

GRAYSCALE STELLAR LUMENS TRUST (XLM)

2022 Grantor Trust Tax Information

EIN: 83-6545098

The following information is being provided to assist Shareholders of the Grayscale Stellar Lumens (XLM) (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 Stellar Lumens ("XLM") 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 XLM 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 Stellar Lumens Trust (XLM) - (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 XLM), amount of XLM paid to cover trust expenses (in XLM), and per share proceeds from XLM 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 STELLAR LUMENS TRUST (XLM) 2022 EXPENSE FILE

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

| Date | Expenses Per Share (USD) | Amount of XLM Per Share |
|-----------------------|-----------------------------|-------------------------|
| January | 0.0389473 | 0.1964337 |
| February | 0.0340896 | 0.1770659 |
| March | 0.0458746 | 0.1956415 |
| April | 0.0335802 | 0.1889354 |
| May | 0.0288449 | 0.1948258 |
| June | 0.0203636 | 0.1881476 |
| July | 0.0234855 | 0.1940134 |
| August | 0.0202510 | 0.1936019 |
| September | 0.0215859 | 0.1869657 |
| October | 0.0212535 | 0.1927947 |
| November | 0.0166948 | 0.1861861 |
| December | 0.0136901 | 0.1919908 |
| Total for year | 0.3186610 | 2.2866025 |

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 Stellar Lumens Trust (XLM) 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 \$0.0340896 (See Summary Table above – February Factor) x (13/28) = \$0.0158273 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 \$0.0215859 (See Summary Table above – September Factor) x (15/30) = \$0.0107930. The total expenses for Shareholder are therefore \$0.1990201 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$3,980.40.

| | |
|--------------------------|--------------------|
| Total Expenses per Share | \$ 0.1990201 |
| Number of Shares Held | 20,000 |
| Total Expense | \$ 3,980.40 |

(Please consult your tax advisor as to reporting)

