

# GRAYSCALE DECENTRALAND TRUST (MANA)

A Delaware Trust

*Sponsored by*

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Primary Standard Industrial Code: 6221

## QUARTERLY REPORT

For the quarterly period ended September 30, 2024

Shares Representing Common Units of Fractional Undivided Beneficial Interest

No Par Value Per Share

Unlimited Shares Authorized

3,064,400 Shares Issued and Outstanding as of September 30, 2024

OTCQX: MANA

**Grayscale Investments, LLC (the “Sponsor”), on behalf of Grayscale Decentraland Trust (MANA) (the “Trust”), is responsible for the content of this quarterly report for the quarter ended September 30, 2024 (the “Quarterly Report”), which has been prepared to fulfill the disclosure requirements of the OTCQX U.S. marketplace. The information contained in this Quarterly Report has not been filed with, or approved by, the U.S. Securities and Exchange Commission (the “SEC”) or any state securities commission. Any representation to the contrary is a criminal offense.**

All references to “the Trust,” “the Sponsor,” “the Issuer,” “Grayscale Decentraland Trust (MANA),” “we,” “us” or “our” refers to the Trust or the Sponsor, as the context indicates. The Trust is a passive entity with no operations, and where the context requires, we provide disclosure with respect to the Sponsor, which administers the Trust.

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934).

Yes  No

Indicate by check mark whether the company’s shell status has changed since the previous reporting period.

Yes  No

Indicate by check mark whether a change in control of the company has occurred over this reporting period.

Yes  No

Dated as of November 11, 2024

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## Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report 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 Quarterly Report 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” in our Annual Report. 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:

- the risk factors discussed in this Quarterly Report, including the particular risks associated with new technologies such as Decentraland and blockchain technology;
- the Trust’s inability to redeem Shares;
- the inability of the Trust to meet its investment objective;
- economic conditions in the MANA industry and market;
- general economic, market and business conditions;
- global or regional political, economic or financial conditions, events and situations;
- the use of technology by us and our vendors, including the Custodian, in conducting our business, including disruptions in our computer systems and data centers and our transition to, and quality of, new technology platforms;
- changes in laws or regulations, including those concerning taxes, made by governmental authorities or regulatory bodies;
- the costs and effect of any litigation or regulatory investigations;
- our ability to maintain a positive reputation; and
- other world economic and political developments.

Consequently, all of the forward-looking statements made in this Quarterly Report 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 our Annual Report 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.

The risk factors included in our Annual Report continue to apply to us, and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. There have not been any material changes from the risk factors previously described in our Annual Report, except for as provided in “Item 7. Other Information.”

## Glossary

In this Quarterly Report, each of the following terms has the meaning assigned to it here:

“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.

“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.

“Annual Report”—The Trust’s Annual Report for the year ended December 31, 2023.

“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 or a Liquidity Provider.

“Basket”—A block of 100 Shares.

“Basket Amount”—On any trade date, the amount of MANA required as of such trade date for each Creation Basket, as determined by dividing (x) the amount of MANA owned by the Trust at 4:00 p.m., New York time, on such trade date, after deducting the amount of MANA 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 MANA (*i.e.*, carried to the eighth decimal place)), and multiplying such quotient by 100.

“Blockchain” or “Ethereum Blockchain”—The public transaction ledger of the Ethereum Network on which transactions in Ether and MANA are recorded.

“Creation Basket”—Basket of Shares issued by the Trust in exchange for deposits of the Basket Amount required for each such Creation Basket.

“Custodial Services”—The Custodian’s services that (i) allow MANA 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 MANA 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”—Coinbase Custody Trust Company, LLC.

“Custodian Agreement”—The Amended and Restated Custodial Services Agreement, dated as of June 29, 2022, 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.

“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 MANA 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 Quarterly Report), 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 MANA 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 MANA, 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.

“ERC-20”—A technical standard used to create new fungible, digital assets on the Ethereum Network, created as a result of Ethereum Request for Comment-20.

“ERC-20 tokens”—Fungible, digital assets created using the ERC-20 standard.

“Ether”—Ethereum tokens, which are a type of digital asset based on an open-source cryptographic protocol existing on the Ethereum Network. See “Overview of the MANA Industry and Market” in our Annual Report.

“Ethereum Network”—The online, end-user-to-end-user network hosting the public transaction ledger, known as the Ethereum Blockchain, and the source code comprising the basis for the cryptographic and algorithmic protocols governing the Ethereum Network. See “Overview of the MANA Industry and Market” in our Annual Report.

“Exchange Act”—The Securities Exchange Act of 1934, as amended.

“FINRA”—The Financial Industry Regulatory Authority, Inc., which is the primary regulator in the United States for broker-dealers, including Authorized Participants.

“Grayscale Securities”—Grayscale Securities, LLC, a wholly owned subsidiary of the Sponsor, which as of the date of this Quarterly Report, is the only acting Authorized Participant.

“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 MANA 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.

“LAND”—A non-fungible token that divides Decentraland using ERC-721 tokens. See “Overview of the MANA Industry and Market” in our Annual Report.

“Liquidity Provider”—A service provider that facilitates the purchase of MANA in connection with the creation of Baskets.

“MANA”—MANA tokens, which are a type of digital asset based on an open source cryptographic protocol existing on the Ethereum Network, comprising units that constitute the assets underlying the Trust’s Shares. See “Overview of the MANA Industry and Market” in our Annual Report.

“MANA Network”—A set of smart contracts deployed on a decentralized public transaction ledger known as the blockchain. The MANA Network leverages the cryptographic and algorithmic protocols of the underlying blockchain to govern its application. See “Overview of the MANA Industry and Market” in our Annual Report.

“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.

“NAV”—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), a Non-GAAP metric, calculated in the manner set forth under “Grayscale Decentraland Trust (MANA)—Description of the Trust—Valuation of MANA and Determination of NAV” in our Annual Report. See also “Management’s Discussion and Analysis—Critical Accounting Policies—Principal Market and Fair Value Determination” in our Annual Report for a description of the Trust’s Principal Market NAV, as calculated in accordance with U.S. GAAP. Prior to March 8, 2024, NAV was referred to as Digital Asset Holdings. For purposes of the Trust Agreement, the term Digital Asset 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 “Grayscale Decentraland Trust (MANA)—Description of the Trust—Valuation of MANA and Determination of NAV” in our Annual Report. For purposes of the Trust Agreement, the term Digital Asset Holdings Basis Amount shall mean the NAV Fee Basis Amount as defined herein.

“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 MANA required for Creation Baskets.

“Principal Market NAV”—The net asset value of the Trust determined on a U.S. GAAP basis. Prior to March 8, 2024, Principal Market NAV was referred to as NAV.

“Quarterly Report”—This Quarterly Report for the three and nine months ended September 30, 2024.

“Reference Rate”—The CoinDesk Decentraland Reference Rate.

