



Semi-Annual Report

March 31, 2019

**AI Powered Equity ETF
Ticker: AIEQ**

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

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

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

The fund is a series of ETF Managers Trust.

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AI Powered Equity ETF

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AI Powered Equity ETF

Dear Shareholder,

On behalf of the entire team, we want to express our appreciation for the confidence you have placed in the AI Powered Equity Exchange-Traded Fund (“AIEQ” or the “Fund”). The following information pertains to the six-month period October 1, 2018, to March 31, 2019.

The AI Powered Equity ETF is actively managed and seeks capital appreciation. Over the six-month period, the total return for the Fund was -3.55%, while the total return for its benchmark, the S&P 500 Index, was -1.72%.

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

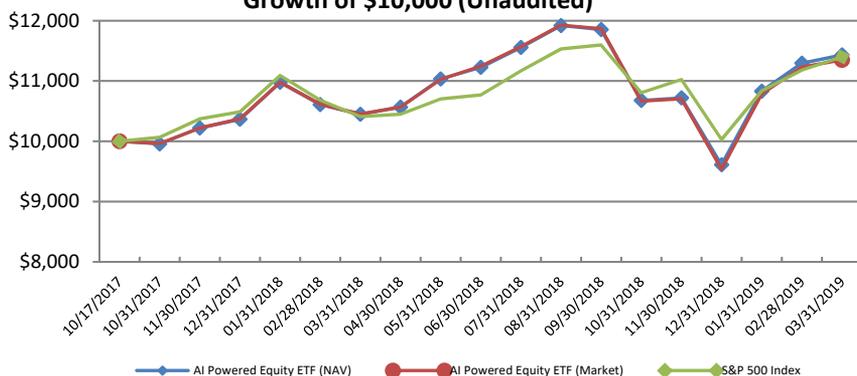
You can find further details about AIEQ by visiting www.aieqetf.com, or by calling 1-844-ETF-MGRS (1-844-383-6477).

Sincerely,



Samuel Masucci III
Chairman of the Board

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



Average Annual Returns Period Ended March 31, 2019	1 Year Return	Since Inception (10/18/2017)	Value of \$10,000 (3/31/2019)
AI Powered Equity ETF (NAV)	9.43%	9.65%	\$11,432
AI Powered Equity ETF (Market)	8.61%	9.11%	\$11,350
S&P 500 Index	9.50%	9.43%	\$11,399

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

The chart illustrates the performance of a hypothetical \$10,000 investment made on October 18, 2017, and is not intended to imply any future performance. The returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions from the sales of Fund shares. The chart assumes reinvestment of capital gains and dividends. The chart assumes reinvestment of capital gains and dividends, if any. The Index returns do not reflect fees or expenses and are not available for direct investment.

AI Powered Equity ETF

Top Ten Holdings* (Unaudited)

	<u>Security</u>	<u>% of Total Investments</u>
1	Alphabet, Inc.	3.08%
2	Netapp, Inc.	2.07%
3	Amazon.com, Inc.	1.65%
4	SS&C Technologies Holdings, Inc.	1.65%
5	Aaron's, Inc.	1.53%
6	Motorola Solutions, Inc.	1.52%
7	Brown Forman Corp.	1.40%
8	SVB Financial Group	1.38%
9	Costco Wholesale Corp.	1.29%
10	Apple, Inc.	1.24%

Top Ten Holdings = 16.81% of Total Investments

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

Important Disclosures and Key Risks Factors

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

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

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

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

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

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

AI Powered Equity ETF

PORTFOLIO ALLOCATIONS

As of March 31, 2019 (Unaudited)

	<u>AI Powered Equity ETF</u>
As a percent of Net Assets:	
United States	96.6%
Short-Term and other Net Assets (Liabilities)	<u>3.4</u>
	<u>100.0%</u>

AI Powered Equity ETF

Schedule of Investments

March 31, 2019 (Unaudited)

