



GraniteShares ETF Trust  
Annual Report  
June 30, 2018

**GraniteShares HIPS US High Income ETF**



Table of Contents

Management’s Discussion of Fund Performance .....	2
Shareholder Expense Example .....	5
Schedule of Investments .....	6
Statement of Assets and Liabilities .....	11
Statement of Operations .....	12
Statements of Changes in Net Assets .....	13
Financial Highlights .....	14
Notes to Financial Statements .....	15
Report of Independent Registered Public Accounting Firm.....	20
Trustees and Officers.....	21
Supplemental Information .....	22



## **THE MARKET ENVIRONMENT**

### **Pass-Through Securities**

For the period July 1, 2017 to June 30, 2018, the performance of pass-through securities was mixed. REITs (Real Estate Investment Trusts), as measured by the Dow Jones REIT Total Return Index, increased 4.9% and closed-end funds, as measured by the FT TaxCEFT Index, increased 2.6% over this period. In contrast, MLP (Master Limited Partnership) and BDC (Business Development Company) performance over this period was negative. MLPs decreased 4.6% as measured by the Alerian MLP Total Return Index and BDCs decreased 1.2% as measured by the S&P BDC Total Return Index.

MLP performance over this period was negatively affected by a FERC (Federal Energy Regulatory Commission) ruling effectively reducing the distributions from many MLPs. However, MLP performance, as measured by the Alerian MLP Total Return Index, finished the period well above of its low of -16% recorded in late March 2018.

REIT performance, as measured by the Dow Jones REIT Total Return Index, was supported by the strength of the U.S. economy combined with a moderate and steady U.S. Federal Reserve Bank tightening policy.

**GraniteShares HIPS US High Income ETF (HIPS)**

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

The Fund employs a “passive management”—or indexing—investment approach designed to track the performance of the Index. The rules-based Index measures the performance of up to 300 high income U.S.-listed securities that typically have “pass-through” structures that require them to distribute substantially all of their earnings to shareholders as cash distributions. This “high income, pass-through” strategy is known as HIPS.

*The Index*

The Index is constructed to capture up to 300 high income securities, typically with pass-through structures, across the following sectors: (i) closed-end funds (“CEFs”), (ii) mortgage real estate investment trusts (“REITs”), (iii) commercial equity REITs, (iv) residential/diversified REITs, (v) asset management and business development companies (“BDCs”), and (vi) energy production and energy transportation and processing companies. Energy related companies included in the Index are expected to primarily be structured as master limited partnerships (“MLPs”). The instruments in which such CEFs invest may include debt securities of any maturity or quality. 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.

The Index applies a quantitative screen to the securities in such sectors for minimum sector-specific yields relative to the yield of the S&P 500® Index, minimum market capitalizations and minimum liquidity thresholds. The Index may include small-, mid-, and large-capitalization companies meeting the screening criteria.

The Index is rebalanced semi-annually, and securities in the Index are market capitalization weighted at the time of each rebalance. The Index’s exposure to each of the above sectors is capped at 25% of the total Index at the time of each rebalance. Additionally, at the time of each rebalance, the Index’s exposure to an individual security is capped at 20% of the Index’s exposure to that security’s sector.

*The Fund’s Investment Strategy*

The Fund attempts to invest all, or substantially all, of its assets in the securities that make up the Index. The Fund will generally use a “replication” strategy to achieve its investment objective, meaning it generally will invest in all of the component securities of the Index, but may, when the adviser believes it is in the best interests of the Fund, use a “representative sampling” strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics are expected to closely resemble the risk, return and other characteristics of the Index as a whole.

Under normal circumstances, at least 80% of the Fund’s total assets (exclusive of collateral held from securities lending) will be invested in the component securities of the Index and investments that have economic characteristics that are substantially identical to the economic characteristics of such component securities. GraniteShares Advisors LLC (“GraniteShares” or the “Adviser”), the Fund’s investment adviser, expects that, over time, the correlation between the Fund’s performance and that of the Index, before fees and expenses, will be 95% or better.

For the period July 1, 2017 through June 30, 2018 (the fiscal year end of the Fund), on a market price basis, the Fund returned 1.34%, on a total return basis. On a net asset value (“NAV”) basis, the Fund returned 2.69%, on a total return basis. During the same time period, the TFMS HIPS 300 Total Return Index returned 3.50%. The TFMS HIPS 300 Total Return Index is similar to the TFMS HIPS 300 Index except that the TFMS HIPS 300 Total Return Index performance includes the return that would be generated if all distributions from securities comprising the TFMS HIPS 300 Index were reinvested in the TFMS HIPS 300 Index. The majority of the Fund’s underperformance on a NAV basis relative to the TFMS HIPS 300 Index Total Return Index is a result of fees and operating expenses incurred by the fund as well as slight position differences between the Fund and TFMS HIPS 300 Index.

Positions that contributed most significantly to the Fund’s return included REITs (portfolio weight of 49.8%) and CEFs (portfolio weight of 8.5%). Positions that detracted most significantly from the Fund’s return included MLPs (portfolio weight of 22.3%) and BDCs and Asset Management Companies (combined portfolio weight of 27.3%).

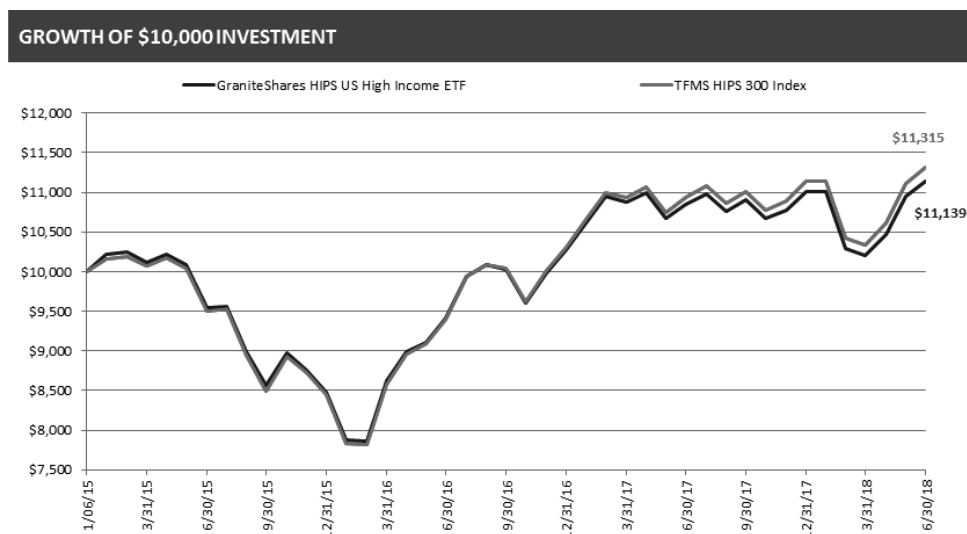
GraniteShares ETF Trust

Management Discussion of Fund Performance (Unaudited) (continued)

Percentage Weight (% of Fund's Net Assets as of June 30, 2018)	
Sector	Fund Percentage Weight By Sector*
Asset Mgmt Cos and BDCs .....	20.2%
Closed End Funds .....	9.1%
REITs .....	44.9%
MLPS .....	24.8%
Cash.....	1.0%

\* Allocations are subject to change.

**GROWTH OF \$10,000 INVESTMENT**  
For the period January 6, 2015\* to June 30, 2018



**HISTORICAL PERFORMANCE**  
Total Return as of June 30, 2018

	<u>1 Year</u>	<u>3 Year</u>	<u>Since Inception 1/6/2015*</u>
GraniteShares HIPS US High Income ETF NAV .....	2.69%	5.26%	3.15%
GraniteShares HIPS US High Income ETF Market Price** .....	1.34%	4.90%	2.91%
TFMS HIPS 300 Index .....	3.50%	5.91%	4.06%

**Total Annual Fund Operating Expenses were 1.42%.** 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. Fund NAV returns are calculated using the Fund's daily 4:00 p.m. NAV. Returns shown include the reinvestment of all dividends and other distributions. Index returns do not include expenses. The performance table and graph do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. For the fund's most recent month end performance, please call 1(844) 476-8747 or visit www.graniteshares.com.

