

IDX RISK-MANAGED ETHEREUM TRUST

2021 Grantor Trust Tax Information

EIN: 87-6293312

The following information is being provided to assist Shareholders of the IDX Risk-Managed Ethereum Trust (the "Trust") with reporting of their taxable income and expenses for the period July 1, 2021 through December 31, 2021.

TAXATION OF THE TRUST

The Trust is a grantor trust for U.S. federal income tax purposes. As a result, the Trust itself is not subject to U.S. federal income tax. Instead, the Trust's income and expenses "flow through" to the Shareholders.

TAXATION OF US INDIVIDUAL SHAREHOLDERS

Shareholders generally will be treated, for U.S. federal income tax purposes, as if they directly owned a pro rata share of the underlying assets held in the Trust. Shareholders also will be treated as if they directly received their respective pro rata shares of the Trust's income and proceeds, and directly incurred their pro rata share of the Trust's expenses. Most state and local tax authorities follow U.S. income tax rules in this regard. However, Shareholders should contact their own tax advisors as to the state and local tax consequences of ownership of the Trust.

The Trust holds only Ethereum ("ETH") tokens and cash, and accordingly, received no investment income during the year. The Trust paid expenses periodically, as shown in the attached 2021 Gross Proceeds File. To the extent that ETH were purchased and sold, allocations on a per share basis of proceeds and cost are included. All sales in the current year are considered short term for Federal Income Tax Purposes.

These expenses are allocated into monthly periods as shown in the 2021 Expense File. An example illustrating the computation of a Shareholder's share of expenses is provided.

IDX RISK-MANAGED ETHEREUM TRUST 2021 EXPENSE FILE

Summary of Expense by Month (Details on pages to follow)

<u>Date</u>	<u>Expenses Per Share (USD)</u>
July	-
August	0.082329
September	-
October	0.071376
November	0.077038
December	0.091357
Total	<u>0.322100</u>

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 on pages to follow).

Example calculation illustrating a Shareholder's 2021 IDX Risk-Managed Ethereum Trust Expenses

Assume that a Shareholder purchased 20,000 shares on August 15, 2021. For the month of August, Shareholder's expenses are \$0.082329 (See Summary Table above – August) x (15/30) = \$0.041165 per share. For the months of August through December, the expenses per share are as shown in the summary table above. The total expenses for Shareholder are therefore \$0.280936 per share (sum of all factors from August 15th through December 31) multiplied by the number of shares held (20,000), or \$5,618.72.

Total Expenses per Share	\$0.280936
Number of Shares Held	20,000
Total Expense	<u>\$5,618.72</u>

(Please consult your tax advisor as to reporting)

IDX RISK-MANAGED ETHEREUM TRUST 2021 GROSS PROCEEDS FILE

Purchase Date	Cost Basis Sold Per Share	Proceeds Based on Sale Date	Expense Allocation per Share
7/1/2021	71.9366	-	-
7/2/2021	71.9366	-	-
7/3/2021	71.9366	-	-
7/4/2021	71.9366	-	-
7/5/2021	71.9366	-	-
7/6/2021	71.9366	-	-
7/7/2021	71.9366	-	-
7/8/2021	71.9366	-	-
7/9/2021	71.9366	-	-
7/10/2021	71.9366	-	-
7/11/2021	71.9366	-	-
7/12/2021	71.9366	-	-
7/13/2021	71.9366	-	-
7/14/2021	71.9366	-	-
7/15/2021	71.9366	-	-
7/16/2021	71.9366	-	-
7/17/2021	71.9366	-	-
7/18/2021	71.9366	-	-
7/19/2021	71.9366	-	-
7/20/2021	71.9366	-	-
7/21/2021	71.9366	-	-
7/22/2021	71.9366	-	-
7/23/2021	71.9366	-	-
7/24/2021	71.9366	-	-
7/25/2021	71.9366	-	-
7/26/2021	71.9366	-	-
7/27/2021	71.9366	-	-
7/28/2021	71.9366	-	-
7/29/2021	71.9366	-	-
7/30/2021	71.9366	-	-
7/31/2021	72.8919	-	-
8/1/2021	74.3394	-	-
8/2/2021	74.7286	-	-
8/3/2021	73.7444	-	-
8/4/2021	75.7577	-	-
8/5/2021	75.7507	-	-
8/6/2021	75.7547	-	-
8/7/2021	78.9768	-	-
8/8/2021	78.8877	-	-
8/9/2021	79.4173	-	-
8/10/2021	79.6249	-	-

