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ETFMG and Wedbush Collaborate on Pure-Play Global Cloud Computing ETF: IVES

SUMMIT, N.J.--(April 7, 2020) – ETFMG, leading thematic ETF issuer, in collaboration with Wedbush Securities, leading financial services and investment banking firm, launches the Wedbush ETFMG Global Cloud Technology ETF (NYSE Arca: IVES)*, answering investor demand for direct access to a pure-play cloud technology product. IVES, named for prominent Wedbush technology analyst and visionary of the ETF, Dan Ives, is designed for direct access to the cloud infrastructure and cloud “enabler” companies, expected to be major beneficiaries in the estimated \$1T in enterprise cloud spending over the next decade.¹ The Fund gives global exposure to companies at the forefront of the next wave of cloud technology.

The IVES ETF is a pure-play on the global cloud theme, maintaining small to mid-cap infrastructure players by focusing on vendors and companies driving the backbone of cloud computing, poised to capture a major portion of cloud spending. These “foundational components” of the cloud industry are expected to represent an estimated 60 to 70 percent of cloud spending over the next four years.¹ The constituents will include infrastructure equipment, SaaS software, connectivity, data back-up and storage services, and data center management for enterprise-based software applications, as well as those engaged in enterprise cloud services. IVES is also geographically diverse, giving U.S. investors a way to play the global cloud theme over the coming years inclusive of exposure to the key Asian market players.

Dan Ives, Managing Director and Equity Research Analyst at Wedbush Securities, is a world renowned software and technology analyst with 20+ years’ experience educating on cloud computing, cyber security, big data and the mobile landscape. The IVES ETF leverages Dan’s globally recognized ability to analyze both the public and private sector of cloud computing, decipher companies’ direction in tech and software development along with his deep understanding of trends in consumer and enterprise cloud landscape.

“Bringing this next generation cloud ETF to market collaboratively with the team at Wedbush and ETFMG is an initiative I am extremely excited about, with cloud computing poised to see a major acceleration of enterprise spending over the next decade,” says Dan Ives. “Our vision behind the ETF stems from an investor demand for direct, true global exposure to the ‘cloud enabler’ companies I have been covering for decades. In the next two years alone, we anticipate over a 65% increase in workloads managed in the cloud, now there is a way for investors to capture that.”

The IVES fund is the fifth product launched by ETFMG in its “disruptive technology” investment theme and the first in-market collaboration between the two privately owned firms, ETFMG and Wedbush Securities.



“We are extremely proud to bring this unique thematic ETF to market alongside Wedbush and cloud technology expert, Dan Ives,” says Sam Masucci, Founder and CEO of ETFMG. “IVES answers a void in the investible cloud universe, giving investors exposure to the companies that are the foundation of the entire cloud ecosystem. This ETF is the first product of the powerhouse collaboration between our two firms, and together we look forward to continuing to drive what’s next in global investing.”

*Effective April 7, 2020, the Fund’s name (previously the ETFMG Drone Economy Strategy ETF, NYSE Arca: IFLY) has changed to the Wedbush ETFMG Global Cloud Technology ETF (NYSE Arca: IVES). The Fund’s underlying index has been changed to the Dan Ives Global Cloud Technology Prime Index, which is provided by Prime Indexes. Information on the index can be found at www.primeindexes.com.

For more information on IVES, visit www.etfmg.com/IVES.

About ETFMG

ETFMG is a provider of exchange-traded funds (ETFs), founded in 2014 with a vision of developing innovative thematic ETFs that provide investors unique exposure to new markets. Today, the ETFMG fund line up provides access to a diverse collection of global themes and is comprised of 75% first to market products. We turn portfolio management strategies into successful ETFs by partnering with market segment experts to bring long-term growth opportunities to investors. ETFMG funds are proof as to the power of the ETF wrapper and that thematic products can have a place in investors’ portfolios. For more information, please visit www.etfmg.com.

About Wedbush Securities

Since our founding in 1955, Wedbush has been a leader in the financial services industry, providing our clients, both private and institutional, with a wide range of securities brokerage, wealth management, and investment banking services; Headquartered in Los Angeles, California with 100 registered offices and nearly 900 colleagues, the firm focuses on client service and financial safety, innovation, and the utilization of advanced technology.

For more information visit www.wedbush.com

Carefully consider the Fund’s investment objectives, risks, and charges and expenses before investing. This and other information can be found in the Fund’s summary or statutory prospectuses, available on www.etfmg.com. Please 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. Cloud Technology Companies may have limited product lines, markets, financial resources or personnel. These companies typically face intense competition and potentially rapid product obsolescence. In addition, many Cloud Technology Companies store sensitive consumer information and could be the target of cybersecurity attacks and other types of theft, which could have a negative impact on these companies. As a result, Cloud Technology Companies may be adversely



impacted by government regulations, and may be subject to additional regulatory oversight with regard to privacy concerns and cybersecurity risk. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. Cloud computing companies could be negatively impacted by disruptions in service caused by hardware or software failure, or by interruptions or delays in service by third-party data center hosting facilities and maintenance providers. Cloud Technology Companies, especially smaller companies, tend to be more volatile than companies that do not rely heavily on technology. Companies in the technology field, including companies in the computers, telecommunications and electronics industries, face intense competition, which may have an adverse effect on profit margins.

The Fund is distributed by ETFMG Financial LLC, which is not affiliated with Wedbush Securities or Prime Indexes. Sam Masucci is a registered representative of ETFMG Financial LLC.

Sources:

1. Estimates based on research from the Wedbush Securities company report on March 29, 2020: "COVID-19 Playbook for Tech Investors; Stick With Cloud Themes in the Dark Storm": <https://wedbush.bluematrix.com/docs/html/14c67aff-fd92-4f96-9700-78561e37de97.html>