

**GRAYSCALE ETHEREUM
CLASSIC TRUST (ETC)
F/K/A ETHEREUM CLASSIC
INVESTMENT TRUST**

2018 Grantor Trust Tax Information Statement
EIN: 82-6239281

The following information is being provided to assist Shareholders of Grayscale Ethereum Classic Trust (ETC) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2018 through December 31, 2018.

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 quarterly, as shown in the attached 2018 Expense File. An example illustrating the computation of a Shareholder's share of expenses is provided. The calculation period is monthly.

Because the Trust paid out only a *de minimus* 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 2018 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 monthly Trust expenses per share in USD (page 2)

Gross Proceeds File – Summary of daily value per share (in ETC), amount of ETC paid quarterly 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) 2018 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETC Per Share
October, 2017	0.03538015	0.00111119
November, 2017	0.07617421	0.00239241
December, 2017	0.07923985	0.00248869
January, 2018	0.03574279	0.00240395
February, 2018	0.02963445	0.00217102
March, 2018	0.03336605	0.00244440
April, 2018	0.03429235	0.00191108
May, 2018	0.03540355	0.00197301
June, 2018	0.03676419	0.00204883
July, 2018	0.03473120	0.00240635
August, 2018	0.02720440	0.00244205
September, 2018	0.02631317	0.00236205
October, 2018	-	-
November, 2018	-	-
December, 2018	-	-
Total for Tax Year 2018	0.48424636	0.02615503

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 2018 Grayscale Ethereum Classic Trust (ETC) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2018 and sold them on September 15, 2018. For the month of February, Shareholder's expenses are \$0.02963445 (See Summary Table above – February Factor) x (14/28) = \$0.01481723 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 \$0.02631317 (See Summary Table above – September Factor) x (15/30) = \$0.01315659. The total expenses for Shareholder are therefore \$0.22973556 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or \$ 4,594.71

Total Expenses per Share	\$0.22973556
Total Shares	20,000
Total Expense	<u>\$4,594.71</u>

