

# ETFis Series Trust I

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**BIOSHARES BIOTECHNOLOGY CLINICAL TRIALS FUND**

**BIOSHARES BIOTECHNOLOGY PRODUCTS FUND**

**ISECTORS POST-MPT GROWTH ETF**

**TUTTLE TACTICAL MANAGEMENT MULTI-STRATEGY INCOME ETF**

**TUTTLE TACTICAL MANAGEMENT U.S. CORE ETF**

**VIRTUS NEWFLEET MULTI-SECTOR UNCONSTRAINED BOND ETF**

**INFRACAP MLP ETF**

Virtus ETFs

**ANNUAL REPORT**

October 31, 2016

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October 31, 2016

Dear Fellow ETFis Funds Shareholder:

I am pleased to present this annual report for ETFis Series Trust I, which reviews the performance of the following funds within the Trust, including a recent addition, for the twelve months ended October 31, 2016:

- BioShares Biotechnology Clinical Trials Fund (BBC)
- BioShares Biotechnology Products Fund (BBP)
- iSectors Post-MPT Growth ETF (PMPT) — Launched on August 16, 2016, this fund seeks to outperform the S&P 500® Index with lower downside risk over a complete market cycle, utilizing iSectors® LLC's proprietary objective algorithm post-Modern Portfolio Theory (MPT) investment allocation process.
- Tuttle Tactical Management Multi-Strategy Income ETF (TUTI)
- Tuttle Tactical Management U.S. Core ETF (TUTT)
- Virtus Newfleet Multi-Sector Unconstrained Bond ETF (NFLT)
- InfraCap MLP ETF (AMZA)

The report provides financial statements and portfolio information for the above funds. For the funds with a performance history of more than six months, the report also provides commentary from the portfolio manager on how the fund performed relative to the markets in which it invests.

On behalf of Virtus ETF Advisers LLC (the "Adviser") and our fund subadvisers, thank you for your investment. If you have questions, please contact your financial adviser, or call 1-888-383-0553. We invite you to visit our website, [www.virtusetfs.com](http://www.virtusetfs.com).

Sincerely,

William Smalley  
President

ETFis Series Trust I

**This material must be accompanied or preceded by the prospectus.**

October 31, 2016

**BioShares Biotechnology Clinical Trials Fund**

The BioShares Biotechnology Clinical Trials Fund (the "Fund") seeks investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Clinical Trials Index (the "Clinical Trials Index"). The Clinical Trials Index seeks to track the performance of the common stock of U.S. exchange-listed biotechnology companies with a primary product offering that is in a clinical trial stage of development.

For the fiscal year ended October 31, 2016, the S&P 500 index was up 4.51% compared to down (33.33)% for the LifeSci Biotechnology Clinical Trials Index. Although volatility has been high, biotechnology stocks in general have underperformed the broader stock market.

At the end of the reporting period, the Fund's NAV was down (34.05)%.

The Fund suffered during a difficult period for the biotechnology markets in general. Global biotechnology stocks sold off due to (1) concerns relating to drug pricing, (2) disappointing results for clinical trials relating to sickle-cell disease, acute lymphoblastic leukemia and Alzheimer's disease, (3) difficulty for biotechnology companies to raise equity financing for operations at attractive pricing levels and (4) a slowdown in M&A activity for biotechnology targets.

The political climate in 2016 also added to the volatility in the outlook for biotechnology companies.

Positions that contributed to performance during the fiscal year include RLYP, XNCR and VTAE. Positions that detracted from performance during the fiscal year include DNAI, NWBO and CMRX.

**Performance as of 10/31/2016**

|  | Average Annual Total Return |                   |  |                             |
|--|-----------------------------|-------------------|--|-----------------------------|
|  | Fund Net Asset Value        | Fund Market Price | LifeSci Biotechnology Clinical Trials Index <sup>1</sup> | S&P 500® Index <sup>2</sup> |
| 1 Year . . . . .                       | (33.73)%                    | (33.49)%          | (33.33)%   | 4.51%                       |
| Since Inception <sup>3</sup> . . . . . | (15.72)%                    | (15.58)%          | (15.39)%   | 6.28%                       |

- 1 The LifeSci Biotechnology Clinical Trials Index is designed to track the performance of U.S. listed biotechnology stocks with a lead drug in the clinical trial stage of development, typically a Phase 1, Phase 2 or Phase 3 trial, but prior to receiving marketing approval. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 2 The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 3 December 16, 2014.

**Performance data quoted represents past performance and past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most current month-end performance data please visit [www.bioshares.com](http://www.bioshares.com) or call toll free (888) 383-0553. Market price returns are based on the mid-point of the highest bid and lowest offer for Fund shares as of the scheduled close of regular trading on the New York Stock Exchange Arca ("NYSE"), ordinarily 4:00 p.m. Eastern time, on each day during which the NYSE is open for trading, and do not represent the returns an investor would receive if shares were traded at other times.**

**Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

**Biotechnology Sector Risk:** The Fund's assets will be concentrated in investments in the securities of issuers engaged primarily in the biotechnology industry. Companies within the biotechnology sector spend heavily on research and development, which may not necessarily lead to commercially successful products in the near or long term. In order to fund operations, these companies may require financing from the capital markets, which may not always be available on satisfactory terms or at all. The biotechnology sector is also subject to significant governmental regulation, and the need for governmental approvals, including, without limitation, FDA approval. The securities of biotechnology companies, especially those of smaller or newer companies, tend to be more volatile than those of companies with larger capitalizations or markets generally.

**Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

**Market Price/NAV:** Shares of ETFs often trade at a discount to their net asset value, which may increase investors' risk of loss. At the time of sale, an investor's shares may have a market price that is above or below the Fund's NAV.

October 31, 2016

**BioShares Biotechnology Clinical Trials Fund (continued)**

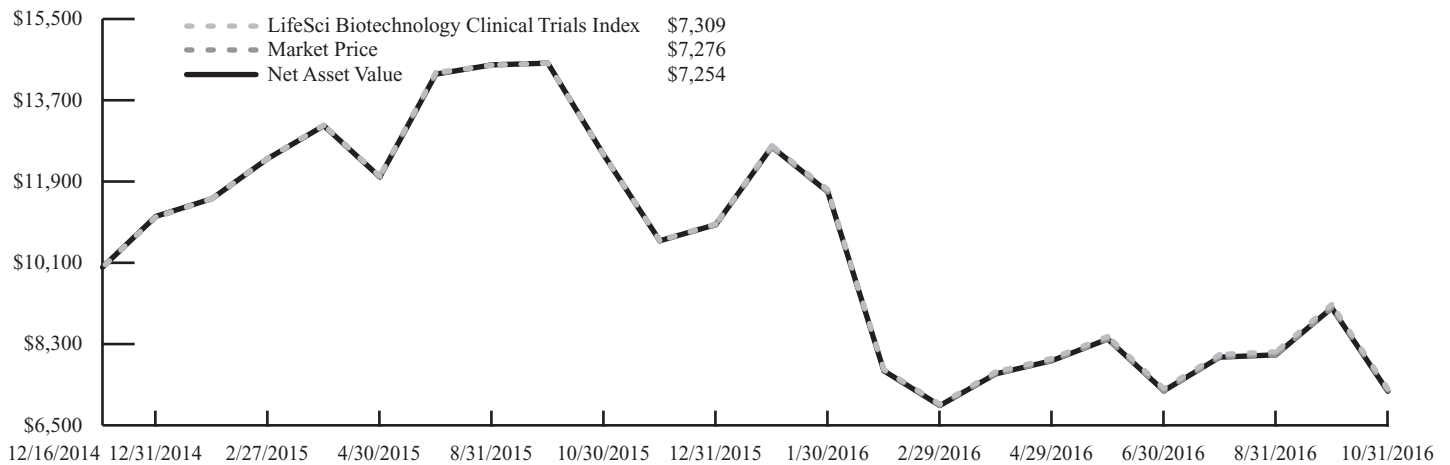
**Correlation to Index:** The performance of the Fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with additions to and deletions from its index.

**Non-Diversified:** The Fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the Fund's assets.

**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

October 31, 2016

**BioShares Biotechnology Products Fund**

The BioShares Biotechnology Products Fund (the "Fund") seeks investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Products Index (the "Products Index"). The Products Index seeks to track the performance of the common stock of U.S. exchange-listed biotechnology companies with a primary product offering or product candidate that has received U.S. Food and Drug Administration approval.

For the fiscal year ended October 31, 2016, the S&P 500 index was up 4.51% compared to down (3.28)% for the LifeSci Biotechnology Products Index. Although volatility has been high, biotechnology stocks in general have underperformed the broader stock market.

At the end of the reporting period, the Fund's NAV was down (5.21)%.

The Fund suffered during a difficult period for the biotechnology markets in general. Global biotechnology stocks sold off due to (1) concerns relating to drug pricing, (2) disappointing results for clinical trials relating to sickle-cell disease, acute lymphoblastic leukemia and Alzheimer's disease, (3) difficulty for biotechnology companies to raise equity financing for operations at attractive pricing levels and (4) a slowdown in M&A activity for biotechnology targets.

The political climate in 2016 also added to the volatility in the outlook for biotechnology companies.

Positions that contributed to performance during the fiscal year include MDVN, EXEL and TBPH. Positions that detracted from performance during the fiscal year include AEGR, ACOR and IONS.

**Performance as of 10/31/2016**

|  | Average Annual Total Return |                   |   |                             |
|--|-----------------------------|-------------------|---|-----------------------------|
|  | Fund Net Asset Value        | Fund Market Price | LifeSci Biotechnology Products Index <sup>1</sup> | S&P 500® Index <sup>2</sup> |
| 1 Year . . . . .                       | (3.97)%                     | (3.95)%           | (3.28)%   | 4.51%                       |
| Since Inception <sup>3</sup> . . . . . | 8.80%                       | 8.82%             | 9.57%   | 6.28%                       |

1 The LifeSci Biotechnology Products Index is designed to track the performance of U.S. listed biotechnology stocks with at least one drug therapy approved by the U.S. Food and Drug Administration for marketing. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

2 The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

3 December 16, 2014.

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**Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

**Biotechnology Sector Risk:** The Fund's assets will be concentrated in investments in the securities of issuers engaged primarily in the biotechnology industry. Companies within the biotechnology sector spend heavily on research and development, which may not necessarily lead to commercially successful products in the near or long term. In order to fund operations, these companies may require financing from the capital markets, which may not always be available on satisfactory terms or at all. The biotechnology sector is also subject to significant governmental regulation, and the need for governmental approvals, including, without limitation, FDA approval. The securities of biotechnology companies, especially those of smaller or newer companies, tend to be more volatile than those of companies with larger capitalizations or markets generally.

**Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

**Market Price/NAV:** Shares of ETFs often trade at a discount to their net asset value, which may increase investors' risk of loss. At the time of sale, an investor's shares may have a market price that is above or below the Fund's NAV.

October 31, 2016

**BioShares Biotechnology Products Fund (continued)**

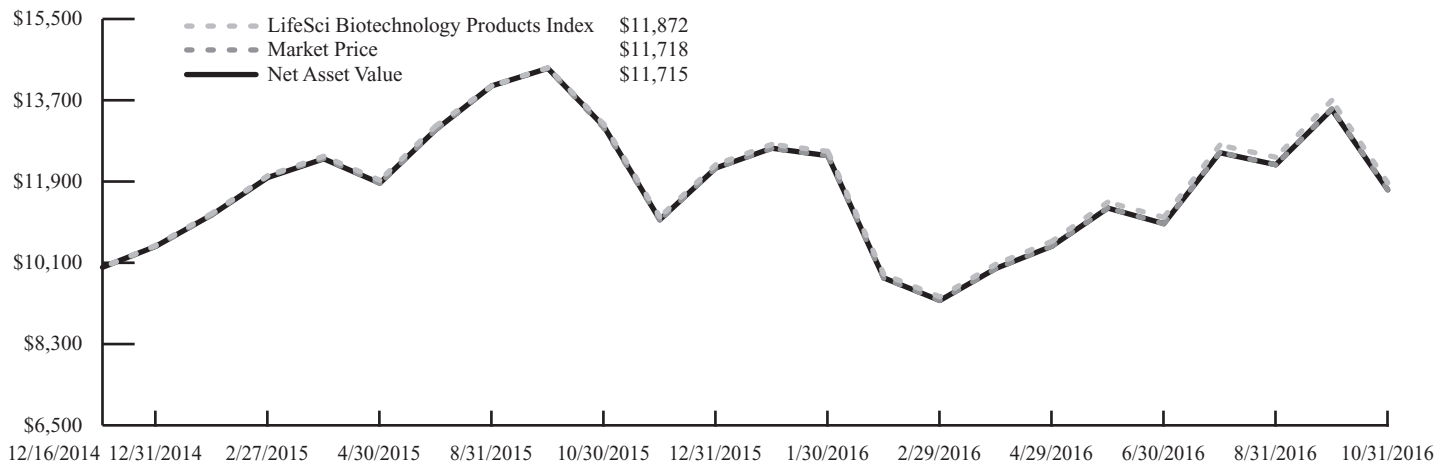
**Correlation to Index:** The performance of the Fund and its index may vary somewhat due to factors such as fund flows, transaction costs, and timing differences associated with additions to and deletions from its index.

**Non-Diversified:** The Fund is non-diversified and may be more susceptible to factors negatively impacting its holdings to the extent that each security represents a larger portion of the Fund's assets.

**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

October 31, 2016

**iSectors Post-MPT Growth ETF**

This discussion of operations relates to a short fiscal period. iSectors Post-MPT Growth ETF ("PMPT" or "the Fund") began operations on August 16, 2016 (commencement of operations), and the fiscal year ended on October 31, 2016. During this period, the net asset value of PMPT fell from \$24.89 to \$23.34. During the same period, the S&P 500 declined 3.05%.

The Fund launched near an intermediate term stock market top. PMPT began in a defensive posture by under-allocating to the broad stock market and holding significant positions in bonds, real estate investment trusts (REITs) and gold stocks. Although stocks declined amidst signs of slow economic and earnings growth, interest rates rose on inflation fears and a gathering consensus that the Federal Reserve would raise the federal fund rate during their December meeting. This led to a drop in the Fund's value mainly due to declining bond prices, interest rate-sensitive equity sectors such as REITs, and in precious metal stocks as interest/dividend income is forgone while capital is tied up in bullion that has no income yield while it is held.

"Dynamic sector allocation" strategies, such as PMPT, tend to perform the best when equity markets are flat or dropping in price. However, it was difficult for the quantitative model behind the strategy to identify positive performing allocations during the August – October fiscal period.

**Performance as of 10/31/2016**

|                                    | Average Annual Total Return |                      |                             |
|------------------------------------|-----------------------------|----------------------|-----------------------------|
|                                    | Fund<br>Net Asset Value     | Fund<br>Market Price | S&P 500® Index <sup>1</sup> |
| Since Inception <sup>2</sup> ..... | (6.25)%                     | (6.14)%              | (2.03)%                     |

<sup>1</sup> The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

<sup>2</sup> August 16, 2016.

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**Market Price/NAV:** Shares of ETFs often trade at a discount to their net asset value, which may increase investors' risk of loss. At the time of sale, an investor's shares may have a market price that is above or below the Fund's NAV.

**Portfolio Turnover:** The Fund's principal investments strategies will result in a consistently high portfolio turnover rate. A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when fund shares are held in a taxable account.

**Allocation:** The Fund's exposure to different asset classes may not be optimal for market conditions at a given time. Asset allocation does not guarantee a profit or protect against a loss in declining markets.

**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.

For the fiscal period ended 10/31/2016, the Fund did not have six months of performance and therefore line graphs are not presented.



October 31, 2016

**Tuttle Tactical Management Multi-Strategy Income ETF**

**Management's Discussion of Operations**

The Tuttle Tactical Management Multi-Strategy Income ETF (the "Fund") is an actively managed ETF that seeks current income while maintaining a secondary emphasis on long-term capital appreciation. For the fiscal year ended on October 31, 2016 the net asset value of fell from \$23.72 to \$22.36.

This was a year with a number of twists and turns — a correction in January followed by a large rally in February and a Brexit surprise followed by an equally surprising rally. These events caused extreme choppiness in the market and, as a result, the Fund's absolute and relative performance varied throughout the year.

Tactical strategies tend to perform worst in these types of choppy market environments with the Fund being no exception. The Fund was frequently less than fully invested in equity and debt ETFs during the period, which detracted from Fund performance. During this time period, we significantly enhanced the sensitivity of our models by dropping down to intraday time frames. We believe this will assist the Fund in adapting to choppy markets.

**Performance as of 10/31/2016**

|  | Average Annual Total Return |                   |   |   |
|--|-----------------------------|-------------------|---|---|
|  | Fund Net Asset Value        | Fund Market Price | Bloomberg Barclays Global Aggregate Bond Index <sup>1</sup> | Composite: 80% Bloomberg Barclays Global Aggregate Bond / 20% MSCI USA High Dividend Yield (net) <sup>2</sup> |
| 1 Year . . . . .                       | (5.28)%                     | (5.46)%           | 5.59%   | 6.47%   |
| Since Inception <sup>3</sup> . . . . . | (6.32)%                     | (6.41)%           | 5.10%   | 5.90%   |

- 1 The Bloomberg Barclays Global Aggregate Bond Index measures the global investment grade fixed rate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 2 The composite index consists of 80% Barclays Global Aggregate Bond Index (an index measuring the global investment grade bond market, calculated on a total return basis) and 20% MSCI USA High Dividend Yield Index (an index that measures performance of equities in the large and mid cap segments (excluding REITs) of the US market, that have higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent, calculated on a total return basis with net dividends reinvested). The composite index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 3 June 9, 2015.

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**Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

**Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

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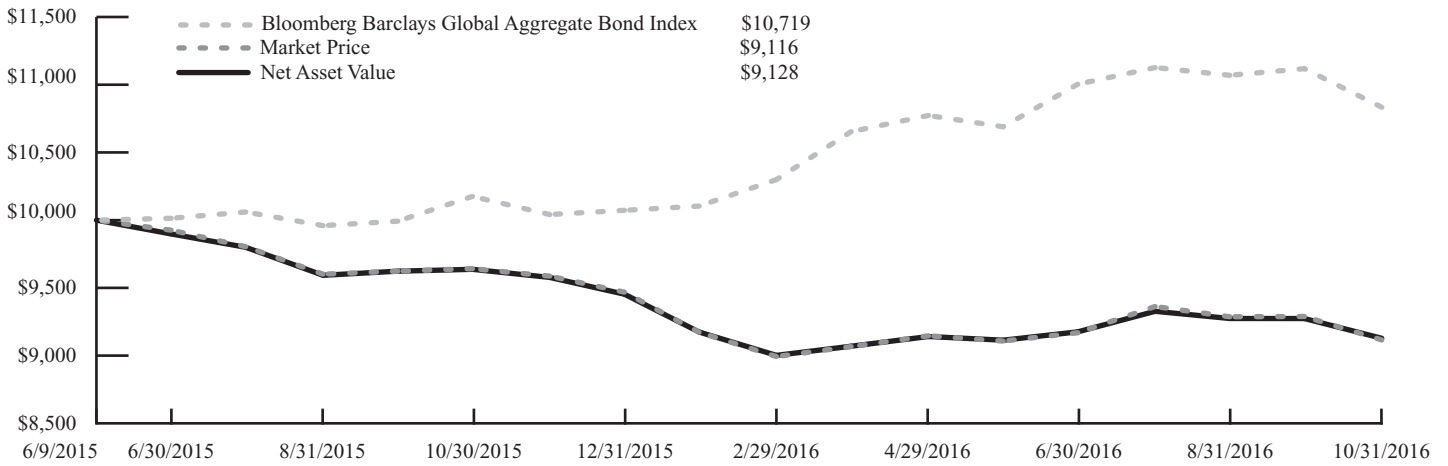
October 31, 2016

**Tuttle Tactical Management Multi-Strategy Income ETF (continued)**

**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

October 31, 2016

**Tuttle Tactical Management U.S. Core ETF**

**Management's Discussion of Operations**

The Tuttle Tactical Management U.S. Core ETF (the "Fund") is an actively managed ETF that seeks long-term capital appreciation while maintaining a secondary emphasis on capital preservation primarily through investments in the U.S equity market. For the fiscal year ended on October 31, 2016 the net asset value of fell from \$23.01 to \$21.37.

This was a year with a number of twists and turns — a correction in January followed by a large rally in February and a Brexit surprise followed by an equally surprising rally. These events caused extreme choppiness in the market and, as a result, the Fund's absolute and relative performance varied throughout the year.

Tactical strategies tend to perform worst in these types of choppy market environments with the Fund being no exception. The Fund was frequently less than fully invested in equity ETFs during the period, which detracted from Fund performance. During this time period, we significantly enhanced the sensitivity of our models by dropping down to intraday time frames. We believe this will assist the Fund in adapting to choppy markets.

**Performance as of 10/31/2016**

|  | Average Annual Total Return |                   |                             |
|--|-----------------------------|-------------------|-----------------------------|
|  | Fund Net Asset Value        | Fund Market Price | S&P 500® Index <sup>1</sup> |
| 1 Year . . . . .                       | (6.98)%                     | (6.88)%           | 4.51%                       |
| Since Inception <sup>2</sup> . . . . . | (7.97)%                     | (7.88)%           | 2.43%                       |

1 The S&P 500® Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

2 February 24, 2015.

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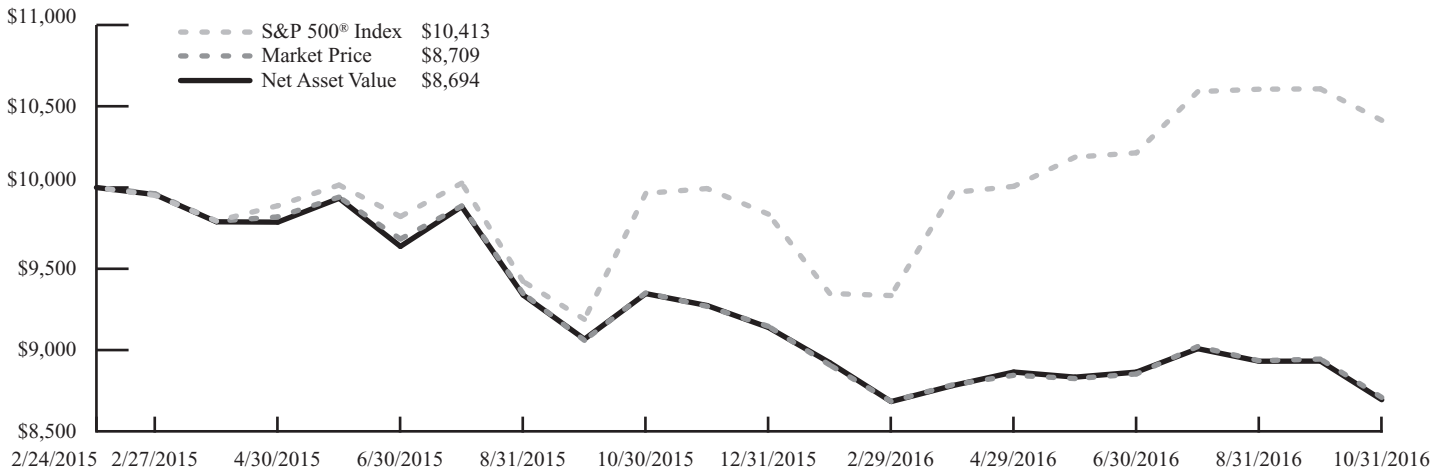
**No Guarantee:** There is no guarantee that the portfolio will meet its objective.

