

GRAYSCALE BITCOIN CASH TRUST (BCH)
2020 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, 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 Bitcoin Cash ("BCH") 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 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 2020 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) 2020 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of BCH Per Share
January	0.00753109	0.00002019
February	0.00585615	0.00001886
March	0.00443700	0.00002015
April	0.00495308	0.00001948
May	0.00459817	0.00001872
June	0.00422935	0.00001913
July	0.00329243	0.00001095
August	0.00434196	0.00001566
September	0.00414840	0.00001839
October	0.00502370	0.00001915
November	0.00525915	0.00001914
December	0.00606032	0.00001772
Total for year	0.05973080	0.00021754

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 Bitcoin Cash Trust (BCH) 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 \$0.00585615 (See Summary Table above – February Factor) x (14/29) = \$0.00282711 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 \$0.00414840 (See Summary Table above – September Factor) x (15/30) = \$0.00207420. The total expenses for Shareholder are therefore \$0.030753 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$615.07.

Total Expenses Per Share	\$0.03075330
Total Shares	<u>20,000</u>
Total Expense	<u>\$ 615.07</u>

(Please consult your tax advisor as to reporting)

GRAYSCALE BITCOIN CASH TRUST (BCH) 2020 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)
1/1/2020	0.00955080		
1/2/2020	0.00955014		
1/3/2020	0.00954949		
1/4/2020	0.00954883		
1/5/2020	0.00954818		
1/6/2020	0.00954753		
1/7/2020	0.00954687		
1/8/2020	0.00954622		
1/9/2020	0.00954557		
1/10/2020	0.00954491		
1/11/2020	0.00954426		
1/12/2020	0.00954360		
1/13/2020	0.00954295		
1/14/2020	0.00954230		
1/15/2020	0.00954164		
1/16/2020	0.00954099		
1/17/2020	0.00954034		
1/18/2020	0.00953968		
1/19/2020	0.00953903		
1/20/2020	0.00953838		
1/21/2020	0.00953772		
1/22/2020	0.00953707		
1/23/2020	0.00953642		
1/24/2020	0.00953576		
1/25/2020	0.00953511		
1/26/2020	0.00953446		
1/27/2020	0.00953380		
1/28/2020	0.00953315		
1/29/2020	0.00953250		
1/30/2020	0.00953184		
1/31/2020	0.00953119	0.00002019	0.00753109

GRAYSCALE BITCOIN CASH TRUST (BCH) 2020 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)
2/1/2020	0.00953054		
2/2/2020	0.00952989		
2/3/2020	0.00952923		
2/4/2020	0.00952858		
2/5/2020	0.00952793		
2/6/2020	0.00952728		
2/7/2020	0.00952662		
2/8/2020	0.00952597		
2/9/2020	0.00952532		
2/10/2020	0.00952467		
2/11/2020	0.00952401		
2/12/2020	0.00952336		
2/13/2020	0.00952271		
2/14/2020	0.00952206		
2/15/2020	0.00952140		
2/16/2020	0.00952075		
2/17/2020	0.00952010		
2/18/2020	0.00951945		
2/19/2020	0.00951880		
2/20/2020	0.00951814		
2/21/2020	0.00951749		
2/22/2020	0.00951684		
2/23/2020	0.00951619		
2/24/2020	0.00951554		
2/25/2020	0.00951488		
2/26/2020	0.00951423		
2/27/2020	0.00951358		
2/28/2020	0.00951293		
2/29/2020	0.00951228	0.00001886	0.00585615

GRAYSCALE BITCOIN CASH TRUST (BCH) 2020 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)
3/1/2020	0.00951163		
3/2/2020	0.00951097		
3/3/2020	0.00951032		
3/4/2020	0.00950967		
3/5/2020	0.00950902		
3/6/2020	0.00950837		
3/7/2020	0.00950772		
3/8/2020	0.00950707		
3/9/2020	0.00950642		
3/10/2020	0.00950576		
3/11/2020	0.00950511		
3/12/2020	0.00950446		
3/13/2020	0.00950381		
3/14/2020	0.00950316		
3/15/2020	0.00950251		
3/16/2020	0.00950186		
3/17/2020	0.00950121		
3/18/2020	0.00950056		
3/19/2020	0.00949991		
3/20/2020	0.00949926		
3/21/2020	0.00949861		
3/22/2020	0.00949795		
3/23/2020	0.00949730		
3/24/2020	0.00949665		
3/25/2020	0.00949600		
3/26/2020	0.00949535		
3/27/2020	0.00949470		
3/28/2020	0.00949405		
3/29/2020	0.00949340		
3/30/2020	0.00949275		
3/31/2020	0.00949210	0.00002015	0.00443700

