



## Semi-Annual Report March 31, 2019

### ETFMG Alternative Harvest ETF

Ticker: MJ

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.

ETFMG Alternative Harvest ETF

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**March 31, 2019 (Unaudited)**

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## ETFMG Alternative Harvest ETF

Dear Shareholder,

On behalf of the entire team, we want to express our appreciation for the confidence you have placed in the ETFMG Alternative Harvest Exchange-Traded Fund (“MJ” or the “Fund”). The following information pertains to the fiscal period from October 1, 2018 to March 31, 2019.

The Fund seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Prime Alternative Harvest Index (the “Index”).

Over the period, the total return for the Fund was - 6.85%, while the total return for the Index was - 8.46%. The best performers on the basis of contribution to return were Cronos, Organigram Holdings, and Schweitzer-Mauduit, while the worst performers were Tilray, Insys Therapeutics, and Aurora Cannabis.

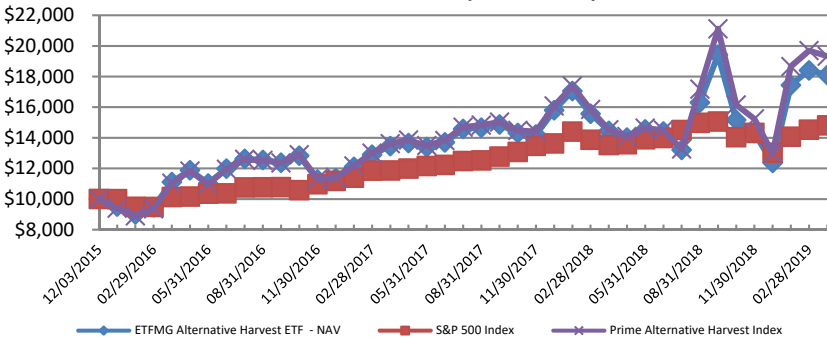
We thank you for your interest in the Fund. You can find further details about MJ by visiting [www.etfmj.com](http://www.etfmj.com), or by calling 1-844-ETF-MGRS (1-844-383-6477).

Sincerely,



Samuel Masucci III  
Chairman of the Board

## ETFMG Alternative Harvest ETF Growth of \$10,000 (Unaudited)



The Fund's performance figures\* for the periods ended March 31, 2019, as compared to its benchmarks:

	Six Months	One Year	Annualized Three Year	Annualized Since Inception** - March 31, 2019
ETFMG Alternative Harvest ETF - NAV	(6.85)%	25.19%	17.65%	19.53%
ETFMG Alternative Harvest ETF - Market Price	(7.40)%	25.94%	16.68%	18.26%
S&P 500 Index *** (1)	(1.72)%	9.50%	13.51%	12.53%
Prime Alternative Harvest Index **** (1)	(8.46)%	33.11%	20.53%	21.93%

### Total Fund Operating Expenses (2)

**0.75%**

\*The Fund's past performance does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. The returns shown do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of the Fund shares. Current performance of the Fund may be lower or higher than the performance quoted. Returns are calculated using the traded Net Asset Value "NAV" on March 31, 2019. Performance data current to the most recent month end may be obtained by visiting [www.etfmj.com](http://www.etfmj.com) or by calling 1-844-383-6477.

The Fund's per share NAV is the value of one share of the Fund as calculated in accordance with the standard formula for valuing shares. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The price used to calculate market return ("Market Price") is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which shares of the Fund are listed for trading, as of the time that the Fund's NAV is calculated. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in the Fund at Market Price and NAV, respectively. The Fund's total annual operating expenses are 0.75% per the January 31, 2019 prospectus. Please see the Financial Highlights for a more recent expense ratio.

\*\* As of the close of business on the day of commencement of trading on December 3, 2015.

\*\*\* The S&P 500 Index is a widely accepted, unmanaged index of U.S. stock market performance which does not take into account charges, fees and other expenses.

\*\*\*\* The Prime Alternative Harvest Index has been created to provide investors with a product that enables them to take advantage of both event-driven news and long-term trends in the cannabis industry as well as the industries likely to be influenced by the medicinal and recreational cannabis legalization initiatives taking place in many locations globally.

- (1) The return reflects the actual performance through March 29, 2018 (the last day of the New York Stock Exchange was open) to maintain consistency with the Fund's net asset value calculations used for shareholder transactions.
- (2) The expense ratio is taken from the Fund's most recent prospectus dated January 31, 2019.

## ETFMG Alternative Harvest ETF

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### Top Ten Holdings\*

	<u>Security</u>	<u>% of Total Investments†</u>
1	Aurora Cannabis, Inc	8.0%
2	GW Pharmaceuticals PLC	7.3%
3	Cronos Group, Inc.	5.8%
4	Canopy Growth Corp.	5.5%
5	Tilray, Inc.	5.1%
6	Green Organic Dutchman Holdings Ltd.	4.2%
7	HEXO CORP.	3.7%
8	Aphria, Inc.	3.3%
9	CannTrust Holdings, Inc.	3.1%
10	Corbus Pharmaceuticals Holdings, Inc.	2.8%

**Top Ten Holdings = 48.8% of Total Investments†**

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

† Percentage of total investments less cash.

Please refer to the Portfolio of Investments in this Semi-Annual report for a detailed listing of the Fund's holdings.

