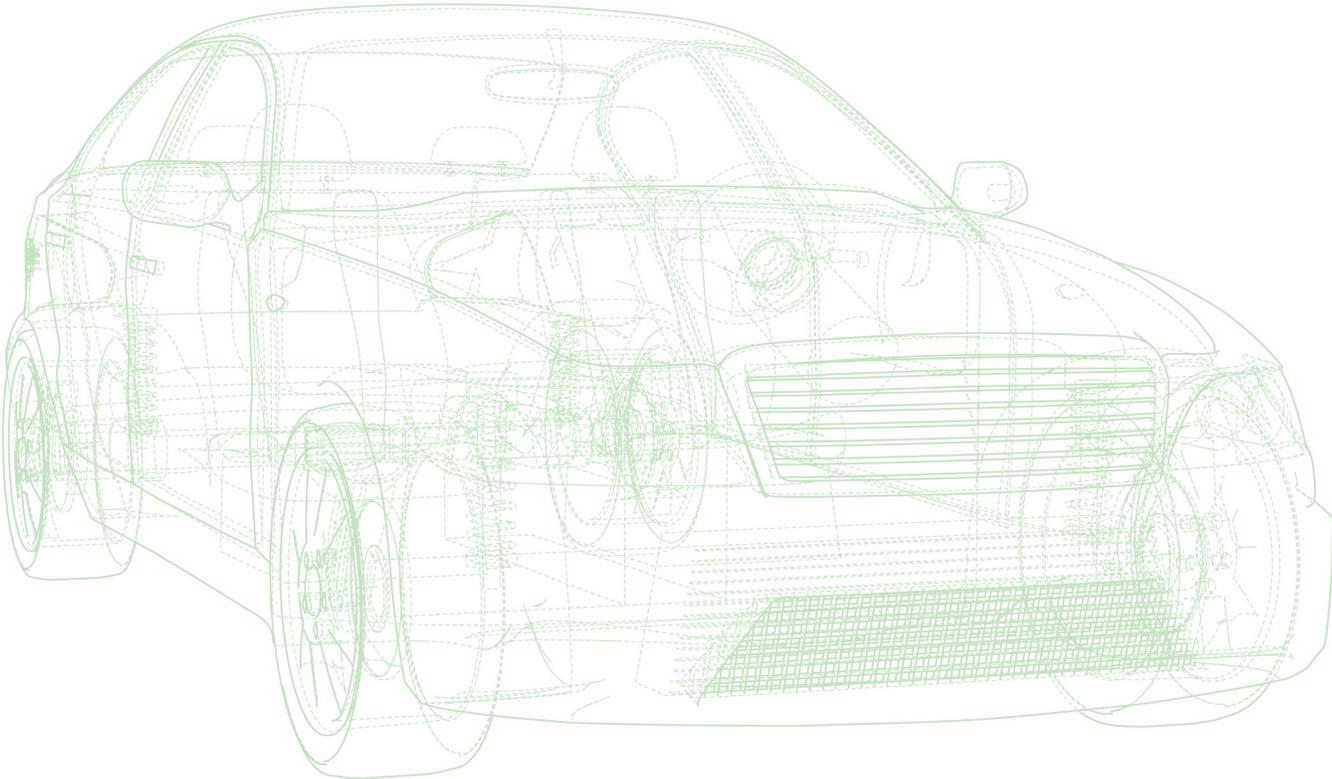
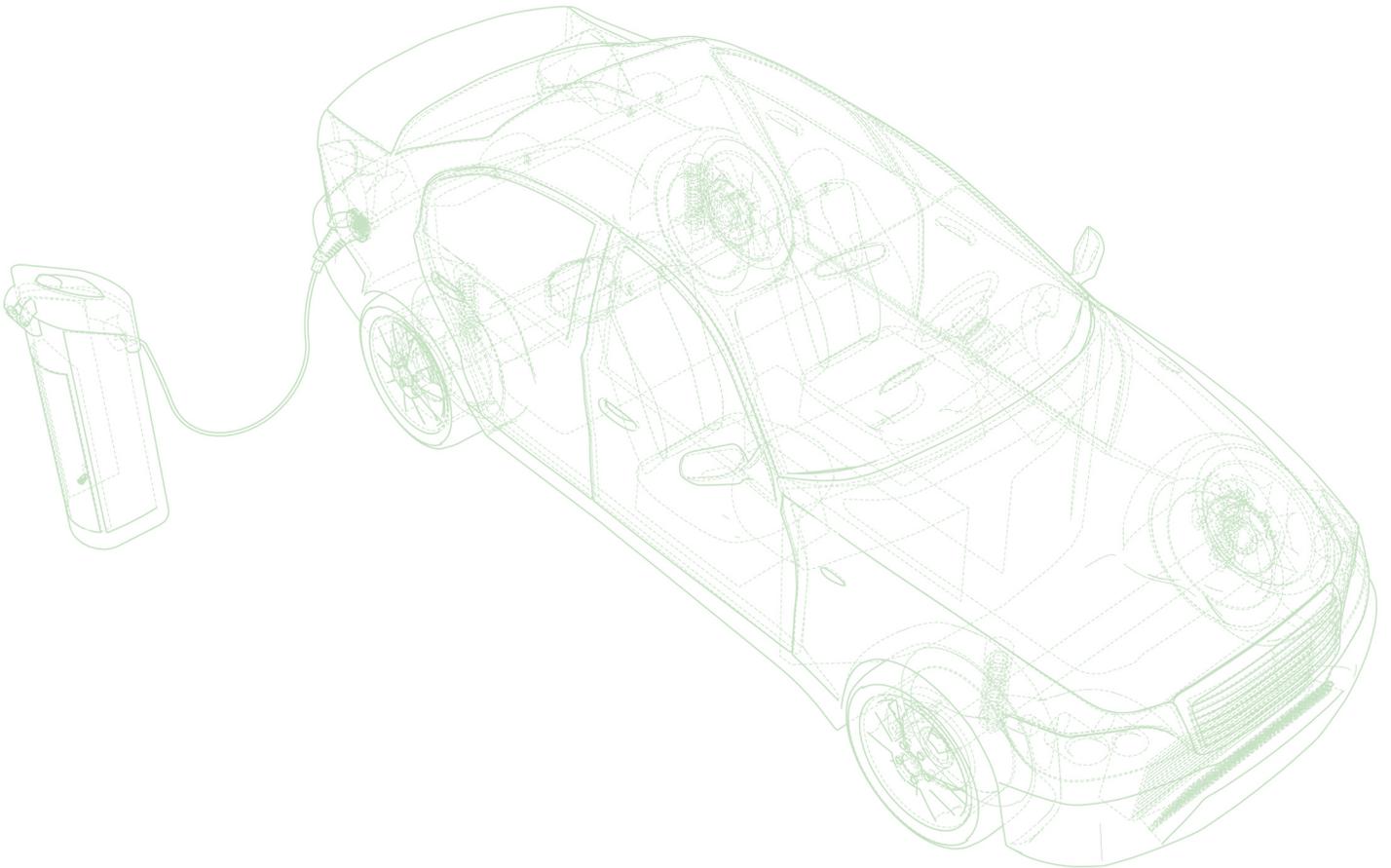

