



EXCHANGE LISTED FUNDS TRUST

## **Saba Closed-End Funds ETF**

### **Semi-Annual Report**

**May 31, 2019**

**(Unaudited)**



**Exchange Traded Concepts**

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

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

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

**Saba Closed-End Funds ETF**

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**Before investing you should carefully consider the Fund’s investment objectives, risks, charges and expenses. This and other information is available in the Fund’s prospectus, a copy of which may be obtained by visiting the Fund’s website at [www.sabaetf.com](http://www.sabaetf.com). Please read the prospectus carefully before you invest.**

There are risks involved with investing, including possible loss of principal, and there is no guarantee the Fund will achieve its investment objective.

Individual shares of the Fund may be purchased or sold in the secondary market throughout the regular trading day on the Cboe BZX Exchange, Inc. (the “Cboe” or the “Exchange”) through a brokerage account. However, shares are not individually redeemable directly from the Fund. The Fund issues and redeems shares on a continuous basis, at net asset value, only in large blocks of shares (“Creation Units”).

*Distributor: Foreside Fund Services, LLC*

**Saba Closed-End Funds ETF**  
SCHEDULE OF INVESTMENTS

**May 31, 2019**  
(Unaudited)

Number of Shares	Value (\$)	Number of Shares	Value (\$)
<b>CLOSED-END FUNDS – 132.2%</b>		<b>CLOSED-END FUNDS (Continued)</b>	
<b>EQUITY – 1.3%</b>		907,532	Nuveen Credit Strategies Income Fund <sup>†</sup> 6,997,072
62,433	Royce Global Value Trust, Inc. <u>618,711</u>	91,025	Nuveen Georgia Quality Municipal Income Fund 1,134,171
<b>FIXED INCOME – 130.9%<sup>‡</sup></b>		178	Nuveen Global High Income Fund 2,686
95,756	BlackRock Credit Allocation Income Trust 1,203,653	4,554	Nuveen Ohio Quality Municipal Income Fund 68,447
4,390	BlackRock Floating Rate Income Strategies Fund, Inc. 56,412	177,485	PGIM Global Short Duration High Yield Fund, Inc. 2,433,319
693	BlackRock Muni New York Intermediate Duration Fund, Inc. 9,896	115,209	PGIM Short Duration High Yield Fund, Inc. 1,604,861
1,446	BlackRock New York Municipal Income Quality Trust 19,145	620,633	Voya Prime Rate Trust <sup>†</sup> 2,935,594
18,029	DTF Tax-Free Income, Inc. 249,521	544,298	Western Asset Global High Income Fund, Inc. <sup>†</sup> 5,219,818
6,521	Eaton Vance California Municipal Income Trust 80,078	686,730	Western Asset High Income Fund II, Inc. <sup>†</sup> 4,450,010
13,920	Eaton Vance Floating-Rate Income Plus Fund 207,547	1,143,522	Western Asset High Income Opportunity Fund, Inc. <sup>†</sup> <u>5,568,952</u>
439,294	Eaton Vance Limited Duration Income Fund <sup>†</sup> 5,521,926		<b>TOTAL CLOSED-END FUNDS</b> <u>60,121,718</u>
164,905	Eaton Vance Senior Income Trust 1,007,570		(Cost \$59,530,460) <u>60,740,429</u>
248,113	First Trust High Income Long/Short Fund <sup>†</sup> 3,545,535		<b>TOTAL INVESTMENTS – 132.2%</b> <u>60,740,429</u>
285,013	Invesco Dynamic Credit Opportunities Fund 3,089,541		(Cost \$59,530,460) <u>60,740,429</u>
93,389	Invesco High Income Trust II 1,329,859		Liabilities less Other Assets – (32.2)% (14,795,288)
1,761,332	Invesco Senior Income Trust 7,327,141		<b>TOTAL NET ASSETS –100.0%</b> <u>\$ 45,945,141</u>
33,901	Ivy High Income Opportunities Fund 453,256		
3,996	Neuberger Berman California Municipal Fund, Inc. 53,307		
452,315	Neuberger Berman High Yield Strategies Fund, Inc. 5,156,391		
31,091	Neuberger Berman New York Municipal Fund, Inc. 384,285		
893	Nuveen Connecticut Quality Municipal Income Fund 11,725		

<sup>‡</sup> The Fund is concentrated in one broad category. Please see Note 6 for more information about risks.

<sup>†</sup> All or a portion of this security is pledged as collateral for borrowings. As of May 31, 2019, the aggregate value of those securities was \$30,626,968, representing 66.7% of net assets. (See Note 8).

See accompanying Notes to Financial Statements.

**Saba Closed-End Funds ETF**  
SCHEDULE OF INVESTMENTS (Concluded)

**May 31, 2019**  
(Unaudited)

**FUTURES CONTRACTS**

	<b>Expiration Date</b>	<b>Number of Contracts</b>	<b>Notional Value</b>	<b>Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Bond Futures (Short Position)</b>					
CBOT 5-Year U.S. Treasury Note	September 2019	(218)	\$ (25,466,409)	\$ (25,586,047)	\$ (119,638)
<b>TOTAL FUTURES CONTRACTS</b>			<u>\$ (25,466,409)</u>	<u>\$ (25,586,047)</u>	<u>\$ (119,638)</u>

See accompanying Notes to Financial Statements.

**Saba Closed-End Funds ETF**  
**SUMMARY OF INVESTMENTS**

**May 31, 2019**  
(Unaudited)

<b>Security Type/Sector*</b>	<b>Percent of Total Net Assets</b>
Closed-End Funds	
Fixed Income.....	130.9%
Equity .....	1.3%
<b>Total Closed-End Funds.....</b>	<b>132.2%</b>
<b>Total Investments.....</b>	<b>132.2%</b>
Liabilities less Other Assets.....	(32.2)%
<b>Total Net Assets.....</b>	<b>100.0%</b>

\* Security Type/Sector allocation excludes derivatives.

See accompanying Notes to Financial Statements.

**EXCHANGE LISTED FUNDS TRUST**  
**STATEMENT OF ASSETS AND LIABILITIES**

**May 31, 2019**  
(Unaudited)

	<b>Saba Closed-End Funds ETF</b>
<b>Assets:</b>	
Investments, at value (Cost \$59,530,460) .....	\$ 60,740,429
Deposit at broker for futures contracts.....	148,871
Dividends and interest receivable.....	151,348
<b>Total Assets</b> .....	<u>61,040,648</u>
<b>Liabilities:</b>	
Line of credit payable, at value.....	14,937,822
Payable for futures contracts variation margin .....	113,232
Advisory fee payable .....	44,374
Due to broker.....	79
<b>Total Liabilities</b> .....	<u>15,095,507</u>
<b>Net Assets</b> .....	<u>\$ 45,945,141</u>
<b>Net Assets Consist of:</b>	
Paid-in Capital .....	\$ 46,828,614
Total distributable earnings (loss) .....	<u>(883,473)</u>
<b>Net Assets</b> .....	<u>\$ 45,945,141</u>
<b>Net Assets</b> .....	\$ 45,945,141
<b>Shares of Beneficial Interest Outstanding</b>	
(unlimited number of shares authorized, no par value) .....	2,350,001
<b>Net Asset Value, Offering and Redemption Price Per Share</b> .....	<u>\$ 19.55</u>

See accompanying Notes to Financial Statements.

For the Six Months Ended

**EXCHANGE LISTED FUNDS TRUST**  
STATEMENT OF OPERATIONS

May 31, 2019

(Unaudited)

	<b>Saba Closed-End Funds ETF</b>
<b>Investment Income:</b>	
Dividends.....	\$ 2,193,083
Interest.....	1,410
<b>Total Investment Income.....</b>	<u>2,194,493</u>
<b>Expenses:</b>	
Advisory fees .....	214,588
Interest expense:	
Line of credit .....	255,286
Short futures .....	250
<b>Total Expenses .....</b>	<u>470,124</u>
<b>Net Investment Income (Loss).....</b>	<u>1,724,369</u>
<b>Realized and Unrealized Gain (Loss) on Investments and Futures Contracts:</b>	
Net realized gain (loss) on investments.....	(988,213)
Net realized gain (loss) on futures contracts.....	(683,208)
Change in unrealized appreciation/(depreciation) on investments .....	3,450,392
Change in unrealized appreciation/(depreciation) on futures contracts .....	(115,986)
<b>Net Realized and Unrealized Gain (Loss) on Investments and Futures Contracts .....</b>	<u>1,662,985</u>
<b>Change in Net Assets Resulting From Operations.....</b>	<u>\$ 3,387,354</u>

See accompanying Notes to Financial Statements.

**EXCHANGE LISTED FUNDS TRUST**  
**STATEMENTS OF CHANGES IN NET ASSETS**

May 31, 2019

	<b>Saba Closed-End Funds ETF</b>	
	<b>Six Months Ended May 31, 2019 (Unaudited)</b>	<b>Year Ended November 30, 2018</b>
<b>From Investment Activities:</b>		
<b>Operations:</b>		
Net investment income (loss) .....	\$ 1,724,369	\$ 1,416,443
Net realized gain (loss) on investments and futures contracts .....	(1,671,421)	124,379
Capital gains distributions from underlying funds .....	—	36,505
Net change in unrealized appreciation/(depreciation) on investments and futures contracts .....	3,334,406	(2,632,861)
<b>Net Increase (Decrease) in Net Assets Resulting from Operations .....</b>	<b>3,387,354</b>	<b>(1,055,534)</b>
<b>Distributions to Shareholders:</b>		
Distributions .....	(1,787,734)	(1,963,216)
From return of capital .....	—	(104,786)
<b>Total Distributions to Shareholders .....</b>	<b>(1,787,734)</b>	<b>(2,068,002)</b>
<b>Capital Transactions:</b>		
Proceeds from shares issued .....	20,197,030	10,137,566
Cost of shares redeemed .....	(2,003,092)	(2,047,358)
<b>Net Increase (Decrease) in Net Assets from Capital Share Transactions .....</b>	<b>18,193,938</b>	<b>8,090,208</b>
<b>Total Increase (Decrease) in Net Assets .....</b>	<b>19,793,558</b>	<b>4,966,672</b>
<b>Net Assets:</b>		
Beginning of period .....	26,151,583	21,184,911
End of period .....	<b>\$ 45,945,141</b>	<b>\$ 26,151,583</b>
<b>Share Transactions:</b>		
Issued .....	1,050,000	500,000
Redeemed .....	(100,000)	(100,000)
<b>Net Increase (Decrease) in Share Transactions .....</b>	<b>950,000</b>	<b>400,000</b>

See accompanying Notes to Financial Statements.