GRAYSCALE BITCOIN CASH TRUST (BCH) 2020 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)
4/1/2020	0.00949145		
4/2/2020	0.00949080		
4/3/2020	0.00949015		
4/4/2020	0.00948950		
4/5/2020	0.00948885		
4/6/2020	0.00948820		
4/7/2020	0.00948755		
4/8/2020	0.00948690		
4/9/2020	0.00948625		
4/10/2020	0.00948560		
4/11/2020	0.00948495		
4/12/2020	0.00948430		
4/13/2020	0.00948365		
4/14/2020	0.00948300		
4/15/2020	0.00948235		
4/16/2020	0.00948170		
4/17/2020	0.00948105		
4/18/2020	0.00948041		
4/19/2020	0.00947976		
4/20/2020	0.00947911		
4/21/2020	0.00947846		
4/22/2020	0.00947781		
4/23/2020	0.00947716		
4/24/2020	0.00947651		
4/25/2020	0.00947586		
4/26/2020	0.00947521		
4/27/2020	0.00947456		
4/28/2020	0.00947391		
4/29/2020	0.00947327		
4/30/2020	0.00947262	0.00001948	0.00495308

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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)
5/1/2020	0.00947197		
5/2/2020	0.00947132		
5/3/2020	0.00947067		
5/4/2020	0.00947002		
5/5/2020	0.00946937		
5/6/2020	0.00946872		
5/7/2020	0.00946808		
5/8/2020	0.00946743		
5/9/2020	0.00946678		
5/10/2020	0.00946613		
5/11/2020	0.00946548		
5/12/2020	0.00946483		
5/13/2020	0.00946419		
5/14/2020	0.00946354		
5/15/2020	0.00946289		
5/16/2020	0.00946224		
5/17/2020	0.00946159		
5/18/2020	0.00946094		
5/19/2020	0.00946030		
5/20/2020	0.00945965		
5/21/2020	0.00945900		
5/22/2020	0.00945835		
5/23/2020	0.00945771		
5/24/2020	0.00945706		
5/25/2020	0.00945641		
5/26/2020	0.00945576		
5/27/2020	0.00945511		
5/28/2020	0.00945447		
5/29/2020	0.00945382		
5/30/2020	0.00945317		
5/31/2020	0.00945252	0.00001872	0.00459817

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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)
6/1/2020	0.00945188		
6/2/2020	0.00945123		
6/3/2020	0.00945058		
6/4/2020	0.00944993		
6/5/2020	0.00944929		
6/6/2020	0.00944864		
6/7/2020	0.00944799		
6/8/2020	0.00944735		
6/9/2020	0.00944670		
6/10/2020	0.00944605		
6/11/2020	0.00944540		
6/12/2020	0.00944476		
6/13/2020	0.00944411		
6/14/2020	0.00944346		
6/15/2020	0.00944282		
6/16/2020	0.00944217		
6/17/2020	0.00944152		
6/18/2020	0.00944088		
6/19/2020	0.00944023		
6/20/2020	0.00943958		
6/21/2020	0.00943894		
6/22/2020	0.00943829		
6/23/2020	0.00943764		
6/24/2020	0.00943700		
6/25/2020	0.00943635		
6/26/2020	0.00943571		
6/27/2020	0.00943506		
6/28/2020	0.00943441		
6/29/2020	0.00943377		
6/30/2020	0.00943312	0.00001913	0.00422935

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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)
7/1/2020	0.00943247		
7/2/2020	0.00943183		
7/3/2020	0.00943118		
7/4/2020	0.00943054		
7/5/2020	0.00942989		
7/6/2020	0.00942924		
7/7/2020	0.00942860		
7/8/2020	0.00942795		
7/9/2020	0.00942731		
7/10/2020	0.00942666		
7/11/2020	0.00942602		
7/12/2020	0.00942537		
7/13/2020	0.00942472		
7/14/2020	0.00942408		
7/15/2020	0.00942343		
7/16/2020	0.00942279		
7/17/2020	0.00942214		
7/18/2020	0.00942150		
7/19/2020	0.00942085		
7/20/2020	0.00942021		
7/21/2020	0.00941956		
7/22/2020	0.00941892		
7/23/2020	0.00941827		
7/24/2020	0.00941763		
7/25/2020	0.00941698		
7/26/2020	0.00941634		
7/27/2020	0.00941569		
7/28/2020	0.00941505		
7/29/2020	0.00941440		
7/30/2020	0.00941376		
7/31/2020	0.00941311	0.00001095	0.00329243