INVESTMENT CASE



The confluence of environmental concerns, urbanization, and rapid increases in technology have the potential to usher in a new era in the mobility industry. Electric vehicles have the potential to reduce greenhouse gases, climate change, and CO2 emissions. Autonomous vehicles have the potential to advance Mobility-As-A-Service (MAAS) as an industry in which driverless cars and taxis usher urban populations to their destinations while reducing the global automotive fleet.

But more than offer solutions to environmental and mobility issues, we believe that electric and autonomous vehicles present an attractive investment opportunity.

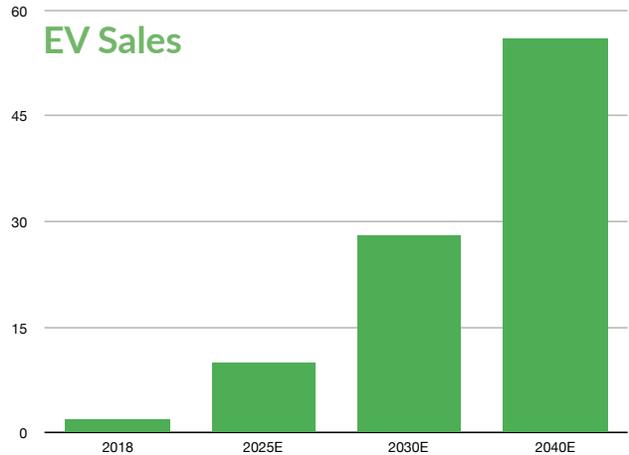
Why do we feel this way? And how may investors potentially benefit from advances in the mobility industry?



