

**Grayscale Litecoin Trust (LTC)**  
2020 Grantor Trust Tax Information Statement  
EIN: 82-6868171

The following information is being provided to assist Shareholders of the Grayscale Litecoin Trust (LTC) (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 shares of the Trust.

The Trust holds only Litecoin ("LTC") 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 LTC 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 Litecoin Trust (LTC) - (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 LTC), amount of LTC paid to cover trust expenses (in LTC), and per share proceeds from LTC 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 LITECOIN TRUST (LTC) 2020 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of LTC Per Share
January	0.01368540	0.00020260
February	0.01115718	0.00018914
March	0.00559551	0.00014329
April	0.00873538	0.00018566
May	0.00934747	0.00020037
June	0.00598621	0.00014547
July	0.00408907	0.00007004
August	0.00939691	0.00015317
September	0.00709836	0.00015472
October	0.01039881	0.00018669
November	0.01523489	0.00017598
December	0.02116158	0.00016999
<b>Total for year</b>	<b>0.12188677</b>	<b>0.00197712</b>

### 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 Litecoin Trust (LTC) 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 \$0.01115718 (See Summary Table above – February Factor) x (14/29) = \$0.00538622 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 \$0.00709836 (See Summary Table above – September Factor) x (15/30) = \$0.00354918. The total expenses for Shareholder are therefore \$0.05208595 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$1,041.72.

Total Expenses per Share	\$0.05208595
Total Shares	<u>20,000</u>
<b>Total Expense</b>	<b><u>\$ 1,041.72</u></b>

(Please consult your tax advisor as to reporting)

**GRAYSCALE LITECOIN TRUST (LTC) 2020 GROSS PROCEEDS FILE**

<b>Date</b>	<b>LTC Per Share</b>	<b>Number of LTC Used to Cover Trust Expenses Per Share (in LTC)</b>	<b>Proceeds from Payout of LTC to Cover Trust Expenses Per Share (in USD)</b>
1/1/2020	0.09550797		
1/2/2020	0.09550143		
1/3/2020	0.09549489		
1/4/2020	0.09548835		
1/5/2020	0.09548181		
1/6/2020	0.09547527		
1/7/2020	0.09546873		
1/8/2020	0.09546219		
1/9/2020	0.09545565		
1/10/2020	0.09544911		
1/11/2020	0.09544257		
1/12/2020	0.09543604		
1/13/2020	0.09542950		
1/14/2020	0.09542296		
1/15/2020	0.09541643		
1/16/2020	0.09540989		
1/17/2020	0.09540336		
1/18/2020	0.09539682		
1/19/2020	0.09539029		
1/20/2020	0.09538376		
1/21/2020	0.09537722		
1/22/2020	0.09537069		
1/23/2020	0.09536416		
1/24/2020	0.09535763		
1/25/2020	0.09535110		
1/26/2020	0.09534456		
1/27/2020	0.09533803		
1/28/2020	0.09533150		
1/29/2020	0.09532497		
1/30/2020	0.09531844		
1/31/2020	0.09531192	0.00020260	0.01368540

**GRAYSCALE LITECOIN TRUST (LTC) 2020 GROSS PROCEEDS FILE**

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2/1/2020	0.09530539		
2/2/2020	0.09529886		
2/3/2020	0.09529233		
2/4/2020	0.09528581		
2/5/2020	0.09527928		
2/6/2020	0.09527275		
2/7/2020	0.09526623		
2/8/2020	0.09525970		
2/9/2020	0.09525318		
2/10/2020	0.09524665		
2/11/2020	0.09524013		
2/12/2020	0.09523361		
2/13/2020	0.09522708		
2/14/2020	0.09522056		
2/15/2020	0.09521404		
2/16/2020	0.09520752		
2/17/2020	0.09520100		
2/18/2020	0.09519448		
2/19/2020	0.09518796		
2/20/2020	0.09518144		
2/21/2020	0.09517492		
2/22/2020	0.09516840		
2/23/2020	0.09516188		
2/24/2020	0.09515536		
2/25/2020	0.09514885		
2/26/2020	0.09514233		
2/27/2020	0.09513581		
2/28/2020	0.09512930		
2/29/2020	0.09512278	0.00018914	0.01115718

