

Bitcoin Investment Trust
2016 Grantor Trust Tax Reporting Statement
EIN: 46-7019388

The following information is being provided to assist Shareholders of the Bitcoin Investment Trust with reporting of their taxable income and expenses for the period January 1, 2016 through December 31, 2016.

TAXATION OF THE TRUST

The Bitcoin Investment 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 Bitcoin Investment Trust shares.

The Trust holds only bitcoins and, accordingly, received no income during the year.

The Trust paid expenses monthly, as shown in the attached 2016 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 minimis amount of bitcoins 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 2016 Gross Proceeds File together with an example illustrating how a Shareholder should calculate gain or loss.

GLOSSARY OF TERMS

Bitcoin Investment Trust - ("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 bitcoin), monthly amount of bitcoin paid to cover trust expenses (in bitcoin), and monthly per share proceeds from bitcoin paid to cover trust expenses (in USD) - (pages 3-13)

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)

BITCOIN INVESTMENT TRUST 2016 EXPENSE FILE

Date	Expenses Per Share (USD)
------	--------------------------

Summary of Expenses by Month (Details on pages 3-13)

January	0.05970800
February	0.06496750
March	0.06679799
April	0.06837783
May	0.08476464
June	0.10139877
July	0.09755901
August	0.09125524
September	0.09439124
October	0.11561288
November	0.11577380
December	0.15208186

Total for year 1.11268876

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 3-13).

Example illustrating calculation of a Shareholder's 2016 Bitcoin Investment Trust Investment Expenses

Assume that a Shareholder purchased 200 shares on February 15, 2016 and sold them on October 15, 2016. For the month of February, Shareholder's expenses are \$0.06496750 (See Summary Table above – February Factor) x (15/29) = \$0.033603879 per share. For the months of March through September, the expenses per share are as shown in the summary table above. For the month of October Shareholder's expenses are \$0.11561288 (See Summary Table above – October Factor) x (15/31) = \$.055941716. The total expenses for Shareholder are therefore \$0.695290454 per share (sum of all factors from February 15th through October 15th) multiplied by the number of shares held (200), or \$138.82.

Total Expenses per Share	\$ 0.694090315
Total Shares	200
Total Expense	<u>\$138.82</u>
(To be reported on Shareholder's Form 1040 Schedule A)	