	<u>Shares</u>	<u>Value</u>
COMMON STOCKS - 95.7%		
United States - 95.7%		
Aerospace & Defense - 1.7%		
General Dynamics Corp.	1,691	\$ 286,252
Huntington Ingalls Industries, Inc.	3,561	737,839
Northrop Grumman Corp.	3,619	975,683
Textron, Inc.	9,499	<u>481,219</u>
Total Aerospace & Defense		<u>2,480,993</u>
Airlines - 0.7%		
Southwest Airlines Co. (b)	19,522	<u>1,013,387</u>
Automobiles - 0.7%		
Tesla, Inc. (a)(b)	3,895	<u>1,090,055</u>
Banks - 4.2%		
CIT Group, Inc.	27,755	1,331,407
Hancock Whitney Corp.	47,449	1,916,940
SVB Financial Group (a)	11,401	2,535,126
Western Alliance Bancorp. (a)	8,947	<u>367,185</u>
Total Banks		<u>6,150,658</u>
Beverages - 2.5%		
Brown-Forman Corp. (b)	48,757	2,573,394
Monster Beverage Corp. (a)	18,367	<u>1,002,471</u>
Total Beverages		<u>3,575,865</u>
Biotechnology - 2.3%		
AbbVie, Inc.	2,657	214,128
Alexion Pharmaceuticals, Inc. (a)(b)	13,652	1,845,477
Amgen, Inc.	6,644	<u>1,262,227</u>
Total Biotechnology		<u>3,321,832</u>
Capital Markets - 4.7%		
Ameriprise Financial, Inc.	5,793	742,083
BGC Partners, Inc. - Class A (b)	58,793	312,191
Cboe Global Markets, Inc.	20,763	1,981,621
FactSet Research Systems, Inc. (b)	1,964	487,602
Intercontinental Exchange, Inc.	14,107	1,074,107
LPL Financial Holdings, Inc.	31,865	<u>2,219,398</u>
Total Capital Markets		<u>6,817,002</u>
Chemicals - 1.5%		
Element Solutions, Inc. (a)	86,578	874,438
LSB Industries, Inc. (a)(b)	122,637	765,255
Westlake Chemical Corp.	8,720	<u>591,739</u>
Total Chemicals		<u>2,231,432</u>
Commercial Services & Supplies - 1.5%		
Waste Management, Inc.	20,680	<u>2,148,859</u>
Communications Equipment - 1.9%		
Motorola Solutions, Inc.	19,920	<u>2,797,166</u>
Construction & Engineering - 0.8%		
MasTec, Inc. (a)(b)	23,850	<u>1,147,185</u>

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

AI Powered Equity ETF

Schedule of Investments

March 31, 2019 (Unaudited) (Continued)

	Shares	Value
Consumer Finance - 3.0%		
Ally Financial, Inc. (b)	37,394	\$ 1,027,961
Discover Financial Services	27,512	1,957,754
Green Dot Corp. - Class A (a)	22,325	1,354,011
Total Consumer Finance		<u>4,339,726</u>
Diversified Consumer Services - 1.4%		
ServiceMaster Global Holdings, Inc. (a)	43,908	2,050,504
Diversified Telecommunication Services - 1.4%		
Zayo Group Holdings, Inc. (a)	70,899	2,014,950
Electric Utilities - 0.6%		
Duke Energy Corp. (b)	9,499	854,910
Electronic Equipment, Instruments & Components - 1.5%		
CDW Corp.	7,622	734,532
FLIR Systems, Inc.	10,443	496,878
Trimble, Inc. (a)(b)	22,512	909,485
Total Electronic Equipment, Instruments & Components		<u>2,140,895</u>
Entertainment - 1.2%		
Netflix, Inc. (a)	4,313	1,537,843
Take-Two Interactive Software, Inc. (a)	2,905	274,145
Total Entertainment		<u>1,811,988</u>
Equity Real Estate Investment Trusts (REITs) - 0.7%		
Equinix, Inc.	2,181	988,342
Food & Staples Retailing - 2.6%		
Costco Wholesale Corp.	9,834	2,381,205
Walmart, Inc.	14,927	1,455,830
Total Food & Staples Retailing		<u>3,837,035</u>
Food Products - 2.4%		
Archer-Daniels-Midland Co.	36,909	1,591,885
Lamb Weston Holdings, Inc.	11,039	827,263
Tyson Foods, Inc. - Class A	15,861	1,101,229
Total Food Products		<u>3,520,377</u>
Health Care Equipment & Supplies - 3.0%		
Baxter International, Inc.	16,678	1,356,088
Becton Dickinson & Co. (b)	6,501	1,623,495
Edwards Lifesciences Corp. (a)	5,936	1,135,735
Intuitive Surgical, Inc. (a)	486	277,302
Total Health Care Equipment & Supplies		<u>4,392,620</u>
Health Care Providers & Services - 0.9%		
Amedisys, Inc. (a)(b)	4,146	511,036
Humana, Inc.	3,097	823,802
Total Health Care Providers & Services		<u>1,334,838</u>
Hotels, Restaurants & Leisure - 1.0%		
Boyd Gaming Corp.	18,945	518,335
Starbucks Corp. (b)	11,696	869,481
Total Hotels, Restaurants & Leisure		<u>1,387,816</u>
Insurance - 1.4%		
Markel Corp. (a)	317	315,808