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October 31, 2016

**Tuttle Tactical Management U.S. Core ETF (continued)**

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

October 31, 2016

**Virtus Newfleet Multi-Sector Unconstrained Bond ETF**

The Virtus Newfleet Multi-Sector Unconstrained Bond ETF (the "Fund") is an actively managed ETF that seeks to provide a high level of current income and, secondarily, capital appreciation.

The Fund invests in up to 14 sectors of the bond market. The Fund invests without duration, sector, quality, or geographic limitations, which means that the portfolio management team can express its highest conviction ideas. The Fund is a logical extension of Newfleet's proven multi-sector investment approach managed by a team of experienced sector specialists and analysts.

For the fiscal year ended October 31, 2016, the net asset value of the Fund rose 7.37% compared with a 4.37% return for the benchmark Bloomberg Barclays U.S. Aggregate Bond Index.

The Fund's underweight allocation to U.S. Treasuries added value during a period in which most fixed income spread sectors outperformed government securities. The Fund's allocation to the corporate high yield sector was a primary contributor to performance during the fiscal year. Other positive contributors at the sector level were emerging markets, residential mortgage-backed securities, and Yankee high quality bonds.

Though exposure to the corporate high yield sector contributed to the Fund's overall performance, the team's bias toward higher quality securities within the sector detracted from returns as lower quality securities outperformed during the fiscal year.

**Performance as of 10/31/2016**

|                                    | Average Annual Total Return |                      |   |
|------------------------------------|-----------------------------|----------------------|---|
|                                    | Fund<br>Net Asset Value     | Fund<br>Market Price | Bloomberg<br>Barclays U.S.<br>Aggregate Bond Index <sup>1</sup> |
| 1 Year .....                       | 7.37%                       | 6.63%                | 4.37%   |
| Since Inception <sup>2</sup> ..... | 6.37%                       | 5.74%                | 4.18%   |

1 The Bloomberg Barclays U.S. Aggregate Bond Index measures the U.S. investment grade fixed rate bond market. The index is calculated on a total return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

2 August 10, 2015.

**Performance data quoted represents past performance and past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most current month-end performance data please visit [www.virtus.com](http://www.virtus.com) or call toll free (888) 383-0553. Market price returns are based on the mid-point of the highest bid and lowest offer for Fund shares as of the scheduled close of regular trading on the New York Stock Exchange Arca ("NYSE"), ordinarily 4:00 p.m. Eastern time, on each day during which the NYSE is open for trading, and do not represent the returns an investor would receive if shares were traded at other times.**

**Credit & Interest:** Debt securities are subject to various risks, the most prominent of which are credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt securities may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities.

**High Yield-High Risk Fixed Income Securities:** There is a greater level of credit risk and price volatility involved with high yield securities than investment grade securities.

**Foreign & Emerging Markets:** Investing internationally, especially in emerging markets, involves additional risks such as currency, political, accounting, economic, and market risk.

**Bank Loans:** Loans may be unsecured or not fully collateralized, may be subject to restrictions on resale and/or trade infrequently on the secondary market. Loans can carry significant credit and call risk, can be difficult to value and have longer settlement times than other investments, which can make loans relatively illiquid at times.

**ABS/MBS:** Changes in interest rates can cause both extension and prepayment risks for asset- and mortgage-backed securities. These securities are also subject to risks associated with the repayment of underlying collateral.

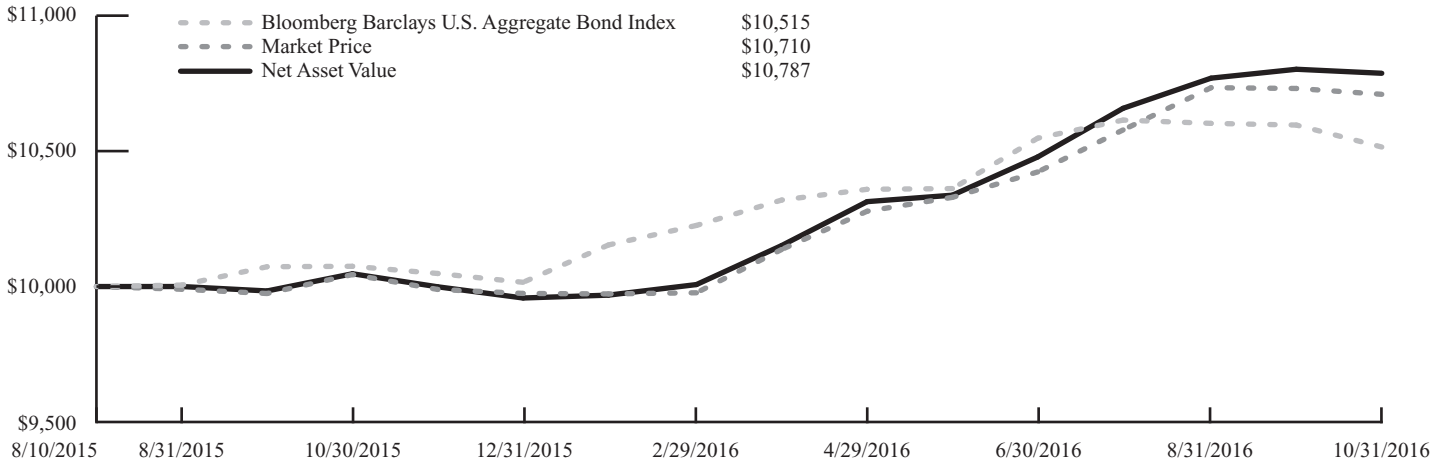
**Market Price/NAV:** Shares of ETFs often trade at a discount to their net asset value, which may increase investors' risk of loss. At the time of sale, an investor's shares may have a market price that is above or below the Fund's NAV.

October 31, 2016

**Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)**

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

October 31, 2016

## InfraCap MLP ETF

### Management's Discussion of Operations

#### Overview

InfraCap MLP ETF ("the Fund") seeks to provide a high level of current income, a growing income stream, and long-term capital appreciation. The Fund is an actively-managed portfolio of high quality, midstream energy master limited partnerships (MLPs) and related general partners. The Fund also utilizes options strategies and modest leverage to enhance income and total return.

The Fund focuses on the midstream MLP sector because most of these companies have a long-term history of relatively stable and growing cash distributions. These companies are typically involved in the production, gathering, transportation, storage, and processing of oil, natural gas, natural gas liquids and refined products.

#### Update

During the fiscal year ended on October 31, 2016, the net asset value of the Fund fell from \$14.28 to \$10.63. This decline occurred during a period of continued weakness in crude oil prices. While energy prices stabilized and stocks in the midstream energy sector rebounded from their lows, these securities generally underperformed the broader market.

Leverage from borrowings was used throughout the past fiscal year. Through the middle of February 2016, the use of leverage was a drag on performance. However, the use of leverage provided an enhancement to total returns in the months that followed.

The Fund's policy is to maintain the leverage ratio between 10% and 33% of total assets. As of October 31, 2016, leverage represented 22.7% of total assets.

Dividends paid to investors during the year were increased slightly from \$0.515 to \$0.52 per quarter. The cumulative dividend payout to investors during the fiscal year was \$2.08 per share.

Shares outstanding increased during the fiscal year from 1,400,004 to 11,250,004.

#### Dividend Payments

The dividend rate is determined on a quarterly basis, and the rate may be adjusted during the year. An important consideration in determining the level of dividend payments is the estimated amount of distributable cash flow ("DCF").

DCF is investment income less expenses. Investment income includes cash distributions from master limited partnerships, dividends received from stocks, and net realized gains (losses) from written and purchased options contracts. Expenses include advisory fees, other miscellaneous fees and leverage costs.

The Supplemental Financial Data table includes the calculation of distributable cash flow and should be reviewed as part of this discussion. It should be noted that this calculation differs from the Statement of Operations because of the following factors: 1) GAAP does not include MLP distributions in investment income because these distributions are typically treated as return of capital; and 2) GAAP does not include net realized gains (losses) on written and purchased options contracts as investment income but reports them separately as realized and unrealized gains (losses).

We expect the dividend coverage ratio to vary from year-to-year. In 2015, the dividend was covered by a ratio of about 1.1 to 1. In 2016, the dividend was not fully covered. In the event that the dividend is not covered by cash income and option premium income in any period, the Fund may pay out a portion of its net capital. Over the long term, we believe we can maintain or grow net asset value per share while sustaining the dividend.

The dividend coverage ratio in 2016 was negatively impacted by the rapid growth of the Fund's assets. The rapid growth in shares outstanding with many shares issued just prior to dividend payments meant that some investors were getting 100% of the dividend while the portfolio did not hold the related income-earning securities for 100% of the period leading up to the dividend declaration. The impact of this effect was especially acute in two periods when shares outstanding doubled from the beginning to the end of the period. We have adopted strategies that we believe will anticipate this effect, and we think these actions are having a positive impact on dividend coverage.

#### Outlook

At the close of the reporting period, the stock market's attention was intensely focused on the near-term outlook for crude oil and natural gas prices. Concerns over excess supplies have spilled over into the midstream MLP sector. Share valuations and yield spreads are near levels seen in the worst days of the great financial crisis in 2008. The sustainability or growth of dividend payouts from the midstream sector — traditionally viewed as the most reliable part of the energy infrastructure — are being questioned.



October 31, 2016

**InfraCap MLP ETF (continued)**

We believe that the strength and resilience of MLP infrastructure companies will continue to be demonstrated over the next 6-24 months. Our Fund is focused on the largest and what we consider to be the highest quality companies in the midstream sector. Most of these companies have strong balance sheets, and we believe the sector as a whole to maintain or show modest growth in distributions to investors during this period.

Oil and natural gas prices have risen substantially during the last eight months, and we believe the outlook for the 2017 energy market is favorable with OPEC agreeing to production cuts and a more favorable regulatory environment appearing likely to be implemented in the United States.

**Performance as of 10/31/2016**

|  | Average Annual Total Return |                      |  |   |
|--|-----------------------------|----------------------|--|---|
|  | Fund<br>Net Asset Value     | Fund<br>Market Price | Alerian MLP<br>Infrastructure Index <sup>1</sup> | S&P 500 <sup>®</sup> Index <sup>2</sup> |
| 1 Year . . . . .                       | (8.60)%                     | (9.00)%              | (0.11)%  | 4.51%                                   |
| Since Inception <sup>3</sup> . . . . . | (22.92)%                    | (22.93)%             | (16.35)%   | 6.54%                                   |

- 1 The Alerian MLP Infrastructure Index is a composite of energy infrastructure Master Limited Partnerships (MLPs), whose constituents earn the majority of their cash flow from the transportation, storage, and processing of energy commodities. The index is calculated using a float-adjusted, capitalization-weighted methodology on a total-return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 2 The S&P 500<sup>®</sup> Index is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.
- 3 October 1, 2014.

**Performance data quoted represents past performance and past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. Returns do not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares. For the most current month-end performance data please visit [www.infracapmlp.com](http://www.infracapmlp.com) or call toll free (888) 383-0553. Market price returns are based on the mid-point of the highest bid and lowest offer for Fund shares as of the scheduled close of regular trading on the New York Stock Exchange ("NYSE") Arca, ordinarily 4:00 p.m. Eastern time, on each day during which the NYSE is open for trading, and do not represent the returns an investor would receive if shares were traded at other times.**

**Interest Rate Risk:** As yield-based investments, MLPs carry interest rate risk and may underperform in rising interest rate environments. Additionally, when investors have heightened fears about the economy, the risk spread between MLPs and competing investment options can widen, which may have an adverse effect on the stock price of MLPs. Rising interest rates may increase the potential cost of MLPs financing projects or cost of operations, and may affect the demand for MLP investments, either of which may result in lower performance by or distributions from the Fund's MLP investments.

**Exchange Traded Funds:** The value of an ETF may be more volatile than the underlying portfolio of securities the ETF is designed to track. The costs of owning the ETF may exceed the cost of investing directly in the underlying securities.

**Industry/Sector Concentration:** A fund that focuses its investments in a particular industry or sector will be more sensitive to conditions that affect that industry or sector than a non-concentrated fund.

**Short Sales:** The Fund may engage in short sales, and may experience a loss if the price of a borrowed security increases before the date on which the Fund replaces the security.

**Leverage:** When a fund leverages its portfolio, the value of its shares may be more volatile and all other risks may be compounded.

**Derivatives:** Investments in derivatives such as futures, options, forwards, and swaps may increase volatility or cause a loss greater than the principal investment.

**MLPs:** Investments in Master Limited Partnerships may be adversely impacted by tax law changes, regulation, or factors affecting underlying assets.

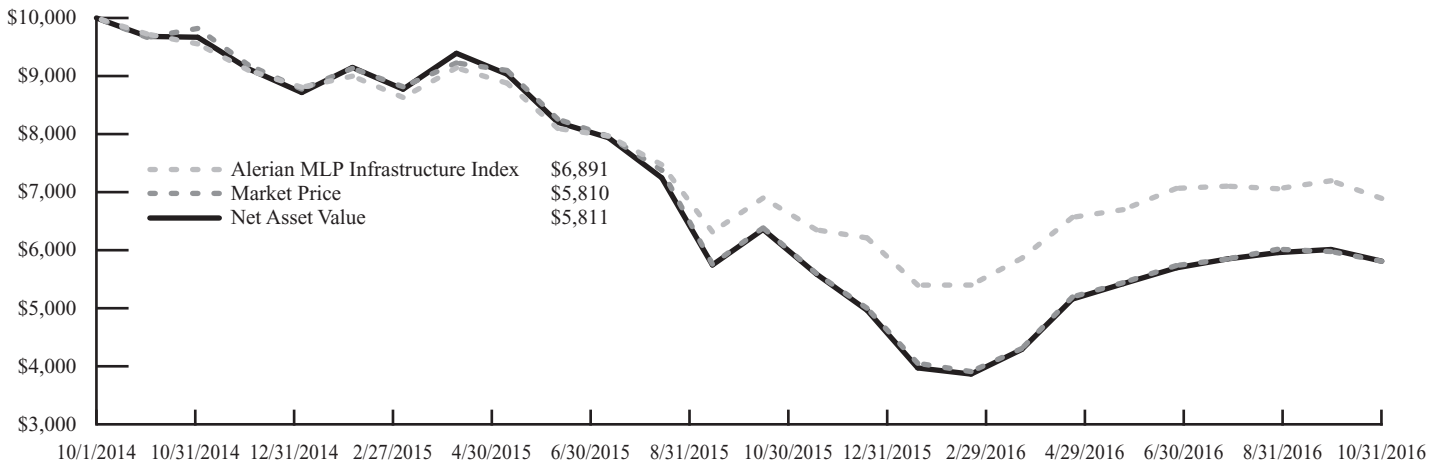
**Market Price/NAV:** Shares of ETFs often trade at a discount to their net asset value, which may increase investors' risk of loss. At the time of sale, an investor's shares may have a market price that is above or below the Fund's NAV.

**Prospectus:** For additional information on risks, please see the Fund's prospectus. The Fund may not be suitable for all investors.



October 31, 2016

**Value of a \$10,000 Investment Since Inception**



**The chart above represents historical performance of a hypothetical investment of \$10,000 over the life of the Fund, assuming reinvestment of distributions. Past performance does not guarantee future results.**

Management's Discussion of Fund Performance (unaudited) (continued)

October 31, 2016

**Supplemental Financial Data**

The information presented below regarding Distributable Cash Flow is supplemental non-GAAP financial information, which is meaningful to understanding the operating performance of the Fund. Distributable Cash Flow is the functional equivalent of EBITDA for non-investment companies. Management believes it is an important supplemental measure of performance. This information is supplemental, unaudited, and is not inclusive of required financial disclosures (such as Total Expense Ratio), and should be read in conjunction with our full financial statements.

|  | <u>Year ended<br/>Oct 31,<br/>2016</u> | <u>Year ended<br/>Oct 31,<br/>2015</u> |
|--|--|--|
| <b>Investment Income</b>   |  |  |
| Distributions from master limited partnerships .....                       | \$ 4,391,084                           | \$ 912,154                             |
| Dividend income .....  | 354,815                                | 100,421                                |
| Net realized gain (loss) from written and purchased option contracts ..... | <u>3,057,069</u>                       | <u>725,192</u>                         |
| Total Investment Income .....  | <u>7,802,968</u>                       | <u>1,737,767</u>                       |
| <b>Operating Expenses</b>  |  |  |
| Sub-advisory Fees .....  | 515,252                                | 118,905                                |
| Franchise Tax Expense .....  | <u>—</u>                               | <u>613</u>                             |
| Total .....  | <u>515,252</u>                         | <u>119,518</u>                         |
| Distributable cash flow before leverage costs .....                        | 7,287,716                              | 1,618,249                              |
| Interest expense .....   | <u>339,703</u>                         | <u>25,361</u>                          |
| <b>Distributable Cash Flow</b> .....                                       | <u>\$ 6,948,013</u>                    | <u>\$1,592,888</u>                     |
| <b>Distributions to Shareholders</b> .....                                 | <u>\$11,752,009</u>                    | <u>\$1,506,258</u>                     |
| <b>Dividend Coverage Ratio</b> .....                                       | 60%                                    | 106%                                   |

|  | <u>Qtr ended<br/>Oct 31,<br/>2016</u> | <u>Qtr ended<br/>Jul 31,<br/>2016</u> | <u>Qtr ended<br/>Apr 30,<br/>2016</u> | <u>Qtr ended<br/>Jan 31,<br/>2016</u> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>Investment Income</b>   |                                       |                                       |                                       |                                       |
| Distributions from master limited partnerships .....                       | \$2,050,954                           | \$1,212,867                           | \$ 719,550                            | \$ 407,714                            |
| Dividend income .....  | 69,622                                | 146,701                               | 102,006                               | 36,486                                |
| Net realized gain (loss) from written and purchased option contracts ..... | <u>1,967,619</u>                      | <u>643,630</u>                        | <u>199,030</u>                        | <u>246,790</u>                        |
| Total Investment Income .....  | <u>4,088,195</u>                      | <u>2,003,197</u>                      | <u>1,020,586</u>                      | <u>690,990</u>                        |
| <b>Operating Expenses</b>  |                                       |                                       |                                       |                                       |
| Sub-advisory Fees .....  | 252,674                               | 155,745                               | 65,022                                | 41,811                                |
| Distributable cash flow before leverage costs .....                        | 3,835,520                             | 1,847,452                             | 955,565                               | 649,179                               |
| Interest expense .....   | <u>196,881</u>                        | <u>107,949</u>                        | <u>22,646</u>                         | <u>12,227</u>                         |
| <b>Distributable Cash Flow</b> .....                                       | <u>\$3,638,639</u>                    | <u>\$1,739,503</u>                    | <u>\$ 932,919</u>                     | <u>\$ 636,952</u>                     |
| <b>Distributions to Shareholders</b> .....                                 | <u>\$5,434,003</u>                    | <u>\$3,614,002</u>                    | <u>\$1,820,002</u>                    | <u>\$ 884,002</u>                     |
| <b>Dividend Coverage Ratio</b> .....                                       | 68%                                   | 48%                                   | 51%                                   | 72%                                   |

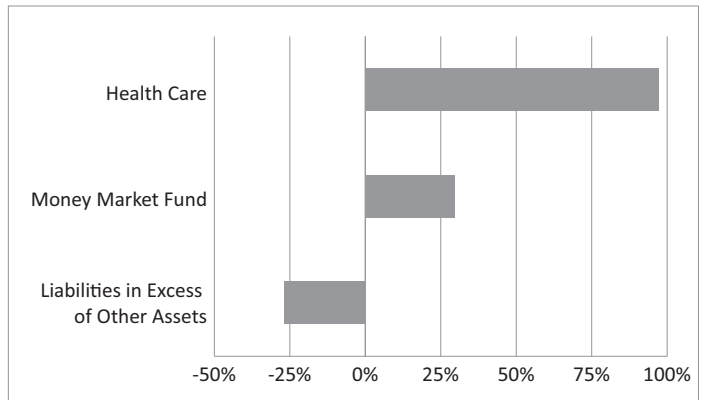
## Portfolio Composition

October 31, 2016 (unaudited)

Asset Allocation as of 10/31/2016 (based on net assets)

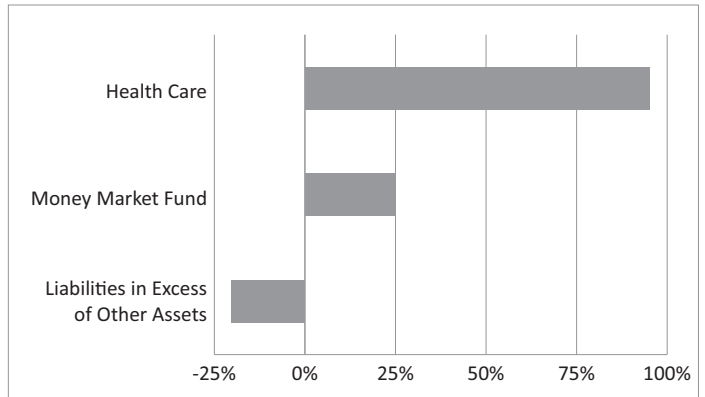
### BioShares Biotechnology Clinical Trials Fund

|   |                    |
|---|--------------------|
| Health Care .....                           | 97.2%              |
| Money Market Fund .....                     | 29.6%              |
| Liabilities in Excess of Other Assets ..... | (26.8)%            |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



