

# GRAYSCALE BITCOIN CASH TRUST (BCH)

2022 Grantor Trust Tax Information

EIN: 82-6867376

The following information is being provided to assist Shareholders of the Grayscale Bitcoin Cash Trust (BCH) (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 Bitcoin Cash ("BCH") 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 BCH 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 Bitcoin Cash Trust (BCH) - (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 BCH), amount of BCH paid to cover trust expenses (in BCH), and per share proceeds from BCH 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 BITCOIN CASH TRUST (BCH) 2022 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of BCH Per Share
January	0.00546350	0.00001927
February	0.00569587	0.00001737
March	0.00724210	0.00001919
April	0.00532815	0.00001853
May	0.00377051	0.00001911
June	0.00184426	0.00001846
July	0.00277631	0.00001903
August	0.00220730	0.00001899
September	0.00224811	0.00001834
October	0.00216651	0.00001891
November	0.00207070	0.00001826
December	0.00183824	0.00001883
<b>Total for year</b>	<b>0.04265156</b>	<b>0.00022429</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 Bitcoin Cash Trust (BCH) 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 \$0.00569587 (See Summary Table above – February Factor) x (13/28) = \$0.00264451 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 \$0.00224811 (See Summary Table above – September Factor) x (15/30) = \$0.00112406. The total expenses for Shareholder are therefore \$0.02693720 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$538.74.

Total Expenses per Share	\$ 0.02693720
Number of Shares Held	20,000
<b>Total Expense</b>	<b>\$ 538.74</b>

(Please consult your tax advisor as to reporting)

## GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE

Date	BCH Per Share	Number of BCH Used to Cover Trust Expenses Per Share (in BCH)	Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)
1/1/2022	0.00908436		
1/2/2022	0.00908374		
1/3/2022	0.00908312		
1/4/2022	0.00908249		
1/5/2022	0.00908187		
1/6/2022	0.00908125		
1/7/2022	0.00908063		
1/8/2022	0.00908001		
1/9/2022	0.00907938		
1/10/2022	0.00907876		
1/11/2022	0.00907814		
1/12/2022	0.00907752		
1/13/2022	0.00907690		
1/14/2022	0.00907628		
1/15/2022	0.00907565		
1/16/2022	0.00907503		
1/17/2022	0.00907441		
1/18/2022	0.00907379		
1/19/2022	0.00907317		
1/20/2022	0.00907255		
1/21/2022	0.00907193		
1/22/2022	0.00907130		
1/23/2022	0.00907068		
1/24/2022	0.00907006		
1/25/2022	0.00906944		
1/26/2022	0.00906882		
1/27/2022	0.00906820		
1/28/2022	0.00906758		
1/29/2022	0.00906696		
1/30/2022	0.00906633		
<b>1/31/2022</b>	<b>0.00906571</b>	<b>0.00001927</b>	<b>0.00546350</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
2/1/2022	0.00906509		
2/2/2022	0.00906447		
2/3/2022	0.00906385		
2/4/2022	0.00906323		
2/5/2022	0.00906261		
2/6/2022	0.00906199		
2/7/2022	0.00906137		
2/8/2022	0.00906075		
2/9/2022	0.00906013		
2/10/2022	0.00905951		
2/11/2022	0.00905889		
2/12/2022	0.00905826		
2/13/2022	0.00905764		
2/14/2022	0.00905702		
2/15/2022	0.00905640		
2/16/2022	0.00905578		
2/17/2022	0.00905516		
2/18/2022	0.00905454		
2/19/2022	0.00905392		
2/20/2022	0.00905330		
2/21/2022	0.00905268		
2/22/2022	0.00905206		
2/23/2022	0.00905144		
2/24/2022	0.00905082		
2/25/2022	0.00905020		
2/26/2022	0.00904958		
2/27/2022	0.00904896		
<b>2/28/2022</b>	<b>0.00904834</b>	<b>0.00001737</b>	<b>0.00569587</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
3/1/2022	0.00904772		
3/2/2022	0.00904710		
3/3/2022	0.00904648		
3/4/2022	0.00904586		
3/5/2022	0.00904524		
3/6/2022	0.00904463		
3/7/2022	0.00904401		
3/8/2022	0.00904339		
3/9/2022	0.00904277		
3/10/2022	0.00904215		
3/11/2022	0.00904153		
3/12/2022	0.00904091		
3/13/2022	0.00904029		
3/14/2022	0.00903967		
3/15/2022	0.00903905		
3/16/2022	0.00903843		
3/17/2022	0.00903781		
3/18/2022	0.00903719		
3/19/2022	0.00903658		
3/20/2022	0.00903596		
3/21/2022	0.00903534		
3/22/2022	0.00903472		
3/23/2022	0.00903410		
3/24/2022	0.00903348		
3/25/2022	0.00903286		
3/26/2022	0.00903224		
3/27/2022	0.00903162		
3/28/2022	0.00903101		
3/29/2022	0.00903039		
3/30/2022	0.00902977		
<b>3/31/2022</b>	<b>0.00902915</b>	<b>0.00001919</b>	<b>0.00724210</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
4/1/2022	0.00902853		
4/2/2022	0.00902791		
4/3/2022	0.00902730		
4/4/2022	0.00902668		
4/5/2022	0.00902606		
4/6/2022	0.00902544		
4/7/2022	0.00902482		
4/8/2022	0.00902420		
4/9/2022	0.00902359		
4/10/2022	0.00902297		
4/11/2022	0.00902235		
4/12/2022	0.00902173		
4/13/2022	0.00902111		
4/14/2022	0.00902050		
4/15/2022	0.00901988		
4/16/2022	0.00901926		
4/17/2022	0.00901864		
4/18/2022	0.00901803		
4/19/2022	0.00901741		
4/20/2022	0.00901679		
4/21/2022	0.00901617		
4/22/2022	0.00901555		
4/23/2022	0.00901494		
4/24/2022	0.00901432		
4/25/2022	0.00901370		
4/26/2022	0.00901309		
4/27/2022	0.00901247		
4/28/2022	0.00901185		
4/29/2022	0.00901123		
<b>4/30/2022</b>	<b>0.00901062</b>	<b>0.00001853</b>	<b>0.00532815</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
5/1/2022	0.00901000		
5/2/2022	0.00900938		
5/3/2022	0.00900876		
5/4/2022	0.00900815		
5/5/2022	0.00900753		
5/6/2022	0.00900691		
5/7/2022	0.00900630		
5/8/2022	0.00900568		
5/9/2022	0.00900506		
5/10/2022	0.00900445		
5/11/2022	0.00900383		
5/12/2022	0.00900321		
5/13/2022	0.00900260		
5/14/2022	0.00900198		
5/15/2022	0.00900136		
5/16/2022	0.00900075		
5/17/2022	0.00900013		
5/18/2022	0.00899951		
5/19/2022	0.00899890		
5/20/2022	0.00899828		
5/21/2022	0.00899766		
5/22/2022	0.00899705		
5/23/2022	0.00899643		
5/24/2022	0.00899582		
5/25/2022	0.00899520		
5/26/2022	0.00899458		
5/27/2022	0.00899397		
5/28/2022	0.00899335		
5/29/2022	0.00899274		
5/30/2022	0.00899212		
<b>5/31/2022</b>	<b>0.00899150</b>	<b>0.00001911</b>	<b>0.00377051</b>

