



Annual Report

September 30, 2019

AI Powered Equity ETF
Ticker: AIEQ

Beginning on January 1, 2021, as permitted by regulations adopted by the SEC, paper copies of the Fund's shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the Fund's reports from your financial intermediary, such as a broker-dealer or bank. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. Please contact your financial intermediary to elect to receive shareholder reports and other Fund communications electronically.

You may elect to receive all future Fund reports in paper free of charge. Please contact your financial intermediary to inform them that you wish to continue receiving paper copies of Fund shareholder reports and for details about whether your election to receive reports in paper will apply to all funds held with your financial intermediary.



The fund is a series of ETF Managers Trust.

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AI Powered Equity ETF

Dear Shareholder,

On behalf of the entire team, we want to express our appreciation for the confidence you have placed in the AI Powered Equity Exchange-Traded Fund ("AIEQ" or the "Fund"). The following information pertains to the fiscal period from October 1, 2018, to September 30, 2019.

The AI Powered Equity ETF is actively managed and seeks capital appreciation. Over the year, the total return for the Fund was -2.32%, while the total return for its benchmark, the S&P 500 Index, was 4.25%.

AIEQ invests primarily in equity securities listed on a U.S. exchange based on the results of a proprietary, quantitative model developed by EquBot LLC that runs on the Watson™ platform. Each day, the EquBot Model ranks each company based on the probability of the company benefiting from current economic conditions, trends, and world events and identifies approximately 30 to 125 companies with the greatest potential over the next twelve months for appreciation and weights those companies to seek a level of volatility comparable to that of the broader U.S. equity market. EquBot, the Fund's sub-adviser, is a technology based company focused on applying artificial intelligence ("AI") based solutions to investment analyses.

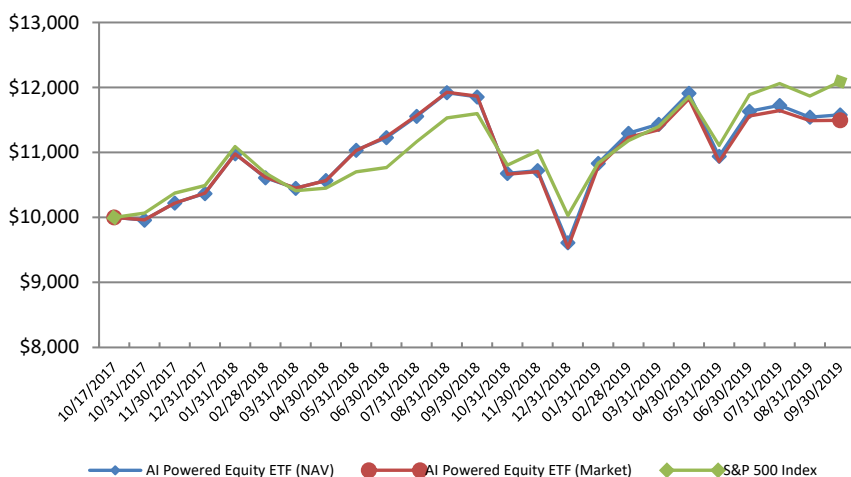
You can find further details about AIEQ by visiting www.etfmg.com, or by calling 1-844-ETF-MGRS (1-844-383-6477).

Sincerely,



Samuel Masucci III
Chairman of the Board

AI Powered Equity ETF Growth of \$10,000 (Unaudited)



Average Annual Returns	1 Year	Since Inception	Value of \$10,000
Year Ended September 30, 2019	Return	(10/17/17)	(9/30/19)
AI Powered Equity ETF (NAV)	-2.32%	7.79%	\$ 11,578
AI Powered Equity ETF (Market)	-3.13%	7.39%	\$ 11,495
S&P 500 Index	4.25%	10.21%	\$ 12,091

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. All performance is historical and includes reinvestment of dividends and capital gains. Performance data current to the most recent month end may be obtained by calling 1-844-ETF-MGRS (1-844-383-6477).

The chart illustrates the performance of a hypothetical \$10,000 investment made on October 17, 2017, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions from the sales of Fund shares. The chart assumes reinvestment of capital gains and dividends. The chart assumes reinvestment of capital gains and dividends, if any. The index returns do not reflect fees or expenses and are not available for direct investment.

AI Powered Equity ETF

Top Ten Holdings as of September 30, 2019* (Unaudited)

	<u>Security</u>	<u>% of Total Investments</u>
1	Alphabet, Inc. – Class A	2.94%
2	Intuit, Inc.	2.30%
3	Amazon.com, Inc.	1.84%
4	Martin Marietta Materials, Inc.	1.66%
5	Apple, Inc.	1.39%
6	Johnson & Johnson	1.25%
7	SS&C Technologies Holdings, Inc.	1.22%
8	Cboe Global Markets, Inc.	1.16%
9	Waste Connections, Inc.	1.12%
10	Waste Management, Inc.	1.10%

Top Ten Holdings = 15.98% of Total Investments

* Current Fund holdings may not be indicative of future Fund holdings.

Important Disclosures and Key Risks Factors

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Narrowly focused investments typically exhibit higher volatility. The equity securities held in the Fund's portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests such as political, market and economic developments, as well as events that impact specific issuers.

Past performance is no indicative of future return. A Fund's performance for very short time periods may not be indicative of future performance.

The Fund issues and redeems shares on a continuous basis, at NAV, only in blocks of 25,000 shares ("Creation Units"), principally in-kind for securities included in the Fund's portfolio, and only Authorized Participants (typically, broker-dealers) may purchase or redeem Creation Units.

The Fund is actively-managed and may not meet its investment objective based on the success or failure of the Equibot Model to identify investment opportunities.

The portfolio managers may actively and frequently trade securities or other instruments in the Fund's portfolio to carry out its investment strategies. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses.

Some of the models used by the Adviser for the Fund are predictive in nature. The use of predictive models has inherent risks. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. For example, by relying on Models and Data, the Adviser may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable opportunities altogether. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful.