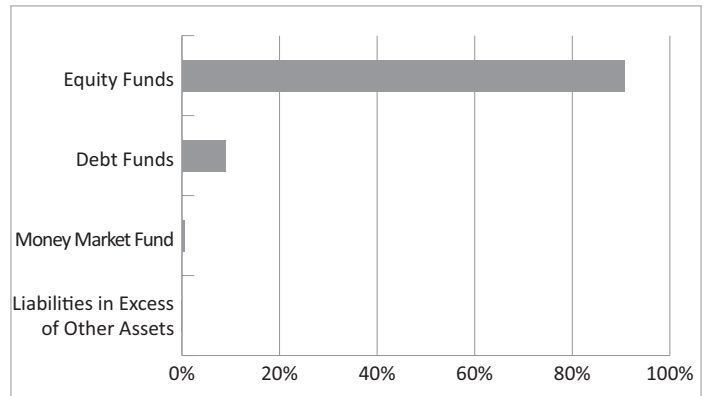
### BioShares Biotechnology Products Fund

|   |                    |
|---|--------------------|
| Health Care .....                           | 95.2%              |
| Money Market Fund .....                     | 25.0%              |
| Liabilities in Excess of Other Assets ..... | (20.2)%            |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



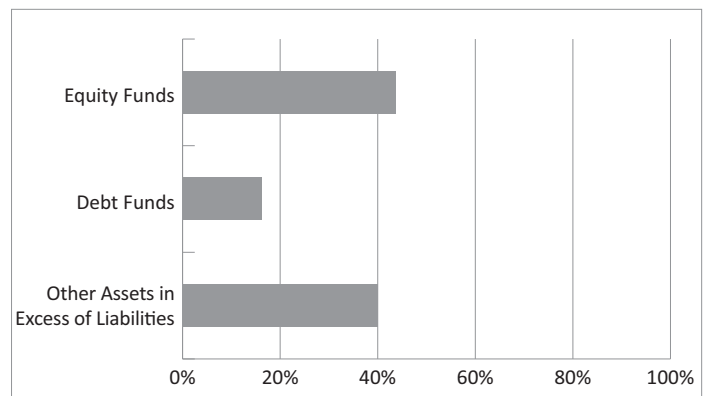
### iSectors Post-MPT Growth ETF

|   |                    |
|---|--------------------|
| Equity Funds .....                          | 90.7%              |
| Debt Fund .....                             | 8.9%               |
| Money Market Fund .....                     | 0.5%               |
| Liabilities in Excess of Other Assets ..... | (0.1)%             |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



### Tuttle Tactical Management Multi-Strategy Income ETF

|   |                    |
|---|--------------------|
| Equity Funds .....                          | 43.7%              |
| Debt Funds .....                            | 16.2%              |
| Other Assets in Excess of Liabilities ..... | 40.1%              |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



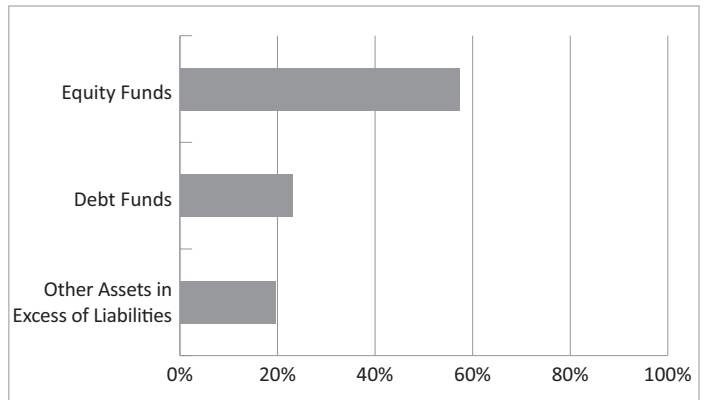
Portfolio Composition (continued)

October 31, 2016 (unaudited)

Asset Allocation as of 10/31/2016 (based on net assets)

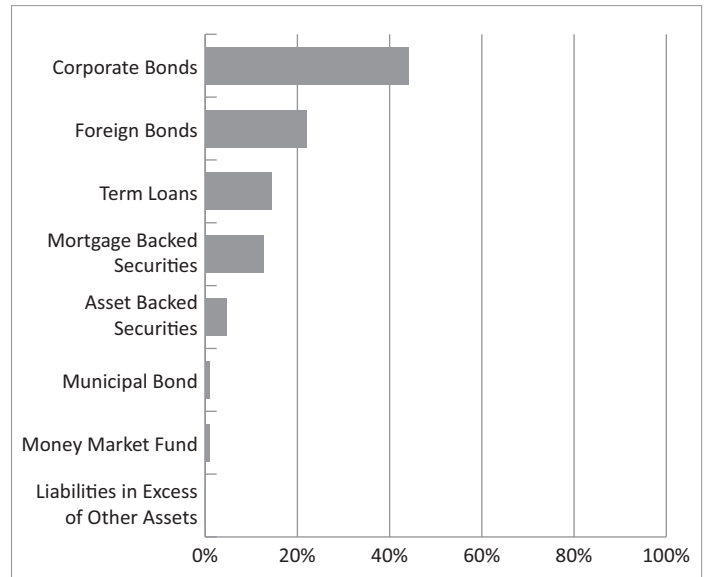
**Tuttle Tactical Management U.S. Core ETF**

|   |                    |
|---|--------------------|
| Equity Funds .....                          | 57.3%              |
| Debt Fund .....                             | 23.1%              |
| Other Assets in Excess of Liabilities ..... | 19.6%              |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



**Virtus Newfleet Multi-Sector Unconstrained Bond ETF**

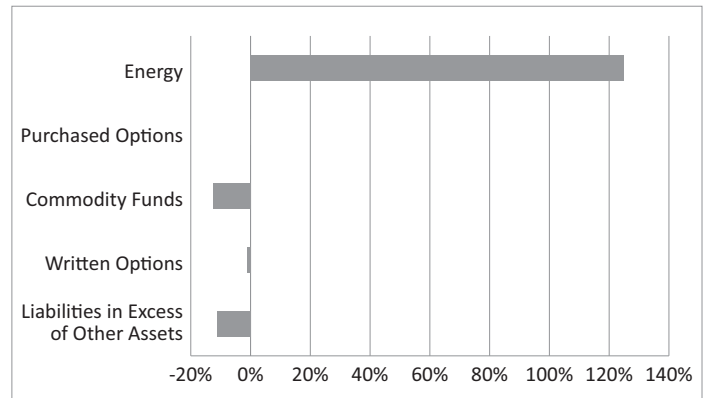
|   |                    |
|---|--------------------|
| Corporate Bonds .....                       | 44.1%              |
| Foreign Bonds .....                         | 22.0%              |
| Term Loans .....                            | 14.5%              |
| Mortgage Backed Securities .....            | 12.7%              |
| Asset Backed Securities .....               | 4.7%               |
| Municipal Bond .....                        | 1.0%               |
| Money Market Fund .....                     | 1.0%               |
| Liabilities in Excess of Other Assets ..... | (0.0)%*            |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



\* Amount rounds to less than 0.05%.

**InfraCap MLP ETF**

|   |                    |
|---|--------------------|
| Energy .....                                | 125.0%             |
| Purchased Options .....                     | 0.2%               |
| Commodity Funds .....                       | (12.7)%            |
| Written Options .....                       | (1.2)%             |
| Liabilities in Excess of Other Assets ..... | (11.3)%            |
| <b>Total .....</b>                          | <b><u>100%</u></b> |



## Shareholder Expense Examples (unaudited)

As a shareholder of a Fund, you incur ongoing costs, including advisory fees and other fund expenses, if any. The following example is intended to help you understand your ongoing costs (in dollars and cents) of investing in a Fund and to compare these costs with the ongoing costs of investing in other funds. The examples are based on an investment of \$1,000 invested at the beginning of the period and held throughout the entire period (May 1, 2016 to October 31, 2016).

### Actual expenses

The first line under each Fund in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line for your Fund under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

### Hypothetical example for comparison purposes

The second line under each Fund in the table provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not each Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in each Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of Fund shares. Therefore, the second line under each Fund in the table is useful in comparing ongoing Fund costs only and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

|   | Beginning<br>Account<br>Value<br>05/01/16 | Ending<br>Account<br>Value<br>10/31/16 | Annualized<br>Expense Ratios <sup>(2)</sup> | Expenses Paid<br>During the<br>Period |
|---|---|--|---|---------------------------------------|
| <b>BioShares Biotechnology Clinical Trials Fund</b>         |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$ 914.60                              | 0.85%                                       | \$4.09 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,020.86                             | 0.85%                                       | \$4.32 <sup>(5)</sup>                 |
| <b>BioShares Biotechnology Products Fund</b>                |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$1,119.30                             | 0.85%                                       | \$4.53 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,020.86                             | 0.85%                                       | \$4.32 <sup>(5)</sup>                 |
| <b>iSectors Post-MPT Growth ETF</b>                         |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$ 937.50                              | 0.95%                                       | \$1.91 <sup>(4)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,020.36                             | 0.95%                                       | \$4.82 <sup>(5)</sup>                 |
| <b>Tuttle Tactical Management Multi-Strategy Income ETF</b> |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$ 998.60                              | 0.90%                                       | \$4.52 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,020.61                             | 0.90%                                       | \$4.57 <sup>(5)</sup>                 |
| <b>Tuttle Tactical Management U.S. Core ETF</b>             |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$ 980.80                              | 0.90%                                       | \$4.48 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,020.61                             | 0.90%                                       | \$4.57 <sup>(5)</sup>                 |
| <b>Virtus Newfleet Multi-Sector Unconstrained Bond ETF</b>  |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$1,045.90                             | 0.80%                                       | \$4.11 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,021.11                             | 0.80%                                       | \$4.06 <sup>(5)</sup>                 |
| <b>InfraCap MLP ETF</b>                                     |   |  |   |                                       |
| Actual . . . . .  | \$1,000.00                                | \$1,126.60                             | 1.66%                                       | \$8.87 <sup>(3)</sup>                 |
| Hypothetical <sup>(1)</sup> . . . . .                       | \$1,000.00                                | \$1,016.79                             | 1.66%                                       | \$8.42 <sup>(5)</sup>                 |

1 Assuming 5% return before expenses.

2 Annualized expense ratios reflect expenses net of waived fees or reimbursed expenses, if applicable.

3 Expenses are calculated using each Fund’s annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

4 Actual expenses are calculated using the Fund’s annualized expense ratio, multiplied by the average account value for the period, multiplied by 76/366 (to reflect the period August 16, 2016 to October 31, 2016).

5 Hypothetical expenses are calculated using the Fund’s annualized expense ratio, multiplied by the average account value for the period, multiplied by 184/366 (to reflect the six-month period).

Schedule of Investments — BioShares Biotechnology Clinical Trials Fund

October 31, 2016

| Security Description                               | Shares | Value      | Security Description                            | Shares    | Value               |
|--|--------|------------|---|-----------|---------------------|
| <b>Common Stocks — 97.2%</b>                       |        |            | <b>Common Stocks (continued)</b>                |           |                     |
| <b>Health Care — 97.2%</b>                         |        |            |   |           |                     |
| Acceleron Pharma, Inc.* <sup>(1)</sup>             | 6,910  | \$ 193,687 | PTC Therapeutics, Inc.* <sup>(1)</sup>          | 34,849    | \$ 216,412          |
| Achillion Pharmaceuticals, Inc.* <sup>(1)</sup>    | 26,915 | 169,026    | Puma Biotechnology, Inc.* <sup>(1)</sup>        | 7,666     | 293,608             |
| Adaptimmune Therapeutics PLC* <sup>(1)(2)</sup>    | 26,974 | 117,337    | Radius Health, Inc.*                            | 6,986     | 299,839             |
| Aduro Biotech, Inc.* <sup>(1)</sup>                | 21,010 | 225,857    | Regulus Therapeutics, Inc.* <sup>(1)</sup>      | 46,269    | 127,240             |
| Advaxis, Inc.* <sup>(1)</sup>                      | 30,885 | 249,860    | Sage Therapeutics, Inc.* <sup>(1)</sup>         | 8,774     | 382,020             |
| Agenus, Inc.* <sup>(1)</sup>                       | 63,191 | 250,868    | Sangamo BioSciences, Inc.* <sup>(1)</sup>       | 41,249    | 146,434             |
| Agios Pharmaceuticals, Inc.* <sup>(1)</sup>        | 5,068  | 242,453    | Sarepta Therapeutics, Inc.*                     | 12,949    | 508,119             |
| Aimmune Therapeutics, Inc.* <sup>(1)</sup>         | 19,501 | 317,476    | Seres Therapeutics, Inc.* <sup>(1)</sup>        | 8,098     | 87,377              |
| Akebia Therapeutics, Inc.* <sup>(1)</sup>          | 29,590 | 222,517    | Sorrento Therapeutics, Inc.* <sup>(1)</sup>     | 40,438    | 232,519             |
| Alder Biopharmaceuticals, Inc.* <sup>(1)</sup>     | 8,582  | 208,113    | Spark Therapeutics, Inc.* <sup>(1)</sup>        | 5,281     | 248,260             |
| Alnylam Pharmaceuticals, Inc.* <sup>(1)</sup>      | 4,078  | 145,177    | Synergy Pharmaceuticals, Inc.* <sup>(1)</sup>   | 68,254    | 313,286             |
| Amicus Therapeutics, Inc.* <sup>(1)</sup>          | 40,705 | 280,864    | TG Therapeutics, Inc.* <sup>(1)</sup>           | 35,297    | 188,839             |
| Applied Genetic Technologies Corp.* <sup>(1)</sup> | 16,223 | 115,994    | Trevena, Inc.*                                  | 38,367    | 187,231             |
| Array BioPharma, Inc.* <sup>(1)</sup>              | 75,100 | 428,070    | Ultragenyx Pharmaceutical, Inc.* <sup>(1)</sup> | 4,050     | 238,910             |
| Arrowhead Pharmaceuticals, Inc.* <sup>(1)</sup>    | 43,272 | 250,978    | uniQure N.V. (Netherlands)* <sup>(1)</sup>      | 26,511    | 180,010             |
| Atara Biotherapeutics, Inc.* <sup>(1)</sup>        | 12,651 | 161,933    | Xencor, Inc.*                                   | 17,649    | 375,747             |
| Avexis, Inc.*                                      | 5,869  | 278,777    | ZIOPHARM Oncology, Inc.* <sup>(1)</sup>         | 40,175    | 228,194             |
| Axovant Sciences Ltd.*                             | 19,065 | 234,690    |   |           |                     |
| BeiGene Ltd. (China)* <sup>(1)(2)</sup>            | 8,344  | 277,355    | <b>Total Common Stocks</b>                      |           | <b>17,535,990</b>   |
| Bellicum Pharmaceuticals, Inc.* <sup>(1)</sup>     | 20,302 | 336,201    | (Cost \$26,338,208)                             |           |                     |
| BioCryst Pharmaceuticals, Inc.* <sup>(1)</sup>     | 84,907 | 343,873    |   |           |                     |
| Bluebird Bio, Inc.* <sup>(1)</sup>                 | 6,165  | 294,379    | <b>SECURITIES LENDING COLLATERAL — 29.6%</b>    |           |                     |
| Blueprint Medicines Corp.* <sup>(1)</sup>          | 13,046 | 391,119    | <b>Money Market Fund — 29.6%</b>                |           |                     |
| Celldex Therapeutics, Inc.* <sup>(1)</sup>         | 59,537 | 187,542    | Dreyfus Government Cash                         |           |                     |
| Cempra, Inc.* <sup>(1)</sup>                       | 13,284 | 240,772    | Management Fund 0.28% <sup>(3)(4)</sup>         |           |                     |
| Clovis Oncology, Inc.* <sup>(1)</sup>              | 17,865 | 519,514    | (Cost \$5,352,399)                              | 5,352,399 | <b>5,352,399</b>    |
| Concert Pharmaceuticals, Inc.* <sup>(1)</sup>      | 20,939 | 161,649    |   |           |                     |
| Cytokinetics, Inc.* <sup>(1)</sup>                 | 29,379 | 284,976    | <b>TOTAL INVESTMENTS — 126.8%</b>               |           | <b>22,888,389</b>   |
| Dynavax Technologies Corp.* <sup>(1)</sup>         | 17,302 | 160,043    | (Cost \$31,690,607)                             |           |                     |
| Epizyme, Inc.* <sup>(1)</sup>                      | 21,750 | 196,838    | Liabilities in Excess of Other Assets — (26.8)% |           | (4,842,948)         |
| Esperion Therapeutics, Inc.*                       | 15,540 | 160,062    |   |           |                     |
| FibroGen, Inc.*                                    | 14,866 | 246,032    | <b>Net Assets — 100.0%</b>                      |           | <b>\$18,045,441</b> |
| Five Prime Therapeutics, Inc.* <sup>(1)</sup>      | 5,837  | 283,270    |   |           |                     |
| Geron Corp.* <sup>(1)</sup>                        | 91,851 | 169,924    |   |           |                     |
| Global Blood Therapeutics, Inc.* <sup>(1)</sup>    | 11,710 | 204,340    |   |           |                     |
| Ignyta, Inc.* <sup>(1)</sup>                       | 44,599 | 222,995    |   |           |                     |
| ImmunoGen, Inc.* <sup>(1)</sup>                    | 70,796 | 128,849    |   |           |                     |
| Immunomedics, Inc.* <sup>(1)</sup>                 | 81,010 | 186,323    |   |           |                     |
| Inovio Pharmaceuticals, Inc.* <sup>(1)</sup>       | 24,058 | 155,655    |   |           |                     |
| Insmed, Inc.*                                      | 24,536 | 318,477    |   |           |                     |
| Intra-Cellular Therapies, Inc.* <sup>(1)</sup>     | 6,443  | 79,893     |   |           |                     |
| Juno Therapeutics, Inc.* <sup>(1)</sup>            | 6,017  | 146,153    |   |           |                     |
| Karyopharm Therapeutics, Inc.* <sup>(1)</sup>      | 30,617 | 221,667    |   |           |                     |
| Kite Pharma, Inc.* <sup>(1)</sup>                  | 4,889  | 216,534    |   |           |                     |
| La Jolla Pharmaceutical Co.* <sup>(1)</sup>        | 14,291 | 250,093    |   |           |                     |
| Lexicon Pharmaceuticals, Inc.* <sup>(1)</sup>      | 17,649 | 261,735    |   |           |                     |
| Lion Biotechnologies, Inc.* <sup>(1)</sup>         | 32,726 | 204,538    |   |           |                     |
| Loxo Oncology, Inc.* <sup>(1)</sup>                | 10,231 | 213,419    |   |           |                     |
| MacroGenics, Inc.*                                 | 9,762  | 231,262    |   |           |                     |
| Minerva Neurosciences, Inc.* <sup>(1)</sup>        | 25,630 | 285,775    |   |           |                     |
| NantKwest, Inc.* <sup>(1)</sup>                    | 37,895 | 226,991    |   |           |                     |
| Neurocrine Biosciences, Inc.*                      | 5,324  | 233,031    |   |           |                     |
| NewLink Genetics Corp.*                            | 24,463 | 297,225    |   |           |                     |
| Novavax, Inc.* <sup>(1)</sup>                      | 37,550 | 57,076     |   |           |                     |
| OncoMed Pharmaceuticals, Inc.*                     | 20,269 | 183,840    |   |           |                     |
| Ophthotech Corp.* <sup>(1)</sup>                   | 4,702  | 168,426    |   |           |                     |
| Portola Pharmaceuticals, Inc.* <sup>(1)</sup>      | 9,735  | 176,982    |   |           |                     |
| Prothena Corp. PLC (Ireland)* <sup>(1)</sup>       | 5,509  | 263,440    |   |           |                     |

\* Non-income producing security.

- (1) All or a portion of the security was on loan. The aggregate market value of securities on loan was \$5,270,860; total market value of collateral held by the Fund was \$5,516,957. Market value of the collateral held includes non-cash U.S. Treasury securities has a value of \$164,558.
- (2) American Depositary Receipts.
- (3) The rate shown reflects the seven day yield as of October 31, 2016.
- (4) Represents securities purchased with cash collateral received for securities on loan.

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

# Schedule of Investments — BioShares Biotechnology Products Fund

October 31, 2016

| Security Description   | Shares    | Value                      |
|--|-----------|----------------------------|
| <b>Common Stocks — 95.2%</b>                                       |           |                            |
| <b>Health Care — 95.2%</b>   |           |                            |
| ACADIA Pharmaceuticals, Inc.*                                      | 15,878    | \$ 370,116                 |
| Acorda Therapeutics, Inc.*   | 24,177    | 427,933                    |
| Alexion Pharmaceuticals, Inc.*                                     | 4,745     | 619,222                    |
| Amgen, Inc.  | 4,071     | 574,662                    |
| Arena Pharmaceuticals, Inc.*                                       | 317,632   | 470,095                    |
| ARIAD Pharmaceuticals, Inc.* <sup>(1)</sup>                        | 75,645    | 659,624                    |
| Biogen, Inc.*  | 2,575     | 721,464                    |
| BioMarin Pharmaceutical, Inc.*                                     | 7,681     | 618,474                    |
| Celgene Corp.*   | 6,162     | 629,633                    |
| Enanta Pharmaceuticals, Inc.* <sup>(1)</sup>                       | 26,649    | 626,784                    |
| Exelixis, Inc.*  | 84,932    | 899,430                    |
| Gilead Sciences, Inc.  | 7,450     | 548,544                    |
| Halozyne Therapeutics, Inc.* <sup>(1)</sup>                        | 70,108    | 605,032                    |
| Incyte Corp.*  | 7,804     | 678,714                    |
| Intercept Pharmaceuticals, Inc.* <sup>(1)</sup>                    | 4,378     | 541,734                    |
| Ionis Pharmaceuticals, Inc.* <sup>(1)</sup>                        | 27,856    | 723,699                    |
| Ironwood Pharmaceuticals, Inc.*                                    | 48,372    | 617,710                    |
| Keryx Biopharmaceuticals, Inc.* <sup>(1)</sup>                     | 105,877   | 477,505                    |
| Ligand Pharmaceuticals, Inc.* <sup>(1)</sup>                       | 5,382     | 515,219                    |
| Medicines Co. (The)* <sup>(1)</sup>                                | 17,070    | 562,457                    |
| Merrimack Pharmaceuticals, Inc.* <sup>(1)</sup>                    | 100,090   | 522,470                    |
| Momenta Pharmaceuticals, Inc.*                                     | 55,093    | 614,287                    |
| Nektar Therapeutics* <sup>(1)</sup>                                | 41,365    | 512,926                    |
| Omeros Corp.*  | 55,936    | 458,675                    |
| PDL BioPharma, Inc.  | 198,901   | 640,461                    |
| Progenics Pharmaceuticals, Inc.* <sup>(1)</sup>                    | 135,340   | 680,760                    |
| Regeneron Pharmaceuticals, Inc.*                                   | 1,698     | 585,844                    |
| Retrophin, Inc.* <sup>(1)</sup>                                    | 37,593    | 708,628                    |
| Seattle Genetics, Inc.*  | 16,008    | 827,614                    |
| TESARO, Inc.* <sup>(1)</sup>                                       | 15,077    | 1,822,508                  |
| Theravance Biopharma, Inc.<br>(Cayman Islands)* <sup>(1)</sup>     | 27,829    | 699,343                    |
| United Therapeutics Corp.* <sup>(1)</sup>                          | 5,804     | 696,886                    |
| Vanda Pharmaceuticals, Inc.*                                       | 57,536    | 854,410                    |
| Vertex Pharmaceuticals, Inc.*                                      | 6,814     | 516,910                    |
| <b>Total Common Stocks</b><br>(Cost \$25,568,037)                  |           | <b><u>22,029,773</u></b>   |
| <b>SECURITIES LENDING COLLATERAL — 25.0%</b>                       |           |                            |
| <b>Money Market Fund — 25.0%</b>                                   |           |                            |
| Dreyfus Government Cash Management<br>Fund 0.28% <sup>(2)(3)</sup> | 5,769,958 | <b><u>5,769,958</u></b>    |
| <b>TOTAL INVESTMENTS — 120.2%</b><br>(Cost \$31,337,994)           |           | <b><u>27,799,731</u></b>   |
| Liabilities in Excess of Other Assets — (20.2)%                    |           | <u>(4,669,683)</u>         |
| <b>Net Assets — 100.0%</b>   |           | <b><u>\$23,130,048</u></b> |

\* Non-income producing security.

