders. The Trust has no right to receive any information about any distributed Incidental Rights and/or IR Virtual Currency or the disposition thereof from the record date shareholders, their Agent or any other person.

Creation of Shares

The Trust creates Shares at such times and for such periods as determined by the Sponsor, but only in one or more whole Baskets. A Basket equals 100 Shares. As of June 30, 2025, each Share represented approximately 0.0195 TAO. See "—Description of Creation of Shares." The creation of a Basket requires the delivery to the Trust of the amount of TAO represented by one Share immediately prior to such creation multiplied by 100. The Trust may from time to time halt creations, including for extended periods of time, for a variety of reasons, including in connection with forks, airdrops and other similar occurrences.

Redemption of Shares

Redemptions of Shares are currently not permitted and the Trust is unable to redeem Shares. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

Even if such relief is sought in the future, no assurance can be given as to the timing of such relief or that such relief will be granted. If such relief is granted and the Sponsor approves a redemption program, the Shares will be redeemable only in accordance with the provisions of the Trust Agreement and the relevant Participant Agreement. See "Risk Factors—Risk Factors Related to the Trust and the Shares—Because of the holding period under Rule 144, the lack of an ongoing redemption program and the Trust's ability to halt creations from time to time, there is no arbitrage mechanism to keep the value of the Shares closely linked to the Reference Rate Price and the Shares have historically traded at a substantial premium over, or a substantial discount to, the NAV per Share," "Risk Factors—Risk Factors Related to the Trust and the Shares— If publicly traded on a Secondary Market in the future, the Shares may trade at a price that is at, above or below the Trust's NAV per Share as a result of the non-current trading hours between such Secondary Market and the Digital Asset Trading Platform Market." and "Risk Factors—Risk Factors Related to the Trust and the Shares—The restrictions on transfer and redemption may result in losses on the value of the Shares."

Transfer Restrictions

Shares purchased in a private placement are restricted securities that may not be resold except in transactions exempt from registration under the Securities Act and state securities laws and any such transaction must be approved by the Sponsor. In determining whether to grant approval, the Sponsor will specifically look at whether the conditions of Rule 144 under the Securities Act and any other applicable laws have been met. Any attempt to sell Shares without the approval of the Sponsor in its sole discretion will be void *ab initio*.

Pursuant to Rule 144, a minimum six-month holding period applies to all Shares purchased from the Trust.

On a bi-weekly basis, the Trust aggregates the Shares that have been held for the requisite holding period under Rule 144 by non-affiliates of the Trust to assess whether the Rule 144 transfer restriction legends may be removed. Any Shares that qualify for the removal of the Rule 144 transfer restriction legends are presented to outside counsel, who may instruct the Transfer Agent to remove the transfer restriction legends from the Shares, allowing the Shares to then be resold without restriction. The outside counsel requires that certain representations be made, providing that:

- the Shares subject to each sale have been held for the requisite holding period under Rule 144 by the selling shareholder;
- the shareholder is the sole beneficial owner of the Shares;
- the Sponsor is aware of no circumstances in which the shareholder would be considered an underwriter or engaged in the distribution of securities for the Trust;
- none of the Shares are subject to any agreement granting any pledge, lien, mortgage, hypothecation, security interest, charge, option or encumbrance;
- none of the identified selling shareholders is an affiliate of the Sponsor;
- the Sponsor consents to the transfer of the Shares; and
- outside counsel and the Transfer Agent can rely on the representations.

In addition, because the Trust Agreement prohibits the transfer or sale of Shares without the prior written consent of the Sponsor, the Sponsor must provide a written consent that explicitly states that it irrevocably consents to the transfer and resale of the Shares. Once the transfer restriction legends have been removed from a Share and the Sponsor has provided its written consent to the transfer of that Share, no consent of the Sponsor is required for future transfers of that particular Share.

Book-Entry Form

Shares are held primarily in book-entry form by the Transfer Agent. The Sponsor or its delegate will direct the Transfer Agent to credit the number of Creation Baskets to the applicable Authorized Participant. The Transfer Agent will issue Creation Baskets. Transfers will be made in accordance with standard securities industry practice. The Sponsor may cause the Trust to issue Shares in certificated form in limited circumstances in its sole discretion.

Share Splits

In its discretion, the Sponsor may direct the Transfer Agent to declare a split or reverse split in the number of Shares outstanding and to make a corresponding change in the number of Shares constituting a Basket. For example, if the Sponsor believes that the per Share price in the secondary market for Shares has risen or fallen outside a desirable trading price range, it may declare such a split or reverse split.

CUSTODY OF THE TRUST'S TAO

Digital assets and digital asset transactions are recorded and validated on blockchains, the public transaction ledgers of a digital asset network. Each digital asset blockchain serves as a record of ownership for all of the units of such digital asset, even in the case of certain privacy-preserving digital assets, where the transactions themselves are not publicly viewable. All digital assets recorded on a blockchain are associated with a public blockchain address, also referred to as a digital wallet. Digital assets held at a particular public blockchain address may be accessed and transferred using a corresponding private key.

Key Generation

Public addresses and their corresponding private keys are generated by the Custodian in secret key generation ceremonies at secure locations inside faraday cages, which are enclosures used to block electromagnetic fields and thus mitigate against attacks. The Custodian uses quantum random number generators to generate the public and private key pairs.

Once generated, private keys are encrypted, separated into "shards", and then further encrypted. After the key generation ceremony, all materials used to generate private keys, including computers, are destroyed. All key generation ceremonies are performed offline. No party other than the Custodian has access to the private key shards of the Trust, including the Trust itself.

Key Storage

Private key shards are distributed geographically in secure vaults around the world, including in the United States. The locations of the secure vaults may change regularly and are kept confidential by the Custodian for security purposes.

The Digital Asset Account uses offline storage, or "cold storage", mechanisms to secure the Trust's private keys. The term cold storage refers to a safeguarding method by which the private keys corresponding to digital assets are disconnected and/or deleted entirely from the internet. Cold storage of private keys may involve keeping such keys on a non-networked (or "air-gapped") computer or electronic device or storing the private keys on a storage device (for example, a USB thumb drive) or printed medium (for example, papyrus, paper or a metallic object). A digital wallet may receive deposits of digital assets but may not send digital assets without use of the digital assets' corresponding private keys. In order to send digital assets from a digital wallet in which the private keys are kept in cold storage, either the private keys must be retrieved from cold storage and entered into an online, or "hot", digital asset software program to sign the transaction, or the unsigned transaction must be transferred to the cold server in which the private keys are held for signature by the private keys and then transferred back to the online digital asset software program. At that point, the user of the digital wallet can transfer its digital assets.

Security Procedures

The Custodian is the custodian of the Trust's private keys in accordance with the terms and provisions of the Custodian Agreement. Transfers from the Digital Asset Account requires certain security procedures, including but not limited to, multiple encrypted private key shards, usernames, passwords and 2-step verification. Multiple private key shards held by the Custodian must be combined to reconstitute the private key to sign any transaction in order to transfer the Trust's assets. Private key shards are distributed geographically in secure vaults around the world, including in the United States.

As a result, if any one secure vault is ever compromised, this event will have no impact on the ability of the Trust to access its assets, other than a possible delay in operations, while one or more of the other secure vaults is used instead. These security procedures are intended to remove single points of failure in the protection of the Trust's assets.

Transfers of TAO to the Digital Asset Account will be available to the Trust once processed on the Blockchain.

Subject to obtaining regulatory approval to operate a redemption program and authorization of the Sponsor, the process of accessing and withdrawing TAO from the Trust to redeem a Basket by an Authorized Participant will follow the same general procedure as transferring TAO to the Trust to create a Basket by an Authorized Participant, only in reverse. See "—Description of Creation of Shares."

DESCRIPTION OF CREATION OF SHARES

The following is a description of the material terms of the Trust Documents as they relate to the creation of the Trust's Shares on a periodic basis from time to time through sales in private placement transactions exempt from the registration requirements of the Securities Act.

The Trust Documents also provide procedures for the redemption of Shares. However, the Trust does not currently operate a redemption program and the Shares are not currently redeemable. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program.

The Trust will issue Shares to Authorized Participants from time to time, but only in one or more Baskets (with a Basket being a block of 100 Shares). The Trust will not issue fractions of a Basket. The creation of Baskets will be made only in exchange for the delivery to the Trust, or the distribution by the Trust, of the amount of whole and fractional TAO represented by each Basket being created, which is determined by dividing (x) the amount of TAO owned by the Trust at 4:00 p.m., New York time, on the trade date of a creation order, after deducting the amount of TAO representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust (converted using the Reference Rate Price at such time, and carried to the eighth decimal place), by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth of one TAO (i.e., carried to the eighth decimal place)), and multiplying such quotient by 100 (the "Basket Amount"). All questions as to the calculation of the Basket Amount will be conclusively determined by the Sponsor and will be final and binding on all persons interested in the Trust. The Basket Amount multiplied by the number of Baskets being created is the "Total Basket Amount." The amount of TAO represented by a Share will gradually decrease over time as the Trust's TAO are used to pay the Trust's expenses. As of June 30, 2025, each Share represented approximately 0.0195 TAO. Information regarding the amount of TAO represented by each Share is posted to the Trust's website daily at www.grayscale.com/funds/grayscale-bittensor-trust.

Authorized Participants are the only persons that may place orders to create Baskets. Each Authorized Participant must (i) be a registered broker-dealer, (ii) enter into a Participant Agreement with the Sponsor and (iii) own a TAO wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider. An Authorized Participant may act for its own account or as agent for investors who have entered into a subscription agreement with the Authorized Participant (each such investor, an "Investor"). An Investor that enters into a subscription agreement with an Authorized Participant subscribes for Shares by submitting a purchase order and paying a subscription amount, either in U.S. dollars or in TAO, to the Authorized Participant.

An Investor may pay the subscription amount in cash or TAO. In the event that the Investor pays the subscription amount in cash, the Authorized Participant, or Liquidity Provider, purchases TAO in a Digital Asset Market or, to the extent the Authorized Participant, or Liquidity Provider, already holds TAO, the Authorized Participant, or Liquidity Provider, may contribute such TAO to the Trust. Depending on whether the Investor wires cash to the Authorized Participant before or after 4:00 p.m. New York time, the Investor's Shares will be created based on the same or next business day's NAV and the risk of any price volatility in TAO during this time will be borne by the Authorized Participant, or Liquidity Provider. The Authorized Participant will receive Shares of the Trust and the Shares will then be registered in the name of the Investor. In the event that the Investor pays the subscription amount in TAO, the Investor will transfer such TAO to the Authorized Participant or a Liquidity Provider, which will contribute such TAO in kind to the Trust, and receive Shares of the Trust and the Shares will then be registered in the name of the Investor. For the avoidance of doubt, in either case, the Authorized Participant will act as the agent of the Investor with respect to the contribution of TAO to the Trust in exchange for Shares.

The creation of Baskets requires the delivery to the Trust of the Total Basket Amount.

The Participant Agreement provides the procedures for the creation of Baskets and for the delivery of the whole and fractional TAO required for such creations. The Participant Agreement and the related procedures attached thereto may be amended by the Sponsor and the relevant Authorized Participant. Under the Participant Agreement, the Sponsor has agreed to indemnify each Authorized Participant against certain liabilities, including liabilities under the Securities Act.

Authorized Participants do not pay a transaction fee to the Trust in connection with the creation of Baskets, but there may be transaction fees associated with the validation of the transfer of TAO by the Bittensor Network. Authorized Participants, or Liquidity Providers, who deposit TAO with the Trust in exchange for Baskets will

receive no fees, commissions or other form of compensation or inducement of any kind from either the Sponsor or the Trust, and no such person has any obligation or responsibility to the Sponsor or the Trust to effect any sale or resale of Shares.

The following description of the procedures for the creation of Baskets is only a summary and shareholders should refer to the relevant provisions of the Trust Agreement and the form of Participant Agreement for more detail.

Creation Procedures

On any business day, an Authorized Participant may order one or more Creation Baskets from the Trust by placing a creation order with the Sponsor no later than 4:00 p.m., New York time, which the Sponsor will accept or reject. By placing a creation order, an Authorized Participant agrees to transfer the Total Basket Amount from the TAO wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider, to the Digital Asset Account.

All creation orders are accepted (or rejected) by the Sponsor on the business day on which the relevant creation order is placed. If a creation order is accepted, the Sponsor will calculate the Total Basket Amount on the same business day, which will be the trade date, and will communicate the Total Basket Amount to the Authorized Participant. The Authorized Participant, or Liquidity Provider, must transfer the Total Basket Amount to the Trust no later than 6:00 p.m., New York time, on the trade date. The expense and risk of delivery, ownership and safekeeping of TAO will be borne solely by the Authorized Participant, or Liquidity Provider, until such TAO have been received by the Trust.

Following receipt of the Total Basket Amount by the Custodian, the Transfer Agent will credit the number of Shares to the account of the Investor on behalf of which the Authorized Participant placed the creation order by no later than 6:00 p.m., New York time, on the trade date. The Authorized Participant may then transfer the Shares directly to the relevant Investor.

Suspension or Rejection of Orders and Total Basket Amount

The creation of Shares may be suspended generally, or refused with respect to particular requested creations, during any period when the transfer books of the Transfer Agent are closed or if circumstances outside the control of the Sponsor or its delegates make it for all practical purposes not feasible to process such creation orders. The Sponsor may reject an order or, after accepting an order, may cancel such order by rejecting the Total Basket Amount if (i) such order is not presented in proper form as described in the Participant Agreement, (ii) the transfer of the Total Basket Amount comes from an account other than a TAO wallet address that is known to the Custodian as belonging to the Authorized Participant, or a Liquidity Provider, or (iii) the fulfillment of the order, in the opinion of counsel, might be unlawful, among other reasons. None of the Sponsor or its delegates will be liable for the suspension, rejection or acceptance of any creation order or Total Basket Amount.

In particular, upon the Trust's receipt of any Incidental Rights and/or IR Virtual Currency in connection with a fork, airdrop or similar event, the Sponsor will suspend creations until it is able to cause the Trust to sell or distribute such Incidental Rights and/or IR Virtual Currency.

None of the Sponsor or its delegates will be liable for the suspension, rejection or acceptance of any creation order or Total Basket Amount.

Tax Responsibility

Authorized Participants are responsible for any transfer tax, sales or use tax, stamp tax, recording tax, value added tax or similar tax or governmental charge applicable to the creation of Baskets, regardless of whether such tax or charge is imposed directly on the Authorized Participant, and agree to indemnify the Sponsor and the Trust if the Sponsor or the Trust is required by law to pay any such tax, together with any applicable penalties, additions to tax or interest thereon.

VALUATION OF TAO AND DETERMINATION OF NAV

The Sponsor will evaluate the TAO held by the Trust and determine the NAV of the Trust in accordance with the relevant provisions of the Trust Documents. The following is a description of the material terms of the Trust Documents as they relate to valuation of the Trust's TAO and the NAV calculations, which is calculated using non-GAAP methodology and is not used in the Trust's financial statements.

On each business day at 4:00 p.m., New York time, or as soon thereafter as practicable (the "Evaluation Time"), the Sponsor will evaluate the TAO held by the Trust and calculate and publish the NAV of the Trust. To calculate the NAV, the Sponsor will:

1. Determine the Reference Rate Price as of such business day.
2. Multiply the Reference Rate Price by the Trust's aggregate amount of TAO owned by the Trust as of 4:00 p.m., New York time, on the immediately preceding day, less the aggregate amount of TAO payable as the accrued and unpaid Sponsor's Fee as of 4:00 p.m., New York time, on the immediately preceding day.
3. Add the U.S. dollar value of TAO, calculated using the Reference Rate Price, receivable under pending creation orders, if any, determined by multiplying the number of the Creation Baskets represented by such creation orders by the Basket Amount and then multiplying such product by the Reference Rate Price.
4. Subtract the U.S. dollar amount of accrued and unpaid Additional Trust Expenses, if any.
5. Subtract the U.S. dollar value of the TAO, calculated using the Reference Rate Price, to be distributed under pending redemption orders, if any, determined by multiplying the number of Baskets to be redeemed represented by such redemption orders by the Basket Amount and then multiplying such product by the Reference Rate Price (the amount derived from steps 1 through 5 above, the "NAV Fee Basis Amount").
6. Subtract the U.S. dollar amount of the Sponsor's Fee that accrues for such business day, as calculated based on the NAV Fee Basis Amount for such business day.

In the event that the Sponsor determines that the primary methodology used to determine the Reference Rate Price is not an appropriate basis for valuation of the Trust's TAO, the Sponsor will utilize the cascading set of rules as described in "—Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price." In addition, in the event that the Trust holds any Incidental Rights and/or IR Virtual Currency, the Sponsor may, at its discretion, include the value of such Incidental Rights and/or IR Virtual Currency in the determination of the NAV, provided that the Sponsor has determined in good faith a method for assigning an objective value to such Incidental Rights and/or IR Virtual Currency. At this time, the Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for the purposes of determining the NAV or the NAV per Share.

The Sponsor will publish the Reference Rate Price, the Trust's NAV and the NAV per Share on the Trust's website as soon as practicable after its determination. If the NAV and NAV per Share have been calculated using a price per TAO other than the Reference Rate Price for such Evaluation Time, the publication on the Trust's website will note the valuation methodology used and the price per TAO resulting from such calculation.

In the event of a hard fork of the Bittensor Network, the Sponsor will, if permitted by the terms of the Trust Agreement, use its discretion to determine, in good faith, which peer-to-peer network, among a group of incompatible forks of the Bittensor Network, is generally accepted as the network for TAO and should therefore be considered the appropriate network for the Trust's purposes. The Sponsor will base its determination on a variety of then relevant factors, including (but not limited to) the following: (i) the Sponsor's beliefs regarding expectations of the core developers of TAO, users, services, businesses, miners and other constituencies and (ii) the actual continued acceptance of mining power on, and community engagement with, the Bittensor Network.

The shareholders may rely on any evaluation furnished by the Sponsor. The determinations that the Sponsor makes will be made in good faith upon the basis of, and the Sponsor will not be liable for any errors contained in, information reasonably available to it. The Sponsor will not be liable to the Authorized Participants, the shareholders or any other person for errors in judgment. However, the preceding liability exclusion will not protect

the Sponsor against any liability resulting from gross negligence, willful misconduct or bad faith in the performance of its duties.

