

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC)

2023 Grantor Trust Tax Information

EIN: 82-6239281

The following information is being provided to assist Shareholders of the Grayscale Ethereum Classic Trust (ETC) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2023 through December 31, 2023.

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 Classic ("ETC") tokens and, accordingly, received no income during the year.

The Trust paid expenses periodically, as shown in the attached 2023 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2023 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 ETC 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 2023 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Grayscale Ethereum Classic Trust (ETC) - (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 ETC), amount of ETC paid to cover trust expenses (in ETC), and per share proceeds from ETC 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 ETHEREUM CLASSIC TRUST (ETC) 2023 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETC Per Share
January	0.03916296	0.00179482
February	0.03378081	0.00161785
March	0.03696717	0.00178758
April	0.03383561	0.00172631
May	0.03191768	0.00178013
June	0.03388363	0.00171911
July	0.03267096	0.00177271
August	0.02743634	0.00176895
September	0.02810169	0.00170831
October	0.03036946	0.00176157
November	0.03162506	0.00170119
December	0.03857540	0.00175422
Total for year	0.39832677	0.02089275

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 2023 Grayscale Ethereum Classic Trust (ETC) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2023 and sold them on September 15, 2023. For the month of February, Shareholder's expenses are \$0.03378081 (See Summary Table above – February Factor) x (13/28) = \$0.01568395 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 \$0.02810169 (See Summary Table above – September Factor) x (15/30) = \$0.01405085. The total expenses for Shareholder are therefore \$0.22644618 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$4,528.92.

Total Expenses per Share	\$ 0.22644618
Number of Shares Held	20,000
Total Expense	\$ 4,528.92

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
1/1/2023	0.84611285		
1/2/2023	0.84605489		
1/3/2023	0.84599694		
1/4/2023	0.84593900		
1/5/2023	0.84588106		
1/6/2023	0.84582312		
1/7/2023	0.84576519		
1/8/2023	0.84570726		
1/9/2023	0.84564933		
1/10/2023	0.84559141		
1/11/2023	0.84553349		
1/12/2023	0.84547558		
1/13/2023	0.84541767		
1/14/2023	0.84535977		
1/15/2023	0.84530187		
1/16/2023	0.84524397		
1/17/2023	0.84518607		
1/18/2023	0.84512819		
1/19/2023	0.84507030		
1/20/2023	0.84501242		
1/21/2023	0.84495454		
1/22/2023	0.84489667		
1/23/2023	0.84483880		
1/24/2023	0.84478093		
1/25/2023	0.84472307		
1/26/2023	0.84466521		
1/27/2023	0.84460736		
1/28/2023	0.84454951		
1/29/2023	0.84449166		
1/30/2023	0.84443382		
1/31/2023	0.84437598	0.00179482	0.03916296

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
2/1/2023	0.84431815		
2/2/2023	0.84426032		
2/3/2023	0.84420249		
2/4/2023	0.84414467		
2/5/2023	0.84408685		
2/6/2023	0.84402904		
2/7/2023	0.84397123		
2/8/2023	0.84391342		
2/9/2023	0.84385562		
2/10/2023	0.84379782		
2/11/2023	0.84374003		
2/12/2023	0.84368224		
2/13/2023	0.84362445		
2/14/2023	0.84356667		
2/15/2023	0.84350889		
2/16/2023	0.84345111		
2/17/2023	0.84339334		
2/18/2023	0.84333558		
2/19/2023	0.84327781		
2/20/2023	0.84322006		
2/21/2023	0.84316230		
2/22/2023	0.84310455		
2/23/2023	0.84304680		
2/24/2023	0.84298906		
2/25/2023	0.84293132		
2/26/2023	0.84287359		
2/27/2023	0.84281586		
2/28/2023	0.84275813	0.00161785	0.03378081

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
3/1/2023	0.84270040		
3/2/2023	0.84264269		
3/3/2023	0.84258497		
3/4/2023	0.84252726		
3/5/2023	0.84246955		
3/6/2023	0.84241185		
3/7/2023	0.84235415		
3/8/2023	0.84229645		
3/9/2023	0.84223876		
3/10/2023	0.84218107		
3/11/2023	0.84212339		
3/12/2023	0.84206571		
3/13/2023	0.84200804		
3/14/2023	0.84195036		
3/15/2023	0.84189270		
3/16/2023	0.84183503		
3/17/2023	0.84177737		
3/18/2023	0.84171972		
3/19/2023	0.84166206		
3/20/2023	0.84160442		
3/21/2023	0.84154677		
3/22/2023	0.84148913		
3/23/2023	0.84143150		
3/24/2023	0.84137386		
3/25/2023	0.84131623		
3/26/2023	0.84125861		
3/27/2023	0.84120099		
3/28/2023	0.84114337		
3/29/2023	0.84108576		
3/30/2023	0.84102815		
3/31/2023	0.84097055	0.00178758	0.03696717

