



# Bitcoin: The Future of Finance

Bitcoin is an open and fair financial system for everyone. Anyone with a connected device or the internet can access bitcoin, bringing us closer to universal financial inclusion.

## What makes Bitcoin different from other money?

It can be accessed and sent:



At low cost, in any amount, and without the need for middlemen



From anywhere to anyone in the world



Quickly and as seamlessly as sending a text message



Securely, transparently, and free of censorship

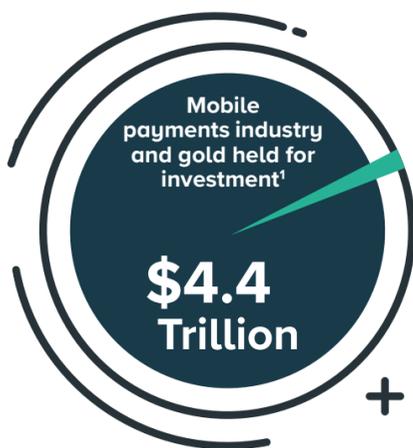
## Why Bitcoin?

**That's easy.** Bitcoin is still in its infancy. Bitcoin is driving global growth in new ways, while also preserving the store-of-value qualities that provide inflation protection and make it investable.

### It's Still Early

Bitcoin is only a tiny fraction of the size of the markets it stands to disrupt, which reach well into the trillions of dollars.

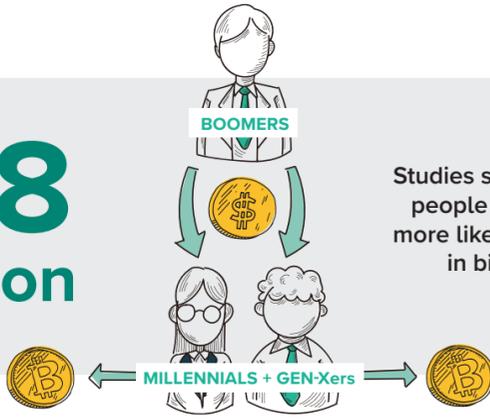
Bitcoin can serve as digital gold, a mobile payment platform, and the currency for hyperinflated countries, all in one.



### Funds Are Flowing

An estimated \$68 trillion<sup>3</sup> in generational wealth is changing hands over the next 25 years.

# \$68 Trillion



Studies show young people are much more likely to invest in bitcoin.<sup>4</sup>

### Diversifying Is Winning

Bitcoin offers exposure to unique market opportunities that other asset classes cannot capture.

# 1-5% allocation

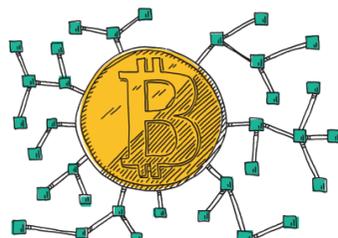


A 1-5% allocation into this asset class can become an important part of your investment portfolio.

### The Network Is Growing

There are 7.1 million active bitcoin users<sup>5</sup> with almost 32 million bitcoin wallets set up globally.

# 7.1 Million active bitcoin users



More than 100,000 merchants and organizations worldwide now take payment in bitcoin, with new adopters every day.

## Drop Gold. Go Digital.

Go GRAYSCALE

<sup>1</sup> Grayscale, "Bitcoin & the Rise of Digital Gold" - <https://grayscale.co/bitcoin-the-rise-of-digital-gold>

<sup>2</sup> Grayscale, Bloomberg, World Gold Council, CoinMarketCap.com

<sup>3</sup> AARP, "Boomers Will Pass Along Trillions" - <https://www.aarp.org/money/budgeting-saving/info-2018/generational-wealth-transfer.html>

<sup>4</sup> Blockchain Capital, "Bitcoin Survey Fall 2017" - <https://www.survey.blockchain.capital>

<sup>5</sup> Bitcoin Market Journal, "How Many People Use Bitcoin in 2019?" - <https://www.bitcoinmarketjournal.com/how-many-people-use-bitcoin>

### Important Disclosures and Other Information

©Grayscale Investments, LLC. All content is original and has been researched and produced by Grayscale Investments, LLC ("Grayscale") unless otherwise stated herein. No part of this content may be reproduced in any form, or referred to in any other publication, without the express consent of Grayscale.

This content is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to sell or buy any security in any jurisdiction where such an offer or solicitation would be illegal. There is not enough information contained in this content to make an investment decision and any information contained herein should not be used as a basis for this purpose. This content does not constitute a recommendation or take into account the particular investment objectives, financial situations, or needs of investors. Investors are not to construe this content as legal, tax or investment advice, and should consult their own advisors concerning an investment in digital assets. The price and value of assets referred to in this research and the income from them may fluctuate. Past performance is not indicative of the future performance of any assets referred to herein. Fluctuations in exchange rates could have adverse effects on the value or price of, or income derived from, certain investments.

