

# Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

## Part I Reporting Issuer

|  |                                   |   |                             |
|--|-----------------------------------|---|-----------------------------|
| <b>1</b> Issuer's name   |                                   | <b>2</b> Issuer's employer identification number (EIN)              |                             |
| GRANITESHARES HIPS US HIGH INCOME ETF - FKA - MASTER INCOME ETF                                |                                   | 47-2568550  |                             |
| <b>3</b> Name of contact for additional information  | <b>4</b> Telephone No. of contact | <b>5</b> Email address of contact                                   |                             |
| JEFF KLEARMAN  | 646-876-5143                      | jeff.klearman@graniteshares.com                                     |                             |
| <b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact |                                   | <b>7</b> City, town, or post office, state, and ZIP code of contact |                             |
| 205 HUDSON STREET, 7TH FLOOR   |                                   | NEW YORK, NY 10013  |                             |
| <b>8</b> Date of action  |                                   | <b>9</b> Classification and description                             |                             |
| 11/30/2017   |                                   | SHARES - REGULATED INVESTMENT COMPANY                               |                             |
| <b>10</b> CUSIP number   | <b>11</b> Serial number(s)        | <b>12</b> Ticker symbol   | <b>13</b> Account number(s) |
| 26922A867  | N/A                               | HIPS  | N/A                         |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE MASTER INCOME ETF PAID A NON TAXABLE RETURN OF CAPITAL ON THE DATES LISTED ON THE ATTACHED DOCUMENT.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ FOR EACH DIVIDEND NOTED ABOVE, 67.3186% OF EACH SUCH DIVIDEND WAS A RETURN OF CAPITAL IN ACCORDANCE WITH THE IRC SECTION 301(C)(2). ACCORDINGLY, THE SHAREHOLDER WOULD REDUCE THE HOLDER'S BASIS IN THE STOCK BY THE PORTION OF DISTRIBUTION DETERMINED TO BE RETURN OF CAPITAL.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ THE BASIS OF SHAREHOLDERS OF RECORD FOR EACH DIVIDEND NOTED ABOVE IS LOWERED BY THE PER SHARE AMOUNT DISCLOSED IN THE ATTACHMENT. THE RATE WAS DETERMINED IN ACCORDANCE WITH IRC SECTION 301 AND SECTION 316.

**Part II** **Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [IRC 301, 316](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**18** Can any resulting loss be recognized? ▶ [N/A](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [N/A](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

|                               |   |                      |               |  |
|-------------------------------|---|----------------------|---------------|--|
| <b>Paid Preparer Use Only</b> | Print your name ▶ <a href="#">A SIGNED COPY IS MAINTAINED BY THE ISSUER</a> |                      | Title ▶ _____ |  |
|                               | Print/Type preparer's name  | Preparer's signature | Date          | Check <input type="checkbox"/> if self-employed PTIN |
|                               | Firm's name ▶   | Firm's EIN ▶         |               | Phone no.  |
|                               | Firm's address ▶  |                      |               |  |

**Graniteshares HIPS US High Income ETF - FKA - Master Income ETF**  
**47-2568550**  
**FYE 11/30/2017**

**HIPS**

| <b>Record Date</b> | <b>Ex Date</b> | <b>Payable Date</b> | <b>Total Dividend</b> | <b>Return of Capital</b> | <b>Return of Capital %</b> |
|--------------------|----------------|---------------------|-----------------------|--------------------------|----------------------------|
| 1/19/2017          | 1/17/2017      | 1/20/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 2/16/2017          | 2/14/2017      | 2/17/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 3/16/2017          | 3/14/2017      | 3/17/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 4/20/2017          | 4/18/2017      | 4/21/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 5/18/2017          | 5/16/2017      | 5/19/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 6/15/2017          | 6/13/2017      | 6/16/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 7/20/2017          | 7/18/2017      | 7/21/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 8/17/2017          | 8/15/2017      | 8/18/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 9/20/2017          | 9/19/2017      | 9/21/2017           | 0.107500000           | 0.072367495              | 67.3186%                   |
| 10/18/2017         | 10/17/2017     | 10/19/2017          | 0.107500000           | 0.072367495              | 67.3186%                   |
| 11/15/2017         | 11/14/2017     | 11/16/2017          | 0.107500000           | 0.072367495              | 67.3186%                   |
|                    |                |                     | <b>1.182500000</b>    | <b>0.796042445</b>       |                            |