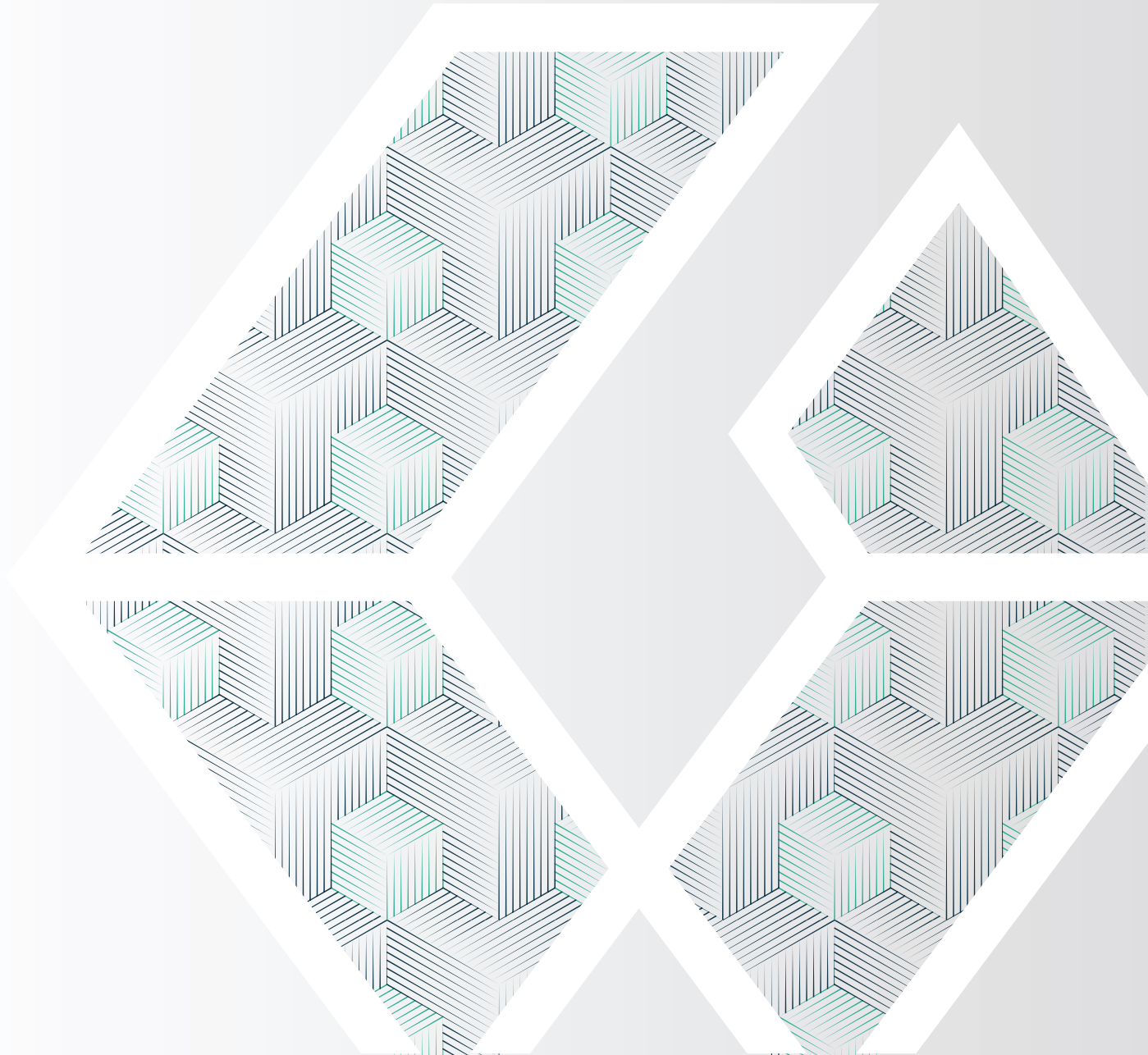


Performance & Risk Monitor



MARCH 2019



grayscale.co

Performance & Risk Monitor



Performance
& Risk Monitor

Q1 2019 marked the first positive quarterly performance for Grayscale Bitcoin Trust, Grayscale Digital Large Cap Fund (“DLC”), and the broad digital asset market, represented by the Fundstrat Crypto Aggregate Index (“FCAI”), since Q4 2017. Six out of the ten investment vehicles included in the Grayscale family of products generated positive performance net of fees.

