

ITEQ

Annual Report
September 30, 2023

BlueStar Israel Technology ETF
Ticker: ITEQ



The fund is a series of ETF Managers Trust.

BlueStar Israel Technology ETF

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BlueStar Israel Technology ETF

Dear Shareholder,

On behalf of the entire team, we want to express our appreciation for the confidence you have placed in the BlueStar Israel Technology ETF (the “Fund”). The following information pertains to the fiscal period from October 1, 2022 to September 30, 2023 (the “Annual Period”).

Market Overview

General Overview

The U.S. economy performed better than expected despite persistent inflationary pressure, rising interest rates and geo-political conflict during the Annual Period.

Early in the Annual Period, inflation had risen sharply because of supply chain disruptions, high food and energy prices and the Russia-Ukraine war, reaching its peak level, just prior to the Annual Period, in September 2022. In the first quarter of 2023, U.S. equities managed to deliver gains, despite the significant volatility. The January rally, however, gave way to a February sell off as higher-than-expected inflation, a tight labor market and solid economic growth indicated that the U.S. Federal Reserve’s (Fed) monetary policy would remain tight for the foreseeable future. One of the most significant impacts occurred in the banking sector in March 2023, when Silicon Valley Bank, Signature Bank, and First Republic Bank, among others, failed. In the same month, Swiss bank UBS agreed to buy Credit Suisse, considered vulnerable in the then current environment.

In the second quarter of 2023, the economy grew at an annualized rate of 2.1%, according to the third estimate from the U.S. Bureau of Economic Analysis, compared to 2.2% in the first quarter and in line with 2.1% in 2022 overall. Since then, price pressures have eased given normalization in supply chains, falling energy prices and aggressive measures by the Fed and other global central banks to tighten financial conditions and slow demand in their economies. Nevertheless, during the Annual Period inflation levels remained much higher than central banks’ target levels, with the Fed raising its target fed funds rate six times during the Annual Period, bringing it to a range of 5.25% to 5.50% as of July 2023. As of August 2023, the unemployment rate was 3.8%, near its pre-pandemic low, although monthly job growth continued to be moderate. In September 2023, the Fed’s policy committee voted to hold the rate steady.

As the U.S. Congress neared its September 30, 2023, deadline to approve federal funding, investor concerns about a potential government shutdown and the impact this could have on the U.S. economy increased. The shutdown, however, was averted because of a Continuing Resolution which temporarily kept the government open for forty-five more days. Despite higher rates and increased market volatility, U.S. stocks for the Annual Period had strong returns of 21.62%, as measured by the S&P 500 Index.

Israel-Hamas War

After the end of the Annual Period, on October 7, 2023, Hamas, a U.S. designated Foreign Terrorist Organization, attacked Israel, with Israel then declaring war on Hamas in the Gaza Strip. This conflict has stoked fears of instability in the Middle East and globally. Escalation or expansion of hostilities, interventions by other groups or nations could lead to increased instability and market volatility. The conflict may also have a material negative impact on, and creates meaningful risk of potential future impacts, on companies that have direct or indirect business operations, interests or investments in the Israel and the Middle East, or business relationships with companies that do, including Israeli technology companies, the stocks of which are held by the Fund.

These conditions have impacted the performance of the Fund during the Annual Period, among other factors, and the value of an investment in the Fund. We encourage you to talk with your financial advisor and visit etfmg.com for further insight into investing in today’s markets.

Performance Overview

The Fund seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the BlueStar Israel Global Technology Index (the “Index”).

Over the Annual Period, the total return for the Fund was -6.12% while the total return for the Index was -5.68%. The difference was primarily attributable to Fund expenses that are not borne by the Index. The best performers in the Fund, on the basis of contribution to its return, were Camtek Ltd., Pagaya Technologies Ltd., Taboola.com Ltd., Cellebrite Di Ltd., and Perion Network Ltd., while the worst performers were Novocure Ltd., Innoviz Technologies Ltd., Oramed Pharmaceuticals Inc., Liveperson Inc., and Audiocodes Ltd.

At the end of the Annual Period, the Fund saw an approximate allocation of 67.57% to the Information Technology sector, 8.01% to Health Care and 7.94% to Industrials. The portfolio holdings of the Fund were exposed predominately to Israel at 52.51% and the United States at 46.46%, followed by the United Kingdom at 0.57%.

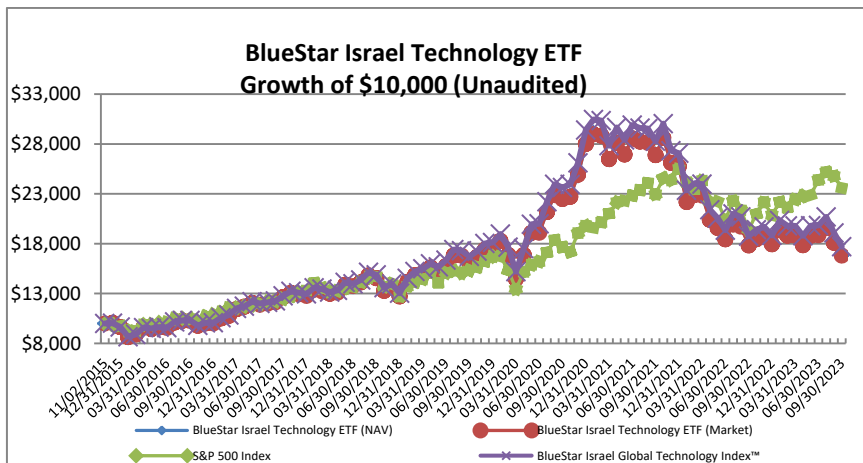
We continue to believe that Israeli companies play an essential role in the global high technology value chain. Most technology users, from online shoppers to Fortune 500 companies, use Israeli technology applications and solutions every day without ever being aware of it. From cybersecurity and defense to clean energy and agriculture, Israeli innovations power some of the biggest names in the technology industry today.

