GRAYSCALE ETHEREUM TRUST (ETH)
2020 Grantor Trust Tax Information
EIN: 82-6677805

The following information is being provided to assist Shareholders of the Grayscale Ethereum Trust (ETH) (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 the Trust.

The Trust holds only Ethereum ("ETH") 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 ETH 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 Trust (ETH) - (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 ETH), amount of ETH paid to cover trust expenses (in ETH), and per share proceeds from ETH 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)

Stock Split – On December 18th 2020, the Trust underwent a 9 to 1 stock split, issuing eight new shares for every share held prior to the split. All expenses presented in this statement reflect the expense per share based on the post-split number of shares.

GRAYSCALE ETHEREUM TRUST (ETH) 2020 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETH Per Share
January	0.00385089	0.00002136
February	0.00404610	0.00001801
March	0.00253329	0.00001896
April	0.00419330	0.00001982
May	0.00503482	0.00002130
June	0.00438414	0.00001949
July	0.00716249	0.00002083
August	0.00905558	0.00002145
September	0.00743085	0.00002127
October	0.00825039	0.00002194
November	0.01101416	0.00002110
December	0.01406381	0.00002160
Total for year	0.08101982	0.00024713

The Trust underwent a 9:1 stock split on December 18, 2020. For purposes of this letter, Shareholders should utilize their post-split number of shares when factoring expense and Ethereum sold per share.

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 Trust (ETH) 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 $0.00404610 (See Summary Table above – February Factor) x (14/29) = $0.00195329 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 $0.00743085 (See Summary Table above – September Factor) x (15/30) = $0.00371543. The total expenses for Shareholder are therefore $0.03803233 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held. **As noted in the glossary of terms, the expenses per share reflect the post-split number of shares.To calculate the expense per share, the Shareholder should multiply his or her shares by nine (assuming those shares were acquired prior to December 18th, 2020) to arrive at his or her expenses.** As such, the 20,000 shares purchased in February are multiplied by nine and total 180,000 shares post-split, and Shareholder's total expense is $6,845.82.

Total Expenses Per Share	$0.03803233
Total Shares	180,000
Total Expense	$ 6,845.82

