

# GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT)

2022 Grantor Trust Tax Information

EIN: 86-6366321

The following information is being provided to assist Shareholders of the Grayscale Basic Attention Token Trust (BAT) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2022 through December 31, 2022

## 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 Basic Attention Token ("BAT") tokens and, accordingly, received no income during the year.

The Trust paid expenses periodically, as shown in the attached 2022 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2022 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 BAT 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 2022 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

## GLOSSARY OF TERMS

Grayscale Basic Attention Token Trust (BAT) - (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 BAT), amount of BAT paid to cover trust expenses (in BAT), and per share proceeds from BAT 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 BASIC ATTENTION TOKEN TRUST (BAT) 2022 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of BAT Per Share
January	0.01759080	0.02069506
February	0.01329161	0.01872058
March	0.01797359	0.02065930
April	0.01217811	0.01996412
May	0.00823931	0.02059828
June	0.00736012	0.01989222
July	0.00861520	0.02051239
August	0.00695942	0.02046888
September	0.00593018	0.01976726
October	0.00591123	0.02038354
November	0.00472436	0.01968484
December	0.00345075	0.02029855
<b>Total for year</b>	<b>0.11222468</b>	<b>0.24164502</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 2022 Grayscale Basic Attention Token Trust (BAT) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2022 and sold them on September 15, 2022. For the month of February, Shareholder's expenses are \$0.01329161 (See Summary Table above – February Factor) x (13/28) = \$0.00617110 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 \$0.00593018 (See Summary Table above – September Factor) x (15/30) = \$0.00296509. The total expenses for Shareholder are therefore \$0.07046194 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$1,409.24.

Total Expenses per Share	\$ 0.07046194
Number of Shares Held	20,000
<b>Total Expense</b>	<b>\$ 1,409.24</b>

(Please consult your tax advisor as to reporting)

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
1/1/2022	9.79057301		
1/2/2022	9.78990242		
1/3/2022	9.78923188		
1/4/2022	9.78856138		
1/5/2022	9.78789093		
1/6/2022	9.78722053		
1/7/2022	9.78655017		
1/8/2022	9.78587986		
1/9/2022	9.78520959		
1/10/2022	9.78453937		
1/11/2022	9.78386920		
1/12/2022	9.78319907		
1/13/2022	9.78252899		
1/14/2022	9.78185895		
1/15/2022	9.78118896		
1/16/2022	9.78051902		
1/17/2022	9.77984912		
1/18/2022	9.77917927		
1/19/2022	9.77850946		
1/20/2022	9.77783970		
1/21/2022	9.77716999		
1/22/2022	9.77650032		
1/23/2022	9.77583069		
1/24/2022	9.77516112		
1/25/2022	9.77449158		
1/26/2022	9.77382210		
1/27/2022	9.77315266		
1/28/2022	9.77248326		
1/29/2022	9.77181392		
1/30/2022	9.77114461		
<b>1/31/2022</b>	<b>9.77047536</b>	<b>0.02069506</b>	<b>0.01759080</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
2/1/2022	9.76980615		
2/2/2022	9.76913698		
2/3/2022	9.76846786		
2/4/2022	9.76779879		
2/5/2022	9.76712976		
2/6/2022	9.76646078		
2/7/2022	9.76579185		
2/8/2022	9.76512296		
2/9/2022	9.76445411		
2/10/2022	9.76378531		
2/11/2022	9.76311656		
2/12/2022	9.76244785		
2/13/2022	9.76177919		
2/14/2022	9.76111058		
2/15/2022	9.76044201		
2/16/2022	9.75977349		
2/17/2022	9.75910501		
2/18/2022	9.75843658		
2/19/2022	9.75776819		
2/20/2022	9.75709985		
2/21/2022	9.75643156		
2/22/2022	9.75576331		
2/23/2022	9.75509510		
2/24/2022	9.75442695		
2/25/2022	9.75375884		
2/26/2022	9.75309077		
2/27/2022	9.75242275		
<b>2/28/2022</b>	<b>9.75175478</b>	<b>0.01872058</b>	<b>0.01329161</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
3/1/2022	9.75108685		
3/2/2022	9.75041896		
3/3/2022	9.74975113		
3/4/2022	9.74908334		
3/5/2022	9.74841559		
3/6/2022	9.74774789		
3/7/2022	9.74708024		
3/8/2022	9.74641263		
3/9/2022	9.74574507		
3/10/2022	9.74507755		
3/11/2022	9.74441008		
3/12/2022	9.74374265		
3/13/2022	9.74307527		
3/14/2022	9.74240794		
3/15/2022	9.74174065		
3/16/2022	9.74107341		
3/17/2022	9.74040621		
3/18/2022	9.73973906		
3/19/2022	9.73907196		
3/20/2022	9.73840490		
3/21/2022	9.73773788		
3/22/2022	9.73707091		
3/23/2022	9.73640399		
3/24/2022	9.73573711		
3/25/2022	9.73507028		
3/26/2022	9.73440350		
3/27/2022	9.73373676		
3/28/2022	9.73307006		
3/29/2022	9.73240341		
3/30/2022	9.73173681		
<b>3/31/2022</b>	<b>9.73107025</b>	<b>0.02065930</b>	<b>0.01797359</b>