## ETFMG Alternative Harvest ETF

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### Important Disclosures and Key Risk 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.

This is not a complete list of risks that may affect the Fund. For additional information concerning the risks applicable to the Fund, please see the Fund's prospectus.

The possession and use of marijuana, even for medical purposes, is illegal under federal and certain states' laws, which may negatively impact the value of the Fund's investments. Use of marijuana is regulated by both the federal government and state governments, and state and federal laws regarding marijuana often conflict. Even in those states in which the use of marijuana has been legalized, its possession and use remains a violation of federal law. Federal law criminalizing the use of marijuana pre-empts state laws that legalizes its use for medicinal and recreational purposes. Cannabis companies and pharmaceutical companies may never be able to legally produce and sell products in the United States or other national or local jurisdictions.

The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries.

The consumer staples sector may be affected by the permissibility of using various product components and production methods, marketing campaigns and other factors affecting consumer demand. Tobacco companies, in particular, may be adversely affected by new laws, regulations and litigation. The consumer staples sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterized by unpredictable factors.

ETF shares are not individually redeemable and owners of the shares may acquire those shares from the Fund and tender those shares for redemption to the Fund in Creation Units only and Redemption Units only, typically consisting of aggregations of 50,000 shares.

ETFMG Alternative Harvest ETF

**PORTFOLIO ALLOCATIONS**  
As of March 31, 2019 (Unaudited)

	<b>ETFMG Alternative Harvest ETF</b>
As a percent of Net Assets:	
Canada	54.7%
United States	26.2%
United Kingdom	12.8%
Sweden	2.1%
Italy	2.0%
Japan	1.8%
Stock Warrant	0.1%
Mexico	0.0 <sup>^</sup> %
Short-Term and other Net Assets (Liabilities)	0.3%
	<u>100.0%</u>

<sup>^</sup> Less than 0.05%.

ETFMG Alternative Harvest ETF

**Schedule of Investments**

March 31, 2019 (Unaudited)

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS - 99.6%</b>		
<b>Canada - 54.7%</b>		
<b>Investment Companies - 7.8%</b>		
Canopy Rivers, Inc. (a)	3,137,626	\$ 8,828,132
Cronos Group, Inc. (a) ^	4,704,384	86,701,797
Total Investment Companies		<u>95,529,929</u>
<b>Pharmaceuticals - 46.9%</b>		
Aphria, Inc. (a) ^	5,251,532	48,944,278
Aurora Cannabis, Inc. (a) ^	13,087,656	118,574,163
Auxly Cannabis Group, Inc. (a)	16,929,523	10,894,893
CannTrust Holdings, Inc. (a)	6,000,635	46,519,683
Canopy Growth Corp. (a) ^	1,903,096	82,537,274
Emerald Health Therapeutics, Inc. (a)	4,948,066	14,958,796
Green Organic Dutchman Holdings Ltd. (a)	17,338,029	62,535,488
HEXO Corp. (a)	8,231,167	54,572,637
Newstrike Resources Ltd. (a)	11,027,666	4,456,123
Organigram Holdings, Inc. (a)	6,014,477	40,506,075
Supreme Cannabis Co., Inc. (a)	6,954,152	11,448,449
Tilray, Inc. (a) ^	1,148,938	75,278,418
Vivo Cannabis, Inc. (a)	5,967,775	4,376,413
Total Pharmaceuticals		<u>575,602,690</u>
Total Canada		<u>671,132,619</u>
<b>Italy - 2.0%</b>		
<b>Machinery - 2.0%</b>		
Gima TT SpA	3,109,858	24,851,961
<b>Japan - 1.8%</b>		
<b>Tobacco - 1.8%</b>		
Japan Tobacco, Inc.	886,333	21,952,396
<b>Mexico - 0.00%</b>		
<b>Construction &amp; Engineering - 0.00%</b>		
Empresas ICA SAB de CV (a)(b)	155,893	-
<b>Sweden - 2.1%</b>		
<b>Tobacco - 2.1%</b>		
Swedish Match AB	505,893	25,790,603
<b>United Kingdom - 12.8%</b>		
<b>Pharmaceuticals - 8.8%</b>		
GW Pharmaceuticals PLC - ADR (a)	641,656	108,163,952
<b>Tobacco - 4.0%</b>		
British American Tobacco PLC	637,595	26,524,123
Imperial Brands PLC	684,049	23,382,719
Total Tobacco		<u>49,906,842</u>
Total United Kingdom		<u>158,070,794</u>

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



ETFMG Alternative Harvest ETF

**Schedule of Investments**

March 31, 2019 (Unaudited) (Continued)