(1) All or a portion of the security was on loan. The aggregate market value of securities on loan was \$6,362,346; total market value of collateral held by the Fund was \$6,579,120. Market value of the collateral held includes non-cash U.S. Treasury securities has a value of \$809,162.

(2) The rate shown reflects the seven day yield as of October 31, 2016.

(3) Represents securities purchased with cash collateral received for securities on loan.

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

## Schedule of Investments — iSectors Post-MPT Growth ETF

October 31, 2016

| <u>Security Description</u>   | <u>Shares</u> | <u>Value</u>              |
|---|---------------|---------------------------|
| <b>Exchange Traded Funds — 99.6%</b>  |               |                           |
| <b>Equity Funds — 90.7%</b>   |               |                           |
| iShares North American Tech ETF .....   | 19,764        | \$2,428,403               |
| iShares U.S. Energy ETF .....   | 52,134        | 1,961,281                 |
| iShares U.S. Financials ETF .....   | 6,036         | 544,930                   |
| iShares U.S. Utilities ETF .....  | 21,824        | 2,696,792                 |
| ProShares Ultra Oil & Gas .....   | 13,800        | 494,040                   |
| Vanguard REIT ETF .....   | 4,251         | 347,562                   |
| <b>Total Equity Funds .....</b>   |               | <b><u>8,473,008</u></b>   |
| <b>Debt Fund — 8.9%</b>   |               |                           |
| iShares 20+ Year Treasury Bond ETF .....  | 6,336         | 831,600                   |
| <b>Total Exchange Traded Funds</b><br>(Cost \$9,379,508) .....  |               | <b><u>9,304,608</u></b>   |
| <b>Money Market Fund 0.5%</b>   |               |                           |
| BlackRock Liquidity Funds Treasury Trust Fund<br>Portfolio, Institutional Class 0.18% <sup>(1)</sup><br>(Cost \$43,915) ..... | 43,915        | 43,915                    |
| <b>TOTAL INVESTMENTS — 100.1%</b><br>(Cost \$9,423,423) .....   |               | <b><u>9,348,523</u></b>   |
| Liabilities in Excess of Other Assets — (0.1)% ..   |               | (13,287)                  |
| <b>Net Assets — 100.0%</b> .....  |               | <b><u>\$9,335,236</u></b> |

(1) The rate shown reflects the seven day yield as of October 31, 2016.

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



## Schedule of Investments — Tuttle Tactical Management Multi-Strategy Income ETF

October 31, 2016

| <u>Security Description</u>                             | <u>Shares</u> | <u>Value</u>               |
|---|---------------|----------------------------|
| <b>Exchange Traded Funds — 59.9%</b>                    |               |                            |
| <b>Equity Funds — 43.7%</b>                             |               |                            |
| ALPS Sector Dividend Dogs ETF .....                     | 38,274        | \$ 1,537,084               |
| iShares Select Dividend ETF .....                       | 15,432        | 1,297,060                  |
| iShares U.S. Real Estate ETF .....                      | 13,353        | 1,023,374                  |
| SPDR S&P 500 ETF Trust .....                            | 29,797        | 6,333,352                  |
| Wisdomtree Emerging Markets<br>High Dividend Fund ..... | 27,766        | 1,053,164                  |
| <b>Total Equity Funds .....</b>                         |               | <b><u>11,244,034</u></b>   |
| <b>Debt Funds — 16.2%</b>                               |               |                            |
| iShares 20+ Year Treasury Bond ETF .....                | 19,877        | 2,608,856                  |
| iShares JPMorgan USD Emerging<br>Markets Bond ETF ..... | 13,429        | 1,540,172                  |
| <b>Total Debt Funds .....</b>                           |               | <b><u>4,149,028</u></b>    |
| <b>TOTAL INVESTMENTS — 59.9%</b>                        |               |                            |
| (Cost \$15,409,446) .....                               |               | <b><u>15,393,062</u></b>   |
| Other Assets in Excess of Liabilities — 40.1% ..        |               | <u>10,321,495</u>          |
| <b>Net Assets — 100.0% .....</b>                        |               | <b><u>\$25,714,557</u></b> |

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

# Schedule of Investments — Tuttle Tactical Management U.S. Core ETF

October 31, 2016

| <u>Security Description</u>                      | <u>Shares</u> | <u>Value</u>               |
|--|---------------|----------------------------|
| <b>Exchange Traded Funds — 80.4%</b>             |               |                            |
| <b>Equity Funds — 57.3%</b>                      |               |                            |
| Financial Select Sector SPDR Fund .....          | 131,620       | \$ 2,598,179               |
| iPath S&P 500 VIX Short-Term Futures ETN* ..     | 24,361        | 831,684                    |
| iShares Russell 2000 ETF .....                   | 27,352        | 3,241,212                  |
| iShares U.S. Home Construction ETF .....         | 102,952       | 2,654,103                  |
| iShares U.S. Real Estate ETF .....               | 25,470        | 1,952,021                  |
| Powershares QQQ Trust Series 1 .....             | 44,260        | 5,177,977                  |
| SPDR S&P 500 ETF Trust .....                     | 98,131        | <u>20,857,744</u>          |
| <b>Total Equity Funds .....</b>                  |               | <b><u>37,312,920</u></b>   |
| <b>Debt Fund — 23.1%</b>                         |               |                            |
| iShares Short Treasury Bond ETF .....            | 136,456       | <u>15,070,201</u>          |
| <b>TOTAL INVESTMENTS — 80.4%</b>                 |               |                            |
| (Cost \$52,465,393) .....                        |               | <u>52,383,121</u>          |
| Other Assets in Excess of Liabilities — 19.6% .. |               | <u>12,800,352</u>          |
| <b>Net Assets — 100.0% .....</b>                 |               | <b><u>\$65,183,473</u></b> |

\* Non-income producing security.

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

Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF

October 31, 2016

| Investments   | Principal | Value      | Investments   | Principal  | Value      |
|---|-----------|------------|---|------------|------------|
| <b>CORPORATE BONDS — 44.1%</b>  |           |            | <b>CORPORATE BONDS (continued)</b>  |            |            |
| <b>Consumer Discretionary — 8.2%</b>  |           |            | <b>Consumer Staples — 2.1%</b>  |            |            |
| AMC Entertainment Holdings, Inc.,<br>5.88%, 11/15/26 <sup>(1)</sup> . . . . .   | \$ 95,000 | \$ 95,950  | Albertsons Cos. LLC / Safeway, Inc. /<br>New Albertson's, Inc. / Albertson's LLC,<br>5.75%, 03/15/25 <sup>(1)</sup> . . . . . | \$ 260,000 | \$ 257,319 |
| Beazer Homes USA, Inc., 5.75%, 06/15/19 . . . . .   | 185,000   | 191,937    | Dole Food Co., Inc., 7.25%, 05/01/19 <sup>(1)</sup> . . . . .   | 500,000    | 508,125    |
| Beazer Homes USA, Inc., 8.75%, 03/15/22 <sup>(1)</sup> . . . . .  | 140,000   | 149,100    | Flowers Foods, Inc., 3.50%, 10/01/26 . . . . .  | 225,000    | 221,472    |
| Boyd Gaming Corp., 6.88%, 05/15/23 . . . . .  | 600,000   | 645,000    | Pinnacle Foods Finance LLC / Pinnacle<br>Foods Finance Corp., 5.88%, 01/15/24 . . . . .                                       | 85,000     | 91,535     |
| Cablevision Systems Corp., 5.88%, 09/15/22 . . . . .  | 200,000   | 185,000    | Post Holdings, Inc., 5.00%, 08/15/26 <sup>(1)</sup> . . . . .   | 365,000    | 354,962    |
| Caesars Growth Properties Holdings LLC /<br>Caesars Growth Properties Finance, Inc.,<br>9.38%, 05/01/22 . . . . .             | 715,000   | 763,262    | Rite Aid Corp., 6.13%, 04/01/23 <sup>(1)</sup> . . . . .  | 600,000    | 636,372    |
| CBS Radio, Inc., 7.25%, 11/01/24 <sup>(1)</sup> . . . . .   | 35,000    | 36,444     | Safeway, Inc., 7.25%, 02/01/31 . . . . .  | 465,000    | 466,163    |
| Clear Channel Worldwide Holdings, Inc.,<br>Series B, 7.63%, 03/15/20 . . . . .  | 750,000   | 729,375    | Tops Holding LLC / Tops Markets II Corp.,<br>8.00%, 06/15/22 <sup>(1)</sup> . . . . .   | 500,000    | 442,500    |
| Cooper-Standard Automotive, Inc.,<br>5.63%, 11/15/26 <sup>(1)</sup> . . . . .   | 310,000   | 311,937    | US Foods, Inc., 5.88%, 06/15/24 <sup>(1)</sup> . . . . .  | 75,000     | 78,938     |
| Dana Financing Luxembourg Sarl,<br>6.50%, 06/01/26 <sup>(1)</sup> . . . . .   | 110,000   | 117,287    | Whole Foods Market, Inc., 5.20%, 12/03/25 <sup>(1)</sup> . . . . .  | 505,000    | 544,890    |
| Delphi Automotive PLC, 3.15%, 11/19/20 . . . . .  | 480,000   | 495,147    | Total Consumer Staples . . . . .  |            | 3,602,276  |
| Diamond Resorts International, Inc.,<br>7.75%, 09/01/23 <sup>(1)</sup> . . . . .  | 50,000    | 49,500     | <b>Energy — 5.5%</b>  |            |            |
| DISH DBS Corp., 5.00%, 03/15/23 . . . . .   | 580,000   | 572,750    | Antero Midstream Partners LP / Antero<br>Midstream Finance Corp., 5.38%, 09/15/24 <sup>(1)</sup> . . . . .                    | 330,000    | 333,094    |
| DISH DBS Corp., 7.75%, 07/01/26 . . . . .   | 35,000    | 38,522     | Callon Petroleum Co., 6.13%, 10/01/24 <sup>(1)</sup> . . . . .  | 205,000    | 211,662    |
| Hanesbrands, Inc., 4.88%, 05/15/26 <sup>(1)</sup> . . . . .   | 295,000   | 301,637    | Carrizo Oil & Gas, Inc., 6.25%, 04/15/23 . . . . .  | 950,000    | 990,375    |
| iHeartCommunications, Inc., 9.00%, 12/15/19 . . . . .   | 270,000   | 205,875    | Cheniere Corpus Christi Holdings LLC,<br>7.00%, 06/30/24 <sup>(1)</sup> . . . . .   | 650,000    | 692,250    |
| Landry's, Inc., 6.75%, 10/15/24 <sup>(1)</sup> . . . . .  | 170,000   | 173,825    | Continental Resources, Inc., 5.00%, 09/15/22 . . . . .  | 380,000    | 375,250    |
| Lennar Corp., 4.50%, 06/15/19 . . . . .   | 450,000   | 471,937    | Continental Resources, Inc., 4.50%, 04/15/23 . . . . .  | 230,000    | 220,225    |
| Lennar Corp., 4.88%, 12/15/23 . . . . .   | 145,000   | 149,713    | Diamondback Energy, Inc., 4.75%, 11/01/24 <sup>(1)</sup> . . . . .  | 60,000     | 60,075     |
| Live Nation Entertainment, Inc.,<br>4.88%, 11/01/24 <sup>(1)</sup> . . . . .  | 245,000   | 245,000    | Enbridge Energy Partners LP, 4.38%, 10/15/20 . . . . .  | 80,000     | 85,438     |
| M/I Homes, Inc., 6.75%, 01/15/21 . . . . .  | 290,000   | 306,675    | EnLink Midstream Partners LP, 4.85%, 07/15/26 . . . . .   | 75,000     | 76,572     |
| MDC Holdings, Inc., 5.50%, 01/15/24 . . . . .   | 640,000   | 676,800    | Gulfport Energy Corp., 6.00%, 10/15/24 <sup>(1)</sup> . . . . .   | 205,000    | 208,844    |
| MGM Growth Properties Operating<br>Partnership LP / MGP Finance<br>Co.-Issuer, Inc., 4.50%, 09/01/26 <sup>(1)</sup> . . . . . | 205,000   | 201,605    | Holly Energy Partners LP / Holly Energy<br>Finance Corp., 6.00%, 08/01/24 <sup>(1)</sup> . . . . .                            | 50,000     | 52,250     |
| MGM Resorts International, 4.63%, 09/01/26 . . . . .  | 445,000   | 430,538    | Kinder Morgan, Inc., 5.63%, 11/15/23 <sup>(1)</sup> . . . . .   | 600,000    | 664,957    |
| Newell Brands, Inc., 3.85%, 04/01/23 . . . . .  | 40,000    | 42,501     | Laredo Petroleum, Inc., 5.63%, 01/15/22 . . . . .   | 270,000    | 264,600    |
| Newell Brands, Inc., 5.00%, 11/15/23 . . . . .  | 180,000   | 193,381    | Newfield Exploration Co., 5.75%, 01/30/22 . . . . .   | 440,000    | 460,900    |
| Newell Brands, Inc., 4.20%, 04/01/26 . . . . .  | 55,000    | 59,496     | Parsley Energy LLC / Parsley Finance Corp.,<br>6.25%, 06/01/24 <sup>(1)</sup> . . . . .                                       | 685,000    | 722,675    |
| PetSmart, Inc., 7.13%, 03/15/23 <sup>(1)</sup> . . . . .  | 600,000   | 629,250    | QEP Resources, Inc., 5.25%, 05/01/23 . . . . .  | 595,000    | 587,562    |
| Pinnacle Entertainment, Inc., 5.63%, 05/01/24 <sup>(1)</sup> . . . . .  | 190,000   | 191,235    | Range Resources Corp., 5.00%, 03/15/23 <sup>(1)</sup> . . . . .   | 515,000    | 500,837    |
| PulteGroup, Inc., 5.50%, 03/01/26 . . . . .   | 450,000   | 470,250    | Regency Energy Partners LP / Regency<br>Energy Finance Corp., 5.00%, 10/01/22 . . . . .                                       | 530,000    | 569,507    |
| QVC, Inc., 5.13%, 07/02/22 . . . . .  | 600,000   | 629,583    | Rowan Cos., Inc., 5.40%, 12/01/42 . . . . .   | 400,000    | 272,000    |
| RCN Telecom Services LLC / RCN<br>Capital Corp., 8.50%, 08/15/20 <sup>(1)</sup> . . . . .                                     | 500,000   | 533,438    | Sunoco LP / Sunoco Finance Corp.,<br>6.38%, 04/01/23 . . . . .  | 1,075,000  | 1,104,563  |
| Sally Holdings LLC / Sally Capital, Inc.,<br>5.63%, 12/01/25 . . . . .  | 305,000   | 327,113    | Transocean, Inc., 9.00%, 07/15/23 <sup>(1)</sup> . . . . .  | 130,000    | 127,644    |
| Scientific Games International, Inc.,<br>7.00%, 01/01/22 <sup>(1)</sup> . . . . .   | 255,000   | 272,213    | Transocean, Inc., 6.80%, 03/15/38 . . . . .   | 630,000    | 417,375    |
| Signet UK Finance PLC, 4.70%, 06/15/24 . . . . .  | 500,000   | 486,345    | Whiting Petroleum Corp., 5.75%, 03/15/21 . . . . .  | 210,000    | 195,825    |
| Station Casinos LLC, 7.50%, 03/01/21 . . . . .  | 325,000   | 342,187    | Total Energy . . . . .  |            | 9,194,480  |
| Tenneco, Inc., 5.00%, 07/15/26 . . . . .  | 360,000   | 362,700    | <b>Financials — 8.7%</b>  |            |            |
| Toll Brothers Finance Corp., 5.88%, 02/15/22 . . . . .  | 600,000   | 663,000    | Air Lease Corp., 2.63%, 09/04/18 . . . . .  | 400,000    | 405,084    |
| Toll Brothers Finance Corp., 4.88%, 11/15/25 . . . . .  | 185,000   | 189,163    | Aircastle Ltd., 5.00%, 04/01/23 . . . . .   | 625,000    | 648,437    |
| TRI Pointe Group, Inc. / TRI Pointe<br>Homes, Inc., 4.38%, 06/15/19 . . . . .   | 150,000   | 154,125    | Ally Financial, Inc., 4.25%, 04/15/21 . . . . .   | 535,000    | 541,019    |
| TRI Pointe Group, Inc. / TRI Pointe<br>Homes, Inc., 5.88%, 06/15/24 . . . . .   | 600,000   | 624,750    | Ally Financial, Inc., 5.75%, 11/20/25 . . . . .   | 535,000    | 549,712    |
| Total Consumer Discretionary . . . . .  |           | 13,715,546 | Altice US Finance I Corp., 5.38%, 07/15/23 <sup>(1)</sup> . . . . .   | 410,000    | 422,812    |
|   |           |            | Aviation Capital Group Corp., 2.88%, 09/17/18 <sup>(1)</sup> . . . . .  | 190,000    | 193,566    |
|   |           |            | Aviation Capital Group Corp., 2.88%, 09/17/18 . . . . .   | 455,000    | 463,540    |
|   |           |            | Bank of New York Mellon Corp. (The),<br>Series E, 4.95%, perpetual <sup>(2)(3)</sup> . . . . .                                | 525,000    | 538,125    |
|   |           |            | Berkshire Hathaway, Inc., 2.75%, 03/15/23 . . . . .   | 70,000     | 72,162     |
|   |           |            | Berkshire Hathaway, Inc., 3.13%, 03/15/26 . . . . .   | 175,000    | 181,910    |