Investors should be aware that Grayscale is the sponsor of Grayscale Bitcoin Trust (BTC), Grayscale Bitcoin Cash Trust (BCH), Grayscale Ethereum Trust (ETH), Grayscale Ethereum Classic Trust (ETC), Grayscale Litecoin Trust (LTC), Grayscale Horizen Trust (ZEN), Grayscale Stellar Lumens Trust (XLM), Grayscale XRP Trust (XRP) and Grayscale Zcash Trust (ZEC) (each, a "Trust") and the manager of Grayscale Digital Large Cap Fund LLC (the "Fund"). The Trusts and the Fund are collectively referred to herein as the "Products". Any Product currently offering Share creations is referred to herein as an "Offered Product". Information provided about an Offered Product is not intended to be, nor should it be construed or used as investment, tax or legal advice, and prospective investors should consult their own advisors concerning an investment in such Offered Product. This content does not constitute an offer to sell or the solicitation of an offer to buy interests in any of the Products. Any offer or solicitation of an investment in a Product may be made only by delivery of such Product's confidential offering documents (the "Offering Documents") to qualified accredited investors (as defined under Rule 501(a) of Regulation D of the U.S. Securities Act of 1933, as amended), which contain material information not contained herein and which supersede the information provided herein in its entirety.

The Products are private investment vehicles. Shares of Grayscale Bitcoin Trust (BTC), which are only offered on a periodic basis, are publicly quoted under the symbol: GBTC. The Products are 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. The Products are not registered with the Securities and Exchange Commission (the "SEC"), any state securities laws, or the U.S. Investment Company Act of 1940, as amended. There are substantial risks in investing in one or more Products. Any interests in each Product 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. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Certain of the statements contained herein may be statements of future expectations and other forward-looking statements that are based on Grayscale's views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements that are forward-looking by reason of context, the words "may, will, should, could, can, expects, plans, intends, anticipates, believes, estimates, predicts, potential, projected, or continue" and similar expressions identify forward-looking statements. Grayscale assumes no obligation to update any forward-looking statements contained herein and you should not place undue reliance on such statements, which speak only as of the date hereof. Although Grayscale has taken reasonable care to ensure that the information contained herein is accurate, no representation or warranty (including liability towards third parties), expressed or implied, is made by Grayscale as to its accuracy, reliability or completeness. You should not make any investment decisions based on these estimates and forward-looking statements.

#### Certain Risk Factors

Each Product 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 Product or in digital assets directly, including but not limited to:

- PRICE VOLATILITY** - Digital assets have historically experienced significant intraday and long-term price swings. In addition, none of the Products currently operates a redemption program and may halt creations from time to time or, in the case of Grayscale Bitcoin Trust (BTC), periodically. There can be no assurance that the value of the common units of fractional undivided beneficial interest ("Shares") of any Product will approximate the value of the digital assets held by such Product and such Shares may trade at a substantial premium over or discount to the value of the digital assets held by such Product. At this time, none of the Products is operating a redemption program and therefore Shares are not redeemable by any Product. Subject to receipt of regulatory approval from the SEC and approval by Grayscale, in its sole discretion, any Product may in the future operate a redemption program. Because none of the Products 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 Products 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 Product 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 Products intends to take the position that it is a grantor trust for U.S. federal income tax purposes. Assuming that a Product is properly treated as a grantor trust, Shareholders of that Product generally will be treated as if they directly owned their respective pro rata shares of the underlying assets held in the Product, directly received their respective pro rata shares of the Product's income and directly incurred their respective pro rata shares of the Product'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 Product 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 Product will be illiquid and there will be significant restrictions on transferring interests in such Product. The Products 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 Product 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 Product 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 Products 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 Product, 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 Products 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 Products and their sponsors or managers and advisors and agents may be subject to various conflicts of interest.
- FEES AND EXPENSES** - Each Product's fees and expenses (which may be substantial regardless of any returns on investment) will offset each Product's trading profits.

#### Additional General Disclosures

Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment. This document is intended for those with an in-depth understanding of the high risk nature of investments in digital assets and these investments may not be suitable for you. This document may not be distributed beyond excerpts or in its entirety beyond its intended audience and the Products and Grayscale will not be held responsible if this document is used or is distributed either its initial receipt or if it is used for any unintended purpose.

The Products and Grayscale do not: make recommendations to purchase or sell specific securities; provide investment advisory services; or conduct a general retail business. None of the Products or Grayscale, its affiliates, its officers, its directors, officers, employees or agents shall have any liability, howsoever arising, for any error or incompleteness of fact or opinion in it or lack of care in its preparation or publication, provided that this shall not exclude liability to the extent that this is impermissible under applicable securities laws.

The logos, graphics, icons, trademarks, service marks and headers for each Product and Grayscale appearing herein are service marks, trademarks (whether registered or not) and/or trade dress of Grayscale Investments, LLC. (the "Marks"). All other trademarks, company names, logos, service marks and/or trade dress mentioned, displayed, cited or otherwise indicated herein ("Third Party Marks") are the sole property of their respective owners. The Marks or the Third Party Marks may not be copied, downloaded, displayed, used as metatags, misused, or otherwise exploited in any manner without the prior express written permission of the relevant Product and Grayscale or the owner of such Third Party Mark.

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