

# HIPS

## GraniteShares ETF

### ABOUT THE ETF

The GraniteShares HIPS US High Income ETF seeks to track the performance, before fees and expenses, of the TFMS HIPS 300 Index.

### HIGH INCOME STRATEGY

Historically one of the highest yielding ETFs in the US market\*. Pass through securities are required to distribute substantially all of their earnings.

### BROAD EXPOSURE

HIPS is broadly diversified, offering exposure to BDCs, MLPs, Closed-end Funds and REITS.

### LIQUID

Holdings must meet minimum market cap and liquidity thresholds.

\*Bloomberg 12/31/2018

## GraniteShares HIPS US High Income ETF

AS OF 12/31/2018

PRODUCT TICKER	HIPS
INCEPTION DATE	1/6/2015
BENCHMARK	TFMS HIPS 300 Index
MANAGEMENT FEE	0.70%
ACQUIRED FUND FEES AND EXPENSES	0.60%
TOTAL ANNUAL FUND OPERATING EXPENSES	1.30%
DISTRIBUTION	Monthly
CUSIP	3874R306
EXCHANGE	NYSE Arca
IOPV TICKER	HIPSIV
INDEX TICKER	TFMSHIPS
DISTRIBUTION RATE (as of 12/31/18)	8.56%
30 DAY SEC YIELD (as of 12/31/18)	7.11%

### PERFORMANCE

As of 12/31/2018

	1 month	3 month	YTD	1 Year	3 Year (annualized)	Since Fund Inception (annualized)
HIPS NAV	-8.29%	-13.53%	-8.95%	-8.95%	5.71%	-0.13%
HIPS Market Price	-8.81%	-13.91%	-9.30%	-9.30%	5.56%	-0.27%
TFMS HIPS 300 Index	-8.29%	-13.46%	-8.32%	-8.32%	6.55%	0.53%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. NAV prices are used to calculate market price performance prior to the date when the Fund first traded on the New York Stock Exchange. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. Market performance does not represent the returns you would receive if you traded shares at other times. For the fund's most recent month end performance, please call 1(844) 476-8747, email at [info@graniteshares.com](mailto:info@graniteshares.com), or visit [www.graniteshares.com](http://www.graniteshares.com).

### TOP FUND HOLDINGS

As of 12/31/2018

Holdings subject to change.

SIMON PPTY GROUP INC NEW	7.20%
SCHLUMBERGER LTD	5.80%
BLACKSTONE GROUP LP	5.00%
ENTERPRISE PRODS PARTNERS LP COM	4.20%
ENERGY TRANSFER EQUITY LP	3.70%
WEYERHAEUSER CO	2.30%
ANNALY CAP MGMT INC	1.70%
HOST HOTELS & RESORTS INC	1.87%
MAGELLAN MIDSTREAM PARTNERS	1.50%
WP CAREY INC	1.40%

### DISTRIBUTIONS

As of 12/31/2018

	Ex-Date	Record Date	Payable Date	Amount
DEC 2018	12/28/2018	12/31/2018	1/2/2019	\$0.1075
NOV 2018	11/14/2018	11/15/2018	11/16/2018	\$0.1075
OCT 2018	10/17/2018	10/18/2018	10/19/2018	\$0.1075

### FUND SECTOR BREAKDOWN:

As of 12/31/2018

Allocations subject to change.

Commercial Equity REITs	21.7%
Energy Processing and Transportation	17.2%
Asset Management and Business Development Companies	16.4%
Residential/Diversified Equity REITs	14.5%
Closed End Funds	13.6%
Mortgage REITs	8.2%
Energy Production	7.5%



EFFECTIVE AT CLOSE OF BUSINESS OF 12/18/2017, THE MASTER INCOME ETF WAS REORGANIZED AND ASSETS OF THE MASTER INCOME ETF WERE MERGED INTO THE GRANITESHARES HIPS US HIGH INCOME ETF.

## IMPORTANT INFORMATION

This material must be preceded or accompanied by a prospectus <https://www.graniteshares.com/Documents/41/bannerless-prospectus.pdf>. Carefully consider the Fund's investment objectives risk factors, charges and expenses before investing. Please read the prospectus before investing or sending money.

Investing involves risk; Principal loss is possible. Investments in debt securities typically decrease when interest rates rise. This risk is usually greater for longer term debt securities. Investments in lower rated and non-rated securities present a greater risk of loss to principal and interest than higher rated securities. Investments in foreign securities involves greater volatility and political, economic, and currency risks and differences in accounting methods. Investments in smaller companies involve additional risks, such as limited liquidity and greater volatility. **Master Limited Partnerships ("MLPs")** are subject to certain risks inherent in the structure of MLPs, including complex tax structure risks, limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates. Investments in asset-backed and mortgage-backed securities include additional risks including credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. A **Real Estate Investment Trusts ("REIT's")** share price may decline because of adverse developments affecting the real estate industry. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. The risks of investing in REITs include certain risks associated with the direct ownership of real estate and the real estate industry in general. **Business Development Companies ("BDCs")** may carry risks similar to a private equity or venture capital fund. BDCs usually trade at a discount to their NAV because they investing unlisted securities and have limited access to capital markets. **Closed-end Funds (CEFs")** may be subject to leverage, liquidity risk, credit risk, and losses may be magnified due to the use of leverage. Leverage may increase the risk of loss and cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. An investment in the Fund does not receive the same tax advantages as a direct investment in a Pass-Thru Security. Funds accrue deferred income taxes for future tax liabilities associated with the portion of Pass-Thru Security distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments. This deferred tax liability is reflected in the daily NAV and as a result the Fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked. The potential tax benefits from investing in Pass-Thru Securities depend on them being treated as partnerships for federal income tax purposes. Diversification does not assure a profit or protect against loss in a declining market.

The TFMS HIPS 300 Index is constructed to capture 300 high income securities, typically with pass-through structures, across the following sectors: (i) CEFs, (ii) mortgage REITs, (iii) commercial equity REITs, (iv) residential/diversified REITs, (v) asset management and BDCs, and (vi) energy production and energy transportation & processing companies. Energy-related companies included in the Index are expected to primarily be structured as MLPs. CEFs included in the Index are limited to taxable, debt-based funds and may include CEFs that invest primarily in bank loans, high-yield securities (also known as "junk bonds"), foreign securities (including those in emerging markets), and mortgage- or asset-backed securities. You may not directly invest in an index.

Distribution Rate represents a single distribution from the fund and does not represent total return to the fund. The distribution rate is calculated by annualizing the most recent distribution and dividing it by the most recent NAV.

30-Day SEC Yield is a standard yield calculation developed by the Securities and Exchange Commission that allows for fairer comparisons among bond funds. It is based on the most recent month end. This figure reflects the interest earned during the period after deducting the Fund's expenses for the period.

This information is not an offer to sell or a solicitation of an offer to buy shares of any Funds to any person in any jurisdiction in which an offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. Please consult your tax advisor about the tax consequences of an investment in Fund shares, including the possible application of foreign, state, and local tax laws.

You could lose money by investing in the ETFs. There can be no assurance that the investment objective of the Funds will be achieved. None of the Funds should be relied upon as a complete investment program. The investment program of the funds are speculative, entails substantial risks and include asset classes and investment techniques not employed by more traditional mutual funds. Investments in the ETFs are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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