	<u>Shares</u>	<u>Value</u>
<b>United States - 26.2%</b>		
<b>Biotechnology - 10.1%</b>		
Arena Pharmaceuticals, Inc. (a)	494,343	\$ 22,161,397
Cara Therapeutics, Inc. (a)	1,491,336	29,260,012
Corbus Pharmaceuticals Holdings, Inc. (a)	6,112,993	42,485,301
Insys Therapeutics, Inc. (a) ^	6,606,491	30,521,988
Total Biotechnology		<u>124,428,698</u>
<b>Chemicals - 2.0%</b>		
Scotts Miracle-Gro Co.	310,835	24,425,414
<b>Paper &amp; Forest Products - 2.3%</b>		
Schweitzer-Mauduit International, Inc.	725,069	28,074,672
<b>Tobacco - 11.8%</b>		
22nd Century Group, Inc. (a) ^	9,982,769	17,070,535
Altria Group, Inc.	460,069	26,421,763
Philip Morris International, Inc.	296,499	26,207,547
Turning Point Brands, Inc.	642,549	29,615,083
Universal Corp.	389,116	22,424,755
Vector Group Ltd.	2,097,121	22,627,936
Total Tobacco		<u>144,367,619</u>
Total United States		<u>321,296,403</u>
TOTAL COMMON STOCKS (Cost \$1,116,660,943)		<u>1,223,094,776</u>
<b>COLLATERAL FOR SECURITIES LOANED - 21.6% + Stock Loan Cash Collateral - 21.6%</b>		
Stock Loan Cash Collateral (Cost \$264,861,677)		<u>264,861,677</u>
<b>STOCK WARRANT - 0.1%</b>		
<b>Canada - 0.1%</b>		
SpinCo Unit Warrant (a) (Cost \$995,678)		<u>831,169</u>
<b>Total Investments (Cost \$1,382,518,298) - 121.3%</b>		\$1,488,787,622
<b>Liabilities in Excess of Other Assets - (21.3)%</b>		<u>(261,038,140)</u>
<b>NET ASSETS - 100.0%</b>		<u>\$1,227,749,482</u>

Percentages are stated as a percent of net assets.

ADR - American Depositary Receipt

PLC - Public Limited Company

(a) Non-income producing security.

(b) Includes a security that is categorized as Level 3 per the Trust's fair value hierarchy. This security represents \$0 or 0.00% of the Fund's net assets and is classified as a Level 3 security.

+ Investments purchased with cash proceeds from securities lending. Total cash collateral has a value of \$264,861,677 as of March 31, 2019.

^ All or a portion of this security is out on loan as of March 31, 2019. Total value of securities out on loan is \$264,861,677.

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, Inc. and S&P.

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

ETFMG Alternative Harvest ETF

**STATEMENT OF ASSETS AND LIABILITIES**

As of March 31, 2019 (Unaudited)

	<b><u>ETFMG Alternative Harvest ETF</u></b>
<b>ASSETS</b>	
Investment securities:	
At cost	\$1,382,518,298
At value	\$1,488,787,622
Cash	5,984,486
Foreign Cash (Cost \$726,053)	723,913
Receivable for Fund shares sold	1,799,319
Securities lending income	1,586,753
Dividends and interest receivable	1,180,881
<b>TOTAL ASSETS</b>	<b><u>1,500,062,974</u></b>
<b>LIABILITIES</b>	
Collateral received for securities loaned (Note 7)	264,861,677
Payable for investments purchased	6,750,263
Management fees payable	701,552
<b>TOTAL LIABILITIES</b>	<b><u>272,313,492</u></b>
<b>NET ASSETS</b>	<b><u>\$1,227,749,482</u></b>
<b>Net Assets Consist Of:</b>	
Paid in capital	\$1,208,366,072
Accumulated earnings	19,383,410
<b>NET ASSETS</b>	<b><u>\$1,227,749,482</u></b>
<b>Net Asset Value Per Share:</b>	
Net Assets	\$1,227,749,482
Shares of beneficial interest outstanding (\$0 par value, unlimited shares authorized)	<b><u>33,850,000</u></b>
Net asset value (Net Assets ÷ Shares Outstanding)	<b><u>\$ 36.27</u></b>

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

ETFMG Alternative Harvest ETF

**STATEMENT OF OPERATIONS**

Six Months Ended March 31, 2019 (Unaudited)

	<b>ETFMG Alternative Harvest ETF</b>
<b>INVESTMENT INCOME</b>	
Dividends (Foreign tax withholdings \$168,417)	\$ 4,844,158
Securities lending Income	11,136,976
<b>TOTAL INVESTMENT INCOME</b>	<u>15,981,134</u>
<b>EXPENSES</b>	
Management fees	3,038,633
<b>TOTAL EXPENSES</b>	<u>3,038,633</u>
<b>NET INVESTMENT INCOME</b>	<u>12,942,501</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain/(loss) on:	
In-kind redemptions	66,259,078
Investments	(89,972,600)
Foreign currency transactions	(1,131,567)
	<u>(24,845,089)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	(19,045,747)
Foreign currency translations	759,558
	<u>(18,286,189)</u>
<b>NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS</b>	<u>(43,131,278)</u>
<b>NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u><u>\$ (30,188,777)</u></u>

