

ETHO™

2018 Q4 COMMENTARY



MARKET COMMENTARY

The ETHO ETF earned a 4-star rating from Morningstar in Q4, based on over 3 years of performance that has delivered higher returns with lower risk compared with conventional public equity indexes. Despite substantial market volatility, the Fund's net asset value ended 2018 up 31.93% since its launch in 2015, ahead of the S&P 500 and all other broadly diversified US benchmarks. ETHO's strong performance and unique comprehensive ESG screening methodology have contributed to an annual asset growth that is ahead of the 63% average for the ESG ETF category, according to ETF.com. Independent research by Callan has also found that the ETHO ETF focus on US equities fits into the biggest demand segment for ESG products, which has likely contributed to the fund's outsized growth.

United Nations progress on international climate change policies also likely propelled some of the ETHO ETF Q4 growth, with uniform global greenhouse gas pollution accounting standards expected to empower regulators and put more pressure on companies to reduce emissions, which may enhance Etho Capital's proprietary analysis of full supply chain corporate climate leadership. The ETHO ETF is now entering the 401(k) market, with Etho Capital collaborating with HIP Investor and others to integrate ETHO into employee retirement plans and further accelerate growth for both the fund and the sustainable equity index market.

FUND PERFORMANCE

The ETHO Climate Leadership ETF returned -14.29% for the quarter ended December 31, 2018, in line with its ESG benchmark and with US large- and mid-cap equity benchmarks. Not surprisingly, there were few bright spots amidst this gloomy quarter of returns. The one positive-performing GICS sector was Utilities (1.4%). Detractors to ETHO's return were led by Industrials (-18.1%), Information Technology (-15.2%) and Financials (-12.1%).

Sector Contributors	Average Weight (%)	Total Return	Sector Cont
Information Technology	21.23	-15.16	-3.25
Industrials	19.03	-18.07	-3.53
Financials	13.65	-12.09	-1.64
Health Care	12.51	-16.22	-2.05
Consumer Discretionary	12.39	-16.54	-2.03
Materials	5.57	-14.04	-0.78
Utilities	4.24	1.41	0.03
Communication Services	3.67	-13.10	-0.48
Real Estate	3.58	-5.27	-0.20
Consumer Staples	3.29	-8.86	-0.27

At the security level, ETHO was led by Red Hat Inc (RHT, +28.9%), Tesla (TSLA, +25.7%) and Middlesex Water (MSEX, +10.7%). Companies in the fund that detracted from performance included Advanced Micro Devices (AMD, -40.2%), Align Technology (ALGN, -46.5%) and NVIDIA (NVDA, -52.5%).

Top 10 Positive Contributors	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Red Hat Inc	0.37	28.88	0.09
Tesla Inc	0.42	25.69	0.08
Middlesex Water Co	0.47	10.73	0.04
Church & Dwight Co Inc	0.44	11.13	0.04
American States Water Co	0.42	10.12	0.04
Realty Income Corp	0.42	11.99	0.04
California Water Service Grp	0.41	11.57	0.04
CME Group Inc	0.40	11.99	0.04
Procter & Gamble Co/The	0.39	11.43	0.04
Workday Inc - Class A	0.39	9.38	0.04

Bottom 10 Negative Contributors	Average Weight (%)	Total Return (%)	Contribution to Return (%)
Advanced Micro Devices	0.74	-40.24	-0.39
Align Technology Inc	0.34	-46.47	-0.23
Nvidia Corp	0.28	-52.45	-0.20
SVB Financial Group	0.40	-38.90	-0.19
Tiffany & Co	0.36	-37.13	-0.15
Capri Holdings Ltd	0.28	-44.69	-0.15
Herc Holdings Inc	0.22	-49.24	-0.15
Lululemon Athletica Inc	0.52	-25.16	-0.14
Wabtec Corp	0.37	-32.93	-0.14
Compass Minerals International	0.30	-37.07	-0.14

Looking at fundamental factor performance, factors contributing positively were exposure to the Utilities, Volatility and Value factors. Exposure to Semiconductors helped performance as well. Factors contributing negatively were led by the US Market factor, Size and Trade Activity.