There is much ahead for Israeli Technology companies, and we are thankful you have joined us. You can find further details about ITEQ by visiting www.etfmg.com, or by calling 1-844-ETF-MGRS. (1-844-383-6477).

Sincerely,

John A. Flanagan

John A. Flanagan
Principal Financial Officer



| Average Annual Returns Year Ended September 30, 2023 | 1 Year Return | 5 Year Return | Since Inception (11/2/2015) | Value of \$10,000 (9/30/2023) |
|---|------------------|------------------|-----------------------------------|-------------------------------------|
| BlueStar Israel Technology ETF (NAV) | -6.12% | 2.95% | 6.79% | \$ 16,822 |
| BlueStar Israel Technology ETF (Market) | -5.78% | 2.92% | 6.78% | \$ 16,805 |
| S&P 500 Index | 21.62% | 9.92% | 11.47% | \$ 23,605 |
| BlueStar Israel Global Technology Index™ | -5.68% | 3.54% | 7.48% | \$ 17,694 |

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 November 2, 2015, 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, if any. The Index Returns do not reflect fees or expenses and are not available for direct investment.

Top Ten Holdings as of September 30, 2023 (Unaudited)*

| | Security | % of Total Investments |
|----|---|-----------------------------------|
| 1 | Check Point Software Technologies, Ltd..... | 7.58% |
| 2 | Amdocs, Ltd. | 6.37% |
| 3 | CyberArk Software, Ltd. | 6.02% |
| 4 | Nice, Ltd. – ADR..... | 5.62% |
| 5 | Elbit Systems, Ltd. | 4.24% |
| 6 | Wix.com, Ltd. | 3.66% |
| 7 | Monday.com, Ltd. | 3.63% |
| 8 | SolarEdge Technologies, Inc. | 3.15% |
| 9 | SentinelOne, Inc. - Class A | 3.03% |
| 10 | Ormat Technologies, Inc. | 2.50% |

Top Ten Holdings = 45.80% of Total Investments

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

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.

Past performance is not indicative of future return. A fund's performance for very short time periods may not be indicative of future performance.

ITEQ

The BlueStar Israel Technology ETF (the "Fund") seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the BlueStar Israel Global Technology Index (the "Index").

The Fund invests in Israeli companies. Foreign investing involves special risks such as currency fluctuations and political uncertainty. Funds that invest in smaller companies may experience greater volatility. Funds that emphasize investments in technology generally will experience greater price volatility. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund.

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, in blocks of 50,000 shares.

Unlike with an actively managed fund, the Fund's adviser does not use techniques or defensive strategies designed to lessen the effects of market volatility or to reduce the impact of periods of market decline. This means that, based on market and economic conditions, the Fund's performance could be lower than other types of funds that may actively shift their portfolio assets to take advantage of market opportunities or to lessen the impact of a market decline.

Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics, have been and may be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. Any such events could have a significant adverse impact on the value of the Fund's investments.

Additionally, natural or environmental disasters, widespread disease or other public health issues, war, acts of terrorism or other events could result in increased premiums or discounts to the Fund's NAV.

Effective, August 14, 2023, the Fund is distributed by Foreside Fund Services LLC. ETF Managers Group LLC is a wholly owned subsidiary of Exchange Traded Managers Group LLC (collectively, "ETFMG").

BlueStar Israel Technology ETF

PORTFOLIO ALLOCATIONS

As of September 30, 2023 (Unaudited)

| | BlueStar Israel Technology ETF |
|--|---|
| As a percent of Net Assets: | |
| Cayman Islands | 1.1% |
| Gibraltar..... | 0.7 |
| Guernsey..... | 7.5 |
| Israel | 69.2 |
| Jersey | 0.8 |
| Luxembourg | 0.7 |
| United States | 19.5 |
| Short-Term and other Net Assets (Liabilities)..... | 0.5 |
| | <u>100.0%</u> |

