

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC)
2020 Grantor Trust Tax Information
EIN: 82-6239281

The following information is being provided to assist Shareholders of the Grayscale Ethereum Classic Trust (ETC) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2020 through December 31, 2020.

TAXATION OF THE TRUST

The Trust is a grantor trust for U.S. federal income tax purposes. As a result, the Trust itself is not subject to U.S. federal income tax. Instead, the Trust's income and expenses "flow through" to the Shareholders.

TAXATION OF US INDIVIDUAL SHAREHOLDERS

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro rata shares of the Trust's income and proceeds, and directly incurred their pro rata share of the Trust's expenses. Most state and local tax authorities follow U.S. Income tax rules in this regard. However, Shareholders should contact their own tax advisors as to the state and local tax consequences of ownership of Trust.

The Trust holds only Ethereum Classic ("ETC") tokens and, accordingly, received no income during the year.

The Trust paid expenses periodically, as shown in the attached 2020 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2020 Expense File. An example illustrating the computation of a Shareholder's share of expenses is provided.

Because the Trust paid out only a *de minimis* amount of ETC tokens for payment of Trust expenses during the year and made no distributions of sale proceeds to its Shareholders, under Treas. Reg. Sec. 1.671-5(c)(2)(iv)(B) neither the Trust nor brokers are required to report the gross proceeds of Trust sales to Shareholders on Form 1099B. In lieu of Form 1099B, this information is contained in the attached 2020 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Grayscale Ethereum Classic Trust (ETC) - (the "Trust")

Expense File – Summary of allocated monthly Trust expenses per share in USD (page 2)

Gross Proceeds File – Summary of daily value per share (in ETC), amount of ETC paid to cover trust expenses (in ETC), and per share proceeds from ETC paid to cover trust expenses (in USD) - (pages 3 - 14)

Pro-Rated Shares – All income and expenses are distributed pro rata based on the actual number of days in the calendar month (see example on page 2)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 EXPENSE FILE

Summary of Expenses by Month (Details on pages 3-14)

Date	Expenses Per Share (USD)	Amount of ETC Per Share
January	0.02600522	0.00234492
February	0.01607292	0.00216034
March	0.01145868	0.00232428
April	0.01351522	0.00207607
May	0.01647924	0.00228561
June	0.01270783	0.00221777
July	0.01643676	0.00221520
August	0.01517638	0.00225169
September	0.01273690	0.00222673
October	0.01207272	0.00229519
November	0.01490876	0.00221198
December	0.01293433	0.00228119
Total for year	0.18050496	0.02689097

How to Calculate the Shareholder's Investment Expenses

Identify in the table above the months (full and partial) in which the Shareholder held shares in the Trust. The amount in the column labeled "Expenses Per Share," represents the amount of investment expense paid per share for a full month. For any month in which the shares were not held on each day in such month, the expenses should be pro-rated based on the number of days held (see attached details for each month pages 3-14).

Example illustrating calculation of a Shareholder's 2020 Grayscale Ethereum Classic Trust (ETC) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2020 and sold them on September 15, 2020. For the month of February, Shareholder's expenses are \$0.01607292 (See Summary Table above – February Factor) x (14/29) = \$0.00775934 per share. For the months of March through August, the expenses per share are as shown in the summary table above. For the month of September, Shareholder's expenses are \$0.01273690 (See Summary Table above – September Factor) x (15/30) = \$0.00636845. The total expenses for Shareholder are therefore \$0.09990190 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$1,998.04

Total Expenses Per Share	\$0.09990190
Total Shares	20,000
Total Expense	<u>\$ 1,998.04</u>

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
1/1/2020	0.92238022		
1/2/2020	0.92230441		
1/3/2020	0.92222860		
1/4/2020	0.92215280		
1/5/2020	0.92207701		
1/6/2020	0.92200122		
1/7/2020	0.92192544		
1/8/2020	0.92184967		
1/9/2020	0.92177390		
1/10/2020	0.92169814		
1/11/2020	0.92162238		
1/12/2020	0.92154663		
1/13/2020	0.92147089		
1/14/2020	0.92139515		
1/15/2020	0.92131942		
1/16/2020	0.92124369		
1/17/2020	0.92116797		
1/18/2020	0.92109226		
1/19/2020	0.92101656		
1/20/2020	0.92094086		
1/21/2020	0.92086516		
1/22/2020	0.92078947		
1/23/2020	0.92071379		
1/24/2020	0.92063812		
1/25/2020	0.92056245		
1/26/2020	0.92048679		
1/27/2020	0.92041113		
1/28/2020	0.92033548		
1/29/2020	0.92025984		
1/30/2020	0.92018420		
1/31/2020	0.92010857	0.00234492	0.02600522