Below are the top and bottom performers in the Grayscale family of products this past quarter:

Top Performers Q1 2019 (Net):

Grayscale Litecoin Trust™	+96.0%
Grayscale Horizen Trust™	+23.8%
Grayscale Bitcoin Trust™	+7.3%

Bottom Performers Q1 2019 (Net):

Grayscale XRP Trust™	-14.7%
Grayscale Ethereum Classic Trust™	-8.0%
Grayscale Stellar Lumens Trust™	-7.0%

Several investment vehicles in the Grayscale family of products have been available for less than two years. Products such as these will develop clearer performance and risk profiles over time (i.e., 5-10 years). Consequently, short-term performance and risk should be gauged within the context of long-term trends. In addition to showing trailing three- and twelve-month performance and risk metrics, we also plan to provide cumulative and annualized figures “since inception”* for each product.

*Inception dates are as follows: Grayscale Bitcoin Trust – September 25, 2013; Grayscale Ethereum Classic Trust – April 24, 2017; Grayscale Zcash Trust – October 24, 2017; Grayscale Ethereum Trust – December 14, 2017; Grayscale Digital Large Cap Fund – February 1, 2018; Grayscale Bitcoin Cash Trust, Grayscale XRP Trust, Grayscale Litecoin Trust – March 1, 2018; Grayscale Horizen Trust – August 6, 2018, Grayscale Stellar Lumens Trust – December 6, 2018.





FIGURE 1: **DIGITAL ASSET MARKET PERFORMANCE TRAILING 3-MONTHS**

December 31, 2018 through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Fundstrat Crypto Aggregate Index
Total Return (% Cumulative)	7.3%	5.0%	6.9%
Risk (% Std Dev)	16.4%	19.1%	25.4%

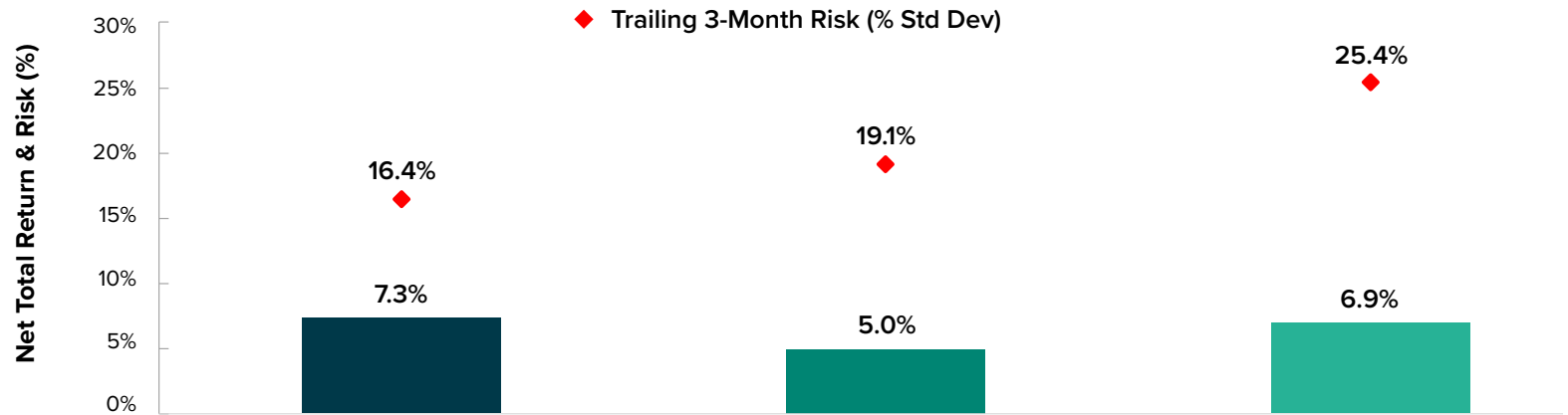




FIGURE 2: **DIGITAL ASSET MARKET PERFORMANCE TRAILING 12-MONTHS**

March 31, 2018 through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Fundstrat Crypto Aggregate Index
Total Return (% Cumulative)	-47.6%	-53.5%	-51.1%
Risk (% Std Dev)	51.7%	59.5%	76.0%