BlueStar Israel Technology ETF

Schedule of Investments

September 30, 2023

| | Shares | Value |
|---|---------------|------------------|
| COMMON STOCKS - 99.5% | | |
| Cayman Islands - 1.1% | | |
| Software - 1.1% (d) | | |
| Sapiens International Corp. NV | 35,343 | \$ 1,004,801 |
| Gibraltar - 0.7% | | |
| Hotels, Restaurants & Leisure - 0.7% | | |
| 888 Holdings PLC (a) | 538,337 | 658,143 |
| Guernsey - 7.5% | | |
| IT Services - 7.5% | | |
| Amdocs, Ltd. | 78,977 | 6,672,766 |
| Israel - 69.2% | | |
| Aerospace & Defense - 5.0% | | |
| Elbit Systems, Ltd. (b) | 22,440 | 4,442,671 |
| Communications Equipment - 1.7% | | |
| Gilat Satellite Networks, Ltd. (a) | 86,476 | 556,041 |
| Radware, Ltd. (a) | 39,042 | 660,590 |
| Silicom, Ltd. (a) | 11,315 | 295,322 |
| Total Communications Equipment | | <u>1,511,953</u> |
| Electronic Equipment, Instruments & Components - 0.4% | | |
| Innoviz Technologies, Ltd. (a)(b) | 180,512 | 351,998 |
| Financial Services - 1.5% | | |
| Plus500, Ltd. | 80,209 | 1,347,581 |
| Health Care Equipment & Supplies - 3.6% | | |
| Alpha Tau Medical, Ltd. (a)(b) | 35,577 | 134,837 |
| Inmode, Ltd. (a) | 77,444 | 2,358,945 |
| Nano-X Imaging, Ltd. (a)(b) | 61,170 | 401,275 |
| Sisram Medical, Ltd. (e) | 338,222 | 271,236 |
| Total Health Care Equipment & Supplies | | <u>3,166,293</u> |
| Household Durables - 0.6% | | |
| Maytronics, Ltd. | 55,060 | 577,843 |
| Independent Power and Renewable Electricity Producers - 2.5% | | |
| Energix-Renewable Energies, Ltd. | 260,730 | 768,321 |
| Enlight Renewable Energy, Ltd. (a) | 90,254 | 1,421,607 |
| Total Independent Power and Renewable Electricity Producers | | <u>2,189,928</u> |
| Interactive Media & Services - 1.1% | | |
| Taboola.com, Ltd. (a) | 266,958 | 1,011,771 |
| IT Services - 6.4% | | |
| Formula Systems 1985, Ltd. | 8,524 | 627,964 |
| Matrix IT, Ltd. | 33,827 | 691,741 |
| One Software Technologies, Ltd. | 40,097 | 504,695 |
| Wix.com, Ltd. (a) | 41,716 | 3,829,529 |
| Total IT Services | | <u>5,653,929</u> |
| Machinery - 0.9% | | |
| Kornit Digital, Ltd. (a) | 39,997 | 756,343 |
| Media - 2.0% | | |
| Perion Network, Ltd. (a) | 49,672 | 1,521,453 |
| Tremor International, Ltd. (a) | 135,947 | 239,350 |
| Total Media | | <u>1,760,803</u> |
| Professional Services - 1.8% | | |
| Fiverr International, Ltd. (a) | 36,289 | 887,992 |
| Hilan, Ltd. | 13,963 | 722,988 |
| Total Professional Services | | <u>1,610,980</u> |

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

BlueStar Israel Technology ETF

Schedule of Investments

September 30, 2023 (Continued)

| | <u>Shares</u> | <u>Value</u> |
|--|---------------|-------------------|
| Semiconductors & Semiconductor Equipment - 7.3% | | |
| Camtek, Ltd. (a) | 30,129 | \$ 1,875,832 |
| Nova, Ltd. (a) | 18,327 | 2,060,688 |
| Tower Semiconductor, Ltd. (a) | 104,576 | 2,568,386 |
| Total Semiconductors & Semiconductor Equipment | | <u>6,504,906</u> |
| Software - 32.4% (d) | | |
| Cellebrite DI, Ltd. (a)(b) | 70,415 | 538,675 |
| Check Point Software Technologies, Ltd. (a) | 59,594 | 7,942,688 |
| Cognyte Software, Ltd. (a) | 93,301 | 448,778 |
| CyberArk Software, Ltd. (a) | 38,501 | 6,305,309 |
| JFrog, Ltd. (a) | 76,964 | 1,951,807 |
| Magic Software Enterprises, Ltd. | 28,861 | 326,647 |
| Monday.com, Ltd. (a)(b) | 23,883 | 3,802,651 |
| Nice, Ltd. - ADR (a)(b) | 34,608 | 5,883,360 |
| Pagaya Technologies, Ltd. - Class A (a)(b) | 355,238 | 561,276 |
| Riskified, Ltd. (a) | 112,751 | 505,124 |
| WalkMe, Ltd. (a) | 49,645 | 470,635 |
| Total Software | | <u>28,736,950</u> |
| Technology Hardware, Storage & Peripherals - 2.0% | | |
| Nano Dimension, Ltd. - ADR (a)(b) | 317,298 | 863,051 |
| Strataysys, Ltd. (a)(b) | 65,891 | 896,776 |
| Total Technology Hardware, Storage & Peripherals | | <u>1,759,827</u> |
| Total Israel | | <u>61,383,776</u> |
| Jersey - 0.8% | | |
| Health Care Equipment & Supplies - 0.8% | | |
| Novocure, Ltd. (a) | 44,961 | 726,120 |
| Luxembourg - 0.7% | | |
| Hotels, Restaurants & Leisure - 0.7% | | |
| NEOGAMES SA (a) | 22,335 | 603,045 |
| United States - 19.5% | | |
| Aerospace & Defense - 1.2% | | |
| Leonardo DRS, Inc. (a)(b) | 61,937 | 1,034,348 |
| Auto Components - 2.5% | | |
| Mobileye Global, Inc. - Class A (a)(b) | 52,489 | 2,180,918 |
| Biotechnology - 0.4% | | |
| Lineage Cell Therapeutics, Inc. (a) | 307,593 | 362,959 |
| Pluri, Inc. (a) | 1 | 1 |
| Total Biotechnology | | <u>362,960</u> |
| Electronic Equipment, Instruments & Components - 0.6% | | |
| Vishay Precision Group, Inc. (a) | 15,459 | 519,114 |
| Entertainment - 0.9% | | |
| Playtika Holding Corp. (a) | 86,117 | 829,307 |
| Financial Services - 1.4% | | |
| Payoneer Global, Inc. (a) | 206,258 | 1,262,299 |
| Independent Power and Renewable - 2.9% | | |
| Ormat Technologies, Inc. | 37,016 | 2,614,401 |
| Insurance - 0.9% | | |
| Lemonade, Inc. (a)(b) | 68,951 | 801,211 |