\* Commencement of operations.

\*\* The price used to calculate market return ("Market Price") is determined by using the closing price listed on the NYSE Arca and does not represent returns an investor would receive if shares were traded at other times. Total returns are calculated using the daily 4:00 pm midpoint between the bid and offer. Shares are bought and sold at market price, not NAV and are not individually redeemed from the Fund.

- Dow Jones REIT Total Return Index - is an index comprised of REITs that directly own all or part of the properties in their portfolios.
- S&P BDC Total Return Index - is an index designed to track leading business development companies that trade on major U.S. exchanges.
- Alerian MLP Total Return Index - is a cap-weighted index, whose constituents represent approximately 85% the total market capitalization of energy MLPs.
- FT TaxCEFT Index - the First Trust Taxable Fixed Income Closed Fund Total Return Index is a cap weighted index designed to provide a broad representation of the taxable fixed income closed-end fund universe.
- An investor can not invest directly in an unmanaged index. Indexes do not reflect fees and/or expenses.
- Investing involves market risk, including the potential loss of principal. There are no assurances that the investment objective and strategies of the fund will be achieved. You could lose money by investing in the exchange-traded fund. Diversification does not assure a profit or protect against loss in a declining market. Past performance does not guarantee future performance results.

## Shareholder Expense Example

June 30, 2018 (Unaudited)

As a shareholder of the Fund you incur two types of costs: (1) transaction costs, including brokerage commissions paid on purchases and sales of Fund shares; and (2) ongoing costs, including management fees and other fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars and cents) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds.

The expense examples are based on an investment of \$1,000 invested at January 1, 2018 and held for the entire period ended June 30, 2018.

### ACTUAL EXPENSES

The first line under the Fund in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line for the Fund under the heading entitled “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

### HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line under the Fund in the table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of Fund shares. Therefore, the second line under the Fund in the table is useful in comparing ongoing Fund costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<b>Beginning Account Value 1/1/2018</b>	<b>Ending Account Value 6/30/2018</b>	<b>Annualized Expense Ratio for the Period</b>	<b>Expenses Paid During the Period<sup>(1)</sup></b>
<b>GraniteShares HIPS US High Income ETF</b>				
Actual.....	\$1,000.00	\$1,011.80	0.70%	\$3.49
Hypothetical (5% return before expenses) .....	\$1,000.00	\$1,021.32	0.70%	\$3.51

<sup>(1)</sup>Expenses are calculated using the Fund’s annualized expense ratio, multiplied by the average account value for the period, multiplied by 181/365 (to reflect the six month period).



# GraniteShares ETF Trust

## Schedule of Investments

### GraniteShares HIPS US High Income ETF

June 30, 2018

Investments	Shares	Value	Investments	Shares	Value
<b>COMMON STOCKS – 89.9%</b>			<b>COMMON STOCKS (continued)</b>		
<b>Capital Markets – 20.2%</b>			<b>Capital Markets (continued)</b>		
AllianceBernstein Holding LP <sup>(a)</sup> .....	999	\$ 28,521	Triangle Capital Corp. ....	468	\$ 5,382
Apollo Global Management LLC, Class A <sup>(a)</sup> .....	4,629	147,526	TriplePoint Venture Growth BDC Corp. ....	153	1,902
Apollo Investment Corp. ....	2,196	12,232	Waddell & Reed Financial, Inc., Class A.....	913	16,407
Ares Capital Corp. ....	4,735	77,891	Westwood Holdings Group, Inc.....	97	5,775
Ares Management LP <sup>(a)</sup> .....	2,121	43,905	WhiteHorse Finance, Inc. ....	55	798
Arlington Asset Investment Corp., Class A.....	234	2,412	Total Capital Markets .....		1,573,641
Artisan Partners Asset Management, Inc., Class A.....	776	23,396	<b>Energy Equipment &amp; Services – 4.0%</b>		
BlackRock Capital Investment Corp. .....	720	4,198	Baker Hughes a GE Co. ....	9,355	308,995
Blackstone Group LP (The) <sup>(a)</sup> .....	13,921	447,839	USA Compression Partners LP <sup>(a)</sup> .....	319	5,369
Carlyle Group LP (The) <sup>(a)</sup> .....	3,840	81,792	Total Energy Equipment & Services .....		314,364
Cohen & Steers, Inc. ....	248	10,344	<b>Equity Real Estate Investment – 36.2%<sup>(b)</sup></b>		
Corporate Capital Trust, Inc. ....	1,403	21,915	Alexander & Baldwin, Inc. <sup>(c)</sup> .....	748	17,578
Diamond Hill Investment Group, Inc. ....	32	6,222	Alexander's, Inc. <sup>(c)</sup> .....	33	12,627
Ellington Financial LLC <sup>(a)</sup> .....	297	4,636	American Campus Communities, Inc. <sup>(c)</sup> .....	1,529	65,563
Federated Investors, Inc., Class B.....	1,077	25,116	Apple Hospitality REIT, Inc. <sup>(c)</sup> .....	1,887	33,740
Fidus Investment Corp. ....	234	3,325	Armada Hoffer Properties, Inc. <sup>(c)</sup> .....	459	6,839
Franklin Resources, Inc. ....	3,532	113,201	Brandywine Realty Trust <sup>(c)</sup> .....	1,552	26,198
FS Investment Corp. ....	2,687	19,749	Brixmor Property Group, Inc. <sup>(c)</sup> .....	2,632	45,876
Gladstone Capital Corp.....	234	2,106	CatchMark Timber Trust, Inc., Class A <sup>(c)</sup> .....	477	6,072
Gladstone Investment Corp. ....	315	3,707	CBL & Associates Properties, Inc. <sup>(c)</sup> .....	1,499	8,349
Goldman Sachs BDC, Inc. ....	462	9,462	Chesapeake Lodging Trust <sup>(c)</sup> .....	536	16,959
Golub Capital BDC, Inc. ....	685	12,535	Colony Capital, Inc. <sup>(c)</sup> .....	5,596	34,919
Hercules Capital, Inc. ....	1,032	13,055	CoreCivic, Inc. <sup>(c)</sup> .....	1,353	32,323
Invesco Ltd. ....	4,583	121,724	CorEnergy Infrastructure Trust, Inc. <sup>(c)</sup> .....	108	4,061
Janus Henderson Group PLC (United Kingdom).....	2,008	61,706	Corporate Office Properties Trust <sup>(c)</sup> .....	887	25,714
Legg Mason, Inc. ....	954	33,132	DDR Corp. <sup>(c)</sup> .....	1,300	23,270
Main Street Capital Corp. ....	625	23,787	DiamondRock Hospitality Co. <sup>(c)</sup> .....	1,729	21,232
Monroe Capital Corp. ....	198	2,669	Easterly Government Properties, Inc. <sup>(c)</sup> .....	522	10,315
New Mountain Finance Corp.....	775	10,540	EPR Properties <sup>(c)</sup> .....	726	47,038
Newtek Business Services Corp. ....	148	2,947	Farmland Partners, Inc. <sup>(c)</sup> .....	288	2,534
Oaktree Capital Group LLC <sup>(a)</sup> .....	1,755	71,341	Four Corners Property Trust, Inc. <sup>(c)</sup> .....	687	16,921
Oaktree Specialty Lending Corp.....	1,347	6,439	Front Yard Residential Corp. <sup>(c)</sup> .....	532	5,543
Oaktree Strategic Income Corp.....	270	2,295	Gaming and Leisure Properties, Inc. <sup>(c)</sup> .....	2,223	79,583
Oxford Square Capital Corp. ....	504	3,478	GEO Group, Inc. (The) <sup>(c)</sup> .....	1,398	38,501
PennantPark Floating Rate Capital Ltd. ....	433	5,915	Getty Realty Corp. <sup>(c)</sup> .....	298	8,395
PennantPark Investment Corp. ....	711	4,981	GGP, Inc. <sup>(c)</sup> .....	5,453	111,405
Prospect Capital Corp.....	3,745	25,129	Gladstone Commercial Corp. <sup>(c)</sup> .....	351	6,746
Pzena Investment Management, Inc., Class A.....	739	6,806	Global Net Lease, Inc. <sup>(c)</sup> .....	755	15,425
Solar Capital Ltd.....	489	9,995	Government Properties Income Trust <sup>(c)</sup> .....	896	14,202
Solar Senior Capital Ltd. ....	135	2,202	Gramercy Property Trust <sup>(c)</sup> .....	1,395	38,111
TCG BDC, Inc. ....	726	12,356	Hospitality Properties Trust <sup>(c)</sup> .....	1,409	40,311
TCP Capital Corp. ....	576	8,323	Host Hotels & Resorts, Inc. <sup>(c)</sup> .....	6,366	134,132
THL Credit, Inc. ....	324	2,534			
TPG Specialty Lending, Inc.....	557	9,993			