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
1/1/2016	0.09555942		
1/2/2016	0.09555418		
1/3/2016	0.09554894		
1/4/2016	0.09554371		
1/5/2016	0.09553847		
1/6/2016	0.09553324		
1/7/2016	0.09552800		
1/8/2016	0.09552277		
1/9/2016	0.09551753		
1/10/2016	0.09551230		
1/11/2016	0.09550707		
1/12/2016	0.09550183		
1/13/2016	0.09549660		
1/14/2016	0.09549137		
1/15/2016	0.09548614		
1/16/2016	0.09548090		
1/17/2016	0.09547567		
1/18/2016	0.09547044		
1/19/2016	0.09546521		
1/20/2016	0.09545998		
1/21/2016	0.09545475		
1/22/2016	0.09544952		
1/23/2016	0.09544429		
1/24/2016	0.09543906		
1/25/2016	0.09543383		
1/26/2016	0.09542860		
1/27/2016	0.09542337		
1/28/2016	0.09541814		
1/29/2016	0.09541291		
1/30/2016	0.09540768		
1/31/2016	0.09540246		
2/1/2016	0.09539723	0.00016117	\$0.05970800
2/2/2016	0.09539200		
2/3/2016	0.09538677		
2/4/2016	0.09538155		
2/5/2016	0.09537632		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
2/6/2016	0.09537110		
2/7/2016	0.09536587		
2/8/2016	0.09536064		
2/9/2016	0.09535542		
2/10/2016	0.09535019		
2/11/2016	0.09534497		
2/12/2016	0.09533975		
2/13/2016	0.09533452		
2/14/2016	0.09532930		
2/15/2016	0.09532407		
2/16/2016	0.09531885		
2/17/2016	0.09531363		
2/18/2016	0.09530840		
2/19/2016	0.09530318		
2/20/2016	0.09529796		
2/21/2016	0.09529274		
2/22/2016	0.09528752		
2/23/2016	0.09528230		
2/24/2016	0.09527707		
2/25/2016	0.09527185		
2/26/2016	0.09526663		
2/27/2016	0.09526141		
2/28/2016	0.09525619		
2/29/2016	0.09525097		
3/1/2016	0.09524576	0.00015090	\$0.06496750
3/2/2016	0.09524054		
3/3/2016	0.09523532		
3/4/2016	0.09523010		
3/5/2016	0.09522488		
3/6/2016	0.09521966		
3/7/2016	0.09521445		
3/8/2016	0.09520923		
3/9/2016	0.09520401		
3/10/2016	0.09519879		
3/11/2016	0.09519358		
3/12/2016	0.09518836		
3/13/2016	0.09518314		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
3/14/2016	0.09517793		
3/15/2016	0.09517272		
3/16/2016	0.09516750		
3/17/2016	0.09516229		
3/18/2016	0.09515707		
3/19/2016	0.09515186		
3/20/2016	0.09514664		
3/21/2016	0.09514143		
3/22/2016	0.09513622		
3/23/2016	0.09513100		
3/24/2016	0.09512579		
3/25/2016	0.09512058		
3/26/2016	0.09511537		
3/27/2016	0.09511016		
3/28/2016	0.09510494		
3/29/2016	0.09509973		
3/30/2016	0.09509452		
3/31/2016	0.09508931		
4/1/2016	0.09508410	0.00016073	\$0.06679799
4/2/2016	0.09507889		
4/3/2016	0.09507368		
4/4/2016	0.09506847		
4/5/2016	0.09506326		
4/6/2016	0.09505805		
4/7/2016	0.09505284		
4/8/2016	0.09504764		
4/9/2016	0.09504243		
4/10/2016	0.09503722		
4/11/2016	0.09503201		
4/12/2016	0.09502681		
4/13/2016	0.09502160		
4/14/2016	0.09501639		
4/15/2016	0.09501119		
4/16/2016	0.09500598		
4/17/2016	0.09500077		
4/18/2016	0.09499557		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
4/19/2016	0.09499036		
4/20/2016	0.09498516		
4/21/2016	0.09497995		
4/22/2016	0.09497475		
4/23/2016	0.09496954		
4/24/2016	0.09496434		
4/25/2016	0.09495914		
4/26/2016	0.09495393		
4/27/2016	0.09494873		
4/28/2016	0.09494353		
4/29/2016	0.09493833		
4/30/2016	0.09493312		