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

ETFMG Alternative Harvest ETF

STATEMENTS OF CHANGES IN NET ASSETS

	<b>Six Months Ended March 31, 2019 (Unaudited)</b>	<b>Year Ended September 30, 2018</b>
<b>FROM OPERATIONS</b>		
Net investment income	\$ 12,942,501	\$ 3,481,427
Net realized loss on investments and foreign currency transactions	(24,845,089)	(58,906,465)
Net change in unrealized appreciation (depreciation) on investments	(18,286,189)	123,759,815
Net increase (decrease) in net assets resulting from operations	<u>(30,188,777)</u>	<u>68,334,777</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>		
Total distributions paid: *	(13,033,500)	-
From net investment income	-	(2,416,185)
From net realized gains	-	(40,848)
Net decrease in net assets resulting from distributions to shareholders	<u>(13,033,500)</u>	<u>(2,457,033)</u>
<b>FROM SHARES OF BENEFICIAL INTEREST</b>		
Proceeds from shares sold	728,322,840	666,343,766
Cost of shares redeemed	(137,566,338)	(58,977,855)
Transaction Fees (Note 1)	656,005	44,190
Net increase in net assets resulting from shares of beneficial interest	<u>591,412,507</u>	<u>607,410,101</u>
<b>TOTAL INCREASE IN NET ASSETS</b>	548,190,230	673,287,845
<b>NET ASSETS</b>		
Beginning of Period	679,559,252	6,271,407
End of Period	<u>\$1,227,749,482</u>	<u>\$ 679,559,252</u>
<b>SHARE ACTIVITY</b>		
Shares Sold	20,850,000	19,000,000
Shares Redeemed	(4,100,000)	(2,100,000)
Net increase in shares of beneficial interest outstanding	<u>16,750,000</u>	<u>16,900,000</u>

\* Distributions from net investment income and net realized capital gains are combined for the six months ended March 31, 2019. See “New Accounting Pronouncements” in the Notes to Financial Statements for more information. The distributions to shareholders for the year ended September 30, 2018 have not been reclassified to conform to the current year presentation.

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

ETFMG Alternative Harvest ETF

**FINANCIAL HIGHLIGHTS**

For a capital share outstanding throughout the period

	<b>Six Months Ended March 31, 2019 (Unaudited)</b>	<b>Year Ended September 30, 2018</b>	<b>Year Ended September 30, 2017</b>	<b>Period Ended September 30, 2016 <sup>(1)</sup></b>
Net asset value, beginning of period	\$ 39.74	\$ 31.36	\$ 29.64	\$ 25.00
Activity from investment operations:				
Net investment income <sup>(2)</sup>	0.52	0.37	0.57	0.98
Net realized and unrealized gain (loss) on investments	(3.48)	8.95	4.42	4.59
Total from investment operations	<u>(2.96)</u>	<u>9.32</u>	<u>4.99</u>	<u>5.57</u>
Less distributions from:				
Net investment income	(0.51)	(0.74)	(2.56)	(0.93)
Net realized gains	-	(0.20)	(0.71)	-
Total distributions	<u>(0.51)</u>	<u>(0.94)</u>	<u>(3.27)</u>	<u>(0.93)</u>
Net asset value, end of period	<u>\$ 36.27</u>	<u>\$ 39.74</u>	<u>\$ 31.36</u>	<u>\$ 29.64</u>
Total return <sup>(4)</sup>	<u>(6.85)%<sup>(6)</sup></u>	<u>33.85%</u>	<u>20.23%</u>	<u>22.63%<sup>(6)</sup></u>
Net assets, at end of period (000s)	<u>\$ 1,227,749</u>	<u>\$ 679,559</u>	<u>\$ 6,271</u>	<u>\$ 2,964</u>
Ratio of net expenses to average net assets <sup>(5)</sup>	0.75%	0.75%	0.79%	0.79%
Ratio of net investment income to average net assets <sup>(5)</sup>	3.19%	1.18%	1.98%	5.88%
Portfolio Turnover Rate <sup>(3)</sup>	127% <sup>(6)</sup>	97%	44%	44% <sup>(6)</sup>

<sup>(1)</sup> Commencement of operations on December 2, 2015.

<sup>(2)</sup> Per share amounts calculated using the average shares method, which more appropriately presents the per share data for the period.

<sup>(3)</sup> Portfolio turnover rate excludes portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

<sup>(4)</sup> Includes adjustments in accordance with accounting principles generally accepted in the United States and, consequently, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

<sup>(5)</sup> Annualized for periods less than one year.

<sup>(6)</sup> Not annualized.

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

## ETFMG Alternative Harvest ETF

### NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited)

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#### 1. ORGANIZATION

ETFMG Alternative Harvest 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 Fund seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Prime Alternative Harvest Index (the “Index”). The Fund commenced operations on December 2, 2015 as the Tierra XP Latin America Real Estate ETF.

Effective December 26, 2017, the Board of Trustees of the Trust approved the following changes to the Fund: a) The Fund’s name was changed to the ETFMG Alternative Harvest ETF; b) the Fund’s underlying index, the Solactive Latin America Real Estate Index, was replaced with the Prime Alternative Harvest Index; c) The Fund’s investment objective was changed to the following: “The ETFMG Alternative Harvest ETF seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Prime Alternative Harvest Index” (the “New Index”); and d) the non-fundamental policy that, under normal circumstances, the Fund will not invest less than 80% of its net assets, plus the amount of any borrowings for investment purposes, in securities of real estate related companies in Latin America was eliminated.

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 50,000 shares, called “Creation Units.” Creation Units are issued and redeemed principally in-kind for securities included in the 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 Participants”). An Authorized Participant is 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 Fund for certain transaction costs (i.e., brokerage costs) and market impact expenses relating to investing in portfolio securities. Such variable charges are included in “Transaction Fees” in the Statement of Changes in Net Assets.

#### 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”).

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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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(S) 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 Funds' semiannual and annual reports, which are filed with the SEC.

**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), 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 the 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 March 31, 2019, the Fund held one fair valued security which was without value.

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 and 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 in 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.