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

BlueStar Israel Technology ETF

Schedule of Investments

September 30, 2023 (Continued)

| | <u>Shares</u> | <u>Value</u> |
|---|---------------|----------------------|
| Pharmaceuticals - 0.3% | | |
| Oramed Pharmaceuticals, Inc. (a)(b) | 98,571 | \$ 257,270 |
| Semiconductors & Semiconductor Equipment - 4.3% | | |
| CEVA, Inc. (a) | 24,630 | 477,576 |
| SolarEdge Technologies, Inc. (a)(b) | 25,456 | 3,296,806 |
| Total Semiconductors & Semiconductor Equipment | | <u>3,774,382</u> |
| Software - 4.1% (d) | | |
| LivePerson, Inc. (a) | 115,898 | 450,843 |
| SentinelOne, Inc. - Class A (a)(b) | 188,224 | 3,173,457 |
| Total Software | | <u>3,624,300</u> |
| Total United States | | <u>17,260,510</u> |
| TOTAL COMMON STOCKS (Cost \$123,678,667) | | <u>88,309,161</u> |
| INVESTMENTS PURCHASED WITH PROCEEDS FROM SECURITIES LENDING COLLATERAL - 18.2% | | |
| Mount Vernon Liquid Assets Portfolio, LLC, 5.50% (c) | 16,123,144 | <u>16,123,144</u> |
| TOTAL INVESTMENTS PURCHASED WITH PROCEEDS FROM SECURITIES LENDING COLLATERAL (Cost \$16,123,144) | | <u>16,123,144</u> |
| SHORT-TERM INVESTMENTS - 0.4% | | |
| Money Market Funds - 0.4% | | |
| First American Government Obligations Fund - Class X, 5.26% (c) | 337,184 | <u>337,184</u> |
| TOTAL SHORT-TERM INVESTMENTS (Cost \$337,184) | | <u>337,184</u> |
| Total Investments (Cost \$140,138,995) - 118.1% | | <u>104,769,489</u> |
| Liabilities in Excess of Other Assets - (18.1)% | | <u>(16,079,971)</u> |
| TOTAL NET ASSETS - 100.0% | | <u>\$ 88,689,518</u> |

Percentages are stated as a percent of net assets.

ADR American Depositary Receipt

PLC Public Limited Company

(a) Non-income producing security.

(b) All or a portion of this security was out on loan at September 30, 2023.

(c) The rate shown is the annualized seven-day yield at period end.

(d) As of September 30, 2023 the Fund had a significant portion of its assets in the Software Industry.

(e) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933, as amended. This security may be resold in transactions exempt from registration to qualified institutional investors. At September 30, 2023, the market value of these securities total \$16,123,144, which represents 0.3% of total net assets.

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 Fund Services, LLC, doing business as U.S. Bank Global Fund Services ("Fund Services").

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

BlueStar Israel Technology ETF

STATEMENT OF ASSETS AND LIABILITIES

As of September 30, 2023

| | BlueStar Israel Technology ETF |
|--|---|
| ASSETS | |
| Investments in securities, at value* | \$104,769,489 |
| Foreign currency* | 5,311 |
| Receivables: | |
| Dividends and interest receivable | 79,932 |
| Securities lending income receivable | 14,674 |
| Total Assets | <u>\$104,869,406</u> |
| LIABILITIES | |
| Collateral received for securities loaned (Note 7) | 16,123,144 |
| Payables: | |
| Unitary fees payable | 56,744 |
| Total Liabilities | <u>16,179,888</u> |
| Net Assets | <u>\$ 88,689,518</u> |
| NET ASSETS CONSIST OF: | |
| Paid-in capital | \$156,312,646 |
| Total distributable earnings (accumulated losses) | <u>(67,623,128)</u> |
| Net Assets | <u>\$ 88,689,518</u> |
| *Identified Cost: | |
| Investments in securities | \$140,138,995 |
| Foreign currency | 5,307 |
| Shares Outstanding [^] | 2,150,000 |
| Net Asset Value, Offering and Redemption Price per Share | <u>\$ 41.25</u> |
| [^] No par value, unlimited number of shares authorized | |

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

BlueStar Israel Technology ETF

STATEMENT OF OPERATIONS

For the Year Ended September 30, 2023

| | BlueStar Israel Technology ETF |
|---|---|
| INVESTMENT INCOME | |
| Income: | |
| Dividends from securities (net of foreign withholdings tax and issuance fees of \$71,272) | \$ 382,789 |
| Interest | 22,904 |
| Securities lending income | 393,777 |
| Total Investment Income | <u>799,470</u> |
| Expenses: | |
| Unitary Fees | 794,780 |
| Total Expenses | <u>794,780</u> |
| Net Investment Income | <u>4,690</u> |
| REALIZED & UNREALIZED GAIN (LOSS) ON INVESTMENTS | |
| Net Realized Gain (Loss) on: | |
| Investments | (11,773,638) |
| In-Kind redemptions | 4,241,240 |
| Foreign currency and foreign currency translation | (5,998) |
| Net Realized Loss on Investments and In-Kind Redemptions | <u>(7,538,396)</u> |
| Net Change in Unrealized Appreciation/Depreciation of: | |
| Investments | 2,306,167 |
| Foreign currency and foreign currency translation | 407 |
| Net Change in Unrealized Appreciation/Depreciation of Investments | <u>2,306,574</u> |
| Net Realized and Unrealized Loss on Investments | <u>(5,231,822)</u> |
| NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS | <u>\$ (5,227,132)</u> |

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

STATEMENTS OF CHANGES IN NET ASSETS

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 |
|--|--|--|
| OPERATIONS | | |
| Net investment income (loss) | \$ 4,690 | \$ (144,422) |
| Net realized gain (loss) on investments and in-kind redemptions | (7,538,396) | 8,803,413 |
| Net change in unrealized appreciation/depreciation of investments | <u>2,306,574</u> | <u>(69,063,455)</u> |
| Net decrease in net assets resulting from operations | <u>(5,227,132)</u> | <u>(60,404,464)</u> |
| CAPITAL SHARE TRANSACTIONS | | |
| Net decrease in net assets derived from net change in outstanding shares | <u>(22,526,210)</u> | <u>(14,825,280)</u> |
| Net decrease in net assets | <u>(27,753,342)</u> | <u>(75,229,744)</u> |
| NET ASSETS | | |
| Beginning of Year | 116,442,860 | 191,672,604 |
| End of Year | <u>\$ 88,689,518</u> | <u>\$116,442,860</u> |