“Reference Rate License Agreement”—The license agreement, dated as of February 1, 2022, between the Reference Rate Provider and the Sponsor governing the Sponsor’s use of the Reference Rate for calculation of the Reference Rate Price, as amended by Amendment No. 1 thereto and as the same may be amended from time to time.

“Reference Rate Price”—The U.S. dollar value of a MANA derived from the Digital Asset Trading Platforms that are reflected in the Reference Rate, calculated by applying a weighting algorithm to the price and trading volume data for the immediately preceding 60-minute period as of 4:00 p.m., New York time, on each business day. Prior to March 18, 2024, the Trust calculated its NAV and NAV per Share using the volume-weighted average reference rate price of a MANA in U.S. dollars calculated by applying a weighting algorithm to the price and trading volume data for the immediately preceding 24-hour period as of 4:00 p.m., New York time derived from the Constituent Trading Platforms reflected in the Reference Rate on such trade date. See “Grayscale Decentraland Trust (MANA)—The Reference Rate and the Reference Rate Price” in our Annual Report for a description of how the Reference Rate Price is calculated. For purposes of the Trust Agreement, the term Decentraland Reference Rate shall mean the Reference Rate Price as defined herein.

“Reference Rate Provider”—CoinDesk Indices, Inc., a Delaware corporation that publishes the Reference Rate. Prior to its sale to an unaffiliated third party on November 20, 2023, DCG was the indirect parent company of CoinDesk Indices, Inc. As a result, CoinDesk Indices, Inc. was an affiliate of the Sponsor and the Trust and was considered a related party of the Trust.

“Rule 144”—Rule 144 under the Securities Act.

“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 Best Market<sup>®</sup> of 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.

“Sponsor”—Grayscale Investments, LLC.

“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, 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.

“Sponsor’s Fee”—A fee, payable in MANA 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.

“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.

“Trust”—Grayscale Decentraland Trust (MANA), a Delaware statutory trust, formed on December 18, 2020 under the DSTA and pursuant to the Trust Agreement.

“Trust Agreement”—The 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 by Amendment No. 1 thereto and as the same may be 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.

“U.S.”—United States.

“U.S. dollar” or “\$”—United States dollar, or dollars.

“U.S. GAAP”—United States generally accepted accounting principles.

**Item 1. The exact name of the issuer and the address of its principal executive offices.**

The name of the Trust is Grayscale Decentraland Trust (MANA).

The address of the Sponsor is: Grayscale Investments, LLC  
290 Harbor Drive, 4<sup>th</sup> Floor  
Stamford, CT 06902

The Sponsor’s telephone number is: (212) 668-1427

The Sponsor’s facsimile number is: (212) 937-3645

The Sponsor’s website: The Sponsor maintains a corporate website, [www.grayscale.com](http://www.grayscale.com), which contains general information about the Trust and the Sponsor. The reference to our website is an interactive textual reference only, and the information contained on our website shall not be deemed incorporated by reference herein.

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**Item 2. Shares outstanding.**

The only class of securities outstanding is common units of fractional undivided beneficial interest (“Shares”), which represent ownership in the Trust. The Trust’s trading symbol on the OTCQX Best Market<sup>®</sup> (“OTCQX”) of OTC Markets Group Inc. is “MANA” and the CUSIP number for its Shares is 38964P108.

The following table shows the number of the Shares outstanding:

	<b>As of September 30, 2024</b>	<b>As of December 31, 2023</b>
<b>(i) Number of Shares authorized</b>	Unlimited	Unlimited
<b>(ii) Number of Shares outstanding</b>	3,064,400	1,897,900
<b>(iii) Number of Shares freely tradable (public float)<sup>(1)</sup></b>	385,902	303,414
<b>(iv) Number of beneficial holders owning at least 100 Shares<sup>(2)</sup></b>	32	25
<b>(v) Number of holders of record<sup>(2)</sup></b>	32	25

(1) Public float means the total number of unrestricted Shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10% of the total Shares outstanding, or anyone who controls, is controlled by or is under common control with such person, or any immediate family members of officers, directors and control persons. Freely tradable Shares inclusive of holders with more than 10% of total Shares outstanding was 389,678 and 312,217 as of September 30, 2024 and December 31, 2023, respectively.

(2) Includes Cede & Co. nominee for DTC for the Shares traded on OTCQX, but not its direct participants. Therefore, this number does not include the individual holders who have bought/sold Shares on OTCQX or transferred their eligible Shares to their brokerage accounts.

From February 26, 2021 (the inception of the Trust’s operations) to September 30, 2024, the Trust has offered the Shares pursuant to Rule 506 of the Regulation D under the Securities Act. The Shares offered by the Trust have not been registered under the Securities Act, or any state or other securities laws, and were offered and sold only to “accredited investors” within the meaning of Rule 501(a) of Regulation D under the Securities Act, and in compliance with any applicable state or other securities laws.



The table below describes the Shares offered, the Shares sold and the average and range of prices at which the Shares were offered and sold by the Trust. All Shares initially offered and sold by the Trust are restricted securities pursuant to Rule 144 under the Securities Act. Until the Shares sold by the Trust become unrestricted in accordance with Rule 144, the certificates or other documents evidencing the Shares will contain legends stating that the Shares have not been registered under the Securities Act and referring to the restrictions on transferability and sale of the Shares under the Securities Act. Such legends are removed upon Shares becoming unrestricted in accordance with Rule 144 and after they have been presented to outside counsel, who may instruct the Transfer Agent to remove such legends. From February 26, 2021 (the inception of the Trust's operations) to September 30, 2024, no Shares, other securities of the Trust, or options to acquire such other securities were issued in exchange for services provided by any person or entity.

Period	Shares Offered	Shares Sold	No. of Purchasers	Avg. <sup>(1)</sup>	High <sup>(1)</sup>	Date	Low <sup>(1)</sup>	Date
Twelve months ended December 31, 2022	Unlimited	4,900	5	\$ 13.21	\$ 32.91	2/9/2022	\$ 2.78	12/29/2022
Twelve months ended December 31, 2023	Unlimited	-	-	\$ 4.38	\$ 7.73	2/2/2023	\$ 2.51	9/11/2023
January 1, 2024 to September 30, 2024	Unlimited	1,166,500	15	\$ 3.94	\$ 7.30	3/10/2024	\$ 2.26	9/6/2024

(1) The prices reflected represent the Reference Rate Price (non-GAAP methodology).

### Item 3. Unaudited interim financial statements.

The Trust's unaudited interim financial statements as of and for the three and nine months ended September 30, 2024 are attached as Exhibit 1 to this Quarterly Report. The historical results presented herein and therein are not necessarily indicative of financial results to be achieved in future periods. The Trust's unaudited financial statements attached as Exhibit 1 to this Quarterly Report are incorporated herein by reference and are considered as part of this Quarterly Report.