ELECTRIC CARS

Strong Growth Expected for Electric Cars

From just a few thousand in 2010 to over 2 million during 2018, sales of electric vehicles (EV) have experienced strong growth, according to a report from Bloomberg New Energy Finance (BNEF).¹ The report is also projecting strong growth moving forward, with estimates showing EV sales rising to 10 million by 2025, 28 million by 2030, and 56 million by 2040.



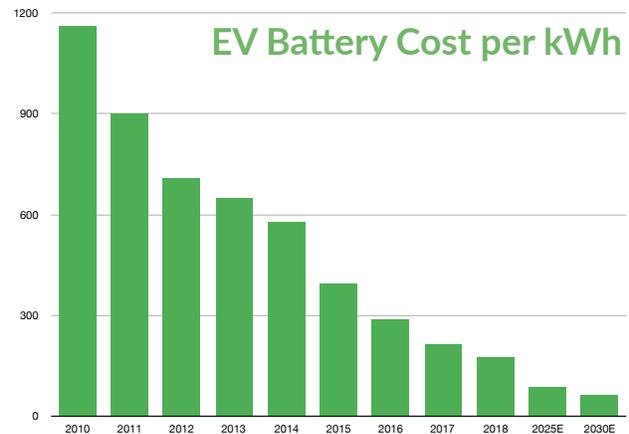
Source: Bloomberg New Energy Finance, Electric Vehicle Outlook 2019

Raising EV's Share of the Global Fleet

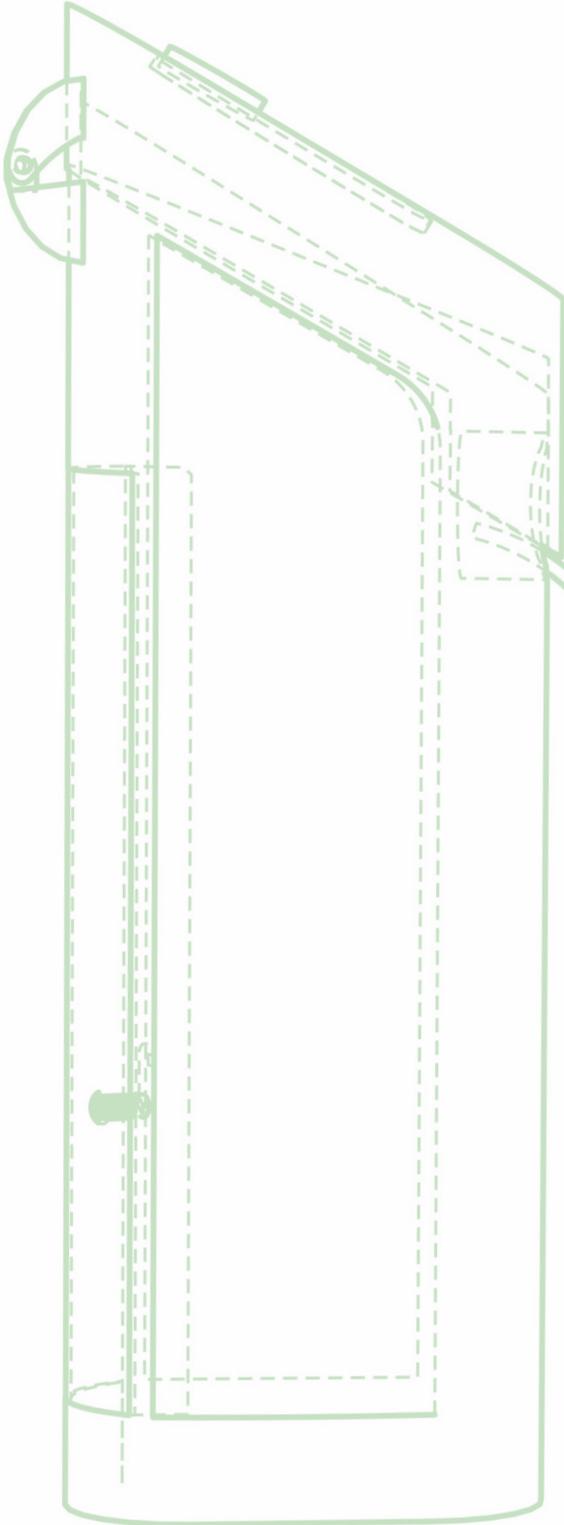
Despite the increase in sales, EV's currently make up less than 0.5% of the global vehicle fleet, according to BNEF, which expects that percentage to rise to nearly one-third of the global fleet. Much of the increase is expected to be driven by demand in the emerging markets, particularly China.