AI Powered Equity ETF

PORTFOLIO ALLOCATIONS

As of September 30, 2019 (Unaudited)

	<u>AI Powered Equity ETF</u>
As a percent of Net Assets:	
Canada	1.4%
United States	95.1
Closed-End Funds	0.7
Rights	0.0
Short-Term and other Net Assets (Liabilities)	2.8
	<u>100%</u>

AI Powered Equity ETF

Schedule of Investments

September 30, 2019

	Shares	Value
COMMON STOCKS - 96.5%		
Canada - 1.4%		
Commercial Services & Supplies - 1.4%		
Waste Connections, Inc.	17,008	\$ <u>1,564,736</u>
United States - 95.1%		
Aerospace & Defense - 2.7%		
HEICO Corp. (a)	5,909	737,916
Huntington Ingalls Industries, Inc.	4,032	853,937
Northrop Grumman Corp.	1,440	539,698
Raytheon Co.	3,258	639,187
United Technologies Corp.	2,271	<u>310,037</u>
Total Aerospace & Defense		<u>3,080,775</u>
Airlines - 0.3%		
Southwest Airlines Co.	5,174	<u>279,448</u>
Automobiles - 0.4%		
Tesla, Inc. (a)(b)	1,815	<u>437,179</u>
Banks - 2.9%		
Bank of America Corp.	16,220	473,137
CIT Group, Inc. (a)	17,329	785,177
Citizens Financial Group, Inc.	12,962	458,466
Hancock Whitney Corp.	19,293	738,825
The PNC Financial Services Group, Inc.	6,308	<u>884,130</u>
Total Banks		<u>3,339,735</u>
Beverages - 2.5%		
Brown-Forman Corp.- Class B (a)	19,965	1,253,402
Constellation Brands, Inc. - Class A	5,085	1,054,019
Monster Beverage Corp. (b)	9,503	<u>551,744</u>
Total Beverages		<u>2,859,165</u>
Biotechnology - 0.5%		
Amgen, Inc.	3,128	<u>605,299</u>
Building Products - 0.4%		
Masco Corp.	11,702	<u>487,739</u>
Capital Markets - 3.2%		
Ameriprise Financial, Inc.	1,450	213,295
Cboe Global Markets, Inc.	14,147	1,625,632
LPL Financial Holdings, Inc.	4,687	383,865
Moody's Corp.	7,259	<u>1,486,861</u>
Total Capital Markets		<u>3,709,653</u>
Chemicals - 1.3%		
Ecolab, Inc.	5,250	1,039,710
Element Solutions, Inc. (a)(b)	28,949	294,701
LSB Industries, Inc. (b)	37,530	<u>194,405</u>
Total Chemicals		<u>1,528,816</u>
Commercial Services & Supplies - 1.3%		
Waste Management, Inc.	13,373	<u>1,537,895</u>

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019 (Continued)

	<u>Shares</u>	<u>Value</u>
Communications Equipment - 1.6%		
Arista Networks, Inc. (a)(b)	3,543	\$ 846,494
Motorola Solutions, Inc.	4,487	764,630
Palo Alto Networks, Inc. (a)(b)	1,039	211,779
Total Communications Equipment		<u>1,822,903</u>
Construction & Engineering - 0.8%		
MasTec, Inc. (a)(b)	13,430	872,010
Construction Materials - 2.0%		
Martin Marietta Materials, Inc. (a)	8,447	2,315,323
Consumer Finance - 1.2%		
Discover Financial Services	16,399	1,329,795
Distributors - 0.2%		
Nike, Inc. - Class B	2,934	275,561
Diversified Consumer Services - 0.7%		
ServiceMaster Global Holdings, Inc. (b)	14,536	812,562
Diversified Financial Services - 0.7%		
CME Group, Inc.	3,752	792,948
Electric Utilities - 1.6%		
Duke Energy Corp.	3,151	302,055
Exelon Corp.	20,967	1,012,915
NextEra Energy, Inc.	2,017	469,941
Total Electric Utilities		<u>1,784,911</u>
Electronic Equipment, Instruments & Components - 3.2%		
Amphenol Corp. - Class A	11,178	1,078,677
CDW Corp.	3,651	449,949
Keysight Technologies, Inc. (a)(b)	5,964	579,999
Trimble, Inc. (b)	13,713	532,202
Zebra Technologies Corp. - Class A (a)(b)	4,749	980,051
Total Electronic Equipment, Instruments & Components		<u>3,620,878</u>
Food & Staples Retailing - 1.3%		
Costco Wholesale Corp.	2,374	683,973
Sysco Corp.	9,976	792,095
Total Food & Staples Retailing		<u>1,476,068</u>
Food Products - 0.4%		
Archer-Daniels-Midland Co. (a)	7,783	319,648
Tyson Foods, Inc. - Class A	1,696	146,093
Total Food Products		<u>465,741</u>
Health Care Equipment & Supplies - 5.4%		
Baxter International, Inc.	9,389	821,256
Becton Dickinson & Co. (a)	1,686	426,491
DexCom, Inc. (a)(b)	7,000	1,044,680
Edwards Lifesciences Corp. (b)	2,505	550,875
Haemonetics Corp. (b)	8,508	1,073,199
IDEXX Laboratories, Inc. (b)	1,384	376,351
Insulet Corp. (a)(b)	4,453	734,433
Stryker Corp.	5,579	1,206,737
Total Health Care Equipment & Supplies		<u>6,234,022</u>

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019 (Continued)

	<u>Shares</u>	<u>Value</u>
Health Care Providers & Services - 3.3%		
Amedisys, Inc. (b)	3,792	\$ 496,790
Centene Corp. (b)	11,520	498,355
Cigna Corp.	4,507	684,118
Humana, Inc.	3,274	837,064
UnitedHealth Group, Inc.	5,746	1,248,720
Total Health Care Providers & Services		<u>3,765,047</u>
Health Care Technology - 1.0%		
Veeva Systems, Inc. - Class A (b)	7,665	1,170,369
Hotels, Restaurants & Leisure - 3.6%		
Darden Restaurants, Inc. (a)	2,781	328,770
Domino's Pizza, Inc. (a)	4,024	984,230
Marriott International, Inc. - Class A	7,694	956,903
Vail Resorts, Inc.	4,829	1,098,887
Yum! Brands, Inc.	6,360	721,415
Total Hotels, Restaurants & Leisure		<u>4,090,205</u>
Household Durables - 0.7%		
NVR, Inc. (a)(b)	146	542,733
Roku, Inc. (a)(b)	2,984	303,652
Total Household Durables		<u>846,385</u>
Insurance - 1.2%		
Loews Corp. (a)	13,839	712,431
The Progressive Corp.	8,602	664,505
Total Insurance		<u>1,376,936</u>
Interactive Media & Services - 5.7%		
Alphabet, Inc. - Class A (b)	3,361	4,104,251
Facebook, Inc. - Class A (b)	8,021	1,428,380
IAC (b)	4,594	1,001,354
Total Interactive Media & Services		<u>6,533,985</u>
Internet & Direct Marketing Retail - 5.0%		
Amazon.com, Inc. (b)	1,478	2,565,675
Booking Holdings, Inc. (b)	531	1,042,146
Expedia Group, Inc.	4,201	564,656
Netflix, Inc. (a)(b)	3,571	955,671
Wayfair, Inc. - Class A (a)(b)	4,996	560,152
Total Internet & Direct Marketing Retail		<u>5,688,300</u>
IT Services - 2.5%		
Fiserv, Inc. (b)	4,665	483,247
FleetCor Technologies, Inc. (b)	2,506	718,671
Leidos Holdings, Inc.	10,554	906,378
Visa, Inc. - Class A (a)	4,435	762,864
Total IT Services		<u>2,871,160</u>
Life Sciences Tools & Services - 1.3%		
IQVIA Holdings, Inc. (b)	2,275	339,840
Thermo Fisher Scientific, Inc.	3,772	1,098,670
Total Life Sciences Tools & Services		<u>1,438,510</u>