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AI Powered Equity ETF

Schedule of Investments

March 31, 2019 (Unaudited) (Continued)

	<u>Shares</u>	<u>Value</u>
Marsh & McLennan Cos., Inc.	6,066	\$ 569,597
The Progressive Corp.	16,775	1,209,310
Total Insurance		<u>2,094,715</u>
Interactive Media & Services - 5.1%		
Alphabet, Inc. - Class A (a)	4,819	5,671,432
Facebook, Inc. - Class A (a)	10,271	1,712,073
Total Interactive Media & Services		<u>7,383,505</u>
Internet & Direct Marketing Retail - 2.5%		
Amazon.com, Inc. (a)	1,712	3,048,644
Expedia Group, Inc.	4,725	562,275
Total Internet & Direct Marketing Retail		<u>3,610,919</u>
IT Services - 4.0%		
Alliance Data Systems Corp. (b)	8,425	1,474,207
Cognizant Technology Solutions Corp. - Class A	8,923	646,471
DXC Technology Co.	25,862	1,663,186
Fiserv, Inc. (a)(b)	8,616	760,620
Global Payments, Inc. (b)	5,699	778,027
Leidos Holdings, Inc.	8,929	572,260
Total IT Services		<u>5,894,771</u>
Machinery - 0.3%		
Nordson Corp. (b)	3,851	510,335
Media - 1.0%		
Liberty Broadband Corp. (a)	16,098	1,476,831
Metals & Mining - 0.4%		
Newmont Mining Corp.	16,396	586,485
Multiline Retail - 0.6%		
Dollar Tree, Inc.(a)(b)	8,633	906,810
Multi-Utilities - 1.1%		
Consolidated Edison, Inc.	3,882	329,232
Sempra Energy (b)	10,434	1,313,224
Total Multi-Utilities		<u>1,642,456</u>
Oil, Gas & Consumable Fuels - 6.1%		
Cheniere Energy, Inc. (a)	14,954	1,022,255
Cimarex Energy Co.	15,509	1,084,079
Noble Energy, Inc. (b)	17,890	442,420
Parsley Energy, Inc. - Class A (a)	24,487	472,599
Range Resources Corp. (b)	125,312	1,408,507
Targa Resources Corp.	38,621	1,604,703
Valero Energy Corp. (b)	21,009	1,782,193
Williams Cos., Inc.	36,882	1,059,251
Total Oil, Gas & Consumable Fuels		<u>8,876,007</u>
Pharmaceuticals - 2.8%		
Catalent, Inc. (a)(b)	36,653	1,487,745
Intra-Cellular Therapies, Inc. (a)(b)	25,817	314,451
Johnson & Johnson	11,156	1,559,498
Nektar Therapeutics (a)(b)	21,507	722,635
Total Pharmaceuticals		<u>4,084,329</u>

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

AI Powered Equity ETF

Schedule of Investments

March 31, 2019 (Unaudited) (Continued)

	<u>Shares</u>	<u>Value</u>
Professional Services - 0.2%		
ASGN, Inc. (a)	4,756	\$ 301,958
Road & Rail - 1.7%		
CSX Corp. (b)	21,788	1,630,178
Union Pacific Corp.	5,019	839,177
Total Road & Rail		<u>2,469,355</u>
Semiconductors & Semiconductor Equipment - 3.7%		
Broadcom, Inc.	4,951	1,488,815
Microchip Technology, Inc. (b)	4,776	396,217
NVIDIA Corp. (b)	7,763	1,393,924
Skyworks Solutions, Inc.	4,100	338,168
Texas Instruments, Inc.	16,166	1,714,728
Total Semiconductors & Semiconductor Equipment		<u>5,331,852</u>
Software - 11.0%		
Adobe Systems, Inc. (a)	5,283	1,407,867
Cadence Design System, Inc. (a)	20,794	1,320,627
Coupa Software, Inc. (a)(b)	16,827	1,530,920
Intuit, Inc.	5,200	1,359,332
New Relic, Inc. (a)	13,500	1,332,450
Nutanix, Inc. - Class A (a)(b)	18,450	696,303
Red Hat, Inc. (a)	3,482	636,161
salesforce.com, Inc. (a)(b)	5,217	826,216
ServiceNow, Inc. (a)	1,901	468,577
Splunk, Inc. (a)	13,608	1,695,557
SS&C Technologies Holdings, Inc.	47,840	3,046,931
Synopsys, Inc. (a)	11,161	1,285,189
VMware, Inc. - Class A (b)	2,598	468,965
Total Software		<u>16,075,095</u>
Specialty Retail - 3.2%		
Aaron's, Inc.	53,700	2,824,619
Foot Locker, Inc. (b)	16,028	971,297
The Home Depot, Inc.	4,594	881,543
Total Specialty Retail		<u>4,677,459</u>
Technology Hardware, Storage & Peripherals - 4.8%		
Apple, Inc.	12,018	2,282,819
NetApp, Inc. (b)	55,032	3,815,919
Pure Storage, Inc. - Class A (a)(b)	44,300	965,297
Total Technology Hardware, Storage & Peripherals		<u>7,064,035</u>
Textiles, Apparel & Luxury Goods - 2.5%		
Crocs, Inc. (a)(b)	31,863	820,472
Hanesbrands, Inc. (b)	65,631	1,173,483
Nike, Inc. - Class B	7,901	665,343
VF Corp. (b)	11,286	980,866
Total Textiles, Apparel & Luxury Goods		<u>3,640,164</u>
Trading Companies & Distributors - 0.9%		
HD Supply Holdings, Inc. (a)	25,638	1,111,407
United Rentals, Inc. (a)	2,256	257,748
Total Trading Companies & Distributors		<u>1,369,155</u>