### Item 4. Management's discussion and analysis.

*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 unaudited financial statements and related notes attached as an exhibit to this Quarterly Report, which have been prepared in accordance with 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 set forth under "Risk Factors" or in other sections of our Annual Report, and under "Cautionary Note Regarding 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 MANA and, from time to time on a periodic basis, issues Creation Baskets in exchange for deposits of MANA. As a passive investment vehicle, the Trust's investment objective is for the value of the Shares (based on MANA per Share) to reflect the value of MANA 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 MANA, the Shares are designed to provide investors with a cost-effective and convenient way to gain investment exposure to MANA. To date, the Trust has not met its investment objective and the Shares quoted on OTCQX have not reflected the value of MANA held by the Trust, less the Trust's expenses and other liabilities, but instead have traded at both premiums and discounts to such value, which at times have been substantial. The Trust is not managed like a business corporation or an active investment vehicle.

Prior to March 18, 2024, the Trust valued its MANA for operational purposes by reference to a volume-weighted average reference rate price of a MANA in U.S. dollars calculated by applying a weighting algorithm to the price and trading volume data for the immediately preceding 24-hour period as of 4:00 p.m., New York time, derived from the Constituent Trading Platforms that are included in the Reference Rate on such trade date. Effective March 18, 2024, the Trust valued its MANA for operational purposes by reference to the reference rate price (the "Reference Rate Price") of a MANA in U.S. dollars calculated by applying the same methodology to the price and trading volume data for the immediately preceding 60-minute period as of 4:00 p.m., New York time derived from data collected from the Constituent Trading Platforms on such trade date. There was no change to the Reference Rate used to determine the Reference Rate Price or the criteria used to select the Constituent Trading Platforms included in the Reference Rate.

The activities of the Trust are limited to (i) issuing Baskets in exchange for MANA transferred to the Trust as consideration in connection with the creations, (ii) transferring or selling MANA, Incidental Rights and IR Virtual Currency as necessary to cover the Sponsor's Fee and/or any Additional Trust Expenses, (iii) transferring MANA 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 MANA, 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 and (vi) 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 MANA.

### ***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 MANA, generally through a fork in the Blockchain, an airdrop offered to holders of MANA or 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 "—Trust Expenses." 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, Principal Market NAV or the Principal Market NAV per Share.

### ***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 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. This dollar amount for each daily accrual will then be converted into MANA by reference to the same Reference Rate Price used to determine such accrual. The Sponsor's Fee is payable in MANA 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 MANA equal to the accrued but unpaid Sponsor's Fee and (ii) transfer such MANA to the Sponsor's account 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 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 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 "Grayscale Decentraland Trust (MANA)—The Reference Rate and the Reference Rate Price" in our Annual Report. If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of MANA 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 discretion for stated periods of time. 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 MANA, 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 MANA, Incidental Rights and/or IR Virtual Currency into U.S. dollars may differ from the rate at which the Sponsor's Fee was determined. The Trust will not be responsible for any fees and expenses incurred by the Sponsor to convert MANA, 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 MANA, 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 MANA, 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 MANA, Incidental Rights and/or IR Virtual Currency in kind to the Sponsor, in satisfaction of such Additional Trust Expenses. If the Trust pays the Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of MANA that would otherwise have been used to satisfy such payment will be correspondingly reduced.

The amount of MANA represented by a Share will decline each time the Trust pays the Sponsor's Fee or any Additional Trust Expenses by transferring or selling MANA.

#### ***Impact of Trust Expenses on the Trust's NAV***

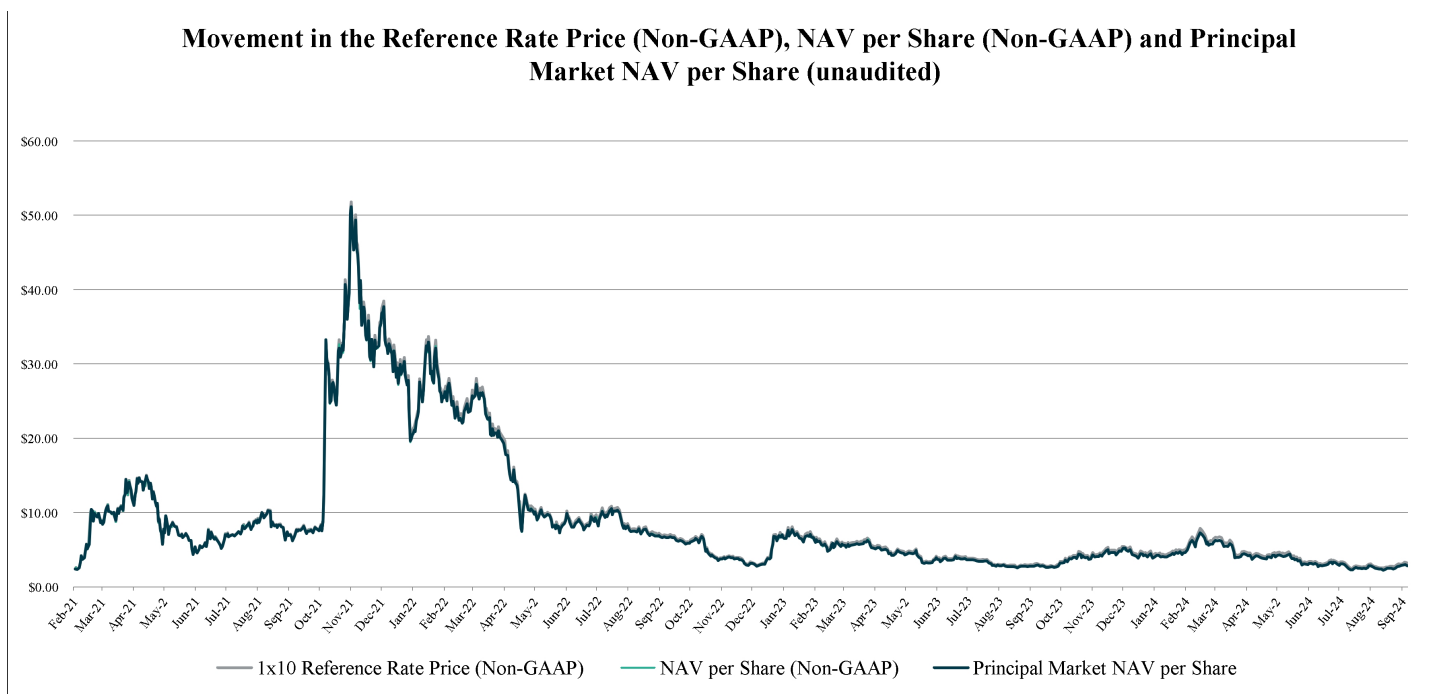
The Trust will pay the Sponsor's Fee to the Sponsor in MANA, Incidental Rights and/or IR Virtual Currency. In addition, the Trust will sell MANA, Incidental Rights and/or IR Virtual Currency to raise the funds needed for the payment of any Additional Trust Expenses or will pay Additional Trust Expenses in MANA, Incidental Rights and/or IR Virtual Currency. The Trust's MANA, Incidental Rights and IR Virtual Currency, and the purchase price received as consideration for such sales of MANA, 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 amount of MANA held by the Trust will decrease when MANA 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 amount of MANA 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 MANA deposited into the Digital Asset Account in exchange for additional new Baskets issued by the Trust will not reverse this trend.