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<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
6/1/2022	0.00899089		
6/2/2022	0.00899027		
6/3/2022	0.00898966		
6/4/2022	0.00898904		
6/5/2022	0.00898842		
6/6/2022	0.00898781		
6/7/2022	0.00898719		
6/8/2022	0.00898658		
6/9/2022	0.00898596		
6/10/2022	0.00898535		
6/11/2022	0.00898473		
6/12/2022	0.00898412		
6/13/2022	0.00898350		
6/14/2022	0.00898289		
6/15/2022	0.00898227		
6/16/2022	0.00898165		
6/17/2022	0.00898104		
6/18/2022	0.00898042		
6/19/2022	0.00897981		
6/20/2022	0.00897919		
6/21/2022	0.00897858		
6/22/2022	0.00897796		
6/23/2022	0.00897735		
6/24/2022	0.00897673		
6/25/2022	0.00897612		
6/26/2022	0.00897550		
6/27/2022	0.00897489		
6/28/2022	0.00897428		
6/29/2022	0.00897366		
<b>6/30/2022</b>	<b>0.00897305</b>	<b>0.00001846</b>	<b>0.00184426</b>



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<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
7/1/2022	0.00897243		
7/2/2022	0.00897182		
7/3/2022	0.00897120		
7/4/2022	0.00897059		
7/5/2022	0.00896997		
7/6/2022	0.00896936		
7/7/2022	0.00896874		
7/8/2022	0.00896813		
7/9/2022	0.00896752		
7/10/2022	0.00896690		
7/11/2022	0.00896629		
7/12/2022	0.00896567		
7/13/2022	0.00896506		
7/14/2022	0.00896445		
7/15/2022	0.00896383		
7/16/2022	0.00896322		
7/17/2022	0.00896260		
7/18/2022	0.00896199		
7/19/2022	0.00896138		
7/20/2022	0.00896076		
7/21/2022	0.00896015		
7/22/2022	0.00895953		
7/23/2022	0.00895892		
7/24/2022	0.00895831		
7/25/2022	0.00895769		
7/26/2022	0.00895708		
7/27/2022	0.00895647		
7/28/2022	0.00895585		
7/29/2022	0.00895524		
7/30/2022	0.00895463		
<b>7/31/2022</b>	<b>0.00895401</b>	<b>0.00001903</b>	<b>0.00277631</b>