**EXCHANGE LISTED FUNDS TRUST**  
STATEMENT OF CASH FLOWS

For the Six Months Ended  
May 31, 2019  
(Unaudited)

	<b>Saba Closed-End Funds ETF</b>
<b>Cash Flows from Operating Activities</b>	
Net increase (decrease) in net assets resulting from operations .....	\$ 3,387,354
Adjustments to reconcile net increase (decrease) in net assets resulting from operations to net cash provided by (used for) operating activities:	
Purchase of long-term portfolio investments .....	(18,392,239)
Proceeds from sales of long-term investments .....	11,839,394
Realized gain (loss) from security transactions .....	988,213
Change in unrealized appreciation/(depreciation) on investments .....	(3,450,392)
Increase in deposit at broker for futures contracts .....	(41,089)
Decrease in deposits at broker .....	138,615
Increase in dividends and interest receivable .....	(64,510)
Decrease in receivable for investment securities sold .....	101,004
Decrease in payable for investment securities purchased .....	(330,417)
Increase in payable for futures contracts variation margin .....	108,179
Increase in advisory fee payable .....	20,384
Increase in due to broker .....	79
Net cash provided by (used for) operating activities .....	<u>(5,695,425)</u>
<b>Cash Flows from Financing Activities:</b>	
Proceeds from line of credit .....	17,335,679
Payments for line of credit .....	(13,703,885)
Proceeds from shares issued .....	4,402,396
Dividend distributions paid .....	(1,787,734)
Payments for in-kind shares redeemed .....	(551,031)
Net cash provided by (used for) financing activities .....	<u>5,695,425</u>
<b>Net increase (decrease) in Cash</b> .....	—
<b>Cash – Beginning of period</b> .....	—
<b>Cash – End of period</b> .....	<u>\$ —</u>
<b>Supplemental Disclosure for Non-Cash Operating Activities</b>	
Investments received for in-kind creations .....	<u>\$ 15,794,634</u>
Investments paid for in-kind redemptions .....	<u>\$ 1,452,061</u>
<b>Supplemental Disclosure for Non-Cash Financing Activities</b>	
Capital shares issued for in-kind creations .....	<u>\$ 20,197,030</u>
Capital shares redeemed for in-kind redemptions .....	<u>\$ 2,003,092</u>
<b>Supplemental Disclosure for Non-Cash Financing Activities</b>	
Cash paid for line of credit interest expense .....	<u>\$ 255,286</u>

See accompanying Notes to Financial Statements.

# EXCHANGE LISTED FUNDS TRUST

## FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout the periods indicated.

	Investment Activities				Distribution to Shareholders From				Ratios to Average Net Assets			Supplemental Data		
	Net Asset Value, Beginning of Period	Net Investment Income <sup>(1)</sup>	Net Realized and Unrealized Gain (Loss) on Investments	Total from Investment Activities	Net Investment Income	Net Realized Gains From Investments	Return of Capital	Total Distributions	Net Asset Value, End of Period	Total Return <sup>(2)(3)</sup> Price <sup>(2)(4)</sup>	Expenses <sup>(5)(6)</sup>	Net Investment Income <sup>(5)(6)</sup>	Net Assets at End of Period (000's)	Portfolio Turnover <sup>(2)(7)</sup>
<b>Saba Closed-End Funds ETF</b>														
Six Months Ended														
May 31, 2019														
(Unaudited) .....	\$18.68	\$0.86	\$0.90	\$1.76	\$(0.89)	\$—	\$(0.89)	\$19.55	10.22%	2.41% <sup>(8)</sup>	8.84%	\$45,945	23%	
Year Ended														
November 30, 2018...	\$21.18	\$1.21	\$(1.94)	\$(0.73)	\$(1.19)	\$(0.49)	\$(1.77)	\$18.68	(3.83)%	1.20% <sup>(8)</sup>	5.96%	\$26,152	44%	
For the Period														
March 20, 2017 <sup>(6)</sup>														
through														
November 30, 2017...	\$19.97	\$0.56	\$1.76	\$2.32	\$(0.66)	\$(0.45)	\$(1.11)	\$21.18	11.84%	1.60% <sup>(8)</sup>	3.77%	\$21,185	83%	

(1) Per share numbers have been calculated using the average shares method.

(2) Not annualized for periods less than one year.

(3) Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at net asset value. This percentage is not an indication of the performance of a shareholder's investment in the Fund based on market value due to the differences between the market price of the shares and the net asset value per share of the Fund.

(4) Market value total return is calculated assuming an initial investment made at market value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at market value. Market value is determined by the composite closing price. Composite closing security price is defined as the last reported sale price on the Cboe BZX Exchange. The composite closing price is the last reported sale, regardless of volume, and not an average price, and may have occurred on a date prior to the close of the reporting period. Market value may be greater or less than net asset value, depending on the Fund's closing price on the Cboe BZX Exchange.

(5) Annualized for periods less than one year.

(6) Commencement of operations.

(7) Excludes the impact of in-kind transactions related to the processing of capital share transactions in Creation Units.

(8) Interest expense as a percent of average net assets and the ratio of expenses to average net assets excluding interest expense, are presented in the chart below:

	Interest Expense as a percentage of Average Net Assets <sup>(5)</sup>	Ratio of Expenses to Average Net Assets Excluding Interest Expense <sup>(5)</sup>
Six Months Ended May 31, 2019 (Unaudited) .....	1.31%	1.10%
Year Ended November 30, 2018 .....	0.10%	1.10%
For the Period March 20, 2017 <sup>(6)</sup> through November 30, 2017 .....	0.50%	1.10%

(9) These ratios exclude the impact of expenses of the underlying closed-end investment companies holdings as represented in the Schedule of Investments. Recognition of net investment income by the Fund is affected by the timing of the declaration of dividends by the underlying closed-end investment companies in which the Fund invests.

See accompanying Notes to Financial Statements.

## **Note 1 – Organization**

Exchange Listed Funds Trust (the “Trust”) was organized on April 4, 2012 as a Delaware statutory trust and is registered with the Securities and Exchange Commission (“SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Agreement and Declaration of Trust permits the Trust to issue an unlimited number of shares of beneficial interest (“Shares”) in one or more series representing interests in separate portfolios of securities. The Trust has registered its Shares in multiple separate series. The financial statements herein are for the Saba Closed-End Funds ETF (the “Fund”). The assets of each series in the Trust are segregated and a shareholder’s interest is limited to the fund in which Shares are held.

The Fund is an actively managed exchange-traded fund (“ETF”). Unlike index ETFs, actively managed ETFs do not seek to track the performance of a specified index. Instead, actively managed ETFs seek to achieve an investment objective by purchasing and selling securities and other instruments, including shares of other investment companies, in accordance with the ETF’s stated investment strategy. Actively managed ETFs are required to publish their portfolio holdings on a daily basis. The availability of this information, which is used by, among others, large institutional investors when deciding to purchase or redeem creation units of the ETF, is designed to ensure that shares of the ETF do not trade at a material premium or discount in relation to net asset value (“NAV”) per share.

The investment objective of the Fund is to provide capital appreciation and dividend income. The Saba Closed-End Funds ETF is classified as a diversified investment company under the 1940 Act. The Fund commenced investment operations on March 20, 2017.

Under the Trust’s organizational documents, its officers and Board of Trustees (the “Board”) are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business, the Trust may enter into contracts with vendors and others that provide for general indemnifications. The Trust’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Trust.

## **Note 2 – Basis of Presentation and Significant Accounting Policies**

The following is a summary of the significant accounting policies followed by the Trust in the preparation of the financial statements. These policies are in conformity with generally accepted accounting principles in the United States of America (“GAAP”). The Trust is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services-Investment Companies*. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and income and expenses during the reporting period. Management believes the estimates and security valuations are appropriate; however, actual results may differ from those estimates, and the security valuations reflected in the financial statements may differ from the value the Fund ultimately realizes upon sale of the securities.

### **(a) Valuation of Investments**

The Fund’s investments are valued using procedures approved by the Board and are generally valued using market valuations (Market Approach). A market valuation generally means a valuation (i) obtained from an exchange, a pricing service, or a major market maker (or dealer) or (ii) based on a price quotation or other equivalent indication of value supplied by an exchange, a pricing service, or a major market maker (or dealer). A price obtained from a pricing service based on such pricing service’s valuation matrix may be considered a market valuation. Futures contracts traded on an exchange are valued based on the last sale price on an exchange on the valuation date. If there are no sales on that day, the futures contracts will be valued at the mean between the last reported bid and ask quotation. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

In the event that current market valuations are not readily available or such valuations do not reflect current fair market value, the Trust’s procedures require the Trust’s Valuation Committee, in accordance with the Trust’s Board-approved valuation guidelines, to determine a security’s fair value. In determining such value, the Valuation Committee may consider, among other things, (i) price comparisons among multiple sources, (ii) a review of corporate actions and news events, and (iii) a review of relevant financial indicators (e.g., movement in interest rates or market indices). Fair value pricing involves subjective judgments and it is possible that the fair value determination for a security is materially different than the value that could be realized upon the sale of the

**EXCHANGE LISTED FUNDS TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**May 31, 2019**  
(Unaudited)

security. With respect to securities that are primarily listed on foreign exchanges, the value of the Fund's portfolio securities may change on days when the investors will not be able to purchase or sell their Shares.