See accompanying notes to the financial statements.

# GraniteShares ETF Trust

## Schedule of Investments (continued)

### GraniteShares HIPS US High Income ETF

June 30, 2018

Investments	Shares	Value	Investments	Shares	Value
<b>COMMON STOCKS (continued)</b>			<b>COMMON STOCKS (continued)</b>		
<b>Equity Real Estate Investment (continued)</b>			<b>Mortgage Real Estate Investment – 8.7%</b>		
Independence Realty Trust, Inc. <sup>(c)</sup> ....	978	\$ 10,083	AG Mortgage Investment Trust, Inc. <sup>(c)</sup> .....	270	\$ 5,073
Investors Real Estate Trust <sup>(c)</sup> .....	1,197	6,619	AGNC Investment Corp. <sup>(c)</sup> .....	4,792	89,083
Iron Mountain, Inc. <sup>(c)</sup> .....	3,232	113,152	Annaly Capital Management, Inc. <sup>(c)</sup> .....	13,016	133,935
Jernigan Capital, Inc. <sup>(c)</sup> .....	225	4,288	Anworth Mortgage Asset Corp. <sup>(c)</sup> ....	936	4,652
Kimco Realty Corp. <sup>(c)</sup> .....	3,714	63,101	Apollo Commercial Real Estate Finance, Inc. <sup>(c)</sup> .....	1,253	22,905
Kite Realty Group Trust <sup>(c)</sup> .....	756	12,912	Arbor Realty Trust, Inc. <sup>(c)</sup> .....	684	7,134
LaSalle Hotel Properties <sup>(c)</sup> .....	962	32,929	ARMOUR Residential REIT, Inc. <sup>(c)</sup> .....	470	10,721
Lexington Realty Trust <sup>(c)</sup> .....	2,420	21,127	Blackstone Mortgage Trust, Inc., Class A <sup>(c)</sup> .....	1,220	38,345
Life Storage, Inc. <sup>(c)</sup> .....	522	50,796	Capstead Mortgage Corp. <sup>(c)</sup> .....	945	8,458
Macerich Co. (The) <sup>(c)</sup> .....	944	53,648	Chimera Investment Corp. <sup>(c)</sup> .....	2,096	38,315
Mack-Cali Realty Corp. <sup>(c)</sup> .....	783	15,879	CYS Investments, Inc. <sup>(c)</sup> .....	1,747	13,103
MGM Growth Properties LLC, Class A <sup>(c)</sup> .....	2,234	68,048	Granite Point Mortgage Trust, Inc. <sup>(c)</sup> .....	487	8,936
Monmouth Real Estate Investment Corp., Class A <sup>(c)</sup> .....	688	11,373	Hannon Armstrong Sustainable Infrastructure Capital, Inc. <sup>(c)</sup> ....	553	10,922
National Retail Properties, Inc. <sup>(c)</sup> .....	1,326	58,291	Invesco Mortgage Capital, Inc. <sup>(c)</sup> ....	1,249	19,859
One Liberty Properties, Inc. <sup>(c)</sup> .....	153	4,041	KKR Real Estate Finance Trust, Inc. Ladder Capital Corp. <sup>(c)</sup> .....	1,189	18,572
Outfront Media, Inc. <sup>(c)</sup> .....	1,546	30,070	MFA Financial, Inc. <sup>(c)</sup> .....	4,479	33,951
Park Hotels & Resorts, Inc. <sup>(c)</sup> .....	1,751	53,633	MTGE Investment Corp. <sup>(c)</sup> .....	508	9,957
Pebblebrook Hotel Trust <sup>(c)</sup> .....	588	22,814	New Residential Investment Corp. <sup>(c)</sup> .....	3,774	66,007
Piedmont Office Realty Trust, Inc., Class A <sup>(c)</sup> .....	1,115	22,222	New York Mortgage Trust, Inc. <sup>(c)</sup> ....	1,125	6,761
Preferred Apartment Communities, Inc., Class A <sup>(c)</sup> .....	364	6,184	PennyMac Mortgage Investment Trust <sup>(c)</sup> .....	701	13,312
QTS Realty Trust, Inc., Class A <sup>(c)</sup> ....	570	22,515	Redwood Trust, Inc. <sup>(c)</sup> .....	849	13,983
Ramco-Gershenson Properties Trust <sup>(c)</sup> .....	728	9,617	Starwood Property Trust, Inc. <sup>(c)</sup> .....	2,937	63,762
Realty Income Corp. <sup>(c)</sup> .....	2,460	132,323	Sutherland Asset Management Corp. <sup>(c)</sup> .....	175	2,844
Retail Opportunity Investments Corp. <sup>(c)</sup> .....	999	19,141	TPG RE Finance Trust, Inc. <sup>(c)</sup> .....	120	2,438
Retail Properties of America, Inc., Class A <sup>(c)</sup> .....	1,918	24,512	Two Harbors Investment Corp. <sup>(c)</sup> ....	1,963	31,015
RLJ Lodging Trust <sup>(c)</sup> .....	1,494	32,943	Total Mortgage Real Estate Investment .....		676,397
Ryman Hospitality Properties, Inc. <sup>(c)</sup> .....	434	36,087			
Select Income REIT <sup>(c)</sup> .....	561	12,606	<b>Oil, Gas &amp; Consumable Fuels – 20.8%</b>		
Simon Property Group, Inc. <sup>(c)</sup> .....	2,670	454,407	Alliance Resource Partners LP <sup>(a)</sup> .....	560	10,276
Spirit Realty Capital, Inc. <sup>(c)</sup> .....	3,739	30,024	Andeavor Logistics LP <sup>(a)</sup> .....	751	31,940
STAG Industrial, Inc. <sup>(c)</sup> .....	862	23,472	Black Stone Minerals LP <sup>(a)</sup> .....	1,398	25,849
STORE Capital Corp. <sup>(c)</sup> .....	1,930	52,882	Buckeye Partners LP <sup>(a)</sup> .....	1,281	45,027
Summit Hotel Properties, Inc. <sup>(c)</sup> .....	886	12,679	CNX Midstream Partners LP <sup>(a)</sup> .....	173	3,354
Sunstone Hotel Investors, Inc. <sup>(c)</sup> .....	1,927	32,027	Crestwood Equity Partners LP <sup>(a)</sup> .....	398	12,636
Tanger Factory Outlet Centers, Inc. <sup>(c)</sup> .....	820	19,262	CVR Refining LP <sup>(a)</sup> .....	428	9,566
Taubman Centers, Inc. <sup>(c)</sup> .....	529	31,084	DCP Midstream LP <sup>(a)</sup> .....	760	30,058
UMH Properties, Inc. <sup>(c)</sup> .....	320	4,912	Dominion Energy Midstream Partners LP .....	528	7,181
VEREIT, Inc. <sup>(c)</sup> .....	10,778	80,188	Enable Midstream Partners LP <sup>(a)</sup> .....	699	11,960
Washington Prime Group, Inc. <sup>(c)</sup> .....	1,705	13,828	Enbridge Energy Partners LP <sup>(a)</sup> .....	2,937	32,101
Washington Real Estate Investment Trust <sup>(c)</sup> .....	882	26,751	Energy Transfer Equity LP <sup>(a)</sup> .....	7,231	124,735
Weingarten Realty Investors <sup>(c)</sup> .....	1,012	31,180	Energy Transfer Partners LP <sup>(a)</sup> .....	8,988	171,132
WP Carey, Inc. <sup>(c)</sup> .....	1,202	79,753	EnLink Midstream LLC .....	549	9,031
Xenia Hotels & Resorts, Inc. <sup>(c)</sup> .....	915	22,289	EnLink Midstream Partners LP <sup>(a)</sup> .....	1,381	21,447
Total Equity Real Estate Investment.		2,816,174	Enterprise Products Partners LP <sup>(a)</sup> ....	12,417	343,578
			Enviva Partners LP .....	270	7,857
			EQT Midstream Partners LP .....	535	27,601