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
4/1/2023	0.84091295		
4/2/2023	0.84085535		
4/3/2023	0.84079776		
4/4/2023	0.84074017		
4/5/2023	0.84068258		
4/6/2023	0.84062500		
4/7/2023	0.84056743		
4/8/2023	0.84050985		
4/9/2023	0.84045228		
4/10/2023	0.84039472		
4/11/2023	0.84033716		
4/12/2023	0.84027960		
4/13/2023	0.84022205		
4/14/2023	0.84016450		
4/15/2023	0.84010695		
4/16/2023	0.84004941		
4/17/2023	0.83999187		
4/18/2023	0.83993434		
4/19/2023	0.83987681		
4/20/2023	0.83981928		
4/21/2023	0.83976176		
4/22/2023	0.83970424		
4/23/2023	0.83964673		
4/24/2023	0.83958922		
4/25/2023	0.83953171		
4/26/2023	0.83947421		
4/27/2023	0.83941671		
4/28/2023	0.83935922		
4/29/2023	0.83930173		
4/30/2023	0.83924424	0.00172631	0.03383561

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
5/1/2023	0.83918676		
5/2/2023	0.83912928		
5/3/2023	0.83907181		
5/4/2023	0.83901433		
5/5/2023	0.83895687		
5/6/2023	0.83889940		
5/7/2023	0.83884195		
5/8/2023	0.83878449		
5/9/2023	0.83872704		
5/10/2023	0.83866959		
5/11/2023	0.83861215		
5/12/2023	0.83855471		
5/13/2023	0.83849728		
5/14/2023	0.83843984		
5/15/2023	0.83838242		
5/16/2023	0.83832499		
5/17/2023	0.83826757		
5/18/2023	0.83821016		
5/19/2023	0.83815275		
5/20/2023	0.83809534		
5/21/2023	0.83803794		
5/22/2023	0.83798054		
5/23/2023	0.83792314		
5/24/2023	0.83786575		
5/25/2023	0.83780836		
5/26/2023	0.83775098		
5/27/2023	0.83769359		
5/28/2023	0.83763622		
5/29/2023	0.83757885		
5/30/2023	0.83752148		
5/31/2023	0.83746411	0.00178013	0.03191768

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
6/1/2023	0.83740675		
6/2/2023	0.83734940		
6/3/2023	0.83729204		
6/4/2023	0.83723469		
6/5/2023	0.83717735		
6/6/2023	0.83712001		
6/7/2023	0.83706267		
6/8/2023	0.83700534		
6/9/2023	0.83694801		
6/10/2023	0.83689068		
6/11/2023	0.83683336		
6/12/2023	0.83677605		
6/13/2023	0.83671873		
6/14/2023	0.83666142		
6/15/2023	0.83660412		
6/16/2023	0.83654682		
6/17/2023	0.83648952		
6/18/2023	0.83643222		
6/19/2023	0.83637493		
6/20/2023	0.83631765		
6/21/2023	0.83626037		
6/22/2023	0.83620309		
6/23/2023	0.83614581		
6/24/2023	0.83608854		
6/25/2023	0.83603128		
6/26/2023	0.83597402		
6/27/2023	0.83591676		
6/28/2023	0.83585950		
6/29/2023	0.83580225		
6/30/2023	0.83574500	0.00171911	0.03388363

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
7/1/2023	0.83568776		
7/2/2023	0.83563052		
7/3/2023	0.83557329		
7/4/2023	0.83551606		
7/5/2023	0.83545883		
7/6/2023	0.83540161		
7/7/2023	0.83534439		
7/8/2023	0.83528717		
7/9/2023	0.83522996		
7/10/2023	0.83517275		
7/11/2023	0.83511555		
7/12/2023	0.83505835		
7/13/2023	0.83500115		
7/14/2023	0.83494396		
7/15/2023	0.83488677		
7/16/2023	0.83482959		
7/17/2023	0.83477241		
7/18/2023	0.83471523		
7/19/2023	0.83465806		
7/20/2023	0.83460089		
7/21/2023	0.83454373		
7/22/2023	0.83448657		
7/23/2023	0.83442941		
7/24/2023	0.83437226		
7/25/2023	0.83431511		
7/26/2023	0.83425797		
7/27/2023	0.83420082		
7/28/2023	0.83414369		
7/29/2023	0.83408655		
7/30/2023	0.83402942		
7/31/2023	0.83397230	0.00177271	0.03267096