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 1/1/2022 | 92.6026945 | | |
| 1/2/2022 | 92.5963518 | | |
| 1/3/2022 | 92.5900096 | | |
| 1/4/2022 | 92.5836678 | | |
| 1/5/2022 | 92.5773265 | | |
| 1/6/2022 | 92.5709855 | | |
| 1/7/2022 | 92.5646451 | | |
| 1/8/2022 | 92.5583050 | | |
| 1/9/2022 | 92.5519654 | | |
| 1/10/2022 | 92.5456262 | | |
| 1/11/2022 | 92.5392875 | | |
| 1/12/2022 | 92.5329492 | | |
| 1/13/2022 | 92.5266113 | | |
| 1/14/2022 | 92.5202739 | | |
| 1/15/2022 | 92.5139369 | | |
| 1/16/2022 | 92.5076003 | | |
| 1/17/2022 | 92.5012642 | | |
| 1/18/2022 | 92.4949285 | | |
| 1/19/2022 | 92.4885932 | | |
| 1/20/2022 | 92.4822584 | | |
| 1/21/2022 | 92.4759240 | | |
| 1/22/2022 | 92.4695900 | | |
| 1/23/2022 | 92.4632565 | | |
| 1/24/2022 | 92.4569234 | | |
| 1/25/2022 | 92.4505907 | | |
| 1/26/2022 | 92.4442585 | | |
| 1/27/2022 | 92.4379267 | | |
| 1/28/2022 | 92.4315953 | | |
| 1/29/2022 | 92.4252644 | | |
| 1/30/2022 | 92.4189339 | | |
| 1/31/2022 | 92.4126038 | 0.1964337 | 0.0389473 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 2/1/2022 | 92.4062742 | | |
| 2/2/2022 | 92.3999450 | | |
| 2/3/2022 | 92.3936162 | | |
| 2/4/2022 | 92.3872879 | | |
| 2/5/2022 | 92.3809600 | | |
| 2/6/2022 | 92.3746325 | | |
| 2/7/2022 | 92.3683055 | | |
| 2/8/2022 | 92.3619789 | | |
| 2/9/2022 | 92.3556527 | | |
| 2/10/2022 | 92.3493270 | | |
| 2/11/2022 | 92.3430017 | | |
| 2/12/2022 | 92.3366768 | | |
| 2/13/2022 | 92.3303524 | | |
| 2/14/2022 | 92.3240284 | | |
| 2/15/2022 | 92.3177048 | | |
| 2/16/2022 | 92.3113817 | | |
| 2/17/2022 | 92.3050590 | | |
| 2/18/2022 | 92.2987368 | | |
| 2/19/2022 | 92.2924149 | | |
| 2/20/2022 | 92.2860935 | | |
| 2/21/2022 | 92.2797726 | | |
| 2/22/2022 | 92.2734520 | | |
| 2/23/2022 | 92.2671319 | | |
| 2/24/2022 | 92.2608123 | | |
| 2/25/2022 | 92.2544930 | | |
| 2/26/2022 | 92.2481742 | | |
| 2/27/2022 | 92.2418559 | | |
| 2/28/2022 | 92.2355379 | 0.1770659 | 0.0340896 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 3/1/2022 | 92.2292204 | | |
| 3/2/2022 | 92.2229034 | | |
| 3/3/2022 | 92.2165867 | | |
| 3/4/2022 | 92.2102705 | | |
| 3/5/2022 | 92.2039547 | | |
| 3/6/2022 | 92.1976394 | | |
| 3/7/2022 | 92.1913245 | | |
| 3/8/2022 | 92.1850100 | | |
| 3/9/2022 | 92.1786960 | | |
| 3/10/2022 | 92.1723824 | | |
| 3/11/2022 | 92.1660692 | | |
| 3/12/2022 | 92.1597564 | | |
| 3/13/2022 | 92.1534441 | | |
| 3/14/2022 | 92.1471323 | | |
| 3/15/2022 | 92.1408208 | | |
| 3/16/2022 | 92.1345098 | | |
| 3/17/2022 | 92.1281992 | | |
| 3/18/2022 | 92.1218891 | | |
| 3/19/2022 | 92.1155793 | | |
| 3/20/2022 | 92.1092701 | | |
| 3/21/2022 | 92.1029612 | | |
| 3/22/2022 | 92.0966528 | | |
| 3/23/2022 | 92.0903448 | | |
| 3/24/2022 | 92.0840372 | | |
| 3/25/2022 | 92.0777301 | | |
| 3/26/2022 | 92.0714234 | | |
| 3/27/2022 | 92.0651171 | | |
| 3/28/2022 | 92.0588113 | | |
| 3/29/2022 | 92.0525059 | | |
| 3/30/2022 | 92.0462010 | | |
| 3/31/2022 | 92.0398964 | 0.1956415 | 0.0458746 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 4/1/2022 | 92.0335923 | | |
| 4/2/2022 | 92.0272886 | | |
| 4/3/2022 | 92.0209854 | | |
| 4/4/2022 | 92.0146826 | | |
| 4/5/2022 | 92.0083802 | | |
| 4/6/2022 | 92.0020783 | | |
| 4/7/2022 | 91.9957768 | | |
| 4/8/2022 | 91.9894757 | | |
| 4/9/2022 | 91.9831750 | | |
| 4/10/2022 | 91.9768748 | | |
| 4/11/2022 | 91.9705750 | | |
| 4/12/2022 | 91.9642757 | | |
| 4/13/2022 | 91.9579768 | | |
| 4/14/2022 | 91.9516783 | | |
| 4/15/2022 | 91.9453802 | | |
| 4/16/2022 | 91.9390826 | | |
| 4/17/2022 | 91.9327854 | | |
| 4/18/2022 | 91.9264886 | | |
| 4/19/2022 | 91.9201923 | | |
| 4/20/2022 | 91.9138964 | | |
| 4/21/2022 | 91.9076009 | | |
| 4/22/2022 | 91.9013059 | | |
| 4/23/2022 | 91.8950113 | | |
| 4/24/2022 | 91.8887171 | | |