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

AI Powered Equity ETF

Schedule of Investments

March 31, 2019 (Unaudited) (Continued)

	Shares	Value
Wireless Telecommunication Services - 0.2%		
Shenandoah Telecommunications Co.	6,145	\$ 272,592
Total United States		139,717,263
TOTAL COMMON STOCKS (Cost \$138,534,117)		139,717,263
CLOSED-END FUNDS - 0.9%		
United States - 0.9%		
Ares Capital Corp.	74,841	1,282,775
TOTAL MUTUAL FUNDS (Cost \$1,298,605)		1,282,775
RIGHTS - 0%		
United States - 0%		
NewStar Financial, Inc. (a)(c)(d)	115,783	—
TOTAL RIGHTS (Cost \$0)		—
SHORT-TERM INVESTMENTS - 3.5%		
Money Market Funds - 3.5%		
Invesco Advisers, Inc. STIT - Treasury Portfolio - Institutional Class, 2.33% (e)	5,096,643	5,096,643
TOTAL MONEY MARKET FUNDS (Cost \$5,096,643)		5,096,643
INVESTMENTS PURCHASED WITH SECURITIES LENDING COLLATERAL - 26.2%		
Mount Vernon Liquid Assets Portfolio, LLC, 2.61% (e)		38,157,676
TOTAL INVESTMENTS PURCHASED WITH SECURITIES LENDING COLLATERAL (Cost 38,157,676)		38,157,676
Total Investments (Cost \$183,087,041) - 126.3%		184,254,357
Liabilities in Excess of Other Assets - (26.3)%		(38,415,706)
TOTAL NET ASSETS - 100.0%		\$145,838,651

Percentages are stated as a percent of net assets.

- (a) Non-income producing security.
- (b) All or a portion of this security was out on loan at March 31, 2019.
- (c) These securities have been deemed illiquid according to the Fund's liquidity guidelines. The value of these securities total \$0, which represents 0.00% of total net assets.
- (d) Value determined using significant unobservable inputs. Classified as Level 3 in the fair value hierarchy.
- (e) The rate quoted is the annualized seven-day yield at March 31, 2019.

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

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AI Powered Equity ETF

STATEMENT OF ASSETS AND LIABILITIES

As of March 31, 2019 (Unaudited)

	AI Powered Equity ETF
ASSETS	
Investments in unaffiliated securities, at value*	\$ 184,254,357
Receivables:	
Dividends and interest receivable	65,520
Securities lending income receivable	3,950
Receivable for investments sold	3,774,550
Total Assets	188,098,377
LIABILITIES	
Collateral received for securities loaned (Note 7)	38,157,676
Payables:	
Payable for investments purchased	2,721,537
Payable for fund shares redeemed	1,286,350
Management fees payable	94,163
Total Liabilities	42,259,726
Net Assets	\$ 145,838,651
NET ASSETS CONSIST OF:	
Paid-in Capital	\$ 155,901,350
Total Distributable Earnings	(10,062,699)
Net Assets	\$ 145,838,651
*Identified Cost:	
Investments in unaffiliated securities	\$ 183,087,041
Shares Outstanding [^]	5,625,000
Net Asset Value, Offering and Redemption Price per Share	\$ 25.93