The Fund discloses the fair value of its investments in a hierarchy that distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of the Fund (observable inputs) and (2) the Fund's own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the hierarchy are as follows:

- Level 1 – Quoted prices in active markets for identical assets
- Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Pursuant to the valuation procedures noted previously, equity securities, exchange traded futures contracts, and short-term investments are generally categorized as Level 1 in the fair value hierarchy (unless there is a fair valuation event, in which case affected securities are generally categorized as Level 2 or Level 3).

The following is a summary of the valuations as of May 31, 2019 for the Fund based upon the three levels defined above:

<b>Saba Closed-End Funds ETF</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3*</b>	<b>Total</b>
<b>Investments</b>				
Closed-End Funds <sup>(1)</sup>	\$ 60,740,429	\$ —	\$ —	\$ 60,740,429
<b>Total Investments</b>	<b>60,740,429</b>	<b>—</b>	<b>—</b>	<b>60,740,429</b>
<b>Other Financial Instruments<sup>(2)</sup></b>				
Futures Contracts	(119,638)	—	—	(119,638)
<b>Total Assets</b>	<b>\$ 60,620,791</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 60,620,791</b>

\* The Fund did not hold any Level 3 securities at period end.

<sup>(1)</sup> For a detailed break-out of closed-end funds by asset classification, please refer to the Schedule of Investments.

<sup>(2)</sup> Other financial instruments are derivative instruments such as futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument. The amount presented reflects the net amount included on the Schedule of Investments, futures contracts. The Statement of Assets and Liabilities reflects the one day variation margin payable/receivable.

**(b) Investment Transactions and Related Income**

For financial reporting purposes, investment transactions are reported on trade date. However, for daily NAV determination, portfolio securities transactions are reflected no later than in the first calculation on the first business day following trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on an accrual basis and includes, where applicable, the amortization of premium or accretion of discount, using the effective yield method. Gains or losses realized on sales of securities are determined using the specific identification method by comparing the identified cost of the security lot sold with the net sales proceeds. Dividend Income on the Statement of Operations is shown net of any foreign taxes withheld on income from foreign securities, which are provided for in accordance with the Fund's understanding of the applicable tax rules and regulations.

**(c) Foreign Currency Transactions**

The accounting records of the Trust are maintained in U.S. dollars. Financial instruments and other assets and liabilities of the Trust denominated in a foreign currency, if any, are translated into U.S. dollars at current exchange rates. Purchases and sales of financial instruments, income receipts and expense payments are translated into U.S. dollars at the exchange rate on the date of the transaction. The Trust does not isolate that portion of the results of operations resulting from changes in foreign exchange rates from those resulting from changes in values to financial instruments. Such fluctuations are included with the net realized and unrealized gains or losses from investments. Realized foreign exchange gains or losses arise from transactions in financial instruments and foreign currencies, currency exchange fluctuations between the trade and settlement date of such transactions, and the difference between the amount of assets and liabilities recorded and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities, including financial instruments, resulting from changes in currency exchange rates. The Fund may be subject to foreign taxes related to foreign income received, capital gains on the sale of securities and certain foreign currency transactions (a portion of which may be reclaimable). All foreign taxes are recorded in accordance with the applicable regulations and rates that exist in the foreign jurisdictions in which the Fund invests.

**(d) Federal Income Tax**

It is the policy of the Fund to continue to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986 (the "Code"), as amended, and to distribute substantially all of its net investment income and capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required as long as the Fund qualifies as a regulated investment company.

Management of the Fund has evaluated tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether it is more-likely-than-not (i.e., greater than 50%) that each tax position will be sustained upon examination by a taxing authority based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for taxes payable (or a reduction of a tax refund receivable), including the recognition of any related interest and penalties as an operating expense. In general, tax positions taken in previous tax years remain subject to examination by tax authorities (generally three years for federal income tax purposes). The determination has been made that there are not any uncertain tax positions that would require the Fund to record a tax liability and, therefore, there is no impact to the Fund's financial statements. The Fund's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. As of May 31, 2019, the Fund did not have any interest or penalties associated with the underpayment of any income taxes.

**(e) Futures Contracts**

The Fund, directly or through an underlying closed-end fund in which the Fund invests (an "Underlying Fund"), may utilize futures contracts to hedge against a rise in interest rates. Futures contracts generally provide for the future sale by one party and purchase by another party of a specified commodity or security at a specified future time and at a specified price. Index futures contracts are settled daily with a payment by one party to the other of a cash amount based on the difference between the level of the index specified in the contract from one day to the next. Futures contracts are standardized as to maturity date and underlying instrument and are traded on futures exchanges.

The Fund is required to make a good faith margin deposit in cash or U.S. government securities with a broker or custodian to initiate and maintain open positions in futures contracts. A margin deposit is intended to assure completion of the contract (delivery or acceptance of the underlying commodity or payment of the cash settlement amount) if it is not terminated prior to the specified delivery date. Brokers may establish deposit requirements which are higher than the exchange minimums. Futures contracts are customarily purchased and sold on margin deposits which may range upward of approximately 5% of the value of the contract being traded.

After a futures contract position is opened, the value of the contract is marked to market daily. If the futures contract price changes to the extent that the margin on deposit does not satisfy margin requirements, payment of additional "variation margin" will be required. Conversely, change in the contract value may reduce the required margin, resulting in a repayment of excess margin to the contract holder. Variation margin payments are made to and from the futures broker for as long as the contract

remains open. In such case, the Fund would expect to earn interest income on its margin deposits. Closing out an open futures position is done by taking an opposite position ("buying" a contract which has previously been "sold" or "selling" a contract previously "purchased") in an identical contract to terminate the position. Brokerage commissions are incurred when a futures contract position is opened or closed.

A margin deposit held at one counterparty for the futures contracts is included in "Deposit at broker for futures contracts" on the Statement of Assets and Liabilities.

#### **(f) Short Sales**

Short sales are transactions under which the Fund, or an Underlying Fund, sells a security it does not own in anticipation of a decline in the value of that security and/or hedge against a raise in interest rates. To complete such a transaction, the Fund must borrow the security to make delivery to the buyer. The Fund then is obligated to replace the security borrowed by purchasing the security at market price at the time of replacement. The price at such time may be more or less than the price at which the security was sold by the Fund. When a security is sold short a decrease in the value of the security will be recognized as a gain and an increase in the value of the security will be recognized as a loss, which is potentially limitless. Until the security is replaced, the Fund is required to pay the lender amounts equal to dividend or interest that accrue during the period of the loan which is recorded as interest expense for securities sold short. To borrow the security, the Fund also may be required to pay a premium or an interest fee, which is also recorded as interest expense for securities sold short. Cash and/or securities are segregated for the broker to meet the necessary margin requirements. The Fund is subject to the risk that it may not always be able to close out a short position at a particular time or at an acceptable price.

#### **(g) Distributions to Shareholders**

The Fund pays out dividends from its net investment income, if any, monthly and distributes its net capital gains, if any, to investors at least annually. In so doing, the Fund seeks to make cash distributions once per month throughout a calendar year based on a rate determined at the beginning of the year. This rate is based on the Sub-Adviser's (as defined below) annual projection of income and forecast of interest rates for the upcoming year. Thus, the rate will vary from year to year. Further, the rate may be adjusted at any time during a given year. The Sub-Adviser monitors the Fund's distributions, the expected cash flow from investments and other metrics in determining whether to adjust the distribution rate during the course of a year. A portion of the distributions made by the Fund may be treated as return of capital for tax purposes (as discussed further below). One or more additional distributions may be made generally in December or after the Fund's fiscal year-end to comply with applicable law.

The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These "book/tax" differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature (e.g., return of capital and distribution reclassifications), such amounts are reclassified within the composition of net assets based on their federal tax basis treatment; temporary differences (e.g., wash sales and straddles) do not require a reclassification.

If the Fund's distributions exceed its earnings and profits, all or a portion of the distributions made in the taxable year may be treated as a return of capital to shareholders. A return of capital distribution generally will not be taxable but will reduce a shareholder's cost basis and result in a higher capital gain and lower capital loss when the Shares on which the distribution was received are sold. A return of capital distribution does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income."

The estimated characterization of the monthly distributions paid are expected to be either an ordinary income or return of capital distribution. This estimate is based on the Fund's operating results during the period and the most recent industry information available from the Underlying Funds. The actual characterization of the distributions made during the period may not be determined until after the end of the fiscal year and any differences may be adjusted in the subsequent year. The Fund will inform shareholders of the final tax character of the distributions on IRS Form 1099-DIV in February of the following year. The Fund holds certain investments which pay dividends to their shareholders based upon available funds from operations. It is possible for these dividends to exceed the underlying investments' taxable earnings and profits resulting in the excess portion of such dividends being designated as a return of capital. Distributions received from investments in securities that represent a return of capital or capital gains are recorded as a reduction of the cost of investments or as a realized gain, respectively.

### **Note 3 – Transactions with Affiliates and Other Servicing Agreements**

#### **(a) Investment Advisory Agreement**

Exchange Traded Concepts, LLC (the “Adviser”) serves as the investment adviser to the Trust, including the Fund, pursuant to an Investment Advisory Agreement entered into by the Adviser and the Trust, on behalf of the Fund (“Advisory Agreement”). Under the Advisory Agreement, the Adviser provides investment advice to the Fund primarily in the form of oversight of the Sub-Adviser (as defined below), including daily monitoring of purchases and sales of securities by the Sub-Adviser and regular review of the Sub-Adviser’s performance. The Adviser arranges for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Fund to operate. The Adviser administers the Fund’s business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services, and provides its officers and employees to serve as officers or Trustees of the Trust.