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<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
8/1/2022	0.00895340		
8/2/2022	0.00895279		
8/3/2022	0.00895217		
8/4/2022	0.00895156		
8/5/2022	0.00895095		
8/6/2022	0.00895033		
8/7/2022	0.00894972		
8/8/2022	0.00894911		
8/9/2022	0.00894850		
8/10/2022	0.00894788		
8/11/2022	0.00894727		
8/12/2022	0.00894666		
8/13/2022	0.00894604		
8/14/2022	0.00894543		
8/15/2022	0.00894482		
8/16/2022	0.00894421		
8/17/2022	0.00894359		
8/18/2022	0.00894298		
8/19/2022	0.00894237		
8/20/2022	0.00894176		
8/21/2022	0.00894114		
8/22/2022	0.00894053		
8/23/2022	0.00893992		
8/24/2022	0.00893931		
8/25/2022	0.00893869		
8/26/2022	0.00893808		
8/27/2022	0.00893747		
8/28/2022	0.00893686		
8/29/2022	0.00893625		
8/30/2022	0.00893563		
<b>8/31/2022</b>	<b>0.00893502</b>	<b>0.00001899</b>	<b>0.00220730</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
9/1/2022	0.00893441		
9/2/2022	0.00893380		
9/3/2022	0.00893319		
9/4/2022	0.00893257		
9/5/2022	0.00893196		
9/6/2022	0.00893135		
9/7/2022	0.00893074		
9/8/2022	0.00893013		
9/9/2022	0.00892951		
9/10/2022	0.00892890		
9/11/2022	0.00892829		
9/12/2022	0.00892768		
9/13/2022	0.00892707		
9/14/2022	0.00892646		
9/15/2022	0.00892585		
9/16/2022	0.00892523		
9/17/2022	0.00892462		
9/18/2022	0.00892401		
9/19/2022	0.00892340		
9/20/2022	0.00892279		
9/21/2022	0.00892218		
9/22/2022	0.00892157		
9/23/2022	0.00892096		
9/24/2022	0.00892034		
9/25/2022	0.00891973		
9/26/2022	0.00891912		
9/27/2022	0.00891851		
9/28/2022	0.00891790		
9/29/2022	0.00891729		
<b>9/30/2022</b>	<b>0.00891668</b>	<b>0.00001834</b>	<b>0.00224811</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
10/1/2022	0.00891607		
10/2/2022	0.00891546		
10/3/2022	0.00891485		
10/4/2022	0.00891424		
10/5/2022	0.00891363		
10/6/2022	0.00891302		
10/7/2022	0.00891241		
10/8/2022	0.00891179		
10/9/2022	0.00891118		
10/10/2022	0.00891057		
10/11/2022	0.00890996		
10/12/2022	0.00890935		
10/13/2022	0.00890874		
10/14/2022	0.00890813		
10/15/2022	0.00890752		
10/16/2022	0.00890691		
10/17/2022	0.00890630		
10/18/2022	0.00890569		
10/19/2022	0.00890508		
10/20/2022	0.00890447		
10/21/2022	0.00890386		
10/22/2022	0.00890325		
10/23/2022	0.00890264		
10/24/2022	0.00890203		
10/25/2022	0.00890142		
10/26/2022	0.00890081		
10/27/2022	0.00890020		
10/28/2022	0.00889959		
10/29/2022	0.00889899		
10/30/2022	0.00889838		
<b>10/31/2022</b>	<b>0.00889777</b>	<b>0.00001891</b>	<b>0.00216651</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
11/1/2022	0.00889716		
11/2/2022	0.00889655		
11/3/2022	0.00889594		
11/4/2022	0.00889533		
11/5/2022	0.00889472		
11/6/2022	0.00889411		
11/7/2022	0.00889350		
11/8/2022	0.00889289		
11/9/2022	0.00889228		
11/10/2022	0.00889167		
11/11/2022	0.00889106		
11/12/2022	0.00889046		
11/13/2022	0.00888985		
11/14/2022	0.00888924		
11/15/2022	0.00888863		
11/16/2022	0.00888802		
11/17/2022	0.00888741		
11/18/2022	0.00888680		
11/19/2022	0.00888619		
11/20/2022	0.00888559		
11/21/2022	0.00888498		
11/22/2022	0.00888437		
11/23/2022	0.00888376		
11/24/2022	0.00888315		
11/25/2022	0.00888254		
11/26/2022	0.00888193		
11/27/2022	0.00888133		
11/28/2022	0.00888072		
11/29/2022	0.00888011		
<b>11/30/2022</b>	<b>0.00887950</b>	<b>0.00001826</b>	<b>0.00207070</b>