5/1/2016	0.09492792		
5/2/2016	0.09492272	0.00015461	\$0.06837783
5/3/2016	0.09491752		
5/4/2016	0.09491232		
5/5/2016	0.09490712		
5/6/2016	0.09490192		
5/7/2016	0.09489672		
5/8/2016	0.09489152		
5/9/2016	0.09488632		
5/10/2016	0.09488112		
5/11/2016	0.09487592		
5/12/2016	0.09487072		
5/13/2016	0.09486552		
5/14/2016	0.09486032		
5/15/2016	0.09485513		
5/16/2016	0.09484993		
5/17/2016	0.09484473		
5/18/2016	0.09483954		
5/19/2016	0.09483434		
5/20/2016	0.09482914		
5/21/2016	0.09482395		
5/22/2016	0.09481875		
5/23/2016	0.09481355		
5/24/2016	0.09480836		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
5/25/2016	0.09480316		
5/26/2016	0.09479797		
5/27/2016	0.09479278		
5/28/2016	0.09478758		
5/29/2016	0.09478239		
5/30/2016	0.09477719		
5/31/2016	0.09477200	0.00015881	\$0.08476464
6/1/2016	0.09476681		
6/2/2016	0.09476161		
6/3/2016	0.09475642		
6/4/2016	0.09475123		
6/5/2016	0.09474604		
6/6/2016	0.09474085		
6/7/2016	0.09473566		
6/8/2016	0.09473046		
6/9/2016	0.09472527		
6/10/2016	0.09472008		
6/11/2016	0.09471489		
6/12/2016	0.09470970		
6/13/2016	0.09470451		
6/14/2016	0.09469932		
6/15/2016	0.09469414		
6/16/2016	0.09468895		
6/17/2016	0.09468376		
6/18/2016	0.09467857		
6/19/2016	0.09467338		
6/20/2016	0.09466819		
6/21/2016	0.09466301		
6/22/2016	0.09465782		
6/23/2016	0.09465263		
6/24/2016	0.09464745		
6/25/2016	0.09464226		
6/26/2016	0.09463708		
6/27/2016	0.09463189		
6/28/2016	0.09462670		
6/29/2016	0.09462152		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
6/30/2016	0.09461633	0.00015000	\$0.10139877
7/1/2016	0.09461115		
7/2/2016	0.09460597		
7/3/2016	0.09460078		
7/4/2016	0.09459560		
7/5/2016	0.09459041		
7/6/2016	0.09458523		
7/7/2016	0.09458005		
7/8/2016	0.09457487		
7/9/2016	0.09456968		
7/10/2016	0.09456450		
7/11/2016	0.09455932		
7/12/2016	0.09455414		
7/13/2016	0.09454896		
7/14/2016	0.09454378		
7/15/2016	0.09453860		
7/16/2016	0.09453342		
7/17/2016	0.09452824		
7/18/2016	0.09452306		
7/19/2016	0.09451788		
7/20/2016	0.09451270		
7/21/2016	0.09450752		
7/22/2016	0.09450234		
7/23/2016	0.09449716		
7/24/2016	0.09449199		
7/25/2016	0.09448681		
7/26/2016	0.09448163		
7/27/2016	0.09447645		
7/28/2016	0.09447128		
7/29/2016	0.09446610		
7/30/2016	0.09446092		
7/31/2016	0.09445575		
8/1/2016	0.09445057	0.00015910	\$0.09755901
8/2/2016	0.09444540		
8/3/2016	0.09444022		
8/4/2016	0.09443505		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
8/5/2016	0.09442987		
8/6/2016	0.09442470		
8/7/2016	0.09441952		
8/8/2016	0.09441435		
8/9/2016	0.09440918		
8/10/2016	0.09440400		
8/11/2016	0.09439883		
8/12/2016	0.09439366		
8/13/2016	0.09438849		
8/14/2016	0.09438331		
8/15/2016	0.09437814		
8/16/2016	0.09437297		
8/17/2016	0.09436780		
8/18/2016	0.09436263		
8/19/2016	0.09435746		
8/20/2016	0.09435229		
8/21/2016	0.09434712		
8/22/2016	0.09434195		
8/23/2016	0.09433678		
8/24/2016	0.09433161		
8/25/2016	0.09432644		
8/26/2016	0.09432127		
8/27/2016	0.09431611		
8/28/2016	0.09431094		
8/29/2016	0.09430577		
8/30/2016	0.09430060		