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
1/1/2020	0.01055661		
1/2/2020	0.01055589		
1/3/2020	0.01055517		
1/4/2020	0.01055444		
1/5/2020	0.01055372		
1/6/2020	0.01055300		
1/7/2020	0.01055228		
1/8/2020	0.01055155		
1/9/2020	0.01055083		
1/10/2020	0.01055011		
1/11/2020	0.01054938		
1/12/2020	0.01054866		
1/13/2020	0.01054794		
1/14/2020	0.01054722		
1/15/2020	0.01054649		
1/16/2020	0.01054577		
1/17/2020	0.01054505		
1/18/2020	0.01054433		
1/19/2020	0.01054361		
1/20/2020	0.01054288		
1/21/2020	0.01054216		
1/22/2020	0.01054144		
1/23/2020	0.01054072		
1/24/2020	0.01054000		
1/25/2020	0.01053927		
1/26/2020	0.01053855		
1/27/2020	0.01053783		
1/28/2020	0.01053711		
1/29/2020	0.01053639		
1/30/2020	0.01053566		
1/31/2020	**0.01053494**	**0.00002136**	**0.00385089**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
2/1/2020	0.01053422		
2/2/2020	0.01053350		
2/3/2020	0.01053278		
2/4/2020	0.01053206		
2/5/2020	0.01053134		
2/6/2020	0.01053061		
2/7/2020	0.01052989		
2/8/2020	0.01052917		
2/9/2020	0.01052845		
2/10/2020	0.01052773		
2/11/2020	0.01052701		
2/12/2020	0.01052629		
2/13/2020	0.01052557		
2/14/2020	0.01052485		
2/15/2020	0.01052412		
2/16/2020	0.01052340		
2/17/2020	0.01052268		
2/18/2020	0.01052196		
2/19/2020	0.01052124		
2/20/2020	0.01052052		
2/21/2020	0.01051980		
2/22/2020	0.01051908		
2/23/2020	0.01051836		
2/24/2020	0.01051764		
2/25/2020	0.01051692		
2/26/2020	0.01051620		
2/27/2020	0.01051548		
2/28/2020	0.01051476		
2/29/2020	**0.01051404**	**0.00001801**	**0.00404610**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
3/1/2020	0.01051332		
3/2/2020	0.01051260		
3/3/2020	0.01051188		
3/4/2020	0.01051116		
3/5/2020	0.01051044		
3/6/2020	0.01050972		
3/7/2020	0.01050900		
3/8/2020	0.01050828		
3/9/2020	0.01050756		
3/10/2020	0.01050684		
3/11/2020	0.01050612		
3/12/2020	0.01050540		
3/13/2020	0.01050468		
3/14/2020	0.01050396		
3/15/2020	0.01050324		
3/16/2020	0.01050252		
3/17/2020	0.01050180		
3/18/2020	0.01050108		
3/19/2020	0.01050036		
3/20/2020	0.01049964		
3/21/2020	0.01049892		
3/22/2020	0.01049821		
3/23/2020	0.01049749		
3/24/2020	0.01049677		
3/25/2020	0.01049605		
3/26/2020	0.01049533		
3/27/2020	0.01049461		
3/28/2020	0.01049389		
3/29/2020	0.01049317		
3/30/2020	0.01049245		
3/31/2020	**0.01049174**	**0.00001896**	**0.00253329**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
4/1/2020	0.01049102		
4/2/2020	0.01049030		
4/3/2020	0.01048958		
4/4/2020	0.01048886		
4/5/2020	0.01048814		
4/6/2020	0.01048742		
4/7/2020	0.01048671		
4/8/2020	0.01048599		
4/9/2020	0.01048527		
4/10/2020	0.01048455		
4/11/2020	0.01048383		
4/12/2020	0.01048312		
4/13/2020	0.01048240		
4/14/2020	0.01048168		
4/15/2020	0.01048096		
4/16/2020	0.01048024		
4/17/2020	0.01047953		
4/18/2020	0.01047881		
4/19/2020	0.01047809		
4/20/2020	0.01047737		
4/21/2020	0.01047666		
4/22/2020	0.01047594		
4/23/2020	0.01047522		
4/24/2020	0.01047450		
4/25/2020	0.01047379		
4/26/2020	0.01047307		
4/27/2020	0.01047235		
4/28/2020	0.01047163		
4/29/2020	0.01047092		
4/30/2020	**0.01047020**	**0.00001982**	**0.00419330**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
5/1/2020	0.01046948		
5/2/2020	0.01046876		
5/3/2020	0.01046805		
5/4/2020	0.01046733		
5/5/2020	0.01046661		
5/6/2020	0.01046590		
5/7/2020	0.01046518		
5/8/2020	0.01046446		
5/9/2020	0.01046375		
5/10/2020	0.01046303		
5/11/2020	0.01046231		
5/12/2020	0.01046160		
5/13/2020	0.01046088		
5/14/2020	0.01046016		
5/15/2020	0.01045945		
5/16/2020	0.01045873		
5/17/2020	0.01045801		
5/18/2020	0.01045730		
5/19/2020	0.01045658		
5/20/2020	0.01045587		
5/21/2020	0.01045515		
5/22/2020	0.01045443		
5/23/2020	0.01045372		
5/24/2020	0.01045300		
5/25/2020	0.01045229		
5/26/2020	0.01045157		
5/27/2020	0.01045085		
5/28/2020	0.01045014		
5/29/2020	0.01044942		
5/30/2020	0.01044871		
5/31/2020	**0.01044799**	**0.00002130**	**0.00503482**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
6/1/2020	0.01044727		
6/2/2020	0.01044656		
6/3/2020	0.01044584		
6/4/2020	0.01044513		
6/5/2020	0.01044441		
6/6/2020	0.01044370		
6/7/2020	0.01044298		
6/8/2020	0.01044227		
6/9/2020	0.01044155		
6/10/2020	0.01044084		
6/11/2020	0.01044012		
6/12/2020	0.01043941		
6/13/2020	0.01043869		
6/14/2020	0.01043798		
6/15/2020	0.01043726		
6/16/2020	0.01043655		
6/17/2020	0.01043583		
6/18/2020	0.01043512		
6/19/2020	0.01043440		
6/20/2020	0.01043369		
6/21/2020	0.01043297		
6/22/2020	0.01043226		
6/23/2020	0.01043154		
6/24/2020	0.01043083		
6/25/2020	0.01043011		
6/26/2020	0.01042940		
6/27/2020	0.01042869		