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
1/1/2018	0.97941952		
1/2/2018	0.97933902	0.00615329	0.19592068
1/3/2018	0.97925853		
1/4/2018	0.97917804		
1/5/2018	0.97909756		
1/6/2018	0.97901709		
1/7/2018	0.97893662		
1/8/2018	0.97885616		
1/9/2018	0.97877571		
1/10/2018	0.97869526		
1/11/2018	0.97861482		
1/12/2018	0.97853438		
1/13/2018	0.97845396		
1/14/2018	0.97837353		
1/15/2018	0.97829312		
1/16/2018	0.97821271		
1/17/2018	0.97813231		
1/18/2018	0.97805192		
1/19/2018	0.97797153		
1/20/2018	0.97789115		
1/21/2018	0.97781077		
1/22/2018	0.97773041		
1/23/2018	0.97765004		
1/24/2018	0.97756969		
1/25/2018	0.97748934		
1/26/2018	0.97740900		
1/27/2018	0.97732866		
1/28/2018	0.97724834		
1/29/2018	0.97716801		
1/30/2018	0.97708770		
1/31/2018	0.97700739		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
2/1/2018	0.97692709		
2/2/2018	0.97684679		
2/3/2018	0.97676650		
2/4/2018	0.97668622		
2/5/2018	0.97660595		
2/6/2018	0.97652568		
2/7/2018	0.97644542		
2/8/2018	0.97636516		
2/9/2018	0.97628491		
2/10/2018	0.97620467		
2/11/2018	0.97612443		
2/12/2018	0.97604420		
2/13/2018	0.97596398		
2/14/2018	0.97588376		
2/15/2018	0.97580355		
2/16/2018	0.97572335		
2/17/2018	0.97564315		
2/18/2018	0.97556296		
2/19/2018	0.97548278		
2/20/2018	0.97540260		
2/21/2018	0.97532243		
2/22/2018	0.97524227		
2/23/2018	0.97516211		
2/24/2018	0.97508196		
2/25/2018	0.97500182		
2/26/2018	0.97492168		
2/27/2018	0.97484155		
2/28/2018	0.97476143		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
3/1/2018	0.97468131		
3/2/2018	0.97460120		
3/3/2018	0.97452110		
3/4/2018	0.97444100		
3/5/2018	0.97436091		
3/6/2018	0.97428082		
3/7/2018	0.97420075		
3/8/2018	0.97412067		
3/9/2018	0.97404061		
3/10/2018	0.97396055		
3/11/2018	0.97388050		
3/12/2018	0.97380045		
3/13/2018	0.97372042		
3/14/2018	0.97364038		
3/15/2018	0.97356036		
3/16/2018	0.97348034		
3/17/2018	0.97340033		
3/18/2018	0.97332032		
3/19/2018	0.97324032		
3/20/2018	0.97316033		
3/21/2018	0.97308035		
3/22/2018	0.97300037		
3/23/2018	0.97292039		
3/24/2018	0.97284043		
3/25/2018	0.97276047		
3/26/2018	0.97268052		
3/27/2018	0.97260057		
3/28/2018	0.97252063		
3/29/2018	0.97244070		
3/30/2018	0.97236077		
3/31/2018	0.97228085		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
4/1/2018	0.97220094		
4/2/2018	0.97212103		
4/3/2018	0.97204113		
4/4/2018	0.97196123		
4/5/2018	0.97188135		
4/6/2018	0.97180147		
4/7/2018	0.97172159		
4/8/2018	0.97164173		
4/9/2018	0.97156186		
4/10/2018	0.97148201	0.00685838	0.09361682
4/11/2018	0.97140216		
4/12/2018	0.97132232		
4/13/2018	0.97124249		
4/14/2018	0.97116266		
4/15/2018	0.97108284		
4/16/2018	0.97100302		
4/17/2018	0.97092321		
4/18/2018	0.97084341		
4/19/2018	0.97076362		
4/20/2018	0.97068383		
4/21/2018	0.97060404		
4/22/2018	0.97052427		
4/23/2018	0.97044450		
4/24/2018	0.97036474		
4/25/2018	0.97028498		
4/26/2018	0.97020523		
4/27/2018	0.97012549		
4/28/2018	0.97004575		
4/29/2018	0.96996602		
4/30/2018	0.96988630		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
5/1/2018	0.96980658		
5/2/2018	0.96972687		
5/3/2018	0.96964717		
5/4/2018	0.96956747		
5/5/2018	0.96948778		
5/6/2018	0.96940810		
5/7/2018	0.96932842		
5/8/2018	0.96924875		
5/9/2018	0.96916909		
5/10/2018	0.96908943		
5/11/2018	0.96900978		
5/12/2018	0.96893013		
5/13/2018	0.96885049		
5/14/2018	0.96877086		
5/15/2018	0.96869124		
5/16/2018	0.96861162		
5/17/2018	0.96853201		
5/18/2018	0.96845240		
5/19/2018	0.96837280		
5/20/2018	0.96829321		
5/21/2018	0.96821362		
5/22/2018	0.96813405		
5/23/2018	0.96805447		
5/24/2018	0.96797491		
5/25/2018	0.96789535		
5/26/2018	0.96781579		
5/27/2018	0.96773625		
5/28/2018	0.96765671		
5/29/2018	0.96757717		
5/30/2018	0.96749765		
5/31/2018	0.96741813		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
6/1/2018	0.96733861		
6/2/2018	0.96725911		
6/3/2018	0.96717960		
6/4/2018	0.96710011		
6/5/2018	0.96702062		
6/6/2018	0.96694114		
6/7/2018	0.96686167		
6/8/2018	0.96678220		
6/9/2018	0.96670274		
6/10/2018	0.96662328		
6/11/2018	0.96654383		
6/12/2018	0.96646439		
6/13/2018	0.96638496		
6/14/2018	0.96630553		
6/15/2018	0.96622611		
6/16/2018	0.96614669		