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
2/1/2020	0.92003294		
2/2/2020	0.91995732		
2/3/2020	0.91988171		
2/4/2020	0.91980610		
2/5/2020	0.91973050		
2/6/2020	0.91965491		
2/7/2020	0.91957932		
2/8/2020	0.91950374		
2/9/2020	0.91942816		
2/10/2020	0.91935259		
2/11/2020	0.91927703		
2/12/2020	0.91920147		
2/13/2020	0.91912592		
2/14/2020	0.91905038		
2/15/2020	0.91897484		
2/16/2020	0.91889931		
2/17/2020	0.91882378		
2/18/2020	0.91874826		
2/19/2020	0.91867275		
2/20/2020	0.91859724		
2/21/2020	0.91852174		
2/22/2020	0.91844624		
2/23/2020	0.91837075		
2/24/2020	0.91829527		
2/25/2020	0.91821980		
2/26/2020	0.91814433		
2/27/2020	0.91806886		
2/28/2020	0.91799340		
2/29/2020	0.91791795	0.00216034	0.01607292

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
3/1/2020	0.91784251		
3/2/2020	0.91776707		
3/3/2020	0.91769164		
3/4/2020	0.91761621		
3/5/2020	0.91754079		
3/6/2020	0.91746537		
3/7/2020	0.91738997		
3/8/2020	0.91731456		
3/9/2020	0.91723917		
3/10/2020	0.91716378		
3/11/2020	0.91708840		
3/12/2020	0.91701302		
3/13/2020	0.91693765		
3/14/2020	0.91686228		
3/15/2020	0.91678692		
3/16/2020	0.91671157		
3/17/2020	0.91663623		
3/18/2020	0.91656089		
3/19/2020	0.91648555		
3/20/2020	0.91641022		
3/21/2020	0.91633490		
3/22/2020	0.91625959		
3/23/2020	0.91618428		
3/24/2020	0.91610898		
3/25/2020	0.91603368		
3/26/2020	0.91595839		
3/27/2020	0.91588310		
3/28/2020	0.91580783		
3/29/2020	0.91573255		
3/30/2020	0.91565729		
3/31/2020	0.91558203	0.00232428	0.01145868

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
4/1/2020	0.91550678		
4/2/2020	0.91543153		
4/3/2020	0.91535629		
4/4/2020	0.91528105		
4/5/2020	0.91520582		
4/6/2020	0.91513060		
4/7/2020	0.91505539		
4/8/2020	0.91498018		
4/9/2020	0.91490497		
4/10/2020	0.91482977		
4/11/2020	0.91475458		
4/12/2020	0.91467940		
4/13/2020	0.91460422		
4/14/2020	0.91452905		
4/15/2020	0.91445388		
4/16/2020	0.91437872		
4/17/2020	0.91430356		
4/18/2020	0.91422842		
4/19/2020	0.91415327		
4/20/2020	0.91407814		
4/21/2020	0.91400301		
4/22/2020	0.91392788		
4/23/2020	0.91385277		
4/24/2020	0.91377766		
4/25/2020	0.91370255		
4/26/2020	0.91362745		
4/27/2020	0.91355236		
4/28/2020	0.91347727		
4/29/2020	0.91340219		
4/30/2020	0.91332712	0.00207607	0.01351522

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
5/1/2020	0.91325205		
5/2/2020	0.91317699		
5/3/2020	0.91310193		
5/4/2020	0.91302688		
5/5/2020	0.91295184		
5/6/2020	0.91287680		
5/7/2020	0.91280177		
5/8/2020	0.91272675		
5/9/2020	0.91265173		
5/10/2020	0.91257672		
5/11/2020	0.91250171		
5/12/2020	0.91242671		
5/13/2020	0.91235172		
5/14/2020	0.91227673		
5/15/2020	0.91220175		
5/16/2020	0.91212677		
5/17/2020	0.91205180		
5/18/2020	0.91197684		
5/19/2020	0.91190188		
5/20/2020	0.91182693		
5/21/2020	0.91175199		
5/22/2020	0.91167705		
5/23/2020	0.91160211		
5/24/2020	0.91152719		
5/25/2020	0.91145227		
5/26/2020	0.91137735		
5/27/2020	0.91130245		
5/28/2020	0.91122755		
5/29/2020	0.91115265		
5/30/2020	0.91107776		
5/31/2020	0.91100288	0.00228561	0.01647924

