GRAYSCALE ETHEREUM TRUST (ETH)
2019 Grantor Trust Tax Information Statement
EIN: 82-6677805

The following information is being provided to assist Shareholders of the Grayscale Ethereum Trust (ETH) (the "Trust") with reporting of their taxable income and expenses for the period January 1, 2019 through December 31, 2019.

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. federal 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 (ETH) tokens and, accordingly, received no income during the year.

The Trust paid expenses periodically, as shown in the attached 2019 Gross Proceeds File. These expenses are allocated into monthly periods as shown in the 2019 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 ETH 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 2019 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Grayscale Ethereum Trust (ETH) - (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 ETH), amount of ETH paid to cover trust expenses (in ETH), and per share proceeds from ETH 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 TRUST (ETH) 2019 EXPENSE FILE

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

Date	Expenses Per Share (USD)	Amount of ETH Per Share
October, 2018	0.02235844	0.00019331
November, 2018	0.02159933	0.00018675
December, 2018	0.02329907	0.00020144
January, 2019	0.02680122	0.00020496
February, 2019	0.03228068	0.00018555
March, 2019	0.03571142	0.00020527
April, 2019	0.00908529	0.00004204
May, 2019	0.00943448	0.00004366
June, 2019	0.01237822	0.00005728
July, 2019	0.03029546	0.00014020
August, 2019	0.03138261	0.00018721
September, 2019	0.03246796	0.00018227
October, 2019	0.03211301	0.00017510
November, 2019	0.02913594	0.00019297
December, 2019	0.02560177	0.00020023
Total for Tax year 2019	0.37394490	0.00239824

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 2019 Grayscale Ethereum Trust (ETH) Expenses

Assume that a Shareholder purchased 20,000 shares on February 15, 2019 and sold them on September 15, 2019. For the month of February, Shareholder's expenses are $0.03228068 (See Summary Table above – February Factor) x (13/28) = $0.01498746 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 $0.03246796 (See Summary Table above – September Factor) x (15/30) = $0.01623398. The total expenses for Shareholder are therefore $0.15950892 per share (sum of all factors from February 15th through September 15th) multiplied by the number of shares held (20,000), or $3,190.18.

Total Expenses Per Share	$0.15950892
Total Shares	20,000
Total Expense	$ 3,190.18

(Please consult your tax advisor as to reporting)