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Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
4/1/2022	9.73040374		
4/2/2022	9.72973728		
4/3/2022	9.72907086		
4/4/2022	9.72840448		
4/5/2022	9.72773815		
4/6/2022	9.72707187		
4/7/2022	9.72640563		
4/8/2022	9.72573944		
4/9/2022	9.72507329		
4/10/2022	9.72440719		
4/11/2022	9.72374114		
4/12/2022	9.72307513		
4/13/2022	9.72240916		
4/14/2022	9.72174324		
4/15/2022	9.72107737		
4/16/2022	9.72041154		
4/17/2022	9.71974576		
4/18/2022	9.71908003		
4/19/2022	9.71841434		
4/20/2022	9.71774869		
4/21/2022	9.71708309		
4/22/2022	9.71641754		
4/23/2022	9.71575203		
4/24/2022	9.71508657		
4/25/2022	9.71442115		
4/26/2022	9.71375578		
4/27/2022	9.71309045		
4/28/2022	9.71242517		
4/29/2022	9.71175994		
<b>4/30/2022</b>	<b>9.71109475</b>	<b>0.01996412</b>	<b>0.01217811</b>

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Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
5/1/2022	9.71042961		
5/2/2022	9.70976451		
5/3/2022	9.70909946		
5/4/2022	9.70843445		
5/5/2022	9.70776949		
5/6/2022	9.70710457		
5/7/2022	9.70643970		
5/8/2022	9.70577488		
5/9/2022	9.70511010		
5/10/2022	9.70444536		
5/11/2022	9.70378068		
5/12/2022	9.70311603		
5/13/2022	9.70245144		
5/14/2022	9.70178689		
5/15/2022	9.70112238		
5/16/2022	9.70045792		
5/17/2022	9.69979350		
5/18/2022	9.69912913		
5/19/2022	9.69846481		
5/20/2022	9.69780053		
5/21/2022	9.69713630		
5/22/2022	9.69647211		
5/23/2022	9.69580797		
5/24/2022	9.69514387		
5/25/2022	9.69447982		
5/26/2022	9.69381582		
5/27/2022	9.69315186		
5/28/2022	9.69248794		
5/29/2022	9.69182407		
5/30/2022	9.69116025		
<b>5/31/2022</b>	<b>9.69049647</b>	<b>0.02059828</b>	<b>0.00823931</b>

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Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
6/1/2022	9.68983274		
6/2/2022	9.68916905		
6/3/2022	9.68850541		
6/4/2022	9.68784181		
6/5/2022	9.68717826		
6/6/2022	9.68651476		
6/7/2022	9.68585130		
6/8/2022	9.68518788		
6/9/2022	9.68452451		
6/10/2022	9.68386119		
6/11/2022	9.68319791		
6/12/2022	9.68253468		
6/13/2022	9.68187149		
6/14/2022	9.68120835		
6/15/2022	9.68054525		
6/16/2022	9.67988220		
6/17/2022	9.67921920		
6/18/2022	9.67855624		
6/19/2022	9.67789332		
6/20/2022	9.67723045		
6/21/2022	9.67656763		
6/22/2022	9.67590485		
6/23/2022	9.67524212		
6/24/2022	9.67457943		
6/25/2022	9.67391679		
6/26/2022	9.67325419		
6/27/2022	9.67259164		
6/28/2022	9.67192913		
6/29/2022	9.67126667		
<b>6/30/2022</b>	<b>9.67060426</b>	<b>0.01989222</b>	<b>0.00736012</b>



## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
7/1/2022	9.66994189		
7/2/2022	9.66927956		
7/3/2022	9.66861728		
7/4/2022	9.66795505		
7/5/2022	9.66729286		
7/6/2022	9.66663072		
7/7/2022	9.66596862		
7/8/2022	9.66530657		
7/9/2022	9.66464456		
7/10/2022	9.66398260		
7/11/2022	9.66332068		
7/12/2022	9.66265881		
7/13/2022	9.66199698		
7/14/2022	9.66133520		
7/15/2022	9.66067347		
7/16/2022	9.66001178		
7/17/2022	9.65935013		
7/18/2022	9.65868853		
7/19/2022	9.65802698		
7/20/2022	9.65736547		
7/21/2022	9.65670401		
7/22/2022	9.65604259		
7/23/2022	9.65538122		
7/24/2022	9.65471989		
7/25/2022	9.65405861		
7/26/2022	9.65339737		
7/27/2022	9.65273618		
7/28/2022	9.65207503		
7/29/2022	9.65141393		
7/30/2022	9.65075287		
<b>7/31/2022</b>	<b>9.65009186</b>	<b>0.02051239</b>	<b>0.00861520</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
8/1/2022	9.64943090		
8/2/2022	9.64876998		
8/3/2022	9.64810910		
8/4/2022	9.64744827		
8/5/2022	9.64678749		
8/6/2022	9.64612675		
8/7/2022	9.64546606		
8/8/2022	9.64480541		
8/9/2022	9.64414481		
8/10/2022	9.64348425		
8/11/2022	9.64282374		
8/12/2022	9.64216327		
8/13/2022	9.64150285		
8/14/2022	9.64084247		
8/15/2022	9.64018214		
8/16/2022	9.63952185		
8/17/2022	9.63886161		
8/18/2022	9.63820141		
8/19/2022	9.63754126		
8/20/2022	9.63688116		
8/21/2022	9.63622110		
8/22/2022	9.63556108		
8/23/2022	9.63490111		
8/24/2022	9.63424119		
8/25/2022	9.63358131		
8/26/2022	9.63292147		
8/27/2022	9.63226168		
8/28/2022	9.63160194		
8/29/2022	9.63094224		
8/30/2022	9.63028259		
<b>8/31/2022</b>	<b>9.62962298</b>	<b>0.02046888</b>	<b>0.00695942</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
9/1/2022	9.62896342		
9/2/2022	9.62830390		
9/3/2022	9.62764443		
9/4/2022	9.62698500		
9/5/2022	9.62632562		
9/6/2022	9.62566628		
9/7/2022	9.62500699		
9/8/2022	9.62434774		
9/9/2022	9.62368854		
9/10/2022	9.62302938		
9/11/2022	9.62237027		
9/12/2022	9.62171120		
9/13/2022	9.62105218		
9/14/2022	9.62039320		
9/15/2022	9.61973427		
9/16/2022	9.61907539		
9/17/2022	9.61841655		
9/18/2022	9.61775775		
9/19/2022	9.61709900		
9/20/2022	9.61644030		
9/21/2022	9.61578163		
9/22/2022	9.61512302		
9/23/2022	9.61446445		
9/24/2022	9.61380592		
9/25/2022	9.61314744		
9/26/2022	9.61248901		
9/27/2022	9.61183062		
9/28/2022	9.61117228		
9/29/2022	9.61051398		
<b>9/30/2022</b>	<b>9.60985572</b>	<b>0.01976726</b>	<b>0.00593018</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
10/1/2022	9.60919751		
10/2/2022	9.60853935		
10/3/2022	9.60788123		
10/4/2022	9.60722316		
10/5/2022	9.60656513		
10/6/2022	9.60590714		
10/7/2022	9.60524920		
10/8/2022	9.60459131		
10/9/2022	9.60393346		
10/10/2022	9.60327566		
10/11/2022	9.60261790		
10/12/2022	9.60196019		
10/13/2022	9.60130252		
10/14/2022	9.60064489		
10/15/2022	9.59998731		
10/16/2022	9.59932978		
10/17/2022	9.59867229		
10/18/2022	9.59801485		
10/19/2022	9.59735745		
10/20/2022	9.59670010		
10/21/2022	9.59604279		
10/22/2022	9.59538553		
10/23/2022	9.59472831		
10/24/2022	9.59407114		
10/25/2022	9.59341401		
10/26/2022	9.59275692		
10/27/2022	9.59209989		
10/28/2022	9.59144289		
10/29/2022	9.59078594		
10/30/2022	9.59012904		
<b>10/31/2022</b>	<b>9.58947218</b>	<b>0.02038354</b>	<b>0.00591123</b>

## GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE

Date	BAT Per Share	Number of BAT Used to Cover Trust Expenses Per Share (in BAT)	Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)
11/1/2022	9.58881537		
11/2/2022	9.58815860		
11/3/2022	9.58750188		
11/4/2022	9.58684520		
11/5/2022	9.58618857		
11/6/2022	9.58553198		
11/7/2022	9.58487544		
11/8/2022	9.58421894		
11/9/2022	9.58356248		
11/10/2022	9.58290608		
11/11/2022	9.58224971		
11/12/2022	9.58159339		
11/13/2022	9.58093712		
11/14/2022	9.58028089		
11/15/2022	9.57962471		
11/16/2022	9.57896857		
11/17/2022	9.57831248		
11/18/2022	9.57765643		
11/19/2022	9.57700042		
11/20/2022	9.57634446		
11/21/2022	9.57568855		
11/22/2022	9.57503268		
11/23/2022	9.57437686		
11/24/2022	9.57372108		
11/25/2022	9.57306534		
11/26/2022	9.57240965		
11/27/2022	9.57175401		
11/28/2022	9.57109841		
11/29/2022	9.57044286		
<b>11/30/2022</b>	<b>9.56978735</b>	<b>0.01968484</b>	<b>0.00472436</b>

**GRAYSCALE BASIC ATTENTION TOKEN TRUST (BAT) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BAT Per Share</b>	<b>Number of BAT Used to Cover Trust Expenses Per Share (in BAT)</b>	<b>Proceeds from Payout of BAT to Cover Trust Expenses Per Share (in USD)</b>
12/1/2022	9.56913188		
12/2/2022	9.56847646		
12/3/2022	9.56782109		
12/4/2022	9.56716576		
12/5/2022	9.56651047		
12/6/2022	9.56585523		
12/7/2022	9.56520003		
12/8/2022	9.56454488		
12/9/2022	9.56388978		
12/10/2022	9.56323472		
12/11/2022	9.56257970		
12/12/2022	9.56192473		
12/13/2022	9.56126980		
12/14/2022	9.56061492		
12/15/2022	9.55996008		
12/16/2022	9.55930529		
12/17/2022	9.55865055		
12/18/2022	9.55799584		
12/19/2022	9.55734119		
12/20/2022	9.55668657		
12/21/2022	9.55603201		
12/22/2022	9.55537748		
12/23/2022	9.55472301		
12/24/2022	9.55406857		
12/25/2022	9.55341418		
12/26/2022	9.55275984		
12/27/2022	9.55210554		
12/28/2022	9.55145129		
12/29/2022	9.55079708		
12/30/2022	9.55014292		
<b>12/31/2022</b>	<b>9.54948880</b>	<b>0.02029855</b>	<b>0.00345075</b>
<b>TOTAL</b>		<b>0.24164502</b>	<b>0.11222468</b>

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

The Trust holds no assets other than BAT tokens. Accordingly, when expenses are incurred, Trust assets (i.e., BAT 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 BAT 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 BAT tokens they still own). In Step 3, we determine the Shareholder's basis in the BAT 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 BAT tokens at the end of the year and his or her new cost basis in the BAT 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 2/10/2022 at a price of \$8.79 per share for a total purchase price of \$175,800. Shareholder XYZ had no other purchases or sales of Trust shares during 2022 and held the shares for the remainder of 2022.