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3/1/2020	0.09511626		
3/2/2020	0.09510975		
3/3/2020	0.09510324		
3/4/2020	0.09509672		
3/5/2020	0.09509021		
3/6/2020	0.09508369		
3/7/2020	0.09507718		
3/8/2020	0.09507067		
3/9/2020	0.09506416		
3/10/2020	0.09505765		
3/11/2020	0.09505114		
3/12/2020	0.09504463		
3/13/2020	0.09503812		
3/14/2020	0.09503161		
3/15/2020	0.09502510		
3/16/2020	0.09501859		
3/17/2020	0.09501208		
3/18/2020	0.09500557		
3/19/2020	0.09499907		
3/20/2020	0.09499256		
3/21/2020	0.09498605		
3/22/2020	0.09497955		
3/23/2020	0.09497304		
3/24/2020	0.09496654		
3/25/2020	0.09496003		
3/26/2020	0.09495353		
3/27/2020	0.09494702		
3/28/2020	0.09494052		
3/29/2020	0.09493402		
3/30/2020	0.09492752		
3/31/2020	0.09492101	0.00014329	0.00559551

**GRAYSCALE LITECOIN TRUST (LTC) 2020 GROSS PROCEEDS FILE**

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4/1/2020	0.09491451		
4/2/2020	0.09490801		
4/3/2020	0.09490151		
4/4/2020	0.09489501		
4/5/2020	0.09488851		
4/6/2020	0.09488201		
4/7/2020	0.09487551		
4/8/2020	0.09486901		
4/9/2020	0.09486252		
4/10/2020	0.09485602		
4/11/2020	0.09484952		
4/12/2020	0.09484303		
4/13/2020	0.09483653		
4/14/2020	0.09483003		
4/15/2020	0.09482354		
4/16/2020	0.09481704		
4/17/2020	0.09481055		
4/18/2020	0.09480406		
4/19/2020	0.09479756		
4/20/2020	0.09479107		
4/21/2020	0.09478458		
4/22/2020	0.09477809		
4/23/2020	0.09477159		
4/24/2020	0.09476510		
4/25/2020	0.09475861		
4/26/2020	0.09475212		
4/27/2020	0.09474563		
4/28/2020	0.09473914		
4/29/2020	0.09473265		
4/30/2020	0.09472616	0.00018566	0.00873538

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5/1/2020	0.09471968		
5/2/2020	0.09471319		
5/3/2020	0.09470670		
5/4/2020	0.09470021		
5/5/2020	0.09469373		
5/6/2020	0.09468724		
5/7/2020	0.09468076		
5/8/2020	0.09467427		
5/9/2020	0.09466779		
5/10/2020	0.09466130		
5/11/2020	0.09465482		
5/12/2020	0.09464834		
5/13/2020	0.09464185		
5/14/2020	0.09463537		
5/15/2020	0.09462889		
5/16/2020	0.09462241		
5/17/2020	0.09461593		
5/18/2020	0.09460945		
5/19/2020	0.09460297		
5/20/2020	0.09459649		
5/21/2020	0.09459001		
5/22/2020	0.09458353		
5/23/2020	0.09457705		
5/24/2020	0.09457057		
5/25/2020	0.09456410		
5/26/2020	0.09455762		
5/27/2020	0.09455114		
5/28/2020	0.09454467		
5/29/2020	0.09453819		
5/30/2020	0.09453171		
5/31/2020	0.09452524	0.00020037	0.00934747

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6/1/2020	0.09451877		
6/2/2020	0.09451229		
6/3/2020	0.09450582		
6/4/2020	0.09449935		
6/5/2020	0.09449287		
6/6/2020	0.09448640		
6/7/2020	0.09447993		
6/8/2020	0.09447346		
6/9/2020	0.09446699		
6/10/2020	0.09446052		
6/11/2020	0.09445405		
6/12/2020	0.09444758		
6/13/2020	0.09444111		
6/14/2020	0.09443464		
6/15/2020	0.09442817		
6/16/2020	0.09442170		
6/17/2020	0.09441524		
6/18/2020	0.09440877		
6/19/2020	0.09440230		
6/20/2020	0.09439584		
6/21/2020	0.09438937		
6/22/2020	0.09438291		
6/23/2020	0.09437644		
6/24/2020	0.09436998		
6/25/2020	0.09436351		
6/26/2020	0.09435705		
6/27/2020	0.09435059		
6/28/2020	0.09434413		
6/29/2020	0.09433766		
6/30/2020	0.09433120	0.00014547	0.00598621