What Is Driving the Expected Growth of EV?

- Environmental Concerns - As EVs become a larger percentage of the global fleet, they may have a meaningful impact on the reduction of CO2 emissions.
- Reduction in Battery Prices - Battery prices are a major factor in the price premium of EVs. Battery prices have fallen since 2010, according to BNEF, and are projected to fall further by 2030.



Source: Bloomberg New Energy Finance, Electric Vehicle Outlook 2019



Can EVs Become Profitable?

McKinsey notes that, on average, the cost to produce an EV is \$12,000 higher than that of a traditional vehicle using an internal combustion engine (ICE).² However, McKinsey also predicts that EVs have the potential to reach cost parity and become equally, or even more, profitable than ICEs by 2025. How?

- Battery Prices – If lower battery prices are realized, it will help to close the pricing differential with ICEs.
- EV Design – Designing vehicles as EVs rather than retrofitting ICE designs to accommodate electric batteries can help to optimize car design and manufacturing.
- Decontenting – Reducing and/or removing bells and whistles may also help reduce costs.

Caveat

Charging stations remain a challenge. The number of global charging stations has increased from 77,000 in 2012 to 632,000 in 2018, according to BNEF. However, that is significantly lower than the number of gas stations.

Vehicle owners who are able to charge their EVs at home or place of work may adopt more quickly than urban residents. However, newer technology solutions such as ultra-fast chargers, wireless charging, and battery swapping may help address this challenge in the future.

AUTONOMOUS VEHICLES (AVS)

Mobility-as-a-Service

Autonomous Vehicles (AVs) play a prominent role in the mobility-as-a-service (MAAS) theme that has the potential to reshape both the automotive and transportation industries. Within the MAAS framework, people may utilize ridesharing platforms and driverless taxis to a greater degree rather than purchasing vehicles. This theme may play out particularly in urban areas and dovetails well with the increased urbanization of populations around the world.

Rise in Sales Expectation for Autonomous/Self-Driving Vehicles

Sales of autonomous/self-driving vehicles (AVs) are estimated to reach \$54.23 billion in 2019 and to grow tenfold to nearly \$557 billion by 2026, according to a 2018 study by Allied Market Research.³

According to a 2017 study, autonomous/self-driving vehicles (AVs) are expected to drive \$7 trillion in economic benefits by 2050. Allied's expectation is that AVs will hit their stride in the 2035-2050-time period. Use cases for AVs have the potential to reshape how the global population thinks about mobility, driving a new landscape of concierge and ride-hailing services (self-driving cabs) as well as AV options for business in option such as package delivery and long-haul transportation.

Benefits of Autonomous/Self-Driving Vehicles

McKinsey estimates that if the United States fully adopted AVs, the benefit to the public could exceed \$800 billion a year by 2030.⁴

- Safer Roads - Strategy Analytics estimates that 585,000 lives can be saved due to AVs in the 2035-2050 time period.⁵ Accident avoidance and lower medical costs could further financial gains.
- More Productive Commutes - Passengers have the potential to make more productive use of their time while sitting in traffic.
- Real Estate - McKinsey estimates that nearly one-third of their estimated benefits would arise from the public sector's redevelopment of unnecessary parking spaces that would arise from AV which could park more efficiently.⁶ Additionally, AVs may reduce the global fleet, reducing the need for parking spaces.
- Reduced CO2 emissions - More efficient driving may lead to less gas consumption.
- Ridesharing - AVs have the potential to increase profit margins for ridesharing services by cutting out payments to drivers.

HOW MAY INVESTORS GAIN EXPOSURE TO ELECTRIC AND AUTONOMOUS VEHICLES IN THEIR PORTFOLIOS?

Ideanomics has created a portfolio that aims to provide investors with exposure to the electronic and autonomous vehicle industry. How do we do that?