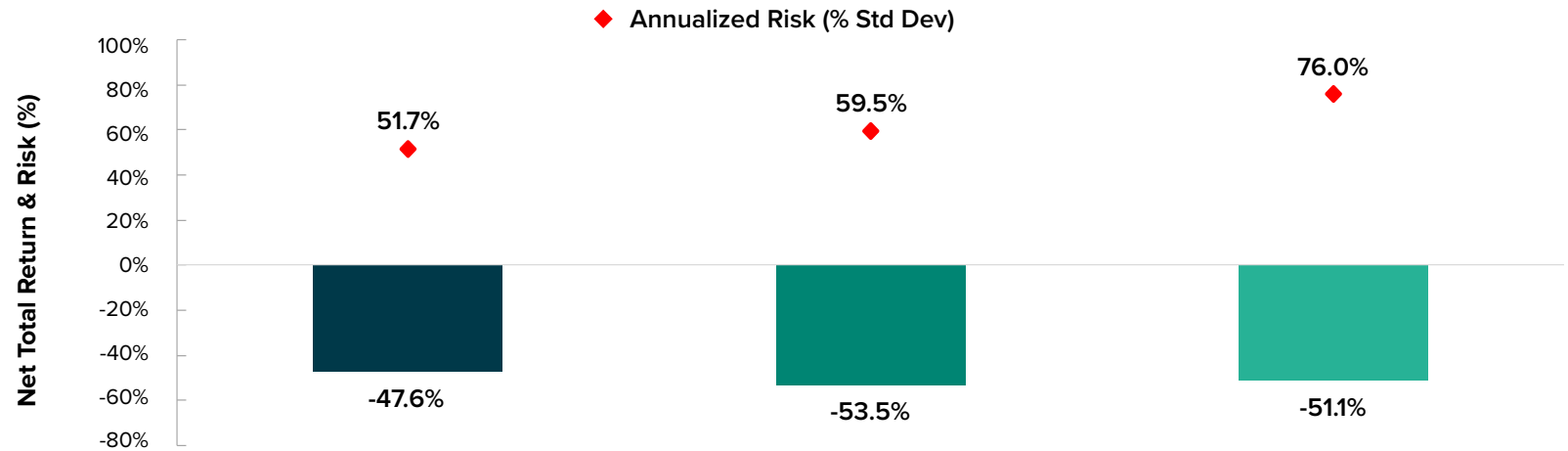




FIGURE 3: GRAYSCALE INVESTMENT VEHICLE PERFORMANCE TRAILING 3-MONTHS

December 31, 2018 through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Grayscale Ethereum Classic Trust™	Grayscale Ethereum Trust™	Grayscale Zcash Trust™	Grayscale XRP Trust™	Grayscale Bitcoin Cash Trust™	Grayscale Litecoin Trust™	Grayscale Horizen Trust™	Grayscale Stellar Lumens Trust™
Total Return (% Cumulative)	7.3%	5.0%	-8.0%	2.7%	-2.2%	-14.7%	7.2%	96.0%	23.8%	-7.0%
Risk (% Std Dev)	16.4%	19.1%	25.2%	33.3%	23.0%	20.1%	37.3%	41.5%	30.9%	35.6%