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
6/1/2020	0.91092800		
6/2/2020	0.91085313		
6/3/2020	0.91077827		
6/4/2020	0.91070341		
6/5/2020	0.91062855		
6/6/2020	0.91055371		
6/7/2020	0.91047887		
6/8/2020	0.91040403		
6/9/2020	0.91032921		
6/10/2020	0.91025438		
6/11/2020	0.91017957		
6/12/2020	0.91010476		
6/13/2020	0.91002996		
6/14/2020	0.90995516		
6/15/2020	0.90988037		
6/16/2020	0.90980558		
6/17/2020	0.90973081		
6/18/2020	0.90965603		
6/19/2020	0.90958127		
6/20/2020	0.90950651		
6/21/2020	0.90943175		
6/22/2020	0.90935701		
6/23/2020	0.90928226		
6/24/2020	0.90920753		
6/25/2020	0.90913280		
6/26/2020	0.90905808		
6/27/2020	0.90898336		
6/28/2020	0.90890865		
6/29/2020	0.90883394		
6/30/2020	0.90875924	0.00221777	0.01270783

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
7/1/2020	0.90868455		
7/2/2020	0.90860987		
7/3/2020	0.90853518		
7/4/2020	0.90846051		
7/5/2020	0.90838584		
7/6/2020	0.90831118		
7/7/2020	0.90823653		
7/8/2020	0.90816188		
7/9/2020	0.90808723		
7/10/2020	0.90801259		
7/11/2020	0.90793796		
7/12/2020	0.90786334		
7/13/2020	0.90778872		
7/14/2020	0.90771411		
7/15/2020	0.90763950		
7/16/2020	0.90756490		
7/17/2020	0.90749031		
7/18/2020	0.90741572		
7/19/2020	0.90734114		
7/20/2020	0.90726656		
7/21/2020	0.90719199		
7/22/2020	0.90711743		
7/23/2020	0.90704287		
7/24/2020	0.90696832		
7/25/2020	0.90689377		
7/26/2020	0.90681923		
7/27/2020	0.90674470		
7/28/2020	0.90667017		
7/29/2020	0.90659565		
7/30/2020	0.90652114		
7/31/2020	0.90644663	0.00221520	0.01643676

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
8/1/2020	0.90637213		
8/2/2020	0.90629763		
8/3/2020	0.90622314		
8/4/2020	0.90614865		
8/5/2020	0.90607418		
8/6/2020	0.90599970		
8/7/2020	0.90592524		
8/8/2020	0.90585078		
8/9/2020	0.90577633		
8/10/2020	0.90570188		
8/11/2020	0.90562744		
8/12/2020	0.90555300		
8/13/2020	0.90547857		
8/14/2020	0.90540415		
8/15/2020	0.90532973		
8/16/2020	0.90525532		
8/17/2020	0.90518092		
8/18/2020	0.90510652		
8/19/2020	0.90503213		
8/20/2020	0.90495774		
8/21/2020	0.90488336		
8/22/2020	0.90480899		
8/23/2020	0.90473462		
8/24/2020	0.90466026		
8/25/2020	0.90458590		
8/26/2020	0.90451155		
8/27/2020	0.90443721		
8/28/2020	0.90436287		
8/29/2020	0.90428854		
8/30/2020	0.90421422		
8/31/2020	0.90413990	0.00225169	0.01517638

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
9/1/2020	0.90406558		
9/2/2020	0.90399128		
9/3/2020	0.90391698		
9/4/2020	0.90384268		
9/5/2020	0.90376839		
9/6/2020	0.90369411		
9/7/2020	0.90361983		
9/8/2020	0.90354556		
9/9/2020	0.90347130		
9/10/2020	0.90339704		
9/11/2020	0.90332279		
9/12/2020	0.90324855		
9/13/2020	0.90317431		
9/14/2020	0.90310007		
9/15/2020	0.90302584		
9/16/2020	0.90295162		
9/17/2020	0.90287741		
9/18/2020	0.90280320		
9/19/2020	0.90272900		
9/20/2020	0.90265480		
9/21/2020	0.90258061		
9/22/2020	0.90250642		
9/23/2020	0.90243224		
9/24/2020	0.90235807		
9/25/2020	0.90228391		
9/26/2020	0.90220975		
9/27/2020	0.90213559		
9/28/2020	0.90206144		
9/29/2020	0.90198730		
9/30/2020	0.90191317	0.00222673	0.01273690

