

**ALPHACLONE ALTERNATIVE ALPHA ETF (ALFA)  
ALPHACLONE INTERNATIONAL ETF (ALFI)  
ALPHACLONE ACTIVIST MANAGER ETF (ALFD)  
ALPHACLONE VALUE MANAGER ETF (ALFV)**

**November 13, 2017**

**Supplement to the  
Prospectus dated July 31, 2017,  
as previously supplemented**

Effective on or about December 27, 2017 (the “Fee Reduction Date”), the management fee for each of the AlphaClone Alternative Alpha ETF, AlphaClone International ETF, AlphaClone Activist Manager ETF, and AlphaClone Value Manager ETF will be lowered to the fee described in the table below:

<b>Fund</b>	<b>Annual Management Fee Effective December 27, 2017 (as a percentage of average daily net assets)</b>
AlphaClone Alternative Alpha ETF	0.65%
AlphaClone International ETF	0.75%
AlphaClone Activist Manager ETF	0.65%
AlphaClone Value Manager ETF	0.65%

Accordingly, effective on the Fee Reduction Date, the sections of the Prospectus entitled “Fees and Expenses of the Fund” and “Expense Example” with respect to each of the above-listed funds will be revised as indicated below.

***For the AlphaClone Alternative Alpha ETF, AlphaClone Activist Manager ETF, and AlphaClone Value Manager ETF:***

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

<b>Annual Fund Operating Expenses</b> <i>(expenses that you pay each year as a percentage of the value of your investment)</i>	
Management Fees <sup>1</sup>	0.65%
Distribution and Service (Rule 12b-1) Fees	None
Other Expenses <sup>1</sup>	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.65%</b>

<sup>1</sup> Restated to reflect the contractual management fee and investment objective effective as of December 27, 2017.

Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year: \$66      3 Years: \$208      5 Years: \$362      10 Years: \$810**

***For the AlphaClone International ETF:***

**Fees and Expenses of the Fund**

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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**Annual Fund Operating Expenses** (*expenses that you pay each year as a percentage of the value of your investment*)

Management Fees <sup>1</sup>	0.75%
Distribution and Service (Rule 12b-1) Fees	None
Other Expenses	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.75%</b>

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<sup>1</sup>Restated to reflect the contractual management fee effective as of December 27, 2017.

**Expense Example**

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year: \$77      3 Years: \$240      5 Years: \$417      10 Years: \$930**

**Please retain this Supplement with your Prospectus for future reference.**

**ALPHACLONE ALTERNATIVE ALPHA ETF (ALFA)  
ALPHACLONE INTERNATIONAL ETF (ALFI)**

**October 27, 2017**

**Supplement to the  
Prospectus dated July 31, 2017**

Effective on or about December 27, 2017 (the “Index Change Date”), each of the AlphaClone Alternative Alpha ETF (the “Alternative Alpha ETF”) and AlphaClone International ETF (the “International ETF”) (each, a “Fund”) will track a new underlying index, as listed in the table below (each, an “Index”), and consequently, each Fund’s investment objective and related investment strategies will change to reflect such Fund’s new underlying index, as described in greater detail below.

<b>Fund</b>	<b>AlphaClone Alternative Alpha ETF</b>	<b>AlphaClone International ETF</b>
Old Index	AlphaClone Hedge Fund Downside Hedged Index	AlphaClone International Downside Hedged Index
New Index	AlphaClone Hedge Fund Masters Index	AlphaClone International Index

AlphaClone Alternative Alpha ETF Summary

*Effective on the Index Change Date, the Alternative Alpha Fund’s investment objective will be to seek to track the total return performance, before fees and expenses, of the AlphaClone Hedge Fund Masters Index. Also effective on the Index Change Date, the section entitled “Principal Investment Strategies—AlphaClone Hedge Fund Downside Hedged Index” on pages 3–4 of the Prospectus will be replaced with the following:*

*AlphaClone Hedge Fund Masters Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc. (“AlphaClone”), the Fund’s index provider, to replicate the U.S. equity securities favored as investments by hedge funds and institutional investors. The Index was established by AlphaClone in 2017 and is composed of up to 50 U.S.-listed equity securities of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The Index is made up of the equity securities held by those hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution, although each individual constituent is limited to a 5% weighting at the time of each reconstitution.

The equity securities that may comprise the Index include, but are not limited to, U.S.-listed common and preferred stock of domestic and foreign companies, including those in emerging markets, real estate investment trusts (“REITs”), master limited partnerships (“MLPs”), and American Depositary Receipts (“ADRs”). Such securities may be issued by small, mid, or large capitalization companies and meeting certain liquidity thresholds.

*Additionally, effective on the Index Change Date, the second paragraph of the section entitled “Principal Investment Strategies—The Fund’s Investment Strategy” on page 4 of the Prospectus will be replaced with the following:*

The Fund will generally use a “replication” strategy to achieve its investment objective, meaning the Fund generally will invest in all of the component securities of the Index in approximately the same proportion as in the Index. However, the Fund may use a “representative sampling” strategy, meaning it may invest in a sample of the securities in the Index whose risk, return, and other characteristics closely resemble the risk, return, and other characteristics of the Index as a whole, when the Fund’s sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

*Additionally, effective on the Index Change Date, the following sections under the heading “Principal Investment Risks” on pages 5–7 of the Prospectus are deleted in their entirety: “—Investment Company Risk”, “—Market Hedge Risk”, and “—Short Sales Risk”, and the last two sentences of the section entitled “Principal Investment Risks—Tracking Error Risk” are deleted.*

## AlphaClone International ETF Summary

*Effective on the Index Change Date, the International Fund's investment objective will be to seek to track the total return performance, before fees and expenses, of the AlphaClone International Index. Also effective on the Index Change Date, the section entitled "Principal Investment Strategies—AlphaClone International Downside Hedged Index" on pages 9–10 of the Prospectus will be replaced with the following:*

### *AlphaClone International Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc., the Fund's investment adviser ("AlphaClone") and index provider, to replicate the foreign equity securities trading in the U.S. through American Depositary Receipts ("ADRs") favored as investments by hedge funds and institutional investors. The Index was established by the Adviser in 2017 and is generally composed of between 40 and 50 U.S.-listed ADRs of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone's Clone Score methodology analyzes the historical returns of a given hedge fund's or institutional investor's holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The Index is made up of the ADRs held by those hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution, but each individual constituent is limited to a 5% weighting at the time of each reconstitution.

The equity securities that comprise the Index are ADRs of foreign companies, including those in emerging markets, each with a market capitalization of at least \$100 million at the time of reconstitution and meeting certain liquidity thresholds.

*Additionally, effective on the Index Change Date, the second paragraph of the section entitled "Principal Investment Strategies—The Fund's Investment Strategy" on page 10 of the Prospectus will be replaced with the following:*

The Fund will generally use a "replication" strategy to achieve its investment objective, meaning the Fund generally will invest in all of the component securities of the Index in approximately the same proportion as in the Index. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return, and other characteristics closely resemble the risk, return, and other characteristics of the Index as a whole, when the Fund's sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

*Additionally, effective on the Index Change Date, the following sections under the heading "Principal Investment Risks" on pages 11–12 of the Prospectus are deleted in their entirety: "—Investment Company Risk", "—Market Hedge Risk", and "—Short Sales Risk", and the last two sentences of the section entitled "Principal Investment Risks—Tracking Error Risk" are deleted.*

## Additional Information about the Funds

*Effective on the Index Change Date, the section entitled "Additional Information about the Funds—Investment Objective" on page 27 of the Prospectus will be replaced with the following:*

Each Fund's investment objective has been adopted as a non-fundamental investment policy and may be changed without shareholder approval upon written notice to shareholders.

*Effective on the Index Change Date, the section entitled "Additional Information about the Funds—Principal Investment Strategies" on page 27 of the Prospectus is deleted in its entirety.*

*Additionally, effective on the Index Change Date, the following sections under the heading "Additional Information about the Funds—Principal Investment Risks" on pages 28–33 of the Prospectus are deleted in their entirety: "—Investment Company Risk", "—Market Hedge Risk", and "—Short Sales Risk", and the last two sentences of the section entitled "—Tracking Error Risk" are deleted.*

**Please retain this Supplement with your Summary Prospectus for future reference.**

# PROSPECTUS

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**ALPHACLONE ALTERNATIVE ALPHA ETF – (ALFA)**  
**ALPHACLONE INTERNATIONAL ETF – (ALFI)**  
**ALPHACLONE SMALL CAP ETF – (ALFS)**  
**ALPHACLONE ACTIVIST MANAGER ETF – (ALFD)**  
**ALPHACLONE VALUE MANAGER ETF – (ALFV)**

**Listed on the NYSE Arca**

**July 31, 2017**

The U.S. Securities and Exchange Commission (“SEC”) has not approved or disapproved of these securities or passed upon the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

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## ALPHACLONE ALTERNATIVE ALPHA ETF SUMMARY

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### Investment Objective

The AlphaClone Alternative Alpha ETF (the “Alternative Alpha ETF” or the “Fund”) seeks to track the price and yield, before fees and expenses, of the AlphaClone Hedge Fund Downside Hedged Index (the “Index”).

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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#### Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*

Management Fees	0.95%
Distribution and Service (Rule 12b-1) Fees	None
Other Expenses (Interest Expense and Dividends on Short Positions)	0.02%
Acquired Fund Fees and Expenses <sup>1</sup>	0.01%
<b>Total Annual Fund Operating Expenses<sup>1</sup></b>	<b>0.98%</b>

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<sup>1</sup> Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. Total Annual Fund Operating Expenses do not reflect Fund expenses paid indirectly and do not correlate to the expense ratios in the Fund’s Financial Highlights because the Financial Highlights include only the direct operating expenses incurred by the Fund and exclude Acquired Fund Fees and Expenses.

### Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year:** \$100      **3 Years:** \$312      **5 Years:** \$542      **10 Years:** \$1,201

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. For the fiscal year ended March 31, 2017, the Fund’s portfolio turnover rate was 183% of the average value of its portfolio.

### Principal Investment Strategies

The Alternative Alpha ETF uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index.

#### *AlphaClone Hedge Fund Downside Hedged Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc. (“AlphaClone”), the Fund’s index provider, to replicate the U.S. equity securities favored as investments by hedge funds and institutional investors. The Index was established by AlphaClone in 2012 and is generally composed of between 50 and 100 U.S.-listed equity securities of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The Index is made up of the equity securities held by those hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution but have an overlap bias (i.e., holdings held by twice as many hedge funds and institutional investors have twice the weight). Additionally, each individual constituent is limited to a 5% weighting at the time of each reconstitution.

The Index can oscillate between being long only or market hedged. When the Index is market hedged, in addition to continuing to hold its long positions, the Index sells short a security that tracks the S&P 500 Index in an amount equal to 85% of the market value of the Index's long positions on the day the hedge takes effect. When the Index is hedged, the Index's short position is designed to mitigate overall systemic market risk by increasing in value as the overall equity market declines and offsetting any corresponding decline in the value of the Index's long positions. The Index's market hedge is triggered "on" when a security that tracks the S&P 500 Index closes below its 200-day simple moving average at any month end, and the Index's market hedge is triggered "off" (i.e., removed) when such security closes above its 200-day simple moving average at any month end. Implementation or removal of the Index's market hedge takes effect at market close two trading days after the applicable month-end when the hedge is triggered on or off. When the Index is market hedged over consecutive months, the Index's short position is only rebalanced quarterly in conjunction with the rebalance of the Index's long positions. The Index's market hedge is not triggered "on" or "off" at any time other than at month end.

The equity securities that may comprise the Index's long positions include, but are not limited to, U.S.-listed common and preferred stock of domestic and foreign companies, including those in emerging markets, real estate investment trusts ("REITs"), master limited partnerships ("MLPs"), and American Depositary Receipts ("ADRs"). Such securities may be issued by small, mid, or large capitalization companies and meeting certain liquidity thresholds. The equity securities that comprise the Index's short positions include shares of other investment companies, such as other exchange-traded funds ("ETFs").

### *The Fund's Investment Strategy*

The Alternative Alpha ETF attempts to invest all, or substantially all, of its assets in the component securities that make up the Index. Under normal circumstances, at least 80% of the Fund's total assets (exclusive of any collateral held from securities lending) will be invested in the component securities of the Index. The Fund expects that, over time, the correlation between the Fund's performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a "replication" strategy to achieve its investment objective, meaning it generally will invest long in the positions in which the Index is long and invest short in the positions in which the Index is short. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund's sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets (exclusive of any collateral held from securities lending) in securities or other investments not included in the Index, but which the Fund's sub-adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions and deletions). On a day-to-day basis, the Fund also may hold money market mutual funds or short-term debt instruments that have terms-to-maturity of less than 397 days and exhibit high quality credit profiles, including U.S. government securities and repurchase agreements.

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index. As of June 30, 2017, securities in the software and services group of industries represented a significant portion of the Index.

### **Principal Investment Risks**

The principal risks of investing in the Fund are summarized below. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. The following risks could affect the value of your investment in the Fund:

- **ADR Risk.** ADRs involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.
- **Concentration Risk.** The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** The underlying foreign shares of ADRs in which the Fund invests may be denominated in non-U.S. currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the ADRs and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.



- **Emerging Markets Risk.** Investments in ADRs that provide exposure to securities traded in developing or emerging markets may additionally involve substantial risk due to limited information; different accounting, auditing and financial reporting standards; a country's dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments. Political and economic structures in many emerging market countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies.
- **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, sectors or companies in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, the value of non-U.S. securities may be subject to risk of decline due to foreign currency fluctuations or to political or economic instability. Investments in ADRs also may be subject to withholding or other taxes and may be indirectly subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.
- **High Portfolio Turnover Risk.** The Fund may trade all or a significant portion of the securities in its portfolio in connection with each rebalance and reconstitution of its Index. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.
- **Investment Company Risk.** The risks of investment in investment companies, such as ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. Investments in ETFs are also subject to the following risks: (i) the market price of an ETF's shares may trade above or below their net asset value; (ii) an active trading market for an ETF's shares may not develop or be maintained; and (iii) trading of an ETF's shares may be halted for a number of reasons.
- **Market Hedge Risk.** When the Index's exposure is market hedged, the Fund may engage in short sales designed to mitigate the Fund's exposure to market risk and to replicate the Index's short position(s). However, there is a risk that the Fund will experience a loss as a result of engaging in such short sales. Additionally, because the Index's short positions are only rebalanced quarterly in conjunction with the rebalance of the Index's long positions, the Index may have more or less short exposure than long exposure in between rebalances. The Index's hedge cannot completely eliminate market risk, and even when hedged, the Index will continue to bear the risk that its long positions will underperform the overall market due to the specific securities, industries, or sectors in which the Fund invests.