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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)
8/1/2020	0.00941247		
8/2/2020	0.00941182		
8/3/2020	0.00941118		
8/4/2020	0.00941053		
8/5/2020	0.00940989		
8/6/2020	0.00940924		
8/7/2020	0.00940860		
8/8/2020	0.00940795		
8/9/2020	0.00940731		
8/10/2020	0.00940667		
8/11/2020	0.00940602		
8/12/2020	0.00940538		
8/13/2020	0.00940473		
8/14/2020	0.00940409		
8/15/2020	0.00940345		
8/16/2020	0.00940280		
8/17/2020	0.00940216		
8/18/2020	0.00940151		
8/19/2020	0.00940087		
8/20/2020	0.00940023		
8/21/2020	0.00939958		
8/22/2020	0.00939894		
8/23/2020	0.00939829		
8/24/2020	0.00939765		
8/25/2020	0.00939701		
8/26/2020	0.00939636		
8/27/2020	0.00939572		
8/28/2020	0.00939508		
8/29/2020	0.00939443		
8/30/2020	0.00939379		
8/31/2020	0.00939315	0.00001566	0.00434196

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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)
9/1/2020	0.00939250		
9/2/2020	0.00939186		
9/3/2020	0.00939122		
9/4/2020	0.00939057		
9/5/2020	0.00938993		
9/6/2020	0.00938929		
9/7/2020	0.00938864		
9/8/2020	0.00938800		
9/9/2020	0.00938736		
9/10/2020	0.00938671		
9/11/2020	0.00938607		
9/12/2020	0.00938543		
9/13/2020	0.00938479		
9/14/2020	0.00938414		
9/15/2020	0.00938350		
9/16/2020	0.00938286		
9/17/2020	0.00938221		
9/18/2020	0.00938157		
9/19/2020	0.00938093		
9/20/2020	0.00938029		
9/21/2020	0.00937964		
9/22/2020	0.00937900		
9/23/2020	0.00937836		
9/24/2020	0.00937772		
9/25/2020	0.00937707		
9/26/2020	0.00937643		
9/27/2020	0.00937579		
9/28/2020	0.00937515		
9/29/2020	0.00937451		
9/30/2020	0.00937386	0.00001839	0.00414840

GRAYSCALE BITCOIN CASH TRUST (BCH) 2020 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)
10/1/2020	0.00937322		
10/2/2020	0.00937258		
10/3/2020	0.00937194		
10/4/2020	0.00937130		
10/5/2020	0.00937065		
10/6/2020	0.00937001		
10/7/2020	0.00936937		
10/8/2020	0.00936873		
10/9/2020	0.00936809		
10/10/2020	0.00936745		
10/11/2020	0.00936680		
10/12/2020	0.00936616		
10/13/2020	0.00936552		
10/14/2020	0.00936488		
10/15/2020	0.00936424		
10/16/2020	0.00936360		
10/17/2020	0.00936295		
10/18/2020	0.00936231		
10/19/2020	0.00936167		
10/20/2020	0.00936103		
10/21/2020	0.00936039		
10/22/2020	0.00935975		
10/23/2020	0.00935911		
10/24/2020	0.00935847		
10/25/2020	0.00935783		
10/26/2020	0.00935718		
10/27/2020	0.00935654		
10/28/2020	0.00935590		
10/29/2020	0.00935526		
10/30/2020	0.00935462		
10/31/2020	0.00935398	0.00001915	0.00502370

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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)
11/1/2020	0.00935334		
11/2/2020	0.00935270		
11/3/2020	0.00935206		
11/4/2020	0.00935142		
11/5/2020	0.00935078		
11/6/2020	0.00935014		
11/7/2020	0.00934950		
11/8/2020	0.00934886		
11/9/2020	0.00934822		
11/10/2020	0.00934758		
11/11/2020	0.00934694		
11/12/2020	0.00934630		
11/13/2020	0.00934566		
11/14/2020	0.00934501		
11/15/2020	0.00934437		
11/16/2020	0.00934373		
11/17/2020	0.00934309		
11/18/2020	0.00934245	0.00001085	0.00266332
11/19/2020	0.00934182		
11/20/2020	0.00934118		
11/21/2020	0.00934054		
11/22/2020	0.00933990		
11/23/2020	0.00933926		
11/24/2020	0.00933862		
11/25/2020	0.00933798		
11/26/2020	0.00933734		
11/27/2020	0.00933670		
11/28/2020	0.00933606		
11/29/2020	0.00933542		
11/30/2020	0.00933478	0.00000829	0.00259583