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
10/1/2020	0.90183904		
10/2/2020	0.90176491		
10/3/2020	0.90169079		
10/4/2020	0.90161668		
10/5/2020	0.90154258		
10/6/2020	0.90146848		
10/7/2020	0.90139438		
10/8/2020	0.90132030		
10/9/2020	0.90124622		
10/10/2020	0.90117214		
10/11/2020	0.90109807		
10/12/2020	0.90102401		
10/13/2020	0.90094995		
10/14/2020	0.90087590		
10/15/2020	0.90080186		
10/16/2020	0.90072782		
10/17/2020	0.90065379		
10/18/2020	0.90057976		
10/19/2020	0.90050574		
10/20/2020	0.90043173		
10/21/2020	0.90035772		
10/22/2020	0.90028372		
10/23/2020	0.90020972		
10/24/2020	0.90013573		
10/25/2020	0.90006175		
10/26/2020	0.89998777		
10/27/2020	0.89991380		
10/28/2020	0.89983983		
10/29/2020	0.89976587		
10/30/2020	0.89969192		
10/31/2020	0.89961797	0.00229519	0.01207272

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Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
11/1/2020	0.89954403		
11/2/2020	0.89947009		
11/3/2020	0.89939617		
11/4/2020	0.89932224		
11/5/2020	0.89924833		
11/6/2020	0.89917441		
11/7/2020	0.89910051		
11/8/2020	0.89902661		
11/9/2020	0.89895272		
11/10/2020	0.89887883		
11/11/2020	0.89880495		
11/12/2020	0.89873108		
11/13/2020	0.89865721		
11/14/2020	0.89858335		
11/15/2020	0.89850949		
11/16/2020	0.89843564		
11/17/2020	0.89836180		
11/18/2020	0.89828796		
11/19/2020	0.89821413		
11/20/2020	0.89814030		
11/21/2020	0.89806648		
11/22/2020	0.89799267		
11/23/2020	0.89791886		
11/24/2020	0.89784506		
11/25/2020	0.89777126		
11/26/2020	0.89769747		
11/27/2020	0.89762369		
11/28/2020	0.89754991		
11/29/2020	0.89747614		
11/30/2020	0.89740238	0.00221198	0.01490876

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2020 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
12/1/2020	0.89732862		
12/2/2020	0.89725486		
12/3/2020	0.89718112		
12/4/2020	0.89710738		
12/5/2020	0.89703364		
12/6/2020	0.89695991		
12/7/2020	0.89688619		
12/8/2020	0.89681247		
12/9/2020	0.89673876		
12/10/2020	0.89666506		
12/11/2020	0.89659136		
12/12/2020	0.89651767		
12/13/2020	0.89644398		
12/14/2020	0.89637030		
12/15/2020	0.89629663		
12/16/2020	0.89622296		
12/17/2020	0.89614930		
12/18/2020	0.89607564		
12/19/2020	0.89600199		
12/20/2020	0.89592835		
12/21/2020	0.89585471		
12/22/2020	0.89578108		
12/23/2020	0.89570745		
12/24/2020	0.89563383		
12/25/2020	0.89556022		
12/26/2020	0.89548661		
12/27/2020	0.89541301		
12/28/2020	0.89533941		
12/29/2020	0.89526582		
12/30/2020	0.89519224		
12/31/2020	0.89511866	0.00228119	0.01293433
TOTAL		0.02689097	0.18050496

Grayscale Ethereum Classic Trust (ETC) Gross Proceeds and Expense Files show ETC tokens per share owned in the Trust, as well as ETC tokens paid out, proceeds, and expenses per share in the Trust. You can use this information to calculate your share of Trust expenses, and your gain or loss on sale of ETC tokens to pay such expenses.

The Trust holds no assets other than ETC tokens. Accordingly, when expenses are incurred, Trust assets (i.e. ETC tokens) are sold to cover the expenses. The following example illustrates the tax consequences to the Shareholder. In Step 1 we discuss how a Shareholder would determine his or her stake in the trust (i.e. how many ETC tokens they own). In Step 2 we discuss how much of his or her stake is sold throughout the year to cover expenses (and how many ETC tokens they still own). In Step 3 we determine the Shareholder's basis in the ETC tokens sold by the Trust. Gain or loss from this sale is determined in relation to the basis of the assets sold. In Step 4 we determine the gain or loss from the sale of the assets and where the gain or loss is reported on the Shareholder's tax return. In Step 5 we calculate the Shareholder's portion of the trust's expenses. In Step 6 we determine the Shareholder's new balance of ETC tokens at the end of the year and his or her new cost basis in those ETC tokens.