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019 (Continued)

	<u>Shares</u>	<u>Value</u>
Machinery - 1.4%		
Danaher Corp.	6,966	\$ 1,006,099
Fortive Corp.	9,010	617,726
Total Machinery		<u>1,623,825</u>
Media - 0.9%		
DISH Network Corp. - Class A (b)	8,213	279,817
Liberty Broadband Corp. - Class C (b)	7,270	760,951
Total Media		<u>1,040,768</u>
Metals & Mining - 0.2%		
Newmont Goldcorp Corp.	7,259	275,261
Multiline Retail - 2.0%		
Dollar General Corp.	6,983	1,109,877
Dollar Tree, Inc. (b)	5,374	613,496
Target Corp.	5,716	611,098
Total Multiline Retail		<u>2,334,471</u>
Multi-Utilities - 1.5%		
DTE Energy Co.	7,526	1,000,657
Sempra Energy	4,952	730,965
Total Multi-Utilities		<u>1,731,622</u>
Oil, Gas & Consumable Fuels - 2.1%		
Cheniere Energy, Inc. (b)	10,288	648,761
ONEOK, Inc.	17,353	1,278,743
Williams Cos., Inc.	17,451	419,871
Total Oil, Gas & Consumable Fuels		<u>2,347,375</u>
Pharmaceuticals - 2.1%		
Catalent, Inc. (b)	14,933	711,707
Johnson & Johnson	13,453	1,740,549
Total Pharmaceuticals		<u>2,452,256</u>
Professional Services - 0.8%		
Verisk Analytics, Inc. (a)	5,589	883,844
Real Estate Investment Trusts (REITs) - 1.6%		
Alexandria Real Estate Equities, Inc. (a)	1,423	219,199
Invitation Homes, Inc.	19,712	583,672
Medical Properties Trust, Inc. (a)	55,050	1,076,778
Total Real Estate Investment Trusts (REITs)		<u>1,879,649</u>
Road & Rail - 0.7%		
Union Pacific Corp.	4,961	803,583
Semiconductors & Semiconductor Equipment - 3.9%		
Broadcom, Inc.	3,187	879,835
KLA Corp.	3,286	523,953
Microchip Technology, Inc. (a)	12,945	1,202,720
NVIDIA Corp.	2,576	448,404
Texas Instruments, Inc.	4,890	631,984
Xilinx, Inc. (a)	8,358	801,532
Total Semiconductors & Semiconductor Equipment		<u>4,488,428</u>

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019 (Continued)

	Shares	Value
Software - 12.7%		
Adobe Systems, Inc. (b)	1,758	\$ 485,648
Alteryx, Inc. - Class A (b)	7,694	826,566
Cadence Design System, Inc. (b)	12,107	800,031
Citrix Systems, Inc.	8,050	776,986
Everbridge, Inc. (a)(b)	5,585	344,650
Guidewire Software, Inc. (a)(b)	11,053	1,164,765
Intuit, Inc.	12,099	3,217,607
New Relic, Inc. (a)(b)	7,811	479,986
PTC, Inc. (a)(b)	6,909	471,056
Q2 Holdings, Inc. (a)(b)	6,702	528,587
salesforce.com, Inc. (b)	5,725	849,819
ServiceNow, Inc. (b)	2,464	625,486
Splunk, Inc. (b)	6,696	789,191
SS&C Technologies Holdings, Inc.	33,121	1,708,050
Synopsys, Inc. (b)	2,910	399,398
Take-Two Interactive Software, Inc. (b)	2,276	285,274
Zendesk, Inc. (b)	11,372	828,791
Total Software		14,581,891
Specialty Retail - 1.1%		
Aaron's, Inc. (a)	11,056	710,459
Ross Stores, Inc.	4,666	512,560
Total Specialty Retail		1,223,019
Technology Hardware, Storage & Peripherals - 3.0%		
Apple, Inc.	8,646	1,936,445
NetApp, Inc.	28,579	1,500,683
Total Technology Hardware, Storage & Peripherals		3,437,128
Trading Companies & Distributors - 2.2%		
Fastenal Co. (a)	40,891	1,335,909
HD Supply Holdings, Inc. (b)	14,063	550,918
TransDigm Group, Inc. (a)	1,232	641,465
Total Trading Companies & Distributors		2,528,292
Total United States		109,080,735
TOTAL COMMON STOCKS (Cost \$107,687,667)		110,645,471
CLOSED-END FUNDS - 0.7%		
United States - 0.7%		
Ares Capital Corp. (a)	41,149	766,813
TOTAL CLOSED-END FUNDS (Cost \$713,868)		766,813
RIGHTS - 0%		
United States - 0.0%		
NewStar Financial, Inc. (b)(c)	115,783	0
TOTAL RIGHTS (Cost \$0)		0

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019 (Continued)

	Shares	Value
SHORT-TERM INVESTMENTS - 2.2%		
Money Market Funds - 2.2%		
Invesco Advisers, Inc. STIT-Treasury Portfolio - Institutional Class, 1.77% (d)	2,485,758	<u>\$ 2,485,758</u>
TOTAL MONEY MARKET FUNDS (Cost \$2,485,758)		<u>2,485,758</u>
INVESTMENTS PURCHASED WITH SECURITIES LENDING COLLATERAL - 22.5%		
Mount Vernon Liquid Assets Portfolio, LLC, 2.13% (d)	25,790,497	<u>25,790,497</u>
TOTAL INVESTMENTS PURCHASED WITH SECURITIES LENDING COLLATERAL (Cost \$25,790,497)		<u>25,790,497</u>
Total Investments (Cost \$136,677,790) - 121.9%		<u>139,688,539</u>
Liabilities in Excess of Other Assets - (21.9)%		<u>(25,115,285)</u>
TOTAL NET ASSETS - 100.0%		<u><u>\$ 114,573,254</u></u>

Percentages are stated as a percent of net assets.

- (a) All or a portion of this security was out on loan at September 30, 2019.
- (b) Non-income producing security.
- (c) Value determined using significant unobservable inputs. Classified as Level 3 in the fair value hierarchy.
- (d) The rate quote is the annualized seven-day yield at September 30, 2019.

The Global Industry Classification Standard (GICS®) was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor's Financial Services LLC ("S&P"). GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bancorp Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services").