See accompanying notes to the financial statements.

# GraniteShares ETF Trust

## Schedule of Investments (continued)

### GraniteShares HIPS US High Income ETF

June 30, 2018

Investments	Shares	Value	Investments	Shares	Value
<b>COMMON STOCKS (continued)</b>			<b>INVESTMENT COMPANIES (continued)</b>		
<b>Oil, Gas &amp; Consumable Fuels (continued)</b>			BlackRock Credit Allocation		
Genesis Energy LP <sup>(a)</sup> .....	883	\$ 19,347	Income Trust.....	1,162	\$ 14,037
Golar LNG Partners LP (United Kingdom).....	386	5,968	BlackRock Debt Strategies Fund, Inc. ....	603	6,742
Hess Midstream Partners LP.....	267	5,260	BlackRock Floating Rate Income Strategies Fund, Inc. ....	444	6,172
Holly Energy Partners LP <sup>(a)</sup> .....	385	10,880	BlackRock Floating Rate Income Trust.....	234	3,058
MPLX LP <sup>(a)</sup> .....	2,392	81,663	BlackRock Income Trust, Inc. ....	633	3,690
NGL Energy Partners LP <sup>(a)</sup> .....	1,030	12,875	BlackRock Limited Duration Income Trust.....	369	5,487
NuStar Energy LP <sup>(a)</sup> .....	670	15,175	BlackRock Multi-Sector Income Trust.....	453	7,742
Plains All American Pipeline LP <sup>(a)</sup> .....	3,580	84,631	BlackRock Taxable Municipal Bond Trust.....	633	13,989
Plains GP Holdings LP, Class A*.....	2,361	56,451	Blackstone/GSO Senior Floating Rate Term Fund .....	144	2,595
Rice Midstream Partners LP.....	854	14,535	Blackstone/GSO Strategic Credit Fund.....	491	7,763
SemGroup Corp., Class A.....	550	13,970	BrandywineGLOBAL Global Income Opportunities Fund, Inc. ....	207	2,358
Shell Midstream Partners LP.....	1,119	24,819	Brookfield Real Assets Income Fund, Inc. ....	410	9,307
Ship Finance International Ltd. (Norway).....	806	12,050	Calamos Convertible and High Income Fund .....	807	10,281
Spectra Energy Partners LP <sup>(a)</sup> .....	748	26,494	Calamos Convertible Opportunities and Income Fund .....	783	9,232
Summit Midstream Partners LP <sup>(a)</sup> .....	359	5,529	Calamos Dynamic Convertible & Income Fund .....	271	5,845
Sunoco LP <sup>(a)</sup> .....	392	9,784	Cohen & Steers Limited Duration Preferred and Income Fund, Inc. ....	334	8,540
Tallgrass Energy Partners LP <sup>(a)</sup> .....	771	33,392	Cohen & Steers Select Preferred and Income Fund, Inc. ....	118	3,168
Targa Resources Corp.....	1,826	90,369	Credit Suisse High Yield Bond Fund	990	2,623
TC PipeLines LP <sup>(a)</sup> .....	445	11,548	DoubleLine Funds Trust - DoubleLine Opportunistic Credit Fund .....	144	3,005
Teekay LNG Partners LP (Bermuda)	434	7,313	DoubleLine Income Solutions Fund	1,131	22,609
Viper Energy Partners LP <sup>(a)</sup> .....	337	10,754	Dreyfus High Yield Strategies Fund	720	2,268
Western Gas Equity Partners LP.....	336	12,012	Duff & Phelps Utility and Corporate Bond Trust, Inc. ....	306	2,674
Western Gas Partners LP <sup>(a)</sup> .....	877	42,438	Eagle Point Credit Co., Inc. ....	271	4,924
Williams Partners LP <sup>(a)</sup> .....	2,041	82,844	Eaton Vance Floating-Rate 2022 Target Term Trust.....	263	2,483
Total Oil, Gas & Consumable Fuels .		1,615,430	Eaton Vance Floating-Rate Income Trust.....	396	5,742
<b>Total Common Stocks</b>			Eaton Vance Limited Duration Income Fund .....	1,282	16,128
<b>(Cost \$6,919,927)</b> .....		6,996,006	Eaton Vance Senior Floating-Rate Trust.....	369	5,303
<b>INVESTMENT COMPANIES – 9.1%</b>			Eaton Vance Senior Income Trust ...	374	2,386
Aberdeen Asia-Pacific Income Fund, Inc.....	2,838	12,260	Eaton Vance Short Duration Diversified Income Fund .....	176	2,291
Advent Claymore Convertible Securities and Income Fund.....	223	3,410	First Trust High Income Long/Short Fund.....	394	5,804
AllianceBernstein Global High Income Fund, Inc. ....	955	11,021			
AllianzGI Convertible & Income Fund.....	983	6,871			
AllianzGI Convertible & Income Fund II .....	833	5,023			
AllianzGI Diversified Income & Convertible Fund .....	114	2,616			
Apollo Senior Floating Rate Fund, Inc.....	153	2,498			
Apollo Tactical Income Fund, Inc. ...	144	2,246			
Ares Dynamic Credit Allocation Fund, Inc.....	234	3,765			
Barings Global Short Duration High Yield Fund .....	198	3,718			
BlackRock Corporate High Yield Fund, Inc.....	1,410	14,749			

See accompanying notes to the financial statements.