6/28/2020	0.01042797		
6/29/2020	0.01042726		
6/30/2020	**0.01042654**	**0.00001949**	**0.00438414**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
7/1/2020	0.01042583		
7/2/2020	0.01042511		
7/3/2020	0.01042440		
7/4/2020	0.01042369		
7/5/2020	0.01042297		
7/6/2020	0.01042226		
7/7/2020	0.01042155		
7/8/2020	0.01042083		
7/9/2020	0.01042012		
7/10/2020	0.01041940		
7/11/2020	0.01041869		
7/12/2020	0.01041798		
7/13/2020	0.01041726		
7/14/2020	0.01041655		
7/15/2020	0.01041584		
7/16/2020	0.01041512		
7/17/2020	0.01041441		
7/18/2020	0.01041370		
7/19/2020	0.01041298		
7/20/2020	0.01041227		
7/21/2020	0.01041156		
7/22/2020	0.01041084		
7/23/2020	0.01041013		
7/24/2020	0.01040942		
7/25/2020	0.01040870		
7/26/2020	0.01040799		
7/27/2020	0.01040728		
7/28/2020	0.01040657		
7/29/2020	0.01040585		
7/30/2020	0.01040514		
7/31/2020	**0.01040443**	**0.00002083**	**0.00716249**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
8/1/2020	0.01040371		
8/2/2020	0.01040300		
8/3/2020	0.01040229		
8/4/2020	0.01040158		
8/5/2020	0.01040086		
8/6/2020	0.01040015		
8/7/2020	0.01039944		
8/8/2020	0.01039873		
8/9/2020	0.01039802		
8/10/2020	0.01039730		
8/11/2020	0.01039659		
8/12/2020	0.01039588		
8/13/2020	0.01039517		
8/14/2020	0.01039445		
8/15/2020	0.01039374		
8/16/2020	0.01039303		
8/17/2020	**0.01039232**	**0.00001018**	**0.00445886**
8/18/2020	0.01039161		
8/19/2020	**0.01039090**	**0.00000213**	**0.00084527**
8/20/2020	0.01039018		
8/21/2020	0.01038947		
8/22/2020	0.01038876		
8/23/2020	0.01038805		
8/24/2020	0.01038734		
8/25/2020	0.01038663		
8/26/2020	**0.01038591**	**0.00000489**	**0.00189306**
8/27/2020	0.01038520		
8/28/2020	0.01038449		
8/29/2020	0.01038378		
8/30/2020	0.01038307		
8/31/2020	**0.01038236**	**0.00000425**	**0.00185839**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
9/1/2020	0.01038165		
9/2/2020	0.01038094		
9/3/2020	0.01038023		
9/4/2020	0.01037951		
9/5/2020	0.0103788		
9/6/2020	0.01037809		
9/7/2020	0.01037738		
9/8/2020	**0.01037667**	**0.00000568**	**0.00189959**
9/9/2020	0.01037596		
9/10/2020	0.01037525		
9/11/2020	0.01037454		
9/12/2020	0.01037383		
9/13/2020	0.01037312		
9/14/2020	0.01037241		
9/15/2020	0.01037170		
9/16/2020	**0.01037099**	**0.00000497**	**0.00181640**
9/17/2020	0.01037028		
9/18/2020	0.01036957		
9/19/2020	0.01036886		
9/20/2020	0.01036815		
9/21/2020	0.01036744		
9/22/2020	**0.01036673**	**0.00000495**	**0.00170102**
9/23/2020	0.01036601		
9/24/2020	0.01036530		
9/25/2020	0.01036460		
9/26/2020	0.01036389		
9/27/2020	0.01036318		
9/28/2020	0.01036247		
9/29/2020	0.01036176		
9/30/2020	**0.01036105**	**0.00000567**	**0.00201384**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
10/1/2020	0.01036034		
10/2/2020	0.01035963		
10/3/2020	0.01035892		
10/4/2020	0.01035821		
10/5/2020	0.01035750		
10/6/2020	0.01035679		
10/7/2020	**0.01035608**	**0.00000426**	**0.00145219**
10/8/2020	0.01035537		
10/9/2020	0.01035466		
10/10/2020	0.01035395		
10/11/2020	0.01035324		
10/12/2020	0.01035253		
10/13/2020	0.01035182		
10/14/2020	**0.01035112**	**0.00000496**	**0.00186340**
10/15/2020	0.01035041		
10/16/2020	0.01034970		
10/17/2020	0.01034899		
10/18/2020	0.01034828		
10/19/2020	0.01034757		
10/20/2020	0.01034686		
10/21/2020	**0.01034615**	**0.00000494**	**0.00193697**
10/22/2020	0.01034544		
10/23/2020	0.01034474		
10/24/2020	0.01034403		
10/25/2020	0.01034332		
10/26/2020	0.01034261		
10/27/2020	0.01034190		
10/28/2020	**0.01034119**	**0.00000495**	**0.00190501**
10/29/2020	**0.01034049**	**0.00000142**	**0.00055087**
10/30/2020	0.01033978		
10/31/2020	**0.01033907**	**0.00000141**	**0.00054195**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
11/1/2020	0.01033836		
11/2/2020	0.01033765		
11/3/2020	0.01033694		
11/4/2020	**0.01033624**	**0.00000212**	**0.00085102**
11/5/2020	0.01033553		
11/6/2020	0.01033482		
11/7/2020	0.01033411		
11/8/2020	0.01033341		
11/9/2020	0.01033270		
11/10/2020	0.01033199		
11/11/2020	**0.01033128**	**0.00000491**	**0.00229117**
11/12/2020	0.01033057		
11/13/2020	0.01032987		
11/14/2020	0.01032916		
11/15/2020	0.01032845		
11/16/2020	0.01032774		
11/17/2020	0.01032704		
11/18/2020	**0.01032633**	**0.00000493**	**0.00232583**
11/19/2020	0.01032562		
11/20/2020	0.01032492		
11/21/2020	0.01032421		
11/22/2020	0.01032350		
11/23/2020	0.01032279		
11/24/2020	**0.01032209**	**0.00000421**	**0.00256013**
11/25/2020	0.01032138		
11/26/2020	0.01032067		
11/27/2020	0.01031997		
11/28/2020	0.01031926		
11/29/2020	0.01031855		
11/30/2020	**0.01031785**	**0.00000493**	**0.00298601**