| 4/25/2022 | 91.8824233 | | |
| 4/26/2022 | 91.8761300 | | |
| 4/27/2022 | 91.8698371 | | |
| 4/28/2022 | 91.8635447 | | |
| 4/29/2022 | 91.8572526 | | |
| 4/30/2022 | 91.8509611 | 0.1889354 | 0.0335802 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 5/1/2022 | 91.8446699 | | |
| 5/2/2022 | 91.8383792 | | |
| 5/3/2022 | 91.8320889 | | |
| 5/4/2022 | 91.8257990 | | |
| 5/5/2022 | 91.8195096 | | |
| 5/6/2022 | 91.8132205 | | |
| 5/7/2022 | 91.8069320 | | |
| 5/8/2022 | 91.8006438 | | |
| 5/9/2022 | 91.7943561 | | |
| 5/10/2022 | 91.7880688 | | |
| 5/11/2022 | 91.7817820 | | |
| 5/12/2022 | 91.7754955 | | |
| 5/13/2022 | 91.7692096 | | |
| 5/14/2022 | 91.7629240 | | |
| 5/15/2022 | 91.7566389 | | |
| 5/16/2022 | 91.7503542 | | |
| 5/17/2022 | 91.7440699 | | |
| 5/18/2022 | 91.7377860 | | |
| 5/19/2022 | 91.7315026 | | |
| 5/20/2022 | 91.7252197 | | |
| 5/21/2022 | 91.7189371 | | |
| 5/22/2022 | 91.7126550 | | |
| 5/23/2022 | 91.7063733 | | |
| 5/24/2022 | 91.7000920 | | |
| 5/25/2022 | 91.6938112 | | |
| 5/26/2022 | 91.6875308 | | |
| 5/27/2022 | 91.6812508 | | |
| 5/28/2022 | 91.6749713 | | |
| 5/29/2022 | 91.6686922 | | |
| 5/30/2022 | 91.6624135 | | |
| 5/31/2022 | 91.6561353 | 0.1948258 | 0.0288449 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 6/1/2022 | 91.6498575 | | |
| 6/2/2022 | 91.6435801 | | |
| 6/3/2022 | 91.6373031 | | |
| 6/4/2022 | 91.6310266 | | |
| 6/5/2022 | 91.6247505 | | |
| 6/6/2022 | 91.6184748 | | |
| 6/7/2022 | 91.6121996 | | |
| 6/8/2022 | 91.6059248 | | |
| 6/9/2022 | 91.5996504 | | |
| 6/10/2022 | 91.5933764 | | |
| 6/11/2022 | 91.5871029 | | |
| 6/12/2022 | 91.5808298 | | |
| 6/13/2022 | 91.5745572 | | |
| 6/14/2022 | 91.5682849 | | |
| 6/15/2022 | 91.5620131 | | |
| 6/16/2022 | 91.5557418 | | |
| 6/17/2022 | 91.5494708 | | |
| 6/18/2022 | 91.5432003 | | |
| 6/19/2022 | 91.5369302 | | |
| 6/20/2022 | 91.5306606 | | |
| 6/21/2022 | 91.5243914 | | |
| 6/22/2022 | 91.5181226 | | |
| 6/23/2022 | 91.5118542 | | |
| 6/24/2022 | 91.5055863 | | |
| 6/25/2022 | 91.4993188 | | |
| 6/26/2022 | 91.4930517 | | |
| 6/27/2022 | 91.4867850 | | |
| 6/28/2022 | 91.4805188 | | |
| 6/29/2022 | 91.4742530 | | |
| 6/30/2022 | 91.4679877 | 0.1881476 | 0.0203636 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 7/1/2022 | 91.4617227 | | |
| 7/2/2022 | 91.4554582 | | |
| 7/3/2022 | 91.4491942 | | |
| 7/4/2022 | 91.4429305 | | |
| 7/5/2022 | 91.4366673 | | |
| 7/6/2022 | 91.4304045 | | |
| 7/7/2022 | 91.4241422 | | |
| 7/8/2022 | 91.4178802 | | |
| 7/9/2022 | 91.4116187 | | |
| 7/10/2022 | 91.4053577 | | |
| 7/11/2022 | 91.3990970 | | |
| 7/12/2022 | 91.3928368 | | |
| 7/13/2022 | 91.3865770 | | |
| 7/14/2022 | 91.3803177 | | |
| 7/15/2022 | 91.3740588 | | |
| 7/16/2022 | 91.3678003 | | |
| 7/17/2022 | 91.3615422 | | |
| 7/18/2022 | 91.3552846 | | |
| 7/19/2022 | 91.3490273 | | |
| 7/20/2022 | 91.3427706 | | |
| 7/21/2022 | 91.3365142 | | |
| 7/22/2022 | 91.3302583 | | |
| 7/23/2022 | 91.3240028 | | |
| 7/24/2022 | 91.3177477 | | |
| 7/25/2022 | 91.3114931 | | |
| 7/26/2022 | 91.3052389 | | |
| 7/27/2022 | 91.2989851 | | |
| 7/28/2022 | 91.2927317 | | |
| 7/29/2022 | 91.2864788 | | |
| 7/30/2022 | 91.2802263 | | |
| 7/31/2022 | 91.2739742 | 0.1940134 | 0.0234855 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 8/1/2022 | 91.2677226 | | |
| 8/2/2022 | 91.2614714 | | |
| 8/3/2022 | 91.2552206 | | |
| 8/4/2022 | 91.2489702 | | |
| 8/5/2022 | 91.2427203 | | |
| 8/6/2022 | 91.2364708 | | |
| 8/7/2022 | 91.2302217 | | |
| 8/8/2022 | 91.2239731 | | |
| 8/9/2022 | 91.2177249 | | |
| 8/10/2022 | 91.2114771 | | |
| 8/11/2022 | 91.2052297 | | |
| 8/12/2022 | 91.1989828 | | |
| 8/13/2022 | 91.1927363 | | |
| 8/14/2022 | 91.1864902 | | |
