

GRAYSCALE ETHERUM CLASSIC TRUST (ETC)
2021 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, 2021 through December 31, 2021

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

The Trust paid expenses periodically, as shown in the attached 2021 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2021 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 2021 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) 2021 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETC Per Share
January	0.01678319	0.00227107
February	0.02136475	0.00205233
March	0.03057651	0.00225990
April	0.07895262	0.00218827
May	0.19703646	0.00225555
June	0.11672997	0.00217732
July	0.10825638	0.00224427
August	0.13937363	0.00223854
September	0.11220583	0.00216092
October	0.12092135	0.00222736
November	0.10815812	0.00215012
December	0.07883891	0.00221621
Total for year	1.12919772	0.02644186

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 2021 Grayscale Ethereum Classic Trust (ETC) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2021 and sold them on September 15, 2021. For the month of February, Shareholder's expenses are \$0.02136475 (See Summary Table above – February Factor) x (13/28) = \$0.00991935 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 \$0.11220583 (See Summary Table above – September Factor) x (15/30) = \$0.05610292. The total expenses for Shareholder are therefore \$0.73694783 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$14,738.96.

Total Expenses per Share	\$0.73694783
Total Shares	<u>20,000</u>
Total Expense	<u>\$ 14,738.96</u>

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
1/1/2021	0.89504509		
1/2/2021	0.89497152		
1/3/2021	0.89489797		
1/4/2021	0.89482441		
1/5/2021	0.89475086		
1/6/2021	0.89467732		
1/7/2021	0.89460379		
1/8/2021	0.89453026		
1/9/2021	0.89445674		
1/10/2021	0.89438322		
1/11/2021	0.89430971		
1/12/2021	0.89423620		
1/13/2021	0.89416270		
1/14/2021	0.89408921		
1/15/2021	0.89401572		
1/16/2021	0.89394224		
1/17/2021	0.89386877		
1/18/2021	0.89379530		
1/19/2021	0.89372184		
1/20/2021	0.89364838		
1/21/2021	0.89357493		
1/22/2021	0.89350149		
1/23/2021	0.89342805		
1/24/2021	0.89335462		
1/25/2021	0.89328119		
1/26/2021	0.89320777		
1/27/2021	0.89313435		
1/28/2021	0.89306095		
1/29/2021	0.89298754		
1/30/2021	0.89291415		
1/31/2021	0.89284076	0.00227107	0.01678319

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
2/1/2021	0.89276737		
2/2/2021	0.89269400		
2/3/2021	0.89262062		
2/4/2021	0.89254726		
2/5/2021	0.89247390		
2/6/2021	0.89240054		
2/7/2021	0.89232719		
2/8/2021	0.89225385		
2/9/2021	0.89218052		
2/10/2021	0.89210719		
2/11/2021	0.89203386		
2/12/2021	0.89196055		
2/13/2021	0.89188723		
2/14/2021	0.89181393		
2/15/2021	0.89174063		
2/16/2021	0.89166733		
2/17/2021	0.89159405		
2/18/2021	0.89152076		
2/19/2021	0.89144749		
2/20/2021	0.89137422		
2/21/2021	0.89130096		
2/22/2021	0.89122770		
2/23/2021	0.89115445		
2/24/2021	0.89108120		
2/25/2021	0.89100796		
2/26/2021	0.89093473		
2/27/2021	0.89086150		
2/28/2021	0.89078828	0.00205233	0.02136475

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
3/1/2021	0.89071506		
3/2/2021	0.89064185		
3/3/2021	0.89056865		
3/4/2021	0.89049545		
3/5/2021	0.89042226		
3/6/2021	0.89034908		
3/7/2021	0.89027590		
3/8/2021	0.89020272		
3/9/2021	0.89012956		
3/10/2021	0.89005639		
3/11/2021	0.88998324		
3/12/2021	0.88991009		
3/13/2021	0.88983695		
3/14/2021	0.88976381		
3/15/2021	0.88969068		
3/16/2021	0.88961755		
3/17/2021	0.88954443		
3/18/2021	0.88947132		
3/19/2021	0.88939821		
3/20/2021	0.88932511		
3/21/2021	0.88925202		
3/22/2021	0.88917893		
3/23/2021	0.88910584		
3/24/2021	0.88903277		
3/25/2021	0.88895970		
3/26/2021	0.88888663		
3/27/2021	0.88881357		
3/28/2021	0.88874052		
3/29/2021	0.88866747		
3/30/2021	0.88859443		
3/31/2021	0.88852140	0.00225990	0.03057651