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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)
12/1/2020	0.00933414		
12/2/2020	0.00933350		
12/3/2020	0.00933286		
12/4/2020	0.00933222		
12/5/2020	0.00933158		
12/6/2020	0.00933094		
12/7/2020	0.00933030		
12/8/2020	0.00932967		
12/9/2020	0.00932903		
12/10/2020	0.00932839		
12/11/2020	0.00932775		
12/12/2020	0.00932711		
12/13/2020	0.00932647		
12/14/2020	0.00932583		
12/15/2020	0.00932519		
12/16/2020	0.00932455		
12/17/2020	0.00932392		
12/18/2020	0.00932328		
12/19/2020	0.00932264		
12/20/2020	0.00932200		
12/21/2020	0.00932136		
12/22/2020	0.00932072		
12/23/2020	0.00932008		
12/24/2020	0.00931945		
12/25/2020	0.00931881		
12/26/2020	0.00931817		
12/27/2020	0.00931753		
12/28/2020	0.00931689		
12/29/2020	0.00931626		
12/30/2020	0.00931562		
12/31/2020	0.00931498	0.00001772	0.00606032
TOTAL		0.00021754	0.05973080

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 those 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 2/10/2020 at a price of \$4.27 per share for a total purchase price of \$85,400. 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 Bitcoin Cash

Locate the Bitcoin Cash Per Share amount on Shareholder XYZ's purchase date of 2/10/2020 in the gross proceeds file. In this example the number is 0.00952467. This represents the number of BCH tokens per share on that date.

For Shareholder XYZ, the total amount of BCH tokens owned for its 2/10/2020 purchase is 190.49340000 (0.00952467 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 Bitcoin Cash paid out from Shareholder XYZ's account during 2020 to pay expenses

The BCH tokens paid out per share during 2020 includes the cumulative amounts of all BCH 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 BCH tokens paid out after the 2/10/2020 purchase date is 0.00019085 per share. This is determined by taking the total amount of BCH tokens per share paid out in 2020 (0.00021754) and subtracting the amount of BCH tokens paid out prior to the purchase (0.00002019 from January plus (10/29 multiplied by 0.00001886 from February)). Then multiply this number (0.00019085) by the number of shares owned (20,000) for a total of 3.81693103 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 (Step 2)	3.81693103	
	-----	X \$ 85,400
BCH tokens acquired (Step 1)	190.49340000	
Cost of BCH token payout	\$1,711.17	

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 2/10/2020 purchase date. During 2020, periodic payouts for the period 2/11/2020 through 12/31/2020 generated proceeds per share of \$0.05018035 (total proceeds of payout of BCH tokens for the year, \$0.05973080, less \$0.00955045, which is the proceeds of payouts made prior to purchase [0.00753109 from January 2020] plus 0.00201936 from the first ten days in February 2020). Therefore, Shareholder XYZ's gain or loss is determined as follows

Total Proceeds: \$0.05018035 per share X 20,000 shares	\$	1,003.61
Less: Total cost basis of BCH token payout (Step 3)		<u>1,711.17</u>
Total Reportable Gain/(Loss)	\$	<u>(707.56)</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 \$0.05018035 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (Step 4)	\$	0.05018035
Total Shares		<u>20,000</u>
Total Expense	\$	<u>1,003.61</u>

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

BCH tokens Purchased on 2/10/2020 (Step 1)	190.49340000
Less: BCH token payout during 2020 (Step 2)	<u>3.81693103</u>
Adjusted Shareholder's BCH tokens at 12/31/2020	<u>186.67646897</u>
Original Purchase Cost on 2/10/2020	\$ 85,400.00
Less: Cost of BCH token payout during 2020 (Step 3)	<u>1,711.17</u>
Adjusted Shareholder's basis at 12/31/2020	<u>\$ 83,688.83</u>

Shareholder's adjusted BCH tokens and adjusted cost calculated in Step 6 are his/her adjusted BCH tokens and adjusted basis for the 2/10/2020 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.