ETFMG Alternative Harvest ETF

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

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 presents a summary of the Funds' assets measured at fair value as of March 31, 2019:

**ETFMG Alternative Harvest ETF**

<u>Assets</u> <sup>^</sup>	Level 1	Level 2	Level 3	Total
Common Stocks	\$1,223,094,776	\$ —	\$ — <sup>(a)</sup>	\$1,223,094,776
Collateral for Securities Loaned*	—	—	—	264,861,677
Stock Warrant	—	831,169	—	831,169
Total Investments in Securities	<u>\$1,223,094,776</u>	<u>\$ 831,169</u>	<u>\$ —</u>	<u>\$1,488,787,622</u>

<sup>^</sup> See Schedule of Investments for classifications by country and industry.

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

The ETFMG Alternative Harvest ETF held a Level 3 security at the end of the period. The security classified as Level 3 is deemed immaterial. This security transferred from Level 1 to Level 3 due to being previously priced in an active market. There were no transfers into or out of Level 2 during the six months ended March 31, 2019. Transfers between levels are recognized at the end of the reporting period.

\* 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.

**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 2018 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.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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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 Fund, and has determined that no provision for income tax is required in the Fund's financial statements.

**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.

**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.

**Distributions to shareholders** – Distributions to shareholders from net investment income are declared and paid by the Fund on a quarterly basis. Distributions to Shareholders from net realized gains on securities of the Fund normally are declared and paid on an annual basis. Distributions are recorded on the ex-dividend date.

**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.

**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 of 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.

**Guarantees and Indemnification** – 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.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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### 3. RISK FACTORS

Investing in the ETFMG Alternative Harvest 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.

**United States Regulatory Risks of the Marijuana Industry:** The possession and use of marijuana, even for medical purposes, is illegal under federal and certain states' laws, which may negatively impact the value of the Fund's investments. Use of marijuana is regulated by both the federal government and state governments, and state and federal laws regarding marijuana often conflict. Even in those states in which the use of marijuana has been legalized, its possession and use remains a violation of federal law. Federal law criminalizing the use of marijuana pre-empts state laws that legalize its use for medicinal and recreational purposes. Members of the Trump Administration, including former Attorney General Jeff Sessions, have made statements indicating that the Trump Administration intends to take a harsher stance on federal marijuana laws. Any such change in the federal government's enforcement of current federal laws could adversely affect the ability of the companies in which the Fund invests to possess or cultivate marijuana, including in connection with pharmaceutical research, or it could shrink the customer pool for certain of the Fund's portfolio companies. Any of these outcomes would negatively affect the profitability and value of the Fund's investments. The Cannabis Companies and Pharmaceutical Companies may never be able to legally produce and sell products in the United States or other national or local jurisdictions.

Marijuana is a Schedule I controlled substance under the Controlled Substances Act ("CSA") (21 U.S.C. § 811), meaning that it has a high potential for abuse, has no currently "accepted medical use" in the United States, lacks accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States. No drug product containing natural cannabis or naturally-derived cannabis extracts have been approved by the FDA for use in the United States or obtained registrations from the United States Drug Enforcement Administration ("DEA") for commercial production and the DEA may never issue the registrations required for the commercialization of such products.

Facilities conducting research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered (licensed) to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Failure to obtain the necessary registrations or comply with necessary regulatory requirements may significantly impair the ability of certain companies in which the Fund invests to pursue medical marijuana research or to otherwise cultivate, possess or distribute marijuana.

**Non-U.S. Regulatory Risks of the Marijuana Industry** - The companies in which the Fund invests are subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Even if a company's operations are permitted under current law, they may not be permitted in the future, in which case such company may not be in a position to carry on its operations in its current locations. Additionally, controlled substance legislation differs between countries and legislation in certain

## NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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countries may restrict or limit the ability of certain companies in which the Fund invests to sell their products.

**Operational Risks of the Marijuana Industry** - Companies involved in the marijuana industry face intense competition, may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical marijuana research or to otherwise cultivate, possess or distribute marijuana. Since the use of marijuana is illegal under United States federal law, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of marijuana.

**Concentration Risk** - The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Fund's shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries.

**Consumer Staples Sector Risk** - The consumer staples sector may be affected by the permissibility of using various product components and production methods, marketing campaigns and other factors affecting consumer demand. Tobacco companies, in particular, may be adversely affected by new laws, regulations and litigation. The consumer staples sector may also be adversely affected by changes or trends in commodity prices, which may be influenced or characterized by unpredictable factors.

**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.

**New Fund Risk** - There can be no assurance that the Fund will grow to or maintain an economically viable size.

**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.

**Securities Lending Risk** - Securities lending involves exposure to certain risks, including operational risk (i.e., the risk of losses resulting from problems in the settlement and accounting process), "gap" risk (i.e., the risk of a mismatch between the return on cash collateral reinvestments and the fees a Fund has agreed to pay a borrower), and credit, legal, counterparty and market risk. In the event a borrower does not return a Fund's securities as agreed, the Fund may experience losses if the proceeds received from liquidating the collateral do not at least equal the value of the loaned security at the time the collateral is liquidated plus the transaction costs incurred in purchasing replacement securities.

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

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**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 Advisory Agreement, the Advisor is also responsible for arranging transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Fund to operate.