EXPENSES; SALES OF TAO

The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee. The Sponsor's Fee will accrue daily in U.S. dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day; provided that for a day that is not a business day, the calculation will be based on the NAV Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. This dollar amount for each daily accrual will then be converted into TAO by reference to the same Reference Rate Price used to determine such accrual. The Sponsor's Fee is payable in TAO to the Sponsor monthly in arrears.

Expenses to Be Paid by the Sponsor

The Trust pays the Sponsor's Fee to the Sponsor. As partial consideration for its receipt of the Sponsor's Fee from the Trust, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including: (i) the Marketing Fee; (ii) the Administrator Fee, if any; (iii) the Custodian Fee and fees for any other security vendor engaged by the Trust; (iv) the Transfer Agent Fee; (v) the Trustee fee; (vi) 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; (vii) ordinary course legal fees and expenses; (viii) audit fees; (ix) regulatory fees, including, if applicable, any fees relating to registration of the Shares under the Securities Act or the Exchange Act; (x) printing and mailing costs; (xi) the costs of maintaining the Trust's website; and (xii) applicable license fees (each a "Sponsor-paid Expense"), provided that any expense that qualifies as an Additional Trust Expense will be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense. The Sponsor, from time to time, may temporarily waive all or a portion of the Sponsor's Fee of the Trust in its discretion for stated periods of time. Presently, the Sponsor does not intend to waive any of the Sponsor's Fee for the Trust and there are no circumstances under which the Sponsor has determined it will definitely waive the fee.

The Sponsor's Fee will generally be paid in TAO. However, if the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may also pay the Sponsor's Fee, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by entering into an agreement with the Sponsor and transferring such Incidental Rights and/or IR Virtual Currency to the Sponsor at a value to be determined pursuant to such agreement. However, the Trust may use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee only if such agreement and transfer do not otherwise conflict with the terms of the Trust Agreement. The value of any such Incidental Rights and/or IR Virtual Currency will be determined on an arm's-length basis. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to a Reference Rate provided by the Reference Rate Provider or, in the absence of such a Reference Rate, by reference to the cascading set of rules described in "Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced.

After the Trust's payment of the Sponsor's Fee to the Sponsor, the Sponsor may elect to convert the TAO, Incidental Rights and/or IR Virtual Currency received as payment of the Sponsor's Fee into U.S. dollars. The rate at which the Sponsor converts such TAO, Incidental Rights and/or IR Virtual Currency to U.S. dollars may differ from the rate at which the relevant Sponsor's Fee was determined. The Trust will not be responsible for any fees and expenses incurred by the Sponsor to convert TAO, Incidental Rights and/or IR Virtual Currency received in payment of the Sponsor's Fee into U.S. dollars.

Extraordinary and Other Expenses

In certain extraordinary circumstances, the Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to: taxes and governmental charges; expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency); any indemnification of the Custodian or other agents, service providers or counterparties of the Trust; 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 Trust Expenses"). If Additional Trust Expenses are incurred, the Trust will be required to pay these Additional Trust Expenses by selling or delivering TAO, Incidental Rights and/or IR Virtual Currency. Generally, the Sponsor will cover such expenses on behalf of the Trust and the Trust will reimburse the Sponsor by delivering to the Sponsor TAO, Incidental Rights or IR Virtual Currency in an amount equal to such expenses. When the Trust and the Sponsor, acting on behalf of the Trust, sell or deliver, as applicable, TAO, Incidental Rights and/or IR Virtual Currency, they generally do not transact directly with counterparties other than the Authorized Participant, a Liquidity Provider, or other similarly eligible financial institutions that are subject to federal and state licensing requirements and maintain practices and policies designed to comply with AML and KYC regulations.

The value of any such Incidental Rights and/or IR Virtual Currency will be determined on an arm's-length basis. The Trust currently expects that the value of any such Incidental Rights and/or IR Virtual Currency would be determined by reference to a reference rate provided by the Reference Rate Provider or, in the absence of such a reference rate, by reference to the cascading set of rules described in "Overview of the TAO Industry and Market—TAO Value—The Reference Rate and the Reference Rate Price." If the Trust pays Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of TAO that would otherwise have been used to satisfy such payment will be correspondingly reduced. See "—Disposition of TAO, Incidental Rights and/or IR Virtual Currency" for further information on sales or other dispositions of TAO, Incidental Rights and/or IR Virtual Currency. Although the Sponsor cannot definitively state the frequency or magnitude of Additional Trust Expenses, the Sponsor expects that they may occur infrequently.

The Sponsor or any of its affiliates may be reimbursed only for the actual cost to the Sponsor or such affiliate of any expenses that it advances on behalf of the Trust for payment of which the Trust is responsible. In addition, the Trust Agreement prohibits the Trust from paying to the Sponsor or such affiliate for indirect expenses incurred in performing services for the Trust in its capacity as the Sponsor (or an affiliate of the Sponsor) of the Trust, such as salaries and fringe benefits of officers and directors, rent or depreciation, utilities and other administrative items generally falling within the category of the Sponsor's "overhead."

Disposition of TAO, Incidental Rights and/or IR Virtual Currency

To cause the Trust to pay the Sponsor's Fee, the Sponsor will instruct the Custodian to (i) withdraw from the Digital Asset Account the amount of TAO, Incidental Rights and/or IR Virtual Currency, determined as described above in "—Expenses; Sales of TAO," equal to the accrued but unpaid Sponsor's Fee and (ii) transfer such TAO, Incidental Rights and/or IR Virtual Currency to an account maintained by the Custodian for the Sponsor at such times as the Sponsor determines in its absolute discretion. In addition, if the Trust incurs any Additional Trust Expenses, the Sponsor or its delegates (i) will instruct the Custodian to withdraw from the Digital Asset Account TAO, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust to convert such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such TAO, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor, in each case in such quantity as may be necessary to permit payment of such Additional Trust Expenses. The Sponsor's Fee and Additional Trust Expenses payable by the Trust will generally be paid in TAO. Shareholders do not have the option of choosing to pay their proportionate shares of Additional Trust Expenses in lieu of having their shares of Additional Trust Expenses paid by the Trust's delivery or disposition of TAO, Incidental Rights and/or IR Virtual Currency. Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, the transfer or sale of TAO, Incidental Rights and/or IR Virtual Currency to pay the Trust's expenses will be a taxable event for shareholders. See "Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

Because the amount of TAO held by the Trust will decrease as a consequence of the payment of the Sponsor's Fee in TAO or the sale of TAO to pay Additional Trust Expenses (and the Trust will incur additional fees associated with converting TAO into U.S. dollars), the amount of TAO represented by a Share will decline at such time and the Trust's NAV may also decrease. Similarly, the amount (if any) of Incidental Rights and/or IR Virtual Currency represented by a Share will decrease as a consequence of the use of Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee and Additional Trust Expenses. Accordingly, the shareholders will bear the cost of the Sponsor's Fee and any Additional Trust Expenses. New TAO deposited into the Digital Asset Account in exchange for additional new Baskets issued by the Trust will not reverse this trend.

The Sponsor will also cause the sale of the Trust's TAO, Incidental Rights and/or IR Virtual Currency if the Sponsor determines that sale is required by applicable law or regulation or in connection with the termination and liquidation of the Trust. The Sponsor will not be liable or responsible in any way for depreciation or loss incurred by reason of any sale of TAO, Incidental Rights and/or IR Virtual Currency.

The quantity of TAO, Incidental Rights and/or IR Virtual Currency to be delivered to the Sponsor or other relevant payee in payment of the Sponsor's Fee or any Additional Trust Expenses, or sold to permit payment of Additional Trust Expenses, will vary from time to time depending on the level of the Trust's expenses and the value of TAO, Incidental Rights and/or IR Virtual Currency held by the Trust. See "—Expenses; Sales of TAO." Assuming that the Trust is a grantor trust for U.S. federal income tax purposes, each delivery or sale of TAO, Incidental Rights, and IR Virtual Currency by the Trust for the payment of expenses will be a taxable event to shareholders. See "—Material U.S. Federal Income Tax Consequences—Tax Consequences to U.S. Holders."

STATEMENTS, FILINGS AND REPORTS

Statements, Filings and Reports

After the end of each fiscal year, the Sponsor will cause to be prepared an annual report containing audited financial statements prepared in accordance with U.S. GAAP for the Trust. The annual report will be in such form and contain such information as will be required by applicable laws, rules and regulations and may contain such additional information which the Sponsor determines shall be included. The annual report shall be filed with the SEC and , if applicable in the future, any Secondary Market where the Trust's Shares are publicly traded, and shall be distributed to such persons and in such manner, as shall be required by applicable laws, rules and regulations. The Sponsor will also prepare, or cause to be prepared, and file any periodic reports or updates required under the Exchange Act.

The accounts of the Trust will be audited, as required by law and as may be directed by the Sponsor, by independent registered public accountants designated by the Sponsor. The accountants' report will be furnished by the Sponsor to shareholders upon request.

The Sponsor will make elections, file tax returns and prepare, disseminate and file tax reports, as advised by its counsel or accountants and/or as required by any applicable statute, rule or regulation.

Fiscal Year

The fiscal year of the Trust is the period ending December 31 of each year. The Sponsor may select an alternate fiscal year.

DESCRIPTION OF TRUST DOCUMENTS

Description of the Trust Agreement

The following is a description of the material terms of the Trust Agreement. The Trust Agreement establishes the roles, rights and duties of the Sponsor and the Trustee.

The Sponsor

Liability of the Sponsor and Indemnification

Neither the Sponsor nor the Trust insure the Trust's TAO. The Sponsor and its affiliates (each a "Covered Person") will not be liable to the Trust or any shareholder for any loss suffered by the Trust which arises out of any action or inaction of such Covered Person if such Covered Person determined in good faith that such course of conduct was in the best interests of the Trust. However, the preceding liability exclusion will not protect any Covered Person against any liability resulting from its own willful misconduct, bad faith or gross negligence in the performance of its duties.

Each Covered Person will be indemnified by the Trust against any loss, judgment, liability, expense incurred or amount paid in settlement of any claim sustained by it in connection with the Covered Person's activities for the Trust, provided that (i) the Covered Person was acting on behalf of, or performing services for, the Trust and had determined, in good faith, that such course of conduct was in the best interests of the Trust and such liability or loss was not the result of fraud, gross negligence, bad faith, willful misconduct or a material breach of the Trust Agreement on the part of such Covered Person and (ii) any such indemnification will be recoverable only from the property of the Trust. Any amounts payable to an indemnified party will be payable in advance under certain circumstances.

Fiduciary and Regulatory Duties of the Sponsor

The Sponsor is not effectively subject to the duties and restrictions imposed on "fiduciaries" under both statutory and common law. Rather, the general fiduciary duties that would apply to the Sponsor are defined and limited in scope by the Trust Agreement.

Under Delaware law, a shareholder may bring a derivative action if the shareholder is a shareholder at the time the action is brought and either (i) was a shareholder at the time of the transaction at issue or (ii) acquired the status of shareholder by operation of law or the Trust's governing instrument from a person who was a shareholder at the time of the transaction at issue. Additionally, Section 3816(e) of the Delaware Statutory Trust Act specifically provides that "a beneficial owner's right to bring a derivative action may be subject to such additional standards and restrictions, if any, as are set forth in the governing instrument of the statutory trust, including, without limitation, the requirement that beneficial owners owning a specified beneficial interest in the statutory trust join in the bringing of the derivative action." In addition to the requirements of applicable law, the Trust Agreement provides that no shareholder will have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more shareholders who (i) are not "Affiliates" (as defined in the Trust Agreement and below) of one another and (ii) collectively hold at least 10.0% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding. The Trust selected the 10.0% ownership threshold because the Trust believed that this was a threshold that investors would be comfortable with based on market precedent.

This provision applies to any derivative action brought in the name of the Trust other than claims brought under the federal securities laws or the rules and regulations thereunder, to which Section 7.4 does not apply. Due to this additional requirement, a shareholder attempting to bring a derivative action in the name of the Trust will be required to locate other shareholders with which it is not affiliated and that have sufficient Shares to meet the 10.0% threshold based on the number of Shares outstanding on the date the claim is brought and thereafter throughout the duration of the action, suit or proceeding.

"Affiliate" is defined in the Trust Agreement to mean any natural person, partnership, limited liability company, statutory trust, corporation, association or other legal entity (each, a "Person") directly or indirectly owning, controlling or holding with power to vote 10% or more of the outstanding voting securities of such Person, (ii) any Person 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such Person, (iii) any Person, directly or indirectly, controlling, controlled by or under common control of such Person, (iv) any employee, officer, director, member, manager or partner of such Person, or (v) if such Person is an employee, officer, director, member, manager or partner, any Person for which such Person acts in any such capacity.

Any shareholders seeking to bring a derivative action may determine whether the 10.0% ownership threshold required to bring a derivative action has been met by dividing the number Shares owned by such shareholders by the total number of Shares outstanding. Shareholders may determine the total number of Shares outstanding by reviewing the Trust's future filings, including the Trust's annual filings on Form 10-K, quarterly filings on Form 10-Q and current reports on Form 8-K reporting sales of unregistered securities pursuant to Item 3.02 thereof, or by requesting the number of Shares outstanding at any time from the Sponsor pursuant to Sections 7.2 and 8.1 of the Trust Agreement and Section 3819(a) of the DSTA. Because the Trust is a grantor trust, it may only issue one class of securities, the Shares.

The Trust offers Shares on a periodic basis at such times and for such periods as the Sponsor determines in its sole discretion. As a result, in order to maintain the 10.0% ownership threshold required to maintain a derivative action, shareholders may need to increase their holdings or locate additional shareholders during the pendency of a claim. The Trust posts the number of Shares outstanding as of the end of each month on its website and as of the end of each quarter in its annual and quarterly filings with the SEC. The Trust additionally reports sales of unregistered securities on Form 8-K pursuant to Item 3.02 thereof. Shareholders may monitor the number of Shares outstanding at any time for purposes of calculating their ownership threshold by reviewing the Trust's website and SEC filings and by requesting the number of Shares outstanding on any date from the Sponsor at any time pursuant to Sections 7.2 and 8.1 of the Trust Agreement. Shareholders have the opportunity at any time to increase their holdings or locate other shareholders to maintain the 10.0% threshold throughout the duration of a derivative claim. Shareholders may do so by contacting shareholders that are required to file Schedule 13Ds or Schedule 13Gs with the SEC or by requesting from the Sponsor the list of the names and last known address of all shareholders pursuant to Sections 7.2 and 8.1 of the Trust Agreement and Section 3819(a) of the DSTA.

The Sponsor is not aware of any reason to believe that Section 7.4 of the Trust Agreement is not enforceable under state or federal law. The Court of Chancery of Delaware has stated that "[t]he DSTA is enabling in nature and, as such, permits a trust through its declarations of trust to delineate additional standards and requirements with which a stockholder-plaintiff must comply to proceed derivatively in the name of the trust." *Hartsel v. Vanguard Group., Inc.*, Del. Ch. June 15, 2011. However, there is limited case law addressing the enforceability of provisions like Section 7.4 under state and federal law and it is possible that this provision would not be enforced by a court in another jurisdiction or under other circumstances.

Beneficial owners may have the right, subject to certain legal requirements, to bring class actions in federal court to enforce their rights under the federal securities laws and the rules and regulations promulgated thereunder by the SEC. Beneficial owners who have suffered losses in connection with the purchase or sale of their beneficial interests may be able to recover such losses from the Sponsor where the losses result from a violation by the Sponsor of the anti-fraud provisions of the federal securities laws.

Actions Taken to Protect the Trust

The Sponsor may prosecute, defend, settle or compromise actions or claims at law or in equity that it considers necessary or proper to protect the Trust or the interests of the shareholders. The expenses incurred by the Sponsor in connection therewith (including the fees and disbursements of legal counsel) will be expenses of
the Trust and are deemed to be Additional Trust Expenses. The Sponsor will be entitled to be reimbursed for the Additional Trust Expenses it pays on behalf of the Trust.

Successor Sponsors

If the Sponsor is adjudged bankrupt or insolvent, the Trust may dissolve and a Liquidating Trustee may be appointed to terminate and liquidate the Trust and distribute its remaining assets. The Trustee will have no obligation to appoint a successor sponsor or to assume the duties of the Sponsor, and will have no liability to any person because the Trust is or is not terminated. However, if a certificate of dissolution or revocation of the Sponsor's charter is filed (and ninety (90) days have passed after the date of notice to the Sponsor of revocation without a reinstatement of the Sponsor's charter) or the withdrawal, removal, adjudication or admission of bankruptcy or insolvency of the Sponsor has occurred, shareholders holding at least a majority (over 50%) of the Shares may agree in writing to continue the affairs of the Trust and to select, effective as of the date of such event, one or more successor Sponsors within ninety (90) days of any such event.

The Trustee

The Trustee is a fiduciary under the Trust Agreement and must satisfy the requirements of Section 3807 of the Delaware Trust Statute. However, the fiduciary duties, responsibilities and liabilities of the Trustee are limited by, and are only those specifically set forth in, the Trust Agreement.

Limitation on Trustee's Liability

Under the Trust Agreement, the Sponsor has exclusive control of the management of all aspects of the activities of the Trust and the Trustee has only nominal duties and liabilities to the Trust. The Trustee is appointed to serve as the trustee for the sole purpose of satisfying Section 3807(a) of the DSTA which requires that the Trust have at least one trustee with a principal place of business in the State of Delaware. The duties of the Trustee are limited to (i) accepting legal process served on the Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Delaware Secretary of State which the Trustee is required to execute under the DSTA.

To the extent the Trustee has duties (including fiduciary duties) and liabilities to the Trust or the shareholders under the DSTA, such duties and liabilities will be replaced by the duties and liabilities of the Trustee expressly set forth in the Trust Agreement. The Trustee will have no obligation to supervise, nor will it be liable for, the acts or omissions of the Sponsor, Transfer Agent, Custodian or any other person. Neither the Trustee, either in its capacity as trustee or in its individual capacity, nor any director, officer or controlling person of the Trustee is, or has any liability as, the issuer, director, officer or controlling person of the issuer of Shares. The Trustee's liability is limited solely to the express obligations of the Trustee as set forth in the Trust Agreement.