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

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

AI Powered Equity ETF

STATEMENT OF OPERATIONS

Period Ended March 31, 2019 (Unaudited)

	AI Powered Equity ETF
INVESTMENT INCOME	
Income:	
Dividends from unaffiliated securities	\$ 1,040,228
Interest	49,922
Securities lending income	<u>17,313</u>
Total Investment Income	1,107,463
Expenses:	
Management fees	600,834
Total Expenses	<u>600,834</u>
Net Investment Income	<u>506,629</u>
 REALIZED & UNREALIZED LOSS ON INVESTMENTS	
Net Realized Loss on:	
Unaffiliated investments	(8,121,675)
In-Kind redemptions	<u>(1,739,504)</u>
Net Realized Loss on Investments and Foreign Currency	<u>(9,861,179)</u>
Net Change in Unrealized Depreciation of:	
Unaffiliated investments	(4,856,407)
Net Change in Unrealized Depreciation of Investments and Foreign Currency	<u>(4,856,407)</u>
Net Realized and Unrealized Loss on Investments	<u>(14,717,586)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$(14,210,957)</u></u>

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

AI Powered Equity ETF

STATEMENTS OF CHANGES IN NET ASSETS

	Period Ended	Period Ended
	March 31,	September 30,
	2019	2018¹
	<u>(Unaudited)</u>	<u></u>
OPERATIONS		
Net investment income	\$ 506,629	\$ 654,349
Net realized gain (loss) on investments	(9,861,179)	11,614,217
Net change in unrealized appreciation (depreciation) of investments	<u>(4,856,407)</u>	<u>6,023,722</u>
Net increase (decrease) in net assets resulting from operations	<u>(14,210,957)</u>	<u>18,292,288</u>
DISTRIBUTIONS TO SHAREHOLDERS		
Total distributions from distributable earnings	<u>(12,260,543)</u>	<u>(610,275)</u>
CAPITAL SHARE TRANSACTIONS		
Net increase (decrease) in net assets derived from net change in outstanding shares (a)	<u>(34,162,230)</u>	<u>188,790,368</u>
Net increase (decrease) in net assets	<u>\$ (60,633,730)</u>	<u>\$ 206,472,381</u>
NET ASSETS		
Beginning of Period	206,472,381	-
End of Period	<u><u>\$ 145,838,651</u></u>	<u><u>\$ 206,472,381</u></u>

(a) Summary of share transactions is as follows:

	Period Ended		Period Ended	
	March 31, 2019		September 30, 2018¹	
	<u>(Unaudited)</u>		<u></u>	
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>
Shares Sold	150,000	\$ 4,187,774	8,450,000	\$226,333,906
Shares Redeemed	<u>(1,525,000)</u>	<u>(38,350,005)</u>	<u>(1,450,000)</u>	<u>(37,543,538)</u>
Net transactions in Fund Shares	<u>(1,375,000)</u>	<u>\$ (34,162,231)</u>	7,000,000	<u>\$188,790,368</u>
Beginning Shares	<u>-</u>		<u>-</u>	
Ending Shares	<u><u>(1,375,000)</u></u>		<u><u>7,000,000</u></u>	

¹ Fund commenced operations on October 18, 2017. The information presented is for the period from October 18, 2017 to September 30, 2018.

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

AI Powered Equity ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the period

	Period Ended March 31, 2019 (Unaudited)	Period Ended September 30, 2018¹
Net Asset Value, Beginning of Period	\$ 29.50	\$ 25.00
Income from Investment Operations:		
Net investment income ²	0.08	0.14
Net realized and unrealized gain (loss) on investments	(1.66)	4.49
Total from investment operations	<u>(1.58)</u>	<u>4.63</u>
Less Distributions:		
Distributions from net investment income	(0.10)	(0.12)
Net realized gains	(1.89)	(0.01)
Total distributions	<u>(1.99)</u>	<u>(0.13)</u>
Net asset value, end of period	<u>25.93</u>	<u>29.50</u>
Total Return	<u>-3.55%</u> ³	<u>18.53%</u> ³
Ratios/Supplemental Data:		
Net assets at end of period (000's)	\$ 145,839	\$ 206,472
Expenses to Average Net Assets	0.75% ⁴	0.75% ⁴
Net Investment Income to Average Net Assets	0.63% ⁴	0.52% ⁴
Portfolio Turnover Rate	89% ³	260% ³

¹ Commencement of operations on October 18, 2017.

² Calculated based on average shares outstanding during the period.

³ Not annualized.

⁴ Annualized.