**Step 1: Identify the shareholder's pro rata ownership of Basic Attention Token.**

Locate the Basic Attention Token Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 9.76378531. This represents the number of BAT tokens per share on that date.

For Shareholder XYZ, the total amount of BAT tokens owned for its 2/10/2022 purchase is 195,275.70620000 (9.76378531 per share multiplied by 20,000 shares purchased on 2/10/2022). Note: This step should be completed for each date on which Trust shares were purchased.

**Step 2: Calculate the Basic Attention Token paid out from Shareholder XYZ's account during 2022 to pay expenses**

The BAT tokens paid out per share during 2022 includes the cumulative amounts of all BAT token payouts for the period which includes the day after the purchase date of 2/10/2022 through the day before payout date.

During 2022, the total amount of BAT tokens paid out after the 2/10/2022 purchase date is 0.21426404 per share. This is determined by taking the total amount of BAT tokens per share paid out in 2022 (0.24164502) and subtracting the amount of BAT tokens paid out prior to the purchase (0.02069506 from January plus 0.00668592 (10/28 multiplied by 0.01872058 from February)). Then multiply this number (0.21426404) by the number of shares owned (20,000) for a total of 4,285.28077143 BAT tokens paid to cover trust expenses.

**Step 3: Calculate Shareholder's cost basis in Basic Attention Token paid out from Shareholder's account**

Total BAT token payout ( <i>Step 2</i> )	4,285.28077143		
	-----	x	\$ 175,800
BAT tokens acquired ( <i>Step 1</i> )	195,275.70620000		
Cost basis of BAT token payout			\$3,857.89

**Step 4: Calculate Shareholder's gain or loss on Basic Attention Token payout for each lot purchased**

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2022 purchase date. During 2022, periodic payouts for the period 2/11/2022 through 12/31/2022 generated proceeds per share of \$0.08988688 (total proceeds of payout of BAT tokens for the year, \$0.11222468, less \$0.02233780, which is the proceeds of payouts made prior to purchase [\$0.01759080 from January] plus \$0.00474700 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.08988688 per share X 20,000 shares	\$	1,797.74
Less: Total cost basis of BAT token payout ( <i>Step 3</i> )		<u>3,857.89</u>
Total Reportable Gain/(Loss)	\$	<u>(2,060.15)</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 2/10/2022 purchase date. During 2022, the expenses were paid periodically and for the period of 2/11/2022 through 12/31/2022 amounted to \$0.08988688 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share ( <i>Step 4</i> )	\$	0.08988688
Total Shares		<u>20,000</u>
Total Expense	\$	<u>1,797.74</u>

**Step 6: Calculate Shareholder's Adjusted Basic Attention Token Held and Cost Basis**

BAT tokens Purchased on 2/10/2022 ( <i>Step 1</i> )		195,275.70620000
Less: BAT token payout during 2022 ( <i>Step 2</i> )		<u>4,285.28077143</u>
Adjusted Shareholder's BAT tokens at 12/31/2022		<u>190,990.42542857</u>
Original Purchase Cost on 2/10/2022	\$	175,800.00
Less: Cost of BAT token payout during 2022 ( <i>Step 3</i> )		<u>3,857.89</u>
Adjusted Shareholder's basis at 12/31/2022	\$	<u>171,942.11</u>



Shareholder's adjusted BAT tokens and adjusted cost calculated in Step 6 are his/her adjusted BAT tokens and adjusted basis for the 2/10/2022 purchase at the end of 12/31/2022.

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 2022, 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 12/31/2021 should be used as the beginning cost for 2022 instead of the original purchase cost. Shareholders with an additional purchase in 2022 will have two cost lots to account for in 2022. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.