| 8/15/2022 | 91.1802445 | | |
| 8/16/2022 | 91.1739993 | | |
| 8/17/2022 | 91.1677545 | | |
| 8/18/2022 | 91.1615102 | | |
| 8/19/2022 | 91.1552662 | | |
| 8/20/2022 | 91.1490227 | | |
| 8/21/2022 | 91.1427796 | | |
| 8/22/2022 | 91.1365370 | | |
| 8/23/2022 | 91.1302947 | | |
| 8/24/2022 | 91.1240529 | | |
| 8/25/2022 | 91.1178116 | | |
| 8/26/2022 | 91.1115706 | | |
| 8/27/2022 | 91.1053301 | | |
| 8/28/2022 | 91.0990900 | | |
| 8/29/2022 | 91.0928503 | | |
| 8/30/2022 | 91.0866111 | | |
| 8/31/2022 | 91.0803723 | 0.1936019 | 0.0202510 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|------------------|-------------------|--|--|
| 9/1/2022 | 91.0741339 | | |
| 9/2/2022 | 91.0678960 | | |
| 9/3/2022 | 91.0616584 | | |
| 9/4/2022 | 91.0554213 | | |
| 9/5/2022 | 91.0491847 | | |
| 9/6/2022 | 91.0429484 | | |
| 9/7/2022 | 91.0367126 | | |
| 9/8/2022 | 91.0304772 | | |
| 9/9/2022 | 91.0242422 | | |
| 9/10/2022 | 91.0180077 | | |
| 9/11/2022 | 91.0117736 | | |
| 9/12/2022 | 91.0055399 | | |
| 9/13/2022 | 90.9993067 | | |
| 9/14/2022 | 90.9930738 | | |
| 9/15/2022 | 90.9868414 | | |
| 9/16/2022 | 90.9806095 | | |
| 9/17/2022 | 90.9743779 | | |
| 9/18/2022 | 90.9681468 | | |
| 9/19/2022 | 90.9619161 | | |
| 9/20/2022 | 90.9556858 | | |
| 9/21/2022 | 90.9494560 | | |
| 9/22/2022 | 90.9432266 | | |
| 9/23/2022 | 90.9369976 | | |
| 9/24/2022 | 90.9307690 | | |
| 9/25/2022 | 90.9245409 | | |
| 9/26/2022 | 90.9183132 | | |
| 9/27/2022 | 90.9120859 | | |
| 9/28/2022 | 90.9058590 | | |
| 9/29/2022 | 90.8996326 | | |
| 9/30/2022 | 90.8934066 | 0.1869657 | 0.0215859 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|-------------------|-------------------|--|--|
| 10/1/2022 | 90.8871810 | | |
| 10/2/2022 | 90.8809559 | | |
| 10/3/2022 | 90.8747312 | | |
| 10/4/2022 | 90.8685069 | | |
| 10/5/2022 | 90.8622830 | | |
| 10/6/2022 | 90.8560595 | | |
| 10/7/2022 | 90.8498365 | | |
| 10/8/2022 | 90.8436139 | | |
| 10/9/2022 | 90.8373918 | | |
| 10/10/2022 | 90.8311700 | | |
| 10/11/2022 | 90.8249487 | | |
| 10/12/2022 | 90.8187278 | | |
| 10/13/2022 | 90.8125074 | | |
| 10/14/2022 | 90.8062873 | | |
| 10/15/2022 | 90.8000677 | | |
| 10/16/2022 | 90.7938485 | | |
| 10/17/2022 | 90.7876298 | | |
| 10/18/2022 | 90.7814115 | | |
| 10/19/2022 | 90.7751936 | | |
| 10/20/2022 | 90.7689761 | | |
| 10/21/2022 | 90.7627590 | | |
| 10/22/2022 | 90.7565424 | | |
| 10/23/2022 | 90.7503262 | | |
| 10/24/2022 | 90.7441104 | | |
| 10/25/2022 | 90.7378951 | | |
| 10/26/2022 | 90.7316801 | | |
| 10/27/2022 | 90.7254656 | | |
| 10/28/2022 | 90.7192516 | | |
| 10/29/2022 | 90.7130379 | | |
| 10/30/2022 | 90.7068247 | | |
| 10/31/2022 | 90.7006119 | 0.1927947 | 0.0212535 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|-------------------|-------------------|--|--|
| 11/1/2022 | 90.6943995 | | |
| 11/2/2022 | 90.6881876 | | |
| 11/3/2022 | 90.6819761 | | |
| 11/4/2022 | 90.6757650 | | |
| 11/5/2022 | 90.6695543 | | |
| 11/6/2022 | 90.6633441 | | |
| 11/7/2022 | 90.6571342 | | |
| 11/8/2022 | 90.6509249 | | |
| 11/9/2022 | 90.6447159 | | |
| 11/10/2022 | 90.6385073 | | |
| 11/11/2022 | 90.6322992 | | |
| 11/12/2022 | 90.6260915 | | |
| 11/13/2022 | 90.6198843 | | |
| 11/14/2022 | 90.6136774 | | |
| 11/15/2022 | 90.6074710 | | |
| 11/16/2022 | 90.6012650 | | |
| 11/17/2022 | 90.5950595 | | |
| 11/18/2022 | 90.5888543 | | |
| 11/19/2022 | 90.5826496 | | |
| 11/20/2022 | 90.5764453 | | |
| 11/21/2022 | 90.5702414 | | |
| 11/22/2022 | 90.5640380 | | |
| 11/23/2022 | 90.5578350 | | |
| 11/24/2022 | 90.5516324 | | |
| 11/25/2022 | 90.5454302 | | |
| 11/26/2022 | 90.5392285 | | |
| 11/27/2022 | 90.5330272 | | |
| 11/28/2022 | 90.5268263 | | |
| 11/29/2022 | 90.5206258 | | |
| 11/30/2022 | 90.5144258 | 0.1861861 | 0.0166948 |