Because the Index's market hedge is not triggered "on" or "off" at any time other than at month end, (i) the Index's market hedge may be "on" or "off" due to significant market movements at or near month end that are not indicative of the market's performance for the subsequent month and (ii) the triggering "on" or "off" of the Index's market hedge may lag a significant change in the market's direction (up or down) by as long as a month if such changes first take effect at or near the beginning of a month. Such lags between market performance and the triggering "on" or "off" of the Index's market hedge may result in significant underperformance relative to the broader, "unhedged" equity market.

- **MLP Risk.** MLP investment returns are enhanced during periods of declining or low interest rates and tend to be negatively influenced when interest rates are rising. In addition, most MLPs are fairly leveraged and typically carry a portion of a "floating" rate debt. As such, a significant upward swing in interest rates would also drive interest expense higher. Furthermore, most MLPs grow by acquisitions partly financed by debt, and higher interest rates could make it more difficult to make acquisitions. MLP investments also entail many of the general tax risks of investing in a partnership. Limited partners in an MLP typically have limited control and limited rights to vote on matters affecting the partnership. Additionally, there is always the risk that an MLP will fail to qualify for favorable tax treatment.
- **Models and Data Risk.** The composition of the Index is heavily dependent 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 may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Models and Data been correct and complete. If the composition of the Index reflects such errors, the Fund's portfolio can be expected to reflect the errors, too.
- **Passive Investment Risk.** The Fund is not actively managed and its sub-adviser would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology.

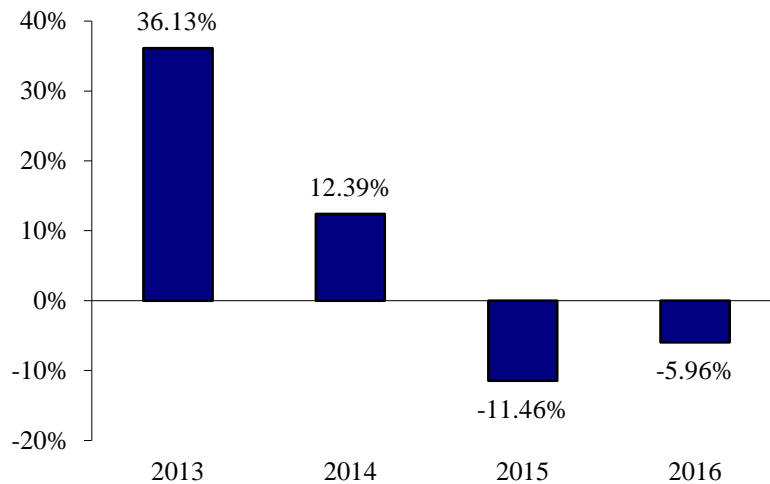
- **REIT Investment Risk.** Investments in REITs involve unique risks. REITs may have limited financial resources, may trade less frequently and in limited volume, and may be more volatile than other securities. REITs may be affected by changes in the value of their underlying properties or mortgages 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.
  - **Consumer Sectors Risk.** The success of consumer product manufacturers and retailers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Companies in the consumer staples sector, such as companies that produce or sell food, beverage, and drug retail or other household items, may be adversely impacted by changes in global and economic conditions, rising energy prices, and changes in the supply or price of commodities. Companies in the consumer discretionary sector, such as automobile, textile, retail, and media companies, depend heavily on disposable household income and consumer spending, and may be strongly affected by social trends and marketing campaigns. These companies may be subject to severe competition, which may have an adverse impact on their profitability.
  - **Financial Sector Risk.** This sector can be significantly affected by changes in interest rates, government regulation, the rate of defaults on corporate, consumer and government debt, the availability and cost of capital, and fallout from the housing and sub-prime mortgage crisis. Insurance companies, in particular, may be significantly affected by changes in interest rates, catastrophic events, price and market competition, the imposition of premium rate caps, or other changes in government regulation or tax law and/or rate regulation, which may have an adverse impact on their profitability. This sector has experienced significant losses in the recent past, and the impact of more stringent capital requirements and of recent or future regulation on any individual financial company or on the sector as a whole cannot be predicted. In recent years, cyber attacks and technology malfunctions and failures have become increasingly frequent in this sector and have caused significant losses.
  - **Health Care Sector Risk.** Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines, an increased emphasis on the delivery of healthcare through outpatient services, loss or impairment of intellectual property rights and litigation regarding product or service liability.
  - **Industrial Sector Risk.** The industrial sector can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies. As the demand for, or prices of, industrials increase, the value of the Fund's investments generally would be expected to also increase. Conversely, declines in the demand for, or prices of, industrials generally would be expected to contribute to declines in the value of such securities. Such declines may occur quickly and without warning and may negatively impact the value of the Fund and your investment.
  - **Information Technology Sector Risk.** Market or economic factors impacting information technology companies and companies that rely heavily on technological advances could have a significant effect on the value of the Fund's investments. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability.
- **Shares May Trade at Prices Other Than Net Asset Value ("NAV").** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Short Sales Risk.** The Fund may make short sales of securities, which involves selling a security it does not own in anticipation that the price of the security will decline. Short sales may involve substantial risk and leverage. Short sales expose the Fund to the risk that it will be required to buy ("cover") the security sold short when the security has appreciated in value or is unavailable, thus resulting in a loss to the Fund. Short sales also involve the risk that losses may exceed the amount invested and may be unlimited.

- **Smaller Companies Risk.** The equity securities of smaller companies have historically been subject to greater investment risk than securities of larger companies. The prices of equity securities of smaller companies tend to be more volatile and less liquid than the prices of equity securities of larger companies.
- **Tracking Error Risk.** As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index. As a result of legal restrictions or limitations that apply to the Fund but not to the Index, the Fund may have less relative short exposure than the Index during periods in between the Index's quarterly reconstitutions. Such differences in short exposure may cause the performance of the Fund and its Index to differ from each other.

## Performance

The following performance information indicates some of the risks of investing in the Alternative Alpha ETF. The bar chart shows the Fund's performance for calendar years ended December 31. The table illustrates how the Fund's average annual returns for the 1-year and since inception periods compare with those of a broad measure of market performance and the Index. The Fund's past performance, before and after taxes, does not necessarily indicate how it will perform in the future. Updated performance information is also available on the Fund's website at [www.alphaclonefunds.com](http://www.alphaclonefunds.com) or by calling the Fund toll free at 1-800-617-0004.

**Calendar Year Total Returns**



For the year-to-date period ended June 30, 2017, the Fund's total return was 12.95%. During the period of time shown in the bar chart, the Fund's highest quarterly return was 11.81% for the quarter ended September 30, 2013, and the lowest quarterly return was -10.49% for the quarter ended March 31, 2016.

### Average Annual Total Returns For the Period Ended December 31, 2016

	<u>1 Year</u>	<u>Since Inception</u> <u>(5/31/2012)</u>
<b>AlphaClone Alternative Alpha ETF</b>		
Return Before Taxes	-5.96%	8.07%
Return After Taxes on Distributions	-5.96%	7.96%
Return After Taxes on Distributions and Sale of Shares	-3.37%	6.30%
<b>AlphaClone Hedge Fund Downside Hedged Index</b> (reflects no deduction for fees, expenses, or taxes)	-5.13%	8.92%
<b>S&amp;P 500 Index</b> (reflects no deduction for fees, expenses, or taxes)	11.96%	14.75%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates during the period covered by the table above and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. In certain cases, the figure representing "Return After Taxes on Distributions and Sale of Shares" may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon

redemption and provides an assumed tax deduction that benefits the investor. After-tax returns shown are not relevant to investors who hold their Shares through tax-deferred arrangements such as an individual retirement account (“IRA”) or other tax-advantaged accounts.

## **Portfolio Management**

<b>Adviser</b>	Exchange Traded Concepts, LLC (“ETC”)
<b>Sub-Adviser</b>	Vident Investment Advisory, LLC (“VIA”)
<b>Portfolio Manager</b>	Denise M. Krisko, CFA, President of VIA, has primary responsibility for the day-to-day management of the Fund. Ms. Krisko has managed the Fund with VIA since January 2015 and previously managed the Fund with the Fund’s previous sub-adviser from its inception in 2012 until November 2014.

## **Purchase and Sale of Shares**

Shares are listed on the NYSE Arca, Inc. (the “Exchange”), and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems Shares at NAV only in large blocks known as “Creation Units,” which only Authorized Participants (“APs”) (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 50,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”) and/or a designated amount of U.S. cash.

## **Tax Information**

Fund distributions are generally taxable as ordinary income, qualified dividend income, or capital gains (or a combination), unless your investment is in an IRA or other tax-advantaged account. Distributions on investments made through tax-deferred arrangements may be taxed later upon withdrawal of assets from those accounts.

## **Financial Intermediary Compensation**

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an “Intermediary”), ETC, VIA, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary’s website for more information.

## ALPHACLONE INTERNATIONAL ETF SUMMARY

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### Investment Objective

The AlphaClone International ETF (the “International ETF” or the “Fund”) seeks to track the total return performance, before fees and expenses, of the AlphaClone International Downside Hedged Index (the “Index”).

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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<b>Annual Fund Operating Expenses</b> ( <i>expenses that you pay each year as a percentage of the value of your investment</i> )	
Management Fees	0.95%
Distribution and/or Service (12b-1) Fees	None
Other Expenses	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.95%</b>

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### Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year:** \$97      **3 Years:** \$303      **5 Years:** \$525      **10 Years:** \$1,166

### Portfolio Turnover

The International ETF pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. For the fiscal year ended March 31, 2017, the Fund’s portfolio turnover rate was 88% of the average value of its portfolio.

### Principal Investment Strategy

The International ETF uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index.

#### *AlphaClone International Downside Hedged Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc., the Fund’s investment adviser (“AlphaClone”) and index provider, to replicate the foreign equity securities trading in the U.S. through American Depositary Receipts (“ADRs”) favored as investments by hedge funds and institutional investors. The Index was established by the Adviser in 2015 and is generally composed of between 40 and 50 U.S.-listed ADRs of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The Index is made up of the ADRs held by those hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution but have an overlap bias (i.e., holdings held by twice as many hedge funds and institutional investors have twice the weight). Additionally, each individual constituent is limited to a 5% weighting at the time of each reconstitution.

The Index can oscillate between being long only or market hedged. When the Index is market hedged, in addition to continuing to hold its long positions, the Index sells short a security that tracks the MSCI EAFE Index in an amount equal to 85% of the market value of the Index’s long positions on the day the hedge takes effect. When the Index is hedged, the Index’s short position is designed to mitigate overall systemic market risk by increasing in value as the overall international equity market declines and offsetting any

corresponding decline in the value of the Index's long positions. The Index's market hedge is triggered "on" when the S&P 500 Index closes below its 200-day simple moving average at any month end, and the Index's market hedge is triggered "off" (i.e., removed) when the S&P 500 Index closes above its 200-day simple moving average at any month end. Implementation or removal of the Index's market hedge takes effect at market close two trading days after the applicable month-end when the hedge is triggered on or off. When the Index is market hedged over consecutive months, the Index's short position is only rebalanced quarterly in conjunction with the rebalance of the Index's long positions. The Index's market hedge is not triggered "on" or "off" at any time other than at month end.

The equity securities that comprise the Index's long positions are ADRs of foreign companies, including those in emerging markets, each with a market capitalization of at least \$100 million at the time of reconstitution and meeting certain liquidity thresholds. The equity securities that comprise the Index's short positions may include Shares of other investment companies, including other exchange-traded funds ("ETFs").

### *The Fund's Investment Strategy*

The International ETF attempts to invest all, or substantially all, of its assets in the equity securities that make up the Index. Under normal circumstances, at least 80% of the Fund's total assets (exclusive of any collateral held from securities lending) will be invested in the component securities of the Index. The Fund expects that, over time, the correlation between the Fund's performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a "replication" strategy to achieve its investment objective, meaning it generally will invest long in the positions in which the Index is long and invest short in the positions in which the Index is short. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund's sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets (exclusive of any collateral held from securities lending) in securities or other investments not included in the Index, but which the Fund's sub-adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions and deletions).

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index. As of June 30, 2017, securities in the software and services group of industries and the pharmaceuticals and biotechnology group of industries represented a significant portion of the Index.

### **Principal Investment Risks**

All investments carry a certain amount of risk and the International ETF cannot guarantee that it will achieve its investment objective. You may lose money by investing in the Fund. Below are the principal risks of investing in the Fund.

- **ADR Risk.** ADRs involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.
- **Concentration Risk.** The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** The underlying foreign shares of ADRs in which the Fund invests may be denominated in non-U.S. currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the ADRs and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.
- **Emerging Markets Risk.** Investments in ADRs that provide exposure to securities traded in developing or emerging markets may additionally involve substantial risk due to limited information; different accounting, auditing and financial reporting standards; a country's dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments. Political and economic structures in many emerging market countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies.

- **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, sectors or companies in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, the value of non-U.S. securities may be subject to risk of decline due to foreign currency fluctuations or to political or economic instability. Investments in ADRs also may be subject to withholding or other taxes and may be indirectly subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.
- **Geographic Investment Risk.** To the extent the Fund invests a significant portion of its assets in ADRs with underlying Shares organized, listed or domiciled in a single country or region, the Fund is more likely to be impacted by events or conditions affecting that country or region.
- **Investment Company Risk.** The risks of investing in investment companies, such as ETFs, typically reflect the risks of the types of instruments in which the investment companies invest. By investing in another investment company, the Fund becomes a shareholder of that investment company and bears its proportionate share of the fees and expenses of the other investment company. Investments in ETFs are also subject to the following risks: (i) the market price of an ETF’s shares may trade above or below their net asset value; (ii) an active trading market for an ETF’s shares may not develop or be maintained; and (iii) trading of an ETF’s shares may be halted for a number of reasons.
- **Market Hedge Risk.** When the Index’s exposure is market hedged, the Fund may engage in short sales designed to mitigate the Fund’s exposure to market risk and to replicate the Index’s short position(s). However, there is a risk that the Fund will experience a loss as a result of engaging in such short sales. Additionally, because the Index’s short positions are only rebalanced quarterly in conjunction with the rebalance of the Index’s long positions, the Index may have more or less short exposure than long exposure in between rebalances. The Index’s hedge cannot completely eliminate market risk, and even when hedged, the Index will continue to bear the risk that its long positions will underperform the overall market due to the specific securities, industries, or sectors in which the Fund invests.

Because the Index’s market hedge is not triggered “on” or “off” at any time other than at month end, (i) the Index’s market hedge may be “on” or “off” due to significant market movements at or near month end that are not indicative of the market’s performance for the subsequent month and (ii) the triggering “on” or “off” of the Index’s market hedge may lag a significant change in the market’s direction (up or down) by as long as a month if such changes first take effect at or near the beginning of a month. Such lags between market performance and the triggering “on” or “off” of the Index’s market hedge may result in significant underperformance relative to the broader, “unhedged” equity market.