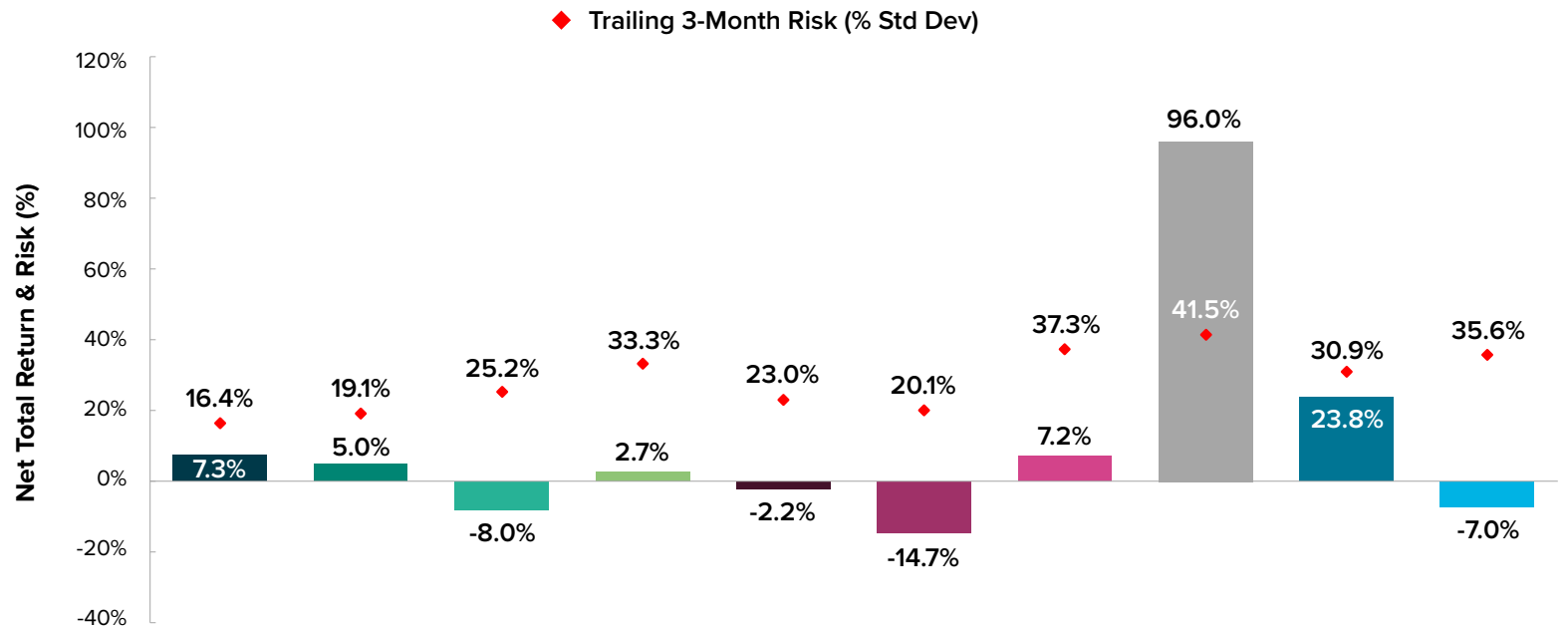
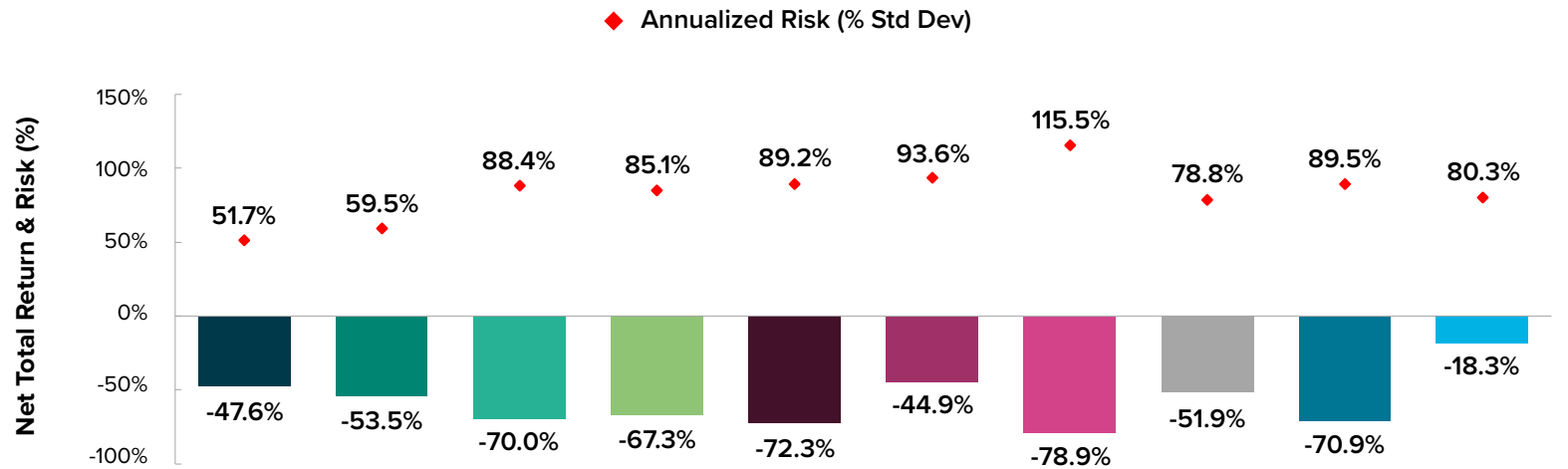