For the services it provides to the Fund, the Adviser receives a fee, which is calculated daily and paid monthly, at an annual rate of 1.10% of average daily net assets of the Fund.

Under the Advisory Agreement, the Adviser has agreed to pay all expenses of the Fund except for the advisory fee, interest, 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 (the “Excluded Expenses”).

#### **(b) Investment Sub-Advisory Agreement**

The Adviser and Saba Capital Management, L.P, (“Saba” or the “Sub-Adviser”) have entered into an investment sub-advisory agreement (the “Investment Sub-Advisory Agreement”) with respect to the Fund. Under the Investment Sub-Advisory Agreement, the Sub-Adviser is responsible for, among other things, trading portfolio securities on behalf of the Fund, including selecting broker-dealers to execute purchase and sale transactions as instructed by the Adviser, subject to the supervision of the Adviser and the Board. Under the Investment Sub-Advisory Agreement, the Adviser pays the Sub-Adviser a fee, calculated daily and paid monthly, at an annual rate as follows: 1.01% on up to \$500 million in assets; 1.02% on the next \$500 million; 1.04% on amounts over \$1 billion.

Under the Investment Sub-Advisory Agreement, the Sub-Adviser has agreed to sub-license the use of the Sub-Adviser’s name to the Adviser and to assume the obligation of the Adviser to pay all expenses of the Fund, except the Excluded Expenses.

#### **(c) Distribution Arrangement**

Forside Fund Services, LLC, a Delaware limited liability company, (the “Distributor”) is the principal underwriter and distributor of the Fund’s Shares. The Distributor does not maintain any secondary market in Fund Shares.

The Trust has adopted a Rule 12b-1 Distribution and Service Plan (the “Distribution and Service Plan”) pursuant to which payments of up to a maximum of 0.25% of average daily net assets may be made to compensate or reimburse financial intermediaries for activities principally intended to result in the sale of the Fund’s Shares. In accordance with the Distribution and Service Plan, the Distributor may enter into agreements with financial intermediaries and dealers relating to distribution and/or marketing services with respect to the Trust.

Currently, no payments are made under the Distribution and Service Plan. Such payments may only be made after approval by the Board. The Adviser and its affiliates may, out of their own resources, pay amounts to third parties for distribution or marketing services on behalf of the Trust. Any forgone fees will not be recoverable during any subsequent period.

#### **(d) Other Servicing Agreements**

The Bank of New York Mellon (“BNY Mellon”) serves as the Fund’s fund accountant, transfer agent, custodian and co-administrator and UMB Fund Services (“UMBFS”) serves as the Fund’s co-administrator.

Certain officers and an Interested Trustee of the Trust are also employees/officers of the Fund’s Adviser and affiliates of the Distributor.

**Note 4 – Investment Transactions**

Purchases and sales of investments, excluding in-kind transactions, securities sold short, and short-term investments, for the period ended May 31, 2019 were as follows:

Fund	Purchases	Sales
Saba Closed-End Funds ETF	\$ 18,392,239	\$ 11,839,394

Purchases, sales, and realized gain/(loss) of in-kind transactions for the period ended May 31, 2019 were as follows:

Fund	Purchases	Sales	Gain/(Loss)
Saba Closed-End Funds ETF	\$ 15,794,634	\$ 1,452,061	\$ 91,945

**Note 5 – Capital Share Transactions**

Fund Shares are listed and traded on the Cboe BZX Exchange, Inc. (the "Exchange") on each day that the Exchange is open for business ("Business Day"). Individual Fund Shares may only be purchased and sold on the Exchange through a broker-dealer. Because the Fund's Shares trade at market prices rather than at their NAV, Shares may trade at a price equal to the NAV, greater than NAV (premium) or less than NAV (discount).

The Fund offers and redeems Shares on a continuous basis at NAV only in large blocks of Shares, currently 25,000 Shares for the Fund ("Creation Unit"). Except when aggregated in Creation Units, Shares are not redeemable securities of the Fund. Fund Shares may only be purchased or redeemed directly from the Fund by certain financial institutions ("Authorized Participants"). An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company ("DTC") participant and, in each case, must have executed a Participant Agreement with the Distributor. Creation Units are available for purchase and redemption on each Business Day and are offered and redeemed on an in-kind basis, together with the specified cash amount, or for an all cash amount.

To the extent contemplated by a participant agreement, in the event an Authorized Participant has submitted a redemption request in proper form but is unable to transfer all or part of the shares comprising a Creation Unit to be redeemed to the Distributor, on behalf of the Fund, by the time as set forth in a participant agreement, the Distributor may nonetheless accept the redemption request in reliance on the undertaking by the Authorized Participant to deliver the missing shares as soon as possible, which undertaking shall be secured by the Authorized Participant's delivery and maintenance of collateral at least equal to 105% of the value of the undelivered shares, marked to market daily. A participant agreement may permit the Fund to use such collateral to purchase the missing shares, and could subject an Authorized Participant to liability for any shortfall between the cost of the Fund acquiring such shares and the value of the collateral.

Most retail investors will not qualify as Authorized Participants or have the resources to buy and sell whole Creation Units. Therefore, they will be unable to purchase or redeem the Shares directly from the Fund. Rather, most retail investors will purchase Shares in the secondary market with the assistance of a broker, which will be subject to customary brokerage commissions or fees.

A purchase (i.e., creation) transaction fee is imposed for the transfer and other transaction costs associated with the purchase of Creation Units, and investors will be required to pay a creation transaction fee regardless of the number of Creation Units created in the transaction. The Fund may adjust the creation transaction fee from time to time based upon actual experience. In addition, a variable fee may be imposed for cash purchases, non-standard orders, or partial cash purchases of Creation Units. The variable fee is primarily designed to cover non-standard charges, e.g., brokerage, taxes, foreign exchange, execution, market impact, and other costs and expenses, related to the execution of trades resulting from such transaction. The Fund may adjust the non-standard charge from time to time based upon actual experience. Investors who use the services of an Authorized Participant, broker or other such intermediary may be charged a fee for such services which may include an amount for the creation transaction fee and non-standard charges. Investors are responsible for the costs of transferring the securities constituting the deposit securities to the account of the Trust. The Adviser may retain all or a portion of the transaction fee to the extent the Adviser bears the expenses that otherwise would be borne by the Trust in connection with the issuance of a Creation Unit, which the transaction fee is designed to cover. The standard Creation Unit transaction fee for the Fund is \$500.



A redemption transaction fee may be imposed for the transfer and other transaction costs associated with the redemption of Creation Units, and Authorized Participants will be required to pay a redemption transaction fee regardless of the number of Creation Units created in the transaction. The redemption transaction fee is the same no matter how many Creation Units are being redeemed pursuant to any one redemption request. The Fund may adjust the redemption transaction fee from time to time based upon actual experience. In addition, a variable fee, payable to the Fund, may be imposed for cash redemptions, non-standard orders, or partial cash redemptions for the Fund. The variable fee is primarily designed to cover non-standard charges, e.g., brokerage, taxes, foreign exchange, execution, market impact, and other costs and expenses, related to the execution of trades resulting from such transaction. Investors who use the services of an Authorized Participant, broker or other such intermediary may be charged a fee for such services which may include an amount for the redemption transaction fees and non-standard charges. Investors are responsible for the costs of transferring the securities constituting the Fund securities to the account of the Trust. The non-standard charges are payable to the Fund as it incurs costs in connection with the redemption of Creation Units, the receipt of Fund securities and the cash redemption amount and other transactions costs. The standard redemption transaction fee for the Fund is \$500.

### Note 6 – Principal Risks

As with any investment, a shareholder is subject to the risk that his or her investment could lose money. An investment in the Fund is not a bank deposit and is not insured or guaranteed by the FDIC or any government agency. The principal risks affecting shareholders' investments in the Fund, either directly or indirectly through its investments in the Underlying Funds, are set forth below.

*Active Management Risk:* The Fund is an actively managed ETF. While the Fund's investment program was designed with a view to achieving the Fund's investment objectives, there can be no assurance or guarantee that the Fund will achieve its stated investment objectives over short-or long-term market cycles. The Sub-Adviser's proprietary screening and selection process of the Underlying Funds and the Underlying Fund Managers and its use of investment strategies including the use of borrowing and derivatives may not produce the intended results.

*Anti-Takeover Provision Risk:* The organizational documents of certain of the Underlying Funds may include provisions that could limit the ability of other entities or persons to acquire control of the Underlying Fund or to change the composition of its board, which could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Underlying Fund.

*Authorized Participants, Market Makers and Liquidity Providers Concentration Risk:* Because the Fund is an ETF, only a limited number of institutional investors (known as "Authorized Participants") are authorized to purchase and redeem shares directly from the Fund. 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, the Fund's shares may trade at a material discount to NAV and possibly face delisting: (i) Authorized Participants exit the business or otherwise become unable to process creation and/or redemption orders and no other Authorized Participants 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.

*Convertible Securities Risk:* Convertible securities are bonds, debentures, notes, preferred securities or other securities that may be converted or exchanged (by the holder or the issuer) into shares of the underlying common stock (or cash or securities of equivalent value), either at a stated price or stated rate. Convertible securities have characteristics similar to both fixed income and equity securities. Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer, although convertible bonds, as corporate debt obligations, enjoy seniority in right of payment to all equity securities, and convertible preferred stock is senior to common stock, of the same issuer. Because of the subordination feature, however, convertible securities typically are considered to be lower quality than similar non-convertible securities.

