

GAMR™

QUARTERLY COMMENTARY 2019 Q2



Executive Summary

The video game industry is poised for significant positive stimulation. This is primarily due to recently announced advancements in graphics and general processing semiconductors which will make practically every single computer sold a gaming computer. In turn, the number of people globally with the ability to play high quality games will increase, as will the probability that they become gamers. The lower cost of entry and the smaller form factors of gaming machines will also attract customers who previously did not have the budget or space for gaming hardware.

Additionally, games as a service is continuing to expand as a business model. Customers can choose from hundreds of titles for a monthly fee. These titles are primarily “catalog”

titles and the resulting subscription revenue can increase monetization to the developer vs traditional means of distribution. Gamers still buy high priced new releases, but the games as a service offering often piggybacks new release consumption, and thus can improve average revenue per customer.

Cloud gaming is the ultimate expression for games as service and we will see a significant uptick in this distribution tech later this year with the release of Google Stadia. We expect the technology to get a slow start and build steam as kinks are worked out and data infrastructure is improved. The reach and flexibility for cloud gaming is nothing short of revolutionary and could increase the ranks of gamers by hundreds of millions.

Fund Performance

The ETFMG Video Game Technology ETF (GAMR) returned -2.68% for the quarter ended June 30, 2019, which was in line with its benchmark, the EEFund Video Game Tech Index.

At the sector level, GAMR's performance was helped by holdings in Information Technology which was up 1.9% over the period. Health Care, represented by one holding, Carl Zeiss Meditec (AFX GY), was up 18.2% and was the second highest contributing sector. Sectors having negative impact were Communications Services (-3.6%) and Consumer Discretionary (-5.2%).

| SECTOR CONTRIBUTORS | AVG. WEIGHT (%) | TOTAL RETURN | SECTOR CONTRIBUTION |
|------------------------|-----------------|--------------|---------------------|
| Communication Services | 74.25 | -3.61 | -2.69 |
| Information Technology | 19.07 | 1.94 | 0.36 |
| Consumer Discretionary | 5.50 | -5.21 | -0.29 |
| Health Care | 0.94 | 18.17 | 0.15 |
| Not Classified | 0.24 | 0.55 | 0.00 |

At the security level, positive contributors to performance were led by Nintendo (7974 JP, +28.6%), Pearl Abyss Corp (263750 KS Equity, +24.3%). Companies in the fund that detracted included GLU Mobile (-34.4%), GAMESTOP CORP-CLASS A (GME US, -46.16%), and IGG INC (799 HK Equity, -19.54%).

| TOP 10 POSITIVE CONTRIBUTORS | AVG. WEIGHT (%) | TOTAL RETURN (%) | CONTRIBUTION TO RETURN (%) |
|-------------------------------|-----------------|------------------|----------------------------|
| NINTENDO CO LTD | 2.53 | 28.59 | 0.59 |
| PEARL ABYSS CORP | 2.19 | 24.25 | 0.50 |
| ZYNGA INC | 3.37 | 15.01 | 0.42 |
| TAKE-TWO INTERACTIVE SOFTWARE | 2.16 | 20.30 | 0.40 |
| THQ NORDIC | 2.25 | 16.01 | 0.35 |
| GREE INC | 2.24 | 16.17 | 0.34 |
| ADVANCED MICRO DEVICES | 1.72 | 19.00 | 0.29 |
| CD PROJEKT SA | 3.09 | 11.21 | 0.29 |
| QUALCOMM INC | 1.02 | 34.62 | 0.24 |
| KEYWORDS STUDIOS PLC | 0.18 | 9.31 | 0.24 |

FUND PERFORMANCE (CONTINUED)

| TOP 10 NEGATIVE CONTRIBUTORS | AVG. WEIGHT (%) | TOTAL RETURN (%) | CONTRIBUTION TO RETURN (%) |
|------------------------------|-----------------|------------------|----------------------------|
| GLU MOBILE INC | 2.57 | -34.37 | -1.03 |
| GAMESTOP CORP | 1.43 | -46.16 | -0.76 |
| IGG INC | 2.08 | -19.54 | -0.43 |
| NHN CORP | 2.90 | -14.12 | -0.41 |
| IDREAMSKY TECHNOLOGY | 2.41 | -16.84 | -0.41 |
| WEBZEN INC | 1.99 | -14.03 | -0.39 |
| GUNGHO ONLINE ENTERTAINMENT | 1.25 | -24.01 | -0.36 |
| CHEETAH MOBILE INC | 0.63 | -44.70 | -0.34 |
| WEMADE CO LTD | 0.69 | -36.13 | -0.31 |
| UBISOFT ENTERTAINMENT | 2.38 | -12.03 | -0.29 |