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

ETF Managers Trust

APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

For the Period Ended March 31, 2019 (Unaudited)

NOTE 1 – ORGANIZATION

The AI Powered Equity ETF (the “Fund”) is a series of ETF Managers Trust (the “Trust”), an open-end management investment company consisting of multiple investment series, organized as a Delaware statutory trust on July 1, 2009. The Trust is registered with the SEC under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company and the offering of the Fund’s shares (“Shares”) is registered under the Securities Act of 1933, as amended (the “Securities Act”). The investment objective of the Fund is capital appreciation. The Fund commenced operations on October 18, 2017.

The Fund currently offers one class of shares, which has no front end sales load, no deferred sales charges, and no redemption fees. The Fund may issue an unlimited number of shares of beneficial interest, with no par value. All shares of the Fund have equal rights and privileges.

Shares of the Fund are listed and traded on the NYSE Arca, Inc. Market prices for the Shares may be different from their net asset value (“NAV”). The Fund issues and redeems Shares on a continuous basis at NAV only in blocks of 25,000 shares, called “Creation Units.” Creation Units are issued and redeemed principally in-kind for securities included in a specified Index. Once created, Shares generally trade in the secondary market at market prices that change throughout the day in quantities less than a Creation Unit. Except when aggregated in Creation Units, Shares are not redeemable securities of the Fund. Shares of the Fund may only be purchased or redeemed by certain financial institutions (“Authorized Participants”). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a DTC participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors do not qualify as Authorized Participants nor have the resources to buy and sell whole Creation Units. Therefore, they are unable to purchase or redeem the Shares directly from the Fund. Rather, most retail investors may purchase Shares in the secondary market with the assistance of a broker and are subject to customary brokerage commissions or fees.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

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

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

The Fund may invest in certain other investment companies (underlying funds). For specific investments in underlying funds, please refer to the complete schedule of portfolio holdings on Form N-CSR(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 Fund’s semiannual and annual reports, which are filed with the SEC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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

Securities for which quotations are not readily available are valued at their respective fair values as determined in good faith by the Board of Trustees (the "Board"). When a security is "fair valued," consideration is given to the facts and circumstances relevant to the particular situation, including a review of various factors set forth in the pricing procedures adopted by the Fund's Board. The use of fair value pricing by a fund may cause the net asset value of its shares to differ significantly from the net asset value that would be calculated without regard to such considerations. As of March 31, 2019, the Fund held one fair valued security. More detail about this security can be found in the Schedule of Investments.

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

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

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

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

The following table presents a summary of the Funds' investments in securities, at fair value, as of March 31, 2019:

AI Powered Equity ETF

<u>Assets</u> [^]	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$ 139,717,263	\$ —	\$ —	\$139,717,263
Closed-End Funds	1,282,775	—	—	1,282,775
Rights	—	—	— ⁽¹⁾	—
Short Term Investments	5,096,643	—	—	5,096,643
Investments Purchased with Securities Lending Collateral*	—	—	—	38,157,676
Total Investments in Securities	<u>\$ 146,096,681</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$184,254,357</u>

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

The AI Powered Equity ETF held a Level 3 security at the end of the period. The security classified as Level 3 is deemed immaterial.

[^] For Further information regarding Security characteristics, see the Schedule of Investments.

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

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

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

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

The Fund recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. The Fund has analyzed its tax position and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions expected to be taken in the Fund's 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.

As of March 31, 2019, management has reviewed the tax positions for open periods (for Federal purposes, three years from the date of filing and for state purposes, four years from the date of filing), as applicable to the Funds, and has determined that no provision for income tax is required in the Funds' financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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

NOTE 3 – RISK FACTORS

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

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

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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

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

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

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.

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

REIT Investment Risk. Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. REITs may be affected by changes in the value of their underlying properties or mortgages or by defaults by their borrowers or tenants. Furthermore, these entities depend upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. In addition, the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

Sector Risk. To the extent the Fund invests more heavily in particular sectors of the economy, its performance will be especially sensitive to developments that significantly affect those sectors.

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

NOTE 4 – COMMITMENTS AND OTHER RELATED PARTY TRANSACTIONS.

ETF Managers Group, LLC (the "Adviser"), 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 Adviser, the Adviser 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

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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

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

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

NOTE 5 – DISTRIBUTION PLAN

The Fund has adopted a Plan of Distribution pursuant to Rule 12b-1 under the 1940 Act. Under the Plan, the Fund may pay compensation to the Distributor or any other distributor or financial institution with which the Trust has an agreement with respect to the Fund, with the amount of such compensation not to exceed an annual rate of 0.25% of each Fund's daily average net assets. For the period ended March 31, 2019, the Fund did not incur any 12b-1 expenses.