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7/1/2020	0.09432474		
7/2/2020	0.09431828		
7/3/2020	0.09431182		
7/4/2020	0.09430536		
7/5/2020	0.09429890		
7/6/2020	0.09429244		
7/7/2020	0.09428598		
7/8/2020	0.09427953		
7/9/2020	0.09427307		
7/10/2020	0.09426661		
7/11/2020	0.09426016		
7/12/2020	0.09425370		
7/13/2020	0.09424724		
7/14/2020	0.09424079		
7/15/2020	0.09423433		
7/16/2020	0.09422788		
7/17/2020	0.09422143		
7/18/2020	0.09421497		
7/19/2020	0.09420852		
7/20/2020	0.09420207		
7/21/2020	0.09419561		
7/22/2020	0.09418916		
7/23/2020	0.09418271		
7/24/2020	0.09417626		
7/25/2020	0.09416981		
7/26/2020	0.09416336		
7/27/2020	0.09415691		
7/28/2020	0.09415046		
7/29/2020	0.09414401		
7/30/2020	0.09413756		
7/31/2020	0.09413112	0.00007004	0.00408907

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8/1/2020	0.09412467		
8/2/2020	0.09411822		
8/3/2020	0.09411178		
8/4/2020	0.09410533		
8/5/2020	0.09409888		
8/6/2020	0.09409244		
8/7/2020	0.09408599		
8/8/2020	0.09407955		
8/9/2020	0.09407311		
8/10/2020	0.09406666		
8/11/2020	0.09406022		
8/12/2020	0.09405378		
8/13/2020	0.09404734		
8/14/2020	0.09404089		
8/15/2020	0.09403445		
8/16/2020	0.09402801		
8/17/2020	0.09402157		
8/18/2020	0.09401513		
8/19/2020	0.09400869		
8/20/2020	0.09400225		
8/21/2020	0.09399581		
8/22/2020	0.09398938		
8/23/2020	0.09398294		
8/24/2020	0.09397650		
8/25/2020	0.09397007		
8/26/2020	0.09396363		
8/27/2020	0.09395719		
8/28/2020	0.09395076		
8/29/2020	0.09394432		
8/30/2020	0.09393789		
8/31/2020	<b>0.09393145</b>	0.00015317	0.00939691

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9/1/2020	0.09392502		
9/2/2020	0.09391859		
9/3/2020	0.09391215		
9/4/2020	0.09390572		
9/5/2020	0.09389929		
9/6/2020	0.09389286		
9/7/2020	0.09388643		
9/8/2020	0.09388000		
9/9/2020	0.09387357		
9/10/2020	0.09386714		
9/11/2020	0.09386071		
9/12/2020	0.09385428		
9/13/2020	0.09384785		
9/14/2020	0.09384142		
9/15/2020	0.09383500		
9/16/2020	0.09382857		
9/17/2020	0.09382214		
9/18/2020	0.09381572		
9/19/2020	0.09380929		
9/20/2020	0.09380286		
9/21/2020	0.09379644		
9/22/2020	0.09379002		
9/23/2020	0.09378359		
9/24/2020	0.09377717		
9/25/2020	0.09377074		
9/26/2020	0.09376432		
9/27/2020	0.09375790		
9/28/2020	0.09375148		
9/29/2020	0.09374506		
9/30/2020	0.09373864	0.00015472	0.00709836

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10/1/2020	0.09373222		
10/2/2020	0.09372580		
10/3/2020	0.09371938		
10/4/2020	0.09371296		
10/5/2020	0.09370654		
10/6/2020	0.09370012		
10/7/2020	0.09369370		
10/8/2020	0.09368728		
10/9/2020	0.09368087		
10/10/2020	0.09367445		
10/11/2020	0.09366803		
10/12/2020	0.09366162		
10/13/2020	0.09365520		
10/14/2020	0.09364879		
10/15/2020	0.09364238		
10/16/2020	0.09363596		
10/17/2020	0.09362955		
10/18/2020	0.09362313		
10/19/2020	0.09361672		
10/20/2020	0.09361031		
10/21/2020	0.09360390		
10/22/2020	0.09359749		
10/23/2020	0.09359108		
10/24/2020	0.09358467		
10/25/2020	0.09357826		
10/26/2020	0.09357185		
10/27/2020	0.09356544		
10/28/2020	0.09355903		
10/29/2020	0.09355262		
10/30/2020	0.09354621		
10/31/2020	<b>0.09353981</b>	0.00018669	0.01039881

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11/1/2020	0.09353340		
11/2/2020	0.09352699		
11/3/2020	0.09352059		
11/4/2020	0.09351418		
11/5/2020	0.09350778		
11/6/2020	0.09350137		
11/7/2020	0.09349497		
11/8/2020	0.09348856		
11/9/2020	0.09348216		
11/10/2020	0.09347576		
11/11/2020	0.09346935		
11/12/2020	0.09346295		
11/13/2020	0.09345655		
11/14/2020	0.09345015		
11/15/2020	0.09344375		
11/16/2020	0.09343735		
11/17/2020	0.09343095		
11/18/2020	0.09342455		
11/19/2020	0.09341815		
11/20/2020	0.09341175		
11/21/2020	0.09340535		
11/22/2020	0.09339896		
11/23/2020	0.09339256		
11/24/2020	0.09338616		
11/25/2020	0.09337977		
11/26/2020	0.09337337		
11/27/2020	0.09336698		
11/28/2020	0.09336058		
11/29/2020	0.09335419		
11/30/2020	0.09334779	0.00017598	0.01523489