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
1/1/2019	0.09741479		
1/2/2019	0.09740812		
1/3/2019	0.09740145		
1/4/2019	0.09739477		
1/5/2019	0.09738810		
1/6/2019	0.09738143		
1/7/2019	0.09737476		
1/8/2019	0.09736809		
1/9/2019	0.09736142		
1/10/2019	0.09735476		
1/11/2019	0.09734809		
1/12/2019	0.09734142		
1/13/2019	0.09733475		
1/14/2019	0.09732809		
1/15/2019	0.09732142		
1/16/2019	0.09731475		
1/17/2019	0.09730809		
1/18/2019	0.09730142		
1/19/2019	0.09729476		
1/20/2019	0.09728809		
1/21/2019	0.09728143		
1/22/2019	0.09727477		
1/23/2019	0.09726811	0.00073336	0.08482363
1/24/2019	0.09726144		
1/25/2019	0.09725478		
1/26/2019	0.09724812		
1/27/2019	0.09724146		
1/28/2019	0.09723480		
1/29/2019	0.09722814		
1/30/2019	0.09722148		
1/31/2019	0.09721482		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
2/1/2019	0.09720816		
2/2/2019	0.09720150		
2/3/2019	0.09719485		
2/4/2019	0.09718819		
2/5/2019	0.09718153		
2/6/2019	0.09717488		
2/7/2019	0.09716822		
2/8/2019	0.09716157		
2/9/2019	0.09715491		
2/10/2019	0.09714826		
2/11/2019	0.09714160		
2/12/2019	0.09713495		
2/13/2019	0.09712830		
2/14/2019	0.09712164		
2/15/2019	0.09711499		
2/16/2019	0.09710834		
2/17/2019	0.09710169		
2/18/2019	0.09709504		
2/19/2019	0.09708839		
2/20/2019	0.09708174		
2/21/2019	0.09707509		
2/22/2019	0.09706844		
2/23/2019	0.09706179		
2/24/2019	0.09705514		
2/25/2019	0.09704849		
2/26/2019	0.09704185		
2/27/2019	0.09703520		
2/28/2019	0.09702855		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
3/1/2019	0.09702191		
3/2/2019	0.09701526		
3/3/2019	0.09700862		
3/4/2019	0.09700197		
3/5/2019	0.09699533		
3/6/2019	0.09698869		
3/7/2019	0.09698204		
3/8/2019	0.09697540		
3/9/2019	0.09696876		
3/10/2019	0.09696212		
3/11/2019	0.09695547		
3/12/2019	0.09694883		
3/13/2019	0.09694219		
3/14/2019	0.09693555		
3/15/2019	0.09692891		
3/16/2019	0.09692228		
3/17/2019	0.09691564		
3/18/2019	0.09690900		
3/19/2019	0.09690236		
3/20/2019	0.09689572		
3/21/2019	0.09688909		
3/22/2019	0.09688245		
3/23/2019	0.09687582		
3/24/2019	0.09686918		
3/25/2019	0.09686255		
3/26/2019	0.09685591		
3/27/2019	0.09684928		
3/28/2019	0.09684264		
3/29/2019	0.09683601		
3/30/2019	0.09682938		
3/31/2019	0.09682275		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
4/1/2019	0.09681611		
4/2/2019	0.09680948		
4/3/2019	0.09680285	0.00044391	0.07722653
4/4/2019	0.09679622		
4/5/2019	0.09678959		
4/6/2019	0.09678296		
4/7/2019	0.09677633		
4/8/2019	0.09676970		
4/9/2019	0.09676308		
4/10/2019	0.09675645		
4/11/2019	0.09674982		
4/12/2019	0.09674320		
4/13/2019	0.09673657		
4/14/2019	0.09672994		
4/15/2019	0.09672332		
4/16/2019	0.09671669		
4/17/2019	0.09671007		
4/18/2019	0.09670344		
4/19/2019	0.09669682		
4/20/2019	0.09669020		
4/21/2019	0.09668358		
4/22/2019	0.09667695		
4/23/2019	0.09667033		
4/24/2019	0.09666371		
4/25/2019	0.09665709		
4/26/2019	0.09665047		
4/27/2019	0.09664385		
4/28/2019	0.09663723		
4/29/2019	0.09663061		
4/30/2019	0.09662399		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
5/1/2019	0.09661737		
5/2/2019	0.09661076		
5/3/2019	0.09660414		
5/4/2019	0.09659752		
5/5/2019	0.09659091		
5/6/2019	0.09658429		
5/7/2019	0.09657768		
5/8/2019	0.09657106		
5/9/2019	0.09656445		
5/10/2019	0.09655783		
5/11/2019	0.09655122		
5/12/2019	0.09654461		
5/13/2019	0.09653799		
5/14/2019	0.09653138		
5/15/2019	0.09652477		
5/16/2019	0.09651816		
5/17/2019	0.09651155		
5/18/2019	0.09650494		
5/19/2019	0.09649833		
5/20/2019	0.09649172		
5/21/2019	0.09648511		
5/22/2019	0.09647850		
5/23/2019	0.09647189		
5/24/2019	0.09646528		
5/25/2019	0.09645868		
5/26/2019	0.09645207		
5/27/2019	0.09644546		
5/28/2019	0.09643886		
5/29/2019	0.09643225		
5/30/2019	0.09642565		
5/31/2019	0.09641904		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
6/1/2019	0.09641244		
6/2/2019	0.09640583		
6/3/2019	0.09639923		
6/4/2019	0.09639263		
6/5/2019	0.09638603		
6/6/2019	0.09637942		
6/7/2019	0.09637282		
6/8/2019	0.09636622		
6/9/2019	0.09635962		
6/10/2019	0.09635302		
6/11/2019	0.09634642		
6/12/2019	0.09633982		
6/13/2019	0.09633322		
6/14/2019	0.09632663		
6/15/2019	0.09632003		
6/16/2019	0.09631343		
6/17/2019	0.09630684		
6/18/2019	0.09630024		
6/19/2019	0.09629364		
6/20/2019	0.09628705		
6/21/2019	0.09628045		
6/22/2019	0.09627386		
6/23/2019	0.09626726		
6/24/2019	0.09626067		
6/25/2019	0.09625408		
6/26/2019	0.09624748		
6/27/2019	0.09624089		
6/28/2019	0.09623430		
6/29/2019	0.09622771		
6/30/2019	0.09622112		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
7/1/2019	0.09621453		
7/2/2019	0.09620794		
7/3/2019	0.09620135		
7/4/2019	0.09619476		
7/5/2019	0.09618817		
7/6/2019	0.09618158		
7/7/2019	0.09617499		
7/8/2019	0.09616841		
7/9/2019	0.09616182		
7/10/2019	0.09615523		
7/11/2019	0.09614865		
7/12/2019	0.09614206		
7/13/2019	0.09613548		
7/14/2019	0.09612889		
7/15/2019	0.09612231		
7/16/2019	0.09611572		
7/17/2019	0.09610914		
7/18/2019	0.09610256		
7/19/2019	0.09609598		
7/20/2019	0.09608939		
7/21/2019	0.09608281		
7/22/2019	0.09607623		
7/23/2019	0.09606965		
7/24/2019	0.09606307		
7/25/2019	0.09605649		
7/26/2019	0.09604991		
7/27/2019	0.09604333		
7/28/2019	0.09603675		
7/29/2019	0.09603018		
7/30/2019	0.09602360		
7/31/2019	0.09601702		