- **Models and Data Risk.** The composition of the Index is heavily dependent 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 may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Models and Data been correct and complete. If the composition of the Index reflects such errors, the Fund’s portfolio can be expected to reflect the errors, too.
- **Non-Diversification Risk.** Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund’s volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund’s performance.
- **Passive Investment Risk.** The Fund is not actively managed and its sub-adviser would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology.
- **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.
  - **Consumer Sectors Risk.** The success of consumer product manufacturers and retailers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Companies in the consumer staples sector, such as companies that produce or sell food, beverage, and drug retail or other household items, may be adversely impacted by changes in global and economic conditions, rising energy prices, and changes in the supply or price of commodities. Companies in the consumer discretionary sector, such as automobile, textile, retail, and media companies, depend heavily on disposable household income and

consumer spending, and may be strongly affected by social trends and marketing campaigns. These companies may be subject to severe competition, which may have an adverse impact on their profitability.

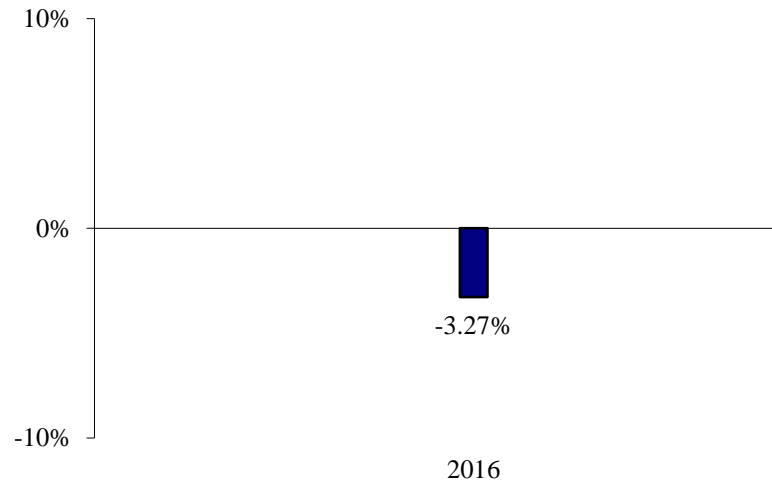
- **Health Care Sector Risk.** The Fund may invest in companies in the health care sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines, an increased emphasis on the delivery of healthcare through outpatient services, loss or impairment of intellectual property rights and litigation regarding product or service liability.
- **Information Technology Sector Risk.** The Fund may invest in companies in the information technology sector, and therefore the performance of the Fund could be negatively impacted by events affecting this sector. Market or economic factors impacting information technology companies and companies that rely heavily on technological advances could have a significant effect on the value of the Fund's investments. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability.
- **Shares May Trade at Prices Other Than Net Asset Value (“NAV”).** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Short Sales Risk.** The Fund may make short sales of securities, which involves selling a security it does not own in anticipation that the price of the security will decline. Short sales may involve substantial risk and leverage. Short sales expose the Fund to the risk that it will be required to buy (“cover”) the security sold short when the security has appreciated in value or is unavailable, thus resulting in a loss to the Fund. Short sales also involve the risk that losses may exceed the amount invested and may be unlimited.
- **Smaller Companies Risk.** The equity securities of smaller companies have historically been subject to greater investment risk than securities of larger companies. The prices of equity securities of smaller companies tend to be more volatile and less liquid than the prices of equity securities of larger companies.
- **Tax Risk.** To qualify for the favorable tax treatment generally available to regulated investment companies, the Fund must satisfy certain diversification requirements. In particular, the Fund generally may not acquire a security if, as a result of the acquisition, more than 50% of the value of the Fund's assets would be invested in (a) issuers in which the Fund has, in each case, invested more than 5% of the Fund's assets and (b) issuers more than 10% of whose outstanding voting securities are owned by the Fund. To meet the diversification requirements, the Fund must also generally limit its investments in MLPs to no more than 25% of the Fund's total assets. While the weighting of the Index is not inconsistent with these rules, given the concentration of the Index in a relatively small number of securities, it may not always be possible for the Fund to fully implement a replication strategy or a representative sampling strategy while satisfying these diversification requirements. The Fund's efforts to satisfy the diversification requirements may affect the Fund's execution of its investment strategy and may cause the Fund's return to deviate from that of the Index, and the Fund's efforts to replicate or represent the Index may cause it inadvertently to fail to satisfy the diversification requirements. If the Fund were to fail to satisfy the diversification requirements, it could incur penalty taxes and be forced to dispose of certain assets, or it could fail to qualify as a regulated investment company. If the Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.
- **Tracking Error Risk.** As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index. As a result of legal restrictions or limitations that apply to the Fund but not to the Index, the Fund may have less relative short exposure than the Index during periods in between the Index's quarterly reconstitutions. Such differences in short exposure may cause the performance of the Fund and its Index to differ from each other.



## Performance

The following performance information indicates some of the risks of investing in the International ETF. The bar chart shows the Fund's performance for calendar year ended December 31. The table illustrates how the Fund's average annual returns for the 1-year and since inception periods compare with those of a broad measure of market performance and the Index. The Fund's past performance, before and after taxes, does not necessarily indicate how it will perform in the future. Updated performance information is also available on the Fund's website at [www.alphaclonefunds.com](http://www.alphaclonefunds.com) or by calling the Fund toll free at 1-800-617-0004.

### Calendar Year Total Return



For the year-to-date period ended June 30, 2017, the Fund's total return was 20.18%. During the period of time shown in the bar chart, the Fund's highest quarterly return was 6.83% for the quarter ended September 30, 2016 and the lowest quarterly return was -7.19% for the quarter ended December 31, 2016.

### Average Annual Total Returns For the Period Ended December 31, 2016

	<u>1 Year</u>	<u>Since Inception (11/9/2015)</u>
<b>AlphaClone International ETF</b>		
Return Before Taxes	-3.27%	-3.51%
Return After Taxes on Distributions	-3.63%	-3.83%
Return After Taxes on Distributions and Sale of Shares	-1.85%	-2.81%
<b>AlphaClone International Downside Hedged Index</b> (reflects no deduction for fees, expenses, or taxes)	-1.78%	-2.05%
<b>S&amp;P 500 Index</b> (reflects no deduction for fees, expenses, or taxes)	11.96%	9.10%
<b>MSCI AC World Index</b> (reflects no deduction for fees, expenses, or taxes)	4.50%	1.83%

After-tax returns are calculated using the historical highest individual federal marginal income tax rates during the period covered by the table above and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. In certain cases, the figure representing "Return After Taxes on Distributions and Sale of Shares" may be higher than the other return figures for the same period. A higher after-tax return results when a capital loss occurs upon redemption and provides an assumed tax deduction that benefits the investor. After-tax returns shown are not relevant to investors who hold their Shares through tax-deferred arrangements such as an individual retirement account ("IRA") or other tax-advantaged accounts.

## Portfolio Management

<b>Adviser</b>	AlphaClone, Inc.
<b>Sub-Adviser</b>	Vident Investment Advisory, LLC ("VIA")
<b>Portfolio Manager</b>	Denise M. Krisko, CFA, President of VIA has served as the Fund's portfolio manager since its inception in 2015.

## **Purchase and Sale of Shares**

Shares are listed on the NYSE Arca, Inc. (the “Exchange”), and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems Shares at NAV only in large blocks known as “Creation Units,” which only Authorized Participants (“APs”) (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 50,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”) and/or a designated amount of U.S. cash.

## **Tax Information**

Fund distributions are generally taxable as ordinary income, qualified dividend income, or capital gains (or a combination), unless your investment is in an IRA or other tax-advantaged account. Distributions on investments made through tax-deferred arrangements may be taxed later upon withdrawal of assets from those accounts.

## **Financial Intermediary Compensation**

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an “Intermediary”), AlphaClone, VIA, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary’s website for more information.

## ALPHACLONE SMALL CAP ETF SUMMARY

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### Investment Objective

The AlphaClone Small Cap ETF (the “Small Cap ETF” or the “Fund”) seeks to track the total return performance, before fees and expenses, of the AlphaClone Small Cap Index (the “Index”).

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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#### Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*

Management Fees	0.95%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>1</sup>	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.95%</b>

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<sup>1</sup> Estimated for the current fiscal year.

### Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year:** \$97      **3 Years:** \$303

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. Because the Fund has not commenced operations as of the date of this prospectus, portfolio turnover information is not yet available.

### Principal Investment Strategy

The Small Cap ETF uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index.

#### *AlphaClone Small Cap Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc., the Fund’s investment adviser (“AlphaClone”) and index provider, to replicate the small cap U.S. equity securities favored as investments by hedge funds and institutional investors. The Index is generally composed of between 150 and 250 U.S.-listed equity securities of small capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The Index is made up of the small cap equity securities held by those hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution.

The equity securities that may comprise the Index are U.S.-listed common stock of domestic and foreign companies, including those in emerging markets, real estate investment trusts (“REITs”), master limited partnerships (“MLPs”), and American Depositary Receipts (“ADRs”), each with a market capitalization of between \$100 million and \$3 billion at the time of reconstitution and meeting certain liquidity thresholds.

### *The Fund's Investment Strategy*

The Small Cap ETF attempts to invest all, or substantially all, of its assets in the component securities that make up the Index. Under normal circumstances, at least 80% of the Fund's total assets (exclusive of any collateral held from securities lending) will be invested in the component securities of the Index. The Fund expects that, over time, the correlation between the Fund's performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a "replication" strategy to achieve its investment objective, meaning it generally will invest long in the positions in which the Index is long and invest short in the positions in which the Index is short. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund's sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets (exclusive of any collateral held from securities lending) in securities or other investments not included in the Index, but which the Fund's sub-adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions and deletions).

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index.

### **Principal Investment Risks**

All investments carry a certain amount of risk and the Small Cap ETF cannot guarantee that it will achieve its investment objective. You may lose money by investing in the Fund. Below are the principal risks of investing in the Fund.

- **ADR Risk.** ADRs involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.
- **Concentration Risk.** The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** The underlying foreign shares of ADRs in which the Fund invests may be denominated in non-U.S. currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the ADRs and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.
- **Emerging Markets Risk.** Investments in ADRs that provide exposure to securities traded in developing or emerging markets may additionally involve substantial risk due to limited information; different accounting, auditing and financial reporting standards; a country's dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments. Political and economic structures in many emerging market countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies.
- **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, sectors or companies in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, the value of non-U.S. securities may be subject to risk of decline due to foreign currency fluctuations or to political or economic instability. Investments in ADRs also may be subject to withholding or other taxes and may be indirectly subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.
- **Limited Operating History Risk.** The Fund recently commenced operations and does not have a performance record for investors to judge the Fund's performance.

- **MLP Risk.** MLP investment returns are enhanced during periods of declining or low interest rates and tend to be negatively influenced when interest rates are rising. In addition, most MLPs are fairly leveraged and typically carry a portion of a “floating” rate debt. As such, a significant upward swing in interest rates would also drive interest expense higher. Furthermore, most MLPs grow by acquisitions partly financed by debt, and higher interest rates could make it more difficult to make acquisitions. MLP investments also entail many of the general tax risks of investing in a partnership. Limited partners in an MLP typically have limited control and limited rights to vote on matters affecting the partnership. Additionally, there is always the risk that an MLP will fail to qualify for favorable tax treatment.
- **Models and Data Risk.** The composition of the Index is heavily dependent 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 may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Models and Data been correct and complete. If the composition of the Index reflects such errors, the Fund’s portfolio can be expected to reflect the errors, too.
- **Non-Diversification Risk.** Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund’s volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund’s performance.
- **Passive Investment Risk.** The Fund is not actively managed and its sub-adviser would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology.
- **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.
- **Shares May Trade at Prices Other Than Net Asset Value (“NAV”).** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund’s NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Smaller Companies Risk.** The equity securities of smaller companies have historically been subject to greater investment risk than securities of larger companies. The prices of equity securities of smaller companies tend to be more volatile and less liquid than the prices of equity securities of larger companies.
- **Tracking Error Risk.** As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index. As a result of legal restrictions or limitations that apply to the Fund but not to the Index, the Fund may have less relative short exposure than the Index during periods in between the Index’s quarterly reconstitutions. Such differences in short exposure may cause the performance of the Fund and its Index to differ from each other.

## Performance

Performance information for the Small Cap ETF is not included because the Fund did not have a full calendar year of performance prior to the date of this Prospectus. In the future, performance information for the Fund will be presented in this section. Updated performance information is available on the Fund’s website at [www.alphaclonelfunds.com](http://www.alphaclonelfunds.com) or by calling the Fund toll free at 1-800-617-0004.

## **Portfolio Management**

<b>Adviser</b>	AlphaClone, Inc.
<b>Sub-Adviser</b>	Vident Investment Advisory, LLC (“VIA”)
<b>Portfolio Manager</b>	Denise M. Krisko, CFA, President of VIA, has served as the Fund’s portfolio manager since its inception.

## **Purchase and Sale of Shares**

Shares are listed on the NYSE Arca, Inc. (the “Exchange”), and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems Shares at NAV only in large blocks known as “Creation Units,” which only Authorized Participants (“APs”) (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 50,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”) and/or a designated amount of U.S. cash.

## **Tax Information**

Fund distributions are generally taxable as ordinary income, qualified dividend income, or capital gains (or a combination), unless your investment is in an individual retirement account (“IRA”) or other tax-advantaged account. Distributions on investments made through tax-deferred arrangements may be taxed later upon withdrawal of assets from those accounts.

## **Financial Intermediary Compensation**

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an “Intermediary”), AlphaClone, VIA, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary’s website for more information.

## ALPHACLONE ACTIVIST MANAGER ETF SUMMARY

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### Investment Objective

The AlphaClone Activist Manager ETF (the “Activist ETF” or the “Fund”) seeks to track the total return performance, before fees and expenses, of the AlphaClone Activist Manager Index (the “Index”).

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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#### Annual Fund Operating Expenses *(expenses that you pay each year as a percentage of the value of your investment)*

Management Fees	0.75%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>1</sup>	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.75%</b>

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<sup>1</sup> Estimated for the current fiscal year.

### Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year:** \$77      **3 Years:** \$240

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. Because the Fund has not commenced operations as of the date of this prospectus, portfolio turnover information is not yet available.

### Principal Investment Strategy

The Activist ETF uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index.