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
4/1/2021	0.88844837		
4/2/2021	0.88837534		
4/3/2021	0.88830233		
4/4/2021	0.88822931		
4/5/2021	0.88815631		
4/6/2021	0.88808331		
4/7/2021	0.88801032		
4/8/2021	0.88793733		
4/9/2021	0.88786435		
4/10/2021	0.88779137		
4/11/2021	0.88771840		
4/12/2021	0.88764544		
4/13/2021	0.88757248		
4/14/2021	0.88749953		
4/15/2021	0.88742659		
4/16/2021	0.88735365		
4/17/2021	0.88728072		
4/18/2021	0.88720779		
4/19/2021	0.88713487		
4/20/2021	0.88706195		
4/21/2021	0.88698904		
4/22/2021	0.88691614		
4/23/2021	0.88684324		
4/24/2021	0.88677035		
4/25/2021	0.88669747		
4/26/2021	0.88662459		
4/27/2021	0.88655171		
4/28/2021	0.88647885		
4/29/2021	0.88640598		
4/30/2021	0.88633313	0.00218827	0.07895262

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
5/1/2021	0.88626028		
5/2/2021	0.88618744		
5/3/2021	0.88611460		
5/4/2021	0.88604177		
5/5/2021	0.88596894	0.00036419	0.03787177
5/6/2021	0.88589612		
5/7/2021	0.88582331		
5/8/2021	0.88575050		
5/9/2021	0.88567770	0.00029124	0.03404905
5/10/2021	0.88560491		
5/11/2021	0.88553212		
5/12/2021	0.88545933		
5/13/2021	0.88538656		
5/14/2021	0.88531378	0.00036392	0.03762541
5/15/2021	0.88524102		
5/16/2021	0.88516826		
5/17/2021	0.88509551		
5/18/2021	0.88502276		
5/19/2021	0.88495002	0.00036377	0.02423785
5/20/2021	0.88487728		
5/21/2021	0.88480455		
5/22/2021	0.88473183		
5/23/2021	0.88465911		
5/24/2021	0.88458640		
5/25/2021	0.88451369		
5/26/2021	0.88444099	0.00043632	0.03364931
5/27/2021	0.88436830		
5/28/2021	0.88429561		
5/29/2021	0.88422293		
5/30/2021	0.88415025		
5/31/2021	0.88407758	0.00043611	0.02960307

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
6/1/2021	0.88400492		
6/2/2021	0.88393226		
6/3/2021	0.88385961		
6/4/2021	0.88378696	0.00029062	0.01896294
6/5/2021	0.88371432		
6/6/2021	0.88364169		
6/7/2021	0.88356906		
6/8/2021	0.88349644		
6/9/2021	0.88342382		
6/10/2021	0.88335121	0.00043575	0.02526482
6/11/2021	0.88327861		
6/12/2021	0.88320601		
6/13/2021	0.88313342		
6/14/2021	0.88306083		
6/15/2021	0.88298825		
6/16/2021	0.88291568		
6/17/2021	0.88284311		
6/18/2021	0.88277055	0.00036296	0.01857999
6/19/2021	0.88269799		
6/20/2021	0.88262544		
6/21/2021	0.88255289		
6/22/2021	0.88248036		
6/23/2021	0.88240782		
6/24/2021	0.88233530	0.00050790	0.02165158
6/25/2021	0.88226278		
6/26/2021	0.88219026		
6/27/2021	0.88211775		
6/28/2021	0.88204525		
6/29/2021	0.88197275		
6/30/2021	0.88190026	0.00058009	0.03227064

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
7/1/2021	0.88182778		
7/2/2021	0.88175530		
7/3/2021	0.88168283		
7/4/2021	0.88161036		
7/5/2021	0.88153790		
7/6/2021	0.88146544		
7/7/2021	0.88139299	0.00043482	0.02351943
7/8/2021	0.88132055		
7/9/2021	0.88124811		
7/10/2021	0.88117568		
7/11/2021	0.88110326		
7/12/2021	0.88103084		
7/13/2021	0.88095842		
7/14/2021	0.88088601	0.00050702	0.02288179
7/15/2021	0.88081361		
7/16/2021	0.88074122		
7/17/2021	0.88066883		
7/18/2021	0.88059644		
7/19/2021	0.88052407		
7/20/2021	0.88045169		
7/21/2021	0.88037933	0.00050673	0.02103934
7/22/2021	0.88030697		
7/23/2021	0.88023461		
7/24/2021	0.88016227		
7/25/2021	0.88008992		
7/26/2021	0.88001759	0.00043411	0.02257352
7/27/2021	0.87994526		
7/28/2021	0.87987293		
7/29/2021	0.87980062		
7/30/2021	0.87972830		
7/31/2021	0.87965600	0.00036159	0.01824230

