**Part I Reporting Issuer**

1. Issuer's name: ETC TRUST - YIELDSHARES HIGH INCOME ETF
2. Issuer's employer identification number (EIN): 45-5041055

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**Part II Organizational Action**

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: Yieldshares High Income ETF paid a non-taxable return of capital distribution. The percentage of the non-taxable return of capital distribution paid to shareholders of record is 41.07% for each distribution. Listed below in the respective order are the Record Dates for each month receiving return of capital:


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: The total non-taxable return of capital portion of the distribution paid to shareholders of record is $0.069815 for each distribution. Listed below in the respective order are the Record Dates for each month receiving 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 on each distribution date listed above is reduced by the per share amount of $0.069815 as referenced above. The rate was determined in accordance with IRC 301 & 316.
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? Not applicable to this transaction as no loss may be recognized on a return of capital distribution. The shareholders cost basis should be adjusted to reflect the return of capital distribution which may affect the gain or loss realized by the shareholder upon disposition of his/her shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year The information provided herein has been provided to each shareholder on their 2014 Form 1099 DIV statement, Box 3 from their respective Broker/Dealer

Sign Here

A signed copy is maintained by the issuer

Signature

Date

Print your name

Title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check if self-employed

Firm’s EIN

Firm’s name

Firm’s address

Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054