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

Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| Investments   | Principal  | Value             | Investments   | Principal  | Value            |
|---|------------|-------------------|---|------------|------------------|
| <b>CORPORATE BONDS (continued)</b>  |            |                   | <b>CORPORATE BONDS (continued)</b>  |            |                  |
| <b>Financials (continued)</b>   |            |                   | <b>Health Care (continued)</b>  |            |                  |
| Capital One Financial Corp., 4.20%, 10/29/25 ...  | \$ 460,000 | \$ 478,732        | Tenet Healthcare Corp., 8.13%, 04/01/22 .....   | \$ 330,000 | \$ 324,225       |
| Citigroup, Inc., Series T, 6.25%, perpetual <sup>(2)(3)</sup> ...                               | 710,000    | 765,309           | Universal Health Services, Inc.,<br>5.00%, 06/01/26 <sup>(1)</sup> .....                            | 200,000    | 208,000          |
| Compass Bank, 3.88%, 04/10/25 .....   | 500,000    | 487,718           | Valeant Pharmaceuticals International, Inc.,<br>6.75%, 08/15/18 <sup>(1)</sup> .....                | 550,000    | 533,500          |
| First Horizon National Corp., 3.50%, 12/15/20 ..  | 610,000    | 624,162           | Valeant Pharmaceuticals International, Inc.,<br>5.38%, 03/15/20 <sup>(1)</sup> .....                | 100,000    | 85,500           |
| Ford Motor Credit Co. LLC, 2.94%, 01/08/19 ...  | 200,000    | 204,168           | Zoetis, Inc., 3.45%, 11/13/20 .....   | 100,000    | 103,918          |
| Ford Motor Credit Co. LLC, 3.20%, 01/15/21 ...  | 750,000    | 767,082           | Total Health Care .....   |            | <u>7,650,685</u> |
| Ford Motor Credit Co. LLC, 4.39%, 01/08/26 ...  | 200,000    | 211,318           |   |            |                  |
| General Motors Financial Co., Inc.,<br>3.45%, 04/10/22 .....                                    | 650,000    | 658,137           | <b>Industrials — 4.0%</b>   |            |                  |
| Goldman Sachs Group, Inc. (The),<br>4.25%, 10/21/25 .....                                       | 525,000    | 550,538           | Advanced Disposal Services, Inc.,<br>8.25%, 10/01/20 .....  | 375,000    | 392,344          |
| Icahn Enterprises LP / Icahn Enterprises<br>Finance Corp., 5.88%, 02/01/22 .....                | 460,000    | 439,875           | Advanced Disposal Services, Inc.,<br>5.63%, 11/15/24 <sup>(1)</sup> .....                           | 65,000     | 65,487           |
| JPMorgan Chase & Co., Series V,<br>5.00%, perpetual <sup>(2)(3)</sup> .....                     | 305,000    | 298,233           | CEB, Inc., 5.63%, 06/15/23 <sup>(1)</sup> .....   | 430,000    | 419,787          |
| KeyCorp, Series D, 5.00%, perpetual <sup>(2)(3)</sup> .....                                     | 870,000    | 858,037           | Harland Clarke Holdings Corp.,<br>6.88%, 03/01/20 <sup>(1)</sup> .....                              | 370,000    | 356,125          |
| M&T Bank Corp., Series F, 5.13%,<br>perpetual <sup>(2)(3)</sup> .....                           | 200,000    | 202,000           | Hawaiian Airlines Pass-Through Certificates,<br>Class B, Series 2013-1, 4.95%, 01/15/22 .....       | 1,025,020  | 1,028,864        |
| Morgan Stanley, 4.35%, 09/08/26 .....   | 685,000    | 729,036           | Masco Corp., 5.95%, 03/15/22 .....  | 600,000    | 682,500          |
| Navient Corp., 7.25%, 09/25/23 .....  | 110,000    | 109,862           | Masco Corp., 4.38%, 04/01/26 .....  | 375,000    | 391,875          |
| OM Asset Management PLC, 4.80%, 07/27/26 ...  | 625,000    | 617,588           | Navistar International Corp., 8.25%, 11/01/21 ...   | 255,000    | 250,856          |
| Prudential Financial, Inc., 5.63%, 06/15/43 <sup>(2)</sup> ...                                  | 450,000    | 484,313           | NCI Building Systems, Inc., 8.25%, 01/15/23 <sup>(1)</sup> ..                                       | 350,000    | 384,563          |
| Santander Holdings USA, Inc., 2.70%, 05/24/19 ...   | 525,000    | 530,426           | Owens Corning, 3.40%, 08/15/26 .....  | 620,000    | 614,996          |
| SBA Tower Trust, 3.16%, 10/15/20 <sup>(1)</sup> .....   | 375,000    | 384,094           | Penske Truck Leasing Co. LP / PTL<br>Finance Corp., 3.38%, 02/01/22 <sup>(1)</sup> .....            | 500,000    | 517,475          |
| Springleaf Finance Corp., 5.25%, 12/15/19 .....   | 60,000     | 60,168            | Prime Security Services Borrower LLC /<br>Prime Finance, Inc., 9.25%, 05/15/23 <sup>(1)</sup> ..... | 300,000    | 318,870          |
| Teachers Insurance & Annuity Association<br>of America, 4.38%, 09/15/54 <sup>(1)(2)</sup> ..... | 550,000    | 560,313           | Standard Industries, Inc., 5.50%, 02/15/23 <sup>(1)</sup> .....                                     | 135,000    | 141,075          |
| Wells Fargo & Co., Series K, 7.98%,<br>perpetual <sup>(2)(3)</sup> .....                        | 500,000    | 521,875           | TransDigm, Inc., 6.00%, 07/15/22 .....  | 600,000    | 629,250          |
| Total Financials .....  |            | <u>14,559,351</u> | UAL Pass-Through Trust, Series 2007-1,<br>6.64%, 07/02/22 .....                                     | 467,040    | 499,149          |
|   |            |                   | Total Industrials .....   |            | <u>6,693,216</u> |
| <b>Health Care — 4.6%</b>   |            |                   | <b>Information Technology — 2.9%</b>  |            |                  |
| AbbVie, Inc., 3.60%, 05/14/25 .....   | 500,000    | 509,972           | Blackboard, Inc., 9.75%, 10/15/21 <sup>(1)</sup> .....  | 192,000    | 193,200          |
| Capsugel SA, 7.00%, 05/15/19 <sup>(1)(4)</sup> .....  | 351,000    | 351,176           | Diamond 1 Finance Corp. / Diamond 2<br>Finance Corp., 5.45%, 06/15/23 <sup>(1)</sup> .....          | 155,000    | 166,279          |
| Centene Corp., 5.63%, 02/15/21 .....  | 370,000    | 390,350           | Diamond 1 Finance Corp. / Diamond 2<br>Finance Corp., 7.13%, 06/15/24 <sup>(1)</sup> .....          | 75,000     | 82,239           |
| Centene Corp., 4.75%, 01/15/25 .....  | 170,000    | 170,000           | Diamond 1 Finance Corp. / Diamond 2<br>Finance Corp., 6.02%, 06/15/26 <sup>(1)</sup> .....          | 175,000    | 191,028          |
| CHS / Community Health Systems, Inc.,<br>5.13%, 08/01/21 .....                                  | 450,000    | 417,375           | Diamond 1 Finance Corp. / Diamond 2<br>Finance Corp., 8.10%, 07/15/36 <sup>(1)</sup> .....          | 170,000    | 202,662          |
| Double Eagle Acquisition Sub, Inc.,<br>7.50%, 10/01/24 <sup>(1)</sup> .....                     | 140,000    | 144,550           | Diamond 1 Finance Corp. / Diamond 2<br>Finance Corp., 8.35%, 07/15/46 <sup>(1)</sup> .....          | 140,000    | 170,293          |
| Endo Ltd. / Endo Finance LLC / Endo<br>Finco, Inc., 6.00%, 07/15/23 <sup>(1)</sup> .....        | 450,000    | 391,500           | First Data Corp., 5.00%, 01/15/24 <sup>(1)</sup> .....  | 1,220,000  | 1,239,825        |
| HCA, Inc., 6.50%, 02/15/20 .....  | 130,000    | 144,219           | Flex Ltd., 4.75%, 06/15/25 .....  | 480,000    | 516,977          |
| HCA, Inc., 5.25%, 06/15/26 .....  | 295,000    | 309,160           | Hewlett Packard Enterprise Co.,<br>2.70%, 10/05/17 <sup>(1)</sup> .....                             | 135,000    | 136,742          |
| HCA, Inc., 4.50%, 02/15/27 .....  | 440,000    | 435,600           | Hewlett Packard Enterprise Co.,<br>3.10%, 10/05/18 <sup>(1)</sup> .....                             | 130,000    | 132,977          |
| InVentiv Health, Inc., 9.00%, 01/15/18 <sup>(1)</sup> .....                                     | 150,000    | 152,156           | Hewlett Packard Enterprise Co.,<br>3.85%, 10/15/20 <sup>(1)</sup> .....                             | 25,000     | 26,514           |
| MEDNAX, Inc., 5.25%, 12/01/23 <sup>(1)</sup> .....  | 370,000    | 387,575           | Hewlett Packard Enterprise Co.,<br>5.15%, 10/15/25 <sup>(1)</sup> .....                             | 135,000    | 144,151          |
| MPH Acquisition Holdings LLC,<br>7.13%, 06/01/24 <sup>(1)</sup> .....                           | 35,000     | 37,534            | Inception Merger Sub, Inc. / Rackspace<br>Hosting, Inc., 8.63%, 11/15/24 <sup>(1)</sup> .....       | 415,000    | 416,556          |
| Mylan NV, 3.15%, 06/15/21 <sup>(1)</sup> .....  | 160,000    | 162,878           | Infor US, Inc., 6.50%, 05/15/22 .....   | 265,000    | 275,600          |
| Owens & Minor, Inc., 3.88%, 09/15/21 .....  | 625,000    | 643,068           |   |            |                  |
| Quorum Health Corp., 11.63%, 04/15/23 <sup>(1)</sup> .....                                      | 245,000    | 177,625           |   |            |                  |
| Shire Acquisitions Investments Ireland DAC,<br>2.40%, 09/23/21 .....                            | 70,000     | 69,564            |   |            |                  |
| Shire Acquisitions Investments Ireland DAC,<br>3.20%, 09/23/26 .....                            | 420,000    | 413,965           |   |            |                  |
| Surgery Center Holdings, Inc.,<br>8.88%, 04/15/21 <sup>(1)</sup> .....                          | 270,000    | 288,225           |   |            |                  |
| Team Health, Inc., 7.25%, 12/15/23 <sup>(1)</sup> .....   | 40,000     | 45,300            |   |            |                  |
| Tenet Healthcare Corp., 4.50%, 04/01/21 .....   | 750,000    | 753,750           |   |            |                  |

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

Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| Investments  | Principal  | Value      | Investments  | Principal  | Value      |
|--|------------|------------|--|------------|------------|
| <b>CORPORATE BONDS (continued)</b>                         |            |            | <b>CORPORATE BONDS (continued)</b>                       |            |            |
| <b>Information Technology (continued)</b>                  |            |            | <b>Utilities — 1.2%</b>                                  |            |            |
| Oracle Corp., 2.40%, 09/15/23                              | \$ 105,000 | \$ 104,831 | Calpine Corp., 5.38%, 01/15/23                           | \$ 365,000 | \$ 363,175 |
| Oracle Corp., 2.65%, 07/15/26                              | 365,000    | 361,096    | Dominion Resources, Inc., 2.96%, 07/01/19 <sup>(5)</sup> | 45,000     | 46,059     |
| Verisk Analytics, Inc., 4.00%, 06/15/25                    | 385,000    | 402,931    | Exelon Corp., 2.85%, 06/15/20                            | 385,000    | 396,612    |
| WESCO Distribution, Inc., 5.38%, 06/15/24 <sup>(1)</sup>   | 155,000    | 157,170    | NRG Energy, Inc., 7.25%, 05/15/26 <sup>(1)</sup>         | 375,000    | 370,312    |
| Total Information Technology                               |            | 4,921,071  | NRG Yield Operating LLC, 5.38%, 08/15/24                 | 345,000    | 353,625    |
|  |            |            | Southern Power Co., 4.15%, 12/01/25                      | 475,000    | 509,317    |
|  |            |            | Total Utilities  |            | 2,039,100  |
| <b>Materials — 2.1%</b>                                    |            |            | <b>Total Corporate Bonds</b>                             |            |            |
| AK Steel Corp., 7.50%, 07/15/23                            | 290,000    | 313,200    | (Cost \$71,669,833)                                      |            | 73,893,298 |
| Aleris International, Inc., 9.50%, 04/01/21 <sup>(1)</sup> | 450,000    | 484,875    | <b>FOREIGN BONDS — 22.0%</b>                             |            |            |
| Berry Plastics Corp., 6.00%, 10/15/22                      | 500,000    | 532,185    | <b>Consumer Discretionary — 1.7%</b>                     |            |            |
| Boise Cascade Co., 5.63%, 09/01/24 <sup>(1)</sup>          | 355,000    | 360,769    | Altice Luxembourg SA, 7.75%,                             |            |            |
| Freeport-McMoRan, Inc., 3.55%, 03/01/22                    | 295,000    | 271,400    | 05/15/22 (Luxembourg) <sup>(1)</sup>                     | 500,000    | 528,125    |
| Freeport-McMoRan, Inc., 3.88%, 03/15/23                    | 190,000    | 173,850    | Grupo Televisa Sab, 4.63%, 01/30/26 (Mexico)             | 415,000    | 443,669    |
| Graphic Packaging International, Inc.,                     |            |            | SFR Group SA, 6.00%, 05/15/22 (France) <sup>(1)</sup>    | 710,000    | 728,638    |
| 4.13%, 08/15/24  | 460,000    | 458,850    | SFR Group SA, 7.38%, 05/01/26 (France) <sup>(1)</sup>    | 585,000    | 591,581    |
| Novelis Corp., 6.25%, 08/15/24 <sup>(1)</sup>              | 50,000     | 52,125     | Ziggo Secured Finance BV, 5.50%,                         |            |            |
| Novelis Corp., 5.88%, 09/30/26 <sup>(1)</sup>              | 530,000    | 537,950    | 01/15/27 (Netherlands) <sup>(1)</sup>                    | 520,000    | 512,038    |
| Standard Industries, Inc., 6.00%, 10/15/25 <sup>(1)</sup>  | 245,000    | 262,750    | Total Consumer Discretionary                             |            | 2,804,051  |
| Total Materials  |            | 3,447,954  | <b>Energy — 3.3%</b>                                     |            |            |
|  |            |            | Alberta Energy Co. Ltd., 8.13%,                          |            |            |
| <b>Real Estate — 2.8%</b>                                  |            |            | 09/15/30 (Canada)  | 305,000    | 367,420    |
| Alexandria Real Estate Equities, Inc.,                     |            |            | Ecopetrol SA, 5.88%, 09/18/23 (Colombia)                 | 440,000    | 473,000    |
| 3.95%, 01/15/27  | 215,000    | 224,829    | EnCana Corp., 3.90%, 11/15/21 (Canada)                   | 395,000    | 400,648    |
| Corrections Corp. of America, 5.00%, 10/15/22              | 405,000    | 367,537    | Equate Petrochemical BV, 4.25%,                          |            |            |
| Digital Realty Trust LP, 3.40%, 10/01/20                   | 645,000    | 669,647    | 11/03/26 (Kuwait) <sup>(1)</sup>                         | 515,000    | 508,563    |
| Kilroy Realty LP, 4.38%, 10/01/25                          | 500,000    | 534,634    | KazMunayGas National Co. JSC, 6.38%,                     |            |            |
| Kimco Realty Corp., 3.40%, 11/01/22                        | 395,000    | 414,058    | 04/09/21 (Kazakhstan) <sup>(1)</sup>                     | 430,000    | 473,837    |
| MPT Operating Partnership LP / MPT                         |            |            | Petrobras Global Finance BV, 8.38%,                      |            |            |
| Finance Corp., 6.38%, 03/01/24                             | 205,000    | 221,912    | 05/23/21 (Brazil)  | 390,000    | 432,042    |
| MPT Operating Partnership LP / MPT                         |            |            | Petrobras Global Finance BV, 8.75%,                      |            |            |
| Finance Corp., 5.25%, 08/01/26                             | 30,000     | 30,675     | 05/23/26 (Brazil)  | 610,000    | 688,690    |
| National Retail Properties, Inc.,                          |            |            | Petroleos Mexicanos, 4.88%,                              |            |            |
| 4.00%, 11/15/25  | 185,000    | 196,510    | 01/24/22 (Mexico)  | 430,000    | 440,664    |
| Select Income REIT, 4.15%, 02/01/22                        | 540,000    | 546,947    | Petroleos Mexicanos, 6.88%,                              |            |            |
| Sovran Acquisition LP, 3.50%, 07/01/26                     | 220,000    | 221,156    | 08/04/26 (Mexico) <sup>(1)</sup>                         | 315,000    | 352,926    |
| Ventas Realty LP, 4.13%, 01/15/26                          | 450,000    | 480,216    | Petroleos Mexicanos, 6.50%,                              |            |            |
| Welltower, Inc., 4.25%, 04/01/26                           | 600,000    | 641,648    | 06/02/41 (Mexico)  | 195,000    | 190,515    |
| WP Carey, Inc., 4.25%, 10/01/26                            | 220,000    | 222,542    | Southern Gas Corridor CJSC, 6.88%,                       |            |            |
| Total Real Estate  |            | 4,772,311  | 03/24/26 (Azerbaijan) <sup>(1)</sup>                     | 445,000    | 502,757    |
|  |            |            | YPF SA, 8.50%, 03/23/21 (Argentina) <sup>(1)</sup>       | 615,000    | 677,853    |
| <b>Telecommunication Services — 2.0%</b>                   |            |            | Total Energy   |            | 5,508,915  |
| CenturyLink, Inc., Series T, 5.80%, 03/15/22               | 200,000    | 203,750    | <b>Financials — 3.6%</b>                                 |            |            |
| Crown Castle International Corp.,                          |            |            | AerCap Ireland Capital Ltd. / AerCap                     |            |            |
| 4.88%, 04/15/22  | 160,000    | 176,928    | Global Aviation Trust, 4.63%,                            |            |            |
| Crown Castle International Corp.,                          |            |            | 10/30/20 (Netherlands)                                   | 375,000    | 395,625    |
| 3.70%, 06/15/26  | 30,000     | 30,801     | AerCap Ireland Capital Ltd. / AerCap                     |            |            |
| CSC Holdings LLC, 10.13%, 01/15/23 <sup>(1)</sup>          | 400,000    | 452,000    | Global Aviation Trust, 4.50%,                            |            |            |
| CSC Holdings LLC, 5.50%, 04/15/27 <sup>(1)</sup>           | 250,000    | 254,218    | 05/15/21 (Netherlands)                                   | 600,000    | 625,200    |
| Frontier Communications Corp.,                             |            |            | Australia & New Zealand Banking                          |            |            |
| 10.50%, 09/15/22   | 565,000    | 589,719    | Group Ltd., 4.40%, 05/19/26 (Australia) <sup>(1)</sup>   | 890,000    | 930,604    |
| Qwest Corp., 7.25%, 09/15/25                               | 245,000    | 267,688    | Banco de Bogota SA, 6.25%,                               |            |            |
| Sprint Communications, Inc., 6.00%, 11/15/22               | 700,000    | 652,750    | 05/12/26 (Colombia) <sup>(1)</sup>                       | 475,000    | 491,625    |
| T-Mobile USA, Inc., 6.38%, 03/01/25                        | 155,000    | 166,529    | Banco Nacional de Comercio Exterior SNC,                 |            |            |
| T-Mobile USA, Inc., 6.50%, 01/15/26                        | 155,000    | 171,275    | 4.38%, 10/14/25 (Mexico) <sup>(1)</sup>                  | 400,000    | 414,960    |
| Zayo Group LLC / Zayo Capital, Inc.,                       |            |            |  |            |            |
| 6.38%, 05/15/25  | 330,000    | 331,650    |  |            |            |
| Total Telecommunication Services                           |            | 3,297,308  |  |            |            |

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

Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| Investments   | Principal  | Value      |
|---|------------|------------|
| <b>FOREIGN BONDS (continued)</b>  |            |            |
| <b>Financials (continued)</b>   |            |            |
| Guanay Finance Ltd., 6.00%,<br>12/15/20 (Chile) <sup>(1)</sup> .....                                  | \$ 870,529 | \$ 893,381 |
| HSBC Holdings PLC, 3.60%,<br>05/25/23 (United Kingdom) .....  | 350,000    | 361,993    |
| ICICI Bank Ltd. / Dubai, 4.00%,<br>03/18/26 (India) <sup>(1)</sup> .....                              | 335,000    | 341,247    |
| Societe Generale SA, 4.75%,<br>11/24/25 (France) <sup>(1)</sup> .....                                 | 765,000    | 789,471    |
| Toronto-Dominion Bank (The), 3.63%,<br>09/15/31 (Canada) <sup>(2)</sup> .....                         | 245,000    | 245,111    |
| UBS Group Funding Jersey Ltd., 2.65%,<br>02/01/22 (Switzerland) <sup>(1)</sup> .....                  | 525,000    | 523,752    |
| Woodside Finance Ltd., 3.70%,<br>09/15/26 (Australia) <sup>(1)</sup> .....                            | 115,000    | 114,938    |
| Total Financials .....  |            | 6,127,907  |
| <b>Government — 6.3%</b>  |            |            |
| Argentine Republic Government International<br>Bond, 6.88%, 04/22/21 (Argentina) <sup>(1)</sup> ..... | 450,000    | 488,025    |
| Argentine Republic Government International<br>Bond, 7.50%, 04/22/26 (Argentina) <sup>(1)</sup> ..... | 620,000    | 678,900    |
| Argentine Republic Government International<br>Bond, 7.13%, 07/06/36 (Argentina) <sup>(1)</sup> ..... | 885,000    | 914,648    |
| Argentine Republic Government International<br>Bond, 7.63%, 04/22/46 (Argentina) <sup>(1)</sup> ..... | 245,000    | 268,152    |
| Bahrain Government International Bond,<br>7.00%, 10/12/28 (Bahrain) <sup>(1)</sup> .....              | 600,000    | 619,500    |
| City of Buenos Aires Argentina, 7.50%,<br>06/01/27 (Argentina) <sup>(1)</sup> .....                   | 315,000    | 340,200    |
| Dominican Republic International Bond,<br>6.88%, 01/29/26 (Dominican Republic) <sup>(1)</sup> .....   | 590,000    | 649,000    |
| Jordan Government International Bond,<br>5.75%, 01/31/27 (Jordan) <sup>(1)</sup> .....                | 685,000    | 682,466    |
| Mexico Government International Bond,<br>4.75%, 03/08/44 (Mexico) .....                               | 890,000    | 890,000    |
| Oman Government International Bond,<br>4.75%, 06/15/26 (Oman) <sup>(1)</sup> .....                    | 880,000    | 889,900    |
| Provincia De Buenos Aire, 9.13%,<br>03/16/24 (Argentina) .....  | 905,000    | 1,004,550  |
| Provincia de Buenos Aires / Argentina,<br>7.88%, 06/15/27 (Argentina) <sup>(1)</sup> .....            | 880,000    | 906,400    |
| Saudi Government International Bond,<br>2.38%, 10/26/21 (Saudi Arabia) <sup>(1)</sup> .....           | 345,000    | 344,250    |
| Saudi Government International Bond,<br>3.25%, 10/26/26 (Saudi Arabia) <sup>(1)</sup> .....           | 365,000    | 360,270    |
| Sri Lanka Government International Bond,<br>6.85%, 11/03/25 (Sri Lanka) <sup>(1)</sup> .....          | 900,000    | 950,707    |
| Turkey Government International Bond,<br>4.88%, 10/09/26 (Turkey) .....                               | 600,000    | 599,654    |
| Total Government .....  |            | 10,586,622 |
| <b>Health Care — 0.5%</b>   |            |            |
| Concordia International Corp., 9.00%,<br>04/01/22 (Canada) <sup>(1)</sup> .....                       | 105,000    | 101,981    |
| Fresenius US Finance II, Inc., 4.50%,<br>01/15/23 (Germany) <sup>(1)</sup> .....                      | 145,000    | 151,888    |
| Teva Pharmaceutical Finance Netherlands III BV,<br>2.80%, 07/21/23 (Israel) .....                     | 110,000    | 108,403    |
| Teva Pharmaceutical Finance Netherlands III BV,<br>3.15%, 10/01/26 (Israel) .....                     | 435,000    | 424,218    |
| Total Health Care .....   |            | 786,490    |