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
8/1/2019	0.09601045	0.00028319	0.06119345
8/2/2019	0.09600387		
8/3/2019	0.09599729		
8/4/2019	0.09599072		
8/5/2019	0.09598414		
8/6/2019	0.09597757		
8/7/2019	0.09597100		
8/8/2019	0.09596442		
8/9/2019	0.09595785		
8/10/2019	0.09595128		
8/11/2019	0.09594471		
8/12/2019	0.09593813		
8/13/2019	0.09593156		
8/14/2019	0.09592499		
8/15/2019	0.09591842		
8/16/2019	0.09591185		
8/17/2019	0.09590528		
8/18/2019	0.09589871		
8/19/2019	0.09589215		
8/20/2019	0.09588558		
8/21/2019	0.09587901		
8/22/2019	0.09587244		
8/23/2019	0.09586588		
8/24/2019	0.09585931		
8/25/2019	0.09585274		
8/26/2019	0.09584618		
8/27/2019	0.09583961		
8/28/2019	0.09583305		
8/29/2019	0.09582649		
8/30/2019	0.09581992		
8/31/2019	0.09581336	0.00018721	0.03138261

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
9/1/2019	0.09580680		
9/2/2019	0.09580024		
9/3/2019	0.09579367		
9/4/2019	0.09578711		
9/5/2019	0.09578055		
9/6/2019	0.09577399		
9/7/2019	0.09576743		
9/8/2019	0.09576087		
9/9/2019	0.09575431		
9/10/2019	0.09574775		
9/11/2019	0.09574120		
9/12/2019	0.09573464		
9/13/2019	0.09572808		
9/14/2019	0.09572152		
9/15/2019	0.09571497		
9/16/2019	0.09570841		
9/17/2019	0.09570186		
9/18/2019	0.09569530		
9/19/2019	0.09568875		
9/20/2019	0.09568219		
9/21/2019	0.09567564		
9/22/2019	0.09566909		
9/23/2019	0.09566253		
9/24/2019	0.09565598		
9/25/2019	0.09564943		
9/26/2019	0.09564288		
9/27/2019	0.09563633		
9/28/2019	0.09562978		
9/29/2019	0.09562323		
9/30/2019	0.09561668	0.00018227	0.03246796