#### *AlphaClone Activist Manager Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc., the Fund’s investment adviser (“AlphaClone”) and index provider, to replicate the equity securities favored as investments by hedge funds and institutional investors that pursue an activist investment approach. The Index is generally composed of between 40 and 50 U.S.-listed equity securities of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given activist hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The methodology identifies activist hedge funds and institutional investors by the frequency with which they file Schedule 13D filings indicating an intention to seek certain changes to the companies in which they invest (e.g., mergers, changes to boards, liquidations). The Index is made up of the equity securities held by those activist hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution. Although the Index is made up of the equity securities held by activist hedge funds and institutional investors, such hedge funds and institutional investors may hold securities without intending to pursue an activist approach, and consequently, the Index and the Fund may from time to time hold securities that are not being actively pursued by an activist investor.

The equity securities that may comprise the Index are U.S.-listed common stocks of both domestic and foreign companies, including those in emerging markets, real estate investment trusts (“REITs”), master limited partnerships (“MLPs”), and American Depositary

Receipts (“ADRs”), each with a market capitalization of at least \$100 million at the time of reconstitution and meeting certain liquidity thresholds.

### *The Fund’s Investment Strategy*

The Activist ETF attempts to invest all, or substantially all, of its assets in the component securities that make up the Index. Under normal circumstances, at least 80% of the Fund’s total assets (exclusive of any collateral held from securities lending) will be invested in the component securities of the Index. The Fund expects that, over time, the correlation between the Fund’s performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a “replication” strategy to achieve its investment objective, meaning it generally will invest in all of the component securities of the Index. However, the Fund may use a “representative sampling” strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund’s sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets (exclusive of any collateral held from securities lending) in securities or other investments not included in the Index, but which the Fund’s sub-adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions and deletions).

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index.

### **Principal Investment Risks**

All investments carry a certain amount of risk and the Activist ETF cannot guarantee that it will achieve its investment objective. You may lose money by investing in the Fund. Below are the principal risks of investing in the Fund.

- **ADR Risk.** ADRs involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.
- **Concentration Risk.** The Fund’s investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** The underlying foreign shares of ADRs in which the Fund invests may be denominated in non-U.S. currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the ADRs and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.
- **Emerging Markets Risk.** Investments in ADRs that provide exposure to securities traded in developing or emerging markets may additionally involve substantial risk due to limited information; different accounting, auditing and financial reporting standards; a country’s dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments. Political and economic structures in many emerging market countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies.
- **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, sectors or companies in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, the value of non-U.S. securities may be subject to risk of decline due to foreign currency fluctuations or to political or economic instability. Investments in ADRs also may be subject to withholding or other taxes and may be indirectly subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.
- **Limited Operating History Risk.** The Fund recently commenced operations and does not have a performance record for investors to judge the Fund’s performance.



- **MLP Risk.** MLP investment returns are enhanced during periods of declining or low interest rates and tend to be negatively influenced when interest rates are rising. In addition, most MLPs are fairly leveraged and typically carry a portion of a “floating” rate debt. As such, a significant upward swing in interest rates would also drive interest expense higher. Furthermore, most MLPs grow by acquisitions partly financed by debt, and higher interest rates could make it more difficult to make acquisitions. MLP investments also entail many of the general tax risks of investing in a partnership. Limited partners in an MLP typically have limited control and limited rights to vote on matters affecting the partnership. Additionally, there is always the risk that an MLP will fail to qualify for favorable tax treatment.
- **Models and Data Risk.** The composition of the Index is heavily dependent 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 may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Models and Data been correct and complete. If the composition of the Index reflects such errors, the Fund’s portfolio can be expected to reflect the errors, too.
- **Non-Diversification Risk.** Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund’s volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund’s performance.
- **Passive Investment Risk.** The Fund is not actively managed and its sub-adviser would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology.
- **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.
- **Shares May Trade at Prices Other Than Net Asset Value (“NAV”).** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund’s NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Smaller Companies Risk.** The equity securities of smaller companies have historically been subject to greater investment risk than securities of larger companies. The prices of equity securities of smaller companies tend to be more volatile and less liquid than the prices of equity securities of larger companies.
- **Tax Risk.** To qualify for the favorable tax treatment generally available to regulated investment companies, the Fund must satisfy certain diversification requirements. In particular, the Fund generally may not acquire a security if, as a result of the acquisition, more than 50% of the value of the Fund’s assets would be invested in (a) issuers in which the Fund has, in each case, invested more than 5% of the Fund’s assets and (b) issuers more than 10% of whose outstanding voting securities are owned by the Fund. To meet the diversification requirements, the Fund must also generally limit its investments in MLPs to no more than 25% of the Fund’s total assets. While the weighting of the Index is not inconsistent with these rules, given the concentration of the Index in a relatively small number of securities, it may not always be possible for the Fund to fully implement a replication strategy or a representative sampling strategy while satisfying these diversification requirements. The Fund’s efforts to satisfy the diversification requirements may affect the Fund’s execution of its investment strategy and may cause the Fund’s return to deviate from that of the Index, and the Fund’s efforts to replicate or represent the Index may cause it inadvertently to fail to satisfy the diversification requirements. If the Fund were to fail to satisfy the diversification requirements, it could incur penalty taxes and be forced to dispose of certain assets, or it could fail to qualify as a regulated investment company. If the Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.
- **Tracking Error Risk.** As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index.

## Performance

Performance information for the Activist ETF is not included because the Fund did not have a full calendar year of performance prior to the date of this Prospectus. In the future, performance information for the Fund will be presented in this section. Updated performance information is available on the Fund's website at [www.alphaclonefunds.com](http://www.alphaclonefunds.com) or by calling the Fund toll free at 1-800-617-0004.

## Portfolio Management

<b>Adviser</b>	AlphaClone, Inc.
<b>Sub-Adviser</b>	Vident Investment Advisory, LLC ("VIA")
<b>Portfolio Manager</b>	Denise M. Krisko, CFA, President of VIA, has served as the Fund's portfolio manager since its inception.

## Purchase and Sale of Shares

Shares are listed on the NYSE Arca, Inc. (the "Exchange"), and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems Shares at NAV only in large blocks known as "Creation Units," which only Authorized Participants ("APs") (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 50,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the "Deposit Securities") and/or a designated amount of U.S. cash.

## Tax Information

Fund distributions are generally taxable as ordinary income, qualified dividend income, or capital gains (or a combination), unless your investment is in an individual retirement account ("IRA") or other tax-advantaged account. Distributions on investments made through tax-deferred arrangements may be taxed later upon withdrawal of assets from those accounts.

## Financial Intermediary Compensation

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an "Intermediary"), AlphaClone, VIA, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary's website for more information.

## ALPHACLONE VALUE MANAGER ETF SUMMARY

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### Investment Objective

The AlphaClone Value Manager ETF (the “Value ETF” or the “Fund”) seeks to track the total return performance, before fees and expenses, of the AlphaClone Value Manager Index (the “Index”).

### Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund (“Shares”). This table and the example below do not include the brokerage commissions that investors may pay on their purchases and sales of Shares.

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#### Annual Fund Operating Expenses

*(expenses that you pay each year as a percentage of the value of your investment)*

Management Fees	0.75%
Distribution and/or Service (12b-1) Fees	None
Other Expenses <sup>1</sup>	0.00%
<b>Total Annual Fund Operating Expenses</b>	<b>0.75%</b>

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<sup>1</sup> Estimated for the current fiscal year.

### Expense Example

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your Shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

**1 Year:** \$77      **3 Years:** \$240

### Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund’s performance. Because the Fund has not commenced operations as of the date of this prospectus, portfolio turnover information is not yet available.

### Principal Investment Strategy

The Value ETF uses a “passive management” (or indexing) approach to track the performance, before fees and expenses, of the Index.

#### *AlphaClone Value Manager Index*

The Index utilizes a proprietary, quantitative Clone Score methodology developed by AlphaClone, Inc., the Fund’s investment adviser (“AlphaClone”) and index provider, to replicate the equity securities favored as investments by hedge funds and institutional investors that pursue a value investment approach. The Index is generally composed of between 40 and 50 U.S.-listed equity securities of small, mid, or large capitalization companies and reconstituted quarterly.

AlphaClone’s Clone Score methodology analyzes the historical returns of a given value-oriented hedge fund’s or institutional investor’s holdings and assigns a Clone Score (i.e., ranking) to each such hedge fund and institutional investor based on such returns. Clone Scores are recalculated semi-annually. The Clone Score methodology incorporates information from hedge fund and institutional investor public disclosure filings (e.g., Form 13F filings) with the U.S. Securities and Exchange Commission to identify their disclosed holdings at the end of each quarter. The methodology identifies hedge funds and institutional investors that pursue a value investment approach by evaluating data from several sources, including the marketing materials for such hedge funds and institutional investors and published databases, when available. The Index is made up of the equity securities held by those value-oriented hedge funds and institutional investors with the highest Clone Scores. Index constituents are equal weighted at the time of each reconstitution. Although the Index is made up of the equity securities held by value-oriented hedge funds and institutional investors, such hedge funds and institutional investors may hold securities that are not value-oriented, and consequently, the Index and the Fund may from time to time hold securities that are not value-oriented.

The equity securities that may comprise the Index include, but are not limited to, U.S.-listed common stock of both domestic and foreign companies, including those in emerging markets, real estate investment trusts (“REITs”), master limited partnerships

("MLPs"), and American Depositary Receipts ("ADRs"), each with a market capitalization of at least \$100 million at the time of reconstitution and meeting certain liquidity thresholds.

### *The Fund's Investment Strategy*

The Value ETF attempts to invest all, or substantially all, of its assets in the component securities that make up the Index. Under normal circumstances, at least 80% of the Fund's total assets (exclusive of any collateral held from securities lending) will be invested in the component securities of the Index. The Fund expects that, over time, the correlation between the Fund's performance and that of the Index, before fees and expenses, will be 95% or better.

The Fund will generally use a "replication" strategy to achieve its investment objective, meaning it generally will invest in all of the component securities of the Index. However, the Fund may use a "representative sampling" strategy, meaning it may invest in a sample of the securities in the Index whose risk, return and other characteristics closely resemble the risk, return and other characteristics of the Index as a whole, when the Fund's sub-adviser believes it is in the best interests of the Fund (e.g., when replicating the Index involves practical difficulties or substantial costs, an Index constituent becomes temporarily illiquid, unavailable or less liquid, or as a result of legal restrictions or limitations that apply to the Fund but not to the Index).

The Fund generally may invest up to 20% of its total assets (exclusive of any collateral held from securities lending) in securities or other investments not included in the Index, but which the Fund's sub-adviser believes will help the Fund track the Index. For example, the Fund may invest in securities that are not components of the Index to reflect various corporate actions and other changes to the Index (such as reconstitutions, additions and deletions).

To the extent the Index concentrates (i.e., holds more than 25% of its total assets) in the securities of a particular industry or group of related industries, the Fund will concentrate its investments to approximately the same extent as the Index.

### **Principal Investment Risks**

All investments carry a certain amount of risk and the Value ETF cannot guarantee that it will achieve its investment objective. You may lose money by investing in the Fund. Below are the principal risks of investing in the Fund.

- **ADR Risk.** ADRs involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.
- **Concentration Risk.** The Fund's investments will be concentrated in an industry or group of industries to the extent that the Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** The underlying foreign shares of ADRs in which the Fund invests may be denominated in non-U.S. currencies. Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the ADRs and the value of your Shares. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Fund may change quickly and without warning and you may lose money.
- **Emerging Markets Risk.** Investments in ADRs that provide exposure to securities traded in developing or emerging markets may additionally involve substantial risk due to limited information; different accounting, auditing and financial reporting standards; a country's dependence on revenue from particular commodities or international aid; and expropriation, nationalization or other adverse political or economic developments. Political and economic structures in many emerging market countries may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies.
- **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, sectors or companies in which the Fund invests. Common stocks are generally exposed to greater risk than other types of securities, such as preferred stock and debt obligations, because common stockholders generally have inferior rights to receive payment from issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. securities involve certain risks that may not be present with investments in U.S. securities. For example, the value of non-U.S. securities may be subject to risk of decline due to foreign currency fluctuations or to political or economic instability. Investments in ADRs also may be subject to withholding or other taxes and may be indirectly subject to additional trading, settlement, custodial, and operational risks. These and other factors can make investments in the Fund more volatile and potentially less liquid than other types of investments.
- **Limited Operating History Risk.** The Fund recently commenced operations and does not have a performance record for investors to judge the Fund's performance.

- **MLP Risk.** MLP investment returns are enhanced during periods of declining or low interest rates and tend to be negatively influenced when interest rates are rising. In addition, most MLPs are fairly leveraged and typically carry a portion of a “floating” rate debt. As such, a significant upward swing in interest rates would also drive interest expense higher. Furthermore, most MLPs grow by acquisitions partly financed by debt, and higher interest rates could make it more difficult to make acquisitions. MLP investments also entail many of the general tax risks of investing in a partnership. Limited partners in an MLP typically have limited control and limited rights to vote on matters affecting the partnership. Additionally, there is always the risk that an MLP will fail to qualify for favorable tax treatment.
- **Models and Data Risk.** The composition of the Index is heavily dependent 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 may lead to the inclusion or exclusion of securities from the Index that would have been excluded or included had the Models and Data been correct and complete. If the composition of the Index reflects such errors, the Fund’s portfolio can be expected to reflect the errors, too.
- **Non-Diversification Risk.** Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund’s volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund’s performance.
- **Passive Investment Risk.** The Fund is not actively managed and its sub-adviser would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares of that security is otherwise required upon a rebalancing of the Index as addressed in the Index methodology.
- **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.
- **Shares May Trade at Prices Other Than Net Asset Value (“NAV”).** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund’s NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Smaller Companies Risk.** The equity securities of smaller companies have historically been subject to greater investment risk than securities of larger companies. The prices of equity securities of smaller companies tend to be more volatile and less liquid than the prices of equity securities of larger companies.
- **Tax Risk.** To qualify for the favorable tax treatment generally available to regulated investment companies, the Fund must satisfy certain diversification requirements. In particular, the Fund generally may not acquire a security if, as a result of the acquisition, more than 50% of the value of the Fund’s assets would be invested in (a) issuers in which the Fund has, in each case, invested more than 5% of the Fund’s assets and (b) issuers more than 10% of whose outstanding voting securities are owned by the Fund. To meet the diversification requirements, the Fund must also generally limit its investments in MLPs to no more than 25% of the Fund’s total assets. While the weighting of the Index is not inconsistent with these rules, given the concentration of the Index in a relatively small number of securities, it may not always be possible for the Fund to fully implement a replication strategy or a representative sampling strategy while satisfying these diversification requirements. The Fund’s efforts to satisfy the diversification requirements may affect the Fund’s execution of its investment strategy and may cause the Fund’s return to deviate from that of the Index, and the Fund’s efforts to replicate or represent the Index may cause it inadvertently to fail to satisfy the diversification requirements. If the Fund were to fail to satisfy the diversification requirements, it could incur penalty taxes and be forced to dispose of certain assets, or it could fail to qualify as a regulated investment company. If the Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.
- **Tracking Error Risk.** As with all index funds, the performance of the Fund and its Index may differ from each other for a variety of reasons. For example, the Fund incurs operating expenses and portfolio transaction costs not incurred by the Index. In addition, the Fund may not be fully invested in the securities of the Index at all times or may hold securities not included in the Index.
- **Value Investing Risk.** The Index includes securities that have been identified by hedge funds and institutional investors who follow a “value” style of investing. Consequently, the Fund could suffer losses or produce poor results relative to other funds, even in a rising market, if the strategies used by the hedge funds and institutional investors to determine a company’s “value” or

prospects for exceeding earnings expectations or market conditions are wrong. In addition, “value stocks” can be undervalued by the market for long periods of time.