#### ***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.

## Decentraland

Investing in the Shares does not insulate the investor from certain risks, including price volatility. 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 February 26, 2021 (the inception of the Trust’s operations) to September 30, 2024:



For more information on the determination of the Trust’s NAV, see “Grayscale Decentraland Trust (MANA)—Description of the Trust—Valuation of MANA and Determination of NAV” in our Annual Report.

## Critical Accounting Policies

### *Investment Transactions and Revenue Recognition*

The Trust considers investment transactions to be the receipt of MANA for Share creations and the delivery of MANA for Share redemptions or for payment of expenses in MANA. 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 MANA.

### *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 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 MANA 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 MANA 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 MANA 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 MANA 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 MANA received in connection with a creation order is recorded by the Trust at the fair value of MANA 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 MANA 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.

## Review of Financial Results (unaudited)

*Financial Highlights for the Three and Nine Months Ended September 30, 2024 and 2023*

**(All amounts in the following table and the subsequent paragraphs, except Share, per Share, MANA and price of MANA amounts, are in thousands)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net realized and unrealized (loss) gain on investment in MANA	\$ (742)	\$ (1,295)	\$ (6,692)	\$ 247
Net (decrease) increase in net assets resulting from operations	\$ (795)	\$ (1,333)	\$ (6,877)	\$ 86
Net assets <sup>(1)</sup>	\$ 8,619	\$ 5,523	\$ 8,619	\$ 5,523

(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 MANA 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 loss on investment in MANA for the three months ended September 30, 2024 was (\$742), which includes a realized loss of (\$56) on the transfer of MANA to pay the Sponsor's Fee and net change in unrealized depreciation on investment in MANA of (\$686). Net realized and unrealized loss on investment in MANA for the period was driven by MANA price depreciation from \$0.33 per MANA as of June 30, 2024, to \$0.31 per MANA as of September 30, 2024. Net decrease in net assets resulting from operations was (\$795) for the three months ended September 30, 2024, which consisted of the net realized and unrealized loss on investment in MANA, plus the Sponsor's Fee of \$53. Net assets decreased to \$8,619 at September 30, 2024, an 8% decrease for the three-month period. The decrease in net assets resulted from the aforementioned MANA price depreciation and the withdrawal of approximately 176,208 MANA to pay the foregoing Sponsor's Fee, partially offset by the contribution of approximately 91,604 MANA with a value of \$24 to the Trust in connection with Share creations during the period.

Net realized and unrealized loss on investment in MANA for the three months ended September 30, 2023 was (\$1,295), which includes a realized loss of (\$34) on the transfer of MANA to pay the Sponsor's Fee and net change in unrealized depreciation on investment in MANA of (\$1,261). Net realized and unrealized loss on investment in MANA for the period was driven by MANA price depreciation from \$0.38 per MANA as of June 30, 2023, to \$0.31 per MANA as of September 30, 2023. Net decrease in net assets resulting from operations was (\$1,333) for the three months ended September 30, 2023, which consisted of the net realized and unrealized loss on investment in MANA, plus the Sponsor's Fee of \$38. Net assets decreased to \$5,523 at September 30, 2023, a 19% decrease for the three-month period. The decrease in net assets resulted from the aforementioned MANA price depreciation and the withdrawal of approximately 112,448 MANA to pay the foregoing Sponsor's Fee.

Net realized and unrealized loss on investment in MANA for the nine months ended September 30, 2024 was (\$6,692), which includes a realized loss of (\$98) on the transfer of MANA to pay the Sponsor's Fee and net change in unrealized depreciation on investment in MANA of (\$6,594). Net realized and unrealized loss on investment in MANA for the period was driven by MANA price depreciation from \$0.52 per MANA as of December 31, 2023, to \$0.31 per MANA as of September 30, 2024. Net decrease in net assets resulting from operations was (\$6,877) for the nine months ended September 30, 2024, which consisted of the net realized and unrealized loss on investment in MANA, plus the Sponsor's Fee of \$185. Net assets decreased to \$8,619 at September 30, 2024, a 7% decrease for the nine-month period. The decrease in net assets resulted from the aforementioned MANA price depreciation and the withdrawal of approximately 452,659 MANA to pay the foregoing Sponsor's Fee, partially offset by the contribution of approximately 10,787,876 MANA with a value of \$6,265 to the Trust in connection with Share creations during the period.

Net realized and unrealized gain on investment in MANA for the nine months ended September 30, 2023 was \$247, which includes a realized loss of (\$53) on the transfer of MANA to pay the Sponsor's Fee and net change in unrealized appreciation on investment in MANA of \$300. Net realized and unrealized gain on investment in MANA for the period was driven by MANA price appreciation from \$0.30 per MANA as of December 31, 2022, to \$0.31 per MANA as of September 30, 2023. Net increase in net assets resulting from operations was \$86 for the nine months ended September 30, 2023, which consisted of the net realized and unrealized gain on investment in MANA, less the Sponsor's Fee of \$161. Net assets increased to

\$5,523 at September 30, 2023, a 2% increase for the nine-month period. The increase in net assets resulted from the aforementioned MANA price appreciation, partially offset by the withdrawal of approximately 335,756 MANA 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 MANA, 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 MANA, Incidental Rights and/or IR Virtual Currency needed to pay expenses in order to minimize the Trust's holdings of assets other than MANA. 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 exchange 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 Quarterly Report 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.

#### **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 any derivative financial instruments and has no foreign operations or long-term debt instruments.

## Selected Operating Data (unaudited)

(All MANA balances are rounded to the nearest whole MANA)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>MANA:</b>				
Opening balance	28,096,298	17,900,667	17,676,477	18,123,975
Creations	91,604	-	10,787,876	-
Sponsor's Fee, related party	(176,208)	(112,448)	(452,659)	(335,756)
Closing balance	28,011,694	17,788,219	28,011,694	17,788,219
Accrued but unpaid				
Sponsor's Fee, related party	-	-	-	-
Net closing balance	28,011,694	17,788,219	28,011,694	17,788,219

### Number of Shares:

Opening balance	3,054,400	1,897,900	1,897,900	1,897,900
Creations	10,000	-	1,166,500	-
Closing balance	3,064,400	1,897,900	3,064,400	1,897,900

	As of September 30,	
	2024	2023
Price of MANA on principal market <sup>(1)</sup>	\$ 0.31	\$ 0.31
Principal Market NAV per Share <sup>(2)</sup>	\$ 2.81	\$ 2.91
Reference Rate Price <sup>(3)</sup>	\$ 0.31	\$ 0.31
NAV per Share <sup>(3)</sup>	\$ 2.81	\$ 2.94

(1) The Trust performed an assessment of the principal market at September 30, 2024 and 2023, and identified the principal market as Coinbase.