# GraniteShares ETF Trust

## Schedule of Investments (continued)

### GraniteShares HIPS US High Income ETF

June 30, 2018

Investments	Shares	Value	Investments	Shares	Value
<b>INVESTMENT COMPANIES (continued)</b>			<b>INVESTMENT COMPANIES (continued)</b>		
First Trust Intermediate Duration Preferred & Income Fund .....	675	\$ 14,573	Nuveen Mortgage Opportunity Term Fund .....	178	\$ 4,185
First Trust Senior Floating Rate 2022 Target Term Fund .....	351	3,257	Nuveen Preferred & Income Opportunities Fund .....	1,163	10,851
First Trust Senior Floating Rate Income Fund II .....	261	3,354	Nuveen Preferred & Income Securities Fund .....	2,253	19,849
Flaherty & Crumrine Preferred Securities Income Fund, Inc. ....	482	9,119	Nuveen Preferred & Income Term Fund .....	274	6,338
Franklin Limited Duration Income Trust .....	216	2,359	Nuveen Senior Income Fund .....	374	2,330
Guggenheim Taxable Municipal Managed Duration Trust .....	171	3,709	PGIM Global Short Duration High Yield Fund, Inc. ....	480	6,557
Highland Floating Rate Opportunities Fund .....	801	12,512	PGIM Short Duration High Yield Fund, Inc. ....	399	5,586
Invesco Dynamic Credit Opportunities Fund .....	838	9,738	PIMCO Corporate & Income Opportunity Fund .....	900	15,741
Invesco High Income 2023 Target Term Fund .....	234	2,317	PIMCO Corporate & Income Strategy Fund .....	462	8,108
Invesco Senior Income Trust .....	2,032	8,697	PIMCO Dynamic Credit and Mortgage Income Fund .....	1,533	36,133
Ivy High Income Opportunities Fund .....	162	2,321	Pimco Dynamic Income Fund .....	595	18,963
John Hancock Preferred Income Fund .....	307	6,686	PIMCO High Income Fund .....	1,460	12,191
John Hancock Preferred Income Fund II .....	260	5,546	PIMCO Income Opportunity Fund ..	194	5,298
John Hancock Preferred Income Fund III .....	361	6,729	PIMCO Income Strategy Fund .....	318	3,768
KKR Income Opportunities Fund .....	269	4,455	PIMCO Income Strategy Fund II .....	685	7,172
MainStay MacKay DefinedTerm Municipal Opportunities Fund ..	307	5,953	PIMCO Strategic Income Fund, Inc.	514	4,975
MFS Charter Income Trust .....	631	5,004	Pioneer Floating Rate Trust .....	243	2,717
MFS Intermediate Income Trust .....	1,170	4,516	Pioneer High Income Trust .....	288	2,676
MFS Multimarket Income Trust .....	765	4,322	Putnam Premier Income Trust .....	1,312	6,862
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc. ....	666	4,462	Templeton Emerging Markets Income Fund .....	573	5,885
Neuberger Berman High Yield Strategies Fund, Inc. ....	189	2,045	Templeton Global Income Fund .....	1,498	9,198
Nuveen Build America Bond Fund ..	311	6,410	Voya Prime Rate Trust .....	1,626	8,179
Nuveen Credit Opportunities 2022 Target Term Fund .....	308	2,907	Wells Fargo Income Opportunities Fund .....	702	5,609
Nuveen Credit Strategies Income Fund .....	1,541	12,251	Wells Fargo Multi-Sector Income Fund .....	342	4,268
Nuveen Floating Rate Income Fund .	658	6,876	Western Asset Emerging Markets Debt Fund, Inc. ....	702	9,316
Nuveen Floating Rate Income Opportunity Fund .....	496	5,163	Western Asset Global Corporate Defined Opportunity Fund, Inc.	144	2,412
Nuveen Global High Income Fund, Class I .....	225	3,474	Western Asset Global High Income Fund, Inc. ....	450	4,104
Nuveen High Income December 2018 Target Term Fund .....	288	2,845	Western Asset High Income Fund II, Inc. ....	864	5,564
Nuveen High Income December 2019 Target Term Fund .....	268	2,634	Western Asset High Income Opportunity Fund, Inc. ....	1,462	7,047
Nuveen High Income November 2021 Target Term Fund .....	649	6,204	Western Asset High Yield Defined Opportunity Fund, Inc. ....	225	3,283
Nuveen Intermediate Duration Municipal Term Fund .....	524	6,519	Western Asset Inflation-Linked Opportunities & Income Fund .	703	7,838
			Western Asset Inflation-Linked Securities & Income Fund .....	288	3,292
			Western Asset Mortgage Defined Opportunity Fund, Inc. ....	99	2,281

See accompanying notes to the financial statements.

## GraniteShares ETF Trust

### Schedule of Investments (continued)

#### GraniteShares HIPS US High Income ETF

June 30, 2018

Investments	Shares	Value
<b>INVESTMENT COMPANIES (continued)</b>		
BlackRock Core Bond Trust.....	536	\$ 6,839
<b>Total Investment Companies</b>		
(Cost \$735,481).....		708,795
<b>MONEY MARKET FUND – 0.2%</b>		
BlackRock Treasury Trust, 1.70% <sup>(d)</sup>		
(Cost \$18,599).....	18,599	18,599
Total Investments – 99.2%		
(Cost \$7,674,007).....		7,723,400
Other Assets in Excess of Liabilities – 0.8% .....		62,592
<b>Net Assets – 100.0%</b> .....		<b>\$ 7,785,992</b>

\* Non-income producing security.

(a) Master Limited Partnership ("MLP")

(b) To the extent the Fund invests more heavily in particular sectors of the economy its performance will be especially sensitive to developments that significantly affect those sectors.

(c) Real Estate Investment Trust ("REIT")

(d) Rate shown reflects the 7-day yield as of June 30, 2018.

The following table summarizes valuation of the Fund's investments under the fair value hierarchy levels as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
<b>Asset Valuation Inputs</b>				
Investments in Securities				
Common Stocks.....	\$ 6,996,006	\$ –	\$ –	\$ 6,996,006
Investment Companies.....	708,795	–	–	708,795
Money Market Fund .....	18,599	–	–	18,599
<b>Total .....</b>	<b>\$ 7,723,400</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 7,723,400</b>

For the period ended June 30, 2018, there were no transfers between any levels. As of June 30, 2018 there were no Level 3 investments held in the Fund.

See accompanying notes to the financial statements.

## GraniteShares ETF Trust

# Statement of Assets and Liabilities

June 30, 2018

	<b>GraniteShares HIPS US High Income ETF</b>
Assets:	
Investments at cost.....	\$ 7,674,007
Investments at value .....	\$ 7,723,400
Securities sold receivable.....	1,323,148
Dividends and interest receivable .....	35,025
<b>Total Assets</b> .....	<u>9,081,573</u>
Liabilities:	
Payable to custodian .....	321
Securities purchased payable .....	1,270,943
Advisory fees payable.....	17,151
Trustees' fees payable.....	1,667
CCO fees payable .....	5,499
<b>Total Liabilities</b> .....	<u>1,295,581</u>
<b>Net Assets</b> .....	<u>\$ 7,785,992</u>
Net Assets Consist of:	
Paid-in capital .....	\$ 8,058,447
Distributions in excess of net investment income .....	(267,756)
Accumulated net realized loss .....	(54,092)
Net unrealized appreciation .....	49,393
<b>Net Assets</b> .....	<u>\$ 7,785,992</u>
Shares Outstanding .....	<u>450,000</u>
<b>Net Asset Value per share:</b> .....	<u>\$ 17.30</u>

## GraniteShares ETF Trust

# Statement of Operations

	GraniteShares HIPS US High Income ETF	
	Year Ended June 30, 2018*	Year Ended November 30, 2017
Investment Income:		
Dividends.....	\$ 187,461	\$ 370,193
Interest .....	—	218
Total Investment Income .....	187,461	370,411
Expenses:		
Advisory fees.....	36,398	70,622
Trustees' fees.....	3,646	—
CCO fees .....	10,495	—
Total Expenses.....	50,539	70,622
Expense Reimbursement.....	(14,141)	—
Net Expenses .....	36,398	70,622
Net Investment Income .....	151,063	299,789
Net Realized and Unrealized Gain (Loss) on:		
Net realized gain (loss) on:		
Investments.....	(29,469)	181,484
Distributions by other investment companies .....	342	—
In-Kind redemptions.....	164,659	—
Net realized gain.....	135,532	181,484
Net change in unrealized appreciation (depreciation) on investments .....	(25,385)	168,598
Net Realized and Unrealized Gain.....	110,147	350,082
Net Increase in Net Assets Resulting from Operations.....	\$ 261,210	\$ 649,871

\* For the period December 1, 2017 to June 30, 2018.

