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August 31, 2026
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Request for Comments on Novel ETFs

Dear Ms. Countryman:

GraniteShares greatly appreciates the opportunity to respond to the request of the U.S. Securities and Exchange Commission (the "**Commission**") for comment on the above-captioned comments on Novel ETFs.
ETFs allow investors to access assets in a transparent, liquid and highly regulated structure, and have proved extremely popular among investors.

Although the Investment Company Act of 1940 ("1940 Act") was designed for registered funds to invest in "securities", we believe that allowing registered funds to provide non securities exposures through offshore entities reflects the general evolution of the markets over the years and allows investors to get market access and market diversification through a wrapper they are familiar with.

Ultimately, we believe that the most important consideration remains transparency and liquidity, which are points that are directly addressed by Rule 6c-11.

Our responses to the Commission's questions follow:

Question 1: The subjective test should not be modified

Question 2: ETFs should be allowed to be registered under the 1940 Act irrespective of the ultimate economic exposure provided but as long as they can meet the registration requirements set forth under Rule 6c-11.

Question 3: We believe that the Tonopah Factors are sufficient.

Question 4: We believe that the subjective test should remain at the subsidiary level as it represents the legal investment made by the registered fund. Doing otherwise may set problematic precedents. For instance, how to analyze an investment made by a registered fund in a publicly traded stock mostly invested in commodities or crypto assets?

Question 5: We believe that Rule 6c-11 should be sufficient to address the points raised. Liquidity, transparency and arbitrage concepts should be irrespective of the underlying assets and it should

be the responsibility of the adviser to make sure that the assets in which a fund invests can meet the 6c-11 requirements.

Question 6: We believe that as long as fund portfolios are clearly disclosed and liquidity can be adequately supported by participants, then no amendment should be made.

Question 7: We believe that education is the responsibility of the advisers and fund sponsors as they are the ones designing the strategy and responsible for promoting the products.

Question 8: We acknowledge that it can be confusing, however, those "ETP" funds operate and trade in a manner similar, if not identical, to registered ETFs. We believe a more important distinction is between segregated pool of assets ("ETFs" and "ETPs") and unsecured notes (ETNs). We believe that such distinction is already well established.

Question 9: We do not believe that Rule 6c-11 should be amended. We believe 6c-11 has revitalized the ETF market and has allowed for greater competition across the issuers.

Question 10: We do not believe that changes are necessary. Based on our experience, issuers have closely worked with the SEC to clear comments before declaring effectiveness, irrespective of the time it takes.

Question 11: We do not believe that effectiveness should be automatically tolled. Tolling should solely be based on a formal process with the Staff having to prove why a registration breaches a specific rule and how that could negatively affect investors.

Question 12: We do not believe that the Staff should be allowed to solely decide the delay of an effectiveness. Following the response to comment #11, we believe that the Staff must be able to justify which comments have not been adequately addressed, and to what extent the existing registration could harm investors.

Question 13: We believe that this question is mostly theoretical as the ETF will in practice be available for investment only after the underlying instrument is available for investment. In practice, it has also been observed that the Trading and Markets division of the SEC works closely with the stock exchanges to prevent ETFs from trading until after the underlying instrument started trading.

Question 14: We do not think that it is necessary to extend the automatic effectiveness periods. Such periods are necessary for the Staff to review the disclosure made in registrations. It could be argued that with the advent of AI which facilitates the review of legal documents such periods could in fact be reduced.

Question 15: Allowing for non-public review could be considered but it should not affect the existing registration process, which should remain as transparent as possible and similar across registrants. We do not have a strong view whether such consultation should be made public as we see pros and cons in either way. However, if the decision is made to have them public, then it

should be strictly implemented. We note for instance that the Staff seems to have discretion on whether to publish response letters that were submitted by registrants.

Question 16: We understand that it is a challenging task, but ideally comments would be harmonized. We have noticed contradictory comments and repetitive comments that had been addressed through previous registrations. The comments can also come at times quite late in the process and may result in substantial adjustments for the registrants and their service providers.

Question 17: We do not have concerns about competitive pressures, and it is a registrant's responsibility to make sure the submitted registrations meet the regulatory requirements. Repurposing existing series to gain competitive advantage is a valid concern although it may be difficult to address. Forcing payment of upfront fees is likely to reduce the incentive to innovate and increase the cost of failure and will most likely affect smaller firms.

Question 18: We are strongly opposed to registrations remaining non-public as it delays potential competition and product improvement for investors. Doing otherwise would be equivalent to granting intellectual property protection for ideas, which seems to go against the position taken by the U.S. Patent and Trademark Office that states that abstract idea cannot be patented.

Question 19: We do not believe that slowing down innovation or reducing the ability to react to competitive moves is beneficial to investors, and we therefore oppose these ideas.

Question 20: The case described seems to depict a material change in investment strategy (for instance switching the investment from a basket to a single stock) and as such should result in 485(a) filing. On that basis the current rule set should be sufficient. If that's not the case, then the Staff should consider clarifying its rules (see response to question #24)

Question 21: We do not believe so. Registrants file multiple series in order to better react to investor demand. We do not believe that automatically deregistering products would in any way benefit investors.

Question 22: We do not believe that additional mechanisms are necessary. If the Staff believes that unresolved comments can significantly affect investors it should follow the procedures already in place and prevent the ETF from being listed on exchange and/or investors to access the product.

Question 23: No changes should be made, as we believe that the 60-day period should be sufficient for the Staff to raise comments and engage with a registrant.

Question 24: We believe that the rules should be sufficiently clear to determine whether such changes could be made through Rule 497 or 485. If the Staff believes that it is not the case, it should revise and clarify such rules.

Question 25: We do not believe that changes should be made, as we believe the existing set of rules is sufficient to address the concern raised irrespective of the underlying asset.

Question 26: We do not believe that changes should be made. It is the responsibility of the registrant to provide adequate disclosures and also provide education to investors through its website and other media.

Question 27: We have concerns regarding Rule 18f-4. We believe the SEC should clearly state why investment strategies with leveraged factors higher than 2 that meet the relative VaR test through option strategies are considered as not meeting the requirements of Rule 18f-4.

We also note that both the SEC and CFTC appear to be comfortable with launch of single stock futures contracts, while such instruments can offer significant amount of leverage to investors. Such approach appears to conflict with the strict approach adopted by the Commission about leveraged ETFs (under the 1940-Act) or leveraged ETPs (under the Securities Act of 1933).

Another technical aspect would be to simplify the filing of 485BXTs on Edgar, maybe through an interface allowing the selection of the series for which a registrant wishes to postpone effectiveness.

We thank you for the opportunity to submit this comment letter. Please do not hesitate to contact the undersigned at william.rhind@graniteshares.com, or Andrew Davalla at our outside counsel law firm, Thompson Hine, at Andrew.Davalla@Thompsonhine.com, if you would like to discuss these matters further.

Very truly yours,



William Rhind, CEO