



SILJ™

Investment CASE

STOCK EXPOSURE ADVANTAGE

Silver is one of the most versatile elements today. It has the highest electrical conductivity of any element and the highest thermal conductivity of any metal. It occurs in pure form, as an alloy with other metals or in minerals. Silver's history dates back to 3000 B.C.

It has long been valued as a precious metal, and can be found in jewelry, coins, tableware, and even X-ray film. Whether we turn on a light, fly a plane, or get a bandage at the hospital, silver is becoming an increasingly vital part of our daily lives.

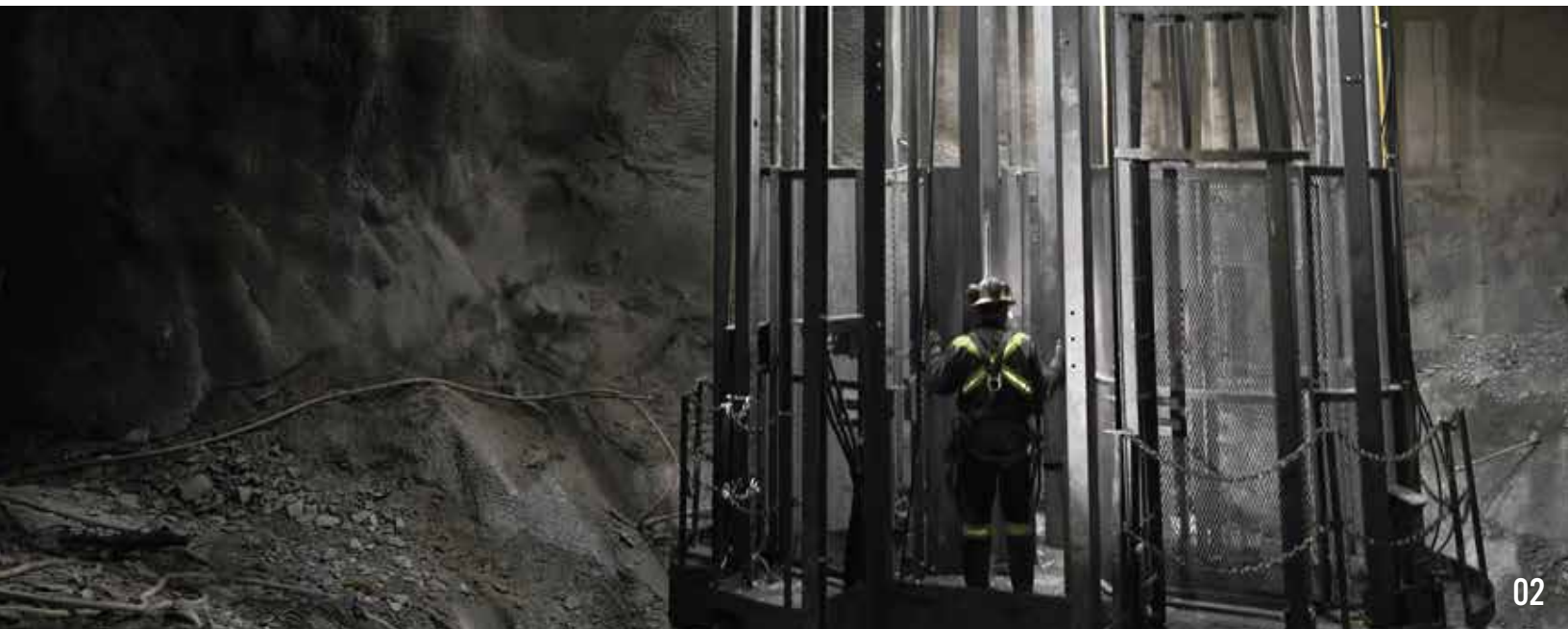
The ETFMG Prime Junior Silver ETF, SILJ, was created to bring silver exploration and mining exposure of small cap companies to institutional and retail investors alike. It offers different characteristics to owning the physical metal, which investors often struggle to store and afford due to insurance conditions.



INVESTING IN SMALL CAP MINING STOCKS

Silver is a scarce commodity, and its industrial applications and expanding use in emerging technologies could impact the companies that engage in mining it. The performance of silver mining companies, especially small capitalization companies, is much more volatile than the spot price of the silver metal. In periods of silver discovery, favorable supply/demand dynamics, and positive sentiment,

the price of silver mining companies can appreciate greater than the price of silver, and in less favorable times, their price can fall in similar fashion. This of course makes silver mining companies a riskier investment as compared to owning silver but offers outsized return potential. The SILJ ETF provides optimized exposure to this unique segment of the market in a single, convenient and diversified investment.





SILJ's composition facilitates exposure to the industry's mergers and acquisitions, which are anticipated in the small cap environment. As of May 2018, M&A revenue is up 51% from one year ago, indicating a healthy deal environment.⁴ Consolidation is a key mechanism for businesses to expand without the investment in untapped deposits or labor. Due to the lesser number of small cap silver company deposits, takeovers are expected.

MERGERS & ACQUISITIONS





Of all elements, silver is the most electrically conductive metal in the world, and has significant industrial application (solar panels, medical devices, smartphones) and acts as a store of value (coins, bars, jewelry).¹

Silver is also playing a major role in today's technology. Almost all electronics are made with silver components – from turning out the lights to turning on the television, if it has an on/off button, silver is likely responsible. Silver membrane switches, requiring only a light touch, are found in most everyday electronics and can last for decades.

Silver components can also be found in green technology. In 2015, 100 million ounces of silver are projected for use by solar energy, and over 250 million ft² of silver-coated glass are used in homes in the U.S. each year.⁸

SILVER & TECHNOLOGY

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.etfmfunds.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. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for investments in emerging markets. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual issuer volatility than a diversified fund. Funds that are less diversified across countries or geographic regions are generally riskier than more geographically diversified funds and risks associated with such countries or geographic regions may negatively affect a Fund. Investments in smallcapitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. The ETFMG Prime Junior Silver ETF is subject to risks associated with the worldwide price of silver and the costs of extraction and production. Worldwide silver prices may fluctuate substantially over short periods of time, so the Fund's share price may be more volatile than other types of economic conditions, tax treatment, government regulation and intervention, and world events in the regions in which the companies operation. Several foreign countries have begun a process of privatizing certain entities and industries. Privatized entities may lose money or be renationalized. The Fund invests in some economies that are heavily dependent upon trading with key partners. Any reduction in this trading may cause an adverse impact on the economy in which the Fund invests. The Fund's return may not match or achieve a high degree of correlation with the return of the Prime Junior Silver Miners & Explorers Index. To the extent the Fund utilizes a sampling approach, it may experience tracking error to a greater extent than if the Fund had sought to replicate the Prime Junior Silver Miners & Explorers Index. IOPV or indicative optimized portfolio value is an estimated intraday fair value of one share of an ETF determined by the last trade price of the fund's underlying securities. 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.

The Prime Junior Silver Miners & Explorers Index is designed to provide a benchmark for investors interested in tracking public, small-cap companies that are active in silver mining exploration and production industry. The stocks are screened for liquidity and weighted according to modified free-float market capitalization. The Index generally is comprised of 25-35 securities. An investment cannot be made directly in an index.

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

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Sources

1. <http://graphics.wsj.com/investment-banking-scorecard/>
2. <http://subscriber.hoovers.com/H/industry360/overview.html?industryId=1482>
3. <https://www.sbcgold.com/blog/facts-about-importance-of-silver-in-technology/>