6/17/2018	0.96606728		
6/18/2018	0.96598788		
6/19/2018	0.96590848		
6/20/2018	0.96582909		
6/21/2018	0.96574971		
6/22/2018	0.96567033		
6/23/2018	0.96559096		
6/24/2018	0.96551160		
6/25/2018	0.96543224		
6/26/2018	0.96535289		
6/27/2018	0.96527355		
6/28/2018	0.96519421		
6/29/2018	0.96511488		
6/30/2018	0.96503555		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
7/1/2018	0.96495623		
7/2/2018	0.96487692		
7/3/2018	0.96479762		
7/4/2018	0.96471832		
7/5/2018	0.96463903		
7/6/2018	0.96455974		
7/7/2018	0.96448046		
7/8/2018	0.96440119		
7/9/2018	0.96432193		
7/10/2018	0.96424267		
7/11/2018	0.96416341		
7/12/2018	0.96408417		
7/13/2018	0.96400493		
7/14/2018	0.96392569		
7/15/2018	0.96384647		
7/16/2018	0.96376725		
7/17/2018	0.96368803	0.00709761	0.12735926
7/18/2018	0.96360883		
7/19/2018	0.96352963		
7/20/2018	0.96345043		
7/21/2018	0.96337124		
7/22/2018	0.96329206		
7/23/2018	0.96321289		
7/24/2018	0.96313372		
7/25/2018	0.96305456		
7/26/2018	0.96297540		
7/27/2018	0.96289625		
7/28/2018	0.96281711		
7/29/2018	0.96273798		
7/30/2018	0.96265885		
7/31/2018	0.96257972		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
8/1/2018	0.96250061		
8/2/2018	0.96242150		
8/3/2018	0.96234240		
8/4/2018	0.96226330		
8/5/2018	0.96218421		
8/6/2018	0.96210512		
8/7/2018	0.96202605		
8/8/2018	0.96194698		
8/9/2018	0.96186791		
8/10/2018	0.96178886		
8/11/2018	0.96170980		
8/12/2018	0.96163076		
8/13/2018	0.96155172		
8/14/2018	0.96147269		
8/15/2018	0.96139366		
8/16/2018	0.96131465		
8/17/2018	0.96123563		
8/18/2018	0.96115663		
8/19/2018	0.96107763		
8/20/2018	0.96099864		
8/21/2018	0.96091965		
8/22/2018	0.96084067		
8/23/2018	0.96076170		
8/24/2018	0.96068273		
8/25/2018	0.96060377		
8/26/2018	0.96052482		
8/27/2018	0.96044587		
8/28/2018	0.96036693		
8/29/2018	0.96028799		
8/30/2018	0.96020907		
8/31/2018	0.96013015		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
9/1/2018	0.96005123		
9/2/2018	0.95997232		
9/3/2018	0.95989342		
9/4/2018	0.95981452		
9/5/2018	0.95973564		
9/6/2018	0.95965675		
9/7/2018	0.95957788		
9/8/2018	0.95949901		
9/9/2018	0.95942015		
9/10/2018	0.95934129		
9/11/2018	0.95926244		
9/12/2018	0.95918360		
9/13/2018	0.95910476		
9/14/2018	0.95902593		
9/15/2018	0.95894710		
9/16/2018	0.95886829		
9/17/2018	0.95878948		
9/18/2018	0.95871067		
9/19/2018	0.95863187		
9/20/2018	0.95855308		
9/21/2018	0.95847430		
9/22/2018	0.95839552		
9/23/2018	0.95831674		
9/24/2018	0.95823798		
9/25/2018	0.95815922		
9/26/2018	0.95808047		
9/27/2018	0.95800172		
9/28/2018	0.95792298		
9/29/2018	0.95784425		
9/30/2018	0.95776552		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
10/1/2018	0.95768680		
10/2/2018	0.95760809		
10/3/2018	0.95752938		
10/4/2018	0.95745068	0.00604575	0.06734960
10/5/2018	0.95737198		
10/6/2018	0.95729329		
10/7/2018	0.95721461		
10/8/2018	0.95713594		
10/9/2018	0.95705727		
10/10/2018	0.95697861		
10/11/2018	0.95689995		
10/12/2018	0.95682130		
10/13/2018	0.95674266		
10/14/2018	0.95666402		
10/15/2018	0.95658539		
10/16/2018	0.95650677		
10/17/2018	0.95642815		
10/18/2018	0.95634954		
10/19/2018	0.95627094		
10/20/2018	0.95619234		
10/21/2018	0.95611375		
10/22/2018	0.95603516		
10/23/2018	0.95595659		
10/24/2018	0.95587801		
10/25/2018	0.95579945		
10/26/2018	0.95572089		
10/27/2018	0.95564234		
10/28/2018	0.95556379		
10/29/2018	0.95548525		
10/30/2018	0.95540672		
10/31/2018	0.95532819		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
11/1/2018	0.95524967		
11/2/2018	0.95517116		
11/3/2018	0.95509265		
11/4/2018	0.95501415		
11/5/2018	0.95493566		
11/6/2018	0.95485717		
11/7/2018	0.95477869		
11/8/2018	0.95470021		
11/9/2018	0.95462174		
11/10/2018	0.95454328		
11/11/2018	0.95446483		
11/12/2018	0.95438638		
11/13/2018	0.95430793		
11/14/2018	0.95422950		
11/15/2018	0.95415107		
11/16/2018	0.95407264		
11/17/2018	0.95399423		
11/18/2018	0.95391582		
11/19/2018	0.95383741		
11/20/2018	0.95375902		
11/21/2018	0.95368062		
11/22/2018	0.95360224		
11/23/2018	0.95352386		
11/24/2018	0.95344549		
11/25/2018	0.95336712		
11/26/2018	0.95328877		
11/27/2018	0.95321041		
11/28/2018	0.95313207		
11/29/2018	0.95305373		
11/30/2018	0.95297539		