Under the Trust Agreement, the Sponsor has the exclusive management, authority and control of all aspects of the activities of the Trust. The Trustee has no duty or liability to supervise or monitor the performance of the Sponsor, nor does the Trustee have any liability for the acts or omissions of the Sponsor. The existence of a trustee should not be taken as an indication of any additional level of management or supervision over the Trust. The Trust Agreement provides that the management authority with respect to the Trust is vested directly in the Sponsor and that the Trustee is not responsible or liable for the genuineness, enforceability, collectability, value, sufficiency, location or existence of any of the TAO or other assets of the Trust.

Possible Repayment of Distributions Received by Shareholders; Indemnification by Shareholders

The Shares are limited liability investments. Investors may not lose more than the amount that they invest plus any profits recognized on their investment. Although it is unlikely, the Sponsor may, from time to time, make distributions to the shareholders. However, shareholders could be required, as a matter of bankruptcy law, to return to the estate of the Trust any distribution they received at a time when the Trust was in fact insolvent or in violation of its Trust Agreement. In addition, the Trust Agreement provides that shareholders will indemnify the Trust for any harm suffered by it as a result of shareholders' actions unrelated to the activities of the Trust.

The foregoing repayment of distributions and indemnity provisions (other than the provision for shareholders indemnifying the Trust for taxes imposed upon it by a state, local or foreign taxing authority, which is included only as a formality due to the fact that many states do not have statutory trust statutes therefore the tax status of the Trust in such states might, theoretically, be challenged) are commonplace in statutory trusts and limited partnerships.

Indemnification of the Trustee

The Trustee and any of the officers, directors, employees and agents of the Trustee will be indemnified by the Trust as primary obligor and the Sponsor as secondary obligor and held harmless against any loss, damage, liability, claim, action, suit, cost, expense, disbursement (including the reasonable fees and expenses of counsel), tax or penalty of any kind and nature whatsoever, arising out of, imposed upon or asserted at any time against such indemnified person in connection with the performance of its obligations under the Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated therein; provided, however, that neither the Trust nor The Sponsor. will be required to indemnify any such indemnified person for any such expenses which are a result of the willful misconduct, bad faith or gross negligence of such indemnified person. If the Trust has insufficient assets or improperly refuses to pay such an indemnified person within 60 days of a request for payment owed under the Trust Agreement, the Sponsor will, as secondary obligor, compensate or reimburse the Trustee or indemnify, defend and hold harmless such an indemnified person as if it were the primary obligor under the Trust Agreement. Any amount payable to such an indemnified person under the Trust Agreement may be payable in advance under certain circumstances and will be secured by a lien on the Trust property. The obligations of The Sponsor and the Trust to indemnify such indemnified persons under the Trust Agreement will survive the termination of the Trust Agreement.

Holding of Trust Property

The Trust will hold and record the ownership of the Trust's assets in a manner such that it will be owned for the benefit of the shareholders for the purposes of, and subject to and limited by the terms and conditions set forth in, the Trust Agreement. The Trust will not create, incur or assume any indebtedness or borrow money from or loan money to any person. The Trustee may not commingle its assets with those of any other person.

The Trustee may employ agents, attorneys, accountants, auditors and nominees and will not be answerable for the conduct or misconduct of any such custodians, agents, attorneys or nominees if such custodians, agents, attorneys and nominees have been selected with reasonable care.

Resignation, Discharge or Removal of Trustee; Successor Trustees

The Trustee may resign as Trustee by written notice of its election so to do, delivered to the Sponsor with at least 180 days' notice. The Sponsor may remove the Trustee in its discretion. If the Trustee resigns or is removed, the Sponsor, acting on behalf of the shareholders, will appoint a successor trustee. The successor Trustee will become fully vested with all of the rights, powers, duties and obligations of the outgoing Trustee.

If the Trustee resigns and no successor trustee is appointed within 180 days after the Trustee notifies the Sponsor of its resignation, the Trustee will terminate and liquidate the Trust and distribute its remaining assets.

Amendments to the Trust Agreement

In general, the Sponsor may amend the Trust Agreement without the consent of any shareholder. In particular, the Sponsor may, without the approval of the shareholders, amend the Trust Agreement if the Trust is advised at any time by the Trust's accountants or legal counsel that the amendments are necessary to permit the Trust to take the position that it is a grantor trust for U.S. federal income tax purposes. However, the Sponsor may not make an amendment, or otherwise supplement the Trust Agreement, if such amendment or supplement would permit the Sponsor, the Trustee or any other person to vary the investment of the shareholders (within the meaning of applicable Treasury Regulations) or would otherwise adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes. In addition, no amendments to the Trust Agreement that materially adversely affect the interests of shareholders may be made without the vote of at least a majority (over 50%) of the Shares (not including any Shares held by the Sponsor or its affiliates). A shareholder will be deemed to have consented to a modification or amendment of the Trust Agreement if the Sponsor has notified the shareholders in writing of the proposed modification or amendment and the shareholder has not, within 20 calendar days of such notice, notified the Sponsor in writing the shareholder objects to such modification or amendment.

Termination of the Trust

The Trust will dissolve if any of the following events occur:

- a U.S. federal or state regulator requires the Trust to shut down or forces the Trust to liquidate its TAO, or seizes, impounds or otherwise restricts access to Trust assets;
- any ongoing event exists that either prevents the Trust from making or makes impractical the Trust's reasonable efforts to make a fair determination of the Reference Rate Price;
- any ongoing event exists that either prevents the Trust from converting or makes impractical the Trust's reasonable efforts to convert TAO to U.S. dollars; or
- a certificate of dissolution or revocation of the Sponsor's charter is filed (and 90 days have passed since the date of notice to the Sponsor of revocation without a reinstatement of its charter) or the withdrawal, removal, adjudication or admission of bankruptcy or insolvency of the Sponsor has occurred, unless (i) at the time there is at least one remaining Sponsor and that remaining Sponsor carries on the Trust or (ii) within 90 days of any such event shareholders holding at least a majority (over 50%) of Shares, not including Shares held by the Sponsor and its affiliates, agree in writing to continue the activities of the Trust and to select, effective as of the date of such event, one or more successor Sponsors.

The Sponsor may, in its sole discretion, dissolve the Trust if any of the following events occur:

- the SEC determines that the Trust is an investment company required to be registered under the Investment Company Act;
- the CFTC determines that the Trust is a commodity pool under the CEA;
- the Trust is determined to be a "money service business" under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act and is required to comply with certain FinCEN regulations thereunder;
- the Trust is required to obtain a license or make a registration under any state law regulating money transmitters, money services businesses, providers of prepaid or stored value or similar entities, or virtual currency businesses;
- the Trust becomes insolvent or bankrupt;
- the Custodian resigns or is removed without replacement;
- all of the Trust's assets are sold;
- the Sponsor determines that the aggregate net assets of the Trust in relation to the expenses of the Trust make it unreasonable or imprudent to continue the affairs of the Trust;
- the Sponsor receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Code;
- if the Trustee notifies the Sponsor of the Trustee's election to resign and the Sponsor does not appoint a successor trustee within 180 days; or
- the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust.

The Sponsor may determine that it is desirable or advisable to discontinue the affairs of the Trust for a variety of reasons. For example, the Sponsor may terminate the Trust if a federal court upholds an allegation that TAO is a security under the federal securities laws.

The death, legal disability, bankruptcy, insolvency, dissolution, or withdrawal of any shareholder (as long as such shareholder is not the sole shareholder of the Trust) will not result in the termination of the Trust, and such shareholder, his or her estate, custodian or personal representative will have no right to a redemption or value such shareholder's Shares. Each shareholder (and any assignee thereof) expressly agrees that in the event of his or her

death, he or she waives on behalf of himself or herself and his or her estate, and he or she directs the legal representative of his or her estate and any person interested therein to waive the furnishing of any inventory, accounting or appraisal of the assets of the Trust and any right to an audit or examination of the books of account for the Trust, except for such rights as are set forth in Article VIII of the Trust Agreement relating to the books of account and reports of the Trust.

Upon dissolution of the Trust and surrender of Shares by the shareholders, shareholders will receive a distribution in U.S. dollars or TAO, Incidental Rights, and/or IR Virtual Currency, at the sole discretion of the Sponsor, after the Sponsor has sold the Trust's TAO, Incidental Rights and IR Virtual Currency, if applicable, and has paid or made provision for the Trust's claims and obligations.

If the Trust is forced to liquidate, the Trust will be liquidated under the Sponsor's direction. The Sponsor, on behalf of the Trust, will engage directly with Digital Asset Markets to liquidate the Trust's TAO as promptly as possible while obtaining the best fair value possible. The proceeds therefrom will be applied and distributed in the following order of priority: (a) to the expenses of liquidation and termination and to creditors, including shareholders who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Trust other than liabilities for distributions to shareholders and (b) to the holders of Shares pro rata in accordance with the respective percentages of Shares that they hold. It is expected that the Sponsor would be subject to the same regulatory requirements as the Trust, and therefore, the markets available to the Sponsor will be the same markets available to the Trust.

Governing Law

The Trust Agreement and the rights of the Sponsor, Trustee and shareholders under the Trust Agreement are governed by the laws of the State of Delaware.

Description of the Custodian Agreement

The Custodian Agreement establishes the rights and responsibilities of the Custodian, Sponsor, Trust and Authorized Participants with respect to the Trust's TAO in the Digital Asset Account, which is maintained and operated by the Custodian on behalf of the Trust. For a general description of the Custodian's obligations, see "Service Providers of the Trust - The Custodian."

Account; Location of TAO

The Trust's Digital Asset Account is a segregated custody account controlled and secured by the Custodian to store private keys, which allow for the transfer of ownership or control of the Trust's TAO, on the Trust's behalf. Private key shards associated with the Trust's TAO are distributed geographically by the Custodian in secure vaults around the world, including in the United States. The locations of the secure vaults may change regularly and are kept confidential by the Custodian for security purposes. The Custodian requires written approval of the Trust prior to changing the location of the private key shards, and therefore the Trust's TAO, to a location outside of the United States. The Digital Asset Account uses offline storage, or cold storage, mechanisms to secure the Trust's private keys. The term cold storage refers to a safeguarding method by which the private keys corresponding to digital assets are disconnected and/or deleted entirely from the internet.

The Custodian Agreement states that the Custodian serves as a fiduciary and custodian on the Trust's behalf, and the TAO in the Digital Asset Account are considered fiduciary assets that remain the Trust's property at all times and are not treated as general assets of the Custodian. Under the Custodian Agreement, the Custodian represents and warrants that it has no right, interest, or title in the TAO held in the Digital Asset Account, and agrees that it will not, directly or indirectly, lend, pledge, hypothecate or rehypothecate such digital assets (unless otherwise agreed or instructed by the Sponsor or the Trust). The Custodian does not reflect such digital assets as an asset on the balance sheet of the Custodian, but does reflect the obligation to safeguard such digital assets with a corresponding asset measured at fair value for such obligation. See "Risk Factors—Risk Factors Related to the Trust and the Shares—The Trust relies on third party service providers to perform certain functions essential to the affairs

of the Trust and the replacement of such service providers could pose a challenge to the safekeeping of the Trust's TAO and to the operations of the Trust."

Safekeeping of TAO

The Custodian will use commercially reasonable efforts to keep in safe custody on behalf of the Trust all TAO received by the Custodian. All TAO credited to the Digital Asset Account will (i) be held in the Digital Asset Account at all times, and the keys with respect to the Digital Asset Account will be held by the Custodian; (ii) be labeled or otherwise appropriately identified as being held for the Trust; (iii) be held in the Digital Asset Account on a non-fungible basis, except with respect to digital assets specifically moved into shared accounts by the Trust; (iv) not be commingled with other digital assets held by the Custodian, whether held for the Custodian's own account or the account of other clients other than the Trust, except with respect to digital assets specifically moved into shared accounts by the Trust; and (v) not without the prior written consent of the Trust be deposited or held with any third-party depositary, custodian, clearance system or wallet.

Insurance

Pursuant to the terms of the Custodian Agreement, the Custodian is required to maintain insurance in such types and amounts as are commercially reasonable for the custodial services provided by the Custodian. The Custodian has advised the Sponsor that it has insurance coverage which procures fidelity (or crime) insurance coverage at commercially reasonable amounts for the custodial services provided. This insurance coverage is limited to losses of the digital assets the Custodian custodies on behalf of its clients, including the Trust's TAO, resulting from theft, including internal theft by employees of BitGo and its subsidiaries and theft or fraud by a director of BitGo if the director is acting in the capacity of an employee of BitGo or its subsidiaries.

Moreover, while the Custodian maintains certain capital reserve requirements depending on the assets under custody and to the extent required by applicable law, and such capital reserves may provide additional means to cover client asset losses, the Sponsor does not know the amount of such capital reserves, and neither the Trust nor the Sponsor have access to such information. The Trust cannot be assured that the Custodian will maintain capital reserves sufficient to cover losses with respect to the Trust's digital assets.

Deposits, Withdrawals and Storage; Access to the Digital Asset Account

The Custodial Services (i) allow TAO to be deposited from a public blockchain address to the Digital Asset Account and (ii) allow the Trust or Sponsor to withdraw TAO from the Digital Asset Account to a public blockchain address the Trust or the Sponsor controls (each such transaction is a "Custody Transaction").

The Custodian reserves the right to refuse to process or to cancel any pending Custody Transaction as required by any applicable law to enforce transaction, threshold, and condition limits, in each case as communicated to the Trust and the Sponsor as soon as reasonably practicable where the Custodian is permitted to do so, or if the Custodian reasonably believes that the Custody Transaction may violate or facilitate the violation of an applicable law, regulation or applicable rule of a governmental authority or self-regulatory organization. The Custodian may suspend or restrict the Trust's and Sponsor's access to the Custodial Services, and/or deactivate, terminate or cancel the Digital Asset Account if the Trust or Sponsor has taken certain actions, including any Prohibited Use or Prohibited Business as set forth in the Custodian Agreement, or if the Custodian is required to do so by a subpoena, court order, or other binding government order.

From the time the Custodian has verified the authorization of a complete set of instructions to withdraw TAO from the Digital Asset Account, the Custodian will have (i) up to 12 hours to process and complete such withdrawal if the withdrawal request is made prior to 3:00 PM ET on any business day or (ii) up until 12:00 PM ET the following business day to process and complete such withdrawal if the withdrawal request is made after 3:00 PM ET. The Custodian will ensure that initiated deposits are processed in a timely manner but the Custodian makes no representations or warranties regarding the amount of time needed to complete processing which is dependent upon many factors outside of the Custodian's control.

Subject to certain exceptions in the Custodian Agreement, the Trust, the Sponsor and their authorized representatives will be able to access the Digital Asset Account via the Custodian's website in order to check

information about the Digital Asset Account, deposit TAO to the Digital Asset Account or initiate a Custody Transaction (subject to the timing described above).

The Custodian makes no other representations or warranties with respect to the availability and/or accessibility of TAO or the availability and/or accessibility of the Digital Asset Account or Custodial Services.

The Custodian Agreement further provides that the Trust's and the Sponsor's auditors or third-party accountants upon 30 days' advance written notice, have inspection rights to inspect, take extracts from and audit the records maintained with respect to the Digital Asset Account. Such auditors or third-party accountants are not obligated under the Custodian Agreement to exercise their inspection rights.

Security of the Account

The Custodian securely stores all digital asset private keys held by the Custodian in offline storage. Under the Custodian Agreement, the Custodian must use best efforts to keep private and public keys secure, and may not disclose such private keys to the Sponsor, Trust or any other individual or entity.

The Custodian has implemented and will maintain a reasonable information security program that includes policies and procedures that are reasonably designed to safeguard the Custodian's electronic systems and the Trust's and the Sponsor's confidential information from, among other things, unauthorized access or misuse. In the event of a Data Security Event (as defined below), the Custodian will promptly (subject to any legal or regulatory requirements) notify the Trust and the Sponsor. "Data Security Event" is defined as any event whereby (a) an unauthorized person (whether within the Custodian or a third party) acquired or accessed the Trust's or the Sponsor's information, (b) the Trust's or the Sponsor's information is otherwise lost, stolen or compromised or (c) the Custodian's Chief Risk Officer, or other senior security officer of a similar title, is no longer employed by the Custodian and is not replaced within a reasonable amount of time or the departure is expected to have a material adverse effect on the Custodian's ability to provide Custodial Services.

Record Keeping; Inspection and Auditing

The Custodian will maintain records and bookkeeping of its services pursuant to the Custodian Agreement. The Custodian Agreement also provides that the Custodian will permit, to the extent it may legally do so, the Trust's or the Sponsor's auditors or third-party accountants, upon thirty (30) days' advance written notice, to inspect, take extracts from and audit the records that it maintains, take such steps as necessary to verify that satisfactory internal control systems and procedures are in place as the Trust or the Sponsor may reasonably request. The Custodian is obligated to notify the Trust and the Sponsor of any audit report prepared by its internal or independent auditors if such report reveals any material deficiencies or makes any material objections.

The Trust and the Sponsor obtain and perform a comprehensive review of the Services Organization Controls ("SOC") 1 report and SOC 2 each year. For additional information, see "Description of Trust Documents—Description of the Custodian Agreement—Annual Certificate and Report." In addition to the review of SOC 1 and SOC 2 reports, the Trust, the Sponsor and/or their respective auditors may inspect or audit the Custodian's records in a variety of manners if considered necessary. Such processes, may include validating the existing balances as reflected on the Custodian's user interface to nodes of the underlying blockchain and confirming that such digital assets are associated with its public keys to validate the existence and exclusive ownership of the digital assets. To validate software functionality of the private keys, the Trust may transfer a portion of its digital assets from one public key to another public key of the Trust.

The Trust, the Sponsor and their independent auditors may evaluate the Custodian's protection of private keys and other customer information, including review of supporting documentation related to the processes surrounding key lifecycle management, the key generation process (hardware, software, and algorithms associated with generation) the infrastructure used to generate and store private keys, how private keys are stored (for example, cold wallets), the segregation of duties in the authorization of digital asset transactions, and the number of users required to process a transaction and the monitoring of addresses for any unauthorized activity. For additional information, see "Custody of the Trust's TAO."

Annual Certificate and Report

Once each calendar year, the Sponsor or Trust may request that the Custodian deliver a certificate signed by a duly authorized officer to certify that all representations and warranties made by the Custodian in the Custodian Agreement are true and correct on and as of the date of such certificate, and have been true and correct throughout the preceding year.