GRAYSCALE STELLAR LUMENS TRUST (XLM) 2022 GROSS PROCEEDS FILE

| Date | XLM Per Share | Number of XLM Used to Cover Trust Expenses Per Share (in XLM) | Proceeds from Payout of XLM to Cover Trust Expenses Per Share (in USD) |
|-------------------|-------------------|--|--|
| 12/1/2022 | 90.5082261 | | |
| 12/2/2022 | 90.5020269 | | |
| 12/3/2022 | 90.4958282 | | |
| 12/4/2022 | 90.4896298 | | |
| 12/5/2022 | 90.4834319 | | |
| 12/6/2022 | 90.4772344 | | |
| 12/7/2022 | 90.4710373 | | |
| 12/8/2022 | 90.4648407 | | |
| 12/9/2022 | 90.4586445 | | |
| 12/10/2022 | 90.4524487 | | |
| 12/11/2022 | 90.4462533 | | |
| 12/12/2022 | 90.4400584 | | |
| 12/13/2022 | 90.4338638 | | |
| 12/14/2022 | 90.4276697 | | |
| 12/15/2022 | 90.4214761 | | |
| 12/16/2022 | 90.4152828 | | |
| 12/17/2022 | 90.4090900 | | |
| 12/18/2022 | 90.4028976 | | |
| 12/19/2022 | 90.3967056 | | |
| 12/20/2022 | 90.3905140 | | |
| 12/21/2022 | 90.3843229 | | |
| 12/22/2022 | 90.3781322 | | |
| 12/23/2022 | 90.3719419 | | |
| 12/24/2022 | 90.3657521 | | |
| 12/25/2022 | 90.3595626 | | |
| 12/26/2022 | 90.3533736 | | |
| 12/27/2022 | 90.3471850 | | |
| 12/28/2022 | 90.3409969 | | |
| 12/29/2022 | 90.3348091 | | |
| 12/30/2022 | 90.3286218 | | |
| 12/31/2022 | 90.3224349 | 0.1919908 | 0.0136901 |
| TOTAL | | 2.2866025 | 0.3186610 |