Summary of share transactions is as follows:

| | Year Ended September 30, 2023 | | Year Ended September 30, 2022 | |
|---------------------------------------|--|---------------------|--|---------------------|
| | <u>Shares</u> | <u>Amount</u> | <u>Shares</u> | <u>Amount</u> |
| Shares Sold..... | 50,000 | \$ 2,257,030 | 700,000 | \$ 42,311,335 |
| Shares Redeemed..... | <u>(550,000)</u> | <u>(24,783,240)</u> | <u>(950,000)</u> | <u>(57,136,615)</u> |
| Net Transactions in Fund Shares | (500,000) | <u>\$22,526,210</u> | (250,000) | <u>\$14,825,280</u> |
| Beginning Shares..... | <u>2,650,000</u> | | <u>2,900,000</u> | |
| Ending Shares | <u>2,150,000</u> | | <u>2,650,000</u> | |

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

BlueStar Israel Technology ETF

FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the year

| | Year Ended September 30, 2023 | Year Ended September 30, 2022 | Year Ended September 30, 2021 | Year Ended September 30, 2020 | Year Ended September 30, 2019 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Net Asset Value, Beginning of Year | \$ 43.94 | \$ 66.09 | \$ 55.57 | \$ 39.92 | \$ 36.03 |
| Income (Loss) from Investment Operations: | | | | | |
| Net investment income (loss) ¹ | 0.00 ² | (0.05) | (0.01) | (0.06) | (0.04) |
| Net realized and unrealized gain (loss) on investments | (2.69) | (22.10) | 10.97 | 15.71 | 4.03 |
| Total from investment operations | (2.69) | (22.15) | 10.96 | 15.65 | 3.99 |
| Less Distributions: | | | | | |
| Distributions from net investment income | - | - | (0.44) | - | (0.09) |
| Return of Capital | - | - | - | - | (0.01) |
| Total Distributions | - | - | (0.44) | - | (0.10) |
| Net asset value, end of year | \$ 41.25 | \$ 43.94 | \$ 66.09 | \$ 55.57 | \$ 39.92 |
| Total Return | (6.12)% | (33.52)% | 19.76% | 39.20% | 11.17% |
| Ratios/Supplemental Data: | | | | | |
| Net Assets at end of year (000's) | \$ 88,690 | \$ 116,443 | \$ 191,673 | \$ 127,802 | \$ 73,847 |
| Expenses to Average Net Assets | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% |
| Net Investment Income (Loss) to Average Net Assets | 0.00% ³ | (0.10)% | (0.02)% | (0.12)% | (0.12)% |
| Portfolio Turnover Rate | 17% | 25% | 21% | 19% | 24% |

¹ Calculated based on average shares outstanding during the year.

² Amount is less than \$0.005 per share.

³ Amount is less than 0.005%.

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

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE 1 – ORGANIZATION

BlueStar Israel Technology 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 BlueStar Israel Global Technology IndexTM (BIGITechTM” or the “Index”). The Fund commenced operations on November 2, 2015.

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 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 may be 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 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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (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 ETF Managers Group, LLC (the "Adviser"), using procedures adopted 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 NAV of its shares to differ significantly from the NAV that would be calculated without regard to such considerations. As of September 30, 2023, the Fund did not hold any fair valued securities.

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.

The following is a summary of the inputs used to value the Fund's net assets as of September 30, 2023:

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

BlueStar Israel Technology ETF

| <u>Assets[^]</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|---------------------|----------------|----------------|----------------------|
| Common Stocks | \$88,309,161 | \$ — | \$ — | \$ 88,309,161 |
| Short-Term Investments..... | 337,184 | — | — | 337,184 |
| Investments Purchased with Securities Lending | | | | |
| Collateral* | — | — | — | 16,123,144 |
| Total Investments in Securities | <u>\$88,646,345</u> | <u>\$ —</u> | <u>\$ —</u> | <u>\$104,769,489</u> |

[^] See Schedule of Investments for classifications by country and industry.

* Certain investments that are measured at fair value using the NAV 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 2023 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 September 30, 2023, management has reviewed the tax positions for open periods (for federal purposes, three years from the date of filing and for state purposes, generally a range of three to 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.

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.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

- 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, if any are generally declared and paid by the Fund on a quarterly basis. 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.
- 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 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 NAV 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 BlueStar Israel Technology 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.

Market Risk. Financial markets rise and fall in response to a variety of factors, sometimes rapidly and unpredictably. As with any investment whose performance is tied to these markets, the value of an investment in a fund will fluctuate, which means that an investor could lose money over short or long periods.

Investment Style Risk. The Fund is not actively managed. Therefore, the Fund follows the securities included in its respective index during upturns as well as downturns. Because of its indexing strategy, the Fund does not take steps to reduce market exposure or to lessen the effects of a declining market. In addition, because of the Fund's expenses, the Fund's performance may be below that of its index.

Equity Risk. The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles which may cause stock prices to fall over short or extended periods of time.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

Securities Lending Risk. Securities lending involves the risk of loss of rights in, or delay in recovery of, the loaned securities if the borrower fails to return the security loaned or becomes insolvent.

Concentration Risk. To the extent that the Fund's or its underlying index's portfolio is concentrated in the securities of issuers in a particular market, industry, group of industries, sector or asset class, the Fund may be adversely affected by the performance of those securities, may be subject to increased price volatility and may be more vulnerable to adverse economic, market, political or regulatory occurrences affecting that market, industry, group of industries, sector or asset class.