(2) As of September 30, 2024 and 2023, the Principal Market NAV per Share (rounded to the nearest penny) was calculated using the fair value of MANA 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. Prior to March 8, 2024, Principal Market NAV was referred to as NAV and Principal Market NAV per Share was referred to as NAV per Share.

(3) The Trust's NAV per Share (rounded to the nearest penny) 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. Prior to March 8, 2024, NAV was referred to as Digital Asset Holdings and NAV per Share was referred to as Digital Asset Holdings per Share. See the section entitled "Grayscale Decentraland Trust (MANA)—Description of the Trust—Valuation of MANA and Determination of NAV" in our Annual Report for a description of the Trust's NAV per Share. The Digital Asset Trading Platforms included in the Reference Rate as of September 30, 2024 were Coinbase, Kraken, and Crypto.com. Effective October 2, 2024, the Reference Rate Provider removed Crypto.com from the Reference Rate and added Gemini to the Reference Rate, due to the Gemini exceeding Crypto.com in trading volume for MANA, as part of its scheduled quarterly review. The Digital Asset Trading Platforms included in the Reference Rate as of September 30, 2023 were Coinbase, Gemini, and Kraken.

For accounting purposes, the Trust reflects creations and the MANA 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 MANA 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. The Trust currently has no intention of seeking regulatory approval to operate an ongoing redemption program.

As of September 30, 2024, the Trust had a net closing balance with a value of \$8,600,627, based on the Reference Rate Price (non-GAAP methodology). As of September 30, 2024, the Trust had a total market value of \$8,619,198, based on the Digital Asset Market price of MANA on the Trust's principal market (Coinbase).

As of September 30, 2023, the Trust had a net closing balance with a value of \$5,577,016, based on the Reference Rate Price (non-GAAP methodology). As of September 30, 2023, the Trust had a total market value of \$5,523,242, based on the Digital Asset Market price of MANA on the Trust's principal market (Coinbase).



## Historical MANA Prices

As movements in the price of MANA will directly affect the price of the Shares, investors should understand recent movements in the price of MANA. Investors, however, should also be aware that past movements in the MANA 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.

During the period from February 26, 2021 (the inception of the Trust's operations) to September 30, 2024, the Digital Asset Market price of MANA, based on the price reported by the Trust's principal market as of 4:00 p.m., New York time, traded between \$0.24 (February 28, 2021) and \$5.21 (November 25, 2021), the straight average was \$0.92, and the median was \$0.63. The average, high, low and end-of-period MANA prices for the twelve months ended September 30, 2023, the twelve months ended September 30, 2024, and the period from February 26, 2021 (the inception of the Trust's operations) to September 30, 2024, based on the price reported by the Trust's principal market as of 4:00 p.m., New York time, on the applicable dates were:

Period	Average	High		Low		End of period	Last business day
		Digital Asset Market Price	Date	Digital Asset Market Price	Date		
Twelve months ended September 30, 2023	\$ 0.49	\$ 0.81	2/2/2023	\$ 0.27	9/11/2023	\$ 0.31	\$ 0.31
Twelve months ended September 30, 2024	\$ 0.42	\$ 0.78	3/10/2024	\$ 0.25	9/6/2024	\$ 0.31	\$ 0.31
February 26, 2021 (the inception of the Trust's operations) to September 30, 2024	\$ 0.92	\$ 5.21	11/25/2021	\$ 0.24	2/28/2021	\$ 0.31	\$ 0.31

### Item 5. Legal proceedings.

The Sponsor and an affiliate of the Trust, Grayscale Bitcoin Trust ETF ("Grayscale Bitcoin Trust"), are currently parties to certain legal proceedings. Although the Trust is not a party to these proceedings, the Trust may in the future be subject to legal proceedings or disputes.

On January 30, 2023, Osprey Funds, LLC ("Osprey") filed a suit in Connecticut Superior Court against the Sponsor alleging that statements the Sponsor made in its advertising and promotion of Grayscale Bitcoin Trust violated the Connecticut Unfair Trade Practices Act, and seeking statutory damages and injunctive relief. On April 17, 2023, the Sponsor filed a motion to dismiss the complaint and, following briefing, a hearing on the motion to dismiss was held on June 26, 2023. On October 23, 2023, the Court denied the Sponsor's motion to dismiss. On November 6, 2023, the Sponsor filed a motion for reargument of the Court's order denying the Sponsor's motion to dismiss. On November 16, 2023, Osprey filed an opposition to the Sponsor's motion for reargument, and on November 30, 2023, the Sponsor filed a reply in further support of its motion for reargument. On March 11, 2024, the Court denied the Sponsor's motion for reargument. On March 25, 2024, the Sponsor filed an application for interlocutory appeal. On March 28, 2024, Osprey filed an opposition to the Sponsor's application for interlocutory appeal. On April 1, 2024, the Court denied the Sponsor's application for interlocutory appeal. On April 10, 2024, Osprey filed a motion to amend the complaint. The amended complaint went into effect on April 25, 2024. A scheduling order was entered by the Court with trial scheduled to begin on July 15, 2025. On July 31, 2024, the Sponsor filed a motion to strike the amended complaint. On August 30, 2024, Osprey filed an opposition to the Sponsor's motion to strike the amended complaint. On October 11, 2024, the Court denied the Sponsor's motion to strike. The Sponsor and Grayscale Bitcoin Trust believe this lawsuit is without merit and intend to vigorously defend against it.

As of the date of this Quarterly Report, the Sponsor does not expect the foregoing proceedings to have a material adverse effect on the Trust's business, financial condition or results of operations.

The Sponsor and/or the Trust may be subject to additional legal proceedings and disputes in the future.

### Item 6. Defaults upon senior securities.

None.

## **Item 7. Other information.**

*The risk factors included in our Annual Report continue to apply to us and describe risks and uncertainties that could cause actual results to differ materially from the results expressed or implied by the forward-looking statements contained in this Quarterly Report. In addition to such risk factors, investors should consider carefully the risks described below before making an investment decision.*

***The SEC takes the view that MANA is a “security,” and a final determination that MANA or any other digital asset is a “security” may adversely affect the value of MANA 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 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. More recently, the SEC has also 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.

For example, in June 2023, the SEC brought charges against Binance (the “Binance Complaint”) and Coinbase (the “Coinbase Complaint”) alleging violations of a variety of securities laws. In its complaints, the SEC asserted that SOL, ADA, MATIC, FIL, ATOM, SAND, MANA, ALGO, AXS, COTI, CHZ, FLOW, ICP, NEAR, VGX, DASH and NEXO, are securities under the federal securities laws. In addition, in November 2023, the SEC brought charges against Kraken (the “Kraken Complaint”), alleging that Kraken operated as an unregistered securities exchange, brokerage and clearing agency, and in its complaint the SEC again asserted that MANA and various other digital assets are securities under the federal securities laws. In addition, in April 2023, the SEC described MANA as a “crypto asset security” in a complaint filed against Bittrex (the “Bittrex Complaint”).