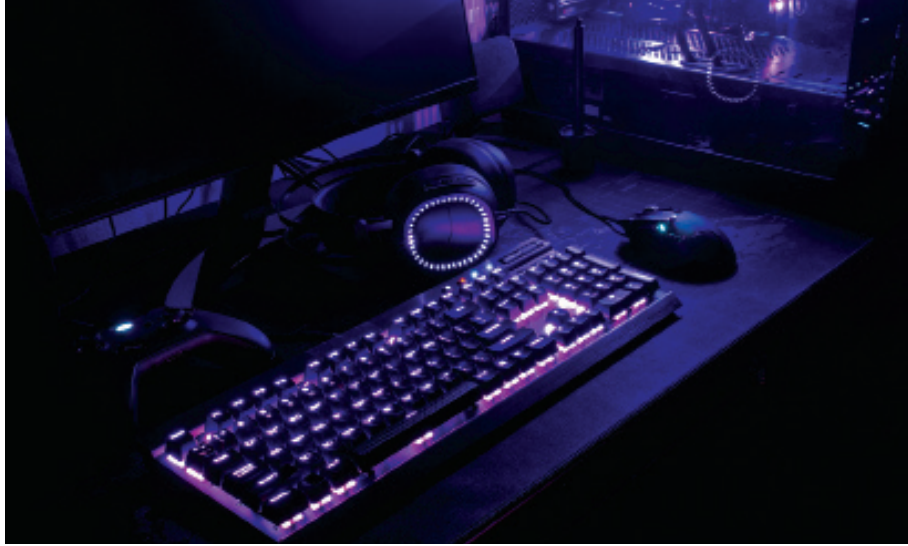
Looking at fundamental factor performance for the index, factors contributing positively were allocations to Global Markets, to the software industry group and to the US. GAMR's exposures to the style factor Size and Japanese Equities were the most significant detractors.

| TOP 6 FACTOR CONTRIBUTORS | AVG. WEIGHT (%) | FACTOR RETURN | FACTOR CONTRIBUTION |
|---------------------------|-----------------|---------------|---------------------|
| Country:GL Market | 1.00 | 1.76 | 1.70 |
| Industry:GL Software | 0.72 | 2.16 | 1.49 |
| NorthAm:GL United St | 0.26 | 2.19 | 0.59 |
| Currency: JPY | 0.23 | 2.19 | 0.51 |
| Style:GL Growth | 0.72 | 0.72 | 0.51 |
| Style:GL Momentum | 0.04 | 1.41 | 0.35 |

| BOTTOM 6 FACTOR CONTRIBUTORS | AVG. WEIGHT (%) | FACTOR RETURN | FACTOR CONTRIBUTION |
|------------------------------|-----------------|---------------|---------------------|
| Style:GL TradeAct | 1.09 | -0.98 | -1.05 |
| AsiaPac-Dev:GL Japan | 0.23 | -3.73 | -0.86 |
| Style:GL EarnVariab | 1.19 | 0.65 | -0.73 |
| Style:GL Size | -1.25 | 0.42 | -0.47 |
| AsiaPac-Dev:GL Korea | 0.16 | -2.83 | -0.44 |
| AsiaPac-Dev:GL Hong | 0.05 | -6.21 | -0.38 |