8/31/2016	0.09429543		
9/1/2016	0.09429027	0.00016000	\$0.09125524
9/2/2016	0.09428510		
9/3/2016	0.09427993		
9/4/2016	0.09427477		
9/5/2016	0.09426960		
9/6/2016	0.09426444		
9/7/2016	0.09425927		
9/8/2016	0.09425411		
9/9/2016	0.09424894		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
9/10/2016	0.09424378		
9/11/2016	0.09423861		
9/12/2016	0.09423345		
9/13/2016	0.09422829		
9/14/2016	0.09422312		
9/15/2016	0.09421796		
9/16/2016	0.09421280		
9/17/2016	0.09420764		
9/18/2016	0.09420247		
9/19/2016	0.09419731		
9/20/2016	0.09419215		
9/21/2016	0.09418699		
9/22/2016	0.09418183		
9/23/2016	0.09417667		
9/24/2016	0.09417151		
9/25/2016	0.09416635		
9/26/2016	0.09416119		
9/27/2016	0.09415603		
9/28/2016	0.09415087		
9/29/2016	0.09414571		
9/30/2016	0.09414055		
10/1/2016	0.09413539	0.00015405	\$0.09439124
10/2/2016	0.09413024		
10/3/2016	0.09412508		
10/4/2016	0.09411992		
10/5/2016	0.09411476		
10/6/2016	0.09410961		
10/7/2016	0.09410445		
10/8/2016	0.09409929		
10/9/2016	0.09409414		
10/10/2016	0.09408898		
10/11/2016	0.09408382		
10/12/2016	0.09407867		
10/13/2016	0.09407351		
10/14/2016	0.09406836		
10/15/2016	0.09406321		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
10/16/2016	0.09405805		
10/17/2016	0.09405290		
10/18/2016	0.09404774		
10/19/2016	0.09404259		
10/20/2016	0.09403744		
10/21/2016	0.09403228		
10/22/2016	0.09402713		
10/23/2016	0.09402198		
10/24/2016	0.09401683		
10/25/2016	0.09401168		
10/26/2016	0.09400653		
10/27/2016	0.09400137		
10/28/2016	0.09399622		
10/29/2016	0.09399107		
10/30/2016	0.09398592		
10/31/2016	0.09398077		
11/1/2016	0.09397562	0.00015916	\$0.11561288
11/2/2016	0.09397047		
11/3/2016	0.09396532		
11/4/2016	0.09396018		
11/5/2016	0.09395503		
11/6/2016	0.09394988		
11/7/2016	0.09394473		
11/8/2016	0.09393958		
11/9/2016	0.09393444		
11/10/2016	0.09392929		
11/11/2016	0.09392414		
11/12/2016	0.09391900		
11/13/2016	0.09391385		
11/14/2016	0.09390870		
11/15/2016	0.09390356		
11/16/2016	0.09389841		
11/17/2016	0.09389327		
11/18/2016	0.09388812		
11/19/2016	0.09388298		
11/20/2016	0.09387783		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
11/21/2016	0.09387269		
11/22/2016	0.09386755		
11/23/2016	0.09386240		
11/24/2016	0.09385726		
11/25/2016	0.09385212		
11/26/2016	0.09384697		
11/27/2016	0.09384183		
11/28/2016	0.09383669		
11/29/2016	0.09383155		
11/30/2016	0.09382641	0.00015409	\$0.11577380
12/1/2016	0.09382127		
12/2/2016	0.09381612		
12/3/2016	0.09381098		
12/4/2016	0.09380584		
12/5/2016	0.09380070		
12/6/2016	0.09379556		
12/7/2016	0.09379042		
12/8/2016	0.09378529		
12/9/2016	0.09378015		
12/10/2016	0.09377501		
12/11/2016	0.09376987		
12/12/2016	0.09376473		
12/13/2016	0.09375959		
12/14/2016	0.09375446		
12/15/2016	0.09374932		
12/16/2016	0.09374418		
12/17/2016	0.09373905		
12/18/2016	0.09373391		
12/19/2016	0.09372877		
12/20/2016	0.09372364		
12/21/2016	0.09371850		
12/22/2016	0.09371337		
12/23/2016	0.09370823		
12/24/2016	0.09370310		
12/25/2016	0.09369796		
12/26/2016	0.09369283		