Whether a digital asset is a security under the federal securities laws depends on whether it is included in the lists of instruments making up the definition of “security” in the Securities Act, the Exchange Act and the Investment Company Act. 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 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 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 MANA is a security 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 for purposes of the federal securities laws. Finally, the Sponsor discusses the security status of MANA with external counsel, and has received a memorandum regarding the status of MANA 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 MANA is not a security in light of the uncertainties inherent in the *Howey* and *Reves* tests. The Sponsor has been contacted by staff from the SEC’s Division of Enforcement with respect to securities law compliance matters involving MANA and is engaged in discussions with the SEC staff.

In light of these developments, and the uncertainties and fact-based nature of the analysis as to whether MANA is a “security” under the federal securities laws, the Sponsor acknowledges that the SEC takes the position that MANA is a security and the Sponsor’s conclusion otherwise does not preclude legal or regulatory action based on the presence of a security.

As is the case with MANA, 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 in question is or is not a security for purposes of the federal securities laws. Often, certain factors appear to support a conclusion that the digital asset in question is a security, 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 is or is not a security 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 MANA or any other particular digital asset.

As such, notwithstanding the Sponsor's receipt of a memorandum regarding the status of MANA under the federal securities laws from external counsel and the Sponsor's view that MANA is not a security, the SEC has taken and a federal court may in the future take a different view as to the security status of MANA.

If the Sponsor determines that MANA is a security under the federal securities laws, whether that determination is initially made by the Sponsor itself, or because a federal court upholds an allegation that MANA is a security, the Sponsor does not intend to permit the Trust to continue holding MANA 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 is or is not a security often leave room for interpretation, for so long as the Sponsor believes there to be good faith grounds to conclude that the Trust's MANA is not a security, the Sponsor does not intend to dissolve the Trust on the basis that MANA 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 MANA is a security, or a court decision to that effect, would be expected to have an immediate material adverse impact on the trading value of MANA, as well as the Shares. This is because the business models behind most digital assets are incompatible with regulations applying to transactions in securities. If a digital asset is determined to be a security, 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 is a security 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 and certain significant market participants announced they would no longer support XRP, among other measures, including the delisting of XRP from major Digital Asset Trading Platforms. 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 in August 2024. In October 2024, the SEC filed a notice of appeal. In July 2023, another judge in the District Court for the Southern District of New York, in litigation between the SEC and the issuer of the UST and LUNA digital assets, suggested that he disagreed with the approach underlying the XRP decision. Likewise, in June and November 2023, the SEC asserted in the Bittrex, Binance, and Kraken Complaints that MANA is a “crypto asset security” and at times that it was “offered and sold as an investment contract.” Following the filing of the Binance Complaint, Bittrex Complaint and the Kraken Complaint, the Sponsor discussed the security status of MANA with external counsel and continues to believe that MANA is not a security. In the days following the announcement of the Binance Complaint and Coinbase Complaint, the price of various digital assets, including Bitcoin, Ether, and MANA, declined significantly. In October 2024, the SEC filed an enforcement action against Cumberland DRW, LLC (the “Cumberland Enforcement Action”), describing a number of digital assets as examples of “crypto assets that are offered and sold as securities.” In light of these developments and the uncertainties and fact-based nature of the analysis as to whether certain of such digital assets are “securities” under the federal securities laws, the Sponsor acknowledges that the SEC takes the position that MANA is a security. Nonetheless, the outcomes of such complaints and the consequent litigation is unknown and unknowable at this time and the price of these digital assets may decline as these cases advance through the federal court system.

The Bittrex Complaint, Binance Complaint, the Coinbase Complaint, the Kraken Complaint, the Cumberland Enforcement Action and the SEC’s actions against XRP’s issuer and the issuer of the UST and LUNA digital assets, as well as seemingly inconsistent views of different district court judges, underscore the continuing uncertainty around which 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 MANA is determined to be a security 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, 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 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. Furthermore, if a federal court upholds an allegation that MANA is a security, the Trust itself may be terminated and, if practical, its assets liquidated.

## **Item 8. Exhibits.**

Exhibit 1 Unaudited Interim Financial Statements - September 30, 2024.

**Item 9. Issuer’s certifications.**

**Certification**

I, Peter Mintzberg, certify that:

1. I have reviewed the Quarterly Report, exhibits, and all notes thereto of Grayscale Decentraland Trust (MANA);
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Dated: November 11, 2024

/s/ Peter Mintzberg

By: Peter Mintzberg

Title: Chief Executive Officer (Principal Executive Officer)  
of Grayscale Investments, LLC

## Certification

I, Edward McGee, certify that:

1. I have reviewed the Quarterly Report, exhibits, and all notes thereto of Grayscale Decentraland Trust (MANA);
2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this Quarterly Report.

Dated: November 11, 2024

/s/ Edward McGee

By: Edward McGee

Title: Chief Financial Officer (Principal Financial and Accounting Officer) of Grayscale Investments, LLC

Exhibit 1

Unaudited Interim Financial Statements - September 30, 2024

**INTERIM FINANCIAL STATEMENTS**

**Grayscale Decentraland Trust (MANA)  
September 30, 2024  
(Unaudited)**



**Grayscale Decentraland Trust**



**Grayscale Decentraland Trust (MANA)**  
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**Grayscale Decentraland Trust (MANA)**  
**Statements of Assets and Liabilities**  
**(Unaudited)**

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
(Amounts in U.S. dollars, except Share amounts)		
<b>Assets:</b>		
Investment in MANA, at fair value (cost \$17,270,350 and \$11,287,283 as of September 30, 2024 and December 31, 2023, respectively)	\$ 8,619,198	\$ 9,230,656
<b>Total assets</b>	<u>\$ 8,619,198</u>	<u>\$ 9,230,656</u>
<b>Liabilities:</b>		
Sponsor's Fee payable, related party	\$ -	\$ -
<b>Total liabilities</b>	<u>-</u>	<u>-</u>
<b>Net assets</b>	<u>\$ 8,619,198</u>	<u>\$ 9,230,656</u>
Shares issued and outstanding, no par value (unlimited Shares authorized)	<u>3,064,400</u>	<u>1,897,900</u>
Principal market net asset value per Share	<u>\$ 2.81</u>	<u>\$ 4.86</u>

*See accompanying notes to unaudited financial statements.*

**Grayscale Decentraland Trust (MANA)**  
**Schedules of Investment**  
**(Unaudited)**

**September 30, 2024**

	<b>Quantity of MANA</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
Investment in MANA	28,011,694.20363550	\$ 17,270,350	\$ 8,619,198	100%
Net assets			<u>\$ 8,619,198</u>	<u>100%</u>