Natural Disaster/Epidemic Risk. Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather related phenomena generally, and widespread disease, including pandemics and epidemics (for example, the novel coronavirus COVID-19), have been and can be highly disruptive to economies and markets and have recently led, and may continue to lead, to increased market volatility and significant market losses. Such natural disaster and health crises could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays, shutdowns, social isolation, and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of the Fund and its investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and reduce the availability of potential investment opportunities, and increases the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, the Fund may have difficulty achieving its investment objective which may adversely impact performance. Further, such events can be highly disruptive to economies and markets, significantly disrupt the operations of individual companies (including, but not limited to, the Fund's third party service providers), sectors, industries, markets, securities and commodity exchanges, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. These factors can cause substantial market volatility, exchange trading suspensions and closures and can impact the ability of the Fund to complete redemptions and otherwise affect Fund performance and Fund trading in the secondary market. A widespread crisis may also affect the global economy in ways that cannot necessarily be foreseen at the current time. How long such events will last and whether they will continue or recur cannot be predicted. Impacts from these events could have significant impact on the Fund's performance, resulting in losses to the Fund.

On February 24, 2022, Russia commenced a military attack on Ukraine. The outbreak of hostilities between the two countries could result in more widespread conflict and could have a severe adverse effect on the region and the markets. In addition, sanctions imposed on Russia by the United States and other countries, and any sanctions imposed in the future could have a significant adverse impact on the Russian economy and related markets.

On October 7, 2023, Hamas launched a significant attack on Israel from the Gaza Strip. The extent and duration of the Israel-Hamas war and any related economic and market impacts are impossible to predict but may be significant and may negatively impact Israel's economy. The price and liquidity of investments may fluctuate widely as a result of these conflicts and related events. How long such conflicts and related events will last, and whether either may escalate further, cannot be predicted, however such conflicts may negatively impact issuers of securities in which the Fund(s) invests.

A complete description of the principal risks is included in the Fund's prospectus under the heading "Principal Investment Risks."

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

NOTE 4 – MANAGEMENT AND OTHER CONTRACTS

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-today operations of the Fund, subject to the direction and control of the Board and the officers of the Trust.

Under the Investment Advisory Agreement with the Fund, the Adviser 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 Adviser 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 Adviser at an annual rate of 0.75% of the Fund’s average daily net assets. Under the Investment Advisory Agreement, the Adviser has agreed to pay all expenses of the Fund, except for: the fee paid to the Adviser 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 Adviser has entered into an agreement with Foreside Fund Services LLC, to serve as distributor to the Fund (the “Distributor”). The Distributor provides marketing support for the Fund, including distributing marketing materials related to the Fund.

The Adviser has entered into an Agreement with BlueStar Global Investors LLC (“BlueStar”), under which BlueStar agrees to sublicense the use of the Underlying Index from BlueStar Indexes for use by the Adviser and the Fund. BlueStar also provides marketing support for the Fund, including distributing marketing materials related to the Fund. BlueStar does not make investment decisions, provide investment advice, or otherwise act in the capacity of an investment adviser to the Fund. Additionally, BlueStar 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 Adviser compensates the Administrator for these services under an administration agreement between the two parties.

The Adviser pays each independent Trustee a quarterly fee for service to the Fund. Each Trustee is also reimbursed by the Adviser 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 average daily net assets. For the year ended September 30, 2023, the Fund did not incur any 12b-1 expenses.

NOTE 6 - PURCHASES AND SALES OF SECURITIES

BlueStar Israel Technology ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

The costs of purchases and sales of securities, excluding short-term securities and in-kind transactions, for the year ended September 30, 2023:

| | <u>Purchases</u> | <u>Sales</u> |
|-------------------------------------|------------------|--------------|
| BlueStar Israel Technology ETF..... | \$19,673,873 | \$18,316,065 |

The costs of purchases and sales of in-kind transactions associated with creations and redemptions for the year ended September 30, 2023:

| | <u>Purchases In- Kind</u> | <u>Sales In- Kind</u> |
|-------------------------------------|-------------------------------|---------------------------|
| BlueStar Israel Technology ETF..... | \$ 2,241,381 | \$ 24,537,748 |

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

There were no purchases or sales of U.S. Government obligations for the year ended September 30, 2023.

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 earns 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, either directly on behalf of the Fund or through one or more joint accounts, money market funds, or short-term bond funds, including those advised by or affiliated with the Adviser; however, all 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. Other investment companies in which the Fund may invest cash collateral can be expected to incur fees and expenses for operations, such as investment advisory and administration fees, which would be in addition to those incurred by the Fund, and which may be received in full or in part by the Adviser. Pursuant to guidance issued by the SEC staff, fees and expenses of money market funds used for cash collateral received in connection with loans of securities are not treated as Acquired Fund Fees and Expenses, which reflect a fund’s pro rata share of the fees and expenses incurred by other investment companies in which the Fund invests (as disclosed in the Prospectus, as applicable). 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.