*Counterparty Risk:* To the extent that the Fund or an Underlying Fund engages in derivative transactions, it will be subject to credit risk with respect to the counterparties. The Fund or the Underlying Fund may obtain only a limited or no recovery or may experience significant delays in obtaining recovery under derivative contracts if a counterparty experiences financial difficulties and becomes bankrupt or otherwise fails to perform its obligations under a derivative contract.

*Credit Risk:* Issuers or guarantors of debt instruments or the counterparty to a derivatives contract, repurchase agreement or loan of portfolio securities may be unable or unwilling to make timely interest and/or principal payments or to otherwise honor its

obligations. Debt instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings. There is the chance that any of an Underlying Fund's portfolio holdings will have its credit ratings downgraded or will default (fail to make scheduled interest or principal payments), potentially reducing the Underlying Fund's income level and share price.

*Currency Risk:* The Fund or an Underlying Fund may invest in non-U.S. dollar denominated securities of foreign issuers. Where a fund's NAV is determined in U.S. dollars and the fund invests in non-U.S. dollar denominated securities, the fund's NAV could decline if the currency of the non-U.S. market in which the fund invests depreciates against the U.S. dollar, even if the value of the fund's holdings, measured in the foreign currency, increases. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments.

*Deflation Risk:* Prices throughout the economy may decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of an Underlying Fund's portfolio.

*Derivatives Risk:* A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the counterparty to certain derivative transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which the derivative relates, and risks that the derivative instruments may not be liquid.

*Covered Call Option Writing Risk:* The Fund may invest in Underlying Funds that engage in a strategy known as "covered call option writing," which is designed to produce income from option premiums and offset a portion of a market decline in the underlying security. The writer (seller) of a covered call option forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

*Futures Contracts Risk:* Futures contracts are typically exchange-traded contracts that call for the future delivery of an asset at a certain price and date, or cash settlement of the terms of the contract. Risks of futures contracts may be caused by an imperfect correlation between movements in the price of the instruments and the price of the underlying securities. In addition, there is the risk that the purchaser of a futures contract may not be able to enter into a closing transaction because of an illiquid market. Exchanges can limit the number of positions that can be held or controlled by a fund or its investment adviser, thus limiting the ability to implement the fund's strategies. Futures markets are highly volatile and the use of futures may increase the volatility of a fund's NAV. Futures are also subject to leverage risks and to liquidity risk.

*Options Risk:* Options give the holder of the option the right to buy (or to sell) a position in a security or in a contract to the writer of the option, at a certain price. They are subject to correlation risk because there may be an imperfect correlation between the options and the securities markets that cause a given transaction to fail to achieve its objectives. The successful use of options depends on the Sub-Adviser's ability to correctly predict future price fluctuations and the degree of correlation between the options and securities markets. Exchanges can limit the number of positions that can be held or controlled by the Fund or the Sub-Adviser, thus limiting the ability to implement the Fund's strategies. Options are also particularly subject to leverage risk and can be subject to liquidity risk.

*Options on Swaps:* An option on a swap agreement, or a "swaption," is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time on specified terms. In return, the purchaser pays a "premium" to the seller of the contract. The seller of the contract receives the premium and bears the risk of unfavorable changes on the underlying swap. The Fund may write (sell) and purchase put and call swaptions. The Fund may also enter into swaptions on either an asset-based or liability-based basis, depending on whether the Fund is hedging its assets or its liabilities. The Fund may write (sell) and purchase put and call swaptions to the same extent it may make use of standard options on securities or other instruments. Swaptions are generally subject to the same risks involved in the Fund's use of options.

*Swap Agreement Risk:* Swap agreements are generally traded in over-the-counter (“OTC”) markets and have only recently become subject to regulation by the U.S. Commodity Futures Trading Commission (“CFTC”). CFTC rules, however, do not cover all types of swap agreements. Investors, therefore, may not receive the protection of CFTC regulation or the statutory scheme of the Commodity Exchange Act in connection with the Fund’s swap agreements. The lack of regulation in these markets could expose investors to significant losses under certain circumstances, including in the event of trading abuses or financial failure by participants.

*Total Return Swap Risk:* A total return swap is a contract in which one party agrees to make periodic payments to another party based on the change in market value of the assets underlying the contract, which may include a specified security, basket of securities, or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. Total return swap agreements may be used to obtain exposure to a security or market without owning or taking physical custody of such security or investing directly in such market. Total return swap agreements may effectively add leverage to a fund’s portfolio because, in addition to its total net assets, the fund would be subject to investment exposure on the notional amount of the swap. The primary risks associated with total returns swaps are credit risks (if the counterparty fails to meet its obligations) and market risk (if there is no liquid market for the agreement or unfavorable changes occur to the underlying asset).

*Dividend Risk:* An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments. Common stockholders have a right to receive dividends only after the company has provided for payment of its creditors, bondholders and preferred stockholders. Dividends are paid only when declared by an issuer’s board of directors, and the amount of any dividend may vary over time.

*Equity Securities Risk:* Common stock holds the lowest priority in the capital structure of a company, and therefore takes the largest share of the company’s risk and its accompanying volatility. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock. Also, prices of common stocks are sensitive to general market movements.

*Foreign and Emerging Markets Securities Risk:* Fluctuations in the value of the U.S. dollar relative to the values of other currencies may adversely affect investments in foreign and emerging market securities. Foreign and emerging market securities may have relatively low market liquidity, decreased publicly available information about issuers, and inconsistent and potentially less stringent accounting, auditing and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Foreign and emerging market securities may be subject to the risks of expropriation, nationalization or other adverse political or economic developments and the difficulty of enforcing obligations in other countries. Investments in foreign and emerging market securities also may be subject to dividend withholding or confiscatory taxes, currency blockage and/or transfer restrictions. Emerging markets may be subject to greater market volatility, lower trading volume, political and economic instability, uncertainty regarding the existence of trading markets and more governmental limitations on foreign investment than more developed markets. In addition, securities in emerging markets may be subject to greater price fluctuations than securities in more developed markets. The Fund or an Underlying Fund’s investment in securities of foreign companies may be in the form of depositary receipts or other securities convertible into securities of foreign issuers. Depositary receipts generally must be sponsored, but may be unsponsored. Sponsored depositary receipts are established jointly by a depositary and the underlying issuer, whereas unsponsored depositary receipts may be established by a depositary without participation by the underlying issuer. Holders of an unsponsored depositary receipt generally bear all the costs associated with establishing the unsponsored depositary receipt. In addition, the issuers of the securities underlying unsponsored depositary receipts are not obligated to disclose material information in the United States and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the depositary receipts. The regulatory framework pursuant to which foreign closed-end funds operate may not provide the same protections afforded by U.S. federal securities laws. In addition, where all or a portion of an ETF’s portfolio holdings trade in markets that are closed when the market for the ETF is open, there may be valuation differences that could lead to differences between the ETF’s market price and the value of the ETF’s portfolio holdings.

*Fund Distributions Risk:* The Fund seeks to make cash distributions once per month throughout a calendar year based on a rate determined at the beginning of the year. Because these distributions will be made from Fund assets and shareholders are generally not expected to reinvest such distributions in additional Fund shares, the Fund’s monthly cash distributions will reduce the amount of assets available for investment by the Fund. It is possible for the Fund to suffer substantial investment losses and simultaneously experience additional asset reductions as a result of its distributions to shareholders under this distribution policy. Moreover, even

if the Fund's capital grows over short, intermediate, or long periods of time, it is possible that such growth will be insufficient to enable the Fund to maintain the amount of its cash distributions without returning capital to shareholders. A return of capital is a return of all or part of a shareholder's original investment in the Fund. In general, a return of capital is not immediately taxable to a shareholder. Rather, it reduces a shareholder's cost basis in Fund shares and is not taxable to a shareholder until his or her cost basis has been reduced to zero. The rate and dollar amount of the Fund's monthly income payments could vary substantially from one year to the next, during the course of a year, and over time depending on several factors, including the performance of the financial markets in which the Fund invests, the allocation of Fund assets across different asset classes and investments, the performance of the Fund's investment strategies, and the amount and timing of prior distributions by the Fund. The Fund is not guaranteed to provide a fixed or stable level of cash distributions at any time or over any period of time.

*Fund of Funds Risk:* Because the Fund is a "fund of funds," its investment performance largely depends on the investment performance of the Underlying Funds in which it invests. An investment in the Fund is subject to the risks associated with the Underlying Funds. The Fund will pay indirectly a proportional share of the fees and expenses of the Underlying Funds in which it invests (referred to herein as "acquired fund fees and expenses"), including their investment advisory and administration fees, in addition to its own fees and expenses. In addition, at times, certain segments of the market represented by constituent Underlying Funds may be out of favor and underperform other segments.

*Geographic Investment Risk:* To the extent the Fund invests a significant portion of their assets in the securities of companies of a single country or region, they are more likely to be impacted by events or conditions affecting that country or region.

*High Yield or Non-Investment Grade Securities Risk:* High yield or non-investment grade securities (commonly referred to as "junk bonds") and unrated securities of comparable credit quality are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations and are generally considered to be speculative. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the non-investment grade securities markets generally, real or perceived adverse economic and competitive industry conditions and less secondary market liquidity. If the issuer of non-investment grade securities defaults, an Underlying Fund may incur additional expenses to seek recovery.

*Illiquid Securities Risk:* Closed-end funds are not limited in their ability to invest in illiquid securities. Securities with reduced liquidity involve greater risk than securities with more liquid markets. Market quotations for securities not traded on national exchanges may vary over time, and if the credit quality of a fixed-income security unexpectedly declines, secondary trading of that security may decline for a period of time. In the event that an Underlying Fund voluntarily or involuntarily liquidates portfolio assets during periods of infrequent trading, it may not receive full value for those assets.