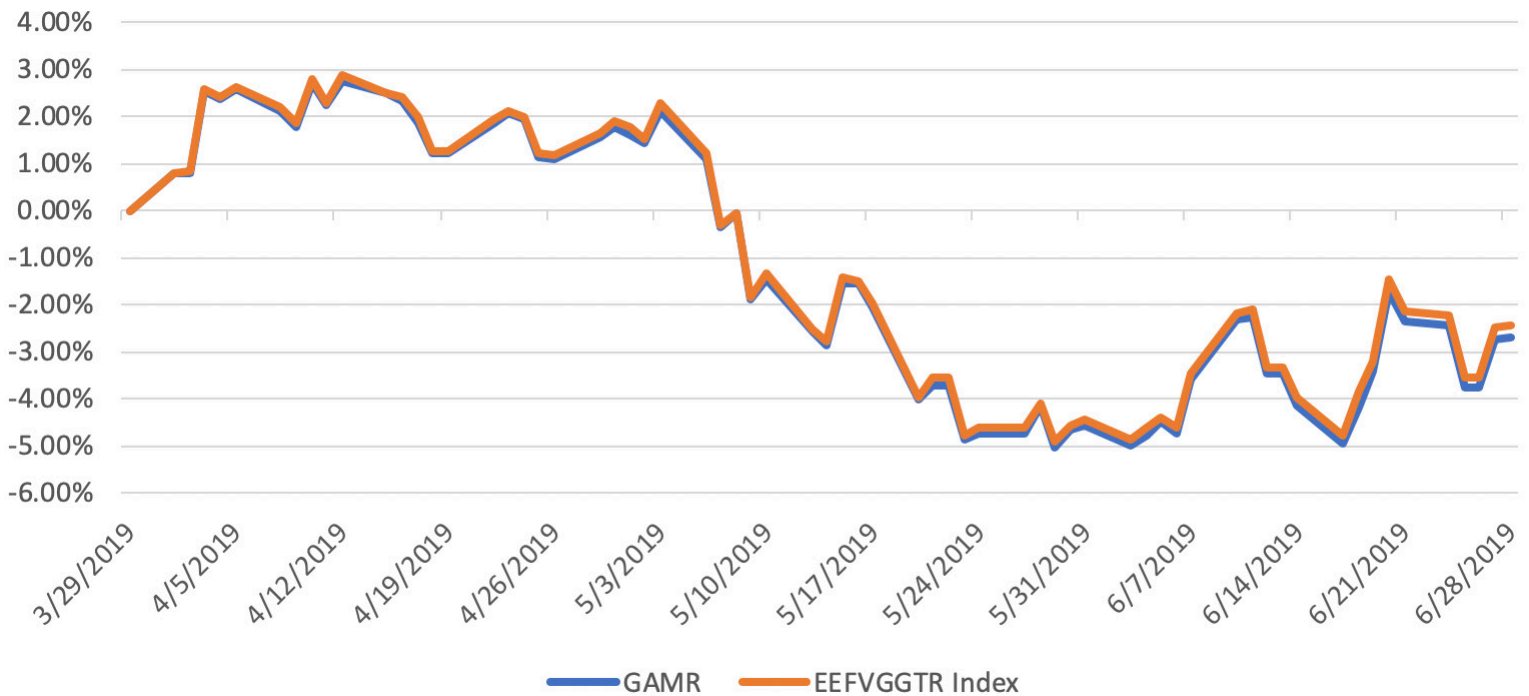
FUND PERFORMANCE (CONTINUED)

A closer look at the style factors revealed that the largest positive contributors to performance were Momentum, Leverage, and Growth. Contributing negatively to GAMR's return for Q2 were exposures to Earnings Variability, Trade Activity, and Size.



| STYLE RETURN | CONTRIBUTION |
|----------------------|--------------|
| Earnings Variability | -0.73 |
| Momentum | 0.35 |
| Size | -0.47 |
| Leverage | 0.32 |
| Dividend Yield | -0.27 |
| Trade Activity | -1.05 |
| Profitability | 0.07 |
| Growth | 0.51 |
| Volatility | -0.16 |
| Value | 0.06 |

Total Return: Q2 2019



Performance

as of 6/30/19

| | CUMULATIVE | | | | ANNUALIZED | | | | |
|-----------------------|------------|---------|--------|--------------|------------|---------|---------|----------|--------------|
| | 1 MONTH | 3 MONTH | YTD | SINCE INCEP. | 1 YEAR | 3 YEARS | 5 YEARS | 10 YEARS | SINCE INCEP. |
| MARKET PRICE | 2.16% | -3.40% | 10.81% | 78.80% | -11.99% | 16.34% | | | 19.18% |
| NAV | 1.99% | -2.68% | 10.33% | 79.36% | -11.60% | 16.79% | | | 19.29% |
| EEFVGGTR INDEX | 2.08% | -2.45% | 10.58% | 79.04% | -11.38% | 16.59% | | | 19.23% |

Fund Inception: 3/9/16

Expense Ratio: 0.75%

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), or by visiting etfmg.com/GAMR. 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.etfmg.com/GAMR. 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. Video Game Tech Companies face intense competition, both domestically and internationally, may have limited product lines, markets, financial resources or personnel, may have products that face rapid obsolescence, and are heavily dependent on the protection of patent and intellectual property rights. Video Game Tech Companies are also subject to increasing regulatory constraints, particularly with respect to cybersecurity and privacy. Such factors may adversely affect the profitability and value of such companies. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Investments in smaller companies tend to have limited liquidity and greater price volatility than large-capitalization companies. The Fund's return may not match or achieve a high degree of correlation with the return of the EEFund Video Game Tech Index. To the extent the Fund utilizes a sampling approach, it may experience tracking error to a greater extent than if the Fund had sought to replicate the Index. Diversification does not guarantee a profit, nor does it protect against a loss in a declining market.

The EEFund Video Game Tech™ Index provides a benchmark for investors interested in tracking companies actively involved in the electronic gaming industry including the entertainment, education and simulation segments. The Index uses a market capitalization weighted allocation across the pure play and non-pure play sectors and a set weight for the conglomerate sector as well as an equal weighted allocation methodology for all components within each sector allocation. The index was created and is maintained by EEFund Management. You cannot invest directly in an index.

ETF Managers Group LLC is the investment adviser to the Fund.

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

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 |