BlueStar Israel Technology ETF

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

As of September 30, 2023, the value of the securities on loan and payable for collateral due to broker were as follows:

Value of Securities on Loan Collateral Received

| Fund | Values of Securities on Loan | Fund Collateral Received* |
|-------------------------------------|-------------------------------------|----------------------------------|
| BlueStar Israel Technology ETF..... | \$ 15,842,979 | \$ 16,123,144 |

* The cash collateral received was invested in the Mount Vernon Liquid Assets Portfolio, 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, 2023, the Fund’s most recent fiscal year end, were as follows:

| | Cost | Gross Unrealized Appreciation | Gross Unrealized Depreciation | Net Unrealized Appreciation (Depreciation) |
|--------------------------------------|---------------|--------------------------------------|--------------------------------------|---|
| BlueStar Israel Technology ETF | \$145,037,652 | \$ 8,777,049 | \$(49,045,212) | \$ (40,268,163) |

| | Undistributed Ordinary Income | Undistributed Long-Term Gain | Total Distributable Earnings | Other Accumulated (Loss) | Total Accumulated Gain |
|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|---------------------------------|-------------------------------|
| BlueStar Israel Technology ETF | \$ - | \$ - | \$ - | \$ (27,354,965) | \$ (67,623,128) |

As of September 30, 2023, the Fund’s most recent fiscal year end, the Fund had accumulated capital loss carryovers of:

| | Capital Loss Carryover ST | Capital Loss Carryover LT | Expires |
|-------------------------------------|----------------------------------|----------------------------------|----------------|
| BlueStar Israel Technology ETF..... | \$ (12,110,864) | \$ (15,244,105) | 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, 2023, the Fund’s most recent fiscal year end, as follows:

| | Later Year Ordinary Loss | Post-October Loss |
|-------------------------------------|---------------------------------|--------------------------|
| BlueStar Israel Technology 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, 2023, the following table shows the reclassifications made:

| | Total Distributable Earnings/(Loss) | Paid-In Capital |
|-------------------------------------|--|------------------------|
| BlueStar Israel Technology ETF..... | \$ (3,534,977) | \$ 3,534,977 |

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 (Continued)

The tax character of distributions paid by the Fund during the fiscal year ended September 30, 2023 and fiscal year ended September 30, 2022 are as follows:

| | Year Ended September 30, 2023 | | Year Ended September 30, 2022 | |
|--------------------------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
| | From Ordinary Income | From Capital Gains | From Ordinary Income | From Capital Gains |
| BlueStar Israel Technology ETF | \$ - | \$ - | \$ - | \$ - |

NOTE 9 – LEGAL MATTERS

The Trust, the Adviser, and certain officers and affiliated persons of the Adviser (together with the Adviser, the “Adviser Defendants”) were named as defendants in an action filed December 21, 2021, in the Superior Court of New Jersey, Union County, captioned PureShares, LLC, d/b/a PureFunds et al. v. ETF Managers Group, LLC et al., Docket No. UNN-C-152-21 (the “NJ Action”). The NJ Action asserted breach of contract and other tort claims and sought damages in unspecified amounts and injunctive relief. On May 25, 2022, the court in the NJ Action dismissed with prejudice all claims asserted against the Trust, as well as all contract claims and all except one tort claim asserted against the Adviser Defendants. With respect to the tort claim asserted against the Adviser Defendants, the parties stipulated and agreed to dismiss that claim without prejudice in May 2023.

The Adviser and certain of its affiliates have entered into a settlement agreement with the Securities and Exchange Commission (“SEC”) regarding certain alleged conflicts of interest arising in connection with ETFMG Alternative Harvest ETF’s (MJ) participation in the securities lending program administered by its prior custodian. Without admitting or denying the SEC’s findings, the Adviser and its parent company agreed to censures, to a cease-and-desist order, and to pay, jointly and severally, a civil penalty of \$4 million. The settlement resolves the SEC’s investigation of the Adviser and its affiliates.

As of September 30, 2023, there were no adjustments made to the accompanying financial statements based on the above legal matters.

NOTE 10 – 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.

The Board of the Trust has approved an Agreement and Plan of Reorganization (the “Agreement”) providing for the reorganization of the Target Fund into corresponding new fund (the “Acquiring Fund”), which is a newly created series of Amplify ETF Trust with similar investment objectives and the same fees and expenses as the corresponding Target Fund. The Reorganization is subject to certain conditions including approval by shareholders of the Target Fund. The following table shows shares of the Acquiring Fund that will be issued to shareholders of the corresponding Target Fund.

| | |
|--------------------------------|--|
| Target Fund | Acquiring Fund |
| BlueStar Israel Technology ETF | Amplify BlueStar Israel Technology ETF |

The proxy solicitation materials were filed with the SEC on October 13, 2023. The Joint Special Meeting of Shareholders is to be held on December 28, 2023.

Other than as disclosed, there were no other subsequent events requiring recognition or disclosure through the date the financial statements were issued.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of ETF Managers Trust
and the Shareholders of BlueStar Israel Technology ETF:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of BlueStar Israel Technology ETF (the “Fund”) (a series of ETF Managers Trust) as of September 30, 2023, the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the periods indicated therein, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2023, and the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. Our procedures included confirmation of securities owned as of September 30, 2023 by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

/s/WithumSmith+Brown, PC

We have served as the auditor of one or more series of the Trust since 2013.

New York, New York
November 29, 2023

EXPENSE EXAMPLE

Period Ended September 30, 2023 (Unaudited)

As a shareholder of BlueStar Israel Technology 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 (April 1, 2023 to September 30, 2023).

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.

| Fund Name | Beginning Account Value April 1, 2023 | Ending Account Value September 30, 2023 | Expenses Paid During the Period[^] | Annualized Expense Ratio During the Period April 1, 2023 to September 30, 2023 |
|---------------------------------------|--|--|--|---|
| BlueStar Israel Technology ETF | | | | |
| Actual | \$ 1,000.00 | \$ 892.90 | \$ 3.56 | 0.75% |
| Hypothetical (5% annual) | 1,000.00 | 1,021.31 | 3.80 | 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 183/365 (to reflect the one-half year period).

SUPPLEMENTARY INFORMATION

September 30, 2023 (Unaudited)

NOTE 1 – FREQUENCY DISTRIBUTION OF PREMIUMS AND DISCOUNTS

Information regarding how often shares of the Fund traded on the Exchange at a price above (i.e., at a premium) or below (i.e., at a discount) the NAV is available on the Fund’s website at www.etfmfgfunds.com.