FIGURE 4: GRAYSCALE INVESTMENT VEHICLE PERFORMANCE TRAILING 12-MONTHS

March 31, 2018 through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Grayscale Ethereum Classic Trust™	Grayscale Ethereum Trust™	Grayscale Zcash Trust™	Grayscale XRP Trust™	Grayscale Bitcoin Cash Trust™	Grayscale Litecoin Trust™	Grayscale Horizen Trust™	Grayscale Stellar Lumens Trust™
Total Return (% Cumulative)	-47.6%	-53.5%	-70.0%	-67.3%	-72.3%	-44.9%	-78.9%	-51.9%	-70.9%*	-18.3%*
Risk (% Std Dev)	51.7%	59.5%	88.4%	85.1%	89.2%	93.6%	115.5%	78.8%	89.5%*	80.3%*



*Inception dates are as follows: Grayscale Bitcoin Trust – September 25, 2013; Grayscale Ethereum Classic Trust – April 24, 2017; Grayscale Zcash Trust – October 24, 2017; Grayscale Ethereum Trust – December 14, 2017; Grayscale Digital Large Cap Fund – February 1, 2018; Grayscale Bitcoin Cash Trust, Grayscale XRP Trust, Grayscale Litecoin Trust – March 1, 2018; Grayscale Horizen Trust – August 6, 2018, Grayscale Stellar Lumens Trust – December 6, 2018.