## **Performance**

Performance information for the Value ETF is not included because the Fund did not have a full calendar year of performance prior to the date of this Prospectus. In the future, performance information for the Fund will be presented in this section. Updated performance information is available on the Fund’s website at [www.alphaclonefunds.com](http://www.alphaclonefunds.com) or by calling the Fund toll free at 1-800-617-0004.

## **Portfolio Management**

<b>Adviser</b>	AlphaClone, Inc.
<b>Sub-Adviser</b>	Vident Investment Advisory, LLC (“VIA”)
<b>Portfolio Manager</b>	Denise M. Krisko, CFA, President of VIA, has served as the Fund’s portfolio manager since its inception.

## **Purchase and Sale of Shares**

Shares are listed on the NYSE Arca, Inc. (the “Exchange”), and most investors will buy and sell Shares through brokers at market prices, rather than NAV. Because Shares trade at market prices rather than NAV, Shares may trade at a price greater than NAV (premium) or less than NAV (discount).

The Fund issues and redeems Shares at NAV only in large blocks known as “Creation Units,” which only Authorized Participants (“APs”) (typically, broker-dealers) may purchase or redeem. Creation Units generally consist of 50,000 Shares, though this may change from time to time. The Fund generally issues and redeems Creation Units in exchange for a portfolio of securities closely approximating the holdings of the Fund (the “Deposit Securities”) and/or a designated amount of U.S. cash.

## **Tax Information**

Fund distributions are generally taxable as ordinary income, qualified dividend income, or capital gains (or a combination), unless your investment is in an individual retirement account (“IRA”) or other tax-advantaged account. Distributions on investments made through tax-deferred arrangements may be taxed later upon withdrawal of assets from those accounts.

## **Financial Intermediary Compensation**

If you purchase Shares through a broker-dealer or other financial intermediary (such as a bank) (an “Intermediary”), AlphaClone, VIA, or their affiliates may pay Intermediaries for certain activities related to the Fund, including participation in activities that are designed to make Intermediaries more knowledgeable about exchange traded products, including the Fund, or for other activities, such as marketing, educational training or other initiatives related to the sale or promotion of Shares. These payments may create a conflict of interest by influencing the Intermediary and your salesperson to recommend the Fund over another investment. Any such arrangements do not result in increased Fund expenses. Ask your salesperson or visit the Intermediary’s website for more information.

## ADDITIONAL INFORMATION ABOUT THE INDEXES

AlphaClone provides the underlying Index to each Fund. AlphaClone created and developed each Index and is responsible for maintaining and applying the rules-based methodology for each Index. Each Index is calculated by Solactive AG. Solactive AG is not affiliated with the Trust, ETC or AlphaClone (each, an “Adviser” and together, the “Advisers”), VIA (the “Sub-Adviser”), the Funds’ distributor, or any of their respective affiliates.

## ADDITIONAL INFORMATION ABOUT THE FUNDS

### Investment Objective

Each Fund’s investment objective has been adopted as a non-fundamental investment policy and may be changed without shareholder approval upon 60 days’ written notice to shareholders.

### Principal Investment Strategies

*Simple Moving Average Calculation.* The 200-day simple moving average for an index can be calculated by adding the closing price of the index for each of the 200 most recent business days and dividing the resulting sum by 200.

### Manager of Managers Structure

The Funds and each Adviser have received an exemptive order from the U.S. Securities and Exchange Commission (“SEC”) permitting each Adviser (subject to certain conditions and the Board’s approval) to select or change sub-advisers without obtaining shareholder approval. The order also permits each Adviser to materially amend the terms of agreements with a sub-adviser (including an increase in the fee paid by an Adviser to the sub-adviser (and not paid by the applicable Fund)) or to continue the employment of a sub-adviser after an event that would otherwise cause the automatic termination of services with Board approval, but without shareholder approval. Shareholders will be notified of any sub-adviser changes.

### Principal Investment Risks

An investment in a Fund entails risks. A Fund could lose money, or its performance could trail that of other investment alternatives. The following provides additional information about the Funds’ principal risks. It is important that investors closely review and understand these risks before making an investment in a Fund. Each of the following risks is a principal risk of each Fund unless otherwise indicated.

- **ADR Risk.** The Funds may hold the securities of non-U.S. companies in the form of ADRs. ADRs are negotiable certificates issued by a U.S. financial institution that represent a specified number of shares in a foreign stock and trade on a U.S. national securities exchange, such as the New York Stock Exchange. Sponsored ADRs are issued with the support of the issuer of the foreign stock underlying the ADRs and carry all of the rights of common shares, including voting rights. The underlying securities of the ADRs in a Fund’s portfolio are usually denominated or quoted in currencies other than the U.S. Dollar. As a result, changes in foreign currency exchange rates may affect the value of a Fund’s portfolio. In addition, because the underlying securities of ADRs trade on foreign exchanges at times when the U.S. markets are not open for trading, the value of the securities underlying the ADRs may change materially at times when the U.S. markets are not open for trading, regardless of whether there is an active U.S. market for shares.
- **Concentration Risk.** Each Fund’s investments will be concentrated in an industry or group of industries to the extent that their respective Index is so concentrated. In such event, the value of the Shares may rise and fall more than the value of Shares that invests in securities of companies in a broader range of industries.
- **Currency Exchange Rate Risk.** Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of a Fund’s investments in ADRs and the value of your Shares. Because a Fund’s NAV is determined on the basis of U.S. dollars, the U.S. dollar value of your investment in the Fund may go down if the value of the local currency of the non-U.S. markets in which the Fund invests through ADRs depreciates against the U.S. dollar. This is true even if the local currency value of securities in an ADR held by the Fund goes up. Conversely, the dollar value of your investment in a Fund may go up if the value of the local currency appreciates against the U.S. dollar. The value of the U.S. dollar measured against other currencies is influenced by a variety of factors. These factors include: national debt levels and trade deficits, changes in balances of payments and trade, domestic and foreign interest and inflation rates, global or regional political, economic or financial events, monetary policies of governments, actual or potential government intervention, and global energy prices. Political instability, the possibility of government intervention and restrictive or opaque business and investment policies may also reduce the value of a country’s currency. Government monetary policies and the buying or selling of currency by a country’s government may also influence exchange rates. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Funds may change quickly and without warning, and you may lose money.

- **Emerging Markets Risk.** Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to such securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. For example, developing and emerging markets may be subject to (i) greater market volatility, (ii) lower trading volume and liquidity, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) lower disclosure, corporate governance, auditing and financial reporting standards, (vi) fewer protections of property rights, (vii) restrictions on the transfer of securities or currency, and (viii) settlement and trading practices that differ from those in U.S. markets. Each of these factors may impact the ability of the Funds to buy, sell or otherwise transfer securities, adversely affect the trading market and price for Shares and cause the Funds to decline in value.
  - **Capital Controls and Sanctions Risk.** Economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to government intervention (including intervention by the U.S. government with respect to foreign governments, economic sectors, foreign companies and related securities and interests) and the imposition of capital controls and/or sanctions, which may also include retaliatory actions of one government against another government, such as seizure of assets. Capital controls and/or sanctions include the prohibition of, or restrictions on, the ability to transfer currency, securities or other assets. Levies may be placed on profits repatriated by foreign entities (such as the Funds). Capital controls and/or sanctions may also impact the ability of the Funds to buy, sell or otherwise transfer securities or currency, negatively impact the value and/or liquidity of such instruments, adversely affect the trading market and price for Shares, and cause the Funds to decline in value.
  - **Geopolitical Risk.** Some countries and regions in which the Funds invest have experienced security concerns, war or threats of war and aggression, terrorism, economic uncertainty, natural and environmental disasters and/or systemic market dislocations that have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on the U.S. and world economies and markets generally. Such geopolitical and other events may also disrupt securities markets and, during such market disruptions, a Fund's exposure to the other risks described herein will likely increase. Each of the foregoing may negatively impact a Fund's investments.
- **Equity Market Risk.** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer because common stockholders, or holders of equivalent interests, generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders, and other creditors of such issuers.
- **Foreign Markets Risk.** Investments in ADRs that provide exposure to non-U.S. companies involve certain risks that may not be present with investments in U.S. companies. For example, investments in non-U.S. companies may be subject to risk of loss due to foreign currency fluctuations or to political or economic instability. There may be less information publicly available about a non-U.S. issuer than a U.S. issuer. Securities of non-U.S. companies may be subject to different accounting, auditing, financial reporting and investor protection standards than those of U.S. companies. Investments tied to non-U.S. companies may be subject to withholding or other taxes and may be subject to additional trading, settlement, custodial, and operational risks. Because legal systems differ, there is also the possibility that it will be difficult to obtain or enforce legal judgments in certain countries. Since foreign exchanges may be open on days when the Funds do not price their Shares, the value of the securities in the Funds' portfolios may change on days when shareholders will not be able to purchase or sell Shares. Conversely, Shares may trade on days when foreign exchanges are closed. Each of these factors can make investments in the Funds more volatile and potentially less liquid than other types of investments.
- **Geographic Investment Risk** (*International ETF only*). To the extent that the Fund's Index invests a significant portion of its assets in ADRs with underlying Shares organized, listed or domiciled in a single country or region, the Fund is more likely to be impacted by events or conditions affecting that country or region. For example, political and economic conditions and changes in regulatory, tax, or economic policy in a country could significantly affect the market in that country and in surrounding or related countries and have a negative impact on the Fund's performance. Currency developments or restrictions, political and social instability, and changing economic conditions may also result in significant market volatility.
- **High Portfolio Turnover Risk** (*Alternative Alpha ETF only*). The Fund may trade all or a significant portion of the securities in its portfolio in connection with each rebalance and reconstitution of its Index. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.
- **Investment Company Risk** (*Alternative Alpha ETF and International ETF only*). The Funds may invest in Shares of investment companies, which invest in a wide range of instruments designed to track the performance of a particular securities market index. The risks of investment in these securities typically reflect the risks of the types of instruments in which the investment company invests. When a Fund invests in investment company securities, shareholders of the Fund bear indirectly their proportionate share



of their fees and expenses, as well as their share of the Fund's fees and expenses. As a result, an investment by the Funds in an investment company could cause a Fund's operating expenses (taking into account indirect expenses such as the fees and expenses of the investment company) to be higher and, in turn, performance to be lower than if it were to invest directly in the instruments underlying the investment company. Additionally, there may not be an active trading market available for Shares of some ETFs. Shares of an ETF may also may trade in the market at a premium or discount to their NAV.

- **Limited Operating History Risk** (*all except Alternative Alpha ETF and International ETF*). The Funds recently commenced operations and do not have a performance record for investors to judge the Funds' performance.
- **Market Capitalization Risk.**
  - **Large-Capitalization Investing** (*all except Small Cap ETF*). The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.
  - **Mid-Capitalization Investing** (*all except Small Cap ETF*). The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole. Some medium capitalization companies have limited product lines, markets, financial resources, and management personnel and tend to concentrate on fewer geographical markets relative to large-capitalization companies.
  - **Small-Capitalization Investing.** The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of larger-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole. Some small capitalization companies have limited product lines, markets, and financial and managerial resources and tend to concentrate on fewer geographical markets relative to larger capitalization companies. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies. Small-capitalization companies also may be particularly sensitive to changes in interest rates, government regulation, borrowing costs and earnings.
- **Market Hedge Risk** (*Alternative Alpha ETF and International ETF only*). When an Index's exposure is market hedged, the applicable Fund may engage in short sales designed to mitigate such Fund's exposure to market risk and to replicate the Index's short position(s). However, there is a risk that a Fund will experience a loss as a result of engaging in such short sales. Additionally, because an Index's short positions are only rebalanced quarterly in conjunction with the rebalance of such Index's long positions, such Index may have more or less short exposure than long exposure in between rebalances. An Index's hedge cannot completely eliminate market risk, and even when hedged, an Index will continue to bear the risk that its long positions will underperform the overall market due to the specific securities, industries, or sectors in which the Fund invests.

Because an Index's market hedge is not triggered "on" or "off" at any time other than at month end, (i) an Index's market hedge may be "on" or "off" due to significant market movements at or near month end that are not indicative of the market's performance for the subsequent month and (ii) the triggering "on" or "off" of an Index's market hedge may lag a significant change in the market's direction (up or down) by as long as a month if such changes first take effect at or near the beginning of a month. Such lags between market performance and the triggering "on" or "off" of an Index's market hedge may result in significant underperformance relative to the broader, "unhedged" equity market.

- **MLP Risk** (*all except International ETF*). MLPs involve risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, and cash flow risks. MLP common units and other equity securities can be affected by macroeconomic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer's financial condition or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of distributable cash flow). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios.

MLPs typically do not pay U.S. federal income tax at the partnership level. Instead, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law or in the underlying business mix of a given MLP could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any MLP owned by a Fund were treated as a corporation for U.S. federal income tax purposes, the result could be a reduction of the value of your investment in the Fund and lower income, as compared to if the MLP were not taxed as a corporation.

**Tax Risks.** Regulated investment companies ("RICs") are subject to a favorable tax treatment under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). To qualify as a RIC, the Fund must meet certain source-of-income, asset diversification

and annual distribution requirements. Under the diversification requirements, the Fund must generally limit its investments in MLPs to no more than 25% of its total assets. If the Fund were to fail to qualify as a RIC (e.g. by investing more than 25% of its assets in MLPs), it would be subject to federal income tax as a corporation, and its distributions to shareholders would be taxed as dividend income to the extent of the Fund's earnings and profits. Under certain circumstances, the Fund could cure a failure to qualify as a RIC, but to do so, the Fund could incur significant Fund-level taxes and could be forced to dispose of certain assets.