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 management fee. For services provided the Fund pays the Advisor at an annual rate of 0.75% of the Fund’s average daily net assets. 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”). From the period October 1, 2017 to December 25, 2017, the Fund’s Sponsor was Tierra Funds, LLC. Tierra Funds, LLC agreed to sublicense the use of the Underlying Index to the Advisor. Effective December 26, 2017, the Advisor has entered into an Agreement with ETFMG Financial, LLC (the “Sponsor”). The Sponsor provides marketing support for the Fund, including distributing marketing materials related to the Fund.

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.

**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 average daily net assets. For the six months ended March 31, 2019, the Fund did not incur any 12b-1 expenses.

ETFMG Alternative Harvest ETF

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

**6. PURCHASES AND SALES OF SECURITIES**

The costs of purchases and sales of securities, excluding short-term securities and in-kind transactions, for the six months ended March 31, 2019:

	<u>Purchases</u>	<u>Sales</u>
ETFMG Alternative Harvest ETF	\$ 672,957,614	\$ 308,848,502

The costs of purchases and sales of in-kind transactions associated with creations and redemptions for the six months ended March 31, 2019:

	<u>Purchases In-Kind</u>	<u>Sales In- Kind</u>
ETFMG Alternative Harvest ETF	\$ 366,448,165	\$ 134,295,429

**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 Wedbush Securities Inc (“the Custodian”). The securities lending agreement requires that loans are collateralized at all times in an amount equal to at least 100% of the value of any loaned securities at the time of the loan. The Fund receives compensation in the form of fees. 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 held by the Custodian in accordance with the custody agreement. The Fund could 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 March 31, 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**

<u>Fund</u>	<u>Values of Securities on Loan</u>	<u>Fund Collateral Received*</u>
ETFMG Alternative Harvest ETF	\$ 264,861,677	\$ 264,861,677

\* The securities on loan were collateralized in full with cash, as shown on the Schedule of Investments.

ETFMG Alternative Harvest ETF

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

**8. DISTRIBUTIONS TO SHAREHOLDERS AND TAX COMPONENTS OF CAPITAL**

The components of distributable earnings (losses) and cost basis of investments for federal income tax purposes at September 30, 2018 were as follows:

	<u>Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>
ETFMG Alternative Harvest ETF	\$ 578,537,004	\$ 155,913,673	\$ (30,598,602)	\$ 125,315,071
	<u>Undistributed Ordinary Income</u>	<u>Total Distributable Earnings</u>	<u>Other Accumulated Loss</u>	<u>Total Accumulated Gain</u>
ETFMG Alternative Harvest ETF	\$ 1,057,477	\$ 1,057,477	\$ (63,766,861)	\$ 62,605,687

As of September 30, 2018, the Fund had accumulated capital loss carryovers of:

	<u>Capital Loss Carryover</u>	<u>Expires</u>
ETFMG Alternative Harvest ETF	\$ 63,766,861	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 Fund 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, 2018.

	<u>Late Year Ordinary Loss</u>	<u>Post-October Capital Loss</u>
ETFMG Alternative Harvest 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, 2018, the following table shows the reclassifications made:

	<u>Undistributed Accumulated Net Investment Income</u>	<u>Accumulated Net Realized Loss</u>	<u>Paid-In Capital</u>
ETFMG Alternative Harvest ETF	\$ 44,190	\$ (4,003,590)	\$(3,959,400)

ETFMG Alternative Harvest ETF

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

**9. DISTRIBUTIONS TO SHAREHOLDERS**

The tax character of distributions paid by the Fund during the fiscal years ended September 30, 2018 and September 30, 2017 are as follows:

	<u>Year Ended</u> <u>September 30, 2018</u>		<u>Year Ended</u> <u>September 30, 2017</u>	
	<u>From</u>	<u>From</u>	<u>From</u>	<u>From</u>
	<u>Ordinary Income</u>	<u>Capital Gains</u>	<u>Ordinary Income</u>	<u>Capital Gains</u>
ETFMG Alternative Harvest ETF	\$ 2,416,185	\$ 40,848	\$ 263,218	\$ 70,581

**10. AGGREGATE UNREALIZED APPRECIATION AND DEPRECIATION – TAX BASIS**

	<u>Tax Cost</u>	<u>Gross Unrealized Appreciation</u>	<u>Gross Unrealized Depreciation</u>	<u>Net Unrealized Appreciation (Depreciation)</u>	
	ETFMG Alternative Harvest ETF	\$ 1,382,518,298	\$ 149,408,195	\$ (43,138,871)	\$ (106,269,324)

**11. LEGAL MATTERS**

The Trust, the trustees 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. At the outset of the litigation, and again a few weeks later, plaintiffs sought temporary injunctive relief. Both motions were denied, and the matter is now proceeding through pretrial discovery. The defendants believe the lawsuit is without merit and intend to vigorously defend themselves against the allegations.

The Adviser and its parent, Exchange Traded Managers Group, LLC 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 Fund discussed above. The defendants in the Southern District actions believe the lawsuit is without merit asserted counterclaims against NASDAQ for breaches of its duties under the related index license agreement and various other agreements. A bench trial on this matter began on May 13, 2019 and is ongoing as of the date of the mailing of the Funds' semi-annual reports. 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.

**12. RECENT ACCOUNTING PRONOUNCEMENTS AND REPORTING UPDATES**

In March 2017, the FASB issued ASU No. 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization on Purchased Callable Debt Securities. The amendments in the ASU shorten the amortization period for certain callable debt securities, held at a

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2019 (Unaudited) (Continued)

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premium, to be amortized to the earliest call date. The ASU does not require an accounting change for securities held at a discount; which continues to be amortized to maturity. The ASU is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. Management is currently evaluating the impact, if any, of applying this provision.