The Ideanomics NextGen Vehicles & Technology ETF (EKAR)

The Ideanomics NextGen Vehicles & Technology ETF (EKAR) seeks to provide investment results that, before fees and expenses, tracks the performance of the Innovation Labs Next Generation Vehicles Index. The index aims to provide investors with exposure to the electronic and self-driving/autonomous vehicle industry. To provide this exposure, the index focuses its portfolio holdings into four segments:

- **Battery Producers** – Companies that mine or produce materials, chemicals, and components that are used in the production of the batteries used to power such vehicles.
- **Original Equipment Manufacturers (OEMs)** – Companies that design, manufacture and/or distribute new energy vehicles (NEV) or autonomously driven vehicles (ADVs).
- **Suppliers** – Companies that produce or distribute parts and components used in NEVs and ADVs.
- **Semiconductors & Software** – Companies that produce semiconductors and software used in NEVs and ADVs.

By including companies from these four segments, the fund aims to provide investors with exposure to the entire supply chain in the electronic and autonomous vehicle industry.

Why Invest in EKAR

- Clear air initiatives may increase demand for vehicles powered by greener sources of energy.
- Self-driving vehicles may provide increased mobility to segments of the population unable to fully operate a car.
- EKAR aims to provide exposure to the entire supply chain in the NEV and ADV industry.
- EKAR tracks an index that to hold the best-in-class companies from around the globe.

Where EKAR May Fit in Your Portfolio

- Equity Exposure – EKAR may be used as a portion of your portfolio's equity allocation.
- ESG Exposure – With its goal of providing exposure to greener and more inclusive forms of transportation, EKAR may be appropriate as a portion of your ESG allocation.
- Thematic Exposure – EKAR may be appropriate for investors looking to invest in industry-disrupting technologies.

SUMMARY

We believe that we stand on the cusp of a seismic change in the area of mobility. Over the next decade, electric and autonomous/self-driving vehicles have the potential to replace the internal combustion engine and upend the entire way that we view mobility.

We believe that the EKAR ETF may provide investors with exposure to this investment opportunity. EKAR invests in the entire supply chain of the electric and autonomous/self-driving vehicle industry.

An investment in EKAR may provide investors with exposure to the opportunities that these new modes of mobility may offer.

DISCLOSURE

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus, which may be obtained by visiting ekar.ideanomics.com. Investors should read it carefully before investing or sending money.

Investing involves risk, including possible loss of principal. International investments may also involve risk from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, and from economic or political instability. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Narrowly focused investments and investments in smaller companies typically exhibit higher volatility. There is no guarantee the fund will achieve its stated objective.

There is no guarantee that the Methodology will generate or produce the intended results. Next Generation Vehicles are a relatively new development and there can be no assurance that they will be widely adopted by the general public. Companies may be subject to risks related to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product production, and changes in business cycle and government regulation. The fund will be subject to the risks of its underlying holdings, that may include, battery producers, mining companies, producers or distributors of parts and components, software, semiconductors, that the technologies may not succeed.

Shares are bought and sold at market price not net asset value (NAV) and are not individually redeemed from the Fund. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time when the NAV is typically calculated and do not represent the returns an investor would receive if shares were traded at other times. Brokerage commissions will reduce returns.

Exchange Traded Concepts, LLC serves as the investment advisor, and Penserra Capital Management LLC serves as the sub-advisor to the fund. The Funds are distributed by SEI Investments Distribution Co. (1 Freedom Valley Drive, Oaks, PA, 19456), which is not affiliated with Exchange Traded Concepts, LLC or any of its affiliates.

¹ Electric Vehicle Outlook 2019, Bloomberg New Energy Finance, 5/15/19, retrieved 10/4/19

² Making Electric Vehicles Profitable, McKinsey Center for Future Mobility, March 2019

³ Garsten, Ed, Sharp Growth in Autonomous Car Market Value Predicted but May Be Stalled By Rise in Consumer Fear, Forbes, 8/13/18

⁴ The Trends Transforming Mobility's Future, McKinsey & Company, March 2019

⁵ Lanctot, Roger, Accelerating the Future: The Economic Impact of the Emerging Passenger Economy, Strategy Analytics, June 2017

⁶ Bertocello, Michele, & Wee Dominik, Ten Ways Autonomous Driving Could Redefine the Automotive World, McKinsey & Company, June 2015