**GRAYSCALE BITCOIN CASH TRUST (BCH) 2022 GROSS PROCEEDS FILE**

<b>Date</b>	<b>BCH Per Share</b>	<b>Number of BCH Used to Cover Trust Expenses Per Share (in BCH)</b>	<b>Proceeds from Payout of BCH to Cover Trust Expenses Per Share (in USD)</b>
12/1/2022	0.00887889		
12/2/2022	0.00887829		
12/3/2022	0.00887768		
12/4/2022	0.00887707		
12/5/2022	0.00887646		
12/6/2022	0.00887585		
12/7/2022	0.00887524		
12/8/2022	0.00887464		
12/9/2022	0.00887403		
12/10/2022	0.00887342		
12/11/2022	0.00887281		
12/12/2022	0.00887221		
12/13/2022	0.00887160		
12/14/2022	0.00887099		
12/15/2022	0.00887038		
12/16/2022	0.00886978		
12/17/2022	0.00886917		
12/18/2022	0.00886856		
12/19/2022	0.00886795		
12/20/2022	0.00886735		
12/21/2022	0.00886674		
12/22/2022	0.00886613		
12/23/2022	0.00886552		
12/24/2022	0.00886492		
12/25/2022	0.00886431		
12/26/2022	0.00886370		
12/27/2022	0.00886310		
12/28/2022	0.00886249		
12/29/2022	0.00886188		
12/30/2022	0.00886127		
<b>12/31/2022</b>	<b>0.00886067</b>	<b>0.00001883</b>	<b>0.00183824</b>
<b>TOTAL</b>		<b>0.00022429</b>	<b>0.04265156</b>

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

The Trust holds no assets other than BCH tokens. Accordingly, when expenses are incurred, Trust assets (i.e., BCH 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 BCH 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 BCH tokens they still own). In Step 3, we determine the Shareholder's basis in the BCH 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 BCH tokens at the end of the year and his or her new cost basis in the BCH 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 \$3.13 per share for a total purchase price of \$62,600. 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 Bitcoin Cash.**

Locate the Bitcoin Cash Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 0.00905951. This represents the number of BCH tokens per share on that date.

For Shareholder XYZ, the total amount of BCH tokens owned for its 2/10/2022 purchase is 181.19020000 (0.00905951 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 Bitcoin Cash paid out from Shareholder XYZ's account during 2022 to pay expenses**

The BCH tokens paid out per share during 2022 includes the cumulative amounts of all BCH 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 BCH tokens paid out after the 2/10/2022 purchase date is 0.00019882 per share. This is determined by taking the total amount of BCH tokens per share paid out in 2022 (0.00022429) and subtracting the amount of BCH tokens paid out prior to the purchase (0.00001927 from January plus 0.00000620 (10/28 multiplied 0.00001737 from February)). Then multiply this number (0.00019882) by the number of shares owned (20,000) for a total of 3.97632857 BCH tokens paid to cover trust expenses.

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

Total BCH token payout ( <i>Step 2</i> )	3.97632857		
	-----	x	\$ 62,600
BCH tokens acquired ( <i>Step 1</i> )	181.19020000		
Cost basis of BCH token payout	\$1,373.79		

**Step 4: Calculate Shareholder's gain or loss on Bitcoin Cash 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 \$0.03515382 (total proceeds of payout of BCH tokens for the year, \$0.04265156, less \$0.00749774, which is the proceeds of payouts made prior to purchase [\$0.00546350 from January] plus \$0.00203424 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.03515382 per share X 20,000 shares	\$ 703.08
Less: Total cost basis of BCH token payout ( <i>Step 3</i> )	1,373.79
Total Reportable Gain/(Loss)	<u>\$ (670.71)</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 \$0.03515382 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share ( <i>Step 4</i> )	\$ 0.03515382
Total Shares	20,000
Total Expense	<u>\$ 703.08</u>

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

BCH tokens Purchased on 2/10/2022 ( <i>Step 1</i> )	181.19020000
Less: BCH token payout during 2022 ( <i>Step 2</i> )	<u>3.97632857</u>
Adjusted Shareholder's BCH tokens at 12/31/2022	<u>177.21387143</u>
Original Purchase Cost on 2/10/2022	\$ 62,600.00
Less: Cost of BCH token payout during 2022 ( <i>Step 3</i> )	<u>1,373.79</u>
Adjusted Shareholder's basis at 12/31/2022	<u>\$ 61,226.21</u>



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