

AIEQ™

QUARTERLY COMMENTARY 2019 Q1



Executive Summary

Q1 2019 served as another reminder to investors of the opportunity in data-driven and AI human-bias-free investment solutions. The EquBot AI Investment Platform turned December's volatility into an opportunity to reposition the AI Equity Powered ETF portfolio for benchmark-beating investment gains to start 2019. While the funds' top large-cap and technology exposures are well covered, we were extremely pleased with the performance in some of our lesser known mid-cap trades like Coupa Software and Cadence Design systems (+46%, and +36% respectively when all was said and

done at end of the quarter). Most of the fund's positions contributed positively toward Q1 performance but there were a handful of technology and pharmaceutical names that dragged on performance like Mohawk Industries and Nektar Therapeutics. We think it is important to remind investors that the system driving AIEQ continues to learn from every trade and each change in market conditions with the power of AI. We look forward to leveraging our perpetually improving AI investment knowledge base for our investors in 2019 and beyond.

Fund Performance

AIEQ returned 18.96% for the quarter ended March 31, 2019, which was about 5.5% ahead of the broad US equity market. The AI's stock selection engine was firing on all cylinders, picking winners from essentially every equity sector in the US market.

At the sector level AIEQ's strongest contributor was Information Technology (+25.8%), which added nearly 7% to overall return for the quarter. This is not surprising, given the surge in technology stocks during the period. With that said, the technology holdings in AIEQ outperformed the overall tech sector by nearly 6%. AIEQ's investment in Financials and Communications Services had similar results, outperforming the sector by 4% and 8%, respectively, in Q1 2019.

SECTOR CONTRIBUTORS	AVG. WEIGHT (%)	TOTAL RETURN (%)	SECTOR CONTRIBUTION (%)
Information Technology	27.34	25.84	6.79
Financials	17.04	12.41	2.46
Communication Services	9.98	22.13	2.31
Consumer Discretionary	10.10	20.53	2.02
Health Care	7.24	20.71	1.50
Energy	6.24	19.62	1.27
Industrials	7.01	15.48	1.05
Consumer Staples	7.03	13.47	0.99
Real Estate	0.87	33.67	0.30
Utilities	1.38	15.21	0.19
Materials	1.97	5.43	0.18
Cash	3.82	0.55	0.02

FUND PERFORMANCE (CONTINUED)

At the security level, positive contributors to AIEQ's performance were SS&C Technologies (SSNC, +41.4%), Netflix (NFLX, +33.2%) and Coupa Software (COUP, +44.7%). Companies detracting from performance included Green Dot Corp (GDOT, -23.7%), Northrup Grumman (NOC -5.9%) and CBOE Global Markets (CBOE, -2.1%).

TOP 10 POSITIVE CONTRIBUTORS	AVG. WEIGHT (%)	TOTAL RETURN (%)	CONTRIBUTION TO RETURN (%)
SS&C Technologies Holding	2.05	41.42	0.77
Netflix Inc	1.52	33.21	0.64
Coupa Software Inc	1.50	44.73	0.60
NetApp Inc	2.97	17.01	0.50
Alexion Pharmaceuticals Inc	1.36	38.85	0.49
Alphabet Inc - Cl A	3.62	12.63	0.47
Aaron's Inc	1.94	25.17	0.47
Liberty Broadband Corp	1.51	27.36	0.42
Cadence Design Systems Inc	1.01	46.07	0.42
Zayo Group Holdings Inc	1.63	24.43	0.41

BOTTOM 10 NEGATIVE CONTRIBUTORS	AVG. WEIGHT (%)	TOTAL RETURN (%)	CONTRIBUTION TO RETURN (%)
Green Dot Corp - Class A	1.15	-23.73	-0.32
Northrop Grumman Corp	0.29	-5.92	-0.06
Cboe Global Markets Inc	1.55	-2.13	-0.05
The Boeing Co	0.13	-8.37	-0.04
Hanesbrands Inc	0.41	-4.24	-0.04
Humana Inc	0.06	-7.01	-0.03
Crocs Inc	0.30	-6.94	-0.03
AbbVie Inc	0.17	-11.48	-0.03
FLIR Systems Inc	0.06	-5.86	-0.02
HealthEquity Inc	0.02	-10.33	-0.02

FUND PERFORMANCE (CONTINUED)

Looking at fundamental factor performance, factors contributing positively were exposures to global markets, the US market, and the software industry. Negative contributors included the style factor Size, the banking industry and distributors of consumer staples.