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

The Trust holds no assets other than XLM tokens. Accordingly, when expenses are incurred, Trust assets (i.e., XLM 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 XLM 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 XLM tokens they still own). In Step 3, we determine the Shareholder's basis in the XLM 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 XLM tokens at the end of the year and his or her new cost basis in the XLM 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 \$21.52 per share for a total purchase price of \$430,400. 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 Stellar Lumens.

Locate the Stellar Lumens Per Share amount on Shareholder XYZ's purchase date of 2/10/2022 in the gross proceeds file. In this example the number is 92.3493270. This represents the number of XLM tokens per share on that date.

For Shareholder XYZ, the total amount of XLM tokens owned for its 2/10/2022 purchase is 1,846,986.5400000 (92.3493270 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 Stellar Lumens paid out from Shareholder XYZ's account during 2022 to pay expenses

The XLM tokens paid out per share during 2022 includes the cumulative amounts of all XLM 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 XLM tokens paid out after the 2/10/2022 purchase date is 2.0269310 per share. This is determined by taking the total amount of XLM tokens per share paid out in 2022 (2.2866025) and subtracting the amount of XLM tokens paid out prior to the purchase (0.1964337 from January plus 0.0632378 (10/28 multiplied by 0.1770659 from February)). Then multiply this number (2.0269310) by the number of shares owned (20,000) for a total of 40,538.6195714 XLM tokens paid to cover trust expenses.

Step 3: Calculate Shareholder's cost basis in Stellar Lumens paid out from Shareholder's account

| | | |
|--|-------------------|--------------------|
| Total XLM token payout (<i>Step 2</i>) | 40,538.6195714 | |
| | <hr/> | x \$430,400 |
| XLM tokens acquired (<i>Step 1</i>) | 1,846,986.5400000 | |
| Cost basis of XLM token payout | \$9,446.64 | |

Step 4: Calculate Shareholder's gain or loss on Stellar Lumens 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 \$0.2675388 (total proceeds of payout of XLM tokens for the year, \$0.3186610, less \$0.0511222, which is the proceeds of payouts made prior to purchase [\$0.0389473 from January] plus \$0.0121749 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

| | | |
|--|----|------------------|
| Total Proceeds: \$0.2675388 per share X 20,000 shares | \$ | 5,350.78 |
| Less: Total cost basis of XLM token payout (<i>Step 3</i>) | | <hr/> 9,446.64 |
| Total Reportable Gain/(Loss) | \$ | <hr/> (4,095.86) |
| (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 \$0.2675388 per share. Therefore, Shareholder XYZ's expenses are as follows:

| | | |
|--|----|----------------|
| Total Expenses Per Share (<i>Step 4</i>) | \$ | 0.2675388 |
| Total Shares | | <hr/> 20,000 |
| Total Expense | \$ | <hr/> 5,350.78 |

Step 6: Calculate Shareholder's Adjusted Stellar Lumens Held and Cost Basis

| | | |
|--|----|-------------------------|
| XLM tokens Purchased on 2/10/2022 (<i>Step 1</i>) | | 1,846,986.5400000 |
| Less: XLM token payout during 2022 (<i>Step 2</i>) | | <hr/> 40,538.6195714 |
| Adjusted Shareholder's XLM tokens at 12/31/2022 | | <hr/> 1,806,447.9204286 |
| Original Purchase Cost on 2/10/2022 | \$ | 430,400.00 |
| Less: Cost of XLM token payout during 2022 (<i>Step 3</i>) | | <hr/> 9,446.64 |
| Adjusted Shareholder's basis at 12/31/2022 | \$ | <hr/> 420,953.36 |

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