GRAYSCALE ETHEREUM CLASSIC TRUST (ETC) 2018 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)
12/1/2018	0.95289707		
12/2/2018	0.95281875		
12/3/2018	0.95274043		
12/4/2018	0.95266213		
12/5/2018	0.95258382		
12/6/2018	0.95250553		
12/7/2018	0.95242724		
12/8/2018	0.95234896		
12/9/2018	0.95227069		
12/10/2018	0.95219242		
12/11/2018	0.95211415		
12/12/2018	0.95203590		
12/13/2018	0.95195765		
12/14/2018	0.95187941		
12/15/2018	0.95180117		
12/16/2018	0.95172294		
12/17/2018	0.95164471		
12/18/2018	0.95156650		
12/19/2018	0.95148829		
12/20/2018	0.95141008		
12/21/2018	0.95133188		
12/22/2018	0.95125369		
12/23/2018	0.95117551		
12/24/2018	0.95109733		
12/25/2018	0.95101916		
12/26/2018	0.95094099		
12/27/2018	0.95086283		
12/28/2018	0.95078468		
12/29/2018	0.95070653		
12/30/2018	0.95062839		
12/31/2018	0.95055026		
TOTAL		0.02615503	0.48424636

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 trusts 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 2/10/2018 at a price of \$23.14 per share for a total purchase price of \$462,800. Shareholder XYZ had no other purchases or sales of Trust shares during 2018 and held the shares for the remainder of 2018.

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 2/10/2018 in the gross proceeds file. In this example the number is 0.97620467. This represents the number of ETC tokens per share on that date.

For Shareholder XYZ, the total amount of ETC tokens owned for its 2/10/2018 purchase is 19,524.0934000 (0.97620467 per share multiplied by 20,000 shares purchased on 2/10/2018). 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 2018 to pay expenses

The ETC tokens paid out per share during 2018 includes the cumulative amounts of all ETC token payouts for the period which includes the day after the purchase date of 2/10/2018 through the day before payout date.