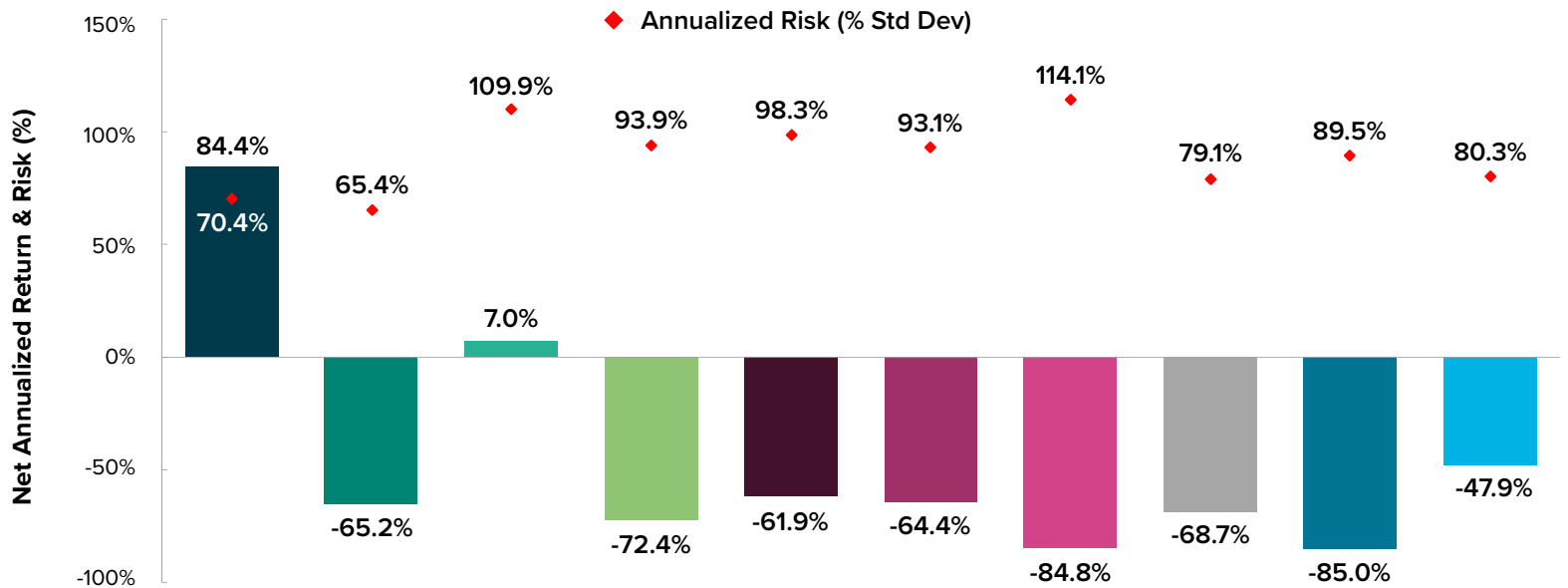




FIGURE 5: GRAYSCALE INVESTMENT VEHICLE PERFORMANCE SINCE INCEPTION

*Inception through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Grayscale Ethereum Classic Trust™	Grayscale Ethereum Trust™	Grayscale Zcash Trust™	Grayscale XRP Trust™	Grayscale Bitcoin Cash Trust™	Grayscale Litecoin Trust™	Grayscale Horizen Trust™	Grayscale Stellar Lumens Trust™
Total Return (% Annualized)	84.4%	-65.2%	7.0%	-72.4%	-61.9%	-64.4%	-84.8%	-68.7%	-85.0%*	-47.9%*
Risk (% Annualized Std Dev)	70.4%	65.4%	109.9%	93.9%	98.3%	93.1%	114.1%	79.1%	89.5%*	80.3%*



*Inception dates are as follows: Grayscale Bitcoin Trust – September 25, 2013; Grayscale Ethereum Classic Trust – April 24, 2017; Grayscale Zcash Trust – October 24, 2017; Grayscale Ethereum Trust – December 14, 2017; Grayscale Digital Large Cap Fund – February 1, 2018; Grayscale Bitcoin Cash Trust, Grayscale XRP Trust, Grayscale Litecoin Trust – March 1, 2018; Grayscale Horizen Trust – August 6, 2018, Grayscale Stellar Lumens Trust – December 6, 2018.