| Investments  | Principal   | Value        |
|--|-------------|--------------|
| <b>FOREIGN BONDS (continued)</b>   |             |              |
| <b>Industrials — 2.0%</b>  |             |              |
| Air Canada Pass Through Trust, Class B,<br>Series 2013-1, 5.38%, 05/15/21 (Canada) <sup>(1)</sup> .....                                      | \$1,615,873 | \$ 1,694,647 |
| Bombardier, Inc., 4.75%, 04/15/19 (Canada) .....   | 620,000     | 620,000      |
| British Airways Pass-Through Trust, Class B,<br>Series 2013-1, 5.63%, 06/20/20<br>(United Kingdom) <sup>(1)</sup> .....                      | 243,112     | 255,267      |
| Cemex Finance LLC, 6.00%,<br>04/01/24 (Mexico) <sup>(1)</sup> .....  | 535,000     | 555,062      |
| Scf Capital Ltd., 5.38%, 06/16/23 (Russia) <sup>(1)</sup> .....  | 240,000     | 249,556      |
| Total Industrials .....  |             | 3,374,532    |
| <b>Information Technology — 0.2%</b>   |             |              |
| Nxp BV / Nxp Funding LLC, 4.63%,<br>06/01/23 (Netherlands) <sup>(1)</sup> .....  | 365,000     | 400,588      |
| <b>Materials — 2.8%</b>  |             |              |
| ArcelorMittal, 6.13%, 06/01/25 (Luxembourg) ...  | 510,000     | 561,000      |
| Ardagh Packaging Finance PLC /<br>Ardagh Holdings USA, Inc., 7.25%,<br>05/15/24 (Ireland) <sup>(1)</sup> .....                               | 395,000     | 418,700      |
| BHP Billiton Finance USA Ltd.,<br>6.75%, 10/19/75 (Australia) <sup>(1)(2)</sup> .....  | 240,000     | 272,400      |
| BlueScope Steel Finance Ltd. / BlueScope<br>Steel Finance USA LLC, 6.50%,<br>05/15/21 (Australia) <sup>(1)</sup> .....                       | 300,000     | 317,280      |
| FMG Resources Pty Ltd., 9.75%,<br>03/01/22 (Australia) <sup>(1)</sup> .....  | 260,000     | 303,602      |
| Ineos Group Holdings SA, 5.63%,<br>08/01/24 (Luxembourg) <sup>(1)</sup> .....  | 535,000     | 531,656      |
| OCP SA, 5.63%, 04/25/24 (Morocco) <sup>(1)</sup> .....   | 425,000     | 458,318      |
| Reynolds Group Issuer, Inc. / Reynolds Group<br>Issuer LLC / Reynolds Group Issuer Lu,<br>5.13%, 07/15/23 (New Zealand) <sup>(1)</sup> ..... | 270,000     | 276,919      |
| Reynolds Group Issuer, Inc. / Reynolds Group<br>Issuer LLC / Reynolds Group Issuer Lu,<br>7.00%, 07/15/24 (New Zealand) <sup>(1)</sup> ..... | 25,000      | 26,766       |
| Teck Resources Ltd., 8.00%,<br>06/01/21 (Canada) <sup>(1)</sup> .....  | 70,000      | 76,650       |
| Teck Resources Ltd., 8.50%,<br>06/01/24 (Canada) <sup>(1)</sup> .....  | 190,000     | 220,400      |
| Vale Overseas Ltd., 5.88%, 06/10/21 (Brazil) ...   | 325,000     | 347,344      |
| Vedanta Resources PLC, 8.25%,<br>06/07/21 (India) <sup>(1)</sup> .....   | 800,000     | 823,040      |
| Total Materials .....  |             | 4,634,075    |
| <b>Real Estate — 0.3%</b>  |             |              |
| WEA Finance LLC / Westfield UK & Europe<br>Finance PLC, 3.25%, 10/05/20 (Australia) <sup>(1)</sup> ...                                       | 450,000     | 466,144      |
| <b>Telecommunication Services — 0.9%</b>   |             |              |
| GTH Finance BV, 7.25%, 04/26/23<br>(Netherlands) <sup>(1)</sup> .....  | 800,000     | 853,800      |
| Intelsat Jackson Holdings SA, 7.25%,<br>04/01/19 (Luxembourg) .....  | 520,000     | 417,300      |
| Virgin Media Finance PLC, 6.00%,<br>10/15/24 (United Kingdom) <sup>(1)</sup> .....   | 250,000     | 254,687      |
| Total Telecommunication Services .....   |             | 1,525,787    |

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



Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| Investments  | Principal  | Value             |
|--|------------|-------------------|
| <b>FOREIGN BONDS (continued)</b>   |            |                   |
| <b>Utilities — 0.4%</b>  |            |                   |
| Majapahit Holding BV, 7.75%,<br>01/20/20 (Indonesia) <sup>(1)</sup> .....                          | \$ 550,000 | \$ 631,125        |
| <b>Total Foreign Bonds</b><br>(Cost \$35,207,920) .....  |            | <b>36,846,236</b> |
| <b>TERM LOANS — 14.5%</b>  |            |                   |
| <b>Consumer Discretionary — 2.7%</b>   |            |                   |
| Aristocrat International Pty, 3.63%, 10/20/21 <sup>(2)</sup> ...                                   | 503,937    | 506,825           |
| Caesars Entertainment Resort Properties LLC,<br>7.00%, 10/11/20 <sup>(2)</sup> .....               | 850,276    | 856,653           |
| CDS US Intermediate Holdings, Inc., 5.00%,<br>07/08/22 <sup>(2)</sup> .....                        | 445,500    | 446,894           |
| Cengage Learning, Inc., 5.25%, 06/07/23 <sup>(2)</sup> .....                                       | 147,630    | 144,739           |
| Delta 2 Lux Sarl, 4.75%, 07/30/21 <sup>(2)</sup> .....   | 460,000    | 461,599           |
| Floor and Decor Outlets of America, Inc.,<br>5.25%, 09/29/23 <sup>(2)</sup> .....                  | 343,000    | 344,286           |
| Leslie's Poolmart, Inc., 5.25%, 08/16/23 <sup>(2)</sup> .....                                      | 248,000    | 250,118           |
| Mohegan Tribal Gaming Authority, 5.50%,<br>09/30/23 <sup>(2)</sup> .....                           | 350,000    | 349,619           |
| Party City Holdings, Inc., 3.75%, 08/19/22 <sup>(2)</sup> .....                                    | 347,822    | 349,318           |
| Scientific Games International, Inc., 6.00%,<br>10/01/21 <sup>(2)</sup> .....                      | 296,231    | 297,897           |
| UFC Holdings LLC, 5.00%, 08/18/23 <sup>(2)</sup> .....   | 531,000    | 536,353           |
| <b>Total Consumer Discretionary</b> .....  |            | <b>4,544,301</b>  |
| <b>Consumer Staples — 1.9%</b>   |            |                   |
| Albertson's LLC, 4.50%, 08/25/21 <sup>(2)</sup> .....  | 596,886    | 602,067           |
| Albertson's LLC, 4.75%, 12/21/22 <sup>(2)</sup> .....  | 222,881    | 225,452           |
| Amplify Snack Brands, Inc., 6.50%, 09/02/23 <sup>(2)</sup> ..                                      | 530,000    | 529,669           |
| ASP MSG Acquisition Co., Inc., 6.00%,<br>08/16/23 <sup>(2)</sup> .....                             | 339,000    | 342,390           |
| Chobani LLC, 5.25%, 10/07/23 <sup>(2)</sup> .....  | 102,000    | 103,212           |
| Coty, Inc., 3.75%, 10/27/22 <sup>(2)</sup> .....   | 106,465    | 106,809           |
| Galleria Co., 3.75%, 01/26/23 <sup>(2)</sup> .....   | 214,000    | 215,871           |
| Hostess Brands LLC, 4.50%, 08/03/22 <sup>(2)</sup> .....   | 301,950    | 304,497           |
| Hostess Brands LLC, 8.50%, 08/03/23 <sup>(2)</sup> .....   | 500,000    | 504,845           |
| Kronos Incorporated, 9.75%, 04/30/20 <sup>(2)</sup> .....  | 36,962     | 37,516            |
| Kronos, Inc., 0.00%, 10/18/24 <sup>(2)(6)</sup> .....  | 178,000    | 183,970           |
| Pinnacle Foods Finance LLC, 3.28%,<br>01/13/23 <sup>(2)</sup> .....                                | 76,423     | 77,177            |
| <b>Total Consumer Staples</b> .....  |            | <b>3,233,475</b>  |
| <b>Energy — 0.5%</b>   |            |                   |
| Chesapeake Energy Corp., 8.50%, 08/23/21 <sup>(2)</sup> ...  | 71,000     | 76,177            |
| EP Energy LLC, 9.75%, 06/30/21 <sup>(2)</sup> .....  | 345,000    | 354,488           |
| MEG Energy Corp., 3.75%, 03/31/20 <sup>(2)</sup> .....   | 379,006    | 358,693           |
| <b>Total Energy</b> .....  |            | <b>789,358</b>    |
| <b>Financials — 0.5%</b>   |            |                   |
| iStar, Inc., 5.50%, 07/01/20 <sup>(2)</sup> .....  | 26,100     | 26,416            |
| Lonestar Intermediate Super Holdings, LLC,<br>0.00%, 08/31/21 <sup>(2)(6)</sup> .....              | 340,000    | 343,684           |
| Walter Investment Management, 4.75%,<br>12/18/20 <sup>(2)</sup> .....                              | 485,000    | 455,395           |
| <b>Total Financials</b> .....  |            | <b>825,495</b>    |
| <b>Health Care — 2.5%</b>  |            |                   |
| CHG Healthcare Services, Inc. (fka CHG<br>Buyer Corporation), 4.75%, 06/07/23 <sup>(2)</sup> ..... | 263,675    | 266,081           |
| Concordia Healthcare Corp., 5.25%, 10/21/21 <sup>(2)</sup> ..                                      | 260,035    | 233,613           |

| Investments   | Principal  | Value            |
|---|------------|------------------|
| <b>TERM LOANS (continued)</b>   |            |                  |
| <b>Health Care (continued)</b>  |            |                  |
| Greatbatch, Ltd., 5.25%, 10/27/22 <sup>(2)</sup> .....                              | \$ 210,410 | \$ 207,938       |
| inVentiv Health, Inc., 0.00%, 10/17/23 <sup>(2)(6)</sup> .....                      | 103,000    | 103,129          |
| InVentiv Health, Inc., 8.75%, 05/15/18 <sup>(2)</sup> .....                         | 500,000    | 500,437          |
| MPH Acquisition Holdings LLC, 5.00%,<br>06/07/23 <sup>(2)</sup> .....               | 102,375    | 103,630          |
| NVA Holdings, Inc., 5.50%, 08/14/21 <sup>(2)</sup> .....                            | 313,156    | 313,939          |
| NVA Holdings, Inc., 8.00%, 08/14/22 <sup>(2)</sup> .....                            | 572,000    | 574,145          |
| Ortho-Clinical Diagnostics, Inc., 4.75%,<br>06/30/21 <sup>(2)</sup> .....           | 395,949    | 387,906          |
| Quorum Health Corp, 6.75%, 04/29/22 <sup>(2)</sup> .....                            | 253,725    | 236,599          |
| Sedgwick Claims Management Services, Inc.,<br>6.75%, 02/28/22 <sup>(2)</sup> .....  | 650,000    | 646,750          |
| Surgery Center Holdings, Inc.,<br>4.75%, 11/03/20 <sup>(2)</sup> .....              | 376,172    | 378,288          |
| U.S. Renal Care, Inc., 5.25%, 12/30/22 <sup>(2)</sup> .....                         | 273,975    | 263,101          |
| <b>Total Health Care</b> .....  |            | <b>4,215,556</b> |
| <b>Industrials — 1.7%</b>   |            |                  |
| 84 Lumber Co., 0.00%, 10/12/23 <sup>(2)(6)</sup> .....                              | 430,000    | 426,775          |
| Aspen Merger Sub, Inc., 5.25%, 09/27/23 <sup>(2)</sup> .....                        | 201,000    | 203,094          |
| Brickman Group Ltd LLC (The), 7.50%,<br>12/17/21 <sup>(2)</sup> .....               | 439,000    | 439,411          |
| McGraw-Hill Global Education Holdings, LLC,<br>5.00%, 05/04/22 <sup>(2)</sup> ..... | 267,330    | 267,330          |
| NAVISTAR, Inc., 6.50%, 08/07/20 <sup>(2)</sup> .....                                | 548,615    | 552,729          |
| PAE Holding Corp., 6.50%, 10/12/22 <sup>(2)</sup> .....                             | 136,000    | 136,000          |
| Prime Security Services Borrow,<br>4.75%, 05/02/22 <sup>(2)</sup> .....             | 20,948     | 21,135           |
| TransDigm, Inc., 3.84%, 06/04/21 <sup>(2)</sup> .....                               | 320,896    | 320,776          |
| Waste Industries USA, Inc., 3.50%, 02/27/20 <sup>(2)</sup> ...                      | 444,361    | 445,818          |
| <b>Total Industrials</b> .....  |            | <b>2,813,068</b> |
| <b>Information Technology — 2.1%</b>  |            |                  |
| Blackboard, Inc., 0.00%, 06/30/21 <sup>(2)(6)</sup> .....                           | 265,000    | 263,211          |
| First Data Corporation, 3.52%, 03/24/21 <sup>(2)</sup> .....                        | 1,995,815  | 2,007,042        |
| Inception Merger Sub, Inc., 0.00%, 10/25/23 <sup>(2)(6)</sup> ..                    | 245,000    | 246,722          |
| NXP B.V., 3.41%, 12/07/20 <sup>(2)</sup> .....                                      | 165,825    | 166,678          |
| ON Semiconductor Corp., 3.78%, 03/31/23 <sup>(2)</sup> .....                        | 317,000    | 319,417          |
| Quorum Health Corp., 5.00%, 09/29/23 <sup>(2)</sup> .....                           | 113,000    | 114,130          |
| Veritas US, Inc., 0.00%, 01/27/23 <sup>(2)(6)</sup> .....                           | 460,000    | 429,599          |
| Western Digital Corp., 4.50%, 04/29/23 <sup>(2)</sup> .....                         | 30,923     | 31,312           |
| <b>Total Information Technology</b> .....   |            | <b>3,578,111</b> |
| <b>Materials — 1.1%</b>   |            |                  |
| Anchor Glass Container Corp.,<br>4.75%, 07/01/22 <sup>(2)</sup> .....               | 468,216    | 473,629          |
| CPI Acquisition, Inc., 5.50%, 08/17/22 <sup>(2)</sup> .....                         | 375,000    | 369,217          |
| Huntsman International LLC,<br>4.25%, 04/01/23 <sup>(2)</sup> .....                 | 197,010    | 198,775          |
| OMNOVA Solutions, Inc., 5.25%, 08/25/23 <sup>(2)</sup> .....                        | 435,000    | 435,544          |
| PQ Corp, 5.75%, 11/04/22 <sup>(2)</sup> .....                                       | 112,718    | 112,858          |
| Univar USA, Inc., 4.25%, 07/01/22 <sup>(2)</sup> .....                              | 306,900    | 307,795          |
| <b>Total Materials</b> .....  |            | <b>1,897,818</b> |
| <b>Real Estate — 0.4%</b>   |            |                  |
| Capital Automotive LP, 6.00%, 04/30/20 <sup>(2)</sup> .....                         | 650,000    | 656,552          |
| <b>Telecommunication Services — 0.3%</b>  |            |                  |
| Virgin Media Investment Holdings, Ltd.,<br>3.50%, 06/30/23 <sup>(2)</sup> .....     | 400,000    | 402,176          |

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

Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| Investments  | Principal  | Value                    |
|--|------------|--------------------------|
| <b>TERM LOANS (continued)</b>                          |            |                          |
| <b>Utilities — 0.8%</b>                                |            |                          |
| APLP Holdings LP, 6.00%, 04/13/23 <sup>(2)</sup>       | \$ 509,865 | \$ 519,106               |
| NRG Energy, Inc., 3.50%, 06/30/23 <sup>(2)</sup>       | 375,736    | 376,910                  |
| TEX Operations Co. LLC, 5.00%, 08/04/23 <sup>(2)</sup> | 324,490    | 327,850                  |
| TEX Operations Co. LLC, 5.00%, 08/04/23 <sup>(2)</sup> | 73,469     | 74,230                   |
| Total Utilities  |            | <u>1,298,096</u>         |
| <b>Total Term Loans</b><br>(Cost \$24,000,296)         |            | <u><b>24,254,006</b></u> |

**MORTGAGE BACKED SECURITIES — 12.7%**

**Commercial Mortgage Backed Securities — 3.9%**

|   |           |                  |
|---|-----------|------------------|
| Colony Multifamily Mortgage Trust, Class A,<br>Series 2014-1, 2.54%, 04/20/50 <sup>(1)</sup>                          | 654,051   | 652,098          |
| Credit Suisse Commercial Mortgage Trust,<br>Class A1AM, Series 2007-C5,<br>5.87%, 09/15/40 <sup>(2)</sup>             | 1,000,000 | 926,218          |
| DBUBS Mortgage Trust, Class D, Series<br>2011-LC3A, 5.35%, 08/10/44 <sup>(1)(2)</sup>                                 | 905,000   | 945,620          |
| GAHR Commercial Mortgage Trust, Class CFX,<br>Series 2015-NRF, 3.38%, 12/15/34 <sup>(1)(2)</sup>                      | 400,000   | 407,713          |
| Hilton USA Trust, Class EFX, Series 2013-HLT,<br>5.61%, 11/05/30 <sup>(1)(2)</sup>                                    | 1,000,000 | 1,001,887        |
| JPMorgan Chase Commercial Mortgage<br>Securities Trust, Class AM, Series 2007-LDPX,<br>5.46%, 01/15/49 <sup>(2)</sup> | 478,000   | 469,324          |
| Morgan Stanley Bank of America Merrill Lynch<br>Trust, Class AS, Series 2015-C22,<br>3.56%, 04/15/48                  | 1,000,000 | 1,039,009        |
| Morgan Stanley Bank of America Merrill Lynch<br>Trust, Class C, Series 2015-C26, 4.41%,<br>10/15/48 <sup>(2)</sup>    | 385,000   | 395,794          |
| Motel 6 Trust, Class D, Series 2015-MTL6,<br>4.53%, 02/05/30 <sup>(1)</sup>   | 400,000   | 403,338          |
| WFRBS Commercial Mortgage Trust, Class C,<br>Series 2011-C5, 5.68%, 11/15/44 <sup>(1)(2)</sup>                        | 235,000   | 257,884          |
| Total Commercial Mortgage Backed Securities   |           | <u>6,498,885</u> |

**Mortgage Securities — 1.9%**

|  |           |                  |
|--|-----------|------------------|
| Fannie Mae Pool, 3.50%, 01/01/46                           | 2,122,560 | 2,228,557        |
| Federal Home Loan Mortgage Corporation,<br>3.50%, 04/01/46 | 763,893   | 802,026          |
| Freddie Mac Gold Pool, 3.00%, 04/01/45                     | 232,974   | 241,409          |
| Total Mortgage Securities                                  |           | <u>3,271,992</u> |

**Residential Mortgage Backed Securities — 6.9%**

|   |         |         |
|---|---------|---------|
| American Homes 4 Rent Trust, Class C,<br>Series 2015-SFR2, 4.69%, 10/17/45 <sup>(1)</sup>   | 510,000 | 555,035 |
| Ameriquest Mortgage Securities, Inc.<br>Asset-Backed Pass-Through Certificates,<br>Class M4, Series 2003-AR3, 4.75%,<br>06/25/33 <sup>(2)</sup> | 535,000 | 518,548 |
| Bear Stearns ARM Trust, Class 22A1,<br>Series 2004-9, 3.60%, 11/25/34 <sup>(2)</sup>  | 394,786 | 389,238 |
| Chase Mortgage Trust, Class M2, Series 2016-1,<br>3.75%, 04/25/45 <sup>(1)(2)</sup>   | 365,542 | 377,094 |
| Chase Mortgage Trust, Class M2, Series 2016-2,<br>3.75%, 12/25/45 <sup>(1)(2)</sup>   | 553,843 | 571,348 |
| Colony American Finance Ltd., Class A,<br>Series 2015-1 (Cayman Islands),<br>2.90%, 10/15/47 <sup>(1)</sup>                                     | 295,154 | 298,090 |

| Investments   | Principal | Value |
|---|-----------|-------|
| <b>MORTGAGE BACKED SECURITIES (continued)</b>             |           |       |
| <b>Residential Mortgage Backed Securities (continued)</b> |           |       |

|  |            |                          |
|--|------------|--------------------------|
| Colony Starwood Homes Trust, Class C,<br>Series 2016-2A, 2.69%, 12/17/33 <sup>(1)(2)</sup>               | \$ 430,000 | \$ 430,000               |
| CSMC Mortgage-Backed Trust, Class 3A1,<br>Series 2006-8, 6.00%, 10/25/21                                 | 195,018    | 187,288                  |
| Federal Home Loan Mortgage Corporation,<br>Class M2, Series 2016-DNA2, 2.73%,<br>10/25/28 <sup>(2)</sup> | 850,000    | 860,054                  |
| GMACM Mortgage Loan Trust, Class A5,<br>Series 2003-AR1, 3.77%, 10/19/33 <sup>(2)</sup>                  | 289,856    | 293,187                  |
| GSR Mortgage Loan Trust, Class 2A4,<br>Series 2006-1F, 6.00%, 02/25/36                                   | 390,296    | 344,359                  |
| MASTR Adjustable Rate Mortgages Trust,<br>Class 3A1, Series 2005-1, 3.33%, 02/25/35 <sup>(2)</sup>       | 308,293    | 283,078                  |
| MASTR Alternative Loan Trust, Class 7A1,<br>Series 2004-6, 6.00%, 07/25/34                               | 394,443    | 388,468                  |
| New Residential Mortgage Loan Trust, Class A,<br>Series 2014-1A, 3.75%, 01/25/54 <sup>(1)(2)</sup>       | 375,362    | 391,072                  |
| New Residential Mortgage Loan Trust, Class A3,<br>Series 2014-2A, 3.75%, 05/25/54 <sup>(1)(2)</sup>      | 197,556    | 205,644                  |
| New Residential Mortgage Loan Trust, Class A1,<br>Series 2015-2A, 3.75%, 08/25/55 <sup>(1)(2)</sup>      | 373,698    | 389,966                  |
| New Residential Mortgage Loan Trust, Class A1,<br>Series 2016-1A, 3.75%, 03/25/56 <sup>(1)(2)</sup>      | 224,763    | 233,214                  |
| Resecuritization Pass-Through Trust, Class A5,<br>Series 2005-8R, 6.00%, 10/25/34                        | 157,033    | 158,322                  |
| Residential Asset Securitization Trust, Class A3,<br>Series 2005-A1, 5.50%, 04/25/35                     | 1,502,453  | 1,502,817                |
| Sequoia Mortgage Trust, Class A6,<br>Series 2014-4, 3.50%, 11/25/44 <sup>(1)(2)</sup>                    | 390,591    | 402,233                  |
| Sequoia Mortgage Trust, Class A1,<br>Series 2015-1, 3.50%, 01/25/45 <sup>(1)(2)</sup>                    | 256,384    | 265,820                  |
| Towd Point Mortgage Trust, Class A2,<br>Series 2015-1, 3.25%, 10/25/53 <sup>(1)(2)</sup>                 | 340,000    | 344,919                  |
| Towd Point Mortgage Trust, Class A2,<br>Series 2015-5, 3.50%, 05/25/55 <sup>(1)(2)</sup>                 | 425,000    | 425,840                  |
| Towd Point Mortgage Trust, Class 1M1,<br>Series 2015-2, 3.25%, 11/25/60 <sup>(1)(2)</sup>                | 625,000    | 602,925                  |
| VOLT LI LLC, Class A1, Series 2016-NP11,<br>3.50%, 10/25/46 <sup>(1)(5)</sup>                            | 255,000    | 255,000                  |
| VOLT XXIX LLC, Class A1, Series 2014-NP10,<br>3.38%, 10/25/54 <sup>(1)(5)</sup>                          | 679,262    | 681,399                  |
| VOLT XXXV, Class A1, Series 2016-NPL9,<br>3.50%, 09/25/46 <sup>(1)(5)</sup>                              | 172,087    | 172,522                  |
| Total Residential Mortgage Backed Securities   |            | <u>11,527,480</u>        |
| <b>Total Mortgage Backed Securities</b><br>(Cost \$21,257,404)   |            | <u><b>21,298,357</b></u> |