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
8/1/2023	0.83391518		
8/2/2023	0.83385806		
8/3/2023	0.83380095		
8/4/2023	0.83374384		
8/5/2023	0.83368673		
8/6/2023	0.83362963		
8/7/2023	0.83357253		
8/8/2023	0.83351544		
8/9/2023	0.83345835		
8/10/2023	0.83340126		
8/11/2023	0.83334418		
8/12/2023	0.83328710		
8/13/2023	0.83323003		
8/14/2023	0.83317296		
8/15/2023	0.83311589		
8/16/2023	0.83305883		
8/17/2023	0.83300177		
8/18/2023	0.83294471		
8/19/2023	0.83288766		
8/20/2023	0.83283061		
8/21/2023	0.83277357		
8/22/2023	0.83271653		
8/23/2023	0.83265950		
8/24/2023	0.83260247		
8/25/2023	0.83254544		
8/26/2023	0.83248841		
8/27/2023	0.83243139		
8/28/2023	0.83237438		
8/29/2023	0.83231737		
8/30/2023	0.83226036		
8/31/2023	0.83220335	0.00176895	0.02743634

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
9/1/2023	0.83214635		
9/2/2023	0.83208936		
9/3/2023	0.83203237		
9/4/2023	0.83197538		
9/5/2023	0.83191839		
9/6/2023	0.83186141		
9/7/2023	0.83180443		
9/8/2023	0.83174746		
9/9/2023	0.83169049		
9/10/2023	0.83163353		
9/11/2023	0.83157657		
9/12/2023	0.83151961		
9/13/2023	0.83146266		
9/14/2023	0.83140571		
9/15/2023	0.83134876		
9/16/2023	0.83129182		
9/17/2023	0.83123488		
9/18/2023	0.83117795		
9/19/2023	0.83112102		
9/20/2023	0.83106409		
9/21/2023	0.83100717		
9/22/2023	0.83095025		
9/23/2023	0.83089334		
9/24/2023	0.83083643		
9/25/2023	0.83077952		
9/26/2023	0.83072262		
9/27/2023	0.83066572		
9/28/2023	0.83060882		
9/29/2023	0.83055193		
9/30/2023	0.83049504	0.00170831	0.02810169

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
10/1/2023	0.83043816		
10/2/2023	0.83038128		
10/3/2023	0.83032441		
10/4/2023	0.83026754		
10/5/2023	0.83021067		
10/6/2023	0.83015380		
10/7/2023	0.83009694		
10/8/2023	0.83004009		
10/9/2023	0.82998324		
10/10/2023	0.82992639		
10/11/2023	0.82986954		
10/12/2023	0.82981270		
10/13/2023	0.82975587		
10/14/2023	0.82969903		
10/15/2023	0.82964221		
10/16/2023	0.82958538		
10/17/2023	0.82952856		
10/18/2023	0.82947174		
10/19/2023	0.82941493		
10/20/2023	0.82935812		
10/21/2023	0.82930131		
10/22/2023	0.82924451		
10/23/2023	0.82918772		
10/24/2023	0.82913092		
10/25/2023	0.82907413		
10/26/2023	0.82901735		
10/27/2023	0.82896056		
10/28/2023	0.82890379		
10/29/2023	0.82884701		
10/30/2023	0.82879024		
10/31/2023	0.82873348	0.00176157	0.03036946

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
11/1/2023	0.82867671		
11/2/2023	0.82861995		
11/3/2023	0.82856320		
11/4/2023	0.82850645		
11/5/2023	0.82844970		
11/6/2023	0.82839296		
11/7/2023	0.82833622		
11/8/2023	0.82827948		
11/9/2023	0.82822275		
11/10/2023	0.82816602		
11/11/2023	0.82810930		
11/12/2023	0.82805258		
11/13/2023	0.82799587		
11/14/2023	0.82793915		
11/15/2023	0.82788245		
11/16/2023	0.82782574		
11/17/2023	0.82776904		
11/18/2023	0.82771234		
11/19/2023	0.82765565		
11/20/2023	0.82759896		
11/21/2023	0.82754228		
11/22/2023	0.82748560		
11/23/2023	0.82742892		
11/24/2023	0.82737225		
11/25/2023	0.82731558		
11/26/2023	0.82725891		
11/27/2023	0.82720225		
11/28/2023	0.82714559		
11/29/2023	0.82708894		
11/30/2023	0.82703229	0.00170119	0.03162506