GRAYSCALE ETHEREUM TRUST (ETH) 2020 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
12/1/2020	0.01031714		
12/2/2020	0.01031643		
12/3/2020	0.01031573		
12/4/2020	0.01031502		
12/5/2020	0.01031431		
12/6/2020	0.01031361		
12/7/2020	0.01031290		
12/8/2020	0.01031219		
12/9/2020	**0.01031149**	**0.00000537**	**0.00307867**
12/10/2020	0.01031078		
12/11/2020	0.01031007		
12/12/2020	0.01030937		
12/13/2020	0.01030866		
12/14/2020	0.01030796		
12/15/2020	0.01030725		
12/16/2020	**0.01030654**	**0.00000494**	**0.00308484**
12/17/2020	0.01030584		
12/18/2020	0.01030513		
12/19/2020	0.01030443		
12/20/2020	0.01030372		
12/21/2020	0.01030301		
12/22/2020	**0.01030231**	**0.00000424**	**0.00264463**
12/23/2020	0.01030160		
12/24/2020	0.01030090		
12/25/2020	0.01030019		
12/26/2020	0.01029949		
12/27/2020	0.01029878		
12/28/2020	0.01029808		
12/29/2020	0.01029737		
12/30/2020	0.01029667		
12/31/2020	**0.01029596**	**0.00000705**	**0.00525567**
TOTAL		**0.00024713**	**0.08101982**