**ASSET BACKED SECURITIES — 4.7%**

|  |         |         |
|--|---------|---------|
| CarFinance Capital Auto Trust, Class D,<br>Series 2014-1A, 4.90%, 04/15/20 <sup>(1)</sup>    | 505,000 | 506,571 |
| Citi Held For Asset Issuance, Class B,<br>Series 2015-PM3, 4.31%, 05/16/22 <sup>(1)</sup>    | 455,000 | 455,711 |
| CKE Restaurant Holdings, Inc., Class A2,<br>Series 2013-1A, 4.47%, 03/20/43 <sup>(1)</sup>   | 947,500 | 948,878 |
| Conn's Receivables Funding LLC, Class A,<br>Series 2016-B, 3.73%, 10/15/18 <sup>(1)</sup>    | 515,000 | 515,623 |
| Consumer Installment Loan Trust, Class A,<br>Series 2016-LD1, 3.96%, 07/15/22 <sup>(1)</sup> | 490,491 | 493,274 |
| DT Auto Owner Trust, Class C,<br>Series 2015-3A, 3.25%, 07/15/21 <sup>(1)</sup>              | 675,000 | 682,667 |

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



Schedule of Investments — Virtus Newfleet Multi-Sector Unconstrained Bond ETF (continued)

October 31, 2016

| <u>Investments</u>  | <u>Principal</u> | <u>Value</u>                |
|---|------------------|-----------------------------|
| <b>ASSET BACKED SECURITIES (continued)</b>  |                  |                             |
| Exeter Automobile Receivables Trust, Class C,<br>Series 2015-1A, 4.10%, 12/15/20 <sup>(1)</sup> .....                 | \$ 450,000       | \$ 457,622                  |
| Exeter Automobile Receivables Trust, Class D,<br>Series 2015-3A, 6.55%, 10/17/22 <sup>(1)</sup> .....                 | 455,000          | 466,526                     |
| Flagship Credit Auto Trust, Class D,<br>Series 2015-1, 5.26%, 07/15/21 <sup>(1)</sup> .....                           | 435,000          | 439,572                     |
| Flagship Credit Auto Trust, Class D,<br>Series 2016-3, 3.89%, 11/15/22 <sup>(1)</sup> .....                           | 525,000          | 524,563                     |
| Murray Hill Marketplace Trust, Class A,<br>Series 2016-LC1, 4.19%, 11/25/22 <sup>(1)</sup> .....                      | 430,000          | 430,219                     |
| Taco Bell Funding LLC, Class A2I,<br>Series 2016-1A, 3.83%, 05/25/46 <sup>(1)</sup> .....                             | 530,000          | 539,821                     |
| U-Haul S Fleet LLC, Class 1, Series 2010-BT1A,<br>4.90%, 10/25/23 <sup>(1)</sup> .....                                | 505,419          | 511,030                     |
| Wendy's Funding LLC, Class A2II,<br>Series 2015-1A, 4.08%, 06/15/45 <sup>(1)</sup> .....                              | 990,000          | <u>998,208</u>              |
| <b>Total Asset Backed Securities</b><br>(Cost \$7,937,263) .....  |                  | <u><b>7,970,285</b></u>     |
| <b>MUNICIPAL BOND — 1.0%</b>  |                  |                             |
| State of California, 7.60%, 11/01/40<br>(Cost \$1,741,776) .....  | 1,075,000        | <u>1,690,126</u>            |
| <b>MONEY MARKET FUND — 1.0%</b>   |                  |                             |
| JP Morgan U.S. Government Money Market<br>Fund Institutional Shares, 0.29% <sup>(7)</sup><br>(Cost \$1,600,808) ..... | 1,600,808        | <u>1,600,808</u>            |
| <b>TOTAL INVESTMENTS — 100.0%</b><br>(Cost \$163,415,300) .....   |                  | <u><b>167,553,116</b></u>   |
| Liabilities in Excess of<br>Other Assets — (0.0)% <sup>***</sup> .....  |                  | <u>(79,367)</u>             |
| <b>Net Assets — 100.0%</b> .....  |                  | <u><b>\$167,473,749</b></u> |

\*\*\* Less than 0.05%.

- (1) Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may not be resold subject to that rule except to qualified institutional buyers. Unless otherwise noted, 144A securities are deemed to be liquid. At October 31, 2016, the aggregate value of these securities was \$67,520,272, or 40.32% of net assets.
- (2) Variable rate instrument. The interest rate shown reflects the rate in effect at October 31, 2016.
- (3) Perpetual security with no stated maturity date.
- (4) Payment in-kind security. 100% of the income was received in cash.
- (5) Represents step coupon bond. Rate shown reflects the rate in effect as of October 31, 2016.
- (6) The loan will settle after October 31, 2016 at which the interest will be determined.
- (7) The rate shown reflects the seven-day yield as of October 31, 2016.

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

# Statements of Assets and Liabilities

October 31, 2016

|  | BioShares<br>Biotechnology<br>Clinical Trials<br>Fund | BioShares<br>Biotechnology<br>Products Fund | iSectors<br>Post-MPT<br>Growth ETF | Tuttle Tactical<br>Management<br>Multi-Strategy<br>Income ETF | Tuttle Tactical<br>Management<br>U.S. Core ETF | Virtus Newfleet<br>Multi-Sector<br>Unconstrained<br>Bond ETF |
|--|---|---|------------------------------------|---|--|--|
| <b>Assets:</b>   |   |   |                                    |   |  |  |
| Investments, at cost   | \$31,690,607  | \$31,337,994                                | \$ 9,423,423                       | \$15,409,446  | \$52,465,393                                   | \$163,415,300  |
| Investments, at value (including securities on loan) <sup>1</sup>                                  | 22,888,389  | 27,799,731                                  | 9,348,523                          | 15,393,062  | 52,383,121                                     | 167,553,116  |
| Cash   | 520,229   | 1,115,107                                   | —                                  | 15,718,659  | 25,492,019                                     | 1,496,446  |
| Receivables:   |   |   |                                    |   |  |  |
| Securities lending receivable  | 4,142   | 3,262                                       | —                                  | —   | —  | —  |
| Dividends and interest receivable  | —   | —   | 6                                  | —   | —  | 1,698,390  |
| Investment securities sold   | —   | —   | 3,224,398                          | 19,093,311  | 65,348,729                                     | 3,457,177  |
| Prepaid expenses   | —   | —   | —                                  | —   | —  | 1,923  |
| <b>Total Assets</b>  | <b>23,412,760</b>                                     | <b>28,918,100</b>                           | <b>12,572,927</b>                  | <b>50,205,032</b>   | <b>143,223,869</b>                             | <b>174,207,052</b>   |
| <b>Liabilities:</b>  |   |   |                                    |   |  |  |
| Payables:  |   |   |                                    |   |  |  |
| Investment securities purchased  | —   | —   | 3,230,144                          | 24,468,388  | 77,988,049                                     | 6,541,671  |
| Collateral for securities on loan  | 5,352,399   | 5,769,958                                   | —                                  | —   | —  | —  |
| Sub-advisory fees  | 14,920  | 18,094                                      | 7,547                              | 22,087  | 52,347   | —  |
| Insurance fees   | —   | —   | —                                  | —   | —  | 5,154  |
| Advisory fees  | —   | —   | —                                  | —   | —  | 101,808  |
| Transfer Agent fees  | —   | —   | —                                  | —   | —  | 1,530  |
| Accounting and Administration fees   | —   | —   | —                                  | —   | —  | 37,707   |
| Custody fees   | —   | —   | —                                  | —   | —  | 6,075  |
| Professional fees  | —   | —   | —                                  | —   | —  | 28,953   |
| Pricing fees   | —   | —   | —                                  | —   | —  | 7,821  |
| Reports to Shareholder fees  | —   | —   | —                                  | —   | —  | 627  |
| Trustee fees   | —   | —   | —                                  | —   | —  | 521  |
| Distribution fees  | —   | —   | —                                  | —   | —  | 1,436  |
| <b>Total Liabilities</b>   | <b>5,367,319</b>                                      | <b>5,788,052</b>                            | <b>3,237,691</b>                   | <b>24,490,475</b>   | <b>78,040,396</b>                              | <b>6,733,303</b>   |
| <b>Net Assets</b>  | <b>\$18,045,441</b>                                   | <b>\$23,130,048</b>                         | <b>\$9,335,236</b>                 | <b>\$25,714,557</b>   | <b>\$65,183,473</b>                            | <b>\$167,473,749</b>   |
| <b>Net Assets Consist of:</b>  |   |   |                                    |   |  |  |
| Paid-in capital  | \$35,250,517  | \$29,435,799                                | \$9,853,633                        | \$29,247,348  | \$73,836,542                                   | \$160,442,027  |
| Undistributed (Accumulated) net investment<br>income (loss)  | (95,019)  | (78,011)                                    | 12,967                             | 192,254   | 224,249  | 255,902  |
| Undistributed (Accumulated) net realized<br>gain (loss) on investments                             | (8,307,839)   | (2,689,477)                                 | (456,464)                          | (3,708,661)   | (8,795,046)                                    | 2,638,004  |
| Net unrealized appreciation (depreciation)<br>on investments                                       | (8,802,218)   | (3,538,263)                                 | (74,900)                           | (16,384)  | (82,272)                                       | 4,137,816  |
| <b>Net Assets</b>  | <b>\$18,045,441</b>                                   | <b>\$23,130,048</b>                         | <b>\$9,335,236</b>                 | <b>\$25,714,557</b>   | <b>\$65,183,473</b>                            | <b>\$167,473,749</b>   |
| Shares outstanding (unlimited number of shares<br>of beneficial interest authorized, no par value) |   |   |                                    |   |  |  |
|  | 1,000,004   | 800,004                                     | 400,004                            | 1,150,004   | 3,050,004                                      | 6,450,004  |
| Net asset value per share  | \$ 18.05  | \$ 28.91                                    | \$ 23.34                           | \$ 22.36  | \$ 21.37                                       | \$ 25.96   |
| 1 Market value of securities on loan   | \$ 5,270,860  | \$ 6,362,346                                | \$ —                               | \$ —  | \$ —   | \$ —   |

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

# Statements of Operations

For the Year Ended October 31, 2016

|  | BioShares<br>Biotechnology<br>Clinical Trials<br>Fund | BioShares<br>Biotechnology<br>Products Fund | iSectors<br>Post-MPT<br>Growth ETF <sup>1</sup> | Tuttle Tactical<br>Management<br>Multi-Strategy<br>Income ETF | Tuttle Tactical<br>Management<br>U.S. Core ETF | Virtus Newfleet<br>Multi-Sector<br>Unconstrained<br>Bond ETF |
|--|---|---|---|---|--|--|
| <b>Investment Income:</b>                              |   |   |   |   |  |  |
| Dividend income  | \$ —  | \$ 57,641                                   | \$ 28,386                                       | \$ 530,307  | \$ 1,019,196                                   | \$ —   |
| Interest income  | —   | —   | —   | —   | —  | 7,702,674  |
| Securities lending, net of fees                        | 36,021  | 31,064                                      | —   | —   | —  | —  |
| <b>Total Investment Income</b>                         | <b>36,021</b>   | <b>88,705</b>                               | <b>28,386</b>                                   | <b>530,307</b>  | <b>1,019,196</b>                               | <b>7,702,674</b>   |
| <b>Expenses:</b>                                       |   |   |   |   |  |  |
| Advisory fees  | —   | —   | —   | —   | —  | 1,183,899  |
| Sub-Advisory fees                                      | 166,692   | 177,145                                     | 15,419  | 288,324   | 660,800  | —  |
| Tax expense  | 335   | 335   | —   | 1,147   | 335  | 1,193  |
| Interest expense                                       | —   | —   | —   | 960   | —  | —  |
| Custody fees   | —   | —   | —   | —   | —  | 26,714   |
| Distribution fees                                      | —   | —   | —   | —   | —  | 16,913   |
| Exchange listing fees                                  | —   | —   | —   | —   | —  | 12,804   |
| Professional fees                                      | —   | —   | —   | —   | —  | 50,080   |
| Insurance fees   | —   | —   | —   | —   | —  | 14,439   |
| Accounting and Administration fees                     | —   | —   | —   | —   | —  | 177,618  |
| Transfer agent fees                                    | —   | —   | —   | —   | —  | 12,781   |
| Trustee fees   | —   | —   | —   | —   | —  | 6,017  |
| Reports to shareholder fees                            | —   | —   | —   | —   | —  | 20,676   |
| Pricing fees   | —   | —   | —   | —   | —  | 11,031   |
| Other expenses   | —   | —   | —   | —   | —  | 4,045  |
| <b>Total Expenses</b>                                  | <b>167,027</b>  | <b>177,480</b>                              | <b>15,419</b>                                   | <b>290,431</b>  | <b>661,135</b>                                 | <b>1,538,210</b>   |
| Less expense waivers/reimbursements                    | —   | —   | —   | —   | —  | (183,990)  |
| <b>Net Investment Income (Loss)</b>                    | <b>(131,006)</b>                                      | <b>(88,775)</b>                             | <b>12,967</b>                                   | <b>239,876</b>  | <b>358,061</b>                                 | <b>6,348,454</b>   |
| <b>Net Realized Gain (Loss) on:</b>                    |   |   |   |   |  |  |
| Investments  | (7,869,309)   | (2,679,357)                                 | (456,464)                                       | (2,663,254)   | (5,544,575)                                    | 2,692,051  |
| In-kind transactions                                   | 1,423,614   | 1,846,810                                   | —   | 162,495   | 414,872  | 18   |
| <b>Total Net Realized Gain (Loss)</b>                  | <b>(6,445,695)</b>                                    | <b>(832,547)</b>                            | <b>(456,464)</b>                                | <b>(2,500,759)</b>  | <b>(5,129,703)</b>                             | <b>2,692,069</b>   |
| <b>Change in Net Unrealized Appreciation</b>           |   |   |   |   |  |  |
| <b>(Depreciation) on:</b>                              |   |   |   |   |  |  |
| Investments  | (1,172,468)   | 780   | (74,900)  | (140,342)   | (543,007)                                      | 3,630,805  |
| <b>Total Change in Net Unrealized</b>                  |   |   |   |   |  |  |
| <b>Appreciation (Depreciation)</b>                     | <b>(1,172,468)</b>                                    | <b>780</b>                                  | <b>(74,900)</b>                                 | <b>(140,342)</b>  | <b>(543,007)</b>                               | <b>3,630,805</b>   |
| Net Realized and Change in Unrealized                  |   |   |   |   |  |  |
| Gain (Loss)  | (7,618,163)   | (831,767)                                   | (531,364)                                       | (2,641,101)   | (5,672,710)                                    | 6,322,874  |
| <b>Net Increase (Decrease) in Net Assets Resulting</b> |   |   |   |   |  |  |
| <b>from Operations</b>                                 | <b>\$(7,749,169)</b>                                  | <b>\$(920,542)</b>                          | <b>\$(518,397)</b>                              | <b>\$(2,401,225)</b>  | <b>\$(5,314,649)</b>                           | <b>\$12,671,328</b>  |

1 From August 16, 2016 (Commencement of operations) through October 31, 2016.

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

## Statements of Changes in Net Assets

|  | BioShares Biotechnology<br>Clinical Trials Fund |   | BioShares Biotechnology<br>Products Fund  |   |
|--|---|---|---|---|
|  | For the<br>Year Ended<br>October 31, 2016       | For the Period<br>December 16,<br>2014 <sup>1</sup> Through<br>October 31, 2015 | For the<br>Year Ended<br>October 31, 2016 | For the Period<br>December 16,<br>2014 <sup>1</sup> Through<br>October 31, 2015 |
| <b>Increase (Decrease) in Net Assets Resulting from Operations:</b>                    |   |   |   |   |
| Net investment income (loss) .....   | \$ (131,006)                                    | \$ (158,980)  | \$ (88,775)                               | \$ (81,148)   |
| Net realized gain (loss) on investments .....  | (6,445,695)                                     | 1,898,677   | (832,547)                                 | 1,513,389   |
| Net change in unrealized appreciation<br>(depreciation) on investments .....           | (1,172,468)                                     | (7,629,750)   | 780                                       | (3,539,043)   |
| Net increase (decrease) in net assets resulting<br>from operations .....               | (7,749,169)                                     | (5,890,053)   | (920,542)                                 | (2,106,802)   |
| <b>Distributions to Shareholders from:</b>   |   |   |   |   |
| Net realized gain .....  | (125,231)                                       | —   | (278,077)                                 | —   |
| Total distributions .....  | (125,231)                                       | —   | (278,077)                                 | —   |
| <b>Shareholder Transactions:</b>   |   |   |   |   |
| Proceeds from shares sold .....  | 10,198,398                                      | 43,806,752  | 11,705,989                                | 36,716,553  |
| Cost of shares redeemed .....  | (7,539,301)                                     | (14,655,955)  | (10,251,469)                              | (11,735,604)  |
| Net increase (decrease) in net assets resulting from<br>shareholder transactions ..... | 2,659,097                                       | 29,150,797  | 1,454,520                                 | 24,980,949  |
| Increase (decrease) in net assets .....  | (5,215,303)                                     | 23,260,744  | 255,901                                   | 22,874,147  |
| <b>Net Assets:</b>   |   |   |   |   |
| Beginning of period .....  | 23,260,744                                      | —   | 22,874,147                                | —   |
| End of period .....  | \$18,045,441                                    | \$23,260,744  | \$23,130,048                              | \$22,874,147  |
| Undistributed (Accumulated) net investment income (loss) .....                         | (95,019)  | —   | (78,011)                                  | —   |
| <b>Changes in Shares Outstanding:</b>  |   |   |   |   |
| Shares outstanding, beginning of period .....  | 850,004   | —   | 750,004                                   | —   |
| Shares sold .....  | 450,000   | 1,300,004   | 400,000                                   | 1,100,004   |
| Shares redeemed .....  | (300,000)                                       | (450,000)   | (350,000)                                 | (350,000)   |
| Shares outstanding, end of period .....  | 1,000,004                                       | 850,004   | 800,004                                   | 750,004   |

1 Commencement of operations.

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

Statements of Changes in Net Assets (continued)

|  | <b>iSectors<br/>Post-MPT<br/>Growth ETF</b>  | <b>Tuttle Tactical Management<br/>Multi-Strategy Income ETF</b> |   |
|--|--|---|---|
|  | <b>For the Period<br/>August 16,<br/>2016<sup>1</sup> Through<br/>October 31, 2016</b> | <b>For the<br/>Year Ended<br/>October 31, 2016</b>              | <b>For the Period<br/>June 9, 2015<sup>1</sup><br/>Through<br/>October 31, 2015</b> |
| <b>Increase (Decrease) in Net Assets Resulting from Operations:</b>                        |  |   |   |
| Net investment income (loss) . . . . .   | \$ 12,967  | \$ 239,876  | \$ 130,888  |
| Net realized gain (loss) on investments . . . . .  | (456,464)  | (2,500,759)   | (1,579,890)   |
| Net change in unrealized appreciation (depreciation)<br>on investments . . . . .           | (74,900)   | (140,342)   | 123,958   |
| Net increase (decrease) in net assets resulting<br>from operations . . . . .               | <u>(518,397)</u>   | <u>(2,401,225)</u>  | <u>(1,325,044)</u>  |
| <b>Distributions to Shareholders from:</b>   |  |   |   |
| Net investment income . . . . .  | —  | (179,322)   | —   |
| Total distributions . . . . .  | —  | (179,322)   | —   |
| <b>Shareholder Transactions:</b>   |  |   |   |
| Proceeds from shares sold . . . . .  | 9,853,633  | 12,594,223  | 49,945,589  |
| Cost of shares redeemed . . . . .  | —  | (32,919,664)  | —   |
| Net increase (decrease) in net assets resulting<br>from shareholder transactions . . . . . | 9,853,633  | (20,325,441)  | 49,945,589  |
| Increase (decrease) in net assets . . . . .  | <u>9,335,236</u>   | <u>(22,905,988)</u>   | <u>48,620,545</u>   |
| <b>Net Assets:</b>   |  |   |   |
| Beginning of period . . . . .  | —  | 48,620,545  | —   |
| End of period . . . . .  | <u>\$9,335,236</u>   | <u>\$25,714,557</u>   | <u>\$48,620,545</u>   |
| Undistributed (Accumulated) net investment income (loss) . . . . .                         | 12,967   | 192,254   | 130,888   |
| <b>Changes in Shares Outstanding:</b>  |  |   |   |
| Shares outstanding, beginning of period . . . . .  | —  | 2,050,000   | —   |
| Shares sold . . . . .  | 400,004  | 550,004   | 2,050,000   |
| Shares redeemed . . . . .  | —  | (1,450,000)   | —   |
| Shares outstanding, end of period . . . . .  | <u>400,004</u>   | <u>1,150,004</u>  | <u>2,050,000</u>  |

<sup>1</sup> Commencement of operations.