*Inflation Risk:* The value of assets or income from an investment will be worth less in the future as inflation decreases the value of money.

*Inflation-Protected Securities Risk:* Inflation-protected debt securities may react differently from other types of debt securities and tend to react to changes in "real" interest rates. Real interest rates represent nominal (stated) interest rates reduced by the expected impact of inflation. In general, the price of an inflation-protected debt security can fall when real interest rates rise, and can rise when real interest rates fall. Interest payments on inflation-protected debt securities can be unpredictable and will vary as the principal and/or interest is adjusted for inflation. Also, the inflation index utilized by a particular inflation-protected security may not accurately reflect the true rate of inflation, in which case the market value of the security could be adversely affected.

*Interest Rate Risk:* Investments in fixed-income securities are subject to the possibility that interest rates could rise sharply, causing the value of shares of an Underlying Fund and its holdings to decline. The risks associated with rising interest rates are heightened given the historically low interest rate environment. Fixed-income securities with longer durations are subject to more volatility than those with shorter durations. The Fund may seek to hedge interest rate risk through the use of short positions in U.S. Treasury securities or in ETFs that seek to track the performance of bond indices, or through the use of derivative instruments, but there can be no guarantee that such strategies will be successful.

*Issuer-Specific Risk:* The value of an Underlying Fund may be more volatile than the market as a whole and may perform differently from the value of the market as a whole.

*Leverage Risk:* Leverage may result from ordinary borrowings, or may be inherent in the structure of certain of the Fund's investments such as derivatives. If the prices of those investments decrease, or if the cost of borrowing exceeds any increase in the prices of those investments, the NAV of the Fund's shares will decrease faster than if the Fund had not used leverage. To repay borrowings, the Fund may have to sell investments at a time and at a price that is unfavorable to the Fund. Interest on borrowings is an expense the Fund would not otherwise incur. Leverage magnifies the potential for gain and the risk of loss. If the Fund uses leverage, there can be no assurance that the Fund's leverage strategy will be successful. The Underlying Funds in which the Fund may invest may be leveraged. As a result, the Fund may be exposed indirectly to leverage through investment in the Underlying Funds. An investment in securities of Underlying Funds that use leverage may expose the Fund to higher volatility in the market value of such securities and the possibility that the Fund's long-term returns on such securities (and, indirectly, the long-term returns of the shares) will be diminished.

*Loans Risk:* Loans are subject to the credit risk of nonpayment of principal or interest. Economic downturns or increases in interest rates may cause an increase in defaults, interest rate risk and liquidity risk. Loans may or may not be collateralized at the time of acquisition, and any collateral may be relatively illiquid or lose all or substantially all of its value subsequent to investment. In the event of bankruptcy of a borrower, an Underlying Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing a loan. Junior loans, which have a lower place in the borrower's capital structure than senior loans and may be unsecured, involve a higher degree of overall risk than senior loans of the same borrower. An Underlying Fund's investments in loans are also subject to prepayment or call risk. Loans may have settlement periods in excess of seven days. Failure to receive sales proceeds on a timely basis may constrain an Underlying Fund's ability to meet its obligations (including obligations to redeeming shareholders).

*Market Risk:* The market price of a security or instrument could decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The market value of a security may also decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

*Mortgage-Backed and Asset-Backed Securities Risk:* Investments in mortgage- and asset-backed securities are subject to prepayment or call risk, which is the risk that payments from the borrower may be received earlier than expected due to changes in the rate at which the underlying loans are prepaid. Securities may be prepaid at a price less than the original purchase value.

*Municipal Securities Risk:* Municipal securities are debt obligations issued by states or by political subdivisions or authorities of states. Municipal securities are typically designated as general obligation bonds, which are general obligations of a governmental entity that are backed by the taxing power of such entity, or revenue bonds, which are payable from the income of a specific project or authority and are not supported by the issuer's power to levy taxes. Lower-quality revenue bonds and other credit-sensitive municipal securities carry higher risks of default than general obligation bonds. Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal securities to make payments of principal and/or interest. Political changes and uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders can significantly affect municipal securities. Because many municipal securities are issued to finance similar projects, especially those related to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal issuer can affect the overall municipal market. If the Internal Revenue Service (the "IRS") determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could significantly decline in value.

*New/Smaller Fund Risk:* A new or smaller fund is subject to the risk that its performance may not represent how the fund is expected to or may perform in the long term. In addition, new funds have limited operating histories for investors to evaluate and new and smaller funds may not attract sufficient assets to achieve investment and trading efficiencies. There can be no assurance that the Fund will achieve an economically viable size, in which case it could ultimately liquidate. The Fund may be liquidated by the Board of Trustees without a shareholder vote. In a liquidation, shareholders of the Fund will receive an amount equal

to the Fund's NAV, after deducting the costs of liquidation, including the transaction costs of disposing of the Fund's portfolio investments. Receipt of a liquidation distribution may have negative tax consequences for shareholders. Additionally, during the Fund's liquidation all or a portion of the Fund's portfolio may be invested in a manner not consistent with its investment objective and investment policies.

*Operational Risk:* The Fund and its service providers may experience disruptions that arise from human error, processing and communications errors, counterparty or third-party errors, technology or systems failures, any of which may have an adverse impact on the Fund.

*Preferred Securities Risk:* Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. In addition, preferred securities are subject to other risks, such as having no or limited voting rights, being subject to special redemption rights, having distributions deferred or skipped, having limited liquidity, changing tax treatments and possibly being in heavily regulated industries.

*Real Estate Investment Trust ("REIT") Risk:* Adverse economic, business or political developments affecting real estate could have a major effect on the value of an Underlying Fund's investments in REITs. Investing in REITs may subject an Underlying Fund to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income. In addition, REITs are subject to the possibility of failing to qualify for the favorable U.S. federal income tax treatment generally available to them under the Code, and failing to maintain exemption from the registration requirements of the 1940 Act.

*Risk of Underlying Fund Market Price Discount from/Premium to Net Asset Value:* The shares of the Underlying Funds may trade at a discount or premium to their NAV. Historically, shares of Underlying Funds have frequently traded at a discount to their NAV, which discounts have, on occasion, been substantial and lasted for sustained periods of time. This characteristic is a risk separate and distinct from the risk that an Underlying Fund's NAV could decrease as a result of investment activities. Whether an investor, such as the Fund, will realize gains or losses upon the sale of shares will depend not on the Underlying Funds' NAVs, but entirely upon whether the market price of the Underlying Funds' shares at the time of sale is above or below such investor's purchase price for shares.

*Shareholder Activism Risk:* When pursuing an activist campaign with respect to an Underlying Fund, the Sub-Adviser may come into possession of material, non-public information about the Underlying Fund. In these circumstances and until such information becomes publicly available, the Fund may be prevented from transacting in Underlying Fund shares, which may adversely affect the Fund's performance.

*Short Selling Risk:* Short selling involves selling securities, which may or may not be owned, and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows an investor to seek profits from declines in the prices of securities. A short sale creates the risk of a theoretically unlimited loss because the price of the underlying security could theoretically increase without limit and increase the cost of buying those securities to close the short position. There can be no assurance that the securities necessary to close a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though an Underlying Fund generally secure a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing such Underlying Fund to purchase the security at the then-prevailing market price, which may be higher.

**EXCHANGE LISTED FUNDS TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**May 31, 2019**  
(Unaudited)

*Structured Instruments Risk:* The Underlying Funds may invest in, or have exposure to, various types of structured instruments, including securities that have demand, tender or put features, or interest rate reset features. Structured instruments are a type of derivative instrument and the payment and credit qualities of these instruments derive from the assets embedded in the structure from which they are issued. Structured instruments may behave in ways not anticipated by the Underlying Funds, or they may not receive tax, accounting or regulatory treatment anticipated by the Underlying Funds.

*Trading Risk:* Shares may trade on the Exchange above or below their NAV. The NAV of shares will fluctuate with changes in the market value of the Fund's holdings. In addition, although the shares are currently listed on the Exchange, there can be no assurance that an active trading market for Shares will develop or be maintained. In stressed market conditions, the market for the Fund's Shares may become less liquid in response to deteriorating liquidity in markets for underlying portfolio holdings, which could lead to differences between the market price of the Fund's shares and the underlying value of the Fund's portfolio holdings. Trading in Fund Shares may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable.

**Note 7 – Federal Income Taxes**

The tax character of the distributions paid during the tax years ended November 30, 2018 and November 30, 2017, were as follows:

Fund	Distributions paid from				Total Distributions Paid
	Ordinary Income	Net Long-Term Capital Gains	Return of Capital		
Saba Closed-End Funds ETF					
November 30, 2018	\$ 1,632,414	\$ 330,802	\$ 104,786	\$	2,068,002
November 30, 2017	808,551	—	—		808,551

As of the year ended November 30, 2018, the components of accumulated earnings (deficit) on a tax basis were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital and Other Losses	Unrealized Appreciation (Depreciation)	Accumulated Earnings (Deficit)
Saba Closed-End Funds ETF	\$ —	\$ —	\$ (192,234)	\$ (2,290,859)	\$ (2,483,093)

At May 31, 2019, gross unrealized appreciation and depreciation of investments owned by the Fund, based on cost on investments for federal income tax purposes were as follows:

Fund	Tax Cost	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Saba Closed-End Funds ETF	\$ 59,577,245	\$ 1,737,405	\$ (693,859)	\$ 1,043,546

The differences between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences in recognizing certain gains and losses in security transactions.