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
10/1/2019	0.09561013		
10/2/2019	0.09560358		
10/3/2019	0.09559703		
10/4/2019	0.09559048		
10/5/2019	0.09558394		
10/6/2019	0.09557739		
10/7/2019	0.09557084		
10/8/2019	0.09556430		
10/9/2019	0.09555775		
10/10/2019	0.09555121		
10/11/2019	0.09554465		
10/12/2019	0.09553811		
10/13/2019	0.09553156		
10/14/2019	0.09552502		
10/15/2019	0.09551848		
10/16/2019	0.09551193		
10/17/2019	0.09550539		
10/18/2019	0.09549885		
10/19/2019	0.09549231		
10/20/2019	0.09548577		
10/21/2019	0.09547923		
10/22/2019	0.09547269		
10/23/2019	0.09546615		
10/24/2019	0.09545961		
10/25/2019	0.09545307		
10/26/2019	0.09544653		
10/27/2019	0.09544000		
10/28/2019	0.09543346		
10/29/2019	0.09542692		
10/30/2019	0.09542039		
10/31/2019	0.09541385	0.00017510	0.03211301

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
11/1/2019	0.09540732		
11/2/2019	0.09540078		
11/3/2019	0.09539425		
11/4/2019	0.09538771		
11/5/2019	0.09538118		
11/6/2019	0.09537465		
11/7/2019	0.09536811		
11/8/2019	0.09536158		
11/9/2019	0.09535505		
11/10/2019	0.09534852		
11/11/2019	0.09534199		
11/12/2019	0.09533546		
11/13/2019	0.09532893		
11/14/2019	0.09532240		
11/15/2019	0.09531587		
11/16/2019	0.09530934		
11/17/2019	0.09530281		
11/18/2019	0.09529629		
11/19/2019	0.09528976		
11/20/2019	0.09528323		
11/21/2019	0.09527671		
11/22/2019	0.09527018		
11/23/2019	0.09526366		
11/24/2019	0.09525713		
11/25/2019	0.09525061		
11/26/2019	0.09524408		
11/27/2019	0.09523756		
11/28/2019	0.09523104		
11/29/2019	0.09522451		
11/30/2019	0.09521799	0.00019297	0.02913594

GRAYSCALE ETHEREUM TRUST (ETH) 2019 GROSS PROCEEDS FILE

Date	ETH Per Share	Number of ETH Used to Cover Trust Expenses Per Share (in ETH)	Proceeds from Payout of ETH to Cover Trust Expenses Per Share (in USD)
12/1/2019	0.09521147		
12/2/2019	0.09520495		
12/3/2019	0.09519843		
12/4/2019	0.09519191		
12/5/2019	0.09518539		
12/6/2019	0.09517887		
12/7/2019	0.09517235		
12/8/2019	0.09516583		
12/9/2019	0.09515931		
12/10/2019	0.09515279		
12/11/2019	0.09514628		
12/12/2019	0.09513976		
12/13/2019	0.09513324		
12/14/2019	0.09512673		
12/15/2019	0.09512021		
12/16/2019	0.09511370		
12/17/2019	0.09510718		
12/18/2019	0.09510067		
12/19/2019	0.09509415		
12/20/2019	0.09508764		
12/21/2019	0.09508113		
12/22/2019	0.09507461		
12/23/2019	0.09506810		
12/24/2019	0.09506159		
12/25/2019	0.09505508		
12/26/2019	0.09504857		
12/27/2019	0.09504206		
12/28/2019	0.09503555		
12/29/2019	0.09502904		
12/30/2019	0.09502253		
12/31/2019	0.09501602	0.00020023	0.02560177
TOTAL		0.00239824	0.37394490