Once each calendar year, the Trust and the Sponsor will be entitled to request that the Custodian provide a copy of its most recent SOC 1 and SOC 2 reports, which are required to be dated within one year prior to such request. The Custodian reserves the right to combine the SOC 1 and SOC 2 reports into a comprehensive report. In the event that the Custodian does not deliver a SOC 1 Report or SOC 2 Report, as applicable, the Sponsor and the Trust will be entitled to terminate the Agreement. In addition to the review of the SOC 1 and SOC 2 reports, the Trust may also request letters of representation on a quarterly basis between SOC reports regarding any known changes or conclusions to the SOC 1 and SOC 2 reports.

Standard of Care; Limitations of Liability

The Custodian will use commercially reasonable efforts to keep in safe custody on behalf of the Trust all TAO received by the Custodian. The Custodian is liable to the Sponsor and the Trust for the loss of any TAO to the extent that the Custodian directly caused such loss through a breach of the Custodian Agreement and the Custodian is required to return to the Trust a quantity equal to the quantity of any such lost TAO.

The Custodian's or Trust's total liability under the Custodian Agreement will never exceed the fees paid or payable to the Custodian under the Custodian Agreement during the 12-month period immediately preceding the first incident giving rise to such liability. In addition, for as long as a cold storage address holds TAO with a value in excess of $100 million (the "Cold Storage Threshold") for a period of five consecutive business days or more without being reduced to the Cold Storage Threshold or lower, the Custodian's maximum liability for such cold storage address shall be limited to the Cold Storage Threshold. The Sponsor monitors the value of TAO deposited in cold storage addresses for whether the Cold Storage Threshold has been met by determining the U.S. dollar value of TAO deposited in each cold storage address on business days. Although the Cold Storage Threshold has to date not been met for a given cold storage address, to the extent it is met and not reduced within five business days, the Trust would not have a claim against the Custodian with respect to the digital assets held in such address to the extent the value exceeds the Cold Storage Threshold.

The Custodian and the Trust are not liable to each other for any lost profits or any special, incidental, indirect, intangible, or consequential damages, whether based in contract, tort, negligence, strict liability or otherwise, and whether or not the Custodian has been advised of such losses or the Custodian knew or should have known of the possibility of such damages.

Furthermore, the Custodian is not liable for delays, suspension of operations, whether temporary or permanent, failure in performance, or interruption of service which result directly or indirectly from any cause or condition beyond the reasonable control of the Custodian, including but not limited to, any delay or failure due to any act of God, natural disasters, act of civil or military authorities, act of terrorists, including but not limited to cyber-related terrorist acts, hacking, government restrictions, exchange or market rulings, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or internet services or network provider services, failure of equipment and/or software, other catastrophe or any other occurrence which is beyond the reasonable control of the Custodian and will not affect the validity and enforceability of any remaining provisions. For the avoidance of doubt, a cybersecurity attack, hack or other intrusion by a third party or by someone associated with the Custodian is not a circumstance that is beyond the Custodian's reasonable control, to the extent due to the Custodian's failure to comply with its obligations under the Custodian Agreement.

The Custodian does not bear any liability, whatsoever, for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware that may affect the Sponsor's or the Trust's computer or other equipment, or any phishing, spoofing or other attack, unless such damage or interruption originated from the Custodian due to its gross negligence, fraud, willful misconduct or breach of the Custodian Agreement.

Indemnity

Each of the Custodian and the Trust has agreed to indemnify and hold harmless the other party from any third-party claim or third-party demand (including but not limited to attorneys' fees and costs and any fines, fees or penalties imposed by any regulatory authority) arising out of or related to the Custodian's or the Trust's, as the case may be, use of the Custodian's services, breach of the Custodian Agreement, or any breach or inaccuracy in any of the Custodian's or the Trust's, as the case may be, representations, warranties or covenants in the Custodian Agreement, or the Trust's violation, or the Custodian's knowing violation, of any law, rule or regulation, or the rights of any third party, except where such claim directly results from the gross negligence, fraud or willful misconduct of the other such party.

Fees and Expenses

The Custodian Fee is an annualized fee charged monthly that is a percentage of the Trust's monthly assets under custody. Following the second anniversary of the Custodian Agreement, the fee may be adjusted by the Custodian with at least six months' advance notice. Any changes to the fee will be agreed to by the Trust and the Sponsor and the Custodian in writing. To the extent the parties cannot reach an agreement regarding any modifications in pricing, either party may elect to terminate the Custodian Agreement. It is the Trust's and the Sponsor's sole responsibility to determine whether, and to what extent, any taxes apply to any deposits or withdrawals conducted through the Custodial Services.

Term; Renewal

Subject to each party's termination rights, the Custodian Agreement is for a term of two years. Thereafter, the Custodian Agreement automatically renews for successive terms of one year, unless either party elects not to renew, by providing no less than sixty days' written notice to the other party prior to the expiration of the then-current term.

Suspension, Terminal and Cancellation

Either party may terminate the Custodian Agreement if the other party breaches a material term and fails to cure such breach within thirty (30) calendar days following written notice thereof from the other party.

Additionally, the Custodian may suspend, terminate or cancel the Custodian Agreement if (i) the Custodian is so required by a facially valid subpoena, court order, or binding order of a government authority;(ii) the Custodian reasonably suspects the Trust or the Sponsor of using the Digital Asset Account for a Prohibited Use or Prohibited Business (as defined in the Custodian Agreement); (iii) the Custodian perceives a risk of legal or regulatory non-compliance associated with Trust's Digital Asset Account activity (iv) the Custodian service partners are unable to support the Trust's use; (v) the Trust or the Sponsor takes any action that Custodian deems as circumventing Custodian's controls; (vi) the Trust fails to pay fees for a period of 90 days; or (vii) the Trust fails to fund its Digital Asset Account to the Minimum Account Balance (as defined in the Custodian Agreement).

The Trust or the Sponsor may terminate the Custodian Agreement for convenience, but must provide the Custodian at least sixty (60) days written notice and pay a one-time early termination fee as determined under the Custodian Agreement.

Governing Law

The Custodian Agreement is governed by New York law, except that any matters relating to Article 8 of the South Dakota Uniform Commercial Code or the regulation and governance of public trust companies acting as custodians is governed by South Dakota law, except to the extent such state law is preempted by federal law.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion addresses the material U.S. federal income tax consequences of the ownership of Shares. This discussion does not describe all of the tax consequences that may be relevant to a beneficial owner of Shares in light of the beneficial owner's particular circumstances, including tax consequences applicable to beneficial owners subject to special rules, such as:

- financial institutions;
- dealers in securities or commodities;
- traders in securities or commodities that have elected to apply a mark-to-market method of tax accounting in respect thereof;
- persons holding Shares as part of a hedge, "straddle," integrated transaction or similar transaction;
- Authorized Participants (as defined below);
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- entities or arrangements classified as partnerships for U.S. federal income tax purposes;
- real estate investment trusts;
- regulated investment companies; and
- tax-exempt entities, including individual retirement accounts.

This discussion applies only to Shares that are held as capital assets and does not address alternative minimum tax consequences or consequences of the Medicare contribution tax on net investment income.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Shares and partners in those partnerships are urged to consult their tax advisers about the particular U.S. federal income tax consequences of owning Shares.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as of the date hereof, changes to any of which subsequent to the date hereof may affect the tax consequences described herein. For the avoidance of doubt, this summary does not discuss any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction. Shareholders are urged to consult their tax advisers about the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Tax Treatment of the Trust

The Sponsor intends to take the position that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. Assuming that the Trust is a grantor trust, the Trust will not be subject to U.S. federal income tax. Rather, if the Trust is a grantor trust, each beneficial owner of Shares will be treated as directly owning its *pro rata* share of the Trust's assets and a *pro rata* portion of the Trust's income, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the IRS were to disagree with, and successfully challenge, certain positions the Trust may take, including with respect to Incidental Rights and IR Virtual Currency, the Trust might not qualify as a grantor trust. In addition, the Sponsor has delivered the Pre-Creation Abandonment Notice to the Custodian, stating that the Trust is abandoning irrevocably, for no direct or indirect consideration, effective immediately prior to each Creation Time, all Incidental Rights or IR Virtual Currency to which it would otherwise be entitled as of such time and with respect to which it has not taken any Affirmative Action at or prior to such time. There can be no complete assurance that these abandonments will be treated as effective for U.S. federal income tax purposes. If the Trust were treated as owning any asset other than TAO as of any date on which it creates Shares, it might cease to qualify as a grantor trust for U.S. federal income tax purposes.

Because of the evolving nature of digital assets, it is not possible to predict potential future developments that may arise with respect to digital assets, including forks, airdrops and other similar occurrences. Assuming that the Trust is currently a grantor trust for U.S. federal income tax purposes, certain future developments could render it impossible, or impracticable, for the Trust to continue to be treated as a grantor trust for such purposes.

If the Trust is not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. However, due to the uncertain treatment of digital assets for U.S. federal income tax purposes, there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, the tax consequences of owning Shares generally would not be materially different from the tax consequences described herein, although there might be certain differences, including with respect to timing of the recognition of taxable income or loss. In addition, tax information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable dividends to the extent of the Trust's current and accumulated earnings and profits. Any such dividend distributed to a beneficial owner of Shares that is a non-U.S. person for U.S. federal income tax purposes would be subject to U.S. federal withholding tax at a rate of 30% (or such lower rate as provided in an applicable tax treaty).

The remainder of this discussion is based on the assumption that the Trust will be treated as a grantor trust for U.S. federal income tax purposes.

Uncertainty Regarding the U.S. Federal Income Tax Treatment of Digital Assets

Each beneficial owner of Shares will be treated for U.S. federal income tax purposes as the owner of an undivided interest in the TAO (and any Incidental Rights, and/or IR Virtual Currency) held in the Trust. Due to the new and evolving nature of digital assets and the absence of comprehensive guidance with respect to digital assets, many significant aspects of the U.S. federal income tax treatment of digital assets are uncertain.

In 2014, IRS released a notice (the "Notice") discussing certain aspects of the treatment of "convertible virtual currency" (that is, digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency) for U.S. federal income tax purposes. In the Notice, the IRS stated that, for U.S. federal income tax purposes, such digital assets (i) are "property," (ii) are not "currency" for purposes of the provisions of the Code relating to foreign currency gain or loss and (iii) may be held as a capital asset. In 2019, the IRS released a revenue ruling and a set of "Frequently Asked Questions" (the "Ruling & FAQs") that provide some additional guidance, including guidance to the effect that, under certain circumstances, hard forks of digital assets are taxable events giving rise to ordinary income and guidance with respect to the determination of the tax basis of digital assets. However, the Notice and the Ruling & FAQs do not address other significant aspects of the U.S. federal income tax treatment of digital assets. Moreover, although the Ruling & FAQs address the treatment of hard forks, there continues to be significant uncertainty with respect to the timing and amount of the income inclusions. While the Ruling & FAQs do not address most situations in which airdrops occur, it is clear from the reasoning of the Ruling & FAQs that the IRS generally would treat an airdrop as a taxable event giving rise to ordinary income.

There can be no assurance that the IRS will not alter its position with respect to digital assets in the future or that a court would uphold the treatment set forth in the Notice and the Ruling & FAQs. It is also unclear what additional guidance on the treatment of digital assets for U.S. federal income tax purposes may be issued in the future. Any such alteration of the current IRS positions or additional guidance could result in adverse tax consequences for shareholders and could have an adverse effect on the prices of digital assets, including the price of TAO in the Digital Asset Market, and therefore could have an adverse effect on the value of Shares. Future developments that may arise with respect to digital assets may increase the uncertainty with respect to the treatment of digital assets for U.S. federal income tax purposes. For example, the Notice addresses only digital assets that are "convertible virtual currency," and it is conceivable that, as a result of a fork, airdrop or similar occurrence, a Trust could hold certain types of digital assets that are not within the scope of the Notice.

The remainder of this discussion assumes that TAO, and any Incidental Rights or IR Virtual Currency that the Trust may hold, is properly treated for U.S. federal income tax purposes as property that may be held as a capital asset and that is not currency for purposes of the provisions of the Code relating to foreign currency gain and loss.

Shareholders are urged to consult their tax advisers regarding the tax consequences of an investment in the Trust and in digital assets in general, including, in the case of shareholders that are generally exempt from U.S. federal income taxation, whether such shareholders may recognize "unrelated business taxable income" ("UBTI") as a consequence of a fork, airdrop or similar occurrence.

Incidental Rights, and IR Virtual Currency

It is possible that, in the future, the Trust will hold Incidental Rights and /or IR Virtual Currency that it receives in connection with its investment in TAO. The uncertainties with respect to the treatment of digital assets for U.S. federal income tax purposes, described above, apply to Incidental Rights and IR Virtual Currency, as well as to TAO. As described above, the Notice addressed only digital assets that are "convertible virtual currency," defined as digital assets that have an equivalent value in fiat currency or that act as substitutes for fiat currency. It is conceivable that certain IR Virtual Currency the Trust may receive in the future would not be within the scope of the Notice.

In general, it is expected that the Trust would receive Incidental Rights and IR Virtual Currency as a consequence of a fork, an airdrop or a similar occurrence related to its ownership of TAO. As described above, the Ruling & FAQs include guidance to the effect that, under certain circumstances, forks (and, presumably, airdrops) of digital assets are taxable events giving rise to ordinary income, but there continues to be uncertainty with respect to the timing and amount of the income inclusions. The Trust's receipt of Incidental Rights or IR Virtual Currency may give rise to other tax issues. The possibility that the Trust will receive Incidental Rights and/or IR Virtual Currency thus increases the uncertainties and risks with respect to the U.S. federal income tax consequences of an investment in Shares.

The Trust may distribute Incidental Rights or IR Virtual Currency, or cash from the sale of Incidental Rights or IR Virtual Currency to the shareholders. Alternatively, the Trust may form a liquidating trust to which it contributes Incidental Rights or IR Virtual Currency and distribute interests in the liquidating trust to the shareholders. Any such distribution will not be a taxable event for a U.S. Holder (as defined below). A U.S. Holder's tax basis in the Incidental Rights or IR Virtual Currency distributed, whether directly or through the medium of a liquidating trust, will be the same as the U.S. Holder's tax basis in the distributed assets immediately prior to the distribution, and the U.S. Holder's tax basis in its *pro rata* share of the Trust's remaining assets will not include the amount of such basis. Immediately after any such distribution, the U.S. Holder's holding period with respect to the distributed Incidental Rights or IR Virtual Currency will be the same as the U.S. Holder's holding period with respect to the distributed assets immediately prior to the distribution. A subsequent sale of the distributed Incidental Rights or IR Virtual Currency will generally be a taxable event for a U.S. Holder.

For simplicity of presentation, the remainder of this discussion assumes that the Trust will hold only TAO. However, the principles set forth in the discussion below apply to all of the assets that the Trust may hold at any time, including Incidental Rights and IR Virtual Currency, as well as TAO. Without limiting the generality of the foregoing, each beneficial owner of Shares generally will be treated for U.S. federal income tax purposes as owning an undivided interest in any Incidental Rights and/or IR Virtual Currency held in the Trust, and any transfers or sales of Incidental Rights and/or IR Virtual Currency by the Trust (other than distributions by the Trust, as described in the preceding paragraph) will be taxable events to shareholders with respect to which shareholders will generally recognize gain or loss in a manner similar to the recognition of gain or loss on a taxable disposition of TAO, as described below.

Tax Consequences to U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of a Share for U.S. federal income tax purposes that is:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;

- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except as specifically noted, the discussion below assumes that each U.S. Holder will acquire all of its Shares on the same date for the same price per Share and either solely for cash or solely for TAO that were originally acquired by the U.S. Holder for cash on the same date.

As discussed in the section entitled "Description of Creation of Shares," a U.S. Holder may be able to acquire Shares of the Trust by contributing TAO in kind to the Trust (either directly or through an Authorized Participant acting as agent of the U.S. Holder). Assuming that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes, such a contribution should not be a taxable event to the U.S. Holder.

For U.S. federal income tax purposes, each U.S. Holder will be treated as owning an undivided interest in the TAO held in the Trust and will be treated as directly realizing its pro rata share of the Trust's income, gains, losses and deductions. When a U.S. Holder purchases Shares solely for cash, (i) the U.S. Holder's initial tax basis in its pro rata share of the TAO held in the Trust will be equal to the amount paid for the Shares and (ii) the U.S. Holder's holding period for its pro rata share of such TAO will begin on the date of such purchase. When a U.S. Holder acquires Shares in exchange for TAO, (i) the U.S. Holder's initial tax basis in its pro rata share of the TAO held in the Trust will be equal to the U.S. Holder's tax basis in the TAO that the U.S. Holder transferred to the Trust and (ii) the U.S. Holder's holding period for its pro rata share of such TAO generally will include the period during which the U.S. Holder held the TAO that the U.S. Holder transferred to the Trust. The Ruling & FAQs confirm that if a taxpayer acquires tokens of a digital asset at different times and for different prices, the taxpayer has a separate tax basis in each lot of such tokens. Under the Ruling & FAQs, if a U.S. Holder that owns more than one lot of TAO contributes a portion of its TAO to the Trust in exchange for Shares, the U.S. Holder may designate the lot(s) from which such contribution will be made, provided that the U.S. Holder is able to identify specifically which TAO it is contributing and to substantiate its tax basis in those TAO. In general, if a U.S. Holder acquires Shares (i) solely for cash at different prices, (ii) partly for cash and partly in exchange for a contribution of TAO or (iii) in exchange for a contribution of TAO with different tax bases, the U.S. Holder's share of the Trust's TAO will consist of separate lots with separate tax bases. In addition, in this situation, the U.S. Holder's holding period for the separate lots may be different. In addition, the IR Virtual Currency that the Trust acquires in a hard fork or airdrop that is treated as a taxable event will constitute a separate lot with a separate tax basis and holding period.