## GraniteShares ETF Trust

# Statements of Changes in Net Assets

	GraniteShares HIPS US High Income ETF		
	Year Ended June 30, 2018*	Year Ended November 30,	
		2017	2016
Operations:			
Net investment income .....	\$ 151,063	\$ 299,789	\$ 242,439
Net realized gain (loss) .....	135,532	181,484	(240,167)
Net change in unrealized gain (loss) .....	(25,385)	168,598	673,686
Net Increase in Net Assets Resulting from Operations .....	<u>261,210</u>	<u>649,871</u>	<u>675,958</u>
Distributions to shareholders:			
From net investment income .....	(299,833)	(250,280)	(279,464)
Tax return of capital to shareholders .....	(87,167)	(426,970)	(139,786)
Total distributions to shareholders .....	<u>(387,000)</u>	<u>(677,250)</u>	<u>(419,250)</u>
From share transactions:			
Proceeds from sales of shares .....	—	4,489,725	1,746,685
Cost of shares redeemed .....	(2,581,936)	(934,185)	—
Net increase (decrease) in net assets resulting from share transactions .....	<u>(2,581,936)</u>	<u>3,555,540</u>	<u>1,746,685</u>
Total Increase (Decrease) in net assets .....	<u>(2,707,726)</u>	<u>3,528,161</u>	<u>2,003,393</u>
Net Assets:			
Beginning of year .....	10,493,718	6,965,557	4,962,164
End of year .....	<u>\$ 7,785,992</u>	<u>\$ 10,493,718</u>	<u>6,965,557</u>
Distributions in excess of net investment income .....	<u>\$ (267,756)</u>	<u>\$ (74,917)</u>	<u>(56,677)</u>
Changes in Shares Outstanding:			
Shares outstanding, beginning of year .....	600,000	400,000	300,000
Shares sold .....	—	250,000	100,000
Shares redeemed .....	(150,000)	(50,000)	—
Shares outstanding, end of year .....	<u>450,000</u>	<u>600,000</u>	<u>400,000</u>

\* For the period December 1, 2017 to June 30, 2018.



## GraniteShares ETF Trust

# Financial Highlights

GraniteShares HIPS US High Income ETF	Year Ended		Year Ended November 30,		For the
	June 30, 2018 <sup>(a)</sup>	2017	2016	2015	Period January 6, 2015 <sup>*</sup> to November 30, 2015
Operating Performance:					
Net asset value, beginning of year/period .....	\$ 17.49	\$ 17.41	\$ 16.54	\$ 20.00	
Net investment income <sup>(b)</sup> .....	0.29	0.57	0.74	0.63	
Distributions of net realized gains from investments in other investment companies .....	— <sup>(d)</sup>	—	—	—	
Net realized and unrealized gain (loss) <sup>(c)</sup> .....	0.27	0.80	1.42	(3.01)	
Total gain (loss) from investment operations .....	0.56	1.37	2.16	(2.38)	
Less distributions from:					
Net investment income .....	(0.58)	(0.48)	(0.85)	(0.59)	
Tax return of capital to shareholders .....	(0.17)	(0.81)	(0.44)	(0.49)	
Total distributions .....	(0.75)	(1.29)	(1.29)	(1.08)	
Net asset value, end of year/period .....	\$ 17.30	\$ 17.49	\$ 17.41	\$ 16.54	
Total Return <sup>(e)</sup> .....	3.38% <sup>(f)</sup>	7.87%	14.02%	(12.39)% <sup>(f)</sup>	
Ratios to Average Net Assets and Supplemental Data:					
Net assets, end of year/period (in 000's) .....	\$ 7,786	\$ 10,494	\$ 6,966	\$ 4,962	
Ratio of net investment income to average net assets .....	2.92% <sup>(g)</sup>	3.18%	4.49%	3.72% <sup>(g)</sup>	
Ratio of net investment income (loss) excluding tax expense to average net assets .....	2.92% <sup>(g)</sup>	3.18%	4.50%	3.72% <sup>(g)</sup>	
Ratio of operating expenses before waivers/reimbursements .....	0.98% <sup>(g)</sup>	0.75%	0.76%	0.75% <sup>(g)</sup>	
Ratio of net operating expenses net of waivers/reimbursements ...	0.70% <sup>(g)</sup>	0.75%	0.75%	0.75% <sup>(g)</sup>	
Portfolio turnover rate <sup>(h)</sup> .....	33% <sup>(f)</sup>	88%	54%	23% <sup>(f)</sup>	

\* Commencement of operations.

(a) For the period December 1, 2017 to June 30, 2018.

(b) Per share data is calculated using the average daily shares outstanding method.

(c) Calculation of the net gain (loss) per share (both realized and unrealized) does not correlate to the aggregate realized and unrealized losses presented in the Statement of Operations due to the timing of sales and repurchases of Fund shares in relation to fluctuating market values of the investments of the Fund.

(d) Amount represents less than \$0.005 per share.

(e) Total return would have been lower if certain fees had not been reimbursed by the Advisor.

(f) Not annualized.

(g) Annualized.

(h) Excludes the impact of in-kind transactions.

## Notes to Financial Statements

June 30, 2018

### 1. ORGANIZATION

GraniteShares HIPS US High Income ETF (the “Fund”) is a diversified series of GraniteShares ETF Trust (the “Trust”), an open-end management investment company consisting of three investment series, organized as a Delaware statutory trust on November 7, 2016. The remaining Funds in the Trust is presented separately. The Trust is registered with the SEC under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares is registered under the Securities Act of 1933, as amended (the “Securities Act”). The investment objective of the Fund is to track the performance, before fees and expenses, of the TFMS HIPS 300 Index (the “Index”). The Fund commenced operations on January 6, 2015.

On December 13, 2017, the shareholders of the Master Income ETF (the “Reorganizing Fund”), a series of the ETF Series Solutions, approved an Agreement and Plan of Reorganization providing for the transfer of all assets and liabilities of the Reorganizing Fund to the GraniteShares ETF Trust. The GraniteShares HIPS US High Income ETF, a new series of the Trust, assumed the financial and performance history of the Master Income ETF. The tax-free merger took place on December 15, 2017.

The Fund’s fiscal year was changed to June 30. As a result, the Fund had a shortened fiscal year covering the transitional period between the Fund’s prior fiscal year end November 30, 2017 and June 30, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which require management to make certain estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates. The Fund follows the accounting and reporting guidance in the Accounting Standards Codifications 946, “Financial Services—Investment Companies” issued by the U.S. Financial Accounting Standards Board.

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**Investment Transactions and Investment Income:** Investment transactions are recorded on the trade date. Gains and losses on securities sold are determined on the basis of identified cost. Dividend income, if any, is recorded on the ex-dividend date or, in the case of foreign securities, as soon as the Fund is informed of the ex-dividend dates. Interest income, including accretion of discounts and amortization of premiums, is recorded on the accrual basis. Withholding taxes on foreign dividends have been provided for in accordance with the Fund’s understanding of the applicable tax rules and regulations.

Distributions received from the Fund’s investments in master limited partnerships (“MLPs”) generally are comprised of ordinary income and return of capital from the MLPs. The Fund allocates distributions between investment income and return of capital based on estimates. Such estimates are based on information provided by each MLP and other industry sources. These estimates may subsequently be revised based on actual allocations received from MLPs after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Fund.

Distributions received from the Fund’s investments in real estate investment trusts (“REITs”) may be characterized as ordinary income, net capital gain, or a return of capital. The proper characterization of REIT distributions is generally not known until after the end of each calendar year. As such, the Fund must use estimates in reporting the character of its income and distributions for financial statement purposes. The actual character of distributions to the Fund’s shareholders will be reflected on the Form 1099 received by shareholders after the end of the calendar year. Due to the nature of REIT investments, a portion of the distributions received by the Fund’s shareholders may represent a return of capital.