The following example is for illustrative purposes only and is not intended to be construed as tax advice. Shareholders should consult a tax professional in the use of their information on their respective tax returns.

Example: Shareholder XYZ purchases 20,000 Trust shares on 2/10/2020 at a price of \$10.80 per share for a total purchase price of \$216,000. Shareholder XYZ had no other purchases or sales of Trust shares during 2020 and held the shares for the remainder of 2020.

Step 1: Identify the shareholder's pro rata ownership of Ethereum Classic

Locate the Ethereum Classic Per Share amount on Shareholder XYZ's purchase date of 2/10/2020 in the gross proceeds file. In this example the number is 0.91935259. This represents the number of ETC tokens per share on that date.

For Shareholder XYZ, the total amount of ETC tokens owned for its 2/10/2020 purchase is 18,387.05180000 (0.91935259 per share multiplied by 20,000 shares purchased on 2/10/2020). Note: This step should be completed for each date on which Trust shares were purchased.

Step 2: Calculate the Ethereum Classic paid out from Shareholder XYZ's account during 2020 to pay expenses

The ETC tokens paid out per share during 2020 includes the cumulative amounts of all ETC token payouts for the period which includes the day after the purchase date of 2/10/2020 through the day before payout date.

During 2020 the amount of ETC tokens paid out after the 2/10/2020 purchase date is 0.02380109 per share. This is determined by taking the total amount of ETC tokens per share paid out in 2020 (0.02689097) and subtracting the amount of ETC tokens paid out prior to the purchase (0.00234492 from January plus (10/29 multiplied by 0.00216034 from February 2020)). Then multiply this number (0.02380111) by the number of shares owned (20,000) for a total of 476.02210345 ETC tokens paid to cover trust expenses.

Step 3: Calculate Shareholder's cost basis in Ethereum Classic paid out from Shareholder's account

Total ETC token payout (Step 2)	476.02210345	
	-----	X \$216,000
ETC tokens acquired (Step 1)		18,387.05180000
Cost basis of ETC token payout		\$ 5,592.02

Step 4: Calculate Shareholder's gain or loss on Ethereum Classic payout for each lot purchased

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2020 purchase date. During 2020, periodic payouts for the period 2/11/2020 through 12/31/2020 generated proceeds per share of \$0.14895735 (total proceeds of payout of ETC tokens for the year, 0.18050496, less 0.03154761, which is the proceeds of payouts made prior to purchase [0.02600522 from January] plus 0.00554239 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows

Total Proceeds: \$0.14895735 per share X 20,000 shares	\$	2,979.15
Less: Total cost basis of ETC token payout (Step 3)		<u>5,592.02</u>
Total Reportable Gain/(Loss)	\$	<u>(2,612.87)</u>

(To be Reported on Shareholder's Form 1040 Schedule D)

Step 5: Calculate Shareholder's investment expenses

Identify all expenses per share paid by the Trust after Shareholder XYZ's 2/10/2020 purchase date. During 2020, the expenses were paid periodically and for the period of 2/11/2020 through 12/31/2020 amounted to \$0.14895735 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (Step 4)	\$	0.14895735
Total Shares		<u>20,000</u>
Total Expense	\$	<u>2,979.15</u>

Step 6: Calculate Shareholder's Adjusted Ethereum Classic Tokens Held and Cost Basis

ETC tokens Purchased in 2/10/2020 (Step 1)		18,387.05180000
Less: ETC token payout during 2020 (Step 2)		<u>476.02210345</u>
Adjusted Shareholder's ETC tokens at 12/31/2020		<u>17,911.02969655</u>
Original Purchase Cost on 2/10/2020	\$	216,000
Less: Cost of ETC token payout during 2020 (Step 3)		<u>5,592.02</u>
Adjusted Shareholder's basis at 12/31/2020	\$	<u>210,407.98</u>

Shareholder's adjusted ETC tokens and adjusted cost calculated in Step 6 are his/her adjusted ETC tokens and adjusted basis for the 2/10/2020 purchase at the end of 12/31/2020.

Shareholders with several purchases should calculate gain, loss and adjusted basis separately for each purchased lot and then sum up the results of each lot to arrive at the net reportable gain or loss and the total investment expenses. Shareholders who purchased their shares prior to 2020, and made no other purchases, should calculate their adjusted cost basis, using the gross proceeds information for the relevant years, by following the same steps as in the example above. The adjusted cost basis at 12/31/2019 should be used as the beginning cost for 2020 instead of the original purchase cost. Shareholders with an additional purchase in 2020 will have two cost lots to account for in 2020. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.