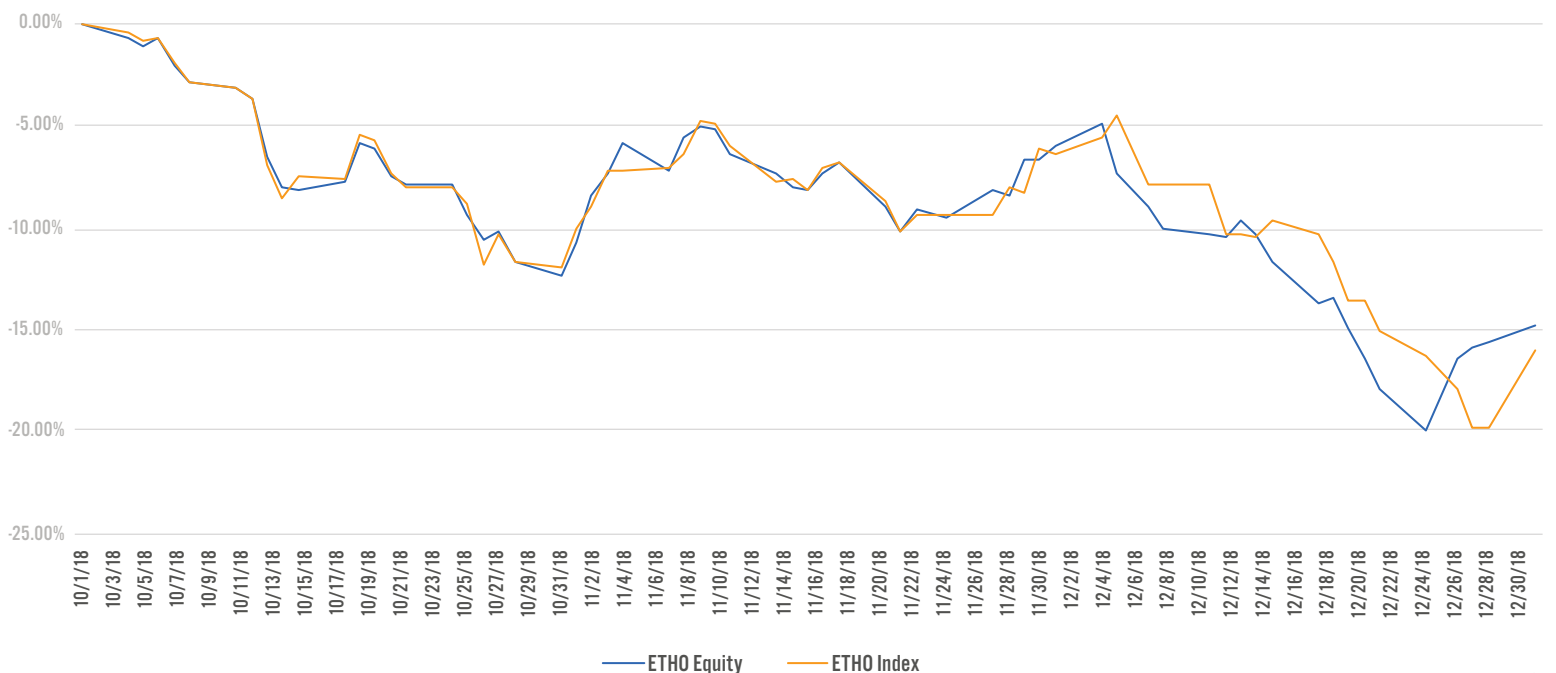
Top 6 Factor Contributors	Active Exp	Factor Rtn	Factor Cont
Industry: US Utilities	0.04	15.1	0.51
Style: US Volatility	-0.17	-2.56	0.41
Style: US Value	-0.18	-1.98	0.36
Industry: US Semi	0.08	4.95	0.31
Industry: US Property & Casualty Insurance	0.03	5.87	0.19
Industry: US ConsmrP	0.03	4.79	0.13
Bottom 6 Factor Contributors	Active Exp	Factor Rtn	Factor Cont
NorthAm: US Market	0.99	-14.38	-14.23
Style: US Size	-1.23	1.15	-1.32
Style: US TradeAct	0.27	-1.85	-0.48
Industry: US ElectrEq	0.10	-4.72	-0.45
Style: US DivYld	-0.28	1.47	-0.40
Industry: US Banks & Investment Co's	0.05	-5.51	-0.27

Breaking out the Style factor into its subcomponents, once again we see Size as the largest detractor from performance, followed by Trade Activity and Dividend Yield. On the positive size, performance was helped by Volatility, Value and Leverage.



Style Return	Contribution
Earnings Variable	0.00
Momentum	0.00
Size	-1.32
Leverage	0.13
Dividend Yield	-0.41
Trade Activity	-0.48
Profitability	-0.04
Growth	0.02
Liquidity	0.00
Volatility	0.41
Value	0.36

Q4 2018 TOTAL RETURN



PERFORMANCE

	CUMULATIVE				ANNUALIZED				
	1 month	3 months	YTD	Since Incep.	1 year	3 years	5 years	10 years	Since Incep.
MARKET PRICE	-9.35%	-14.47%	-5.03%	31.80%	-5.03%	10.17%			9.26%
NAV	-9.26%	-14.29%	-4.51%	31.93%	-4.51%	10.28%			9.29%
INDEX	-9.38%	-14.37%	-4.99%	29.54%	-4.99%	9.63%			8.65%

EXPENSE RATIO: 0.45%

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

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

Investing involves risk, including the possible loss of principal. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Narrowly focused investments typically exhibit higher volatility. The Fund's return may not match or achieve a high degree of correlation with the return of the Etho Climate Leadership Index - US. To the extent the Fund utilizes a sampling approach, it may experience tracking error to a greater extent than if the Fund had sought to replicate the Index. 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, typically consisting of aggregations of 50,000 shares.

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