IDX RISK-MANAGED ETHEREUM TRUST 2021 GROSS PROCEEDS FILE

Purchase Date	Cost Basis Sold Per Share	Proceeds Based on Sale Date	Expense Allocation per Share
8/11/2021	80.6806	-	-
8/12/2021	78.7085	-	-
8/13/2021	80.3789	-	-
8/14/2021	80.6973	-	-
8/15/2021	79.8703	-	-
8/16/2021	80.3576	-	-
8/17/2021	80.1813	-	-
8/18/2021	78.7320	-	-
8/19/2021	78.4850	-	-
8/20/2021	80.8709	-	-
8/21/2021	63.9587	16.8456	-
8/22/2021	63.7082	-	-
8/23/2021	64.3386	-	-
8/24/2021	63.8207	-	-
8/25/2021	63.3815	-	-
8/26/2021	63.2691	-	-
8/27/2021	63.7332	-	-
8/28/2021	63.7505	-	-
8/29/2021	63.5737	-	-
8/30/2021	63.5104	-	-
8/31/2021	64.7596	-	0.082329
9/1/2021	65.3355	-	-
9/2/2021	66.5681	-	-
9/3/2021	67.4755	-	-
9/4/2021	67.0719	-	-
9/5/2021	67.2378	-	-
9/6/2021	67.1818	-	-
9/7/2021	64.6078	-	-
9/8/2021	62.0747	-	-
9/9/2021	62.3919	-	-
9/10/2021	45.4454	15.7450	-
9/11/2021	45.2378	-	-
9/12/2021	45.7006	-	-
9/13/2021	45.5640	-	-
9/14/2021	46.2949	-	-
9/15/2021	46.7482	-	-
9/16/2021	47.4116	-	-
9/17/2021	46.9067	-	-
9/18/2021	46.9789	-	-
9/19/2021	46.3797	-	-
9/20/2021	44.9718	-	-

IDX RISK-MANAGED ETHEREUM TRUST 2021 GROSS PROCEEDS FILE

Purchase Date	Cost Basis Sold Per Share	Proceeds Based on Sale Date	Expense Allocation per Share
9/21/2021	44.6619	-	-
9/22/2021	44.3992	-	-
9/23/2021	30.1160	14.0413	-
9/24/2021	30.1160	-	-
9/25/2021	30.1160	-	-
9/26/2021	30.1160	-	-
9/27/2021	30.1160	-	-
9/28/2021	30.1160	-	-
9/29/2021	30.1160	-	-
9/30/2021	30.1160	-	-
10/1/2021	30.1160	-	-
10/2/2021	30.1160	-	-
10/3/2021	30.1160	-	-
10/4/2021	30.1160	-	-
10/5/2021	30.1160	-	-
10/6/2021	30.1160	-	-
10/7/2021	30.1160	-	0.071376
10/8/2021	30.1160	-	-
10/9/2021	30.1160	-	-
10/10/2021	29.7673	-	-
10/11/2021	30.0072	-	-
10/12/2021	29.4093	-	-
10/13/2021	28.9211	-	-
10/14/2021	31.6940	-	-
10/15/2021	31.8835	-	-
10/16/2021	32.7180	-	-
10/17/2021	32.2182	-	-
10/18/2021	31.7744	-	-
10/19/2021	31.7190	-	-
10/20/2021	33.6735	-	-
10/21/2021	34.7024	-	-
10/22/2021	33.6102	-	-
10/23/2021	33.6681	-	-
10/24/2021	33.7350	-	-
10/25/2021	34.6610	-	-
10/26/2021	34.7125	-	-
10/27/2021	33.4796	-	-
10/28/2021	34.9262	-	-
10/29/2021	36.2651	-	-
10/30/2021	35.7666	-	-
10/31/2021	35.1922	-	-