Distributions received from the Fund’s investments in closed-end funds (“CEFs”) are recorded as ordinary income, net realized capital gain or return of capital based on information reported by the CEFs and management’s estimates of such amounts based on historical information. These estimates are adjusted with the tax returns after the actual source of distributions has been disclosed by the CEFs and may differ from the estimated amounts.

**Dividend Distributions:** Distributions to shareholders are recorded on the ex-dividend date and are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. The Fund distributes all or substantially all of its net investment income to shareholders in the form of dividends.

## Notes to Financial Statements (continued)

June 30, 2018

### 3. SECURITIES VALUATION

The NAV per share of the Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash and other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent. The Fund's shares will not be priced on the days on which the New York Stock Exchange Arca, Inc. ("NYSE Arca") is closed for trading. The offering and redemption price per share for the Fund is equal to the Fund's NAV per share.

Certain securities may not be able to be priced by pre-established pricing methods. Such securities may be valued by the Board or its delegate at fair value. These securities generally include but are not limited to, restricted securities (securities which may not be publicly sold without registration under the 1933 Act) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of the Fund net asset value (as may be the case in foreign markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, does not reflect the security's "fair value." A variety of factors may be considered in determining the fair value of such securities.

Valuing the Fund's investments using fair value pricing will result in using prices for those investments that may differ from current market valuations.

#### **Fair Valuation Measurement**

The Financial Accounting Standards Board established a framework for measuring fair value in accordance with U.S. GAAP. Under Fair Value Measurements and Disclosures, various inputs are used in determining the value of the exchange traded fund's investments. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The three Levels of inputs of the fair value hierarchy are defined as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The hierarchy classification of inputs used to value the Fund's investments at June 30, 2018, is disclosed at the end of the Fund's Schedule of Investments.

### 4. ADVISORY AND OTHER AGREEMENTS

GraniteShares Advisors LLC, the investment adviser to the Fund, is a Delaware limited Liability Company located at 205 Hudson Street, 7th Floor, New York, NY 10013. The Adviser provides investment advisory services to exchange-traded funds. The Adviser serves as investment adviser to the Fund with overall responsibility for the portfolio management of the Fund, subject to the supervision of the Board of Trustees (the "Board") of the Trust. For its services, the Adviser receives a fee that is equal to 0.70% per annum of the average daily net assets of the Fund.

## Notes to Financial Statements (continued)

June 30, 2018

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During the period ended June 30, 2018, the Fund reimbursed \$1,372.

The Bank of New York Mellon (in each capacity, the “Administrator,” “Custodian,” “Accounting Agent” or “Transfer Agent”) serves as the Funds’ Administrator, Custodian, Accounting Agent and Transfer Agent pursuant to the Funds Administration and Accounting Agreement. The Bank of New York Mellon is a subsidiary of The Bank of New York Mellon Corporation, a financial holding company.

Forside Fund Services, LLC. (“Distributor”) serves as the Funds’ distributor. The Trust has adopted a distribution and service plan (“Rule 12b-1 Plan”) pursuant to Rule 12b-1 under the 1940 Act. Under the Rule 12b-1 Plan, the Fund is authorized to pay an amount up to a maximum annual rate of 0.25% of its average net assets in connection with the sale and distribution of its shares and pay service fees in connection with the provision of ongoing services to shareholders. No distribution fees are currently charged to the Funds; there are no plans to impose these fees.

### 5. SHARE TRANSACTIONS

Shares of the Fund are listed and traded on NYSE Arca. Market prices for the shares may be different from their NAV. The Fund issues and redeems shares on a continuous basis at NAV only in blocks of 50,000 shares, called “Creation Units.” Creation Units are issued and redeemed principally in-kind for securities included in a specified universe. Once created, shares generally trade in the secondary market at market prices that change throughout the day. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Creation Units may only be purchased or redeemed by certain financial institutions (“Authorized Participants”). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem shares directly from the Fund. Rather, most retail investors may purchase shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

The Fund currently offers one class of shares, which has no front-end sales load, no deferred sales charge, and no redemption fee. A fixed transaction fee is imposed for the transfer and other transaction costs associated with the purchase or sale of a Creation Unit. The standard fixed transaction fee for the Fund is \$750, payable to the Custodian. In addition, a variable fee may be charged on all cash transactions or substitutes for Creation Units of up to a maximum of 2% of the value of the Creation Units subject to the transaction. Variable fees are imposed to compensate the Fund for the transaction costs associated with the cash transactions. There were no variable fees received during the year. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

### 6. INVESTMENT TRANSACTIONS

During the year ended June 30, 2018, purchases and sales of securities by the Fund, excluding short-term securities and in-kind transactions, were \$2,925,734 and \$3,027,492, respectively.

During the year ended June 30, 2018, in-kind transactions associated with creations and redemptions were \$- and \$2,564,480, respectively.

### 7. FEDERAL INCOME TAX MATTERS

The Fund intends to qualify as a “regulated investment company” under Subchapter M of the Internal Revenue Code of 1986, as amended. If so qualified, the Fund will not be subject to a Federal income tax to the extent it distributes substantially all of its net investment income and net capital gains to its shareholders. Accounting for Uncertainty in Income Taxes provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements, and requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more than-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Interest and penalty related to income taxes would be recorded as income tax expense. Management of the Fund is required to analyze all open tax years, as defined by IRS statute of limitations, for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of November 30, 2017, the Fund did not have a liability for any unrecognized tax benefits. The Fund has no examination in progress and are not aware of any tax positions for which it is reasonably possible that the amounts of unrecognized tax benefits will significantly change in the next twelve months.

## Notes to Financial Statements (continued)

June 30, 2018

At June 30, 2018, the cost of investments and net unrealized appreciation (depreciation) for federal income tax purposes were as follows:

<b>Federal Tax Cost of Investments</b>	<b>Gross Unrealized Appreciation</b>	<b>Gross Unrealized Depreciation</b>	<b>Net Unrealized Appreciation (Depreciation)</b>
\$7,923,638	\$176,078	\$(376,316)	\$(200,238)

The differences between book and tax basis cost of investments and net unrealized appreciation (depreciation) are primarily attributable to wash sales and investments in pass through entities.

At June 30, 2018, the components of undistributed or accumulated earnings/loss on a tax-basis were as follows:

<b>Undistributed Net Investment Income (Loss)</b>	<b>Accumulated Capital and Other Gains (Losses)</b>	<b>Net Unrealized Appreciation (Depreciation)</b>	<b>Total Accumulated Earnings (Losses)</b>
\$ —	\$ (72,217)*	\$ (200,238)	\$ (272,455)

\* Amount represents capital loss carryforward for Federal income tax purposes which is available for offset against future taxable net capital gains. Accordingly, no capital gain distributions are expected to be paid to shareholders of the Fund until future net capital gains have been realized in excess of the available capital loss carryforward.

At June 30, 2018, the effect of permanent book/tax reclassifications resulted in increase/(decrease) to the components of net assets were as follows:

<b>Undistributed Net Investment Income (Loss)</b>	<b>Undistributed Capital Gains (Accumulated Losses)</b>	<b>Paid-In Capital</b>
\$ 43,098	\$ (38,680)	\$ (4,418)

The tax character of distributions paid by the Fund during the year ended June 30, 2018 and the year ended November 30, 2017 were as follows.

	<b>Year Ended June 30, 2018*</b>	<b>Year End November 30, 2017</b>
Ordinary Income	\$ 299,833	\$ 250,280
Return of Capital	87,167	426,970
Total Distributions Paid	\$ 387,000	\$ 677,250

\* For the period December 1, 2017 to June 30, 2018.

### 8. INDEMNIFICATION

In the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnities. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. Management expects this risk of loss due to be remote.