**December 31, 2023**

	<b>Quantity of MANA</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
Investment in MANA	17,676,477.12005050	\$ 11,287,283	\$ 9,230,656	100%
Net assets			<u>\$ 9,230,656</u>	<u>100%</u>

*See accompanying notes to unaudited financial statements.*

**Grayscale Decentraland Trust (MANA)**  
**Statements of Operations**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(Amounts in U.S. dollars)				
<b>Investment income:</b>				
Investment income	\$ -	\$ -	\$ -	\$ -
<b>Expenses:</b>				
Sponsor's Fee, related party	52,576	38,454	184,757	161,728
<b>Net investment loss</b>	<b>(52,576)</b>	<b>(38,454)</b>	<b>(184,757)</b>	<b>(161,728)</b>
<b>Net realized and unrealized (loss) gain from:</b>				
Net realized loss on investment in MANA	(56,197)	(33,349)	(97,740)	(52,668)
Net change in unrealized depreciation on investment in MANA	(686,316)	(1,260,910)	(6,594,525)	300,446
<b>Net realized and unrealized (loss) gain on investment</b>	<b>(742,513)</b>	<b>(1,294,259)</b>	<b>(6,692,265)</b>	<b>247,778</b>
<b>Net (decrease) increase in net assets resulting from operations</b>	<b>\$ (795,089)</b>	<b>\$ (1,332,713)</b>	<b>\$ (6,877,022)</b>	<b>\$ 86,050</b>

*See accompanying notes to unaudited financial statements.*

**Grayscale Decentraland Trust (MANA)**  
**Statements of Changes in Net Assets**  
**(Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
(Amounts in U.S. dollars, except change in Shares outstanding)				
<b>(Decrease) increase in net assets from operations:</b>				
Net investment loss	\$ (52,576)	\$ (38,454)	\$ (184,757)	\$ (161,728)
Net realized loss on investment in MANA	(56,197)	(33,349)	(97,740)	(52,668)
Net change in unrealized depreciation on investment in MANA	(686,316)	(1,260,910)	(6,594,525)	300,446
Net (decrease) increase in net assets resulting from operations	<u>(795,089)</u>	<u>(1,332,713)</u>	<u>(6,877,022)</u>	<u>86,050</u>
<b>Increase in net assets from capital share transactions:</b>				
Shares issued	24,504	-	6,265,564	-
Net increase in net assets resulting from capital share transactions	<u>24,504</u>	<u>-</u>	<u>6,265,564</u>	<u>-</u>
Total (decrease) increase in net assets from operations and capital share transactions	<u>(770,585)</u>	<u>(1,332,713)</u>	<u>(611,458)</u>	<u>86,050</u>
<b>Net assets:</b>				
Beginning of period	9,389,783	6,855,955	9,230,656	5,437,192
End of period	<u>\$ 8,619,198</u>	<u>\$ 5,523,242</u>	<u>\$ 8,619,198</u>	<u>\$ 5,523,242</u>
<b>Change in Shares outstanding:</b>				
Shares outstanding at beginning of period	3,054,400	1,897,900	1,897,900	1,897,900
Shares issued	10,000	-	1,166,500	-
Net increase in Shares	<u>10,000</u>	<u>-</u>	<u>1,166,500</u>	<u>-</u>
Shares outstanding at end of period	<u>3,064,400</u>	<u>1,897,900</u>	<u>3,064,400</u>	<u>1,897,900</u>

*See accompanying notes to unaudited financial statements.*

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**1. Organization**

Grayscale Decentraland Trust (MANA) (the “Trust”) is a Delaware Statutory Trust that was formed on December 18, 2020 and commenced operations on February 26, 2021. In general, the Trust holds Decentraland’s native token (“MANA”) 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 MANA. 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 MANA per Share) to reflect the value of MANA held by the Trust, less the Trust’s expenses and other liabilities. The Trust may also receive Incidental Rights and/or IR Virtual Currency as a result of the Trust’s investment in MANA, 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 MANA 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.

Grayscale Investments, LLC (“Grayscale” or the “Sponsor”) acts as the Sponsor of the Trust and is 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) (OTCQB: GBAT), Grayscale Bitcoin Trust ETF (NYSE Arca: GBTC), Grayscale Bitcoin Cash Trust (BCH) (OTCQX: BCHG), Grayscale Bitcoin Mini Trust ETF (NYSE Arca: BTC), Grayscale Bittensor Trust (TAO), Grayscale Chainlink Trust (LINK) (OTCQX: GLNK), 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 Litecoin Trust (LTC) (OTCQX: LTCN), Grayscale Livepeer Trust (LPT) (OTCQX: GLIV), Grayscale MakerDao Trust (MKR), Grayscale NEAR Trust (NEAR), 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 Platform Ex Ethereum (ETH) 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. Grayscale Advisors, LLC, a Registered Investment Advisor and an affiliate of the Sponsor, is the advisor to the Grayscale Future of Finance (NYSE Arca: GFOF) product.

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 wholly owned subsidiary 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.

## **Grayscale Decentraland Trust (MANA) Notes to Unaudited Financial Statements**

### **1. Organization (continued)**

The custodian of the Trust is Coinbase Custody Trust Company, LLC (the “Custodian”), a third-party service provider. The Custodian is responsible for safeguarding the MANA, 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.

On May 12, 2022, the Trust received notice that its Shares were qualified for public trading on the OTCQX Best Market® (“OTCQX”) of OTC Markets Group Inc. The Trust’s trading symbol on OTCQX is “MANA” and the CUSIP number for its Shares is 38964P108. The Trust’s Shares have been quoted on OTCQX under the symbol MANA since May 16, 2022.

### **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 September 30, 2024 and December 31, 2023, and results of operations for the three and nine months ended September 30, 2024 and 2023, 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, 2023 included in the Trust’s 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 MANA 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 MANA, including receiving MANA for the creation of Shares and delivering MANA 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.

#### **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 MANA 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 MANA 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 MANA 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”).

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**2. Summary of Significant Accounting Policies (continued)**

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 MANA 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 MANA received in connection with a creation order is recorded by the Trust at the fair value of MANA 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 MANA for Share creations and the delivery of MANA for Share redemptions or for payment of expenses in MANA. 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 MANA.

**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.



**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**2. Summary of Significant Accounting Policies (continued)**

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.

	<b>Amount at Fair Value</b>	<b>Fair Value Measurement Using</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>September 30, 2024</b>				
<b>Assets</b>				
Investment in MANA	\$ 8,619,198	\$ 8,619,198	\$ -	\$ -
<b>December 31, 2023</b>				
<b>Assets</b>				
Investment in MANA	\$ 9,230,656	\$ 9,230,656	\$ -	\$ -

**Recently Issued 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, 2024, with no material impact on its financial statements and disclosures as the Trust historically used fair value as its method of accounting for MANA in accordance with its classification as an investment company for accounting purposes.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**3. Fair Value of MANA**

MANA is held by the Custodian on behalf of the Trust and is carried at fair value. As of September 30, 2024 and December 31, 2023, the Trust held 28,011,694.20363550 and 17,676,477.12005050 MANA, respectively.