When the Trust transfers TAO to the Sponsor as payment of the Sponsor's Fee, or sells TAO to fund payment of any Additional Trust Expenses, each U.S. Holder will be treated as having sold its *pro rata* share of those TAO for their fair market value at that time (which, in the case of TAO sold by the Trust, generally will be equal to the cash proceeds received by the Trust in respect thereof). As a result, each U.S. Holder will recognize gain or loss in an amount equal to the difference between (i) the fair market value of the U.S. Holder's *pro rata* share of the TAO transferred and (ii) the U.S. Holder's tax basis for its *pro rata* share of the TAO transferred. Any such gain or loss will be short-term capital gain or loss if the U.S. Holder's holding period for its pro rata share of the TAO is one year or less and long-term capital gain or loss if the U.S. Holder's holding period for its *pro rata* share of the TAO is more than one year. A U.S. Holder's tax basis in its pro rata share of any TAO transferred by the Trust generally will be determined by multiplying the tax basis of the U.S. Holder's pro rata share of all of the TAO held in the Trust immediately prior to the transfer by a fraction the numerator of which is the amount of TAO transferred and the denominator of which is the total amount of TAO held in the Trust immediately prior to the transfer. Immediately after the transfer, the U.S. Holder's tax basis in its pro rata share of the TAO remaining in the Trust will be equal to the tax basis of its pro rata share of the TAO held in the Trust immediately prior to the transfer, less the portion of that tax basis allocable to its pro rata share of the TAO transferred.

As noted above, the IRS has taken the position in the Ruling & FAQs that, under certain circumstances, a hard fork of a digital asset constitutes a taxable event giving rise to ordinary income, and it is clear from the reasoning of the Ruling & FAQs that the IRS generally would treat an airdrop as a taxable event giving rise to ordinary income. Under the Ruling & FAQs, a U.S. Holder will have a basis in any IR Virtual Currency received in a fork or airdrop equal to the amount of income the U.S. Holder recognizes as a result of such fork or airdrop and the U.S. Holder's holding period for such IR Virtual Currency will begin as of the time it recognizes such income.

U.S. Holders' *pro rata* shares of the expenses incurred by the Trust will be treated as "miscellaneous itemized deductions" for U.S. federal income tax purposes. As a result, a non-corporate U.S. Holder's share of these expenses will not be deductible for U.S. federal income tax purposes.

On a sale or other disposition of Shares, a U.S. Holder will be treated as having sold the TAO underlying such Shares. Accordingly, the U.S. Holder generally will recognize gain or loss in an amount equal to the difference between (i) the amount realized on the sale of the Shares and (ii) the portion of the U.S. Holder's tax basis in its pro rata share of the TAO held in the Trust that is attributable to the Shares that were sold or otherwise subject to a disposition. Such tax basis generally will be determined by multiplying the tax basis of the U.S. Holder's *pro rata* share of all of the TAO held in the Trust immediately prior to such sale or other disposition by a fraction the numerator of which is the number of Shares disposed of and the denominator of which is the total number of Shares held by such U.S. Holder immediately prior to such sale or other disposition (such fraction, expressed as a percentage, the "Share Percentage"). If the U.S. Holder's share of the Trust's TAO consists of separate lots with separate tax bases and/or holding periods, the U.S. Holder will be treated as having sold the Share Percentage of each such lot. Gain or loss recognized by a U.S. Holder on a sale or other disposition of Shares will generally be short-term capital gain or loss if the U.S. Holder's holding period for the TAO underlying such Shares is one year or less and long-term capital gain or loss if the U.S. Holder's holding period for the TAO underlying such Shares is more than one year. The deductibility of capital losses is subject to significant limitations.

After any sale or other disposition of fewer than all of a U.S. Holder's Shares, the U.S. Holder's tax basis in its *pro rata* share of the TAO held in the Trust immediately after the disposition will equal the tax basis in its *pro rata* share of the total amount of the TAO held in the Trust immediately prior to the disposition, less the portion of that tax basis that is taken into account in determining the amount of gain or loss recognized by the U.S. Holder on the disposition.

Any brokerage or other transaction fee incurred by a U.S. Holder in purchasing Shares generally will be added to the U.S. Holder's tax basis in the underlying assets of the Trust. Similarly, any brokerage fee or other transaction fee incurred by a U.S. Holder in selling Shares generally will reduce the amount realized by the U.S. Holder with respect to the sale.

In the absence of guidance to the contrary, it is possible that any income recognized by a U.S. tax-exempt shareholder as a consequence of a hard fork, airdrop or similar occurrence would constitute UBTI. A tax-exempt shareholder should consult its tax adviser regarding whether such shareholder may recognize some UBTI as a consequence of an investment in Shares.

Tax Consequences to Non-U.S. Holders

As used herein, the term "non-U.S. Holder" means a beneficial owner of a Share for U.S. federal income tax purposes that is not a U.S. Holder. The term "non-U.S. Holder" does not include (i) a nonresident alien individual who is present in the United States for 183 days or more in a taxable year, (ii) a former U.S. citizen or U.S. resident or an entity that has expatriated from the United States; (iii) a person whose income in respect of Shares is effectively connected with the conduct of a trade or business in the United States; or (iv) an entity that is treated as a partnership for U.S. federal income tax purposes. Shareholders described in the preceding sentence should consult their tax advisers regarding the U.S. federal income tax consequences of owning Shares.

A non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to its share of any gain recognized on the Trust's transfer of TAO in payment of the Sponsor's Fee or any Additional Trust Expense or on the Trust's sale or other disposition of TAO. In addition, assuming that the Trust holds no asset other than TAO, a non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to any gain it recognizes on a sale or other disposition of Shares. A non-U.S. Holder also will generally not be subject to U.S. federal income or withholding tax with respect to any distribution received from the Trust, whether in cash or in kind.

Provided that it does not constitute income that is treated as "effectively connected" with the conduct of a trade or business in the United States, U.S.-source "fixed or determinable annual or periodical" ("FDAP") income received, or treated as received, by a non-U.S. Holder will generally be subject to U.S. withholding tax at the rate of 30% (subject to possible reduction or elimination pursuant to an applicable tax treaty and to statutory exemptions such as the portfolio interest exemption). Although there is no guidance on point, it is likely that any ordinary income recognized by a non-U.S. Holder as a result of a fork, airdrop or similar occurrence would constitute FDAP income. It is unclear, however, whether any such FDAP income would be properly treated as U.S.-source or foreign-source FDAP income. Non-U.S. Holders should assume that, in the absence of guidance, a withholding agent (including the Sponsor) is likely to withhold 30% from a non-U.S. Holder's *pro rata* share of any such income, including by deducting such withheld amounts from proceeds that such non-U.S. Holder would otherwise be entitled to receive in connection with a distribution of Incidental Rights or IR Virtual Currency or proceeds from the disposition of Incidental Rights or IR Virtual Currency. A non-U.S. Holder that is a resident of a country that maintains an income tax treaty with the United States may be eligible to claim the benefits of that treaty to reduce or eliminate, or to obtain a partial or full refund of, the 30% U.S. withholding tax on its share of any such income, but only if the non-U.S. Holder's home country treats the Trust as "fiscally transparent," as defined in applicable Treasury regulations.

Although the nature of the Incidental Rights and IR Virtual Currency that the Trust may hold in the future is uncertain, it is unlikely that any such asset would give rise to income that is treated as "effectively connected" with the conduct of a trade or business in the United States or that any income derived by a non-U.S. Holder from any such asset would otherwise be subject to U.S. income or withholding tax, except as discussed above in connection with the fork, airdrop or similar occurrence giving rise to Incidental Rights or IR Virtual Currency. There can, however, be no complete assurance in this regard.

In order to prevent the possible imposition of U.S. "backup" withholding and (if applicable) to qualify for a reduced rate of withholding tax at source under a treaty, a non-U.S. Holder must comply with certain certification requirements (generally, by delivering a properly executed IRS Form W-8BEN or W-8BEN-E to the relevant withholding agent).

U.S. Information Reporting and Backup Withholding

The Trust or the appropriate broker will file certain information returns with the IRS and provide shareholders with information regarding their annual income (if any) and expenses with respect to the Trust in accordance with applicable Treasury regulations.

A U.S. Holder will generally be subject to information reporting requirements and backup withholding unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. In order to avoid the information reporting and backup withholding requirements, a non-U.S. Holder may have to comply with certification procedures to establish that it is not a U.S. person. The amount of any backup withholding will be allowed as a credit against the shareholder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the IRS.

FATCA

As discussed above, it is unclear whether any ordinary income recognized by a non-U.S. Holder as a result of a fork, airdrop or similar occurrence would constitute U.S.-source FDAP income. Provisions of the Code commonly referred to as "FATCA" require withholding of 30% on payments of U.S.-source FDAP income and, subject to the discussion of proposed U.S. Treasury regulations below, of gross proceeds of dispositions of certain types of property that produce U.S.-source FDAP income to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. In addition, regulations

proposed by the U.S. Treasury Department (the preamble to which indicates that taxpayers may rely on the regulations pending their finalization) would eliminate the requirement under FATCA of withholding on gross proceeds. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally may obtain a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Shareholders should consult their tax advisers regarding the effects of FATCA on an investment in the Trust.

ERISA AND RELATED CONSIDERATIONS

The following section sets forth certain consequences under ERISA and the Code which a fiduciary of an "employee benefit plan" as defined in and subject to the fiduciary responsibility provisions of ERISA, or of a "plan" as defined in and subject to Section 4975 of the Code, who has investment discretion should consider before deciding to acquire Shares with plan assets (such "employee benefit plans" and "plans" being referred to herein as "Plans," and such fiduciaries with investment discretion being referred to herein as "Plan Fiduciaries"). The following summary is not intended to be complete, but only to address certain questions under ERISA and the Code that are likely to be raised by the Plan Fiduciary's own counsel.

* * *

In general, the terms "employee benefit plan" as defined in ERISA and "plan" as defined in Section 4975 of the Code together refer to any plan or account of various types which provides retirement benefits or welfare benefits to an individual or to an employer's employees and their beneficiaries. Such plans and accounts include, but are not limited to, corporate pension and profit sharing plans, "simplified employee pension plans," Keogh plans for self-employed individuals (including partners), individual retirement accounts described in Section 408 of the Code and medical benefit plans.

Each Plan Fiduciary must give appropriate consideration to the facts and circumstances that are relevant to an investment in the Trust, including the role an investment in the Trust plays in the Plan's investment portfolio. Each Plan Fiduciary must be satisfied that investment in the Trust is a prudent investment for the Plan, that the investments of the Plan, including the investment in the Trust, are diversified so as to minimize the risks of large losses and that an investment in the Trust complies with the documents of the Plan and related trust and that an investment in the Trust does not give rise to a transaction prohibited by Section 406 of ERISA or Section 4975 of the Code.

Governmental plans, non-U.S. plans and certain church plans, (collectively, "Non-ERISA Arrangements), while generally not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, may be subject to provisions under other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code. Fiduciaries of such plans should consider the consequences of an investment in the Trust under any such applicable similar laws or regulations before acquiring any Shares.

EACH PLAN FIDUCIARY OR FIDUCIARY OF A NON-ERISA ARRANGEMENT CONSIDERING ACQUIRING SHARES MUST CONSULT ITS OWN LEGAL AND TAX ADVISERS BEFORE DOING SO.

Restrictions on Investments by Benefit Plan Investors

ERISA and a regulation issued thereunder contain rules for determining when an investment by a Plan in an entity will result in the underlying assets of the entity being deemed assets of the Plan for purposes of ERISA and Section 4975 of the Code (*i.e.*, "plan assets"). Those rules provide that the assets of an entity will not be deemed "plan assets" of a Plan that purchases an interest therein if the investment in the entity by all "benefit plan investors" is not "significant" or certain other exceptions apply. The term "benefit plan investors" includes all Plans (*i.e.*, all "employee benefit plans" as defined in and subject to the fiduciary responsibility provisions of ERISA and all "plans" as defined in and subject to Section 4975 of the Code) and all entities that hold "plan assets" (each, a "Plan Assets Entity") due to investments made in such entities by already described benefit plan investors. ERISA provides that a Plan Assets Entity is considered to hold plan assets only to the extent of the percentage of the Plan

Assets Entity's equity interests held by benefit plan investors. In addition, all or part of an investment made by an insurance company using assets from its general account may be treated as a benefit plan investor. Investments by benefit plan investors will be deemed not significant if benefit plan investors own, in the aggregate, less than 25% of the total value of each class of equity interests of the entity (determined by not including the investments of persons with discretionary authority or control over the assets of such entity, of any
person who provides investment advice for a fee (direct or indirect) with respect to such assets, and "affiliates" (as defined in the regulations issued under ERISA) of such persons; provided, however, that under no circumstances are investments by benefit plan investors excluded from such calculation).

In order to avoid causing assets of the Trust to be "plan assets," the Sponsor intends to restrict the aggregate investment by "benefit plan investors" to under 25% of the total value of the Shares of the Trust (not including the investments of the Trustee, the Sponsor, the distributor, any other person who provides investment advice for a fee (direct or indirect) with respect to the assets of the Trust, any other person who has discretionary authority or control over the assets of the Trust, and any entity (other than a benefit plan investor) that is directly or indirectly through one or more intermediaries controlling, controlled by or under common control with any of such entities (including a partnership or other entity for which the Sponsor is the general partner, managing member, investment adviser or provides investment advice), and each of the principals, officers, and employees of any of the foregoing entities who has the power to exercise a controlling influence over the management or policies of such entity or the Trust). Furthermore, because the 25% test is ongoing, it not only restricts additional investments by benefit plan investors, but also can cause the Sponsor to require that existing benefit plan investors redeem from the Trust in the event that other investors redeem their Shares. If rejection of subscriptions or such compulsory redemptions are necessary, as determined by the Sponsor, to avoid causing the assets of the Trust to be "plan assets," the Sponsor will effect such rejections or redemptions in such manner as the Sponsor, in its sole discretion, determines.

Ineligible Purchasers

In general, Shares may not be purchased with the assets of a Plan if the Trustee, the Sponsor, the distributor, any placement agent, any of their respective affiliates or any of their respective employees either: (i) has investment discretion with respect to the investment of such Plan assets; (ii) has authority or responsibility to give or regularly gives investment advice with respect to such Plan assets, for a fee, and pursuant to an agreement or understanding that such advice will serve as a primary basis for investment decisions with respect to such Plan assets and that such advice will be based on the particular investment needs of the Plan; or (iii) is an employer maintaining or contributing to such Plan. A party that is described in clause (i) or (ii) of the preceding sentence is a fiduciary under ERISA and the Code with respect to the Plan, and any such purchase (as described in clause (i), (ii) or (iii)) could result in a "prohibited transaction" under ERISA and the Code.

Except as otherwise set forth, the foregoing statements regarding the consequences under ERISA and the Code of an investment in the Trust are based on the provisions of ERISA and the Code as currently in effect, and the existing administrative and judicial interpretations thereunder. No assurance can be given that administrative, judicial or legislative changes will not occur that may make the foregoing statements incorrect or incomplete.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF PLANS OR NON-ERISA ARRANGEMENTS IS IN NO RESPECT A REPRESENTATION BY THE SPONSOR OR ANY OTHER PARTY RELATED TO THE TRUST THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR PLAN OR NON-ERISA ARRANGEMENT OR PLANS OR NON-ERISA ARRANGEMENTS GENERALLY OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR PLAN OR NON-ERISA ARRANGEMENT OR PLANS OR NON-ERISA ARRANGEMENTS GENERALLY. THE PERSON WITH INVESTMENT DISCRETION WITH RESPECT FOR ANY PLAN OR NON-ERISA ARRANGEMENT SHOULD CONSULT WITH ITS OWN COUNSEL AND ADVISERS AS TO THE PROPRIETY OF AN INVESTMENT IN THE TRUST, IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR PLAN OR NON-ERISA ARRANGEMENT BEFORE PURCHASING SHARES. NEITHER THIS DISCUSSION NOR ANYTHING IN THIS INFORMATION STATEMENT IS OR IS INTENDED TO BE INVESTMENT ADVICE DIRECTED AT ANY POTENTIAL PURCHASER THAT IS A PLAN OR NON-ERISA ARRANGEMENT, OR AT SUCH PURCHASERS GENERALLY.

WHERE YOU CAN FIND MORE INFORMATION

The Sponsor has filed on behalf of the Trust a registration statement on Form 10 with the SEC under the Securities Act. This Information Statement does not contain all of the information set forth in the registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Trust or the Shares, please refer to the registration statement, which you may inspect, without charge, at the public reference facilities of the SEC at the below address or online at www.sec.gov, or obtain at prescribed rates from the public reference facilities of the SEC at the below address. Information about the Trust and the Shares can also be obtained from the Trust's website. The internet address of the Trust's website will be www.grayscale.com/funds/grayscale-bittensor-trust. This internet address is only provided here as a convenience to you to allow you to access the Trust's website, and the information contained on or connected to the Trust's website is not part of this Information Statement or the registration statement of which this Information Statement is part.

The Trust is subject to the informational requirements of the Exchange Act and the Sponsor, on behalf of the Trust, will file quarterly and annual reports and other information with the SEC. The reports and other information can be inspected online at www.sec.gov. Our reports are also available, free of charge, on our website at www.grayscale.com/funds/grayscale-bittensor-trust. Information contained on our website does not constitute a part of this Registration Statement.

GLOSSARY OF DEFINED TERMS

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

"**Additional Trust Expenses**"—Together, any expenses incurred by the Trust in addition to the Sponsor's Fee that are not Sponsor-paid Expenses, including, but not limited to, (i) taxes and governmental charges, (ii) expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency, (iii) any indemnification of the Custodian or other agents, service providers or counterparties of the Trust, (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 Trust for services it provides to the Trust, which the Sponsor will pay such administrator as a Sponsor-paid Expense.

"**Affirmative Action**"—A decision by the Trust to acquire or abandon specific Incidental Rights and IR Virtual Currency at any time prior to the time of a creation of Shares.

"**Agent**"—A Person appointed by the Trust to act on behalf of the shareholders in connection with any distribution of Incidental Rights and/or IR Virtual Currency.

"**AML**"—Anti-money laundering.

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

"**Basket**"—A block of 100 Shares.

"**Basket Amount**"—On any trade date, the amount of TAO required as of such trade date for each Creation Basket, as determined by dividing (x) the amount of TAO owned by the Trust at 4:00 p.m., New York time, on such trade date, after deducting the amount of TAO representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust (converted using the Reference Rate Price at such time, and carried to the eighth decimal place), by (y) the number of Shares outstanding at such time (with the quotient so obtained calculated to one one-hundred-millionth of one TAO (*i.e.*, carried to the eighth decimal place)), and multiplying such quotient by 100.