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AI Powered Equity ETF

STATEMENT OF ASSETS AND LIABILITIES

As of September 30, 2019

	<u>AI Powered Equity ETF</u>
ASSETS	
Investments in securities, at value*	\$139,688,539
Receivables:	
Dividends and interest receivable	67,004
Securities lending income receivable	2,948
Receivable for investments sold	<u>2,089,502</u>
Total Assets	<u><u>141,847,993</u></u>
LIABILITIES	
Collateral received for securities loaned (Note 7)	25,790,497
Payables:	
Payable for investments purchased	760,450
Payable for fund shares redeemed	651,165
Management fees payable	<u>72,627</u>
Total Liabilities	<u><u>27,274,739</u></u>
Net Assets	<u><u>\$114,573,254</u></u>
NET ASSETS CONSIST OF:	
Paid-in Capital	\$122,000,434
Total Distributable Losses	<u>(7,427,180)</u>
Net Assets	<u><u>\$114,573,254</u></u>
*Identified Cost:	
Investments in securities	\$136,677,790
Shares Outstanding [^]	4,375,000
Net Asset Value, Offering and Redemption Price per Share	<u><u>\$ 26.19</u></u>

[^] No par value, unlimited number of shares authorized

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

STATEMENT OF OPERATIONS
For the Year Ended September 30, 2019

	<u>AI Powered Equity ETF</u>
INVESTMENT INCOME	
Investment Income:	
Dividend Income	\$ 1,871,084
Interest Income	85,068
Securities lending income	<u>34,113</u>
Total Investment Income	1,990,265
Expenses:	
Management fees	<u>1,084,391</u>
Total Expenses	<u>1,084,391</u>
Net Investment Income	<u>905,874</u>
 REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net Realized Loss on:	
Investments	(9,926,439)
In-Kind redemptions	(529,421)
Closed-End Funds	49,935
Net Realized Loss on Investments and In-Kind Redemptions	<u>(10,405,925)</u>
Net Change in Unrealized Depreciation of:	
Investments	<u>(3,012,955)</u>
Net Change in Unrealized Depreciation of Investments	<u>(3,012,955)</u>
Net Realized and Unrealized Loss on Investments	<u>(13,418,880)</u>
 NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	 <u><u>\$(12,513,006)</u></u>

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended September 30, 2019	Period Ended September 30, 2018¹
OPERATIONS		
Net investment income	\$ 905,874	\$ 654,349
Net realized gain (loss) on investments and in-kind redemptions	(10,405,925)	11,614,217
Net change in unrealized appreciation (depreciation) of investments	<u>(3,012,955)</u>	<u>6,023,722</u>
Net increase (decrease) in net assets resulting from operations	<u>(12,513,006)</u>	<u>18,292,288</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total distributions from distributable earnings	<u>(12,575,043)</u>	<u>(610,275)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase (decrease) in net assets derived from net change in outstanding shares	<u>(66,811,078)</u>	<u>188,790,368</u>
Net increase (decrease) in net assets	<u>(91,899,127)</u>	<u>206,472,381</u>
NET ASSETS		
Beginning of Year/Period	<u>206,472,381</u>	<u>-</u>
End of Year/Period	<u><u>\$114,573,254</u></u>	<u><u>\$206,472,381</u></u>

Summary of share transactions is as follows:

	Year Ended September 30, 2019		Period Ended September 30, 2018¹	
	Shares	Amount	Shares	Amount
Shares Sold	175,000	\$ 4,859,175	8,450,000	\$226,333,906
Shares Redeemed	<u>(2,800,000)</u>	<u>(71,670,253)</u>	<u>(1,450,000)</u>	<u>(37,543,538)</u>
	<u>(2,625,000)</u>	<u>\$(66,811,078)</u>	7,000,000	<u>\$188,790,368</u>
Beginning Shares	<u>7,000,000</u>		-	
Ending Shares	<u><u>4,375,000</u></u>		<u><u>7,000,000</u></u>	

¹ Fund commenced operations on October 17, 2017. The information presented is for the period from October 17, 2017 to September 30, 2018.

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the year/period

	Year Ended September 30, 2019	Period Ended September 30, 2018¹
Net Asset Value, Beginning of year/period	\$ 29.50	\$ 25.00
Income (Loss) from Investment Operations:		
Net investment income ²	0.16	0.14
Net realized and unrealized gain (loss) on investments	(1.41)	4.49
Total from investment operations	<u>(1.25)</u>	<u>4.63</u>
Less Distributions:		
Distributions from net investment income	(0.17)	(0.12)
Net realized gains	(1.89)	(0.01)
Total distributions	<u>(2.06)</u>	<u>(0.13)</u>
Net asset value, end of year/period	<u>26.19</u>	<u>29.50</u>
Total Return	-2.32%	18.53% ³
Ratios/Supplemental Data:		
Net assets at end of year/period (000's)	\$ 114,573	\$ 206,472
Expenses to Average Net Assets	0.75%	0.75% ⁴
Net Investment Income to Average Net Assets	0.64%	0.52% ⁴
Portfolio Turnover Rate	129%	260% ³

¹ Commencement of operations on October 17, 2017.

² Calculated based on average shares outstanding during the year/period.

³ Not annualized.

⁴ Annualized.

The accompanying notes are an integral part of these financial statements.

AI Powered Equity ETF

Schedule of Investments

September 30, 2019

NOTE 1 – ORGANIZATION

The AI Powered Equity ETF (the “Fund”) is a series of ETF Managers Trust (the “Trust”), an open-end management investment company consisting of multiple investment series, organized as a Delaware statutory trust on July 1, 2009. 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 (“Shares”) is registered under the Securities Act of 1933, as amended (the “Securities Act”). The investment objective of the Fund is capital appreciation. The Fund commenced operations on October 17, 2017.

The Fund currently offers one class of shares, which has no front end sales load, no deferred sales charges, and no redemption fees. 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.

Shares of the Fund are listed and traded on the NYSE Arca, Inc. Market prices for the Shares may be different from their net asset value (“NAV”). The Fund issues and redeems Shares on a continuous basis at NAV only in blocks of 25,000 shares, called “Creation Units.” Creation Units are issued and redeemed principally in-kind for securities included in a specified Index. Once created, Shares generally trade in the secondary market at market prices that change throughout the day in quantities less than a Creation Unit. Except when aggregated in Creation Units, Shares are not redeemable securities of the Fund. Shares of the Fund may only be purchased or redeemed by certain financial institutions (“Authorized”). 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 DTC 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 the 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.

Authorized Participants transacting in Creation Units for cash may pay an additional variable charge to compensate the relevant Fund for certain transaction costs (i.e., brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in “Transaction Fees” in the Statements of Changes in Net Assets.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Fund. These policies are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The Fund follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standard Codification *Topic 946 Financial Services – Investment Companies*.