In August 2018, the FASB issued Accounting Standards Update (“ASU”) No. 2018-13, which changes certain fair value measurement disclosure requirements. The new ASU, in addition to other modifications and additions, removes the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, and the policy for the timing of transfers between levels. For investment companies, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is allowed. At this time, management is evaluating the implications of the ASU and any impact on the financial statement disclosures.

In August 2018, the Securities and Exchange Commission adopted amendments to certain disclosure requirements under Regulation S-X to conform to US GAAP, including: (i) an amendment to require presentation of the total, rather than the components, of distributable earnings on the Statement of Assets and Liabilities; and (ii) an amendment to require presentation of the total, rather than the components, of distributions to shareholders, except for tax return of capital distributions, on the Statement of Changes in Net Assets. The amendments also removed the requirement for parenthetical disclosure of undistributed net investment income on the Statement of Changes in Net Assets. These amendments have been adopted with these financial statements.

**13. SUBSEQUENT EVENTS**

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued.

Management has determined that no events or transactions occurred requiring adjustment or disclosure in the financial statements.



**APPROVAL OF ADVISORY AGREEMENT AND BOARD CONSIDERATIONS  
For the Period Ended March 31, 2019 (Unaudited)**

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Pursuant to Section 15(c) of the Investment Company Act of 1940 (the “1940 Act”), at a meeting held on March 22, 2019, the Board of Trustees (the “Board”) of ETF Managers Trust (the “Trust”) considered the renewal of the Investment Advisory Agreement (the “Advisory Agreement”) between ETF Managers Group LLC (the “Adviser”) and the Trust, on behalf of ETFMG Alternative Harvest ETF (the “Fund”).

Pursuant to Section 15(c) of the 1940 Act, the Board must annually review and approve the Advisory Agreement after its initial two-year term: (i) by the vote of the Trustees or by a vote of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees who are not parties to the Advisory Agreement or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), cast in person at a meeting called for the purpose of voting on such approval. Each year, the Board calls and holds a meeting to decide whether to renew the Advisory Agreement for an additional one-year term. In preparation for such meeting, the Board requests and reviews a wide variety of information from the Adviser.

In reaching its decision, the Board, including the Independent Trustees, considered all factors it believed relevant, including: (i) the nature, extent and quality of the services provided to the Fund’s shareholders by the Adviser; (ii) the investment performance of the Fund; (iii) the Adviser’s costs and profits realized in providing services to the Fund, including any fall-out benefits enjoyed by the Adviser; (iv) comparative fee and expense data for the Fund in relation to other similar investment companies; (v) the extent to which economies of scale would be realized as the Fund grows and whether the advisory fees for the Fund reflects these economies of scale for the benefit of the Fund; and (vi) other financial benefits to the Adviser and its affiliates resulting from services rendered to the Fund. The Board’s review included written and oral information furnished to the Board prior to and at the meeting held on March 22, 2019, and throughout the year. Among other things, the Adviser provided responses to a detailed series of questions, which included information about the Adviser’s operations, service offerings, personnel, compliance program and financial condition. The Board then discussed the written and oral information that it received before the meeting and throughout the year, and the Adviser’s oral presentations and any other information that the Board received at the meeting, and deliberated on the renewal of the Advisory Agreement in light of this information.

The Independent Trustees were assisted throughout the contract review process by independent legal counsel. The Independent Trustees relied upon the advice of such counsel and their own business judgment in determining the material factors to be considered in evaluating the renewal of the Advisory Agreement, and the weight to be given to each such factor. The conclusions reached with respect to the Advisory Agreement were based on a comprehensive evaluation of all the information provided and not any single factor. Moreover, each Trustee may have placed varying emphasis on particular factors in reaching conclusions with respect to the Fund. The matters discussed were also considered separately by the Independent Trustees in executive session with independent legal counsel, at which no representatives of management were present.

***Nature, Extent and Quality of Services Provided by the Adviser***

The Trustees considered the scope of services provided under the Advisory Agreement, noting that the Adviser provides investment management services to the Fund. The Board discussed the responsibilities of the Adviser, including: responsibility for the general management of the day-to-day investment and reinvestment of the assets of the Fund; determining the daily baskets of deposit securities and cash components; executing portfolio security trades for purchases and redemptions of Fund shares conducted on a cash-in-lieu basis; responsibility for daily monitoring of tracking error and quarterly reporting to the Board; and implementation of Board directives as they relate to the Fund. In considering the nature, extent and quality of the services provided by the Adviser, the Board considered the qualifications, experience and responsibilities of the Adviser’s investment personnel and the quality of the Adviser’s compliance infrastructure. The Board also considered the Adviser’s experience managing exchange-traded funds (“ETFs”).

**APPROVAL OF ADVISORY AGREEMENT AND BOARD CONSIDERATIONS  
For the Period Ended March 31, 2019 (Unaudited) (Continued)**

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The Board also considered other services provided to the Fund, such as overseeing the Fund's service providers, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various policies and procedures and with applicable securities laws.

Based on the factors above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent and quality of the services provided to the Fund by the Adviser.