Depreciation or other cost recovery deductions passed through to the Fund from investments in MLPs in a given year will generally reduce the Fund's taxable income, but those deductions may be recaptured in the Fund's income in one or more subsequent years. When recognized and distributed, recapture income will generally be taxable to shareholders at the time of the distribution at ordinary income tax rates, even though those shareholders might not have held shares in the Fund at the time the deductions were taken by the Fund, and even though those shareholders will not have corresponding economic gain on their shares at the time of the recapture. In order to distribute recapture income or to fund redemption requests, the Fund may need to liquidate investments.

- **Models and Data Risk.** When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Funds to potential risks. For example, by relying on Models and Data, AlphaClone 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.

Some of the models used by AlphaClone for the Funds are predictive in nature. The use of predictive models has inherent risks. For example, such models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or a mark-to-market basis. In addition, in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind), such models may produce unexpected results, which can result in losses for the Funds. Furthermore, because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data.

All models rely on correct market data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, "model prices" will often differ substantially from market prices, especially for instruments with complex characteristics, such as derivative instruments.

- **Non-Diversification Risk** (*all except Alternative Alpha ETF*). Although the Funds intend to invest in a variety of securities and instruments, the Funds will be considered to be non-diversified. This means that the Fund may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. As a result, the Funds may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase a Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance.
- **Passive Investment Risk.** The Funds invest in the securities included in, or representative of, its Index regardless of their investment merit. The Funds do not attempt to outperform its respective Index or take defensive positions in declining markets. As a result, a Fund's performance may be adversely affected by a general decline in the market segments relating to its Index. The returns from the types of securities in which the Funds invest may underperform returns from the various general securities markets or different asset classes. This may cause the Funds to underperform other investment vehicles that invest in different asset classes. Different types of securities (for example, large-, mid- and small-capitalization stocks) tend to go through cycles of doing better – or worse – than the general securities markets. In the past, these periods have lasted for as long as several years.
- **REIT Investment Risk** (*all except International ETF*). 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. In addition, to the extent the Funds hold interests in REITs, it is expected that investors in the Funds will bear two layers of asset-based management fees and expenses (directly at a Fund level and indirectly at the REIT level). The risks of investing in REITs include certain risks associated with the direct ownership of real estate and the real estate industry in general. These include risks related to general, regional and local economic conditions; fluctuations in interest rates and property tax rates; shifts in zoning laws, environmental regulations and other governmental action such as the exercise of eminent domain; cash flow dependency; increased operating expenses; lack of availability of mortgage funds; losses due to natural disasters; overbuilding; losses due to casualty or condemnation; changes in property values and rental rates; and other factors.

In addition to these risks, residential/diversified REITs and commercial equity REITs may be affected by changes in the value of the underlying property owned by the trusts, while mortgage REITs may be affected by the quality of any credit extended. Further, REITs are dependent upon management skills and generally may not be diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. In addition, REITs could possibly fail to qualify for the beneficial tax treatment available to REITs under the Code, or to maintain their exemptions from registration under the Investment Company Act of 1940, as amended (the "1940 Act"). The Funds expect that dividends received from a REIT and distributed to Fund shareholders generally will be taxable to the shareholder as ordinary income. The above factors may also adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting investments.

- **Sector Risk.** The Funds' investing approach may result in an emphasis on certain sectors or sub-sectors of the market at any given time. To the extent a Fund invests more heavily in one sector or sub-sector of the market, it thereby presents a more concentrated risk and its performance will be especially sensitive to developments that significantly affect those sectors or sub-sectors. In addition, the value of a Fund's shares may change at different rates compared to the value of shares of a fund with investments in a more diversified mix of sectors and industries. An individual sector or sub-sector of the market may have above-average performance during particular periods, but may also move up and down more than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A Fund's performance could also be affected if the sectors or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or sub-sectors may adversely affect performance.
  - **Consumer Sectors Risk** (*Alternative Alpha ETF and International ETF only*). The success of consumer product manufacturers and retailers is tied closely to the performance of domestic and international economies, interest rates, exchange rates, competition, consumer confidence, changes in demographics and consumer preferences. Companies in consumer-oriented sectors depend heavily on disposable household income and consumer spending, and may be strongly affected by social trends and marketing campaigns. These companies may be subject to severe competition, which may have an adverse impact on their profitability.
  - **Financial Sector Risk** (*Alternative Alpha ETF only*). Companies in the financial sector of an economy are often subject to extensive governmental regulation and intervention, which may adversely affect the scope of their activities, the prices they can charge and the amount of capital they must maintain. Governmental regulation may change frequently and may have significant adverse consequences for companies in the financial sector, including effects not intended by such regulation. The impact of recent or future regulation in various countries on any individual financial company or on the sector as a whole cannot be predicted.

Certain risks may impact the value of investments in the financial sector more severely than those of investments outside this sector, including the risks associated with companies that operate with substantial financial leverage. Companies in the financial sector may also be adversely affected by increases in interest rates and loan losses, decreases in the availability of money or asset valuations, credit rating downgrades and adverse conditions in other related markets.

Insurance companies, in particular, may be subject to severe price competition and/or rate regulation, which may have an adverse impact on their profitability. Insurance companies are subject to extensive government regulation in some countries and can be significantly affected by changes in interest rates, general economic conditions, price and marketing competition, the imposition of premium rate caps, or other changes in government regulation or tax law. Different segments of the insurance industry can be significantly affected by mortality and morbidity rates, environmental clean-up costs and catastrophic events such as earthquakes, hurricanes and terrorist acts.

During the financial crisis that began in 2007, the deterioration of the credit markets impacted a broad range of mortgage, asset-backed, auction rate, sovereign debt and other markets, including U.S. and non-U.S. credit and interbank money markets, thereby affecting a wide range of financial institutions and markets. A number of large financial institutions failed during that time, merged with stronger institutions or had significant government infusions of capital. Instability in the financial markets caused certain financial companies to incur large losses. Some financial companies experienced declines in the valuations of their assets, took actions to raise capital (such as the issuance of debt or equity securities), or even ceased operations. Some financial companies borrowed significant amounts of capital from government sources and may face future government-imposed restrictions on their businesses or increased government intervention. Those actions caused the securities of many financial companies to decline in value.

The financial sector is also a target for cyber attacks and may experience technology malfunctions and disruptions. In recent years, cyber attacks and technology failures have become increasingly frequent and have caused significant losses.

- **Health Care Sector Risk** (*Alternative Alpha ETF and International ETF only*). Companies in the health care sector are subject to extensive government regulation and their profitability can be significantly affected by restrictions on government reimbursement for medical expenses, rising costs of medical products and services, pricing pressure (including price discounting), limited product lines and an increased emphasis on the delivery of healthcare through outpatient services. Companies in the health care sector are heavily dependent on obtaining and defending patents, which may be time consuming and costly, and the expiration of patents may also adversely affect the profitability of these companies. Health care companies are also subject to extensive litigation based on product liability and similar claims. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the health care sector require significant research and development and may be subject to regulatory approvals, all of which may be time consuming and costly with no guarantee that any product will come to market.

- **Industrial Sector Risk** (*Alternative Alpha ETF only*). The industrial sector can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, and tax and governmental regulatory policies. As the demand for, or prices of, industrials increase, the value of the Fund's investments generally would be expected to also increase. Conversely, declines in the demand for, or prices of, industrials generally would be expected to contribute to declines in the value of such securities. Such declines may occur quickly and without warning and may negatively impact the value of the Fund and your investment.
- **Information Technology Sector Risk** (*Alternative Alpha ETF and International ETF only*). Market or economic factors impacting information technology companies and companies that rely heavily on technological advances could have a significant effect on the value of the Fund's investments. The value of stocks of information technology companies and companies that rely heavily on technology is particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from foreign competitors with lower production costs. Stocks of information technology companies and companies that rely heavily on technology, especially those of smaller, less-seasoned companies, tend to be more volatile than the overall market. Information technology companies are heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely affect profitability. Additionally, companies in the technology sector may face dramatic and often unpredictable changes in growth rates and competition for the services of qualified personnel.
- **Shares May Trade at Prices Other Than NAV.** As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of the Shares will approximate a Fund's NAV, there may be times when the market price and the NAV vary significantly, including due to supply and demand of Shares and/or during periods of market volatility. Thus, you may pay more (or less) than NAV intra-day when you buy Shares in the secondary market, and you may receive more (or less) than NAV when you sell those Shares in the secondary market. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.
- **Short Sales Risk** (*Alternative Alpha ETF and International ETF only*). A Fund may engage in short sales designed to earn the Fund a profit from the decline in the price of particular securities, baskets of securities or indices. Short sales are transactions in which a Fund borrows securities from a broker and sells the borrowed securities. A Fund is obligated to replace the security borrowed by purchasing the security at the market price at the time of replacement. If the market price of the underlying security goes down between the time a Fund sells the security and buys it back, the Fund will realize a gain on the transaction. Conversely, if the underlying security goes up in price during the period, a Fund will realize a loss on the transaction. Any such loss is increased by the amount of premium or interest a Fund must pay to the lender of the security. Likewise, any gain will be decreased by the amount of premium or interest a Fund must pay to the lender of the security. A Fund's investment performance may also suffer if the Fund is required to close out a short position earlier than it had intended. This would occur if the securities lender required a Fund to deliver the securities the Fund borrowed at the commencement of the short sale and the Fund was unable to borrow the securities from another securities lender or otherwise obtain the security by other means. In addition, a Fund may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing and margin account maintenance costs associated with the Fund's open short positions. As the holder of a short position, a Fund also is responsible for paying the dividends and interest accruing on the short position, which is an expense to the Fund that could cause the Fund to lose money on the short sale and may adversely affect its performance.
- **Tax Risk** (*International ETF, Activist ETF and Value ETF only*). To qualify for the favorable tax treatment generally available to regulated investment companies, the Funds must satisfy certain diversification requirements. In particular, the Funds generally may not acquire a security if, as a result of the acquisition, more than 50% of the value of a Fund's assets would be invested in (a) issuers in which the Fund has, in each case, invested more than 5% of the Fund's assets and (b) issuers more than 10% of whose outstanding voting securities are owned by the Fund. While the weighting of the Index is not inconsistent with these rules, given the concentration of the Index in a relatively small number of securities, it may not always be possible for the Funds to fully implement a replication strategy or a representative sampling strategy while satisfying these diversification requirements. Each Fund's efforts to satisfy the diversification requirements may affect the Fund's execution of its investment strategy and may cause the Fund's return to deviate from that of the Index, and the Fund's efforts to replicate or represent the Index may cause it inadvertently to fail to satisfy the diversification requirements. If a Fund were to fail to satisfy the diversification requirements, it could incur penalty taxes and be forced to dispose of certain assets, or it could fail to qualify as a regulated investment company. If a Fund were to fail to qualify as a regulated investment company, it would be taxed in the same manner as an ordinary corporation, and distributions to its shareholders would not be deductible by the Fund in computing its taxable income.
- **Tracking Error Risk.** As with all index funds, the performance of each Fund and its respective Index may differ from each other for a variety of reasons. For example, the Funds incur operating expenses and portfolio transaction costs not incurred by an Index. In addition, the Funds may not be fully invested in the securities of their respective Index at all times or may hold securities not included in the Index. As a result of legal restrictions or limitations that apply to the Funds but not to the Indexes, the Funds may

have less relative short exposure than the Indexes during periods in between each Index's quarterly reconstitutions. Such differences in short exposure may cause the performance of each Fund and its respective Index to differ from each other.

- **Value Investing Risk** (*Value ETF only*). The Index includes securities that have been identified by "value investing" hedge funds and institutional investors. Consequently, the Fund could suffer losses or produce poor results relative to other funds, even in a rising market, if the methodologies used by the hedge funds and institutional investors to determine a company's "value" or prospects for exceeding earnings expectations or market conditions are wrong. In addition, "value stocks" can continue to be undervalued by the market for long periods of time.

#### **Additional Information About a Fund's Non-Principal Risks**

This section provides additional information regarding certain non-principal risks of investing in a Fund. Each of the factors below could have a negative impact on a Fund's performance and trading prices.

- **Trading.** Although Shares are listed for trading on the Exchange and may be listed or traded on U.S. and non-U.S. stock exchanges other than the Exchange, there can be no assurance that an active trading market for such Shares will develop or be maintained. Trading in Shares may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. In addition, trading in Shares on the Exchange is subject to trading halts caused by extraordinary market volatility pursuant to Exchange "circuit breaker" rules, which temporarily halt trading on the Exchange when a decline in the S&P 500 Index during a single day reaches certain thresholds (e.g., 7%, 13% and 20%). Additional rules applicable to the Exchange may halt trading in Shares when extraordinary volatility causes sudden, significant swings in the market price of Shares. There can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of the Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than the Shares.
- **Costs of Buying or Selling Shares.** Investors buying or selling Shares in the secondary market will pay brokerage commissions or other charges imposed by brokers, as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of Shares. In addition, secondary market investors will also incur the cost of the difference between the price at which an investor is willing to buy Shares (the "bid" price) and the price at which an investor is willing to sell Shares (the "ask" price). This difference in bid and ask prices is often referred to as the "spread" or "bid/ask spread." The bid/ask spread varies over time for Shares based on trading volume and market liquidity, and is generally lower if Shares have more trading volume and market liquidity and higher if Shares have little trading volume and market liquidity. Further, a relatively small investor base in a Fund, asset swings in a Fund and/or increased market volatility may cause increased bid/ask spreads. Due to the costs of buying or selling Shares, including bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.
- **Authorized Participants, Market Makers and Liquidity Providers Concentration Risk.** Each Fund may have a limited number of financial institutions that may act as Authorized Participants ("APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

#### **PORTFOLIO HOLDINGS INFORMATION**

Information about each Fund's daily portfolio holdings is available at [www.alphaclonefunds.com](http://www.alphaclonefunds.com). A complete description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the Funds' Statement of Additional Information ("SAI").

## MANAGEMENT

### Investment Advisers

#### *AlphaClone, Inc.*

AlphaClone, Inc. serves as the investment adviser and has overall responsibility for the general management and administration of the International ETF, Small Cap ETF, Activist ETF, and Value ETF (collectively, the “AlphaClone-Advised Funds”). AlphaClone also arranges for sub-advisory, transfer agency, custody, fund administration, distribution and all other services necessary for the AlphaClone-Advised Funds to operate. AlphaClone provides oversight of the Sub-Adviser, defined below, monitoring of the Sub-Adviser’s buying and selling of securities for the AlphaClone-Advised Funds, and review of the Sub-Adviser’s performance. For the services it provides to the AlphaClone-Advised Funds, each of the AlphaClone-Advised Funds pays AlphaClone a unified management fee, which is calculated daily and paid monthly, at an annual rate based on the applicable Fund’s average daily net assets as set forth in the table below.