The Fund may invest in certain other investment companies (underlying funds). For specific investments in underlying funds, please refer to the complete schedule of portfolio holdings on Form N-CSR for this reporting period, which is filed with the U.S. Securities and Exchange Commission (SEC). For more information about the underlying Fund’s operations and policies, please refer to those Fund’s semiannual and annual reports, which are filed with the SEC.

- A. Security Valuation. Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ),

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

including securities traded over the counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded on the valuation date (or at approximately 4:00 pm Eastern Time if a security's primary exchange is normally open at that time), or, if there is no such reported sale on the valuation date, at the most recent quoted bid price. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used.

Securities for which quotations are not readily available are valued at their respective fair values as determined in good faith by the Board of Trustees (the "Board"). When a security is "fair valued," consideration is given to the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the pricing procedures adopted by the Fund's Board. The use of fair value pricing by a fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated without regard to such considerations. As of September 30, 2019, the Fund held one security that was fair valued by the Board. More detail about this security can be found in the Schedule of Investments.

As described above, the Fund utilizes various methods to measure the fair value of its investments on a recurring basis. U.S. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- 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 instruments, 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.

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 inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table is a summary of the inputs used to value the Fund's net assets, as of September 30, 2019:

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

AI Powered Equity ETF

Assets [^]	Level 1	Level 2	Level 3	Total
Common Stocks	\$110,645,471	\$ —	\$ —	\$110,645,471
Closed-End Funds	766,813	—	—	766,813
Rights	—	—	— ⁽¹⁾	—
Short Term Investments	2,485,758	—	—	2,485,758
Investments Purchased with Securities Lending Collateral*	—	—	—	25,790,497
Total Investments in Securities	<u>\$113,898,042</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$139,688,539</u>

⁽¹⁾ Includes a security valued at \$0.

The Fund held a Level 3 security at the end of the year. The security classified as Level 3 is deemed immaterial.

[^] For further information regarding security characteristics, see the Schedule of Investments.

* Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Schedule of Investments.

B. *Federal Income Taxes.* The Fund has elected to be taxed as a “regulated investment company” and intends to distribute substantially all taxable income to its shareholders and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. Therefore, no provisions for federal income taxes or excise taxes have been made.

To avoid imposition of the excise tax applicable to regulated investment companies, the Fund intends to declare each year as dividends, in each calendar year, at least 98.0% of its net investment income (earned during the calendar year) and 98.2% of its net realized capital gains (earned during the twelve months ended October 31) plus undistributed amounts, if any, from prior years.

Net capital losses incurred after October 31, within the taxable year are deemed to arise on the first business day of the Fund’s next taxable year.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The Fund has analyzed its tax position and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions expected to be taken in the Fund’s 2019 tax returns. The Fund identifies its major tax jurisdictions as U.S. Federal, the State of New Jersey, and the State of Delaware; however, the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

As of September 30, 2019, management has reviewed the tax positions for open periods (for Federal purposes, three years from the date of filing and for state purposes, four years from the date of filing), as applicable to the Funds, and has determined that no provision for income tax is required in the Funds’ financial statements.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

- C. *Security Transactions and Investment Income.* Investment securities transactions are accounted for on the trade date. Gains and losses realized on sales of securities are determined on a specific identification basis. Discounts/premiums on debt securities purchased are accreted/amortized over the life of the respective securities using the effective interest method. Dividend income is recorded on the ex-dividend date. Interest income is recorded on an accrual basis. Income, including gains, from investments in foreign securities received by the Fund may be subject to income, withholding or other taxes imposed by foreign countries.
- D. *Foreign Currency Translations and Transactions.* The Fund may engage in foreign currency transactions. Foreign currency transactions are translated into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the daily rates of exchange, and (ii) purchases and sales of investment securities, dividend and interest income and certain expenses at the rates of exchange prevailing on the respective dates of such transactions. For financial reporting purposes, the Fund does not isolate changes in the exchange rate of investment securities from the fluctuations arising from changes in the market prices of securities for unrealized gains and losses. However, for federal income tax purposes, the Fund does isolate and treat as ordinary income the effect of changes in foreign exchange rates on realized gains or losses from the sale of investment securities and payables and receivables arising from trade-date and settlement-date differences.
- E. *Distributions to Shareholders.* Distributions to shareholders from net investment income are declared and paid for the Fund on a quarterly basis. Net realized gains on securities for the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.
- F. *Use of Estimates.* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.
- G. *Share Valuation.* The net asset value (“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 for the Fund, rounded to the nearest cent. The Fund’s shares will not be priced on the days on which the NYSE is closed for trading. The offering and redemption price per share for the Fund is equal to the Fund’s net asset value per share.
- H. *Guarantees and Indemnifications.* In the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. 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. However, based on experience, the Fund expects the risk of loss to be remote.

NOTE 3 – RISK FACTORS

Investing in the AI Powered Equity ETF may involve certain risks, as discussed in the Fund’s prospectus, including, but not limited to, those described below. Any of these risks could cause an investor to lose money.

Equity Market Risk. The equity securities held in the Fund’s portfolio may experience sudden, unpredictable drops in value or long periods of decline in value. This may occur because of factors that affect securities markets generally or factors affecting specific issuers, industries, or sectors in which the Fund invests such as political, market and economic developments, as well as events that impact specific issuers.

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

Management Risk. The Fund is subject to management risk as an actively-managed investment portfolio. The Adviser's investment approach may fail to produce the intended results. If the Adviser's implementation of the EquBot Model is inaccurate or incomplete, the Fund may not perform as expected and your investment could lose value over short or long-term periods. Additionally, the Adviser has not previously managed a Fund whose strategy relies on the use of AI, which may create additional risks for the Fund.

Market Trading Risk. An investment in the Fund faces numerous market trading risks, including the potential lack of an active market for Fund shares, losses from trading in secondary markets, periods of high volatility and disruption in the creation/redemption process of the Fund. Any of these factors, among others, may lead to the Fund's shares trading at a premium or discount to NAV.

Models and Data Risk. The Fund relies heavily on proprietary quantitative models as well as information and data supplied by third parties ("Models and Data"). When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks.

Non-Diversification Risk. Because the Fund is "non-diversified," it may invest a greater percentage of its assets in the securities of a single issuer or a small number of issuers than if it was a diversified fund. As a result, a decline in the value of an investment in a single issuer or a small number of issuers could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diversified portfolio. This may increase the Fund's volatility and have a greater impact on the Fund's performance.

Portfolio Turnover Risk. The portfolio managers may actively and frequently trade securities or other instruments in the Fund's portfolio to carry out its investment strategies. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses.

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. REITs may be affected by changes in the value of their underlying properties or mortgages or by defaults by their borrowers or tenants. Furthermore, these entities depend upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

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.