**GRAYSCALE LITECOIN TRUST (LTC) 2020 GROSS PROCEEDS FILE**

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12/1/2020	0.09334140		
12/2/2020	0.09333500		
12/3/2020	0.09332861		
12/4/2020	0.09332222		
12/5/2020	0.09331583		
12/6/2020	0.09330944		
12/7/2020	0.09330305		
12/8/2020	0.09329665		
12/9/2020	0.09329026		
12/10/2020	0.09328387		
12/11/2020	0.09327749		
12/12/2020	0.09327110		
12/13/2020	0.09326471		
12/14/2020	0.09325832		
12/15/2020	0.09325193		
12/16/2020	0.09324555		
12/17/2020	0.09323916		
12/18/2020	0.09323277		
12/19/2020	0.09322639		
12/20/2020	0.09322000		
12/21/2020	0.09321362		
12/22/2020	0.09320723		
12/23/2020	0.09320085		
12/24/2020	0.09319446		
12/25/2020	0.09318808		
12/26/2020	0.09318170		
12/27/2020	0.09317532		
12/28/2020	0.09316893		
12/29/2020	0.09316255		
12/30/2020	0.09315617		
12/31/2020	0.09314979	0.00016999	0.02116158
<b>TOTAL</b>		<b>0.00197712</b>	<b>0.12188677</b>

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

The Trust holds no assets other than LTC tokens. Accordingly, when expenses are incurred, Trust assets (i.e., LTC 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 LTC 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 LTC tokens they still own). In Step 3, we determine the Shareholder's basis in the LTC 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 LTC tokens at the end of the year and his or her new cost basis in those LTC 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 \$7.13 per share for a total purchase price of \$142,600. 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 Litecoin.**

Locate the Litecoin Per Share amount on Shareholder XYZ's purchase date of 2/10/2020 in the gross proceeds file. In this example the number is 0.09524665. This represents the number of LTC per share on that date.

For Shareholder XYZ, the total amount of LTC tokens owned for its 2/10/2020 purchase is 1,904.93300000 (0.09524665 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 Litecoin paid out from Shareholder XYZ's account during 2020 to pay expenses**

The LTC tokens paid out per share during 2020 includes the cumulative amounts of all LTC 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 LTC tokens paid out after the 2/10/2020 purchase date is 0.00170930 per share. This is determined by taking the total amount of LTC tokens per share paid out in 2020 (0.00197712) and subtracting the amount of LTC tokens paid out prior to the purchase (0.00020260 from January plus (10/29 multiplied by 0.00018914 from February)). Then multiply this number (0.00170930) by the number of shares owned (20,000) for a total of 34.18598621 LTC tokens paid to cover trust expenses.

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

Total LTC token payout ( <i>Step 2</i> )	34.18598621		
	-----	x	<b>\$142,600</b>
LTC tokens acquired ( <i>Step 1</i> )	1,904.93300000		
Cost basis of LTC token payout	\$2,559.10		

**Step 4: Calculate Shareholder's gain or loss on Litecoin 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 \$0.10435407 (total proceeds of payout of LTC tokens for the year, 0.12188677, less 0.01753270, which is the proceeds of payouts made prior to purchase [0.01368540 from January] plus 0.00384730 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.10435407 per share X 20,000 shares	\$	2,087.08
Less: Total cost basis of LTC token payout ( <i>Step 3</i> )		<u>2,559.10</u>
Total Reportable Gain/(Loss)	\$	<u>(472.02)</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 throughout the year and for the period of 2/11/2020 through 12/31/2020 amounted to \$0.10435407 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share ( <i>Step 4</i> )	\$	0.10435407
Total Shares		<u>20,000</u>
Total Expense	\$	<u>2,087.08</u>

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

LTC tokens Purchased on 2/10/2020 ( <i>Step 1</i> )	1,904.93300000
Less: LTC token payout during 2020 ( <i>Step 2</i> )	<u>34.18598621</u>
Adjusted Shareholder's LTC tokens at 12/31/2020	<u>1,870.74701379</u>
Original Purchase Cost on 2/10/2020	\$ 142,600.00
Less: Cost of LTC token payout during 2020 ( <i>Step 3</i> )	<u>2,559.10</u>
Adjusted Shareholder's basis at 12/31/2020	\$ <u>140,040.90</u>

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