IDX RISK-MANAGED ETHEREUM TRUST 2021 GROSS PROCEEDS FILE

Purchase Date	Cost Basis Sold Per Share	Proceeds Based on Sale Date	Expense Allocation per Share
11/1/2021	36.2512	-	-
11/2/2021	37.5776	-	-
11/3/2021	37.7695	-	-
11/4/2021	37.5285	-	-
11/5/2021	37.3183	-	-
11/6/2021	36.7478	-	-
11/7/2021	38.3684	-	-
11/8/2021	39.6244	-	-
11/9/2021	20.0043	19.2148	0.077038
11/10/2021	19.8303	-	-
11/11/2021	19.3426	-	-
11/12/2021	18.7354	-	-
11/13/2021	19.1407	-	-
11/14/2021	18.7708	-	-
11/15/2021	19.0391	-	-
11/16/2021	17.5935	-	-
11/17/2021	17.0620	-	-
11/18/2021	16.8060	-	-
11/19/2021	17.2826	-	-
11/20/2021	17.3713	-	-
11/21/2021	17.8182	-	-
11/22/2021	17.3429	-	-
11/23/2021	17.5787	-	-
11/24/2021	17.3146	-	-
11/25/2021	18.3114	-	-
11/26/2021	16.6607	-	-
11/27/2021	-	16.9548	-
11/28/2021	-	-	-
11/29/2021	-	-	-
11/30/2021	-	-	-
12/1/2021	-	-	-
12/2/2021	-	-	-
12/3/2021	-	-	0.091357
12/4/2021	-	-	-
12/5/2021	-	-	-
12/6/2021	-	-	-
12/7/2021	-	-	-
12/8/2021	-	-	-
12/9/2021	-	-	-
12/10/2021	-	-	-
12/11/2021	-	-	-

IDX RISK-MANAGED ETHEREUM TRUST 2021 GROSS PROCEEDS FILE

Purchase Date	Cost Basis Sold Per Share	Proceeds Based on Sale Date	Expense Allocation per Share
12/12/2021	-	-	-
12/13/2021	-	-	-
12/14/2021	-	-	-
12/15/2021	-	-	-
12/16/2021	-	-	-
12/17/2021	-	-	-
12/18/2021	-	-	-
12/19/2021	-	-	-
12/20/2021	-	-	-
12/21/2021	-	-	-
12/22/2021	-	-	-
12/23/2021	-	-	-
12/24/2021	-	-	-
12/25/2021	-	-	-
12/26/2021	-	-	-
12/27/2021	-	-	-
12/28/2021	-	-	-
12/29/2021	-	-	-
12/30/2021	-	-	-
12/31/2021	-	-	-
TOTAL		82.8015	0.322100

IDX Risk-Managed Ethereum Trust Gross Proceeds and Expense Files show proceeds received and cost paid per share owned in the Trust, as well as expenses per share in the Trust. You can use this information to calculate your share of Trust expenses and your gain or loss on the sale of ETH tokens to pay such expenses.

The Trust holds no assets other than ETH tokens and cash, which varies throughout the year. Accordingly, when expenses are incurred, Trust assets (i.e., ETH tokens) may be sold to cover the expenses. As of December 31, 2021, the Trust was exclusively in cash. No outstanding cost basis remains from the purchases throughout the tax year. The following example illustrates the tax consequences to the Shareholder. In Step 1, we discuss how a Shareholder would determine his or her proceeds from sales in the Trust (i.e., the value received for ETH tokens previously purchased). In Step 2, we discuss how much of his or her basis is sold throughout the year (i.e., the cost basis for ETH tokens purchased is Trust Assets). Gain or loss from this sale is determined in relation to the basis of the assets sold. In Step 3, 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 4, we calculate the Shareholder's portion of the Trust's expenses. Step 5 determines the adjusted cost basis of shares outstanding.