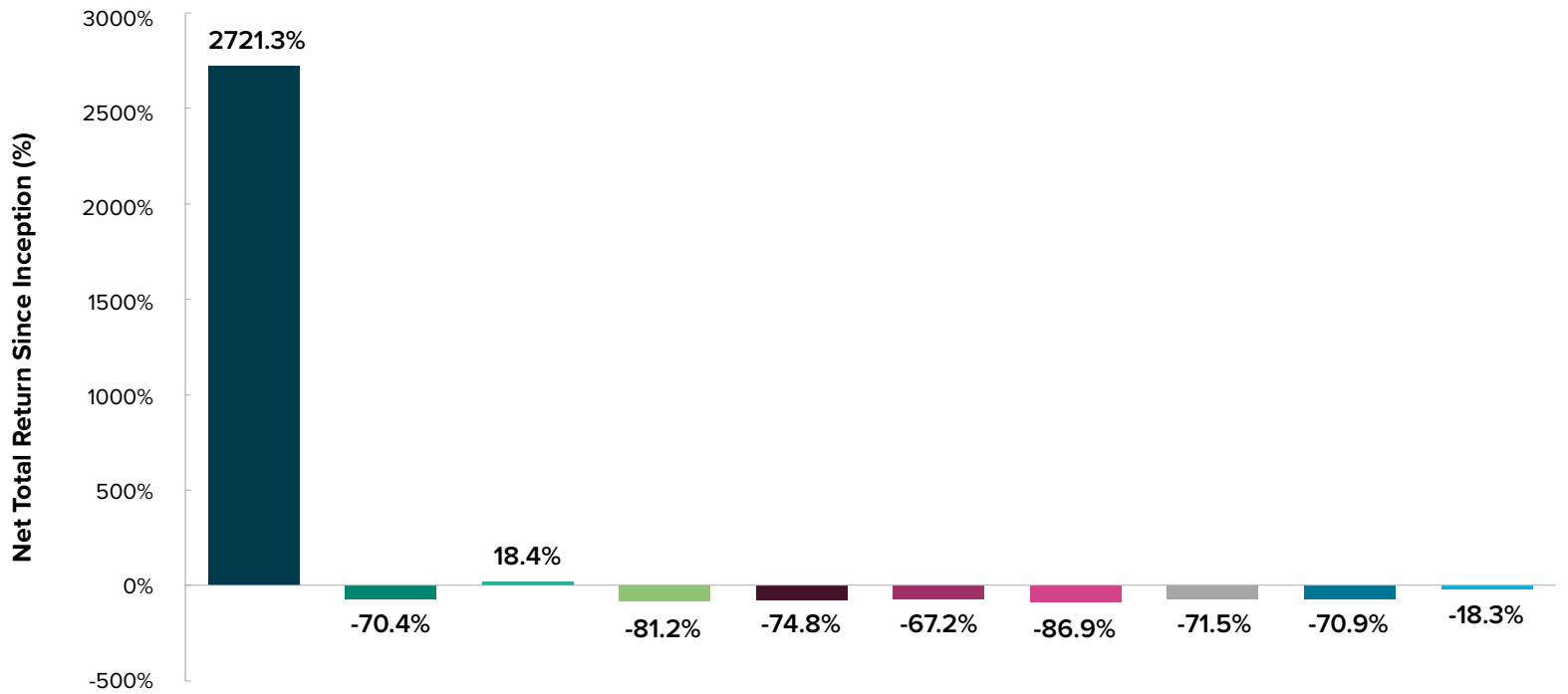




FIGURE 6: GRAYSCALE INVESTMENT VEHICLE PERFORMANCE SINCE INCEPTION

*Inception through March 31, 2019

	Grayscale Bitcoin Trust™	Grayscale Digital Large Cap Fund™	Grayscale Ethereum Classic Trust™	Grayscale Ethereum Trust™	Grayscale Zcash Trust™	Grayscale XRP Trust™	Grayscale Bitcoin Cash Trust™	Grayscale Litecoin Trust™	Grayscale Horizen Trust™	Grayscale Stellar Lumens Trust™
Total Return (% Cumulative)	2721.3%	-70.4%	18.4%	-81.2%	-74.8%	-67.2%	-86.9%	-71.5%	-70.9%	-18.3%



*Inception dates are as follows: Grayscale Bitcoin Trust – September 25, 2013; Grayscale Ethereum Classic Trust – April 24, 2017; Grayscale Zcash Trust – October 24, 2017; Grayscale Ethereum Trust – December 14, 2017; Grayscale Digital Large Cap Fund – February 1, 2018; Grayscale Bitcoin Cash Trust, Grayscale XRP Trust, Grayscale Litecoin Trust – March 1, 2018; Grayscale Horizen Trust – August 6, 2018, Grayscale Stellar Lumens Trust – December 6, 2018.





About Grayscale Investments

Grayscale is the world's largest digital currency asset manager, with a proven track record and unrivaled experience. We give investors the tools to make informed investing decisions in a burgeoning asset class. As part of Digital Currency Group, Grayscale accesses the world's biggest network of digital currency intelligence to build better investment products. We have removed the barrier to entry so that institutions and investors can benefit from exposure to digital currencies. Now, forward-thinking investors can embrace a digital future within an institutional grade investment.

Grayscale Investments, LLC is headquartered in New York City. For more information on Grayscale, please visit www.grayscale.co or follow us on Twitter [@GrayscaleInvest](https://twitter.com/GrayscaleInvest).





Important Disclosures & Other Information

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Each Vehicle 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 a Vehicle, including but not limited to:

- **PRICE VOLATILITY**
Digital assets have historically experienced significant intraday and long-term price swings. In addition, none of the Vehicles currently operates a redemption program and may halt creations from time to time. There can be no assurance that the value of the common units of fractional undivided beneficial interest (“Shares”) of any Vehicle will approximate the value of the digital assets held by such Vehicle and such Shares may trade at a substantial premium over or discount to the value of the digital assets held by such Vehicle. At this time, none of the Vehicles is operating a redemption program and therefore Shares are not redeemable by any Vehicle. Subject to receipt of regulatory approval from the SEC and approval by the Sponsor or Manager, as applicable, in its sole discretion, any Vehicle may in the future operate a redemption program. Because none of the Vehicles believes that the SEC would, at this time, entertain an application for the waiver of rules needed in order to operate an ongoing redemption program, none of the Vehicles currently has any intention of seeking regulatory approval from the SEC to operate an ongoing redemption program.
- **MARKET ADOPTION**
It is possible that digital assets generally or any digital asset in particular will never be broadly adopted by either the retail or commercial marketplace, in which case, one or more digital assets may lose most, if not all, of its value.
- **GOVERNMENT REGULATION**
The regulatory framework of digital assets remains unclear and application of existing regulations and/or future restrictions by federal and state authorities may have a significant impact on the value of digital assets.