As of November 30, 2018, the Fund had \$195,884 of post-October capital losses which are deferred until fiscal year 2019 for tax purposes. Net capital losses incurred after October 31 and within the taxable year are deemed to arise on the first day of the Fund's next taxable year and are as follows:

Fund	Short-Term	Long-Term	Total
Saba Closed-End Funds ETF	\$ 30,938	\$ 164,946	\$ 195,884

**Note 8 – Credit Facility**

Effective March 14, 2017 (the “Closing Date”), the Fund entered into a committed line of credit facility (the “LOC”) with BNP Paribas used for cash management purposes, such as providing liquidity for investments and redemptions of Creation Units, and leverage. Under the terms of the LOC, the Fund is allowed to borrow a maximum of 50% of the value of the securities held as collateral and 100% of the value of cash pledged. As of May 31, 2019, the market value of securities and cash pledged as collateral was \$30,626,968 and \$148,871, respectively. These securities are noted in the Schedule of Investments and the value of cash pledged as collateral is reflected as Deposits at broker on the Statement of Assets and Liabilities. The Fund was able to borrow \$15,462,355 as of May 31, 2019. The interest rate charged on borrowings on the LOC is the 1-month London Interbank Offer Rate plus a spread of 125 basis points (1.25%). The interest rate at May 31, 2019 was 3.68%. The average interest rate, the average daily loan balance, and the amount recorded as interest expense for line of credit for the 182 days the Fund had outstanding borrowings under the LOC were 3.73%, \$13,540,795, and \$255,286, respectively, for the six months ended May 31, 2019. The maximum amount borrowed during the six months ended May 31, 2019, was \$16,707,265. As of May 31, 2019, the Fund had \$14,937,822 in outstanding borrowings.

Assets permitted as investment collateral include any cash, securities, and other investments. The LOC agreement can be terminated by the Fund or lender upon delivery of written notice to the other party.

**Note 9 – Derivatives and Hedging Disclosures**

FASB’s ASC Topic 815 *Derivatives and Hedging* requires enhanced disclosures about the Fund’s derivative and hedging activities, including how such activities are accounted for and their effects on the Fund’s financial position, performance and cash flows. The Fund invested in futures contracts during the six months ended May 31, 2019.

The effects of these derivative instruments on the Fund’s financial position and financial performance as reflected in the Statement of Assets and Liabilities and Statement of Operations are presented in the tables below. The fair values of derivative instruments held as of May 31, 2019 by risk category are as follows:

Risk Exposure	Asset Derivatives		Liability Derivatives	
	Statement of Asset and Liabilities Location	Value*	Statement of Asset and Liabilities Location	Value*
	Unrealized appreciation on open futures contracts	\$ —	Unrealized depreciation on open futures contracts	\$ (119,638)
Total		\$ —		\$ (119,638)

\* Includes cumulative appreciation/depreciation of futures contracts as reported in the Schedule of Investments. Only current day’s variation margin is reported within the Statement of Assets and Liabilities.

The effects of the Fund’s derivative instruments on the Statement of Operations for the six months ended May 31, 2019 are as follows:

**Amount of Realized Gain or (Loss) on Derivatives**

Risk Exposure	Futures Contracts
Interest rate contracts	\$ (683,208)

**Change in Unrealized Appreciation/(Depreciation) on Derivatives**

Risk Exposure	Futures Contracts
Interest rate contracts	\$ (115,986)



**EXCHANGE LISTED FUNDS TRUST**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**May 31, 2019**  
(Unaudited)

The quarterly average volume of derivative instruments for the period ended May 31, 2019 are as follows:

<b>Risk Exposure</b>	<b>Derivative</b>	<b>Number of Contracts</b>
Interest rate contracts	Short futures contracts	(183)

**Note 10 – Disclosures about Offsetting Assets and Liabilities**

ASC 815 *Disclosures about Offsetting Assets and Liabilities* requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The guidance requires retrospective application for all comparative periods presented.

The Fund has standard contracts governing most derivative transactions between the Fund and each of its counterparties and intends to mitigate credit risk with respect to over the counter derivatives. These agreements allow the Fund and each counterparty to offset certain derivative financial instruments' payables and/or receivables against each other and/or with collateral, which is generally held by the Fund's custodian. The amount of collateral moved to/from applicable counterparties is based upon minimum transfer amounts specified in the agreement. To the extent amounts due to the Fund from its counterparties are not fully collateralized contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. During the six months ended May 31, 2019, the Fund's only derivative activity was the use of exchange-traded futures.

The Fund's Statement of Assets and Liabilities presents financial instruments on a gross basis, therefore there are no net amounts and no offset amounts within the Statement of Assets and Liabilities to present below. Gross amounts of the financial instruments, amounts related to financial instruments/cash collateral not offset in the Statement of Assets and Liabilities and net amounts are presented below:

<b>Description/Financial Instrument/Statement of Assets and Liabilities Category</b>	<b>Counterparty</b>	<b>Gross Amounts Recognized in Statement of Assets and Liabilities</b>	<b>Amounts Not Offset in Statement of Assets and Liabilities</b>		<b>Net Amount</b>
			<b>Financial Instruments*</b>	<b>Cash Collateral**</b>	
Futures Contracts	BNP Paribas	\$ (113,232)	\$ —	\$ 113,232	\$ —

\* Amounts relate to master netting agreements and collateral agreements which have been determined to be legally enforceable in the event of default and where certain other criteria are met in accordance with applicable offsetting accounting guidance.

\*\* Amounts relate to master netting agreements and collateral agreements which have been determined to be legally enforceable in the event of default but where certain other criteria are not met in accordance with applicable offsetting accounting guidance. The collateral amounts may exceed the related net amounts of financial assets and liabilities presented in the Statement of Assets and Liabilities. Where this is the case, the total amount reported is limited to the net amounts of financial assets and liabilities with that counterparty.

**Note 11 – Recently Issued Regulatory Pronouncements**

On October 13, 2016, the SEC adopted new rules and forms, and amended existing rules and forms, which are designed to modernize the reporting of information provided by funds and to improve the quality and type of information that funds provide to the SEC and investors. In addition, the SEC on that same date adopted Rule 22e-4 under the 1940 Act to require certain open-end funds to adopt liquidity risk management programs to ensure that such funds meet their obligation to satisfy shareholder redemption requests on a daily basis. ETFs that qualify as so-called "in-kind ETFs" are excluded from certain requirements.

In August 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurements. The amendments in the ASU modify the disclosure requirements on fair value measurements in Topic 820. The ASU is effective for interim and annual reporting periods beginning after December 15, 2019. Management has elected to early adopt this accounting pronouncement.

On October 4, 2018, the SEC amended Regulation S-X to require certain financial statement disclosure requirements to conform them to GAAP for investment companies. The changes required by the amendments are reflected throughout this report and had no effect on the Fund's net assets or results of operations.

**Note 12 – Subsequent Events**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were issued. Management has determined there are no subsequent events that would require disclosure in the Fund's financial statements.

# EXCHANGE LISTED FUNDS TRUST

## DISCLOSURE OF FUND EXPENSES

May 31, 2019  
(Unaudited)

### Expense Examples

All ETFs have operating expenses. As a shareholder of the Fund you incur an advisory fee and interest charges related to the Fund's investment strategy. In addition, a shareholder may pay brokerage expenses, taxes, interest, litigation expenses and other extraordinary expenses (including acquired fund fees and expenses), if any. It is important for you to understand the impact of these ongoing costs on your investment returns. Shareholders may incur brokerage commissions on their purchases and sales of Fund shares, which are not reflected in these examples.

The following examples use the annualized expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in the Fund and to compare these costs with those of other funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (unless otherwise noted below). The table below illustrates the Fund's cost in two ways:

### Actual Fund Return

This section helps you to estimate the actual expenses after fee waivers that the Fund may have incurred over the period. The "Expenses Paid During Period" column shows the actual dollar expense cost incurred by a \$1,000 investment in the Fund, and the "Ending Account Value" number is derived from deducting that expense cost from the Fund's gross investment return for the period.

You can use the information, together with the actual amount you invested in the Fund, to estimate the expenses you paid over the period. Simply divide your actual account value by \$1,000 to arrive at a ratio (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply that ratio by the number shown for the Fund under "Expenses Paid During Period."

### Hypothetical 5% Return

This section helps you compare the Fund's costs with those of other funds. It assumes that the Fund had an annualized return of 5% before expenses and the expense ratio for the period is unchanged. This example is useful in making comparisons because the SEC requires all funds to make this 5% calculation. You can assess the Fund's comparative cost by comparing the hypothetical results for the Fund in the "Expenses Paid During Period" column with those that appear in the same charts in the shareholder reports for other funds.

NOTE: Because the return is set at 5% for comparison purposes - not the Fund's actual return - the account values shown may not apply to your specific investment.

	Beginning Account Value	Ending Account Value	Annualized Expense Ratio <sup>(a)</sup>	Expenses Paid During Period
	12/1/18	5/31/19		12/1/18 – 5/31/19
<b>Actual Performance*</b>				
Saba Closed-End Funds ETF	\$ 1,000.00	\$ 1,096.80	2.41%	\$ 12.60
<b>Hypothetical (5% annual return before expenses)*</b>				
Saba Closed-End Funds ETF	\$ 1,000.00	\$ 1,012.91	2.41%	\$ 12.09

<sup>(a)</sup> Interest expense totaled 1.31% of average net assets for the six months ended May 31, 2019. Had these expenses not been included, the ratio of expenses to average net assets would have been 1.10%

\* Expenses paid during the period are equal to the Fund's annualized expense ratio, multiplied by the average account value over the period, multiplied by 182 divided by 365 (to reflect the one-half year period).