<b>Name of Fund</b>	<b>Management Fee</b>
International ETF	0.95%
Small Cap ETF	0.95%
Activist ETF	0.75%
Value ETF	0.75%

Under the Investment Advisory Agreement, AlphaClone has agreed to pay all expenses of the AlphaClone-Advised Funds, except for: the fee paid to AlphaClone pursuant to the Investment Advisory Agreement, interest charges on any borrowings, dividends and other expenses on securities sold short, 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.

AlphaClone, in turn, compensates the Sub-Adviser from the management fee it receives. AlphaClone shall not be liable to the Trust or any shareholder for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, negligence or reckless disregard of the duties imposed upon it by its agreement with the Trust or for any losses that may be sustained in the purchase, holding or sale of any security.

AlphaClone has provided investment advisory services to individual and institutional accounts since 2010. AlphaClone is a Delaware corporation and is located at One Market Street, Spear Tower, 36<sup>th</sup> Floor, San Francisco, California, 94105.

The basis for the Board’s approval of the International ETF’s Investment Advisory Agreement is available in the Fund’s Annual Report to Shareholders for the period ended March 31, 2016. The basis for the Board’s approval of the Investment Advisory Agreement for each of the Small Cap ETF, Activist ETF, and Value ETF will be available in the Fund’s first Semi-Annual or Annual Report to Shareholders.

#### *Exchange Traded Concepts, LLC*

Exchange Traded Concepts, LLC, serves as the investment adviser and has overall responsibility for the general management and administration of the Alternative Alpha ETF. ETC also arranges for sub-advisory, transfer agency, custody, fund administration, and all other non-distribution related services necessary for the Alternative Alpha ETF to operate. For the services it provides to the Alternative Alpha ETF, the Fund pays ETC a unified management fee, which is calculated daily and paid monthly, at an annual rate based on the Alternative Alpha ETF’s average daily net assets as set forth in the table below.

<b>Name of Fund</b>	<b>Management Fee</b>
Alternative Alpha ETF	0.95%

Under the Investment Advisory Agreement, ETC has agreed to pay all expenses of the Alternative Alpha ETF except for the fee paid to ETC 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 fees and expenses paid by the Trust under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act

ETC, in turn, compensates the Sub-Adviser from the management fee ETC receives. ETC shall not be liable to the Trust or any shareholder for anything done or omitted by it, except acts or omissions involving willful misfeasance, bad faith, negligence or reckless disregard of the duties imposed upon it by its agreement with the Trust or for any losses that may be sustained in the purchase, holding or sale of any security.

ETC has provided investment advisory services to individual and institutional accounts since 2009. ETC is an Oklahoma limited liability company and is located at 10900 Hefner Pointe Drive, Suite 207, Oklahoma City, Oklahoma 73120.

The basis for the Board’s approval of the Alternative Alpha ETF’s Investment Advisory Agreement is available in the Fund’s Annual Report to Shareholders for the period ended March 31, 2017.

## Sub-Adviser

The Advisers have retained VIA to serve as sub-adviser for the Funds. VIA is responsible for the day-to-day management of the Funds. VIA, a registered investment adviser, is a wholly-owned subsidiary of Vident Financial, LLC. Its principal office is located at 300 Colonial Center Parkway, Suite 330, Roswell, Georgia 30076. VIA was formed in 2014 and provides investment advisory services to ETFs, including the Funds. The Sub-Adviser is responsible for trading portfolio securities for the Funds, including selecting broker-dealers to execute purchase and sale transactions or in connection with any rebalancing or reconstitution of the Indexes, subject to the supervision of the Advisers and the Board. For its services, the Sub-Adviser is paid a fee by the applicable Fund's investment adviser, which fee is calculated daily and paid monthly, at an annual rate of a Fund's average daily net assets as follows:

Name of Fund	Sub-Advisory Fee	Minimum Annual Fee
Alternative Alpha ETF	0.05%	\$20,000
International ETF	0.05%	\$20,000
Small Cap ETF	0.05%	\$20,000
Activist ETF	0.05%	\$20,000
Value ETF	0.05%	\$20,000

The basis for the Board of Trustees' approval of the investment sub-advisory agreement between ETC and VIA is available in the Alternative Alpha ETF's Annual Report to Shareholders for the period ended March 31, 2017. The basis for the Board of Trustees' approval of the investment sub-advisory agreement between AlphaClone and VIA is available in the International ETF's Annual Report to Shareholders for the period ended March 31, 2016. The basis for the Board's approval of the investment sub-advisory agreement for each of the Small Cap ETF, Activist ETF, and Value ETF will be available in the Fund's first Semi-Annual or Annual Report to Shareholders.

## Portfolio Manager

Denise M. Krisko, CFA is responsible for the investment decisions for the Funds.

Ms. Krisko became the President of the Sub-Adviser in November 2014 and has over nineteen years of investment management experience. Ms. Krisko was previously the Chief Investment Officer at Index Management Solutions, LLC ("IMS"). Prior to joining IMS, she was a Managing Director and Co-Head of the Equity Index Management and Head of East Coast Equity Index Strategies for Mellon Capital Management. She was also a Managing Director of The Bank of New York and Head of Equity Index Strategies for BNY Investment Advisors from August 2005 until the merger of The Bank of New York with Mellon Bank in 2007, when she assumed her role with Mellon Capital Management. Ms. Krisko attained the Chartered Financial Analyst ("CFA") designation in 2000. Ms. Krisko graduated with a BS from Pennsylvania State University and obtained her MBA from Villanova University.

The Funds' SAI provides additional information about the Portfolio Manager's compensation structure, other accounts managed by the Portfolio Manager, and the Portfolio Manager's ownership of Shares.

## HOW TO BUY AND SELL SHARES

Each Fund issues and redeems Shares at NAV only in Creation Units. Only APs may acquire Shares directly from a Fund, and only APs may tender their Shares for redemption directly to a Fund, at NAV. APs must be (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the NSCC, a clearing agency that is registered with the SEC; or (ii) a DTC participant (as discussed below). In addition, each AP must execute a Participant Agreement that has been agreed to by the Distributor, and that has been accepted by the Transfer Agent, with respect to purchases and redemptions of Creation Units. Once created, Shares trade in the secondary market in quantities less than a Creation Unit.

Most investors buy and sell Shares in secondary market transactions through brokers. Shares are listed for trading on the secondary market on the Exchange and can be bought and sold throughout the trading day like other publicly traded securities.

When buying or selling Shares through a broker, you will incur customary brokerage commissions and charges, and you may pay some or all of the spread between the bid and the offer price in the secondary market on each leg of a round trip (purchase and sale) transaction. In addition, because secondary market transactions occur at market prices, you may pay more than NAV when you buy Shares, and receive less than NAV when you sell those Shares.

Shares of the Small Cap ETF, Activist ETF, and Value ETF are not available for purchase as of the date of this Prospectus.

## Book Entry

Shares are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company ("DTC") or its nominee is the record owner of all outstanding Shares.

Investors owning Shares are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for all Shares. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and

other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of Shares, you are not entitled to receive physical delivery of stock certificates or to have Shares registered in your name, and you are not considered a registered owner of Shares. Therefore, to exercise any right as an owner of Shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other securities that you hold in book entry or “street name” through your brokerage account.

### **Share Trading Prices on the Exchange**

Trading prices of Shares on the Exchange may differ from a Fund’s daily NAV. Market forces of supply and demand, economic conditions and other factors may affect the trading prices of Shares. To provide additional information regarding the indicative value of Shares, the Exchange or a market data vendor disseminates information every 15 seconds through the facilities of the Consolidated Tape Association, or other widely disseminated means, an updated “intraday indicative value” (“IIV”) for Shares as calculated by an information provider or market data vendor. The Funds are not involved in or responsible for any aspect of the calculation or dissemination of the IIVs and make no representation or warranty as to the accuracy of the IIVs. If the calculation of the IIV is based on the basket of Deposit Securities, such IIV may not represent the best possible valuation of the Fund’s portfolio because the basket of Deposit Securities does not necessarily reflect the precise composition of the current Fund portfolios at a particular point in time. The IIV should not be viewed as a “real-time” update of a Fund’s NAV because the IIV may not be calculated in the same manner as the NAV, which is computed only once a day, typically at the end of the business day. The IIV is generally determined by using both current market quotations and/or price quotations obtained from broker-dealers that may trade in the Deposit Securities.

### **Frequent Purchases and Redemptions of Shares**

The Funds impose no restrictions on the frequency of purchases and redemptions of Shares. In determining not to approve a written, established policy, the Board evaluated the risks of market timing activities by Fund shareholders. Purchases and redemptions by APs, who are the only parties that may purchase or redeem Shares directly with the Funds, are an essential part of the ETF process and help keep Share trading prices in line with NAV. As such, the Funds accommodate frequent purchases and redemptions by APs. However, the Board has also determined that frequent purchases and redemptions for cash may increase tracking error and portfolio transaction costs and may lead to the realization of capital gains. To minimize these potential consequences of frequent purchases and redemptions, the Funds employ fair value pricing and impose transaction fees on purchases and redemptions of Creation Units to cover the custodial and other costs incurred by the Funds in effecting trades. In addition, the Funds reserve the right to reject any purchase order at any time.

### **Determination of NAV**

Each Fund’s NAV is calculated as of the scheduled close of regular trading on the New York Stock Exchange, generally 4:00 p.m. Eastern Time, each day the New York Stock Exchange is open for business. The NAV for a Fund is calculated by dividing the applicable Fund’s net assets by its Shares outstanding.

In calculating its NAV, each Fund generally values its assets on the basis of market quotations, last sale prices, or estimates of value furnished by a pricing service or brokers who make markets in such instruments. If such information is not available for a security held by a Fund or is determined to be unreliable, the security will be valued at fair value estimates under guidelines established by the Board (as described below).

### **Fair Value Pricing**

The Board has adopted procedures and methodologies to fair value Fund securities whose market prices are not “readily available” or are deemed to be unreliable. For example, such circumstances may arise when: (i) a security has been de-listed or has had its trading halted or suspended; (ii) a security’s primary pricing source is unable or unwilling to provide a price; (iii) when a security’s primary trading market is closed during regular market hours; or (iv) when a security’s value is materially affected by events occurring after the close of the security’s primary trading market. Generally, when fair valuing a security, the Funds will take into account all reasonably available information that may be relevant to a particular valuation including, but not limited to, fundamental analytical data regarding the issuer, information relating to the issuer’s business, recent trades or offers of the security, general and/or specific market conditions and the specific facts giving rise to the need to fair value the security. Fair value determinations are made in good faith and in accordance with the fair value methodologies included in the Board-adopted valuation procedures. Due to the subjective and variable nature of fair value pricing, there can be no assurance that the Adviser or Sub-Adviser will be able to obtain the fair value assigned to the security upon the sale of such security.

### **Delivery of Shareholder Documents – Householding**

Householding is an option available to certain investors of the Funds. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Householding for the Funds is available through certain broker-dealers. If you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder



documents, please contact your broker-dealer. If you are currently enrolled in householding and wish to change your householding status, please contact your broker-dealer.

### **Investments by Registered Investment Companies**

Section 12(d)(1) of the 1940 Act restricts investments by registered investment companies in the securities of other investment companies, including Shares. Registered investment companies are permitted to invest in the Funds beyond the limits set forth in section 12(d)(1), subject to certain terms and conditions set forth in an SEC exemptive order issued to the Trust, including that such investment companies enter into an agreement with the Funds.

## **DIVIDENDS, DISTRIBUTIONS, AND TAXES**

### **Dividends and Distributions**

Each Fund intends to pay out dividends, if any, and distribute any net realized capital gains to its shareholders at least annually. Each Fund will declare and pay capital gain distributions in cash. Distributions in cash may be reinvested automatically in additional whole Shares only if the broker through whom you purchased Shares makes such option available. Your broker is responsible for distributing the income and capital gain distributions to you.

### **Taxes**

The following discussion is a summary of some important U.S. federal income tax considerations generally applicable to investments in the Funds. Your investment in the Funds may have other tax implications. Please consult your tax advisor about the tax consequences of an investment in Shares, including the possible application of foreign, state, and local tax laws.

The Funds intend to qualify each year for treatment as a RIC. If it meets certain minimum distribution requirements, a RIC is not subject to tax at the fund level on income and gains from investments that are timely distributed to shareholders. However, a Fund's failure to qualify as a RIC or to meet minimum distribution requirements would result (if certain relief provisions were not available) in fund-level taxation and, consequently, a reduction in income available for distribution to shareholders.

Unless your investment in Shares is made through a tax-exempt entity or tax-advantaged account, such as an IRA plan, you need to be aware of the possible tax consequences when a Fund makes distributions, when you sell your Shares listed on the Exchange; and when you purchase or redeem Creation Units (institutional investors only).

### **Taxes on Distributions**

Each Fund intends to distribute, at least annually, substantially all of its net investment income and net capital gains income. For federal income tax purposes, distributions of investment income are generally taxable as ordinary income or qualified dividend income. A portion of dividends received from each Fund (but none of the Funds' capital gain distributions) may qualify for the dividends-received deduction for corporations. Taxes on distributions of capital gains (if any) are determined by how long a Fund owned the investments that generated them, rather than how long a shareholder has owned his or her Shares. Sales of assets held by a Fund for more than one year generally result in long-term capital gains and losses, and sales of assets held by the Fund for one year or less generally result in short-term capital gains and losses. Distributions of a Fund's net capital gain (the excess of net long-term capital gains over net short-term capital losses) that are reported by such Fund as capital gain dividends ("Capital Gain Dividends") will be taxable as long-term capital gains, which for noncorporate shareholders are subject to tax at reduced rates. Distributions of short-term capital gain will generally be taxable as ordinary income. Dividends and distributions are generally taxable to you whether you receive them in cash or reinvest them in additional Shares.

Distributions reported by a Fund as "qualified dividend income" are generally taxed to noncorporate shareholders at rates applicable to long-term capital gains, provided holding period and other requirements are met. "Qualified dividend income" generally is income derived from dividends paid by U.S. corporations or certain foreign corporations that are either incorporated in a U.S. possession or eligible for tax benefits under certain U.S. income tax treaties. In addition, dividends that a Fund received in respect of stock of certain foreign corporations may be qualified dividend income if that stock is readily tradable on an established U.S. securities market. Corporate shareholders may be entitled to a dividends-received deduction for the portion of dividends they receive from the Fund that are attributable to dividends received by the Fund from U.S. corporations, subject to certain limitations.

Shortly after the close of each calendar year, you will be informed of the character of any distributions received from the Funds.

U.S. individuals with income exceeding specified thresholds are subject to a 3.8% Medicare contribution tax on all or a portion of their "net investment income," which includes interest, dividends, and certain capital gains (generally including capital gains distributions and capital gains realized on the sale of Shares). This 3.8% tax also applies to all or a portion of the undistributed net investment income of certain shareholders that are estates and trusts.

