



Coinbase Global, Inc.
c/o The Corporation Trust Company
1209 Orange Street
Corporation Trust Center
Wilmington, Delaware 19801
United States

coinbase.com

November 18, 2022

To Grayscale Investments, LLC:

Coinbase Custody Trust Company, LLC (Coinbase Custody) writes to you to reaffirm that the assets underlying all of Grayscale's digital asset products held at Coinbase Custody, as listed in the table below, are secure. We have always been confident in the strength of our digital asset custody protections, and we firmly believe that both our custodian agreements with each of the Grayscale products and our operational practices ensure that each of your product's underlying digital assets only belong to, and are exclusively owned by, each of your products.

As background, Coinbase Custody is a wholly-owned subsidiary of Coinbase Global, Inc. (NASDAQ:COIN), and is licensed to custody client digital assets as a New York-chartered limited purpose trust company. Coinbase Custody has been regulated by the New York State Department of Financial Services since 2018, the same regulator that oversees the United States' biggest banks. Coinbase Custody also services as a fiduciary, which means that it is required to always act in its clients' best interest under New York Banking Law.

Coinbase Custody is also obligated to each Grayscale product to fulfill a number of critical operational practices that ensure that the digital assets underlying each Grayscale product are safe, as described below.

- **The digital assets underlying each Grayscale product have their own on-chain addresses, as we use client by client custody segregation:** Coinbase Custody always ensures that each client's digital assets are segregated on-chain, in deep cold-storage, from both the property of Coinbase Custody and the assets of other Coinbase Custody clients. This means that the digital assets underlying each Grayscale product will never be commingled with or confused for the digital assets of any other client. This also means that the digital assets of each Grayscale product can be confirmed on-chain.

Coinbase Custody frequently performs on-chain validation as part of our custodian operations, and the table provided below provides the exact number of digital assets held in each product as of September 30, 2022.

- **The digital assets underlying each Grayscale product always belong to the applicable Grayscale product:** As a fiduciary and custodian, the digital assets underlying each Grayscale product remain such product's exclusive property. Coinbase Custody does not ever take any right, interest, or title to any digital assets of any Grayscale product, and never reflects any of such Grayscale product's digital assets as an asset on Coinbase Custody's balance sheet.

- **The digital assets underlying each Grayscale product cannot be lent by Coinbase Custody:** We will never, directly or indirectly, lend, pledge, hypothecate or rehypothecate any of the digital assets underlying any Grayscale products.

Grayscale and the digital asset products that it sponsors and manages are some of Coinbase Custody's longest-standing clients, and we strongly value their confidence in our services. We trust this letter will provide added confidence that the digital assets, as reflected and reported in Grayscale's various public and private filings, are fully accounted for, safe, and secure. Coinbase Custody will always fulfill our obligations to safekeep our clients' digital assets and prioritize maintaining a best-in-class Custodial service to meet and exceed our clients' needs.



Alesia Haas
Chief Financial Officer
Coinbase Global, Inc.



Aaron Schnarch
Chief Executive Officer
Coinbase Custody Trust Company, LLC

Grayscale Product	Most Recent Financial	Digital Asset	Number of Tokens in Each Product
Grayscale Bitcoin Trust	9/30/22 10-Q	BTC	635,235.84358745
Grayscale Ethereum Classic Trust	9/30/22 10-Q	ETC	11,915,998.56139523
Grayscale Zcash Trust	9/30/22 10-Q	ZEC	333,904.75844043
Grayscale Ethereum Trust	9/30/22 10-Q	ETH	3,056,833.75893012
Grayscale Bitcoin Cash Trust	9/30/22 10-Q	BCH	310,415.47399806
Grayscale Litecoin Trust	9/30/22 10-Q	LTC	1,534,087.97147226
Grayscale Horizen Trust	6/30/22 10-Q	ZEN	620,253.26703461
Grayscale Stellar Lumens Trust	6/30/22 10-Q	XLM	75,424,502.6385351
Grayscale Filecoin Trust	9/30/22 OTC Quarterly	FIL	107,179.41283604
Grayscale Digital Large Cap Fund	9/30/22 10-Q	BTC	6,390.95397916
		ETH	40,611.49624623
		ADA	11,296,824.08409500
		SOL	114,745.68138050
		AVAX	94,095.96756657
Grayscale Decentraland Trust	9/30/22 OTC Quarterly	MANA	18,238,545.17487873
Grayscale Chainlink Trust	9/30/22 OTC Quarterly	LINK	308,485.97854670
Grayscale Basic Attention Token Trust	9/30/22 OTC Quarterly	BAT	5,960,993.50439830
Grayscale Livepeer Trust	9/30/22 OTC Quarterly	LIV	591,299.74654347
Grayscale Solana Trust	Private – 12/31/21	SOL	55,773.48799131
Grayscale Decentralized Finance Fund	Private – 6/30/22 *Note that the components of the Fund have changed since this document was published.	UNI	316,859.16287708
		AAVE	4,948.26787443
		MKR	299.99746486
		COMP	3,186.04010448
		AMP	29,584,178.06712007
Grayscale Smart Contract Ex-Ethereum Fund	Private – 6/30/22 *Note that the components of the Fund have changed since this document was published.	YFI	11.28488637
		CRV	526,864.57867745
		ADA	1,178,108.89201457
		SOL	11,292.12602413
		DOT	34,654.37416980

Grayscale Product	Most Recent Financial	Digital Asset	Number of Tokens in Each Product
		AVAX	8,850.67460678
		MATIC	259,162.82129485
		ALGO	212,515.46756424