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

NOTE 6 - PURCHASES AND SALES OF SECURITIES

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

	Purchases	Sales
AI Powered Equity ETF	\$141,376,961	\$149,402,157

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

	Purchases In-Kind	Sales In-Kind
AI Powered Equity ETF	\$ 4,113,499	\$36,791,349

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

There were no purchases or sales of U.S. Government obligations for the period ended March 31, 2019.

NOTE 7 — SECURITIES LENDING

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

As of 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 and Collateral Received

Fund	Values of Securities on Loan	Fund Collateral Received*
AI Powered Equity ETF	\$37,733,128	\$38,157,676

AI Powered Equity ETF

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

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

NOTE 8 – FEDERAL INCOME TAXES

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

	Cost	Gross Appreciation	Gross Depreciation	Net Unrealized Appreciation (Depreciation)	
AI Powered Equity ETF	\$ 213,345,993	\$ 11,446,754	\$ (6,787,681)	\$ 4,659,073	
	Undistributed Ordinary Income	Undistributed Long-term Gain	Total Distributable Earnings	Other Accumulated Loss	Total Accumulated Gain
AI Powered Equity ETF	\$ 11,673,609	\$ 76,119	\$ 11,749,728	\$ —	\$ 16,408,801

The difference between the tax cost of investments and the cost of investments for GAAP purposes is primarily due to the tax treatment of wash sale losses.

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

	Capital Loss Carryover	Expires
AI Powered Equity ETF	\$ —	Indefinite

Under current tax law, capital and currency losses realized after October 31 of a Fund's fiscal year may be deferred and treated as occurring on the first business day of the following fiscal year for tax purposes. The following Funds had deferred post-October capital and currency losses, which will be treated as arising on the first business day of the year ended September 30, 2018.

	Late Year Ordinary Loss	Post-October Capital Loss
AI Powered Equity ETF	None	None

U.S. GAAP requires that certain components of net assets relating to permanent differences be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the fiscal year ended September 30, 2018, the following table shows the reclassifications made:

	Undistributed Accumulated Net Investment Income	Accumulated Net Realized Loss	Paid-In Capital
AI Powered Equity ETF	\$ 3,764	\$ (1,276,976)	\$ 1,273,212

The tax character of distribution paid during the period ended March 31, 2019 was \$580,222 from ordinary income and \$11,680,321 from realized gains.

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (Unaudited) (Continued)

NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

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

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 (“ASU 2017-08”). The amendments in the ASU 2017-08 shorten the amortization period for certain callable debt securities, held at a premium, to be amortized to the earliest call date. The ASU 2017-08 does not require an accounting change for securities held at a discount; which continues to be amortized to maturity. The ASU 2017-08 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.

NOTE 10 – 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 and 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.

NOTE 11 – SUBSEQUENT EVENTS

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

ETF Managers Trust

APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

For the Period Ended March 31, 2019 (Unaudited)

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 following agreements:

- an Investment Advisory Agreement between ETF Managers Group, LLC (the “Adviser”) and the Trust, on behalf of AI Powered Equity ETF (the “Fund”) (the “Advisory Agreement”); and
- a Sub-Advisory Agreement between the Adviser and Equbot LLC (the “Sub-Adviser”) with respect to the Fund (the “Sub-Advisory Agreement” and, together with the Advisory Agreement, the “Agreements”).

Pursuant to Section 15(c) of the 1940 Act, the Board must annually review and approve the Agreements after their 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 Agreements 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 Agreements for an additional one-year term. In preparation for such meeting, the Board requests and reviews a wide variety of information from the Adviser and Sub-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 and Sub-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 or Sub-Adviser and their 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, each of the Adviser and Sub-adviser provided responses to detailed series of questions, which included information about the Adviser’s and Sub-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 Agreements 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 approval of the Agreements, and the weight to be given to each such factor. The conclusions reached with respect to the Agreements 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

ETF Managers Trust

APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

For the Period Ended March 31, 2019 (Unaudited) (Continued)

investment and reinvestment of the assets of the Fund, based on recommendations provided by the Sub-Adviser; 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").

The Board further considered other services provided to the Fund, such as overseeing the activities of the Sub-Adviser, as well as the Fund's other service providers, monitoring adherence to the Fund's investment restrictions, and monitoring compliance with various policies and procedures and with applicable securities laws.