TOP 6 FACTOR CONTRIBUTORS	AVG. WEIGHT (%)	TOTAL RETURN (%)	FACTOR CONTRIBUTION (%)
Country: GL Market	0.96	11.40	11.35
NorthAm: GL United Sta	0.96	2.69	2.81
Industry: GL Software	0.14	6.39	0.96
Style: GL TradeAct	0.51	1.55	0.87
Industry: GL ConsFin	0.06	6.05	0.36
Industry: GL Hardware	0.11	3.29	0.35

BOTTOM 6 FACTOR CONTRIBUTORS	AVG. WEIGHT (%)	TOTAL RETURN (%)	FACTOR CONTRIBUTION (%)
Style: GL Size	-0.63	0.45	-0.29
Industry: GL Banking	0.07	-3.04	-0.20
Industry: GL Distributors – Staples	0.03	-4.41	-0.17
Style: GL Volatility	-0.13	1.32	-0.14
Industry: GL Telecom	0.02	-4.07	-0.08
Industry: GL Media	0.08	-0.98	-0.07



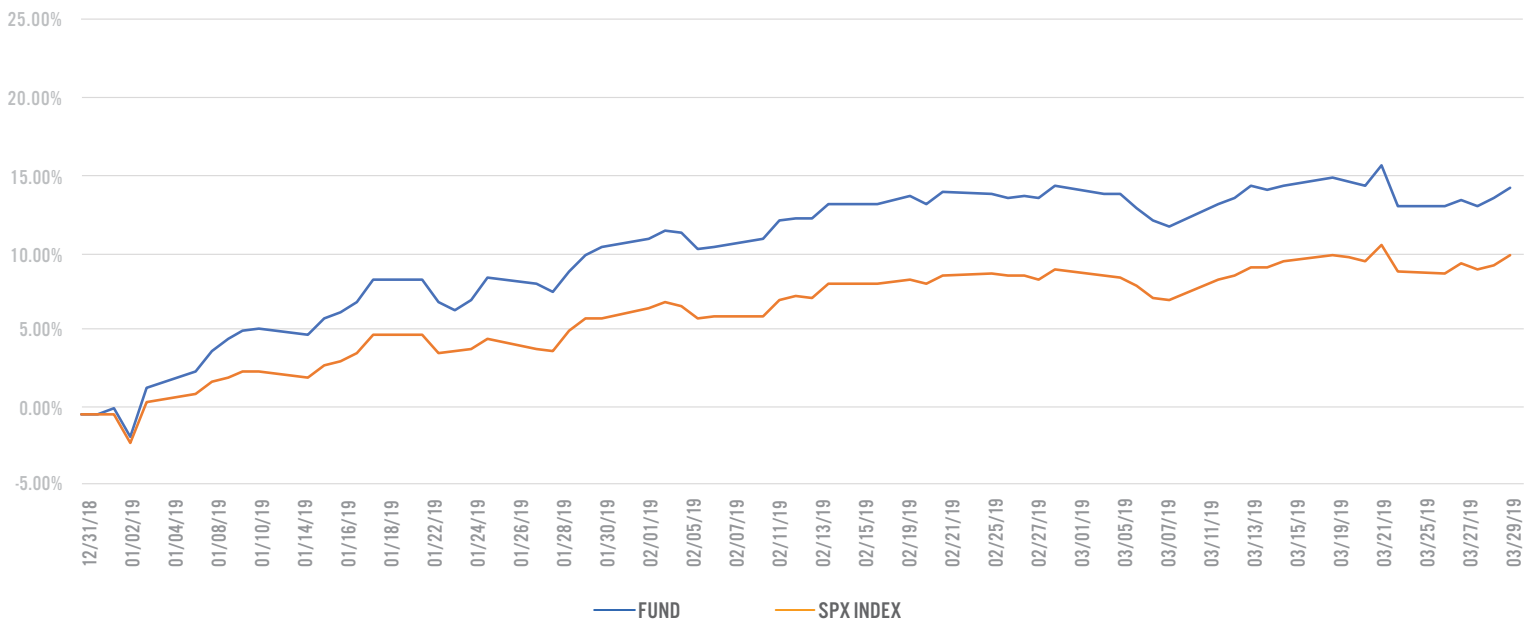
FUND PERFORMANCE (CONTINUED)