### 9. PRINCIPAL RISKS

In the normal course of business, the Fund makes investments in financial instruments where the risk of potential loss exists due to changes in the market. The following is a description of select risks of investing in the Fund.

## Notes to Financial Statements (continued)

June 30, 2018

**REIT Investment Risk:** Investments in REITs involve unique risks. 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. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation.

**MLP Risk:** MLP investment returns are enhanced during periods of declining or low interest rates and tend to be negatively influenced when interest rates are rising. In addition, most MLPs are fairly leveraged and typically carry a portion of a “floating” rate debt. As such, a significant upward swing in interest rates would also drive interest expense higher. Furthermore, most MLPs grow by acquisitions partly financed by debt, and higher interest rates could make it more difficult to make acquisitions. MLP investments also entail many of the general tax risks of investing in a partnership. Limited partners in an MLP typically have limited control and limited rights to vote on matters affecting the partnership. Additionally, there is always the risk that an MLP will fail to qualify for favorable tax treatment.

**Business Development Company (“BDC”) Risk:** BDC's may carry risks similar to those of a private equity or venture capital fund. BDC company securities are not redeemable at the option of the shareholder and they may trade in the market at a discount to their net asset value. BDCs usually trade at a discount to their NAV because they invest in unlisted securities and have limited access to capital markets. BDC's are subject to management and other expenses, which will be indirectly paid by the Fund.

**Investment Company Risk:** The risks of investment in investment companies typically reflect the risks of the types of instruments in which the investment companies invest in. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. The Fund may be subject to statutory limits with respect to the amount it can invest in other investment companies, which may adversely affect the Fund's ability to achieve its investment objective.

**Sector Risk:** To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors.

### 10. CHANGE IN INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Effective December 13, 2017, KPMG LLP was appointed the Funds' independent registered public accounting firm for the 2018 fiscal year. The selection of KPMG LLP was recommended by the Trust's Audit Committee, comprised of all non-interested Trustees, and was approved by the Board.

### 11. SUBSEQUENT EVENTS

Effective August 17, 2018, the Board of Trustees of the GraniteShares ETF Trust unanimously approved an amendment to the Advisory Agreement with Adviser, on behalf of GraniteShares HIPS High Income ETF, to adopt a unitary fee of 0.70%. The unitary fee replaces the current investment advisory fee structure for the Fund, and covers substantially all Fund expenses (excluding interest, taxes, brokerage commissions, expenses related to short sales, other expenditures which are capitalized in accordance with generally accepted accounting principles, other extraordinary expenses not incurred in the ordinary course of the HIPS Fund's business, and amounts, if any, payable pursuant to a plan adopted in accordance with Rule 12b-1 under the 1940 Act).

The Funds have evaluated subsequent events through the issuance of the consolidated financial statements and determined that no other events have occurred that require disclosure.

**Report of Independent Registered Public Accounting Firm**

To the Shareholders and Board of Directors  
GraniteShares ETF Trust :

*Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities of GraniteShares HIPS US High Income ETF (the “Fund”, formerly Master Income ETF, a series of ETF Series Solutions), a series of GraniteShares ETF Trust, including the schedule of investments, as of June 30, 2018, the related statement of operations, and the statement of changes in net assets for the period from December 1, 2017 to June 30, 2018, and the related notes (collectively, the financial statements) and the financial highlights for the period from December 1, 2017 to June 30, 2018. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the Fund as of June 30, 2018, the results of its operations, changes in its net assets and financial highlights for the period from December 1, 2017 to June 30, 2018, in conformity with U.S. generally accepted accounting principles. The statements of changes in net assets for the two-year period ended November 30, 2017, and the financial highlights for each of the years in the two-year period ended November 30, 2017 and for the period from January 6, 2015 through November 30, 2015, were audited by other independent registered public accountants whose report, dated January 26, 2018, expressed an unqualified opinion on those financial statements and those financial highlights.

*Basis for Opinion*

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of June 30, 2018, by correspondence with custodians and brokers. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audit provides a reasonable basis for our opinion.

**KPMG LLP**

We have served as the auditor of one or more GraniteShares LLC investment companies since 2017.

New York, NY  
August 27, 2018

## MANAGEMENT OF THE TRUST

The following information supplements and should be read in conjunction with the section in the Prospectus entitled “Fund Management.”

Set forth below are the names, birth years, positions with the Trust, length of term of office, the number of portfolios in the Fund Complex (defined below) overseen, and the principal occupations and other directorships held during at least the last five years of each of the persons currently serving as a Trustee, as well as information about each officer of the Trust. The business address of each Trustee and officer of the Trust is 205 Hudson Street, 7<sup>th</sup> Floor, New York, NY 10013. The “Fund Complex” includes all open- and closed-end funds (including all of their portfolios) advised by the Adviser.

Name and Year of Birth	Position(s) Held with the Trust, Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen By Trustee and/or Officer	Other Directorships Held by Trustee During Past 5 Years
<b><i>Interested Trustees and Officers</i></b>				
William Rhind 1979	Trustee, Chairman of the Board, and President of the Trust (since 2016) <sup>(1)</sup>	CEO, World Gold Trust Services LLC (sponsor of SPDR Gold Trust) (2013-2016) Managing Director, ETF Securities (investment advisory firm) (2007-2013)	3	Director, University of Bath Foundation (charitable organization)
James R. Nash 1981	Chief Compliance Officer of the Trust (since 2017)	Fund Chief Compliance Officer, Foreside Fund Officer Services, LLC (fund compliance services firm) (2016-present) Senior Associate and Regulatory Advisor, J.P . Morgan Chase Bank, N.A. (2014-2016) Back Officer Product Analyst, Linedata Services (financial services software firm) (2011-2014)	3	None
<hr/>				
<b><i>Independent Trustees</i></b>				
Steven James Smyser 1973	Independent Trustee of the Trust (since 2017)	CFO, Packet Host, Inc. (information technology firm) (2014-present) Founder, Silver Horse Capital Partners, LLC (hedge fund) (2013-present) Director, Citi (1999-2013)	3	None
Seddik Meziani 1952	Independent Trustee of the Trust (since 2017)	Professor, Montclair State University, New Jersey (1999-present)	3	Member of the Research Advisory Board, ETF Global, LLC (market data and research provider)

(1) William Rhind is an interested trustee due to his ownership of shares of, and his position as CEO of, GraniteShares, Inc., the owner of the Adviser.



### **Federal Tax Information**

For the fiscal year ended June 30, 2018, certain dividends paid by the Fund may be subject to the maximum tax rate of 20%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was 17.76%.

For corporate shareholders, the percentage of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended June 30, 2018 was 15.90%.

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871(k)(2)(C) for the Fund was 0.00%.

### **Quarterly Portfolio Holdings Information**

The Fund will be required to file its complete schedule of portfolio holdings with the SEC for their first and third quarters on Form N-Q. Copies of the filings will be available without charge on the SEC's website at [www.sec.gov](http://www.sec.gov). You will also be able obtain copies of Form N-Q by visiting the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

### **Proxy Voting Information**

A description of the Fund proxy voting policies and procedures, as well as a record of how the Fund voted proxies during the most recent 12-month period ended June 30, is available without charge upon request by calling 1-844-476-8747. This information will also be available on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Premium/Discount Information**

Information about the differences between the daily market price on the secondary market for the shares of a Fund and the Fund's net asset value may be found on the Fund's website at [www.graniteshares.com](http://www.graniteshares.com).

**Authorized for distribution only when accompanied or preceded by a prospectus. Investors should carefully consider the fund's investment goals, risks, charges and expense before investing. A prospectus contains this and other important information. Please read carefully before investing.**

Distributor, Foreside Fund Services, LLC







GraniteShares ETF Trust  
205 Hudson Street, 7<sup>th</sup> Floor  
New York, NY 10013