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2023 GROSS PROCEEDS FILE

Date	ETC Per Share	Number of ETC Used to Cover Trust Expenses Per Share (in ETC)	Proceeds from Payout of ETC to Cover Trust Expenses Per Share (in USD)
12/1/2023	0.82697564		
12/2/2023	0.82691900		
12/3/2023	0.82686236		
12/4/2023	0.82680573		
12/5/2023	0.82674910		
12/6/2023	0.82669247		
12/7/2023	0.82663585		
12/8/2023	0.82657923		
12/9/2023	0.82652261		
12/10/2023	0.82646600		
12/11/2023	0.82640940		
12/12/2023	0.82635279		
12/13/2023	0.82629619		
12/14/2023	0.82623960		
12/15/2023	0.82618301		
12/16/2023	0.82612642		
12/17/2023	0.82606983		
12/18/2023	0.82601325		
12/19/2023	0.82595668		
12/20/2023	0.82590010		
12/21/2023	0.82584354		
12/22/2023	0.82578697		
12/23/2023	0.82573041		
12/24/2023	0.82567385		
12/25/2023	0.82561730		
12/26/2023	0.82556075		
12/27/2023	0.82550421		
12/28/2023	0.82544766		
12/29/2023	0.82539113		
12/30/2023	0.82533459		
12/31/2023	0.82527806	0.00175422	0.03857540
TOTAL		0.02089275	0.39832677

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

The Trust holds no assets other than ETC tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ETC 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 ETC 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 ETC tokens they still own). In Step 3, we determine the Shareholder's basis in the ETC 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 ETC tokens at the end of the year and his or her new cost basis in the ETC 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 2/10/2023 at a price of \$17.90 per share for a total purchase price of \$358,000. Shareholder XYZ had no other purchases or sales of Trust shares during 2023 and held the shares for the remainder of 2023.

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

Locate the Ethereum Classic Per Share amount on Shareholder XYZ's purchase date of 2/10/2023 in the gross proceeds file. In this example the number is 0.84379782. This represents the number of ETC tokens per share on that date.

For Shareholder XYZ, the total amount of ETC tokens owned for its 2/10/2023 purchase is 16,875.95640000 (0.84379782 per share multiplied by 20,000 shares purchased on 2/10/2023). Note: This step should be completed for each date on which Trust shares were purchased.

Step 2: Calculate the Ethereum Classic paid out from Shareholder XYZ's account during 2023 to pay expenses

The ETC tokens paid out per share during 2023 includes the cumulative amounts of all ETC token payouts for the period which includes the day after the purchase date of 2/10/2023 through the day before payout date.

During 2023, the total amount of ETC tokens paid out after the 2/10/2023 purchase date is 0.01852013 per share. This is determined by taking the total amount of ETC tokens per share paid out in 2023 (0.02089275) and subtracting the amount of ETC tokens paid out prior to the purchase (0.00179482 from January plus 0.00057780 (10/28 multiplied by 0.00161785 from February)). Then multiply this number (0.01852013) by the number of shares owned (20,000) for a total of 370.40252857 ETC tokens paid to cover trust expenses.

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

Total ETC token payout (<i>Step 2</i>)	370.40252857		
	-----	x	\$ 358,000
ETC tokens acquired (<i>Step 1</i>)	16,875.95640000		
Cost basis of ETC token payout			\$ 7,857.58

Step 4: Calculate Shareholder's gain or loss on Ethereum Classic payout for each lot purchased

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2023 purchase date. During 2023, periodic payouts for the period 2/11/2023 through 12/31/2023 generated proceeds per share of \$0.34709924 (total proceeds of payout of ETC tokens for the year, \$0.39832677, less \$0.05122754, which is the proceeds of payouts made prior to purchase [\$0.03916296 from January] plus \$0.01206458 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.34709924 per share X 20,000 shares	\$	6,941.98
Less: Total cost basis of ETC token payout (<i>Step 3</i>)		7,857.58
Total Reportable Gain/(Loss)	\$	<u>(915.60)</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 2/10/2023 purchase date. During 2023, the expenses were paid periodically and for the period of 2/11/2023 through 12/31/2023 amounted to \$0.34709924 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (<i>Step 4</i>)	\$	0.34709924
Total Shares		20,000
Total Expense	\$	<u>6,941.98</u>

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

ETC tokens Purchased on 2/10/2023 (<i>Step 1</i>)		16,875.95640000
Less: ETC token payout during 2023 (<i>Step 2</i>)		370.40252857
Adjusted Shareholder's ETC tokens at 12/31/2023		<u>16,505.55387143</u>
Original Purchase Cost on 2/10/2023	\$	358,000.00
Less: Cost of ETC token payout during 2023 (<i>Step 3</i>)		7,857.58
Adjusted Shareholder's basis at 12/31/2023	\$	<u>350,142.42</u>

Shareholder's adjusted ETC tokens and adjusted cost calculated in Step 6 are his/her adjusted ETC tokens and adjusted basis for the 2/10/2023 purchase at the end of 12/31/2023.

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 2023, 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 12/31/2022 should be used as the beginning cost for 2023 instead of the original purchase cost. Shareholders with an additional purchase in 2023 will have two cost lots to account for in 2023. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.