The Trust determined the fair value per MANA to be \$0.31 and \$0.52 on September 30, 2024 and December 31, 2023, respectively, 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 following represents the changes in quantity of MANA and the respective fair value:

	<b>Quantity</b>	<b>Fair Value</b>
<b>Balance at December 31, 2022</b>	18,123,974.78659540	\$ 5,437,192
MANA contributed	-	-
MANA distributed for Sponsor's Fee, related party	(447,497.66654490)	(207,687)
Net change in unrealized appreciation on investment in MANA	-	4,079,213
Net realized loss on investment in MANA	-	(78,062)
<b>Balance at December 31, 2023</b>	17,676,477.12005050	\$ 9,230,656
MANA contributed	10,787,876.46253250	6,265,564
MANA distributed for Sponsor's Fee, related party	(452,659.37894750)	(184,757)
Net change in unrealized depreciation on investment in MANA	-	(6,594,525)
Net realized loss on investment in MANA	-	(97,740)
<b>Balance at September 30, 2024</b>	28,011,694.20363550	\$ 8,619,198

**4. Creations and Redemptions of Shares**

At September 30, 2024 and December 31, 2023, 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 MANA to the Trust or the distribution of MANA by the Trust. The amount of MANA required for each creation Basket or redemption Basket is determined by dividing (x) the amount of MANA 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 MANA 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 9.1410 and 9.3137 MANA at September 30, 2024 and December 31, 2023, respectively. The decrease in the amount of MANA represented by each Share is primarily a result of the periodic withdrawal of MANA to pay the Sponsor's Fee.

The cost basis of investments in MANA recorded by the Trust is the fair value of MANA, 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 MANA.

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.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**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, gain, 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 return 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 periods ended September 30, 2024 and December 31, 2023, 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 September 30, 2024 or December 31, 2023.

**6. Related Parties**

The Trust considered the following entities, their directors, and certain employees to be related parties of the Trust as of September 30, 2024: DCG, Grayscale, and Grayscale Securities. As of September 30, 2024 and December 31, 2023, 1,510,721 and 1,593,789 Shares of the Trust were held by related parties of the Trust, respectively.

Genesis Global Trading, Inc. filed a certificate of dissolution during the three months ended September 30, 2024, and has therefore been removed from the list of related parties.

The Sponsor's indirect parent, an affiliate of the Trust, holds a minority interest in Coinbase, Inc., the parent company of the Custodian, that represents less than 1.0% of Coinbase, Inc.'s ownership.

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 MANA, monthly in arrears. The amount of MANA payable in respect of each daily U.S. dollar accrual will be determined by reference to the same U.S. dollar value of MANA used to determine such accrual. For purposes of these financial statements, the U.S. dollar value of MANA 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 September 30, 2024 and December 31, 2023. No Incidental Rights or IR Virtual Currencies have been distributed in payment of the Sponsor's Fee during the three and nine months ended September 30, 2024 and 2023.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**6. Related Parties (continued)**

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 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 MANA, 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 MANA, 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 MANA, 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 September 30, 2024 and 2023, the Trust incurred Sponsor's Fees of \$52,576 and \$38,454, respectively. For the nine months ended September 30, 2024 and 2023, the Trust incurred Sponsor's Fees of \$184,757 and \$161,728, respectively. As of September 30, 2024 and December 31, 2023, 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 nine months ended September 30, 2024 and 2023, 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, MANA. Investing in MANA 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 MANA held by the Trust, and fluctuations in the price of MANA could materially and adversely affect an investment in the Shares of the Trust. The price of MANA has a limited history. During such history, MANA prices have been volatile and subject to influence by many factors, including the levels of liquidity. If the Digital Asset Markets continue to experience significant price fluctuations, the Trust may experience losses. Several factors may affect the price of MANA, including, but not limited to, global MANA supply and demand, theft of MANA 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 MANA held by the Trust are commingled, and the Trust's shareholders have no specific rights to any specific MANA. In the event of the insolvency of the Trust, its assets may be inadequate to satisfy a claim by its shareholders.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**7. Risks and Uncertainties (continued)**

There is currently no clearing house for MANA, nor is there a central or major depository for the custody of MANA. There is a risk that some or all of the Trust's MANA could be lost or stolen. There can be no assurance that the Custodian will maintain adequate insurance or that such coverage will cover losses with respect to the Trust's MANA. Further, transactions in MANA are irrevocable. Stolen or incorrectly transferred MANA may be irretrievable. As a result, any incorrectly executed MANA transactions could adversely affect an investment in the Shares.

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. 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 the Trust) 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. 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. On April 17, 2023, the SEC described MANA as a "crypto asset security" in a complaint filed against the Digital Asset Trading Platform, Bittrex. In June 2023, the SEC brought charges against the Digital Asset Trading Platform, Binance, for alleged violations of a variety of securities laws. In its complaint, the SEC asserted that MANA is a security under the federal securities laws. Further, in November 2023, the SEC asserted in the Kraken Complaint that MANA is a "crypto asset security" that was "offered and sold as an investment contract."

If MANA 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 MANA. For example, it may become more difficult for MANA 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 MANA and cause users to migrate to other digital assets. As such, any determination that MANA is a security under federal or state securities laws may adversely affect the value of MANA and, as a result, an investment in the Shares.

In addition, if MANA 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 required to access a MANA address is lost, destroyed or otherwise compromised and no backup of the private keys are accessible, the Trust may be unable to access the MANA controlled by the private key and the private key will not be capable of being restored by the MANA Network. The processes by which MANA transactions are settled are dependent on the MANA 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 MANA.

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.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**7. Risks and Uncertainties (continued)**

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.

**8. Financial Highlights Per Share Performance**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Per Share Data:</b>				
Principal market net asset value, beginning of period	\$ 3.07	\$ 3.61	\$ 4.86	\$ 2.86
Net (decrease) increase in net assets from investment operations:				
Net investment loss	(0.02)	(0.02)	(0.07)	(0.09)
Net realized and unrealized (loss) gain	(0.24)	(0.68)	(1.98)	0.14
Net (decrease) increase in net assets resulting from operations	(0.26)	(0.70)	(2.05)	0.05
Principal market net asset value, end of period	\$ 2.81	\$ 2.91	\$ 2.81	\$ 2.91
Total return	-8.47%	-19.39%	-42.18%	1.75%
<i>Ratios to average net assets:</i>				
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.

**Grayscale Decentraland Trust (MANA)**  
**Notes to Unaudited Financial Statements**

**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 November 7, 2024, the fair value of MANA determined in accordance with the Trust's accounting policy was \$0.30 per MANA.

Subsequent events have been evaluated through November 11, 2024, the date the financial statements were available to be issued.