Breaking out style factors, those contributing positively in Q4 included exposures to Trade Activity, Growth and Earnings Variability. Those contributing negatively were led by exposures to Size, Volatility and to a lesser extent, Dividend Yield.



STYLE RETURN	CONTRIBUTION
Earnings Variability	0.20
Momentum	0.02
Size	-0.29
Leverage	0.00
Dividend Yield	-0.06
Trade Activity	0.87
Profitability	-0.04
Growth	0.32
Volatility	-0.14
Value	0.05

Total Return: Q1 2019



Performance

as of 3/31/18

	CUMULATIVE				ANNUALIZED				
	1 MONTH	3 MONTH	YTD	SINCE INCEP.	1 YEAR	3 YEARS	5 YEARS	10 YEARS	SINCE INCEP.
MARKET PRICE	1.05%	19.02%	19.02%	13.50%	8.61%				9.11%
NAV	1.21%	18.96%	18.96%	14.32%	9.43%				9.65%

Fund Inception: 10/18/17

Expense Ratio: 0.77%

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 Funds 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). Performance is annualized for periods greater than 1 year.

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.

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.

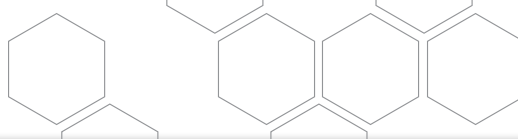
The Fund is actively-managed and may not meet its investment objective based on the success or failure of the Equibot Model to identify investment opportunities.

Fund holdings are subject to change. For full holdings information, please visit www.aieqetf.com.

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.

The Fund is distributed by ETFMG Financial LLC, which is not affiliated with Equibot. ETF Managers Group LLC and ETFMG Financial LLC are wholly owned subsidiaries of Exchange Traded Managers Group LLC (collectively, "ETFMG").



Definitions

STYLE FACTOR	DESCRIPTION	DATA USED
Momentum	Separates stocks that have outperformed over the past year and those that have underperformed.	Cumulative return over one year (averaged), skipping the most recent two weeks
Value	A composite metric that differentiates “rich” and “cheap” stocks. Bloomberg combines fundamental and analyst consensus data to calculate this factor.	Book to Price, Earnings to Price, Cash Flow to Price, Sales/EV, EBITDA/EV, Forecast Earnings to Price,
Dividend Yield	Most recently announced net dividend (annualized) divided by the current market price	Most recently announced net dividend (annualized) divided by the current market price
Size	A composite metric distinguishing between large and small stocks.	Market Capitalization, Sales, Total Assets
Trading Activity	A turnover based measure. Bloomberg focuses on turnover which is trading volume normalized by shares outstanding. This indirectly controls for the Size effect.	The exponential weighted average (EWMA) of the ratio of shares traded to shares outstanding
Earnings Variability	Gauges how consistent earnings, cash flows, and sales have been in recent years.	Earnings Volatility to Total Assets, Cash Flow Volatility to Total Assets, Sales Volatility to Total Assets
Profitability	Studies firms’ profit margins to differentiate between money makers and money losers.	Return on Equity, Return on Assets, Return on Capital Employed, EBITDA Margin
Volatility	Differentiates more volatile stocks and less volatile ones by quantifying “volatile” from several different angles.	Rolling Volatility, Rolling CAPM Beta, Historical Sigma, Cumulative Range
Growth	Aims to capture the difference between high and low growers by using historical fundamental and forward-looking analyst data.	Total Asset Growth, Sales Growth, Earnings Growth, Forecast of Earnings Growth, Forecast of Sales Growth
Leverage	A composite metric to gauge a firm’s level of leverage.	Book Leverage, Market Leverage, Debt to Total Assets