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

The Trust holds no assets other than ETH tokens. Accordingly, when expenses are incurred, Trust assets (i.e., ETH 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 much ETH 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 much ETH tokens they still own). In Step 3 we determine the Shareholder's basis in the ETH 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 ETH tokens at the end of the year and his or her new cost basis in those ETH 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 2/10/2019 at a price of $10.83 per share for a total purchase price of $216,600. Shareholder XYZ had no other purchases or sales of Trust shares during 2019 and held the shares for the remainder of 2019.

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

Locate the Ethereum Per Share amount on Shareholder XYZ's purchase date of 2/10/2019 in the gross proceeds file. In this example the number is 0.09714826. This represents the number of ETH tokens per share on that date.

For Shareholder XYZ, the total amount of ETH tokens owned for its 2/10/2019 purchase is 1,942.96520000 (0.09714826 per share multiplied by 20,000 shares purchased on 2/10/2019). Note: This step should be completed for each date on which Trust shares were purchased.

Step 2: Calculate the Ethereum paid out from Shareholder XYZ's account during 2019 to pay expenses

The ETH tokens paid out per share during 2019 includes the cumulative amounts of all ETH token payouts for the period which includes the day after the purchase date of 2/10/2019 through the day before payout date.

During 2019 the amount of ETH tokens paid out after the 2/10/2019 purchase date is 0.00154551 per share. This is determined by taking the total amount of ETH tokens per share paid out in 2019 (0.00239824) and subtracting the amount of ETH tokens paid out prior to the purchase (0.00078646 from October 2018 through January 2019 plus (10/28 multiplied by 0.00018555 from February)). Then multiply this number (0.00154551) by the number of shares owned (20,000) for a total of 30.91024286 ETH tokens paid to cover trust expenses.

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

Total ETH tokens payout (Step 2)	30.91024286	
	----------------------- X	**$216,600**
ETH tokens acquired (Step 1)	1,942.96520000	
Cost Basis of ETH token payout	$3,445.85	

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

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2019 purchase date. During 2019, periodic payouts for the period 2/11/2019 through 12/31/2019 generated proceeds per share of $0.26835803 (total proceeds of payout of ETH tokens for the year, 0.37394490, less 0.10558687, which is the proceeds of payouts made prior to purchase [0.09405806 from October 2018 through January 2019] plus 0.01152881 from the first ten days in February). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: $0.26835803 per share X 20,000 shares	$	5,367.16
Less: Total cost basis of ETH tokens payout (Step 3)		3,445.85
Total Reportable Gain/(Loss)	$	1,921.31
(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 2/10/2019 purchase date. During 2019, the expenses were paid periodically, and for the period of 2/11/2019 through 12/31/2019 amounted to $0.26835803 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share (Step 4)	$	0.26835803
Total Shares		20,000
Total Expense	$	5,367.16

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

ETH tokens Purchased in 2/10/2019 (Step 1)	1,942.96520000
Less: ETH tokens payout during 2019 (Step 2)	30.91024286
Adjusted Shareholder's ETH tokens at 12/31/2019	1,912.05495714

Original Purchase Cost on 2/10/2019	$	216,600.00
Less: Cost of ETH payout during 2019 (Step 3)		3,445.85
Adjusted Shareholder's basis at 12/31/2019	$	213,154.15

Shareholder's adjusted ETH tokens and adjusted cost calculated in Step 6 are his/her adjusted ETH tokens and adjusted basis for the 2/10/2019 purchase at the end of 12/31/2019.

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 2019 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 12/31/2018 should be used as the beginning cost for 2019 instead of the original purchase cost. Shareholders with an additional purchase in 2019 will have two cost lots to account for in 2019. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.