Smaller Companies Risk. Smaller companies in which the Fund may invest may be more vulnerable to adverse business or economic events than larger, more established companies, and may underperform other segments of the market or the equity market as a whole. The securities of smaller companies also tend to be bought and sold less frequently and at significantly lower trading volumes than the securities of larger companies. As a result, it may be more difficult for the Fund to buy or sell a significant amount of the securities of a smaller company without an adverse impact on the price of the company's securities, or the Fund may have to sell such securities in smaller quantities over a longer period of time, which may increase the Fund's tracking error.

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS

ETF Managers Group, LLC (the “Advisor”), serves as the investment advisor to the Fund. Pursuant to an Investment Advisory Agreement (“Advisory Agreement”) between the Trust, on behalf of the Fund, and the Advisor, the Advisor provides investment advice to the Fund and oversees the day-to-day operations of the Fund, subject to the direction and control of the Board and the officers of the Trust.

Under the Investment Advisory Agreement with the Fund, the Advisor has overall responsibility for the general management and administration of the Fund and arranges for sub-advisory, transfer agency, custody, fund administration, securities lending, and all other non-distribution related services necessary for the Fund to operate. The Advisor bears the costs of all advisory and non-advisory services required to operate the Fund, in exchange for a single unitary fee. For services provided the Fund pays the Advisor at an annual rate of 0.75% of the Fund’s average daily net assets. The Advisor has an agreement with, and is dependent on, a third party to pay the Fund’s expenses in excess of 0.75% of the Fund’s average daily net assets. Additionally, under the Investment Advisory Agreement, the Advisor has agreed to pay all expenses of the Fund, except for: the fee paid to the Advisor pursuant to the Investment Advisory Agreement, interest charges on any borrowings, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, extraordinary expenses, and distribution (12b-1) fees and expenses (collectively, “Excluded Expenses”). The Advisor has entered into an Agreement with EquBot, LLC (the “Sponsor”), under which the Sponsor agrees to sublicense the use of the Underlying Index to the Advisor. The Sponsor also provides marketing support for the Fund, including distributing marketing materials related to the Fund. EquBot, LLC is a privately held business focused on bringing exchange-traded investment products to investors in the U.S. The Sponsor does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to the Fund. Additionally, the Sponsor is not involved in the maintenance of the Underlying Index and does not otherwise act in the capacity of an index provider.

U.S. Bancorp Fund Services, LLC doing business as U.S. Bank Global Fund Services (the “Administrator”) provides fund accounting, fund administration, and transfer agency services to the Fund. The Advisor compensates the Administrator for these services under an administration agreement between the two entities.

The Advisor pays each independent Trustee a quarterly fee for service to the Fund. Each Trustee is also reimbursed by the Advisor for all reasonable out-of-pocket expenses incurred in connection with his duties as Trustee, including travel and related expenses incurred in attending Board meetings.

NOTE 5 – DISTRIBUTION PLAN

The Fund has adopted a Plan of Distribution pursuant to Rule 12b-1 under the 1940 Act. Under the Plan, the Fund may pay compensation to the Distributor or any other distributor or financial institution with which the Trust has an agreement with respect to the Fund, with the amount of such compensation not to exceed an annual rate of 0.25% of each Fund’s daily average net assets. For the year ended September 30, 2019, the Fund did not incur any 12b-1 expenses.

NOTE 6 - PURCHASES AND SALES OF SECURITIES

The costs of purchases and sales of securities, excluding short-term securities and in-kind transactions, for the year ended September 30, 2019:

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

	Purchases	Sales
AI Powered Equity ETF	\$244,838,491	\$259,351,368

The costs of purchases and sales of in-kind transactions associated with creations and redemptions for the year ended September 30, 2019:

	Purchases In- Kind	Sales In- Kind
AI Powered Equity ETF	\$4,762,287	\$68,833,069

Purchases in-kind are the aggregate of all in-kind purchases and sales in-kind are the aggregate of all in-kind sales. Net capital gains or losses resulting from in-kind redemptions are excluded from the Fund's taxable gains and are not distributed to shareholders.

There were no purchases or sales of U.S. Government obligations for the year ended September 30, 2019.

NOTE 7 — SECURITIES LENDING

The Fund may lend up to 33 1/3% of the value of the securities in its portfolio to brokers, dealers and financial institutions (but not individuals) under terms of participation in a securities lending program administered by U.S. Bank N.A. ("the Custodian"). The securities lending agreement requires that loans are collateralized at all times in an amount equal to at least 102% of the value of any loaned securities at the time of the loan, plus accrued interest. The Fund receives compensation in the form of fees and earn interest on the cash collateral. The amount of fees depends on a number of factors including the type of security and length of the loan. The Fund continues to receive interest payments or dividends on the securities loaned during the borrowing period. Gain or loss in the fair value of securities loaned that may occur during the term of the loan will be for the account of the Fund. The Fund has the right under the terms of the securities lending agreement to recall the securities from the borrower on demand. The cash collateral is invested by the Custodian in accordance with approved investment guidelines. Those guidelines require the cash collateral to be invested in readily marketable, high quality, short-term obligations; however, such investments are subject to risk of payment delays or default on the part of the issuer or counterparty or otherwise may not generate sufficient interest to support the costs associated with securities lending. The Fund could also experience delays in recovering its securities and possible loss of income or value if the borrower fails to return the borrowed securities, although the Fund is indemnified from this risk by contract with the securities lending agent.

As of September 30, 2019, the value of the securities on loan and payable for collateral due to broker were as follows:

Value of Securities on Loan Collateral Received

Fund	Values of Securities on Loan	Fund Collateral Received*
AI Powered Equity ETF	\$25,442,518	\$25,790,497

* The cash collateral received was invested in the Mount Vernon Liquid Assets Portfolio as shown on the Schedule of Investments, an investment with an overnight and continuous maturity.

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

NOTE 8 – FEDERAL INCOME TAXES

The components of distributable earnings (losses) and cost basis of investments for federal income tax purposes at September 30, 2019 were as follows:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>	
AI Powered Equity ETF	\$136,826,516	\$ 7,337,699	\$ (4,475,676)	\$ 2,862,023	
	<u>Undistributed Ordinary Income</u>	<u>Undistributed Long-term Gain</u>	<u>Total Distributable Earnings</u>	<u>Other Accumulated (Loss)</u>	<u>Total Accumulated Gain</u>
AI Powered Equity ETF	\$ 20,212	\$ —	\$ 20,212	\$ (10,309,415)	\$ (7,427,180)

As of September 30, 2019, the Fund had accumulated capital loss carryovers of:

	<u>Capital Loss Carryover ST</u>	<u>Capital Loss Carryover LT</u>	<u>Expires</u>
AI Powered Equity ETF	\$ (8,964,165)	\$ (1,345,250)	Indefinite

Under current tax law, capital and currency losses realized after October 31 of a Fund's fiscal year may be deferred and treated as occurring on the first business day of the following fiscal year for tax purposes. The following Funds had deferred post-October capital and currency losses, which will be treated as arising on the first business day of the year ended September 30, 2019.