NOTE 2 – FEDERAL TAX INFORMATION

Qualified Dividend Income/Dividends Received Deduction

For the fiscal year ended September 30, 2023, certain dividends paid by the Fund may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Reconciliation Act of 2003. The percentage of dividends declared from ordinary income designated as qualified dividend income was as follows:

| <u>Fund Name</u> | <u>Qualified Dividend Income</u> |
|--------------------------------------|--------------------------------------|
| Bluestar Israel Technology ETF | 0.00% |

For corporate shareholders, the percent of ordinary income distributions qualifying for the corporate dividends received deduction for the fiscal year ended September 30, 2023 was as follows:

| <u>Fund Name</u> | <u>Dividends Received Deduction</u> |
|--------------------------------------|---|
| Bluestar Israel Technology ETF | 0.00% |

Short Term Capital Gain

The percentage of taxable ordinary income distributions that are designated as short-term capital gain distributions under Internal Revenue Section 871 (k)(2)(C) for the Fund was as follows:

| <u>Fund Name</u> | <u>Short-Term Capital Gain</u> |
|--------------------------------------|------------------------------------|
| Bluestar Israel Technology ETF | 0.00% |

NOTE 3 – INFORMATION ABOUT PORTFOLIO HOLDINGS

The Fund files a complete schedule of portfolio holdings with the SEC for its first and third fiscal quarters on Part F of Form N-PORT. Once filed, the Fund’s Part F of Form N-PORT is available without charge, upon request on the SEC’s website (www.sec.gov), the Fund’s website (www.etfmfgfunds.com) and is available by calling (877) 756-7873. The Fund’s portfolio holdings are posted on the Fund’s website www.etfmfgfunds.com daily.

NOTE 4 – 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.etfmfgfunds.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.etfmfgfunds.com. This report must be preceded or accompanied by a prospectus.

BlueStar Israel Technology ETF

Board of Trustees

Board of Trustees

Set forth below are the names, birth years, positions with the Trust, length of term of office, and the principal occupations and other directorships held during at least the last five years of each of the persons currently serving as a Trustee of the Trust, as well as information about each officer. The business address of each Trustee and officer is 30 Maple Street, 2nd Floor, Summit, New Jersey 07901. The SAI includes additional information about Fund directors and is available, without charge, upon request by calling 1-844-ETF-MGRS (1-844-383-6477).

| Name and Year of Birth | Position(s) Held with the Trust, Term of Office and Length of Time Served | Principal Occupation (s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen By Trustee | Other Directorships Held by Trustee During Past 5 Years |
|--|--|---|---|---|
| Interested Trustee and Officers | | | | |
| Michael Minella (1971) | President (since 2023) | Senior Principal Consultant, ACA Group (since 2022); Vice President and Director, Fidelity Investments (2009-2022). | n/a | n/a |
| John A. Flanagan (1946) | Treasurer (since 2015) | President, John A. Flanagan CPA, LLC (accounting services) (since 2010); Treasurer, ETF Managers Trust (since 2015); Chief Financial Officer, ETF Managers Capital, LLC (commodity pool operator) (since 2015). | n/a | Independent Trustee - Absolute Shares Trust (since 2014) (6 portfolios) |
| Kevin Hourihan (1978) | Chief Compliance Officer (since 2022) | Senior Principal Consultant, Fund Chief Compliance Officer, ACA Global, LLC (since 2022); Chief Compliance Officer, Ashmore Funds (2017-2022); Chief Compliance Officer, Ashmore Investment Management (US) Corp (2014-2022); Chief Compliance Officer, Ashmore Equities Investment Management (2015-2019). | n/a | n/a |
| Matthew J. Bromberg (1973) | Secretary (since 2023) | Chief Compliance Officer and Chief Compliance Officer of ETF Managers Group, LLC (since 2022); General Counsel and Secretary of Exchange Traded Managers Group LLC (since 2020); ETF Managers Group LLC (since 2020); ETFMG Financial LLC (since 2020); ETF Managers Capital LLC (since 2020); Partner of Dorsey & Whitney LLP (law firm) (2019-2020); General Counsel of WBI Investments, Inc. (2016-2019); Millington Securities, Inc. (2016-2019). | n/a | n/a |

Board of Trustees (Continued)

| Name and Year of Birth | Position(s) Held with the Trust, Term of Office and Length of Time Served | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen By Trustee | Other Directorships Held by Trustee During Past 5 Years |
|-------------------------------|---|--|---|--|
| Terry Loebs (1963) | Chairman of the Board (since 2023); Trustee (since 2014); Lead Independent Trustee (since 2020) | Founder and Managing Member, Pulsenomics LLC (index product development and consulting firm) (since 2011); Managing Director, MacroMarkets, LLC (exchange-traded products firm) (2006-2011). | 12 | None |
| Eric Wiegel (1960) | Trustee (since 2020) | Managing Partner, Global Focus Capital LLC (since 2013); Senior Portfolio Manager, Little House Capital (2019-2021); Chief Investment Officer, Insight Financial Strategist LLC (2017-2018). | 12 | None |

**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 regulations¹. 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.

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

Advisor

ETF Managers Group, LLC
350 Springfield Ave., Suite 200, Summit, NJ 07901

Distributor

Foreside Fund Services LLC
Three Canal Plaza, Suite 100, Portland, Maine 04101

Custodian

U.S. Bank National Association

Custody Operations

1555 North River Center Drive, Suite 302, Milwaukee, Wisconsin 53212

Transfer Agent

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615 East Michigan Street, Milwaukee, Wisconsin 53202

Securities Lending Agent

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Securities Lending
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