

# Digital Large Cap Fund™

Large cap digital asset exposure through a traditional investment vehicle

Managed by **Grayscale**®

Managed by Grayscale Investments, LLC (“Grayscale”), Digital Large Cap Fund (the “Fund”) is a private, open-ended investment vehicle<sup>1</sup> that provides exposure to the top liquid digital assets through a market cap-weighted portfolio. Grayscale has assets under management of \$2.13 billion.<sup>2</sup>

Through a rules-based portfolio construction process, the Fund targets 70% coverage of the digital asset market. The Fund will be rebalanced on a quarterly basis.

## ADVANTAGES OF OWNING DIGITAL LARGE CAP FUND

Diversified Large Cap Exposure	✓
Built-in Security and Storage	✓
Experienced Asset Manager	✓
Titled Security	✓
IRA-Eligible	✓

## DIGITAL LARGE CAP FUND COMPOSITION AS OF FEBRUARY 28, 2018

ASSET		WEIGHT
Bitcoin (BTC)		54.0%
Ethereum (ETH)		25.5%
Ripple (XRP)		10.7%
Bitcoin Cash (BCH)		6.3%
Litecoin (LTC)		3.5%

## DIGITAL LARGE CAP FUND RETURNS AS OF FEBRUARY 28, 2018

	DIGITAL LARGE CAP FUND <sup>3</sup>
Trailing 1 Month	1.80%
Since Inception (2/1/2018)	1.80%

1. Grayscale Digital Large Cap Fund LLC (the “Fund”) issues shares on an ongoing basis. The Fund does not currently operate a redemption program and may halt creations from time to time. There can be no assurance that the value of the shares will approximate the value of the digital assets held by the Fund and the shares may trade at a substantial premium over or discount to the value of the Fund’s digital assets should they trade on any secondary market. The Fund may, but will not be required to, seek regulatory approval to operate a redemption program. The information herein is only provided with respect to shares purchased directly from the Trust, and prospective investors are not to construe the contents of this document as a recommendation to purchase the shares of the Trust on any secondary market, including, without limitation, the OTCQX. Shares purchased from the Trust are restricted shares and subject to significant limitation on resale.

2. AUM shown as of February 28, 2018 for all Grayscale investment products.

3. Restricted Shares - Qualified accredited investors are eligible to directly invest in the Fund and purchase shares at the daily Digital Asset Holdings per Share. Shares purchased from the Fund are held primarily in book entry form. The Fund uses reference rates for each digital asset held by the Fund provided by TradeBlock, Inc. (the “Digital Asset Reference Rates”) as of 4 p.m., New York time, to calculate its Digital Asset Holdings, which is the aggregate U.S. Dollar value the Fund’s assets, as calculated in the manner set forth in the Fund’s Confidential Private Placement Memorandum, less the U.S. Dollar value of its expenses and other liabilities. Digital Asset Holdings per Share is calculated by dividing the Digital Asset Holdings by the number of Shares currently outstanding. Shares are restricted and subject to significant limitations on resale and transferability with an investment minimum of \$50,000. Fund performance information contained herein reflects the Fund’s ongoing private placement of restricted shares. Past performance is no guarantee of future results. Performance is shown through February 28, 2018.

## INVESTMENT TERMS

Investment Objective	Shares are intended to reflect the value of the Fund's market cap-weighted portfolio of large cap digital assets, less fees and expenses <sup>1</sup>
Fund Weighting	Market cap-weighted
Rebalance Frequency	Quarterly, beginning on the first business day of January, April, July, and October of each year
Benchmark Composite	Composite benchmark based on a weighted-average of the Digital Asset Reference Rates provided by TradeBlock, Inc. for each digital asset held by the Fund
Investor Qualifications	Accredited Investors <sup>2</sup>
Minimum Investment Requirement	\$50,000
Manager's Fee	3% Annually
Extraordinary Expenses	The Fund may from time to time incur certain extraordinary expenses, which are payable by the Fund
Performance Fee	0%
Assets Under Management	\$7.33 Million <sup>3</sup>
Subscriptions	Daily
Digital Asset Holdings per Share (\$)	Calculated and published on business days at 4:00pm New York time
Secondary Market Trading	Following a one-year holding period, shares are eligible to become unrestricted and resold in the secondary market, if any develops <sup>4</sup>
Redemptions	Redemptions of shares are not currently authorized
IRA Eligibility & Other Self-Directed Accounts	Subscriptions can be made with IRA assets through PENSCO Trust, Millennium Trust, The Entrust Group and others
Shares Outstanding	720,300 shares <sup>5</sup>
Fund Registration	Cayman LLC
CUSIP	G40705108

## SERVICE PROVIDERS

Manager	Grayscale Investments, LLC
Reference Rate Provider	TradeBlock, Inc.
Auditor	Friedman LLP
Legal Counsel to Sponsor	Davis Polk & Wardwell LLP
Key Maintainer	Ledger SAS
Cayman Counsel	Maples and Calder
Transfer Agent	Continental Stock Transfer & Trust
Distribution and Marketing Agent	Genesis Global Trading, Inc.
Authorized Participant	Genesis Global Trading, Inc.

For more information, please contact [trusts@genesistrading.com](mailto:trusts@genesistrading.com) or (212) 668-5921.

1. Grayscale Digital Large Cap Fund LLC does not currently operate a redemption program and may halt creations from time to time. There can be no assurance that the value of the shares will approximate the value of the digital assets held by the Fund and the shares may trade at a substantial premium over or discount to the value of the Fund's digital assets. The Fund may, but will not be required to, seek regulatory approval to operate a redemption program.

2. As defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"). For natural persons, annual income in excess of \$200,000 for the last two years (or \$300,000 together with spouse) or net worth in excess of \$1 million, excluding the value of primary residence and certain indebtedness secured by such primary residence.

3. Includes a \$4 million seed investment by affiliates of the Manager; based on Digital Asset Holdings per Share of the Fund as of February 28, 2018.

4. Eligible for resale in accordance with Rule 144 under the Securities Act after a one-year holding period, subject to consent by the Manager. We cannot assure you that a secondary market will develop.

5. The Fund will not generate any income and regularly sells/distributes digital assets to pay for its ongoing expenses. Therefore, the amount of digital assets represented by each share will gradually decline over time.

The Fund is a private, unregistered investment vehicle and not subject to the same regulatory requirements as exchange traded funds or mutual funds, including the requirement to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in the Fund. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment. The Fund is not registered with the SEC or any state securities regulations, and is not registered under the U.S. Investment Company Act of 1940, as amended, and the shares of the Fund are being offered in a private placement pursuant to Rule 506(c) under Regulation D of the Securities Act. Any interests in the Fund described herein have not been recommended by any U.S. federal or state, or non-U.S., securities commission or regulatory authority, including the SEC. Any representation to the contrary is a criminal offense. For direct investment into the Fund, any offering or solicitation will be made only to qualified accredited investors pursuant to a formal offering with additional documentation, which should be read in its entirety and contains material information not contained herein. Any offer or solicitation of a direct investment in the Fund may be made only by delivery of the Fund's confidential offering documents to qualified accredited investors. You should rely solely on such offering documents in making any investment decision. An investment in the Fund is not suitable for all investors.

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