# EXCHANGE LISTED FUNDS TRUST

## BOARD CONSIDERATION OF APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS

May 31, 2019  
(Unaudited)

### Board of Trustees Approval of the Investment Advisory Agreements

At a meeting of the Board of Trustees (the "Board") of Exchange Listed Funds Trust (the "Trust") on March 5, 2019, the Board considered and approved the following agreements (collectively, the "Agreements") with respect to Saba Closed-End Funds ETF (the "Fund"):

- An Advisory Agreement between the Exchange Traded Concepts, LLC ("ETC" or the "Adviser") and the Trust, on behalf of the Saba Closed-End Funds ETF; and
- A Sub-Advisory Agreement between the Adviser and Saba Capital Management, L.P., ("Saba" or the "Sub-Adviser") with respect to the Fund.

Pursuant to Section 15 of the Investment Company Act of 1940 (the "1940 Act"), the Agreements must be approved: (i) by the vote of a majority of the Trustees who are not parties to the Agreements or "interested persons" of any party thereto, as defined in the 1940 Act (the "Independent Trustees"), cast in person at a meeting called for the purpose of voting on such approval. In connection with its consideration of such approvals, the Board must request and evaluate, and the Adviser and Sub-Adviser are required to furnish, such information as may be reasonably necessary to evaluate the terms of the Agreements. In addition, rules under the 1940 Act require an investment company to disclose in its shareholder reports the material factors and the conclusions with respect thereto that formed the basis for the board's approval of an investment advisory agreement.

Consistent with these responsibilities, prior to the Meeting, the Board reviewed written materials from the Adviser and the Sub-Adviser, and at the Meeting, representatives from the Adviser and the Sub-Adviser presented additional oral and written information to help the Board evaluate the Agreements. Among other things, representatives from the Adviser and the Sub-Adviser provided overviews of their advisory businesses, including investment personnel and investment processes. The representatives discussed the services to be provided by the Adviser and Sub-Adviser. During the Meeting, the Board discussed the materials it received, considered the oral presentations of the Adviser and Sub-Adviser, and deliberated on the approval of the Agreements in light of this information. Throughout the process, the Trustees were afforded the opportunity to ask questions of and request additional materials from the Adviser and the Sub-Adviser.

In considering whether to approve the Agreements, the Board took into consideration (i) the nature, extent and quality of the services to be provided by the Adviser and Sub-Adviser to the Fund; (ii) the Adviser and Sub-Adviser's expected cost and profits realized from providing such services, including any fall-out benefits expected to be enjoyed by the Adviser and Sub-Adviser or their affiliates; (iii) comparative fee and expense data for the Fund; (iv) the extent to which the advisory fee for the Fund reflects economies of scale shared with Fund shareholders; and (v) other factors the Board deemed to be relevant. The Independent Trustees were assisted in their review by independent legal counsel and met with counsel separately without management present. In their deliberations, the Board did not identify any single piece of information discussed below that was all-important, controlling or determinative of its decision.

In considering the nature, extent and quality of the services to be provided to the Fund, the Board reviewed ETC's and Saba Capital Management's specific responsibilities in all aspects of day-to-day management of the Fund. The Board noted that ETC's responsibilities include overseeing the activities of Saba and monitoring compliance with various Fund policies and procedures and with applicable securities regulations, and that Saba's responsibilities include trading portfolio securities and other investment instruments on behalf of the Fund, selecting broker-dealers to execute purchase and sale transactions, determining the daily baskets of deposit securities and cash components; executing portfolio securities trades for purchases and redemptions of Fund shares conducted on a cash-in-lieu basis; quarterly reporting to the Board; and implementing Board directives as they relate to the Fund, subject to the supervision of ETC and the Board. The Board considered the qualifications, experience, and responsibilities of ETC's and Saba's investment personnel, the quality of ETC's and Saba's compliance infrastructures, and the determination of the Trust's Chief Compliance Officer that ETC and Saba have appropriate compliance policies and procedures in place. The Board noted that it had been provided with ETC's registration form on Form ADV as well as ETC's responses to a detailed series of questions, which included a description of ETC's operations, service offerings, personnel, compliance program, risk management program, and financial condition. The Board noted that it had been provided with and reviewed Saba's registration form on Form ADV as well as responses of Saba to a detailed series of questions, which included a description of Saba's operations, service offerings, personnel, compliance program, and financial condition. The Board considered ETC's experience working with ETFs, including the

## EXCHANGE LISTED FUNDS TRUST

### BOARD CONSIDERATION OF APPROVAL OF ADVISORY AND SUB-ADVISORY AGREEMENTS (Concluded)

May 31, 2019  
(Unaudited)

Fund, other series of the Trust, and other ETFs outside of the Trust. The Board also considered other services provided to the Fund by ETC, such as arranging for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Fund to operate, administering the Fund's business affairs, providing office facilities and equipment and certain clerical, bookkeeping and administrative services, and providing its officers and employees to serve as officers or Trustees of the Trust.

The Board reviewed the Fund's performance in light of the Fund's stated investment objective of providing capital appreciation and dividend income. The Board was provided with reports regarding the past performance of the Fund, including a report prepared by FUSE, an independent third party, comparing the Fund's performance with the performance of a group of peer funds and with the performance of the Fund's benchmark for various time periods ended December 31, 2018. The Board noted that the Fund is actively managed and that the Fund's total return performance generally underperformed its benchmark but was generally in line with the peer group median for the time periods measured. In reviewing the Fund's performance, the Board took into account that the Fund has had a relatively short operating history over which to consider ETC's and Saba's performance. The Board considered ETC's supervision of Saba as part of the Board's consideration of the nature, quality, and extent of ETC's services, as described above. The Board further noted that it received regular reports regarding the Fund's performance at its quarterly meetings. Based on the factors discussed above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent, and quality of the services provided to the Fund by ETC and Saba.

The Board reviewed the advisory fee paid to ETC and the sub-advisory fee paid by ETC to Saba for Saba's services provided to the Fund under the Sub-Advisory Agreement. The Board reviewed a report prepared by FUSE, an independent third party, comparing the Fund's advisory fee to those paid by a group of peer funds. The Board noted that the Fund's advisory fee was at the higher end of the range of advisory fees paid by the peer funds. The Board further took into account that due to the specialized nature of the Fund's strategy, there are limitations in comparing its advisory fee to those of other funds and the information provided by the third party report may not provide meaningful direct comparisons to the Fund. The Board noted that Saba's sub-advisory fee reflected the uniqueness of the Fund and the fact that the Fund was providing shareholders with access to Saba's investment strategy and expertise, which other actively managed ETFs would not necessarily be able to offer. The Board took into consideration that the advisory fee for the Fund is a "unified fee," meaning that the Fund pays no expenses other than the advisory fee and certain expenses customarily excluded from unitary fee arrangements, such as brokerage commissions, taxes, and interest. The Board noted that under the Agreements, ETC is responsible for compensating the Fund's other service providers and paying the Fund's other expenses out of its own fee and resources and that while Saba has agreed to assume such responsibility, ETC is ultimately responsible for ensuring the obligation to the Fund is satisfied. The Board also considered that, under the Fund's investment strategy, the Fund would be expected to invest in other investment companies, which would cause the Fund to indirectly bear the operating expenses of those other investment companies. The Board noted that Saba's sub-advisory fee reflects an arm's length negotiation between ETC and Saba. The Board further found that the fees reflected a reasonable allocation of the advisory fee paid to ETC given the work performed by each firm. The Board considered the costs and expenses incurred by ETC and Saba in providing advisory and sub-advisory services, evaluated the compensation and benefits received by each of ETC and Saba from its relationship with the Fund, and reviewed profitability analyses from ETC and Saba with respect to the Fund. The Board also noted the relatively small size of Saba. In light of the foregoing information, the Board concluded for the Fund that the advisory and sub-advisory fees were reasonable in light of the services rendered. In addition, the Board considered for the Fund whether economies of scale have been realized. The Board concluded that no significant economies of scale have been realized by the Fund and that the Board will have the opportunity to consider advisory fee breakpoints if and when Fund assets grow to a level that potentially produce such economies.

No single factor was determinative of the Board's decision to approve the continuance of the Agreements on behalf of the Fund; rather, the Board based its determination on the total mix of information available to it. Based on a consideration of all the factors in their totality, the Board, including a majority of the Independent Trustees, determined that the Agreements, including the compensation payable under the Agreements, were fair and reasonable to the Fund. The Board, including a majority of the Independent Trustees, therefore determined that the approval of the continuance of the Agreements was in the best interests of the Fund and its shareholders.

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## Exchange Traded Concepts

10900 Hefner Pointe Drive, Suite 207  
Oklahoma City, OK 73120

### **Investment Adviser:**

Exchange Traded Concepts, LLC  
10900 Hefner Pointe Drive, Suite 207  
Oklahoma City, OK 73120

### **Investment Sub-Adviser:**

Saba Capital Management, L.P.  
405 Lexington Avenue, 58<sup>th</sup> Floor  
New York, NY 10174

### **Distributor:**

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

### **Legal Counsel:**

Morgan, Lewis & Bockius LLP  
1111 Pennsylvania Avenue NW  
Washington, DC 20004

### **Proxy Voting Information**

A description of Exchange Traded Concepts' proxy voting policies and procedures is attached to the Fund's Statement of Additional Information, which is available without charge by visiting the Fund's website at [www.sabaetf.com](http://www.sabaetf.com) or the Securities and Exchange Commission's ("SEC") website at [www.sec.gov](http://www.sec.gov) or by calling toll free (844) 880-3837.

In addition, a description of how the Fund voted proxies relating to its portfolio securities during the most recent 12-month period ended June 30 is available without charge upon request by calling toll free (844) 880-3837 or on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **Quarterly Portfolio Holdings Information**

Exchange Listed Funds Trust files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal period on Form N-Q. The Trust's Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, the Fund's full portfolio holdings are updated daily and available on the Fund's website at [www.sabaetf.com](http://www.sabaetf.com).

**This report has been prepared for shareholders and may be distributed to others only if preceded or accompanied by a current prospectus.**