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 this information on their respective tax returns.

Example: Shareholder XYZ purchases 10,000 Trust shares on 9/15/2021 at a price of \$32.7469 per share for a total purchase price of \$327,469. Shareholder XYZ had no other purchases or sales of Trust shares during 2021 and held the shares for the remainder of 2021.

STEP 1: Calculate Shareholders XYZ's Gross Proceeds from sales during 2021

The proceeds received per share during 2021 for the sale of ETH tokens includes the cumulative amount of all ETH payouts for the period which includes the day after the purchase of 9/15/2021 through 12/31/2021, the Trust's tax year end.

During 2021, the total proceeds received from the sale of ETH tokens after the 9/15/2021 purchase date is \$50.2109 per share. This is determined by taking the total amount of proceeds per share paid out in 2021 (\$82.8015) and subtracting the amount of proceeds received prior to the purchase (\$16.8456 from 8/21/2021 and \$15,745 from 9/10/2021). Then multiply this number (\$50.2109) by the number of shares owned (10,000) for a total of \$502,109.

It should be noted that sales proceeds could have been recycled during the year and proceeds received from sales may exceed the initial investment value.

STEP 2: Calculate Shareholders XYZ's Cost Basis from sales during 2021

Locate the Cost Basis Sold amount on Shareholder XYZ's purchase date of 9/15/2021 in the gross proceeds file. In this example the number is \$46.7482. This represents the cost basis purchased and subsequently sold per share on that date during the year.

For Shareholder XYZ, the total amount of Cost Basis Sold for its 9/15/2021 purchase is \$467,482 (\$46.7482 per share multiplied by 10,000 shares purchased on 9/15/2021). Note: This step should be completed for each date on which Trust shares were purchased.

It should be noted that sales proceeds could have been recycled during the year and cost basis sold may exceed the initial investment value.

STEP 3: Calculate Shareholder's gain or loss on Ethereum sales for each lot purchase

Identify all proceeds per share received by the Trust after Shareholder XYZ's 9/15/2021 purchase date. During 2021, proceeds received for the period 9/16/2021 through 12/31/2021 generated proceeds of \$502,109 (total proceeds determined in Step 1). The cost basis sold determined by the purchase date on 9/15/2021 was calculated as \$467,482 (cost basis sold determined in Step 2). Therefore, Shareholder XYZ's gain or loss is determined as follows:

Total Proceeds: \$47.5187 per share X 10,000 Shares (<i>Step 1</i>)	\$	502,109
Cost Basis Sold: \$43.9603 per share X 10,000 Shares (<i>Step 2</i>)		467,482
Total Reportable Gain/(Loss)	<u>\$</u>	<u>34,627</u>

(To be reported on Shareholder's Schedule D of the Corresponding Return Filed)

STEP 4: Calculate Shareholder's investment expenses

Identify all expenses per share paid by the Trust after Shareholder XYZ's 9/15/2021 purchase date. During 2021, the expenses were paid periodically and for the period of 9/16/2021 through 12/31/2021 amounted to \$0.239770 per share. Therefore, Shareholder XYZ's expenses are as follows:

Total Expenses Per Share	\$	0.239770
Total Shares		10,000
Total Expense	<u>\$</u>	<u>2,397.70</u>

STEP 5: Calculate Shareholder's Adjusted Cost Basis

Original Purchase Price on 9/15/2021	\$	327,469.00
Plus: Gain/(Loss) on ETH Token Sales (<i>Step 3</i>)		34,627.00
Less: Investments Expenses (<i>Step 4</i>)		2,397.70
Adjusted Shareholder Cost Basis at 12/31/2021	<u>\$</u>	<u>359,698.30</u>

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. The calculation of gains and losses will be affected by the cost basis method used to account for the sales going forward.