- **SECURITY**

While each Vehicle has implemented security measures for the safe storage of its digital assets, there have been significant incidents of digital asset theft and digital assets remains a potential target for hackers. Digital assets that are lost or stolen cannot be replaced, as transactions are irrevocable.

- **TAX TREATMENT OF VIRTUAL CURRENCY**

*For U.S. federal income tax purposes, Digital Large Cap Fund will be a passive foreign investment company (a "PFIC") and, in certain circumstances, may be a controlled foreign corporation (a "CFC"). Digital Large Cap Fund will make available a PFIC Annual Information Statement that will include information required to permit each eligible shareholder to make a "qualified electing fund" election (a "QEF Election") with respect to Digital Large Cap Fund. Each of the other Vehicles intends to take the position that it is a grantor trust for U.S. federal income tax purposes. Assuming that a Vehicle is properly treated as a grantor trust, Shareholders of that Vehicle generally will be treated as if they directly owned their respective pro rata shares of the underlying assets held in the Vehicle, directly received their respective pro rata shares of the Vehicle's income and directly incurred their respective pro rata shares of the Vehicle's expenses. Most state and local tax authorities follow U.S. income tax rules in this regard. Prospective investors should discuss the tax consequences of an investment in a Vehicle with their tax advisors.

- **NO SHAREHOLDER CONTROL**

Grayscale, as sponsor of each Trust and the manager of the Fund, has total authority over the Trusts and the Fund and shareholders' rights are extremely limited.

- **LACK OF LIQUIDITY AND TRANSFER RESTRICTIONS**

An investment in a Vehicle will be illiquid and there will be significant restrictions on transferring interests in such Vehicle. The Vehicles are not registered with the SEC, any state securities laws, or the U.S. Investment Company Act of 1940, as amended, and the Shares of each Vehicle are being offered in a private placement pursuant to Rule 506(c) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). As a result, the Shares of each Vehicle are restricted Shares and are subject to a one-year holding period in accordance with Rule 144 under the Securities Act. In addition, none of the Vehicles currently operates a redemption program. Because of the one-year holding period and the lack of an ongoing redemption program, Shares should not be purchased by any investor who is not willing and able to bear the risk of investment and lack of liquidity for at least one year. No assurances are given that after the one year holding period, there will be any market for the resale of Shares of any Vehicle, or, if there is such a market, as to the price at such Shares may be sold into such a market.

- **POTENTIAL RELIANCE ON THIRD-PARTY MANAGEMENT; CONFLICTS OF INTEREST**

The Vehicles and their sponsors or managers and advisors may rely on the trading expertise and experience of third-party sponsors, managers or advisors, the identity of which may not be fully disclosed to investors. The Vehicles and their sponsors or managers and advisors and agents may be subject to various conflicts of interest.

- **FEES AND EXPENSES**

Each Vehicle's fees and expenses (which may be substantial regardless of any returns on investment) will offset each Vehicle's trading profits.

Additional General Disclosures

Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment. Any offering or solicitation will be made only to qualified accredited investors as defined under Rule 501(a) of Regulation D pursuant to a formal offering with additional documentation, all of which should be read in their entirety and contain material information not contained herein. Any offer or solicitation of an investment in a Vehicle may be made only by delivery of its confidential offering documents to qualified accredited investors. You should rely solely on such offering documents in making any investment decision. An investment in Grayscale's Vehicles are not suitable for all investors.

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The above summary is not a complete list of the risks and other important disclosures involved in investing in the Vehicles and is subject to the more complete disclosures contained in each Vehicle's Offering Documents, which must be reviewed carefully.



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