	<u>Late Year Ordinary Loss</u>	<u>Post-October Capital Loss</u>
AI Powered Equity ETF	None	None

U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the fiscal year ended September 30, 2019, the following table shows the reclassifications made:

	<u>Total Distributable Earnings/(Loss)</u>	<u>Paid-In Capital</u>
AI Powered Equity ETF	\$ 1,252,068	\$ (1,252,068)

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2019 (Continued)

The tax character of distributions paid by the Fund during the fiscal years ended September 30, 2019 and September 30, 2018 are as follows:

	<u>Year Ended</u>		<u>Year Ended</u>	
	<u>September 30, 2019</u>		<u>September 30, 2018</u>	
	<u>From</u>	<u>From</u>	<u>From</u>	<u>From</u>
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
	<u>Income</u>	<u>Gains</u>	<u>Income</u>	<u>Gains</u>
AI Powered Equity ETF	\$12,571,140	\$ 3,903	\$ 610,275	\$ —

NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, FASB issued Accounting Standards Update (“ASU”) 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement (“ASU 2018-13”). The primary focus of ASU 2018-13 is to improve the effectiveness of the disclosure requirements for fair value measurements. The changes affect all companies that are required to include fair value measurement disclosures. In general, the amendments in ASU 2018-13 are effective for all entities for fiscal years and interim periods within those fiscal years, beginning after December 15, 2019. An entity is permitted to early adopt the removed or modified disclosures upon the issuance of ASU 2018-13 and may delay adoption of the additional disclosures, which are required for public companies only, until their effective date. Management has evaluated ASU 2018-13 and has early adopted the relevant provisions of the disclosure framework.

NOTE 10 – LEGAL MATTERS

The Trust, a former and current trustee of the Trust, the Adviser and certain officers of the Adviser are defendants in an action filed May 2, 2017 in the Superior Court of New Jersey captioned PureShares, LLC d/b/a PureFunds et al. v. ETF Managers Group, LLC et al., Docket No. C-63-17. The PureShares action alleges claims based on disputes arising out of contractual relationships with the Adviser. The action seeks damages in unspecified amounts and injunctive relief based on breach of contract, wrongful termination, and several other theories. The matter is scheduled for trial in January 2020.

The Adviser, its parent, Exchange Traded Managers Group, LLC and its chief executive officer are defendants in a case filed on October 26, 2017 in the United States District Court for the Southern District of New York by NASDAQ, Inc. captioned Nasdaq, Inc. v. Exchange Traded Managers Group, LLC et al., Case 1:17-cv-08252. This action arises out of related facts and circumstances in the New Jersey litigation and asserts claims for breach of contract, wrongful termination and certain other theories with respect to the same exchange traded funds discussed above. The matter was the subject of a bench trial in the Southern District of New York in May 2019, with closing arguments held on July 10, 2019. The parties are now awaiting the decision of the court. While the Adviser cannot predict the outcome of this lawsuit, the Adviser believes that any judgement against it will not affect its ability to continue to act as investment adviser to the Funds. Management of the Trust and the Fund, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the Fund’s financial statements.

NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, the Fund has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments to the financial statements.

AI Powered Equity ETF

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of ETF Managers Trust
and the Shareholders of AI Powered Equity ETF:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of AI Powered Equity ETF (the “Fund”) (a series of ETF Managers Trust) as of September 30, 2019, the related statement of operations for the year then ended, the statements of changes in net assets and financial highlights for each of the two years in the period then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2019, the results of its operations for the year then ended, and the changes in net assets and financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

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 based on our audits. 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 Fund 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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits 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. Our audits 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. Our procedures included confirmation of securities owned as of September 30, 2019 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

/s/WithumSmith+Brown, PC

We have served as the auditor of one or more series of the Trust since 2013.

New York, New York
November 27, 2019

AI Powered Equity ETF

Expense Example

Six Months Ended September 30, 2019 (Unaudited)

As a shareholder of AI Powered Equity ETF (the “Fund”) you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares, and (2) ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The example is based on an investment of \$1,000 invested at the beginning of the six-month period and held for the entire period (April 1, 2019 to September 30, 2019).

Actual Expenses

The first line of the table provides information about actual account values based on actual returns 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 under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table provides information about hypothetical account values based on a hypothetical return 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 of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If these transactional costs were included, your costs would have been higher.

AI Powered Equity ETF

	Beginning Account Value April 1, 2019	Ending Account Value September 30, 2019	Expenses Paid During the Period[^]	Annualized Expense Ratio During Period April 1, 2019 to September 30, 2019
Actual	\$ 1,000.00	\$ 1,012.80	\$ 3.78	0.75%
Hypothetical (5% annual)	\$ 1,000.00	\$ 1,021.31	\$ 3.80	0.75%

[^] The dollar amounts shown as expenses paid during the period are equal to the annualized six-month expense ratio multiplied by the average account value during the period, multiplied by 183/365 (to reflect one-half year period from April 1, 2019 to September 30, 2019).

AI Powered Equity ETF

SUPPLEMENTARY INFORMATION

September 30, 2019 (Unaudited)

NOTE 1 – FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS

Information regarding how often shares of each Fund traded on the Exchange at a price above (i.e., at a premium) or below (i.e., at a discount) the NAV is available on the Fund's website at www.etmfunds.com.

NOTE 2 – FEDERAL TAX INFORMATION

Qualified Dividend Income/Dividends Received Deduction

For the fiscal year ended September 30, 2019, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

Fund Name	QDI
AI Powered Equity ETF	15.55%

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended September 30, 2019 was as follows:

Fund Name	DRD
AI Powered Equity ETF	15.55%

Short Term Capital Gain

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 as follows:

Fund Name	Short-Term Capital Gain
AI Powered Equity ETF	92.84%

SUPPLEMENTARY INFORMATION

September 30, 2019 (Unaudited) (Continued)

NOTE 3 – INFORMATION ABOUT PORTFOLIO HOLDINGS

The Fund files a Form N-Q with the Securities and Exchange Commission (the “SEC”) no more than sixty days after the Fund’s first and third fiscal quarters. For the Fund, this would be for the fiscal quarters ending June 30 and December 31. Form N-Q includes a complete schedule of the Funds’ portfolio holdings as of the end of those fiscal quarters. The Fund’s N-Q filings can be found free of charge on the SEC’s website at <http://www.sec.gov>, or they may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. (call 800-SEC-0330 for information on the operation of the Public Reference Room). The Fund’s portfolio holdings are posted on the Fund’s website at www.AIEQetf.com daily.