Grayscale Ethereum Trust (ETH) Gross Proceeds and Expense Files show ETH tokens per share owned in the Trust, as well as ETH 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 ETH tokens to pay such expenses.

The Trust holds no assets other than ETH tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ETH 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 ETH 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 ETH tokens they still own). In Step 3 we determine the Shareholder's basis in the ETH 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 ETH tokens at the end of the year and his or her new cost basis in those ETH 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 $21.14 per share for a total purchase price of $422,800. Shareholder XYZ had no other purchases or sales of Trust shares during 2020 and held the shares for the remainder of 2020. *Note: The Trust effected a 9 to 1 stock split on December 18, 2020. All expenses and proceeds per share reflect post-split shares. As such, to determine his or her actual cost basis and gain for the year, the Shareholder in this example who purchased 20,000 shares in February, will multiply the shares by 9 for a total of 180,000 post-split shares. The example below will use this post-split adjusted share value as the total number of shares owned by the Shareholder.*

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

Locate the Ethereum Per Share amount on Shareholder XYZ's purchase date of 2/10/2020 in the gross proceeds file. In this example the number is 0.01052773. This represents the number of ETH tokens per share on that date.

For Shareholder XYZ, the total amount of ETH tokens owned for its 2/10/2020 purchase is 1,894.99140000 (0.01052773 per share multiplied by 180,000 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 paid out from Shareholder XYZ's account during 2020 to pay expenses**

The ETH tokens paid out per share during 2020 includes the cumulative amounts of all ETH 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 ETH tokens paid out after the 2/10/2020 purchase date is 0.00021956 per share. This is determined by taking the total amount of ETH tokens per share paid out in 2020 (0.00024713) and subtracting the amount of ETH tokens paid out

prior to the purchase (0.00002136 from January plus 0.00000621 (10/29 multiplied by 0.00001801 from February)). Then multiply this number (0.00021956) by the number of shares owned (180,000) for a total of 39.52073793 ETH tokens paid to cover trust expenses.

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

Total ETH tokens payout (Step 2)	39.52073793
	----------------------- X $ **422,800**
ETH tokens acquired (Step 1)	1,894.99140000
Cost Basis of ETH token payout	$8,817.65

Step 4:   **Calculate Shareholder's gain or loss on Ethereum 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 $0.07577372 (total proceeds of payout of ETH tokens for the year, $0.08101982, less $0.00524610, which is the proceeds of payouts made prior to purchase (0.00385089 from January, plus $0.00139521 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: $0.07577372 per share X 180,000 shares $ 13,639.27 Less: Total cost basis of ETH tokens payout (Step 3)   8,817.65 Total Reportable Gain/(Loss) $ 4,821.62 (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 $0.07577372 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (Step 4)	$ 0. 07577372
Total Shares	180,000
Total Expense	$ 13,639.27

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

ETH tokens Purchased in 2/10/2020 (Step 1)	1,894.99140000
Less: ETH tokens payout during 2020 (Step 2)	39.52073793
Adjusted Shareholder's ETH tokens at 12/31/2020	1,855.47066207
Original Purchase Cost on 2/10/2020	$ 422,800.00

Less: Cost of ETH payout during 2020 (Step 3)	8,817.65
Adjusted Shareholder's basis at 12/31/2020	$ 413,982.35

Shareholder's adjusted ETH tokens and adjusted cost calculated in Step 6 are his/her adjusted ETH 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.