"**Binance**"—Binance Holdings Ltd.

"**Bitcoin**" —A type of digital asset based on an open-source cryptographic protocol existing on the Bitcoin Network.

"**Bittensor**" or "**TAO**"—Bittensor tokens, which are a type of digital asset based on an open source cryptographic protocol existing on the Bittensor Network, comprising units that constitute the assets underlying the Trust's Shares. See "Overview of Bittensor."

"**Bittensor Network**"—A set of smart contracts deployed on a decentralized public transaction ledger known as the blockchain. The Bittensor Network leverages the cryptographic and algorithmic protocols of the underlying blockchain to govern its application. See "Overview of the TAO Industry and Market."

"**Blockchain**"—The public transaction ledger of the Bittensor Network on which transactions in TAO are recorded.

"**CEA**"—Commodity Exchange Act of 1936, as amended.

"**CFPB**"—The Consumer Financial Protection Bureau.

"**CFTC**"—The U.S. Commodity Futures Trading Commission, an independent agency with the mandate to regulate commodity futures and option markets in the United States.

"**CME**"—The Chicago Mercantile Exchange.

"**Code**"—The U.S. Internal Revenue Code of 1986, as amended.

"**Coinbase**"—Coinbase, Inc.

"**Covered Person**"—The Sponsor and its affiliates. See "Business—Description of the Trust Agreement—The Sponsor—Liability of the Sponsor and Indemnification."

"**Creation Basket**"—Basket of Shares issued by the Trust upon deposits of the Basket Amount required for each such Creation Basket.

"**Creation Time**"—With respect to the creation of any Shares by the Trust, the time at which the Trust creates such Shares.

"**Custodial Services**"—The Custodian's services that (i) allow TAO to be deposited from a public blockchain address to the Trust's Digital Asset Account and (ii) allow the Trust and the Sponsor to withdraw TAO from the Trust's Digital Asset Account to a public blockchain address the Trust or the Sponsor controls pursuant to instructions the Trust or the Sponsor provides to the Custodian.

"**Custodian**"—BitGo Trust Company, Inc.

"**Custodian Agreement**"—The BitGo Custodial Services Agreement, dated as of March 12, 2025, by and between the Trust and the Sponsor and Custodian that governs the Trust's and the Sponsor's use of the Custodial Services provided by the Custodian as a fiduciary with respect to the Trust's assets.

"**Custodian Fee**"—Fee payable to the Custodian for services it provides to the Trust, which the Sponsor shall pay to the Custodian as a Sponsor-paid Expense.

"**CUTPA**"—The Connecticut Unfair Trade Practices Act.

"**DCG**"—Digital Currency Group, Inc.

"**Digital Asset Account**"—A segregated custody account controlled and secured by the Custodian to store private keys, which allow for the transfer of ownership or control of the Trust's TAO on the Trust's behalf.

"**Digital Asset Market**"—A "Brokered Market," "Dealer Market," "Principal-to-Principal Market" or "Exchange Market" (referred to as "Trading Platform Market" in this Information Statement), as each such term is defined in the Financial Accounting Standards Board Accounting Standards Codification Master Glossary.

"**Digital Asset Trading Platform**"—An electronic marketplace where trading platform participants may trade, buy and sell TAO 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 TAO, which consists of transactions on electronic Digital Asset Trading Platforms.

"**DSTA**"—The Delaware Statutory Trust Act, as amended.

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

"**ERISA**"—The Employee Retirement Income Security Act of 1974, as amended.

"**Exchange Act**"—The Securities Exchange Act of 1934, as amended.

"**FDIC**"—The Federal Deposit Insurance Corporation.

"**FinCEN**"—The Financial Crimes Enforcement Network, a bureau of the U.S. Department of the Treasury.

"**FINRA**"—The Financial Industry Regulatory Authority, Inc., which is the primary regulator in the United States for broker-dealers, including Authorized Participants.

"**FSMA**"—The Financial Services and Markets Act 2023.

"**FTX**"—FTX Trading, Ltd.

"**Grayscale Securities**"—Grayscale Securities, LLC, a wholly owned direct subsidiary of Grayscale Operating, LLC, which as of the date of this Information Statement, is the only acting Authorized Participant.

"**GSI**"—Grayscale Investments, LLC, the Sponsor of the Trust, until December 31, 2024.

"**GSIS**"—Grayscale Investments Sponsors, LLC, a Delaware limited liability company and a wholly owned direct subsidiary of Grayscale Operating, LLC.

"**GSO**"—Grayscale Operating, LLC, a Delaware limited liability company and a wholly owned indirect subsidiary of Digital Currency Group, Inc.

"**GSOIH**"—GSO Intermediate Holdings Corporation, a Delaware corporation formed in connection with the Reorganization which is the sole managing member of GSO, and an indirect subsidiary of DCG.

"**ICE**"—Intercontinental Exchange

"**Incidental Rights**"—Rights to acquire, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of TAO and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust.

"**Investment Advisers Act**"—Investment Advisers Act of 1940, as amended.

"**Investment Company Act**"—Investment Company Act of 1940, as amended.

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

"**IR Virtual Currency**"—Any virtual currency tokens, or other asset or right, acquired by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right.

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

"**KYC**"—Know-your-customer.

"**Liquidity Provider**"—A service provider that facilitates the purchase of TAO in connection with the creation of Baskets.

"**Marketing Fee**"—Fee payable to the marketer for services it provides to the Trust, which the Sponsor will pay to the marketer as a Sponsor-paid Expense.

"**Merger**"—The merger of Grayscale Investments, LLC with and into Grayscale Operating, LLC, with Grayscale Operating, LLC continuing as the surviving company.

"**MiCA**"—The Markets in Crypto-Assets Regulation, which was approved by the Parliament of the European Union in 2023.

"**MSB**"—A money services business.

"**NAV**"—The aggregate value, expressed in U.S. dollars, of the Trust's assets (other than U.S. dollars, other fiat currency, Incidental Rights or IR Virtual Currency), less its liabilities (which include estimated accrued but unpaid fees and expenses), a non-GAAP metric, calculated in the manner set forth under "Business—Valuation of TAO and Determination of NAV." See also "Business—Investment Objective" for a description of the Trust's Principal Market NAV, as calculated in accordance with U.S. GAAP. For purposes of the Trust Agreement, the term TAO Holdings shall mean the NAV as defined herein.

"**NAV Fee Basis Amount**"—The amount on which the Sponsor's Fee for the Trust is based, as calculated in the manner set forth under "Business—Valuation of TAO and Determination of NAV". For purposes of the Trust Agreement, the term TAO Holdings Fee Basis Amount shall mean the NAV Fee Basis Amount as defined herein.

"**Non-ERISA Arrangements**"—Government plans, non-U.S. plans and certain church plans, which are not subject to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code, but may be subject to similar rules under Similar Laws.

"**NYSE Arca**"—NYSE Arca, Inc.

"**OTCQX**"—The OTCQX Best Market® of OTC Markets Group Inc.

"**Participant Agreement**"—An agreement entered into by an Authorized Participant with the Sponsor that provides the procedures for the creation of Baskets and for the delivery of TAO required for Creation Baskets.

"**Plans**"—Employee benefit plans and certain other plans and arrangements, including IRAs and annuities, Keogh plans, and certain collective investment funds or insurance company general or separate accounts in which such plans or arrangements are invested, that are subject to ERISA and/or the Section 4975 of the Code.

"**Pre-Creation Abandonment**"—The abandonment by the Trust, irrevocably for no direct or indirect consideration, all Incidental Rights and IR Virtual Currency to which the Trust would otherwise be entitled, effective immediately prior to a Creation Time for the Trust.

"**Pre-Creation Abandonment Notice**"—A notice delivered by the Sponsor to the Custodian, on behalf of the Trust, stating that the Trust is abandoning irrevocably for no direct or indirect consideration, effective immediately prior to each Creation Time, all Incidental Rights and IR Virtual Currency to which it would otherwise be entitled as of such time and with respect to which the Trust has not taken any Affirmative Action at or prior to such time.

"**Reference Rate**"—The Coin Metrics Real-Time for Bittensor.

"**Reference Rate License Agreement**"—The license agreement entered into by the Reference Rate Provider and the Sponsor governing the Sponsor's use of the Reference Rate for calculation of the Reference Rate Price.

"**Reference Rate Price**"—The U.S. dollar value of a TAO derived from the Digital Asset Trading Platforms that are reflected in the Reference Rate, calculated at 4:00 p.m., New York time, on each business day. See "Overview of Bittensor—TAO Value—The Reference Rate and the Reference Rate Price" for a description of how the Reference Rate Price is calculated.

"**Reference Rate Provider**"—Coin Metrics, Inc., a Delaware corporation that publishes the Reference Rate.

"**Reorganization**"—The internal corporate reorganization of Grayscale Investments, LLC consummated on January 1, 2025.

"**SEC**"—The U.S. Securities and Exchange Commission.

"**Secondary Market**"—Any marketplace or other alternative trading system, as determined by the Sponsor, on which the Shares may then be listed, quoted or traded, including but not limited to, the OTCQX tier of the OTC Markets Group Inc.

"**Securities Act**"—The Securities Act of 1933, as amended.

"**Shares**"—Common units of fractional undivided beneficial interest in, and ownership of, the Trust.

"**Share Percentage**"—A fraction the numerator of which is the number of Shares disposed of and the denominator of which is the total number of Shares held by such U.S. Holder immediately prior to such sale or other disposition.

"**Similar Laws**"— Rules under other federal, state, local, non-U.S. or other applicable law that are similar to ERISA or Section 4975 of the Code.

"**SIPC**"—The Securities Investor Protection Corporation.

"**Sponsor"** or "**Co-Sponsor**"—The sponsor of the Trust. Grayscale Investments, LLC was the sponsor of the Trust before January 1, 2025, Grayscale Operating, LLC was a co-sponsor of the Trust from January 1, 2025 to May 3, 2025, and Grayscale Investments Sponsors, LLC was a co-sponsor of the Trust from January 1, 2025 to May 3, 2025 and is the sole remaining sponsor thereafter.

"**Sponsor Contracts**"—Certain contracts assigned by GSO pertaining to its role as Sponsor (as such term is defined in the Trust Agreement) of the Trust to GSIS in connection with the Reorganization.

"**Sponsor-paid Expenses**"—The fees and expenses incurred by the Trust in the ordinary course of its affairs that the Sponsor is obligated to assume and pay, excluding taxes, but including: (i) the Marketing Fee, (ii) the Administrator Fee, (iii) the Custodian Fee and fees for any other security vendor engaged by the Trust, (iv) the Transfer Agent Fee, (v) the Trustee fee, (vi) 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, (vii) ordinary course legal fees and expenses, (viii) audit fees, (ix) regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act, (x) printing and mailing costs, (xi) costs of maintaining the Trust's website and (xii) applicable license fees.

"**Sponsor's Fee**"—A fee, payable in TAO, which accrues daily in U.S. dollars at an annual rate of 2.5% of the NAV Fee Basis Amount of the Trust as of 4:00 p.m., New York time, on each day, *provided* that for a day that is not a business day, the calculation of the Sponsor's Fee will be based on the NAV Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date.

"**Staking**"—Using TAO, or permitting TAO to be used, directly or indirectly, through an agent or otherwise, in a staking protocol, in exchange for the receipt of consideration, including, but not limited to, staking rewards paid in fiat currency or paid in kind.

"**Tertiary Pricing Option**"—The price set by the Trust's principal market.

"**Total Basket Amount**"—With respect to any creation order, the applicable Basket Amount multiplied by the number of Baskets being created.

"**Transfer Agency and Service Agreement**"—The agreement between the Sponsor and the Transfer Agent which sets forth the obligations and responsibilities of the Transfer Agent with respect to transfer agency services and related matters.

"**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 Trust, which the Sponsor will pay to the Transfer Agent as a Sponsor-paid Expense.

"**Treasury Regulations**"—The regulations, including proposed or temporary regulations, promulgated under the Code.

"**Trust**"—Grayscale Bittensor Trust (TAO), a Delaware statutory trust, formed on April 30, 2024 under the DSTA and pursuant to the Trust Agreement.

"**Trust Estate**"—Consists of (i) all the TAO in the Trust's accounts, including the Digital Asset Account, (ii) all Incidental Rights held by the Trust, (iii) all IR Virtual Currency in the Trust's accounts, (iv) all proceeds from the sale of TAO, Incidental Rights and IR Virtual Currency pending use of such cash for payment of Additional Trust Expenses or distribution to the Shareholders and (v) any rights of the Trust pursuant to any agreements, other than this Trust Agreement, to which the Trust is a party.

"**Trust Agreement**"—The Second Amended and Restated Declaration of Trust and Trust Agreement between the Trustee and the Sponsor establishing and governing the operations of the Trust, as amended from time to time.

"**Trustee**"—CSC Delaware Trust Company (formerly known as Delaware Trust Company), a Delaware trust company, is the Delaware trustee of the Trust.

"**UBTI**"—Unrelated business taxable income.

"**U.S.**"—United States.

"**U.S. dollar**," or "**$**"—United States dollar or dollars.

"**U.S. GAAP**"—United States generally accepted accounting principles.

INDEX TO FINANCIAL STATEMENTS

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENTS OF ASSETS AND LIABILITIES (UNAUDITED)
(Amounts in thousands, except Share and per Share amounts)

	June 30, 2025	December 31, 2024
Assets:		
Investment in TAO, at fair value (cost of $10,181 and $3,880 as of June 30, 2025 and December 31, 2024, respectively)	$ 9,701	$ 4,405
Total assets	$ 9,701	$ 4,405
Liabilities:		
Sponsor's Fee payable, related party	$ -	$ 9
Total liabilities	-	9
Net assets	$ 9,701	$ 4,396
Shares issued and outstanding, no par value (unlimited Shares authorized)	1,454,900	501,700
Principal Market NAV per Share	$ 6.67	$ 8.76

See accompanying notes to the unaudited financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
SCHEDULES OF INVESTMENT (UNAUDITED)
(Amounts in thousands, except quantity of TAO and percentages)

June 30, 2025

	Quantity of TAO	Cost	Fair Value	% of Net Assets
Investment in TAO	28,341.77476002	$ 10,181	$ 9,701	100%
Total Investment		$ 10,181	$ 9,701	100%
Net assets			$ 9,701	100%

December 31, 2024

	Quantity of TAO	Cost	Fair Value	% of Net Assets
Investment in TAO	9,915.88027129	$ 3,880	$ 4,405	100%
Total Investment		$ 3,880	$ 4,405	100%
Liabilities		$ (11)	$ (9)	0%
Net assets		$ 3,869	$ 4,396	100%

See accompanying notes to the unaudited financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands)

	Three Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	Six Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024
Investment income:				
Investment income	$ -	$ -	$ -	$ -
Expenses:				
Sponsor's Fee, related party	61	1	95	1
Net investment loss	(61)	(1)	(95)	(1)
Net realized and unrealized gain (loss) on investment from:				
Net realized loss on investment in TAO	-	-	(2)	-
Net change in unrealized depreciation on Sponsor's Fee payable	-	-	(2)	-
Net change in unrealized appreciation (depreciation) on investment in TAO	3,302	(117)	(1,005)	(117)
Net realized and unrealized gain (loss) on investment	3,302	(117)	(1,009)	(117)
Net increase (decrease) in net assets resulting from operations	$ 3,241	$ (118)	$ (1,104)	$ (118)

See accompanying notes to the unaudited financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENTS OF CHANGE IN NET ASSETS (UNAUDITED)
(Amounts in thousands, except change in Shares outstanding)

	Three Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	Six Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024
Increase (decrease) in net assets from operations:				
Net investment loss	$ (61)	$ (1)	$ (95)	$ (1)
Net realized loss on investment in TAO	-	-	(2)	-
Net change in unrealized depreciation on Sponsor's Fee payable	-	-	(2)	-
Net change in unrealized appreciation (depreciation) on investment in TAO	3,302	(117)	(1,005)	(117)
Net increase (decrease) in net assets resulting from operations	3,241	(118)	(1,104)	(118)
Increase in net assets from capital share transactions:				
Shares issued	1,456	840	6,409	840
Net increase in net assets resulting from capital share transactions	1,456	840	6,409	840
Total increase in net assets from operations and capital share transactions	4,697	722	5,305	722
Net assets:				
Beginning of period	5,004	-	4,396	-
End of period	$ 9,701	$ 722	$ 9,701	$ 722
Change in Shares outstanding:				
Shares outstanding at beginning of period	1,148,600	-	501,700	-
Shares issued	306,300	134,300	953,200	134,300
Net increase in Shares	306,300	134,300	953,200	134,300
Shares outstanding at end of period	1,454,900	134,300	1,454,900	134,300

See accompanying notes to the unaudited financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

1. Organization

Grayscale Bittensor Trust (TAO) (the "Trust") is a Delaware Statutory Trust that was formed on April 30, 2024 and commenced operations on June 10, 2024. In general, the Trust holds Bittensor tokens ("TAO") and, from time to time, issues common units of fractional undivided beneficial interest ("Shares") (in minimum baskets of 100 Shares, referred to as "Baskets") in exchange for TAO. The redemption of Shares is not currently contemplated and the Trust does not currently operate a redemption program. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. The Trust currently has no intention of seeking regulatory approval to operate an ongoing redemption program. The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of the TAO held by the Trust, less the Trust's expenses and other liabilities.

Grayscale Investments, LLC ("GSI"), the sponsor of the Trust before January 1, 2025, Grayscale Operating, LLC ("GSO"), the co-sponsor of the Trust from January 1, 2025 to May 3, 2025, and Grayscale Investments Sponsors, LLC ("GSIS"), the co-sponsor of the Trust from January 1, 2025 to May 3, 2025 and the sole remaining sponsor thereafter (each of GSI, GSO and GSIS, the "Sponsor", as the context may require, and GSO and GSIS, together, the "Co-Sponsors"), are each an indirect wholly owned subsidiary of Digital Currency Group, Inc. ("DCG"). The Sponsor is responsible for the day-to-day administration of the Trust pursuant to the provisions of the Trust Agreement. The Sponsor is responsible for preparing and providing annual and quarterly reports on behalf of the Trust to investors and is also responsible for selecting and monitoring the Trust's service providers. As partial consideration for the Sponsor's services, the Trust pays the Sponsor a Sponsor's Fee as discussed in Note 6. The Sponsor also acts as the sponsor and manager of other single-asset and diversified investment products, each of which is an affiliate of the Trust. Information related to the affiliated investment products can be found on the Sponsor's website at www.grayscale.com/resources/regulatory-filings. Any information contained on or linked from such website is not part of nor incorporated by reference into these unaudited financial statements. Several of the affiliated investment products are SEC reporting companies with their shares registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the following affiliated investment products are SEC reporting companies with their shares registered pursuant to Section 12(b) of the Exchange Act: Grayscale Bitcoin Trust ETF, Grayscale Ethereum Trust ETF, Grayscale Ethereum Mini Trust ETF, Grayscale Bitcoin Mini Trust ETF, and Grayscale CoinDesk Crypto 5 ETF.