NOTE 4 – INFORMATION ABOUT PROXY VOTING

A description of the policies and procedures the Fund uses to determine how to vote proxies relating to portfolio securities is provided in the Statement of Additional Information (“SAI”). The SAI is available without charge upon request by calling toll-free at 1-844-ETF-MGRS (1-844-383-6477), by accessing the SEC’s website at www.sec.gov, or by accessing the Fund’s website at www.AIEQetf.com.

Information regarding how the Fund voted proxies relating to portfolio securities during the period ending June 30 is available by calling toll-free at 1-844-ETF-MGRS (1-844-383-6477) or by accessing the SEC’s website at www.sec.gov.

Carefully consider the Fund’s investment objectives, risk factors, charges, and expenses before investing. This and additional information can be found in the Fund’s prospectus, which may be obtained by calling 1-844-ETF-MGRS (1-844-383-6477) or by visiting www.AIEQetf.com. Read the prospectus carefully before investing.

AI Powered Equity ETF

Board of Trustees

Set forth below are the names, birth years, positions with the Trust, length of term of office, 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 of the Trust, as well as information about each officer. The business address of each Trustee and officer is 30 Maple Street, 2nd Floor, Summit, New Jersey 07901. The SAI includes additional information about Fund directors and is available, without charge, upon request by calling 1-844-ETF-MGRS (1-844-383-6477).

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	Other Directorships Held by Trustee During Past 5 Years
Interested Trustee and Officers				
Samuel Masucci, III (1962)	Trustee, Chairman of the Board and President (since 2012); Secretary (since 2014)	Chief Executive Officer, Exchange Traded Managers Group LLC (since 2013); Chief Executive Officer, ETF Managers Group LLC (since 2016); Chief Executive Officer, ETF Managers Capital LLC (commodity pool operator) (since 2014); Chief Executive Officer (2012-2016) and Chief Compliance Officer (2012-2014), Factor Advisors, LLC (investment adviser); President and Chief Executive Officer, Factor Capital Management LLC (2012-2014) (commodity pool operator);	8	None
John A. Flanagan, (1946)	Treasurer (since 2015)	President, John A. Flanagan CPA, LLC (accounting services) (since 2010); Treasurer, ETF Managers Trust (since 2015); Principal Financial Officer, ETF Managers Capital, LLC (commodity pool operator) (since 2015)	n/a	n/a
Reshma A. Tanczos (1978)	Chief Compliance Officer (since 2016)	Chief Compliance Officer, ETF Managers Group LLC (since 2016); Chief Compliance Officer, ETF Managers Capital LLC (since 2016); Partner, Crow & Cushing (law firm) (2007-2016).	n/a	n/a

* Mr. Masucci is an interested Trustee by virtue of his role as the Chief Executive Officer of the Adviser.

AI Powered Equity ETF

Board of Trustees (Continued)

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	Other Directorships Held by Trustee During Past 5 Years
Independent Trustees				
Terry Loeb (1963)	Trustee (since 2014)	Founder and Managing Member, Pulsenomics LLC (index product development and consulting firm) (since 2011); Managing Director, MacroMarkets, LLC (exchange-traded products firm) (2006-2011).	8	None
Jared A. Chase (1955)	Trustee (since 2018)	Chief Operating and Financial Officer, Root Capital (a 501(c)(3) non-profit lender); Chairman, State Street Global Alliance LLC, State Street Corporation (2007-2012); Head of Global Treasury, Liability Management, Money Markets & Derivatives, State Street Corporation (2004-2007)	8	None

AI Powered Equity ETF

ETF MANAGERS TRUST

Privacy Policy and Procedures

ETF Managers Trust, (the “Trust”) has adopted the following privacy policies in order to safeguard the personal information of the Trust’s customers and consumers in accordance with Regulation S-P as promulgated by the U.S. Securities and Exchange Commission.

Trust officers are responsible for ensuring that the following policies and procedures are implemented:

- 1) The Trust is committed to protecting the confidentiality and security of the information they collect and will handle personal customer and consumer information only in accordance with Regulation S-P and any other applicable laws, rules and regulations¹. The Trust will ensure: (a) the security and confidentiality of customer records and information; (b) that customer records and information are protected from any anticipated threats and hazards; and (c) that customer records and information are protected from unauthorized access or use.
- 2) The Trust conducts its business affairs through its trustees, officers and third parties that provide services pursuant to agreements with the Trust. The Trust has no employees. It is anticipated that the trustees and officers of the Trust who are not employees of service providers of the Trust will not have access to customer records and information in the performance of their normal responsibilities for the Trust.
- 3) The Trust may share customer information with its affiliates, subject to the customers’ right to prohibit such sharing.
- 4) The Trust may share customer information with unaffiliated third parties only in accordance with the requirements of Regulation S-P. Pursuant to this policy, the Trust will not share customer information with unaffiliated third parties other than as permitted by law, unless authorized to do so by the customer.

Consistent with these policies, the Trust has adopted the following procedures:

- 1) The Trust will determine that the policies and procedures of its affiliates and Service Providers are reasonably designed to safeguard customer information and only permit appropriate and authorized access to and use of customer information through the application of appropriate administrative, technical and physical protections.
- 2) The Trust will direct each of its Service Providers to adhere to the privacy policy of the Trust and to its privacy policies with respect to all customer information of the Trust and to take all actions reasonably necessary so that the Trust is in compliance with the provisions of Regulation S-P, including, as applicable, the development and delivery of privacy notices and the maintenance of appropriate and adequate records.
- 3) The Trust requires its Service Providers to provide periodic reports to the Trust’s Board of Trustees outlining their privacy policies and the implementation of such policies. Each Service Provider is required to promptly report to the Trust’s Board any material changes to its privacy policy before, or promptly after, the adoption of such changes

⁽¹⁾ Generally, the Funds have institutional clients which are not considered “customers” for purposes of regulation S-P.

Advisor

ETF Managers Group, LLC
30 Maple Street, Suite 2, Summit, NJ 07901

Distributor

ETFMG Financial, Inc.
30 Maple Street, Suite 2, Summit, NJ 07901

Custodian

U.S. Bank National Association
Custody Operations
1555 North River Center Drive, Suite 302, Milwaukee, Wisconsin 53212

Transfer Agent

U.S. Bancorp Fund Services, LLC doing business as U.S. Bank Global Fund Services
615 East Michigan Street, Milwaukee, Wisconsin 53202

Securities Lending Agent

U.S Bank, National Association
Securities Lending
800 Nicolet Mall
Minneapolis, MN 55402-7020

Independent Registered Public Accounting Firm

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1411 Broadway, 9th Floor, New York, NY 10018

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1666 K Street NW, Washington, DC 20006