***Historical Performance***

The Board then considered the past performance of the Fund. The Board reviewed information regarding the performance history of the Fund over various time periods ending January 31, 2019, including the year-to-date period, the most recent one-year period and the period since the Fund's inception. The Board noted management's explanation that analysis of investment performance, in absolute terms, is less relevant for the Fund than it is for actively managed funds, given the Fund's index-based investment objectives. The Board also noted management's further explanation that it is more relevant to review the performance of the Fund by focusing on the extent to which the Fund tracked its underlying index. The Board reviewed information regarding the Fund's index tracking, discussing, as applicable, factors which contributed to the Fund's tracking error over certain periods of time. The Board noted that the Fund had underperformed its underlying index over certain periods, but that such underperformance was, at least in part, a result of costs incurred by the Fund not incurred by its underlying index. The Board considered other factors that contributed to the Fund's tracking error, including cash drag and the effect of trading stocks denominated in foreign currencies, as well as the tracking error that resulted from the rebalances of the Fund's underlying Index. The Board noted management's representation that the Fund's performance was in an acceptable range relative to its underlying index. The Board concluded that, after taking these factors into account, the Fund satisfactorily tracked its underlying index. The Board further noted that it had received and would continue to receive regular reports regarding the Fund's performance, including with respect to its tracking error, at its quarterly meetings.

***Cost of Services Provided and Economies of Scale***

The Board reviewed the advisory fee for the Fund and compared it to the total operating expenses of comparable ETFs, as determined by the Adviser. The Board noted that the advisory fee of the Fund was as low as or lower than the expense ratios of its comparable ETFs. The Board took into consideration management's discussion of the fees, including that the Fund has a niche investment strategy and limited comparable ETFs.

The Board also noted the importance of the fact that the advisory fee for the Fund is a "unified fee," meaning that the shareholders of the Fund pay no expenses other than the advisory fee and certain other costs such as interest, brokerage and extraordinary expenses and, to the extent it is implemented, fees pursuant to a Distribution and/or Shareholder Servicing (12b-1) Plan. The Board further noted that the Adviser was responsible for compensating the Trust's other service providers and paying the Fund's other expenses (except as noted above) out of its own fees and resources. The Board also evaluated the compensation and benefits received by the Adviser from its relationship with the Fund, taking into account the profitability analysis provided by the Adviser. The Board concluded that the advisory fee for the Fund was reasonable in light of the factors considered.

In addition, the Board considered whether economies of scale may be realized for the Fund. The Board noted that the Adviser regularly considers whether fee reductions are appropriate as the Fund grows in size. The Board noted that a unitary fee provides a level of certainty in expenses for the Fund. The Trustees concluded that the flat advisory fee was reasonable.

ETFMG Alternative Harvest ETF

**APPROVAL OF ADVISORY AGREEMENT AND BOARD CONSIDERATIONS  
For the Period Ended March 31, 2019 (Unaudited) (Continued)**

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In its deliberations, the Board did not identify any single piece of information discussed above that was all-important, controlling or determinative of its decision.

Based on the Board's deliberations and its evaluation of the information described above, the Board, including the Independent Trustees, unanimously: (a) concluded that the terms of the Advisory Agreement are fair and reasonable; (b) concluded that the Adviser's fees are reasonable in light of the services that the Adviser provides to the Fund; and (c) approved the renewal of the Advisory Agreement for another year.

## ETFMG Alternative Harvest ETF

### EXPENSE EXAMPLE

Six Months Ended March 31, 2019 (Unaudited)

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares; (2) ongoing costs, including management fees and other Fund expenses. This example is 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 mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2018 through March 31, 2019.

#### Actual Expenses

The "Actual" line in the table below provides information about actual account values and actual expenses. You may use the information below, 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 table 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 "Hypothetical" line in the table below provides information about hypothetical account values 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 balances or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of 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 table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value	Ending Account Value	Expenses Paid During Period*	Expenses Paid During Period**
	10/1/18	3/31/19	10/1/18 - 3/31/19	10/1/18 - 3/31/19
Actual	\$1,000.00	\$931.50	\$3.61	0.75%
Hypothetical (5% return before expenses)	\$1,000.00	\$1,021.19	\$3.78	0.75%

\*"Actual" expense information for the Fund is for the period from October 1, 2018 to March 31, 2019. Actual expenses are equal to the Fund's annualized net expense ratio multiplied by 182/365 (to reflect the period from October 1, 2018 to March 31, 2019). "Hypothetical" expense information for the Fund is presented on the basis of the full one-half year period to enable comparison to other funds. It is based on assuming the same net expense ratio and average account value over the period, but it is multiplied by 182/365 (to reflect the full half-year period).

\*\* Annualized.

## **SUPPLEMENTARY INFORMATION**

March 31, 2019 (Unaudited)

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### **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.etfmj.com](http://www.etfmj.com) daily.

### **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](http://www.sec.gov), or by accessing the Fund’s website at [www.etfmj.com](http://www.etfmj.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](http://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.etfmj.com](http://www.etfmj.com).**

**Read the prospectus carefully before investing.**

## ETFMG Alternative Harvest 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 regulations<sup>1</sup>. 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.

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

***Advisor***

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***Distributor***

ETFMG Financial, LLC  
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***Custodian***

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***Transfer Agent***

Computershare Investor Services  
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***Securities Lending Agent***

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***Independent Registered Public Accounting Firm***

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