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

During the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, the Sponsor acted as the Key Maintainer of the Trust (the "Key Maintainer"). In March 2025, the Sponsor engaged BitGo Trust Company, Inc., a third-party service provider (the "Custodian"), to serve as the custodian of the Trust's TAO. The Custodian is responsible for safeguarding the TAO held by the Trust and holding the private key(s) that provide access to the Trust's digital wallets and vaults. As of March 12, 2025 all TAO held by the Trust was transferred to a segregated custody account controlled and secured by the Custodian. As a result, the Sponsor no longer serves as Key Maintainer of the Trust. The Custodian is responsible for safeguarding the TAO, Incidental Rights, and IR Virtual Currency held by the Trust, and holding the private key(s) that provide access to the Trust's digital wallets and vaults.

The transfer agent for the Trust (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 Trust's Shares which are primarily held in book-entry form.

The Trust may also receive Incidental Rights and/or IR Virtual Currency as a result of the Trust's investment in TAO, in accordance with the terms of the Trust Agreement. Incidental Rights are rights to claim, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of TAO and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust; IR Virtual Currency is any virtual currency tokens, or other asset or right, received by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right.

2. Summary of Significant Accounting Policies

In the opinion of management of the Sponsor of the Trust, all adjustments (which include normal recurring adjustments) necessary to present fairly the financial position as of June 30, 2025 and December 31, 2024, and results of operations for the three and six months ended June 30, 2025 and for the period from June 10, 2024 (the commencement of the Trust's operation) to June 30, 2024, 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 December 31, 2024 included in our Annual Report.

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

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The Trust 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 Trust uses fair value as its method of accounting for TAO in accordance with its classification as an investment company for accounting purposes. The Trust 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 Trust conducts its transactions in TAO, including receiving TAO for the creation of Shares and delivering TAO for the redemption of Shares and for the payment of the Sponsor's Fee. At this time, the Trust is not accepting redemption requests from shareholders. Since its inception, the Trust has not held cash or cash equivalents. The Sponsor will determine the Trust's net asset value ("NAV") on each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable.

Principal Market and Fair Value Determination

To determine which market is the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's net asset value in accordance with U.S. GAAP ("Principal Market NAV"), the Trust follows ASC Topic 820-10, *Fair Value Measurement*, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for TAO in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that TAO 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 Trust only receives TAO 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 Trust 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 Trust's principal market, the Trust reviews these criteria in the following order:

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

Third, the Trust 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 Trust 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 Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust 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. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust 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 Trust 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 Trust's determination of its principal market.

The Trust performed an assessment of the principal market at June 30, 2025 and identified the principal market as Coinbase. The Trust performed an assessment of the principal market at December 31, 2024 and identified the principal market as Kraken.

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

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of TAO for Share creations and the delivery of TAO for Share redemptions or for payment of expenses in TAO. At this time, the Trust is not accepting redemption requests from shareholders. The Trust 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 Sponsor's Fee in TAO.

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 Trust. Unobservable inputs reflect the Trust'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 Trust 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 Trust.

	Amount at Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
June 30, 2025				
Assets				
Investment in TAO	$ 9,701	$ 9,701	$ -	$ -
December 31, 2024				
Assets				
Investment in TAO	$ 4,405	$ -	$ 4,405	$ -

The Trust values Level 2 assets using observable market inputs from quoted prices on a publicly available, well-established and reputable digital asset trading platform.

Segment Reporting

The Chief Executive Officer and Chief Financial Officer of the Sponsor act as the Trust's chief operating decision maker ("CODM"). The Trust represents a single operating segment, as the CODM monitors the operating results of the Trust as a whole and the Trust's passive investment objective is pre-determined in accordance with the terms of the Trust Agreement. The financial information in the form of the Trust's total returns, expense ratios and changes in net assets (i.e., changes in net assets resulting from operations and capital share transactions), which are used by the CODM to assess the segment's performance, are consistent with that presented within the Trust's financial statements. Segment assets are reflected on the accompanying Statements of Assets and Liabilities as Total assets and the only significant segment expense, the Sponsor's fee, related party, is included in the accompanying Statements of Operations.

3. Fair Value of TAO

As of June 30, 2025, TAO is held by the Custodian on behalf of the Trust and is carried at fair value. As of June 30, 2025 and December 31, 2024, the Trust held 28,341.77476002 and 9,895.14688074 TAO, respectively.

The Trust determined the fair value per TAO to be $342.29 on June 30, 2025, using the price provided at 4:00 p.m., New York time, by the Digital Asset Trading Platform Market considered to be the Trust's principal market (Coinbase). The Trust determined the fair value per TAO to be $444.19 on December 31, 2024, using the price provided at 4:00 p.m., New York time, by the Digital Asset Trading Platform Market considered to be the Trust's principal market (Kraken).

The following represents the changes in quantity of TAO and the respective fair value:

(Amounts in thousands, except TAO amounts)	Quantity	Fair Value
Balance at June 10, 2024 (the Commencement of the Trust's Operations)	-	$ -
TAO contributed	9,985.96611255	3,903
TAO distributed for Sponsor's Fee, related party	(70.08584126)	(41)
Net change in unrealized appreciation on investment in TAO	-	525
Net change in unrealized appreciation on Sponsor Fee payable	-	2
Net realized gain on investment in TAO	-	7
Balance at December 31, 2024	9,915.88027129	$ 4,396
TAO contributed	18,716.30790855	6,409
TAO distributed for Sponsor's Fee, related party	(290.41341982)	(95)
Net change in unrealized depreciation on investment in TAO	-	(1,005)
Net change in unrealized depreciation on Sponsor Fee payable	-	(2)
Net realized loss on investment in TAO	-	(2)
Balance at June 30, 2025	28,341.77476002	$ 9,701

4. Creations and Redemptions of Shares

At June 30, 2025 and December 31, 2024, there were an unlimited number of Shares authorized by the Trust. The Trust creates (and, should the Trust 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 TAO to the Trust or the distribution of TAO by the Trust. The amount of TAO required for each Creation Basket or redemption Basket is determined by dividing (x) the amount of TAO owned by the Trust at 4:00 p.m., New York time, on such trade date of a creation or redemption order, after deducting the amount of TAO representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust, by (y) the number of Shares outstanding at such time and multiplying the quotient obtained by 100. Each Share represented approximately 0.0195 and 0.0197 TAO at June 30, 2025 and December 31, 2024, respectively. The decrease in the amount of TAO represented by each Share is primarily a result of the periodic withdrawal of TAO to pay the Sponsor's Fee.

The cost basis of investments in TAO recorded by the Trust is the fair value of TAO, as determined by the Trust, at 4:00 p.m., New York time, on the date of transfer to the Trust by the Authorized Participant, or Liquidity Provider, based on the Creation Baskets. The cost basis recorded by the Trust 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 TAO.

At this time, the Trust is not operating a redemption program and is not accepting redemption requests. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. The Trust currently has no intention of seeking regulatory approval to operate an ongoing redemption program.

5. Income Taxes

The Sponsor takes the position that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. Assuming that the Trust is a grantor trust, the Trust will not be subject to U.S. federal income tax. Rather, if the Trust is a grantor trust, each beneficial owner of Shares will be treated as directly owning its pro rata Share of the Trust's assets and a pro rata portion of the Trust's income, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the Trust were not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. However, due to the uncertain treatment of digital assets, including forks, airdrops and similar occurrences for U.S. federal income tax purposes, there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, the tax consequences of owning Shares generally would not be materially different from the tax consequences described herein, although there might be certain differences, including with respect to timing. In addition, tax information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable dividends to the extent of the Trust's current and accumulated earnings and profits.

In accordance with U.S. GAAP, the Trust 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 deemed to meet the "more-likely-than-not" threshold are recorded as a tax benefit in the current period. As of, and during the periods ended June 30, 2025 and December 31, 2024, the Trust did not have a liability for any unrecognized tax amounts. However, the Sponsor'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 Sponsor of the Trust 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 June 30, 2025 or December 31, 2024.

6. Related Parties

The Trust considered the following entities, their directors, and certain employees to be related parties of the Trust as of June 30, 2025: DCG, GSO, GSIS, and Grayscale Securities. As of June 30, 2025 and December 31, 2024, 253,719 and 194,019 Shares of the Trust were held by related parties of the Trust, respectively.

In accordance with the Trust Agreement governing the Trust, the Trust pays a fee to the Sponsor, calculated as 2.5% of the aggregate value of the Trust's assets, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Sponsor or its delegates in the manner set forth in the Trust Agreement (the "Sponsor's Fee"). The Sponsor's Fee accrues daily in U.S. dollars and is payable in TAO, monthly in arrears. The amount of TAO payable in respect of each daily U.S. dollar accrual will be determined by reference to the same U.S. dollar value of TAO used to determine such accrual. For purposes of these financial statements, the U.S. dollar value of TAO is determined by reference to the Digital Asset Trading Platform Market that the Trust considers its principal market as of 4:00 p.m., New York time, on each valuation date. The Trust held no Incidental Rights or IR Virtual Currency as of June 30, 2025 and December 31, 2024. No Incidental Rights or IR Virtual Currencies have been distributed in payment of the Sponsor's Fee during the three and six months ended June 30, 2025 and the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024.

As partial consideration for receipt of the Sponsor's Fee, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including marketing fees; administrator fees, 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; printing and mailing costs; the costs of maintaining the Trust's website and applicable license fees (together, the "Sponsor-paid Expenses"), provided that any expense that qualifies as an Additional Trust Expense will be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense.

The Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights or any IR Virtual Currency), any indemnification of the Custodian or other agents, service providers or counterparties of the Trust, 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 Trust Expenses"). In such circumstances, the Sponsor or its delegate (i) will instruct the Custodian to withdraw from the Digital Asset Account TAO, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust (or its delegate) to convert such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such TAO, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor , in each case in such quantity as may be necessary to permit payment of such Additional Trust Expenses.

For the three months ended June 30, 2025 and the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024, the Trust incurred Sponsor's Fees of $61,234 and $646, respectively. For the six months ended June 30, 2025 and the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024, the Trust incurred Sponsor's Fees of $94,474 and $646, respectively. As of June 30, 2025 and December 31, 2024, there were no accrued and unpaid Sponsor's Fees. In addition, the Sponsor may pay Additional Trust Expenses on behalf of the Trust, which are reimbursable by the Trust to the Sponsor. For the three and six months ended June 30, 2025 and the period from June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024, the Sponsor did not pay any Additional Trust Expenses on behalf of the Trust.

7. Risks and Uncertainties

The Trust is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, TAO. Investing in TAO is currently highly speculative and volatile.

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

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

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

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

If TAO 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 TAO. For example, it may become more difficult for TAO 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 TAO and cause users to migrate to other digital assets. As such, any determination that TAO is a security under federal or state securities laws may adversely affect the value of TAO and, as a result, an investment in the Shares.

In addition, if TAO is in fact a security, the Trust could be considered an unregistered "investment company" under the Investment Company Act of 1940, which could necessitate the Trust's liquidation. In this case, the Trust and the Sponsor may be deemed to have participated in an illegal offering of investment company securities and there is no guarantee that the Sponsor will be able to register the Trust under the Investment Company Act of 1940 at such time or take such other actions as may be necessary to ensure the Trust's activities comply with applicable law, which could force the Sponsor to liquidate the Trust.

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

The Trust relies on third-party service providers to perform certain functions essential to its operations. Any disruptions to the Trust'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 Trust's ability to access critical services and be disruptive to the operations of the Trust.

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

The Sponsor has not established formal procedures to resolve all potential conflicts of interest. In particular, DCG holds a significant position in TAO and has been vocal in the past about its support for the Bittensor Network. However, DCG could prioritize its own interests over those of the Trust, possibly influencing token-related decisions to benefit its own holdings, including buying or selling TAO, which could cause price volatility, adversely affecting the value of the Shares. Such potential conflicts of interest may result in misalignment between the interests of the Sponsor's parent company, on the one hand, and those of the shareholders, on the other. DCG has investments in a large number of digital assets and companies involved in the digital asset ecosystem, including TAO. Additionally, DCG may engage in activities with respect to digital asset ecosystems, including the Bittensor Network, such as staking, running validator nodes, investing in ecosystem participants or voting on governance proposals. DCG's activities with respect to a digital asset ecosystem and positions on changes that should be adopted in various Digital Asset Networks, including the Bittensor Network, could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork on the Bittensor Network, DCG's position regarding which fork among a group of incompatible forks of such network should be considered the "true" network could be adverse to positions that would most benefit the Trust.

8. Financial Highlights Per Share Performance

	Three Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024	Six Months Ended June 30, 2025	June 10, 2024 (the commencement of the Trust's operations) to June 30, 2024
Per Share Data:				
Principal Market NAV, beginning of period	$ 4.36	$ 6.93	$ 8.76	$ 6.93
Net increase (decrease) in net assets from investment operations:				
Net investment loss	(0.04)	(0.01)	(0.09)	(0.01)
Net realized and unrealized gain (loss)	2.35	(1.55)	(2.00)	(1.55)
Net increase (decrease) in net assets resulting from operations	2.31	(1.56)	(2.09)	(1.56)
Principal Market NAV, end of period	$ 6.67	$ 5.37	$ 6.67	$ 5.37
Total return	52.98%	-22.51%	-23.86%	-22.51%
Ratios to average net assets:				
Net investment loss	-2.50%	-2.50%	-2.50%	-2.50%
Expenses	-2.50%	-2.50%	-2.50%	-2.50%

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

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

9. Indemnifications

In the normal course of business, the Trust enters into certain contracts that provide a variety of indemnities, including contracts with the Sponsor and affiliates of the Sponsor, DCG and its officers, directors, employees, subsidiaries and affiliates, and the Custodian as well as others relating to services provided to the Trust. The Trust'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 Sponsor does not consider it necessary to record a liability in this regard.

10. Subsequent Events

As of the close of business on October 8, 2025, the fair value of TAO determined in accordance with the Trust's accounting policy was $338.56 per TAO.

Subsequent events have been evaluated through October 10, 2025, the date the financial statements were available to be issued.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Sponsor of
Grayscale Bittensor Trust (TAO):

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Grayscale Bittensor Trust (TAO) (the Trust), including the schedule of investment, as of December 31, 2024, the related statements of operations and changes in net assets for the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2024, and the results of its operations and changes in its net assets for the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Trust's auditor since 2025.

New York, New York
June 26, 2025

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENT OF ASSETS AND LIABILITIES
(Amounts in thousands, except Share and per Share amounts)

	December 31, 2024[1]
Assets:	
Investment in TAO, at fair value (cost $3,880 as of December 31, 2024)	$ 4,405
Total assets	$ 4,405
Liabilities:	
Sponsor's Fee payable, related party	$ 9
Total liabilities	9
Net assets	$ 4,396
Shares issued and outstanding, no par value (unlimited Shares authorized)	501,700
Principal market net asset value per Share	$ 8.76

(1) No comparative financial statements have been provided as the Trust's operations commenced on June 10, 2024.

See accompanying notes to financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
SCHEDULE OF INVESTMENT
(Amounts in thousands, except quantity of TAO and percentages)

December 31, 2024[1]

	Quantity of TAO	Cost	Fair Value	% of Net Assets
Investment in TAO	9,915.88027129	$ 3,880	$ 4,405	100%
Total Investment		$ 3,880	$ 4,405	100%
Liabilities		$ (11)	$ (9)	0%
Net assets		$ 3,869	$ 4,396	100%

(1) No comparative financial statements have been provided as the Trust's operations commenced on June 10, 2024.

See accompanying notes to financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENT OF OPERATIONS
(Amounts in thousands)

	June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024[1]
Investment income:	
Investment income	$ -
Expenses:	
Sponsor's Fee, related party	41
Net investment loss	(41)
Net realized and unrealized gain on investment from:	
Net realized gain on investment in TAO	7
Net change in unrealized depreciation on Sponsor's Fee payable	2
Net change in unrealized appreciation on investment in TAO	525
Net realized and unrealized gain on investment	534
Net increase in net assets resulting from operations	$ 493

(1) No comparative financial statements have been provided as the Trust's operations commenced on June 10, 2024.

See accompanying notes to financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
STATEMENT OF CHANGES IN NET ASSETS
(Amounts in thousands, except change in Shares outstanding)

	June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024[1]
Increase in net assets from operations:	
Net investment loss	$ (41)
Net realized gain on investment in TAO	7
Net change in unrealized depreciation on Sponsor's Fee payable	2
Net change in unrealized appreciation on investment in TAO	525
Net increase in net assets resulting from operations	493
Increase in net assets from capital share transactions:	
Shares issued	3,903
Net increase in net assets resulting from capital share transactions	3,903
Total increase in net assets from operations and capital share transactions	4,396
Net assets:	
Beginning of period	-
End of period	$ 4,396
Change in Shares outstanding:	
Shares outstanding at beginning of period	-
Shares issued	501,700
Net increase in Shares	501,700
Shares outstanding at end of period	501,700

(1) No comparative financial statements have been provided as the Trust's operations commenced on June 10, 2024.

See accompanying notes to financial statements.

GRAYSCALE BITTENSOR TRUST (TAO)
NOTES TO THE FINANCIAL STATEMENTS

1. Organization

Grayscale Bittensor Trust (TAO) (the "Trust") is a Delaware Statutory Trust that was formed on April 30, 2024 and commenced operations on June 10, 2024. In general, the Trust holds Bittensor tokens ("TAO") and, from time to time, issues common units of fractional undivided beneficial interest ("Shares") (in minimum baskets of 100 Shares, referred to as "Baskets") in exchange for TAO. The redemption of Shares is not currently contemplated and the Trust does not currently operate a redemption program. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. The Trust currently has no intention of seeking regulatory approval to operate an ongoing redemption program. The Trust's investment objective is for the value of the Shares (based on TAO per Share) to reflect the value of TAO held by the Trust, less the Trust's expenses and other liabilities.