BITCOIN INVESTMENT TRUST 2016 GROSS PROCEEDS FILE

Date	Bitcoin Per Share	Number of Bitcoin Used to Cover Trust Expenses Per Share (in Bitcoin)	Proceeds From Payout of Bitcoin to Cover Trust Expenses Per share (USD)
12/27/2016	0.09368769		
12/28/2016	0.09368256		
12/29/2016	0.09367743		
12/30/2016	0.09367229		
12/31/2016	0.09366716	0.00015843	\$0.15208186
	Total	0.00188105	\$1.11268876

Bitcoin Investment Trust Gross Proceeds and Expense Files shows bitcoins per share owned in the Trust, bitcoins 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 bitcoins to pay such expenses.

The Trust holds no assets other than bitcoins. Accordingly, when expenses are incurred, Trust assets (i.e. bitcoins) 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 their stake in the trust (i.e. how much bitcoin they own). In Step 2 we discuss how much of their stake is sold monthly to cover expenses (and how much bitcoin they still own). In Step 3 we determine the basis of the shareholder in the bitcoin sold. 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 bitcoin at the end of the year and his or her new cost basis in those bitcoin.

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 200 Trust shares on 2/10/2016 at a price of \$380.00 per share for a total purchase price of \$76,000. Shareholder XYZ had no other purchases or sales of Trust shares during 2016 and held the shares for the remainder of 2016.

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

Locate the Bitcoin Per Share amount on Shareholder XYZ's purchase date of 2/10/2016 in the gross proceeds file. In this example the number is 0.09535019. This represents the number of bitcoin per share on that date.

For Shareholder XYZ, the total amount of bitcoins owned for its 2/10/2016 purchase is 19.070038 (0.09535019 per share multiplied by 200 shares purchased on 2/10/2016.)

Note: This step should be completed for each date on which Trust shares were purchased.

Step 2: Calculate the bitcoins paid out from Shareholder XYZ's account during 2016 to pay expenses

The bitcoins paid out per share during 2016 includes the cumulative amounts of all bitcoin payouts for the period which includes the day after the purchase date of 2/10/2016 through the day before payout date.

During 2016 the amount of bitcoins paid out after the 2/10/2016 purchase date is 0.001667846 per share. This is determined by taking the total amount of bitcoins paid out in 2016 (0.00188105) and subtracting the amount of bitcoin paid out prior to the purchase (0.00016117 from January plus (10/29 multiplied by 0.0001509) from February). Then multiply this number (0.001667846) by the number of shares owned (200) for a total of 0.33356910 bitcoins paid to cover trust expenses.

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

Total bitcoin payout (Step 2)	0.33356910		
	-----	X	\$ 76,000
Bitcoin acquired (Step1)	19.070038		
Cost basis of bitcoin payout	\$1,329.38		

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

Identify all proceeds per share received by the Trust after Shareholder XYZ's 2/10/2016 purchase date. During 2016, monthly payouts for the period 2/11/2016 through 12/31/2016 generated proceeds per share of \$1.03057817 (total proceeds of payout of bitcoin for the year, 1.11268876, less proceeds of payouts made prior to purchase (January plus ten days in February), 0.08211059). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$1.03057817 per share X 200 shares	\$206.12
Less: Total cost basis of bitcoin payout (Step 3)	<u>(1,329.38)</u>
Total Reportable Gain/(Loss)	<u>\$(1,123.26)</u>

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

Step 5: Calculate Shareholder's investment expenses

Identify all expenses per share paid by the Trust after Shareholder XYZ's 2/10/2016 purchase date. During 2016, the expenses were paid monthly and for the period of 2/11/2016 through 12/31/2016 amounted to \$1.03057817 per share. Therefore, Shareholder XYZ's investment expenses are as follows:

Total Expenses per Share	\$ 1.03057817
Total Shares	<u>200</u>
Total Expense	<u>\$ 206.12</u>

(To be reported on Shareholder's Form 1040 Schedule A)
See also the example included in the 2016 Expense File.

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

Bitcoins Purchased on 2/10/2016 (Step 1)	19.07003800
Less: bitcoins payout during 2016 (Step 2)	0.33356910
Adjusted Shareholder's bitcoins at 12/31/2016	<u>18.73646890</u>
Original Purchase Cost on 2/10/2016	\$ 76,000.00
Less: Cost of bitcoin payout during 2016 (Step3)	1,329.38
Adjusted Shareholder's basis at 12/31/2016	<u>\$ 74,670.62</u>

Shareholder's adjusted bitcoins and adjusted cost calculated in Step 6 are his/her adjusted bitcoins and adjusted basis for the 2/10/2016 purchase at the end of 12/31/2016.

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 2016, 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 12/31/2015 should be used as the beginning cost for 2016 instead of the original purchase cost. Shareholders with an additional purchase in 2016 will have two cost lots to account for in 2016. The calculation of gains and losses will be affected by the cost basis method used to account for the sales.