In general, your distributions are subject to federal income tax for the year in which they are paid. Certain distributions paid in January, however, may be treated as paid on December 31 of the prior year. Distributions are generally taxable even if they are paid

from income or gains earned by a Fund before your investment (and thus were included in the Shares' NAV when you purchased your Shares).

You may wish to avoid investing in a Fund shortly before a dividend or other distribution, because such a distribution will generally be taxable even though it may economically represent a return of a portion of your investment.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, distributions (other than Capital Gain Dividends) paid to you by a Fund will generally be subject to a U.S. withholding tax at the rate of 30% unless a lower treaty rate applies. A Fund may, under certain circumstances, report all or a portion of a dividend as an "interest-related dividend" or a "short-term capital gain dividend," which would generally be exempt from this 30% U.S. withholding tax, provided certain other requirements are met.

Under legislation generally known as "FATCA" (the Foreign Account Tax Compliance Act), a Fund is required to withhold 30 percent of certain ordinary dividends it pays, and, after December 31, 2018, 30% of the gross proceeds of share redemptions and certain capital gain dividends it pays, to shareholders that are foreign entities and that fail to meet prescribed information reporting or certification requirements.

Each Fund (or a financial intermediary, such as a broker, through which a shareholder owns Shares) generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and sale or redemption proceeds paid to any shareholder who fails to properly furnish a correct taxpayer identification number, who has underreported dividend or interest income, or who fails to certify that he, she or it is not subject to such withholding.

### **Taxes When Shares are Sold on the Exchange**

Any capital gain or loss realized upon a sale of Shares generally is treated as a long-term capital gain or loss if Shares have been held for more than one year and as a short-term capital gain or loss if Shares have been held for one year or less. However, any capital loss on a sale of Shares held for six months or less is treated as long-term capital loss to the extent of Capital Gain Dividends paid with respect to such Shares. Any loss realized on a sale will be disallowed to the extent Shares are acquired, including through reinvestment of dividends, within a 61-day period beginning 30 days before and ending 30 days after the sale of Shares.

### **Taxes on Purchases and Redemptions of Creation Units**

An AP having the U.S. dollar as its functional currency for U.S. federal income tax purposes who exchanges securities for Creation Units generally recognizes a gain or a loss. The gain or loss will be equal to the difference between the value of the Creation Units at the time of the exchange and the exchanging AP's aggregate basis in the securities delivered, plus the amount of any cash paid for the Creation Units. An AP who exchanges Creation Units for securities will generally recognize a gain or loss equal to the difference between the exchanging AP's basis in the Creation Units and the aggregate U.S. dollar market value of the securities received, plus any cash received for such Creation Units. The Internal Revenue Service may assert, however, that an AP may not be permitted to currently deduct losses upon an exchange of securities for Creation Units under the rules governing "wash sales" (other than for an AP that marks-to-market its holdings), or on the basis that there has been no significant change in economic position. Persons exchanging securities should consult their own tax advisor with respect to whether wash sale rules apply and when a loss might be deductible.

Any capital gain or loss realized upon redemption of Creation Units is generally treated as long-term capital gain or loss if Shares have been held for more than one year and as a short-term capital gain or loss if Shares have been held for one year or less.

A Fund may include a payment of cash in addition to, or in place of, the delivery of a basket of securities upon the redemption of Creation Units. A Fund may sell portfolio securities to obtain the cash needed to distribute redemption proceeds. This may cause a Fund to recognize investment income and/or capital gains or losses that it might not have recognized if it had completely satisfied the redemption in-kind. As a result, the Fund may be less tax efficient if it includes such a cash payment in the proceeds paid upon the redemption of Creation Units.

*The foregoing discussion summarizes some of the possible consequences under current federal tax law of an investment in the Funds. It is not a substitute for personal tax advice. You also may be subject to state and local tax on Fund distributions and sales of Shares. Consult your personal tax advisor about the potential tax consequences of an investment in Shares under all applicable tax laws. For more information, please see the section entitled "Federal Income Taxes" in the SAI.*

### **DISTRIBUTION**

The Distributor, Quasar Distributors, LLC, is a broker-dealer registered with the U.S. Securities and Exchange Commission. The Distributor distributes Creation Units for the Funds on an agency basis and does not maintain a secondary market in Shares. The Distributor has no role in determining the policies of the Funds or the securities that are purchased or sold by the Funds. The Distributor's principal address is 777 East Wisconsin Avenue, 6th Floor, Milwaukee, Wisconsin 53202.

The Board has adopted a Distribution and Service Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, each Fund is authorized to pay an amount up to 0.25% of its average daily net assets each year for certain distribution-related activities and shareholder services.

No Rule 12b-1 fees are currently paid by the Funds, and there are no plans to impose these fees. However, in the event Rule 12b-1 fees are charged in the future, because the fees are paid out of Fund assets, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

#### **PREMIUM/DISCOUNT INFORMATION**

Information regarding how often Shares traded on the Exchange at a price above (i.e., at a premium) or below (i.e., at a discount) the NAV per Share is available, free of charge, on the Funds' website at [www.alphaclonefunds.com](http://www.alphaclonefunds.com).

#### **INDEX/TRADEMARK LICENSES/DISCLAIMERS**

The AlphaClone indexes are the exclusive property of AlphaClone. AlphaClone and the AlphaClone index name are service marks of AlphaClone or its affiliates and have been licensed for use for certain purposes by ETC. The financial securities referred to herein are not sponsored by AlphaClone, and AlphaClone bears no liability with respect to any such financial securities. This Prospectus contains a more detailed description of the relationship AlphaClone has with ETC and any related financial securities. No purchaser, seller or holder of this product, or any other person or entity, should use or refer to any AlphaClone trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting AlphaClone to determine whether AlphaClone's permission is required. Under no circumstances may any person or entity claim any affiliation with AlphaClone without the prior written permission of AlphaClone.

Shares are not sponsored, endorsed, or promoted by the Exchange. The Exchange makes no representation or warranty, express or implied, to the owners of Shares or any member of the public regarding the ability of the Funds to track the total return performance of their respective Index or the ability of the Indexes identified herein to track the performance of their constituent securities. The Exchange is not responsible for, nor has it participated in, the determination of the compilation or the calculation of the Indexes, nor in the determination of the timing of, prices of, or quantities of Shares to be issued, nor in the determination or calculation of the equation by which Shares are redeemable. The Exchange has no obligation or liability to owners of Shares in connection with the administration, marketing, or trading of the Shares.

The Exchange does not guarantee the accuracy and/or the completeness of the Indexes or the data included therein. The Exchange makes no warranty, express or implied, as to results to be obtained by the Funds, owners of Shares, or any other person or entity from the use of the Indexes or the data included therein. The Exchange makes no express or implied warranties, and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the Indexes or the data included therein. Without limiting any of the foregoing, in no event shall the Exchange have any liability for any lost profits or indirect, punitive, special, or consequential damages even if notified of the possibility thereof.

#### **FINANCIAL HIGHLIGHTS**

The financial highlights tables are intended to help you understand each Fund's financial performance for the period of each Fund's operations. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the applicable Fund (assuming reinvestment of all dividends and distributions). This information has been audited by Cohen & Company, Ltd., the Funds' independent registered public accounting firm, whose report, along with the Funds' financial statements, is included in the Funds' annual report, which is available upon request.

## AlphaClone Alternative Alpha ETF

### FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the year/period

	<u>Year Ended March 31, 2017</u>	<u>Year Ended March 31, 2016</u>	<u>Year Ended March 31, 2015</u>	<u>Year Ended March 31, 2014</u>	<u>Period Ended March 31, 2013<sup>(1)</sup></u>
Net asset value, beginning of year/period	\$ 33.54	\$ 45.18	\$ 38.04	\$ 30.81	\$ 25.00
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>					
Net investment income (loss) <sup>(2)</sup>	0.09	(0.29)	(0.06)	0.03	0.09
Net realized and unrealized gain (loss) on investments	4.30	(11.35)	7.20	7.58	5.78
Total from investment operations	4.39	(11.64)	7.14	7.61	5.87
<b>DISTRIBUTIONS:</b>					
Distributions from:					
Net investment income	—	—	— <sup>(5)</sup>	— <sup>(5)</sup>	(0.06)
Net realized gain	—	—	—	(0.38)	—
Total distributions	—	—	—	(0.38)	(0.06)
Net asset value, end of year/period	\$ 37.93	\$ 33.54	\$ 45.18	\$ 38.04	\$ 30.81
Total return	13.09%	(25.76)%	18.78%	24.79%	23.51% <sup>(3)</sup>
<b>SUPPLEMENTAL DATA:</b>					
Net assets at end of year/period (000's)	\$ 30,346	\$ 95,598	\$ 131,021	\$ 87,487	\$ 10,782
<b>RATIOS TO AVERAGE NET ASSETS:</b>					
Expenses to average net assets	0.97%	2.19%	0.95%	0.95%	0.95% <sup>(4)</sup>
Ratio of expenses excluding dividend and interest expense on short positions to average net assets	0.95%	0.95%	0.95%	0.95%	0.95% <sup>(4)</sup>
Net investment income to average net assets	0.25%	(0.70)%	(0.14)%	0.08%	0.35% <sup>(4)</sup>
Net investment income excluding dividend and interest expense on short positions to average net assets	0.27%	0.54%	(0.14)%	0.08%	0.35% <sup>(4)</sup>
Portfolio turnover rate <sup>(6)</sup>	183%	194%	78%	66%	205% <sup>(3)</sup>

<sup>(1)</sup> Commencement of operations on May 30, 2012.

<sup>(2)</sup> Calculated based on average shares outstanding during the period.

<sup>(3)</sup> Not annualized.

<sup>(4)</sup> Annualized.

<sup>(5)</sup> Less than \$0.005 per share.

<sup>(6)</sup> Excludes the impact of in-kind transactions.

## AlphaClone International ETF

### FINANCIAL HIGHLIGHTS

For a capital share outstanding throughout the year/period

	<b>Year Ended March 31, 2017</b>	<b>Period Ended March 31, 2016<sup>(1)</sup></b>
Net asset value, beginning of year/period	\$ 19.33	\$ 20.00
<b>INCOME (LOSS) FROM INVESTMENT OPERATIONS:</b>		
Net investment income (loss) <sup>(2)</sup>	0.20	0.01
Net realized and unrealized gain (loss) on investments	1.79	(0.67)
Total from investment operations	1.99	(0.66)
<b>DISTRIBUTIONS:</b>		
Distributions from		
Net investment income	(0.17)	(0.01)
Total distributions	(0.17)	(0.01)
Net asset value, end of year/period	\$ 21.15	\$ 19.33
Total return	10.37%	(3.33)% <sup>(3)</sup>
<b>SUPPLEMENTAL DATA:</b>		
Net assets at end of year/period (000's)	\$ 2,115	\$ 2,899
<b>RATIOS TO AVERAGE NET ASSETS:</b>		
Expenses to average net assets	0.95%	1.28% <sup>(4)</sup>
Expenses excluding interest expense on short positions to average net assets	0.95%	0.95% <sup>(4)</sup>
Net investment income to average net assets	0.98%	0.08% <sup>(4)</sup>
Net investment income excluding interest expense on short positions to average net assets	0.98%	0.41% <sup>(4)</sup>
Portfolio turnover rate <sup>(5)</sup>	88%	53% <sup>(3)</sup>

(1) Commencement of operations on November 9, 2015.

(2) Calculated based on average shares outstanding during the period.

(3) Not annualized.

(4) Annualized.

(5) Excludes the impact of in-kind transactions.

**ALPHACLONE ALTERNATIVE ALPHA ETF  
ALPHACLONE INTERNATIONAL ETF  
ALPHACLONE SMALL CAP ETF  
ALPHACLONE ACTIVIST MANAGER ETF  
ALPHACLONE VALUE MANAGER ETF**

<b>Adviser to the: International ETF Small Cap ETF Activist ETF Value ETF</b>	<b>AlphaClone, Inc.</b> One Market Street Spear Tower, 36 <sup>th</sup> Floor San Francisco, CA 94105	<b>Transfer Agent, Index Receipt Agent, and Administrator</b>	<b>U.S. Bancorp Fund Services, LLC</b> 777 E. Wisconsin Avenue, 6th Floor Milwaukee, Wisconsin 53202
<b>Adviser to the: Alternative Alpha ETF</b>	<b>Exchange Traded Concepts, LLC</b> 10900 Hefner Point Drive, Suite 207 Oklahoma City, OK 73120	<b>Custodian</b>	<b>U.S. Bank National Association</b> 1555 N. Rivercenter Drive Milwaukee, Wisconsin 53212
<b>Sub-Adviser</b>	<b>Vident Investment Advisory, LLC</b> 300 Colonial Center Parkway Suite 330 Roswell, Georgia 30076	<b>Distributor</b>	<b>Quasar Distributors, LLC</b> 777 E. Wisconsin Avenue, 6th Floor Milwaukee, Wisconsin 53202
<b>Independent Registered Public Accounting Firm</b>	<b>Cohen &amp; Company, Ltd.</b> 1350 Euclid Ave, Suite 800 Cleveland, Ohio 44115	<b>Legal Counsel</b>	<b>Morgan, Lewis &amp; Bockius LLP</b> 1111 Pennsylvania Avenue, NW Washington, DC 20004-2541

Investors may find more information about the Funds in the following documents:

**Statement of Additional Information:** The Funds' SAI provides additional details about the investments of the Funds and certain other additional information. A current SAI dated July 31, 2017 is on file with the SEC and is herein incorporated by reference into this Prospectus. It is legally considered a part of this Prospectus.

**Annual/Semi-Annual Reports:** Additional information about each Fund's investments is available in the Funds' annual and semi-annual reports to shareholders. In the annual report you will find a discussion of the market conditions and investment strategies that significantly affected each Fund's performance.

You can obtain free copies of these documents, request other information or make general inquiries about the Funds by contacting the Funds at c/o U.S. Bancorp Fund Services, LLC, P.O. Box 701, Milwaukee, Wisconsin 53201-0701 or by calling 1-800-617-0004.

You may review and copy information including the Funds' reports and SAI at the Public Reference Room of the SEC, 100 F Street, NE, Washington, DC 20549-1520. You may obtain information on the operation of the Public Reference Room by calling (202) 551-8090. Shareholder reports and other information about the Funds are also available:

- Free of charge from the SEC's EDGAR database on the SEC's website at <http://www.sec.gov>; or
- Free of charge from the Funds' Internet web site at [www.alphaclonefunds.com](http://www.alphaclonefunds.com); or
- For a fee, by writing to the Public Reference Room of the Commission, Washington, DC 20549-1520; or
- For a fee, by e-mail request to [publicinfo@sec.gov](mailto:publicinfo@sec.gov).

(SEC Investment Company Act File No. 811-22668)