As of December 31, 2024, Grayscale Investments, LLC ("Grayscale" or the "Sponsor") acted as the Sponsor of the Trust and was a wholly owned subsidiary of Digital Currency Group, Inc. ("DCG"). The Sponsor is responsible for the day-to-day administration of the Trust pursuant to the provisions of the Trust Agreement. Grayscale is responsible for preparing and providing annual and quarterly reports on behalf of the Trust to investors and is also responsible for selecting and monitoring the Trust's service providers. As partial consideration for the Sponsor's services, the Trust pays Grayscale a Sponsor's Fee as discussed in Note 6. The Sponsor 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) (OTCQX: GBAT), Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale Bitcoin Cash Trust (BCH) (OTCQX: BCHG), Grayscale Bitcoin Mini Trust ETF (NYSE Arca: BTC), Grayscale Chainlink Trust (LINK) (OTCQX: GLNK), Grayscale Decentraland Trust (MANA) (OTCQX: MANA), Grayscale Dogecoin Trust (DOGE), Grayscale Ethereum Trust ETF (NYSE Arca: ETHE), Grayscale Ethereum Classic Trust (ETC) (OTCQX: ETCG), Grayscale Ethereum Mini Trust ETF (NYSE Arca: ETH), Grayscale Filecoin Trust (FIL) (OTC Markets: FILG), Grayscale Horizen Trust (ZEN) (OTCQX: HZEN), Grayscale Lido DAO Trust (LDO), Grayscale Litecoin Trust (LTC) (OTCQX: LTCN), Grayscale Livepeer Trust (LPT) (OTCQX: GLIV), Grayscale MakerDao Trust (MKR), Grayscale NEAR Trust (NEAR), Grayscale Optimism Trust (OP), Grayscale Pyth Trust (PYTH), 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), Grayscale Digital Large Cap Fund LLC (OTCQX: GDLC), and Grayscale Smart Contract Fund LLC, each of which is an affiliate of the Trust. The following investment products sponsored or managed by the Sponsor are SEC reporting companies with their shares registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): Grayscale Bitcoin Cash Trust (BCH), Grayscale Ethereum Classic Trust (ETC), Grayscale Horizen Trust (ZEN), Grayscale Litecoin Trust (LTC), Grayscale Stellar Lumens Trust (XLM), Grayscale Zcash Trust (ZEC), and Grayscale Digital Large Cap Fund LLC. The following investment products sponsored by the Sponsor are SEC reporting companies with their shares registered pursuant to Section 12(b) of the Exchange Act: Grayscale Bitcoin Trust ETF, Grayscale Ethereum Trust ETF, Grayscale Ethereum Mini Trust ETF, and Grayscale Bitcoin Mini Trust ETF.

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

During the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, the Sponsor acted as the Key Maintainer of the Trust (the "Key Maintainer"). The Key Maintainer is responsible for safeguarding the TAO, Incidental Rights, and IR Virtual Currency held by the Trust, and holding the private key(s) that provide access to the Trust's digital wallets and vaults.

The transfer agent for the Trust (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 Trust's Shares which are primarily held in book-entry form.

The Trust may also receive Incidental Rights and/or IR Virtual Currency as a result of the Trust's investment in TAO, in accordance with the terms of the Trust Agreement.

Incidental Rights are rights to claim, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust's ownership of TAO and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust; IR Virtual Currency is any virtual currency tokens, or other asset or right, received by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right.

2. Summary of Significant Accounting Policies

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

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). The Trust 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 Trust uses fair value as its method of accounting for TAO in accordance with its classification as an investment company for accounting purposes. The Trust 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 Trust conducts its transactions in TAO, including receiving TAO for the creation of Shares and delivering TAO for the redemption of Shares and for the payment of the Sponsor's Fee. At this time, the Trust is not accepting redemption requests from shareholders. Since its inception, the Trust has not held cash or cash equivalents. The Sponsor will determine the Trust's net asset value on each business day as of 4:00 p.m., New York time, or as soon thereafter as practicable.

Principal Market and Fair Value Determination

To determine which market is the Trust's principal market (or in the absence of a principal market, the most advantageous market) for purposes of calculating the Trust's net asset value in accordance with U.S. GAAP ("Principal Market NAV"), the Trust follows ASC Topic 820-10, Fair Value Measurement, which outlines the application of fair value accounting. ASC 820-10 determines fair value to be the price that would be received for TAO in a current sale, which assumes an orderly transaction between market participants on the measurement date. ASC 820-10 requires the Trust to assume that TAO 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 Trust only receives TAO in connection with a creation order from the Authorized Participant (or Liquidity Provider) and does not itself transact on any Digital Asset Markets. Therefore, the Trust 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 Annual 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 Trust's principal market, the Trust reviews these criteria in the following order:

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

Third, the Trust 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 Trust 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 Trust, Trading Platform Markets have the greatest volume and level of activity for the asset. The Trust 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. As a result of the aforementioned analysis, a Trading Platform Market has been selected as the Trust's principal market.

The Trust 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 Trust 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 Trust's determination of its principal market.

The Trust performed an assessment of the principal market at December 31, 2024 and identified the principal market as Kraken.

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

Investment Transactions and Revenue Recognition

The Trust considers investment transactions to be the receipt of TAO for Share creations and the delivery of TAO for Share redemptions or for payment of expenses in TAO. At this time, the Trust is not accepting redemption requests from shareholders. The Trust 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 Sponsor's Fee in TAO.

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 Trust. Unobservable inputs reflect the Trust'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 Trust 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 Trust.

		Fair Value Measurement Using		
	Amount at Fair Value	Level 1	Level 2	Level 3
December 31, 2024				
Assets				
Investment in TAO	$ 4,405	$ -	$ 4,405	$ -

The Trust values Level 2 assets using observable market inputs from quoted prices on a publicly available, well-established and reputable digital asset trading platform.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") 2023-08, Intangibles—Goodwill and Other—Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets ("ASU 2023-08"). ASU 2023-08 is intended to improve the accounting for certain crypto assets by requiring an entity to measure those crypto assets at fair value each reporting period with changes in fair value recognized in net income. The amendments also improve the information provided to investors about an entity's crypto asset holdings by requiring disclosure about significant holdings, contractual sale restrictions, and changes during the reporting period. ASU 2023-08 is effective for annual and interim reporting periods beginning after December 15, 2024. Early adoption is permitted for both interim and annual financial statements that have not yet been issued. The Trust adopted this new guidance on January 1, 2025, with no material impact on its financial statements and disclosures as the Trust historically used fair value as its method of accounting for TAO in accordance with its classification as an investment company for accounting purposes.

In this reporting period, the Trust adopted FASB Accounting Standards Update 2023-07, Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures ("ASU 2023-07"). Adoption of the new standard impacted financial statement disclosures only and did not affect the Trust's financial position or the results of its operations. Operating segments are defined as components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and to assess performance. The Chief Executive Officer and Chief Financial Officer of the Sponsor act as the Trust's CODM. The Trust represents a single operating segment, as the CODM monitors the operating results of the Trust as a whole and the Trust's passive investment objective is pre-determined in accordance with the terms of the Trust Agreement. The financial information in the form of the Trust's total returns, expense ratios and changes in net assets (i.e., changes in net assets resulting from operations and capital share transactions), which are used by the CODM to assess the segment's performance, are consistent with that presented within the Trust's financial statements. Segment assets are reflected on the accompanying Statement of Assets and Liabilities as Total assets and the only significant segment expense, the Sponsor's fee, related party, is included in the accompanying Statement of Operations.

3. Fair Value of TAO

As of December 31, 2024, TAO was held by the Key Maintainer on behalf of the Trust and is carried at fair value. As of December 31, 2024, the Trust held 9,915.88027129 TAO.

The Trust determined the fair value per TAO to be $444.19 on December 31, 2024, using the price provided at 4:00 p.m., New York time, by the Digital Asset Trading Platform Market considered to be the Trust's principal market (Kraken).

The following represents the changes in quantity of TAO and the respective fair value:

(Amounts in thousands, except TAO amounts)	Quantity	Fair Value
Balance at June 10, 2024 (the Commencement of the Trust's Operations)	-	$ -
TAO contributed	9,985.96611255	3,903
TAO distributed for Sponsor's Fee, related party	(70.08584126)	(30)
Net change in unrealized appreciation on investment in TAO	-	525
Net realized gain on investment in TAO	-	7
Balance at December 31, 2024	9,915.88027129	$ 4,405

4. Creations and Redemptions of Shares

At December 31, 2024, there were an unlimited number of Shares authorized by the Trust. The Trust creates (and, should the Trust 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 TAO to the Trust or the distribution of TAO by the Trust. The amount of TAO required for each creation Basket or redemption Basket is determined by dividing (x) the amount of TAO owned by the Trust at 4:00 p.m., New York time, on such trade date of a creation or redemption order, after deducting the amount of TAO representing the U.S. dollar value of accrued but unpaid fees and expenses of the Trust, by (y) the number of Shares outstanding at such time and multiplying the quotient obtained by 100. Each Share represented approximately 0.0197 TAO at December 31, 2024.

The cost basis of investments in TAO recorded by the Trust is the fair value of TAO, as determined by the Trust, at 4:00 p.m., New York time, on the date of transfer to the Trust by the Authorized Participant, or Liquidity Provider, based on the creation Baskets. The cost basis recorded by the Trust 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 TAO.

At this time, the Trust is not operating a redemption program and is not accepting redemption requests. Subject to receipt of regulatory approval and approval by the Sponsor in its sole discretion, the Trust may in the future operate a redemption program. The Trust currently has no intention of seeking regulatory approval to operate an ongoing redemption program.

5. Income Taxes

The Sponsor takes the position that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. Assuming that the Trust is a grantor trust, the Trust will not be subject to U.S. federal income tax. Rather, if the Trust is a grantor trust, each beneficial owner of Shares will be treated as directly owning its pro rata Share of the Trust's assets and a pro rata portion of the Trust's income, gains, losses and deductions will "flow through" to each beneficial owner of Shares.

If the Trust were not properly classified as a grantor trust, the Trust might be classified as a partnership for U.S. federal income tax purposes. However, due to the uncertain treatment of digital assets, including forks, airdrops and similar occurrences for U.S. federal income tax purposes, there can be no assurance in this regard. If the Trust were classified as a partnership for U.S. federal income tax purposes, the tax consequences of owning Shares generally would not be materially different from the tax consequences described herein, although there might be certain differences, including with respect to timing. In addition, tax information reports provided to beneficial owners of Shares would be made in a different form. If the Trust were not classified as either a grantor trust or a partnership for U.S. federal income tax purposes, it would be classified as a corporation for such purposes. In that event, the Trust would be subject to entity-level U.S. federal income tax (currently at the rate of 21%) on its net taxable income and certain distributions made by the Trust to shareholders would be treated as taxable dividends to the extent of the Trust's current and accumulated earnings and profits.

In accordance with U.S. GAAP, the Trust 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 period from June 10, 2024 (the

commencement of the Trust's operations) to December 31, 2024, the Trust did not have a liability for any unrecognized tax amounts. However, the Sponsor'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 Sponsor of the Trust 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 December 31, 2024.

6. Related Parties

The Trust considered the following entities, their directors, and certain employees to be related parties of the Trust as of December 31, 2024: DCG, Grayscale, and Grayscale Securities. As of December 31, 2024, 194,019 Shares of the Trust were held by related parties of the Trust.

In accordance with the Trust Agreement governing the Trust, the Trust pays a fee to the Sponsor, calculated as 2.5% of the aggregate value of the Trust's assets, less its liabilities (which include any accrued but unpaid expenses up to, but excluding, the date of calculation), as calculated and published by the Sponsor or its delegates in the manner set forth in the Trust Agreement (the "Sponsor's Fee"). The Sponsor's Fee accrues daily in U.S. dollars and is payable in TAO, monthly in arrears. The amount of TAO payable in respect of each daily U.S. dollar accrual will be determined by reference to the same U.S. dollar value of TAO used to determine such accrual. For purposes of these financial statements, the U.S. dollar value of TAO is determined by reference to the Digital Asset Trading Platform Market that the Trust considers its principal market as of 4:00 p.m., New York time, on each valuation date. The Trust held no Incidental Rights or IR Virtual Currency as of December 31, 2024. No Incidental Rights or IR Virtual Currencies have been distributed in payment of the Sponsor's Fee during the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024.

As partial consideration for receipt of the Sponsor's Fee, the Sponsor is obligated under the Trust Agreement to assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including marketing fees; administrator fees, 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; printing and mailing costs; the costs of maintaining the Trust's website and applicable license fees (together, the "Sponsor-paid Expenses"), provided that any expense that qualifies as an Additional Trust Expense will be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense.

The Trust may incur certain extraordinary, non-recurring expenses that are not Sponsor-paid Expenses, including, but not limited to, taxes and governmental charges, expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of shareholders (including in connection with any Incidental Rights and any IR Virtual Currency), any indemnification of the Key Maintainer or other agents, service providers or counterparties of the Trust, 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 Trust Expenses"). In such circumstances, the Sponsor or its delegate (i) will instruct the Key Maintainer to withdraw from the Digital Asset Account TAO, Incidental Rights and/or IR Virtual Currency in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (ii) may either (x) cause the Trust (or its delegate) to convert such TAO, Incidental Rights and/or IR Virtual Currency into U.S. dollars or other fiat currencies at the Actual Exchange Rate or (y) when the Sponsor incurs such expenses on behalf of the Trust, cause the Trust (or its delegate) to deliver such TAO, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor, in each case in such quantity as may be necessary to permit payment of such Additional Trust Expenses.

For the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, the Trust incurred Sponsor's Fees of $41,744. As of December 31, 2024, accrued and unpaid Sponsor's Fees totaled $9,209. In addition, the Sponsor may pay Additional Trust Expenses on behalf of the Trust, which are reimbursable by the

Trust to the Sponsor. For the period from June 10, 2024 (the commencement of the Trust's operations) to December 31, 2024, the Sponsor did not pay any Additional Trust Expenses on behalf of the Trust.

7. Risks and Uncertainties

The Trust is subject to various risks including market risk, liquidity risk, and other risks related to its concentration in a single asset, TAO. Investing in TAO is currently highly speculative and volatile.

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

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

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

The Securities and Exchange Commission (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. 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 and has not formally or explicitly confirmed that it does not deem Ether to be a security.

If TAO 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 TAO. For example, it may become more difficult for TAO 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 TAO and cause users to migrate to other digital assets. As such, any determination that TAO is a security under federal or state securities laws may adversely affect the value of TAO and, as a result, an investment in the Shares.

In addition, if TAO is in fact a security, the Trust could be considered an unregistered "investment company" under the Investment Company Act of 1940, which could necessitate the Trust's liquidation. In this case, the Trust and the Sponsor may be deemed to have participated in an illegal offering of investment company securities and there is no guarantee that the Sponsor will be able to register the Trust under the Investment Company Act of 1940 at such time or take such other actions as may be necessary to ensure the Trust's activities comply with applicable law, which could force the Sponsor to liquidate the Trust.

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

The Trust relies on third-party service providers to perform certain functions essential to its operations. Any disruptions to the Trust'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 Trust's ability to access critical services and be disruptive to the operations of the Trust.

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

The Sponsor has not established formal procedures to resolve all potential conflicts of interest. In particular, DCG holds a significant position in TAO and has been vocal in the past about its support for the Bittensor Network. However, DCG could prioritize its own interests over those of the Trust, possibly influencing token-related decisions to benefit its own holdings, including buying or selling TAO, which could cause price volatility, adversely affecting the value of the Shares. Such potential conflicts of interest may result in misalignment between the interests of the Sponsor's parent company, on the one hand, and those of the shareholders, on the other.

DCG has investments in a large number of digital assets and companies involved in the digital asset ecosystem, including TAO. Additionally, DCG may engage in activities with respect to digital asset ecosystems, including the Bittensor Network, such as staking, running validator nodes, investing in ecosystem participants or voting on governance proposals. DCG's activities with respect to a digital asset ecosystem and positions on changes that should be adopted in various Digital Asset Networks, including the Bittensor Network, could be adverse to positions that would benefit the Trust or its shareholders. Additionally, before or after a hard fork on the Bittensor Network, DCG's position regarding which fork among a group of incompatible forks of such network should be considered the "true" network could be adverse to positions that would most benefit the Trust.

8. Financial Highlights Per Share Performance

		June 10, 2024 (the Commencement of the Trust's Operations) to December 31, 2024
Per Share Data:		
Principal market net asset value, initial creation	$	6.93
Net increase in net assets from investment operations:		
Net investment loss		(0.13)
Net realized and unrealized gain		1.96
Net increase in net assets resulting from operations		1.83
Principal market net asset value, end of period	$	8.76
Total return		26.41%
Ratios to average net assets:		
Net investment loss		-2.50%
Expenses		-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 Trust 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 and has not been annualized.

9. Indemnifications

In the normal course of business, the Trust enters into certain contracts that provide a variety of indemnities, including contracts with the Sponsor and affiliates of the Sponsor, DCG and its officers, directors, employees, subsidiaries and affiliates, and the Key Maintainer, as well as others relating to services provided to the Trust. The Trust'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 Sponsor does not consider it necessary to record a liability in this regard.

10. Subsequent Events

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

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

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

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

In March 2025, the Sponsor engaged BitGo Trust Company, Inc., a third-party service provider (the "Custodian"), to serve as the custodian of the Trust's TAO. The Custodian is responsible for safeguarding the TAO held by the Trust and holding the private key(s) that provide access to the Trust's digital wallets and vaults. As of March 12, 2025 all TAO held by the Trust was transferred to a segregated custody account controlled and secured by the Custodian. As a result, the Sponsor no longer serves as Key Maintainer of the Trust.

As of the close of business on June 23, 2025, the fair value of TAO determined in accordance with the Trust's accounting policy was $326.72 per TAO.

Subsequent events have been evaluated through June 26, 2025, the date the financial statements were available to be issued.