During 2018, the amount of ETC tokens paid out after the 2/10/2018 purchase date is 0.01698343 per share. This is determined by taking the total amount of ETC tokens per share paid out in 2018 (0.02615503) and subtracting the amount of ETC tokens paid out prior to the purchase (0.00839624 from October 2017 through January 2018 plus (10/28 multiplied by 0.00217102) from February). Then multiply this number (0.01698343) by the number of shares owned (20,000) for a total of (339.66851429) 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 (Step 2)	339.66851429		
	-----	X	\$462,800
ETC tokens acquired (Step1)	19,524.09340000		
Cost basis of ETC token payout	\$8,051.52		

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 2/10/2018 purchase date. During 2018, monthly payouts for the period 2/11/2018 through 12/31/2018 generated proceeds per share of \$0.24712563 (total proceeds of payout of ETC tokens for the year, 0.48424636, less 0.23712073, which is the proceeds of payouts made prior to purchase (0.22653700 from October 2017 through January 2018 plus 0.01058373 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$0.24712563 per share X 20,000 shares	\$	4,942.51
Less: Total cost basis of ETC token payout (Step 3)		<u>8,051.52</u>
Total Reportable Gain/(Loss)	\$	<u>(3,109.01)</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 2/10/2018 purchase date. During 2018, the expenses were paid monthly and for the period of 2/11/2018 through 12/31/2018 amounted to 0.24712563 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses per Share	\$	0.24712563
Total Shares		<u>20,000</u>
Total Expense	\$	<u>4,942.51</u>

(To be Reported on Shareholder's Form 1040 Schedule D)

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

ETC tokens Purchased on 2/10/2018 (Step 1)	19,524.09340000
Less: ETC token payout during 2018 (Step 2)	<u>(339.66851429)</u>
Adjusted Shareholder's ETC tokens at 12/31/2018	<u>19,184.42488571</u>
Original Purchase Cost on 2/10/2018	\$ 462,800.00
Less: Cost of ETC token payout during 2018 (Step 3)	<u>(8,051.52)</u>
Adjusted Shareholder's basis at 12/31/2018	<u>\$ 454,748.48</u>

Shareholder's adjusted ETC tokens and adjusted cost calculated in Step 6 are his/her adjusted ETC tokens and adjusted basis for the 2/10/2018 purchase at the end of 12/31/2018.

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 2018 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 12/31/2017 should be used as the beginning cost for 2018 instead of the original purchase cost. Shareholders with an additional purchase in 2018 will have two cost lots to account for in 2018. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.

Grayscale Investments, LLC,
As Agent on Behalf of Shareholders of Record of Grayscale Ethereum Classic Trust (ETC)
as of March 8, 2018
2018 Tax Information Statement

Glossary of Terms

Grayscale Ethereum Classic Trust (ETC) - (“The Trust”)

Sponsor – Grayscale Investments, LLC

Agent – Grayscale Investments, LLC

Shareholders of Record – Shareholders of Grayscale Ethereum Classic Trust (ETC) on the record date of March 8, 2018, the date of distribution of Incidental Rights to the Agent.

Incidental Rights - the rights to acquire, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust’s ownership of Ethereum Classic and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust.

Callisto Fork

On March 5, 2018, the Ethereum Classic blockchain underwent a hard fork. As a result of this fork, the Trust possessed the Incidental Rights to acquire Callisto tokens, incidental to its ownership of Ethereum Classic.

On March 5, 2018, the Trust declared a distribution of the Incidental Rights to Callisto to the Shareholders of Record as of the close of business on March 8, 2018 (the “Callisto Record Date Shareholders”) and, pursuant to the terms of the Trust Agreement, appointed Grayscale Investments, LLC as Agent of the Callisto Record Date Shareholders.

The Trust distributed the Incidental Rights to Callisto to the Agent on behalf of the Callisto Record Date Shareholders on March 8, 2018.

The Trust did not incur any expenses in connection with distributing the Incidental Rights to Callisto. The Agent will exercise the rights to acquire and sell the Callisto tokens as soon as practicable, unless the market for the Callisto tokens subsequently disappears or the costs incurred by the Agent in connection with selling the Callisto tokens would exceed the value of such sales. In either event, the Agent will abandon the Incidental Rights to Callisto and make an announcement to the Callisto Record Date Shareholders to that effect. As of December 31, 2018, the Callisto tokens have not been sold.

Please consult your tax preparer for further instruction on the treatment of this fork and distribution.