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
8/1/2021	0.87958370		
8/2/2021	0.87951140		
8/3/2021	0.87943911		
8/4/2021	0.87936683		
8/5/2021	0.87929455	0.00021688	0.01132133
8/6/2021	0.87922228		
8/7/2021	0.87915002		
8/8/2021	0.87907776		
8/9/2021	0.87900551		
8/10/2021	0.87893326		
8/11/2021	0.87886102	0.00050585	0.03193962
8/12/2021	0.87878878		
8/13/2021	0.87871655		
8/14/2021	0.87864433		
8/15/2021	0.87857211		
8/16/2021	0.87849990		
8/17/2021	0.87842770		
8/18/2021	0.87835550	0.00050556	0.03190102
8/19/2021	0.87828330		
8/20/2021	0.87821112		
8/21/2021	0.87813893		
8/22/2021	0.87806676		
8/23/2021	0.87799459		
8/24/2021	0.87792242		
8/25/2021	0.87785027	0.00050527	0.03200394
8/26/2021	0.87777811		
8/27/2021	0.87770597		
8/28/2021	0.87763383		
8/29/2021	0.87756169		
8/30/2021	0.87748956		
8/31/2021	0.87741744	0.00050498	0.03220772

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
9/1/2021	0.87734533		
9/2/2021	0.87727322		
9/3/2021	0.87720111		
9/4/2021	0.87712901		
9/5/2021	0.87705692		
9/6/2021	0.87698483		
9/7/2021	0.87691275	0.00050469	0.02912572
9/8/2021	0.87684068		
9/9/2021	0.87676861		
9/10/2021	0.87669654		
9/11/2021	0.87662449		
9/12/2021	0.87655244		
9/13/2021	0.87648039		
9/14/2021	0.87640835		
9/15/2021	0.87633632		
9/16/2021	0.87626429	0.0005044	0.02913419
9/17/2021	0.87619227		
9/18/2021	0.87612025		
9/19/2021	0.87604824		
9/20/2021	0.87597624		
9/21/2021	0.87590424		
9/22/2021	0.87583225		
9/23/2021	0.87576026		
9/24/2021	0.87568828	0.00050411	0.02376882
9/25/2021	0.87561631		
9/26/2021	0.87554434		
9/27/2021	0.87547238		
9/28/2021	0.87540042		
9/29/2021	0.87532847		
9/30/2021	0.87525652	0.00064772	0.03017710

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
10/1/2021	0.87518458		
10/2/2021	0.87511265		
10/3/2021	0.87504072		
10/4/2021	0.87496880		
10/5/2021	0.87489689		
10/6/2021	0.87482498		
10/7/2021	0.87475308	0.00035964	0.01953180
10/8/2021	0.87468118		
10/9/2021	0.87460929		
10/10/2021	0.87453740		
10/11/2021	0.87446552		
10/12/2021	0.87439365		
10/13/2021	0.87432178		
10/14/2021	0.87424992		
10/15/2021	0.87417806	0.00050324	0.02756755
10/16/2021	0.87410621		
10/17/2021	0.87403437		
10/18/2021	0.87396253		
10/19/2021	0.87389070		
10/20/2021	0.87381887		
10/21/2021	0.87374705	0.00050295	0.02825583
10/22/2021	0.87367523		
10/23/2021	0.87360342		
10/24/2021	0.87353162		
10/25/2021	0.87345982		
10/26/2021	0.87338803		
10/27/2021	0.87331625		
10/28/2021	0.87324447	0.00050266	0.02625909
10/29/2021	0.87317269		
10/30/2021	0.87310093		
10/31/2021	0.87302917	0.00035887	0.01930708

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
11/1/2021	0.87295741		
11/2/2021	0.87288566		
11/3/2021	0.87281392		
11/4/2021	0.87274218		
11/5/2021	0.87267045	0.00028699	0.01524480
11/6/2021	0.87259872		
11/7/2021	0.87252700		
11/8/2021	0.87245528		
11/9/2021	0.87238358		
11/10/2021	0.87231187		
11/11/2021	0.87224018		
11/12/2021	0.87216848	0.00035860	0.01987373
11/13/2021	0.87209680		
11/14/2021	0.87202512		
11/15/2021	0.87195345		
11/16/2021	0.87188178		
11/17/2021	0.87181012		
11/18/2021	0.87173846	0.00050180	0.02453780
11/19/2021	0.87166681		
11/20/2021	0.87159517		
11/21/2021	0.87152353		
11/22/2021	0.87145190		
11/23/2021	0.87138027		
11/24/2021	0.87130865	0.00050151	0.02419771
11/25/2021	0.87123704		
11/26/2021	0.87116543		
11/27/2021	0.87109383		
11/28/2021	0.87102223		
11/29/2021	0.87095064		
11/30/2021	0.87087905	0.00050122	0.02430408