The Board then considered the scope of services provided under the Sub-Advisory Agreement, noting that the Sub-Adviser provides investment sub-advisory services to the Adviser in the form of recommendations based on the Sub-Adviser's algorithm-based model. The Board noted that the responsibility for trading the Fund's portfolio securities would continue to rest with the Adviser. In considering the nature, extent and quality of the services provided by the Sub-Adviser, the Board noted that it had received a copy of the Sub-Adviser's Form ADV, as well as the response of the Sub-Adviser to a detailed series of questions which included, among other things, information about the background and experience of the Sub-Adviser's personnel. The Board considered the experience of the Sub-Adviser's personnel in the financial services and artificial intelligence businesses. The Board also considered the quality of the Sub-Adviser's compliance program and Code of Ethics.

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 and Sub-Adviser.

Historical Performance

The Board then considered the Fund's performance history 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 that the Fund outperformed the median of its peer group for the one-year period and the period since the Fund's inception. The Board further noted that it had received and would continue to receive regular reports regarding the Fund's performance at its quarterly meetings.

Cost of Services Provided and Economies of Scale

The Board reviewed the proposed investment advisory fee for the Fund and compared it to the total operating expenses of comparable ETFs. The Board noted that the expense ratio for the Fund was equal to the average and higher than the median expense ratio of its peer ETFs. The Board considered management's explanation that an actively managed strategy would justify a higher management fee than an index based strategy because of the additional effort required to manage an active fund.

The Board 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 also noted that the Adviser is responsible for compensating the Fund's other service providers (including the Sub-Adviser) and paying the Fund's other expenses (except as noted above) out of its own fee and resources. The Board also evaluated the compensation and benefits received by the Adviser from its

ETF Managers Trust

APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS AND BOARD CONSIDERATIONS

For the Period Ended March 31, 2019 (Unaudited) (Continued)

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.

The Board also reviewed the sub-advisory fee paid to the Sub-Adviser for its services to the Fund under the Sub-Advisory Agreement. The Board considered this fee in light of the services the Sub-Adviser provides as investment sub-adviser to the Fund. The Board determined that the fee reflected an appropriate allocation of the advisory fee paid to the Adviser and Sub-Adviser given the work performed by each firm.

The Board also considered that the sub-advisory fee paid to the Sub-Adviser is paid out of the Adviser's unified fee and represents an arm's-length negotiation between the Adviser and the Sub-Adviser. For these reasons, the Trustees determined that the profitability to the Sub-Adviser from its relationship with the Fund was not a material factor in their deliberations with respect to consideration of approval of the Sub-Advisory Agreement. The Board concluded that the proposed sub-advisory fee was reasonable in light of the services rendered. The Board considered that, because the proposed sub-advisory fee would be paid by the Adviser out of its unified fee, any economies of scale would not benefit shareholders and, thus, were not relevant for the consideration of the approval of the sub-advisory fee.

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 Agreements are fair and reasonable; (b) concluded that the Adviser's and Sub-Adviser's fee is reasonable in light of the services that the Adviser and Sub-Adviser each provide to the Fund; and (c) approved the renewal of the Agreements for another year.

AI Powered Equity ETF

Expense Example

For the period Ended March 31, 2019 (Unaudited)

As a shareholder of AI Powered Equity ETF (the "Fund") you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares, and (2) ongoing costs, including management fees and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period (October 1, 2018 to March 31, 2019).

Actual Expenses

The first line of the table provides information about actual account values based on actual returns and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then, multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The second line of the table provides information about hypothetical account values based on a hypothetical return and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of Fund shares. Therefore, the second line of the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different funds. If these transactional costs were included, your costs would have been higher.

AI Powered Equity ETF

	<u>Beginning Account Value October 1, 2018</u>	<u>Ending Account Value March 31, 2019</u>	<u>Expenses Paid During The Period[^]</u>	<u>Annualized Expense Ratio During Period October 1, 2018 to March 31, 2019</u>
Actual	\$1,000.00	\$964.50	\$3.67	0.75%
Hypothetical (5% annual)	\$1,000.00	\$1,021.19	\$3.78	0.75%

[^] The dollar amounts shown as expenses paid during the period are equal to the annualized six-month expense ratio multiplied by the average account value during the period, multiplied by 182/365 (to reflect the period from October 1, 2018 to March 31, 2019).

AI Powered Equity ETF

SUPPLEMENTARY INFORMATION

March 31, 2019 (Unaudited)

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>. The Fund’s portfolio holdings are posted on the Fund’s website at www.AIEQetf.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, or by accessing the Fund’s website at www.AIEQetf.com.

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

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

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