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2021 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)
12/1/2021	0.87080748		
12/2/2021	0.87073590		
12/3/2021	0.87066433		
12/4/2021	0.87059277		
12/5/2021	0.87052122		
12/6/2021	0.87044967		
12/7/2021	0.87037812		
12/8/2021	0.87030659		
12/9/2021	0.87023505	0.00050093	0.01889008
12/10/2021	0.87016353		
12/11/2021	0.87009201		
12/12/2021	0.87002049		
12/13/2021	0.86994898		
12/14/2021	0.86987748		
12/15/2021	0.86980599		
12/16/2021	0.86973449	0.00050064	0.01786291
12/17/2021	0.86966301		
12/18/2021	0.86959153		
12/19/2021	0.86952006		
12/20/2021	0.86944859		
12/21/2021	0.86937713		
12/22/2021	0.86930567	0.00050035	0.01814284
12/23/2021	0.86923422		
12/24/2021	0.86916278		
12/25/2021	0.86909134		
12/26/2021	0.86901991		
12/27/2021	0.86894848		
12/28/2021	0.86887706		
12/29/2021	0.86880565		
12/30/2021	0.86873424		
12/31/2021	0.86866284	0.00071429	0.02394308
TOTAL		0.02644186	1.12919772

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 those 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 2/10/2021 at a price of \$9.33 per share for a total purchase price of \$186,600. Shareholder XYZ had no other purchases or sales of Trust shares during 2021 and held the shares for the remainder of 2021.

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 2/10/2021 in the gross proceeds file. In this example the number is 0.89210719. This represents the number of ETC tokens per share on that date.

For Shareholder XYZ, the total amount of ETC tokens owned for its 2/10/2021 purchase is 17,842.14380000 (0.89210719 per share multiplied by 20,000 shares purchased on 2/10/2021). 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 2021 to pay expenses

The ETC tokens paid out per share during 2021 includes the cumulative amounts of all ETC token payouts for the period which includes the day after the purchase date of 2/10/2021 through the day before payout date.

During 2021, the amount of ETC tokens paid out after the 2/10/2021 purchase date is 0.02343782 per share. This is determined by taking the total amount of ETC tokens per share paid out in 2021 (0.02644186) and subtracting the amount of ETC tokens paid out prior to the purchase (0.00227107 from January plus 0.00073298 (10/28 multiplied by 0.00205233 from February)). Then multiply this number (0.02343782) by the number of shares owned (20,000) for a total of 468.75630000 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>)	468.75630000		
	-----	x	\$186,600
ETC tokens acquired (<i>Step 1</i>)	17,842.14380000		
Cost basis of ETC token payout	\$4,902.43		

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 2/10/2021 purchase date. During 2021, periodic payouts for the period 2/11/2021 through 12/31/2021 generated proceeds per share of \$1.10478426 (total proceeds of payout of ETC tokens for the year, \$ 1.12919772, less \$0.02441346, which is the proceeds of payouts made prior to purchase [\$0.01678319 from January] plus \$0.00763027 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$1.10478426 per share X 20,000 shares	\$	22,095.69
Less: Total cost basis of ETC tokens payout (<i>Step 3</i>)		<u>4,902.43</u>
Total Reportable Gain/(Loss)	\$	<u>17,193.26</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 2/10/2021 purchase date. During 2021, the expenses were paid periodically and for the period of 2/11/2021 through 12/31/2021 amounted to \$1.10478426 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (<i>Step 4</i>)	\$	1.10478426
Total Shares		<u>20,000</u>
Total Expense	\$	<u>22,095.69</u>

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

ETC tokens Purchased on 2/10/2021 (<i>Step 1</i>)	17,842.14380000
Less: ETC token payout during 2021 (<i>Step 2</i>)	<u>468.75630000</u>
Adjusted Shareholder's ETC tokens at 12/31/2021	<u>17,373.38750000</u>
Original Purchase Cost on 2/10/2021	\$ 186,600.00
Less: Cost of ETC token payout during 2021 (<i>Step 3</i>)	<u>4,902.43</u>
Adjusted Shareholder's basis at 12/31/2021	\$ <u>181,697.57</u>

Shareholder's adjusted ETC tokens and adjusted cost calculated in Step 6 are his/her adjusted ETC tokens and adjusted basis for the 2/10/2021 purchase at the end of 12/31/2021.

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 2021, 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 12/31/2020 should be used as the beginning cost for 2021 instead of the original purchase cost. Shareholders with an additional purchase in 2021 will have two cost lots to account for in 2021. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.