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

Statements of Changes in Net Assets (continued)

|  | Tuttle Tactical Management<br>U.S. Core ETF |   | Virtus Newfleet Multi-Sector<br>Unconstrained Bond ETF |   |
|--|---|---|--|---|
|  | For the<br>Year Ended<br>October 31, 2016   | For the Period<br>February 24,<br>2015 <sup>1</sup> Through<br>October 31, 2015 | For the<br>Year Ended<br>October 31, 2016              | For the Period<br>August 10,<br>2015 <sup>1</sup> Through<br>October 31, 2015 |
| <b>Increase (Decrease) in Net Assets Resulting from Operations:</b>                        |   |   |  |   |
| Net investment income (loss) . . . . .   | \$ 358,061                                  | \$ (18,900)   | \$ 6,348,454   | \$ 262,322  |
| Net realized gain (loss) on investments . . . . .  | (5,129,703)                                 | (3,922,839)   | 2,692,069  | (12,424)  |
| Net change in unrealized appreciation (depreciation)<br>on investments . . . . .           | (543,007)                                   | 460,735   | 3,630,805  | 507,011   |
| Net increase (decrease) in net assets resulting<br>from operations . . . . .               | (5,314,649)                                 | (3,481,004)   | 12,671,328   | 756,909   |
| <b>Distributions to Shareholders from:</b>   |   |   |  |   |
| Net investment income . . . . .  | (133,812)                                   | —   | (6,228,079)  | (179,639)   |
| Total distributions . . . . .  | (133,812)                                   | —   | (6,228,079)  | (179,639)   |
| <b>Shareholder Transactions:</b>   |   |   |  |   |
| Proceeds from shares sold . . . . .  | 29,461,827                                  | 80,633,448  | 29,650,887   | 153,708,649   |
| Cost of shares redeemed . . . . .  | (34,777,047)                                | (1,205,290)   | (21,655,327)   | (1,250,979)   |
| Net increase (decrease) in net assets resulting from<br>shareholder transactions . . . . . | (5,315,220)                                 | 79,428,158  | 7,995,560  | 152,457,670   |
| Increase (decrease) in net assets . . . . .  | (10,763,681)                                | 75,947,154  | 14,438,809   | 153,034,940   |
| <b>Net Assets:</b>   |   |   |  |   |
| Beginning of period . . . . .  | 75,947,154                                  | —   | 153,034,940  | —   |
| End of period . . . . .  | \$65,183,473                                | \$75,947,154  | \$167,473,749  | \$153,034,940   |
| Undistributed (Accumulated) net investment income (loss) . . . . .                         | 224,249                                     | —   | 255,902  | 106,546   |
| <b>Changes in Shares Outstanding:</b>  |   |   |  |   |
| Shares outstanding, beginning of period . . . . .  | 3,300,004                                   | —   | 6,100,004  | —   |
| Shares sold . . . . .  | 1,350,000                                   | 3,350,004   | 1,200,000  | 6,150,004   |
| Shares redeemed . . . . .  | (1,600,000)                                 | (50,000)  | (850,000)  | (50,000)  |
| Shares outstanding, end of period . . . . .  | 3,050,004                                   | 3,300,004   | 6,450,004  | 6,100,004   |

1 Commencement of operations.

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

## Financial Highlights

|   | <b>BioShares Biotechnology<br/>Clinical Trials Fund</b> |  |
|---|---|--|
|   | <b>For the<br/>Year Ended<br/>October 31, 2016</b>      | <b>For the Period<br/>December 16,<br/>2014<sup>1</sup> Through<br/>October 31, 2015</b> |
| <b>Per Share Data for a Share Outstanding Throughout each period presented:</b> |   |  |
| Net asset value, beginning of period  | \$ 27.37  | \$ 25.00   |
| Investment operations:  |   |  |
| Net investment loss <sup>2</sup>  | (0.14)  | (0.24)   |
| Net realized and unrealized gain (loss) on investments                          | (9.03)  | 2.61 <sup>3</sup>  |
| Total from investment operations  | (9.17)  | 2.37   |
| <b>Less Distributions from:</b>   |   |  |
| Net Realized gains  | (0.15)  | —  |
| Total distributions   | (0.15)  | —  |
| <b>Net Asset Value, End of Period</b>   | <b>\$ 18.05</b>   | <b>\$ 27.37</b>  |
| Net Asset Value Total Return <sup>4</sup>                                       | (33.73)%  | 9.46%  |
| Net assets, end of period (000's omitted)                                       | \$18,045  | \$23,261   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |   |  |
| <b>Ratios to Average Net Assets:</b>  |   |  |
| Expenses  | 0.85% <sup>5</sup>                                      | 0.85% <sup>6,7</sup>   |
| Net investment loss   | (0.67)%   | (0.85)% <sup>6</sup>   |
| Portfolio turnover rate <sup>8</sup>  | 54%   | 76% <sup>9</sup>   |

1 Commencement of operations.

2 Based on average shares outstanding.

3 The per share amount of realized and unrealized gain (loss) on investments does not accord with the amounts reported in the Statements of Changes due to the timing of creation of Fund shares in relation to fluctuating market values.

4 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

5 The ratio of expenses to average net assets includes tax expense fees of less than 0.01%.

6 Annualized.

7 The ratio of expenses to average net assets includes interest expense fees of less than 0.01%.

8 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

9 Not annualized.

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

|   | <b>BioShares Biotechnology<br/>Products Fund</b>   |  |
|---|--|--|
|   | <b>For the<br/>Year Ended<br/>October 31, 2016</b> | <b>For the Period<br/>December 16,<br/>2014<sup>1</sup> Through<br/>October 31, 2015</b> |
| <b>Per Share Data for a Share Outstanding Throughout each period presented:</b> |  |  |
| Net asset value, beginning of period .....                                      | \$ 30.50   | \$ 25.00   |
| Investment operations:  |  |  |
| Net investment loss <sup>2</sup> .....  | (0.12)   | (0.17)   |
| Net realized and unrealized gain (loss) on investments .....                    | (1.07)   | 5.67 <sup>3</sup>  |
| Total from investment operations .....  | (1.19)   | 5.50   |
| <b>Less Distributions from:</b>   |  |  |
| Net Realized gains .....  | (0.40)   | —  |
| Total distributions .....   | (0.40)   | —  |
| <b>Net Asset Value, End of Period</b> .....                                     | <b>\$ 28.91</b>                                    | <b>\$ 30.50</b>  |
| Net Asset Value Total Return <sup>4</sup> .....                                 | (3.97)%  | 21.99%   |
| Net assets, end of period (000's omitted) .....                                 | \$23,130   | \$22,874   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |  |  |
| <b>Ratios to Average Net Assets:</b>  |  |  |
| Expenses .....  | 0.85% <sup>5</sup>                                 | 0.86% <sup>6,7</sup>   |
| Net investment loss .....   | (0.43)%  | (0.58)% <sup>6</sup>   |
| Portfolio turnover rate <sup>8</sup> .....                                      | 35%  | 45% <sup>9</sup>   |

1 Commencement of operations.

2 Based on average shares outstanding.

3 The per share amount of realized and unrealized gain (loss) on investments does not accord with the amounts reported in the Statements of Changes due to the timing of creation of Fund shares in relation to fluctuating market values.

4 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

5 The ratio of expenses to average net assets includes tax expense fees of less than 0.01%.

6 Annualized.

7 The ratio of expenses to average net assets includes interest expense fees of 0.01%.

8 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

9 Not annualized.

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



|  | <b>iSectors Post-MPT<br/>Growth ETF</b>  |
|--|--|
|  | <b>For the Period<br/>August 16,<br/>2016<sup>1</sup> Through<br/>October 31, 2016</b> |
| <b>Per Share Data for a Share Outstanding Throughout the Period:</b> |  |
| Net asset value, beginning of period .....                           | \$24.89  |
| Investment operations:   |  |
| Net investment income <sup>2</sup> .....                             | 0.04   |
| Net realized and unrealized loss on investments .....                | (1.59)   |
| Total from investment operations .....                               | (1.55)   |
| <b>Net Asset Value, End of Period</b> .....                          | <b><u>\$23.34</u></b>  |
| Net Asset Value Total Return <sup>3</sup> .....                      | (6.25)%  |
| Net assets, end of period (000's omitted) .....                      | \$9,335  |

**RATIOS/SUPPLEMENTAL DATA:**

**Ratios to Average Net Assets:**

|  |                    |
|--|--------------------|
| Expenses .....                             | 0.95% <sup>4</sup> |
| Net investment income .....                | 0.80% <sup>4</sup> |
| Portfolio turnover rate <sup>5</sup> ..... | 78% <sup>6</sup>   |

1 Commencement of operations.

2 Based on average shares outstanding.

3 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

4 Annualized.

5 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

6 Not annualized.

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

|   | <b>Tuttle Tactical Management<br/>Multi-Strategy Income ETF</b> |  |
|---|---|--|
|   | <b>For the<br/>Year Ended<br/>October 31, 2016</b>              | <b>For the Period<br/>June 9, 2015'<br/>Through<br/>October 31, 2015</b> |
| <b>Per Share Data for a Share Outstanding Throughout each period presented:</b> |   |  |
| Net asset value, beginning of period .....                                      | \$ 23.72  | \$ 24.61   |
| Investment operations:  |   |  |
| Net investment income <sup>2</sup> .....  | 0.17  | 0.08   |
| Net realized and unrealized loss on investments .....                           | (1.42)  | (0.97)   |
| Total from investment operations .....  | (1.25)  | (0.89)   |
| <b>Less Distributions from:</b>   |   |  |
| Net investment income .....   | (0.11)  | —  |
| Total distributions .....   | (0.11)  | —  |
| <b>Net Asset Value, End of Period</b> .....                                     | <u>\$ 22.36</u>   | <u>\$ 23.72</u>  |
| Net Asset Value Total Return <sup>3</sup> .....                                 | (5.28)%   | (3.63)% <sup>4</sup>   |
| Net assets, end of period (000's omitted) .....                                 | \$25,715  | \$48,621   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |   |  |
| <b>Ratios to Average Net Assets:</b>  |   |  |
| Expenses .....  | 0.91% <sup>5</sup>  | 0.93% <sup>6,7</sup>   |
| Net investment income .....   | 0.75%   | 0.87% <sup>6</sup>   |
| Portfolio turnover rate <sup>8</sup> .....                                      | 6,399%  | 920% <sup>9</sup>  |

1 Commencement of operations.

2 Based on average shares outstanding.

3 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

4 During the period ended October 31, 2015, the Fund experienced a loss on the disposal of an investment security that did not meet investment guidelines. The Adviser reimbursed the Fund for the loss, which otherwise would have reduced Net Asset Value Total Return by 0.01%.

5 The ratio of expenses to average net assets includes interest expense fees and tax expense fees of 0.01%.

6 Annualized.

7 The ratio of expenses to average net assets includes interest expense fees of 0.03%.

8 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

9 Not annualized.

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

Financial Highlights (continued)

|   | <b>Tuttle Tactical Management<br/>U.S. Core ETF</b> |  |
|---|---|--|
|   | <b>For the<br/>Year Ended<br/>October 31, 2016</b>  | <b>For the Period<br/>February 24,<br/>2015<sup>1</sup> Through<br/>October 31, 2015</b> |
| <b>Per Share Data for a Share Outstanding Throughout each period presented:</b> |   |  |
| Net asset value, beginning of period  | \$ 23.01  | \$ 24.62   |
| Investment operations:  |   |  |
| Net investment income (loss) <sup>2</sup>                                       | 0.11  | (0.01)   |
| Net realized and unrealized loss on investments                                 | (1.71)  | (1.60)   |
| Total from investment operations  | (1.60)  | (1.61)   |
| <b>Less Distributions from:</b>   |   |  |
| Net investment income   | (0.04)  | —  |
| Total distributions   | (0.04)  | —  |
| <b>Net Asset Value, End of Period</b>   | <b>\$ 21.37</b>                                     | <b>\$ 23.01</b>  |
| Net Asset Value Total Return <sup>3</sup>                                       | (6.98)%   | (6.53)% <sup>4</sup>   |
| Net assets, end of period (000's omitted)                                       | \$65,183  | \$75,947   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |   |  |
| <b>Ratios to Average Net Assets:</b>  |   |  |
| Expenses  | 0.90% <sup>5</sup>                                  | 0.90% <sup>6</sup>   |
| Net investment income (loss)  | 0.49%   | (0.05)% <sup>6</sup>   |
| Portfolio turnover rate <sup>7</sup>  | 7,757%  | 1,687% <sup>8</sup>  |

1 Commencement of operations.

2 Based on average shares outstanding.

3 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

4 During the period ended October 31, 2015, the Fund experienced a loss on the disposal of an investment security that did not meet investment guidelines. The Adviser reimbursed the Fund for the loss, which otherwise would have reduced Net Asset Value Total Return by 0.04%.

5 The ratio of expenses to average net assets includes tax expense fees of less than 0.01%.

6 Annualized.

7 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

8 Not annualized.

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

|   | <b>Virtus Newfleet Multi-Sector<br/>Unconstrained Bond ETF</b> |   |
|---|--|---|
|   | <b>For the<br/>Year Ended<br/>October 31, 2016</b>             | <b>For the Period<br/>August 10, 2015'<br/>Through<br/>October 31, 2015</b> |
| <b>Per Share Data for a Share Outstanding Throughout each period presented:</b> |  |   |
| Net asset value, beginning of period .....                                      | \$ 25.09   | \$ 25.00  |
| Investment operations:  |  |   |
| Net investment income <sup>2</sup> .....  | 0.95   | 0.05  |
| Net realized and unrealized gain on investments .....                           | <u>0.85</u>  | <u>0.07</u>   |
| Total from investment operations .....  | <u>1.80</u>  | <u>0.12</u>   |
| <b>Less Distributions from:</b>   |  |   |
| Net investment income .....   | <u>(0.93)</u>  | <u>(0.03)</u>   |
| Total distributions .....   | <u>(0.93)</u>  | <u>(0.03)</u>   |
| <b>Net Asset Value, End of Period</b> .....                                     | <u>\$ 25.96</u>  | <u>\$ 25.09</u>   |
| Net Asset Value Total Return <sup>3</sup> .....                                 | 7.37%  | 0.47%   |
| Net assets, end of period (000's omitted) .....                                 | \$167,474  | \$153,035   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |  |   |
| Ratios to Average Net Assets:   |  |   |
| Expenses, net of expense waivers .....  | 0.80% <sup>4</sup>   | 0.80% <sup>5</sup>  |
| Expenses, prior to expense waivers .....  | 0.91% <sup>4</sup>   | 0.99% <sup>5</sup>  |
| Net investment income .....   | 3.75%  | 0.88% <sup>5</sup>  |
| Portfolio turnover rate <sup>6</sup> .....                                      | 100%   | 20% <sup>7</sup>  |

1 Commencement of operations.

2 Based on average shares outstanding.

3 Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

4 The ratios of expenses to average net assets include tax expense fees of less than 0.01%.

5 Annualized.

6 Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

7 Not annualized.

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

**1. ORGANIZATION**

The ETFs Series Trust I (the “Trust”) was organized as a Delaware statutory trust on September 20, 2012 and is registered with the Securities and Exchange Commission (the “SEC”) as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors Post-MPT Growth ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Tuttle Tactical Management U.S. Core ETF, and Virtus Newfleet Multi-Sector Unconstrained Bond ETF (each a “Fund”, and collectively the “Funds”), series of the Trust, are presented herein. The offering of Shares is registered under the Securities Act of 1933, as amended (the “Securities Act”).

| <u>Funds</u>   | <u>Commencement<br/>of Operations</u> |
|--|---------------------------------------|
| BioShares Biotechnology Clinical Trials Fund .....         | December 16, 2014                     |
| BioShares Biotechnology Products Fund .....                | December 16, 2014                     |
| iSectors Post-MPT Growth ETF .....                         | August 16, 2016                       |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | June 9, 2015                          |
| Tuttle Tactical Management U.S. Core ETF .....             | February 24, 2015                     |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | August 10, 2015                       |

The BioShares Biotechnology Clinical Trials Fund and BioShares Biotechnology Products Fund seeks investment results that correspond, before fees and expenses, to the price and yield performance of the LifeSci Biotechnology Clinical Trials Index and LifeSci Biotechnology Products Index, respectively.

The iSectors Post-MPT Growth ETF seeks growth of capital, with a secondary emphasis on capital preservation, independent of individual market conditions.

The Tuttle Tactical Management Multi-Strategy Income ETF seeks current income while maintaining secondary emphasis on long-term capital appreciation and low volatility.

The Tuttle Tactical Management U.S. Core ETF seeks long-term capital appreciation while maintaining a secondary emphasis on capital preservation, primarily through the U.S. equity market.

The Virtus Newfleet Multi-Sector Unconstrained Bond ETF seeks to provide a high level of current income and, secondarily, capital appreciation.

**2. SIGNIFICANT ACCOUNTING POLICIES**

Each Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services — Investment Companies. Each Fund prepares its financial statements in accordance with generally accepted accounting principles (“GAAP”) in the United States of America and follows the significant accounting policies described below.

**Use of Estimates**

Management makes certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of increases and decreases in the net assets from operations during the reporting period. Actual results could differ from those estimates.

**Indemnification**

In the normal course of business, the Funds may enter into contracts that contain a variety of representations which provide general indemnifications for certain liabilities. The Funds’ maximum exposure under these arrangements is unknown. However, the Funds have not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

**Security Valuation**

Security holdings traded on a national securities exchange are valued based on their last sale price. Price information on listed securities is taken from the exchange where the security is primarily traded. Securities regularly traded in an over the counter market are valued at the latest quoted sale price in such market or in the case of the New York Stock Exchange (“NYSE”) or NASDAQ, at the NYSE or NASDAQ Official Closing Price. If market quotations are not readily available, or if it is determined that a quotation of a security does not represent fair value, then the security is valued at fair value as determined in good faith using procedures adopted by the Trust’s Board of Trustees (the “Board”).

October 31, 2016

Debt securities, including restricted securities, are valued based on evaluated quotations received from independent pricing services or from dealers who make markets in such securities. For most bond types, the pricing service utilizes matrix pricing that considers one or more of the following factors: yield or price of bonds of comparable quality, coupon, maturity, current cash flows, type, and current day trade information, as well as dealer-supplied prices.

Short-term securities with 60 days or less remaining to maturity are valued using the amortized cost method, which approximates current market value.

### Fair Value Measurement

Accounting Standards Codification, Fair Value Measurements and Disclosures (“ASC 820”) defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and requires disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into fair value measurement. Under ASC 820, various inputs are used in determining the value of the Funds’ investments. These inputs are summarized in the following hierarchy:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Funds’ own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following summarizes inputs used as of October 31, 2016 in valuing the Funds’ assets and liabilities carried at fair value:

|                                      | <u>BioShares<br/>Biotechnology<br/>Clinical Trials<br/>Fund</u> | <u>BioShares<br/>Biotechnology<br/>Products Fund</u> | <u>iSectors<br/>Post-MPT<br/>Growth ETF</u> | <u>Tuttle Tactical<br/>Management<br/>Multi-Strategy<br/>Income ETF</u> | <u>Tuttle Tactical<br/>Management<br/>U.S. Core ETF</u> | <u>Virtus Newfleet<br/>Multi-Sector<br/>Unconstrained<br/>Bond ETF</u> |
|--------------------------------------|---|--|---|---|---|--|
| <b>Assets</b>                        |   |  |   |   |   |  |
| <b>Level 1</b>                       |   |  |   |   |   |  |
| Common Stocks . . . . .              | \$17,535,990  | \$22,029,773   | \$ —  | \$ —  | \$ —  | \$ —   |
| Exchange Traded Funds . . . . .      | —   | —  | 9,304,608                                   | 15,393,062  | 52,383,121  | —  |
| Money Market Fund . . . . .          | 5,352,399   | 5,769,958  | 43,915                                      | —   | —   | 1,600,808  |
| <b>Level 2</b>                       |   |  |   |   |   |  |
| Corporate Bonds . . . . .            | —   | —  | —   | —   | —   | 73,893,298   |
| Foreign Bonds . . . . .              | —   | —  | —   | —   | —   | 36,846,236   |
| Term Loans . . . . .                 | —   | —  | —   | —   | —   | 23,911,616   |
| Mortgage Backed Securities . . . . . | —   | —  | —   | —   | —   | 21,298,357   |
| Asset Backed Securities . . . . .    | —   | —  | —   | —   | —   | 7,970,285  |
| Municipal Bond . . . . .             | —   | —  | —   | —   | —   | 1,690,126  |
| <b>Level 3</b>                       |   |  |   |   |   |  |
| Term Loans . . . . .                 | —   | —  | —   | —   | —   | 342,390  |
| Totals . . . . .                     | <u>\$22,888,389</u>   | <u>\$27,799,731</u>                                  | <u>\$9,348,523</u>                          | <u>\$15,393,062</u>   | <u>\$52,383,121</u>                                     | <u>\$167,553,116</u>   |

For significant movements between levels within the fair value hierarchy, each Fund adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement. There were no transfers between levels during the period ended October 31, 2016.

October 31, 2016

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 investments at the end of the period. The following summarizes inputs (Level 3) used as of October 31, 2016:

|  | <b>Virtus Newfleet<br/>Multi-Sector<br/>Unconstrained<br/>Bond ETF</b> |
|--|--|
| Balance as of October 31, 2015   | \$ —   |
| Realized gain (loss)   | —  |
| Change in unrealized appreciation (depreciation)   | 3,288  |
| Purchases  | 339,102  |
| Sales  | —  |
| Transfers into Level 3   | —  |
| Transfers out of Level 3   | —  |
| Balance as of October 31, 2016   | \$342,390  |
| Net change in unrealized appreciation (depreciation) from investments still held as of October 31, 2016: | \$ 3,288   |

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains and losses on sales of investment securities are calculated using specific identification.

### Investment Income and Expenses

Dividend income is recognized on the ex-dividend date. Expenses and interest income are recognized on the accrual basis. Amortization of premium and accretion of discount on debt securities are included in interest income.

Each Fund pays all of its expenses not assumed by each Fund's Sub-Adviser, as defined in Note 3, or Virtus ETF Advisers LLC (the "Adviser"). General Trust expenses that are allocated among and charged to the assets of the Funds and other series of the Trust are done so on a basis that the Board deems fair and equitable, which may be on a basis of relative net assets of each Fund and other series of the Trust or the nature of the services performed and relative applicability to each Fund and other series of the Trust.

### Distributions to Shareholders

Distributions are recorded by the Funds on the ex-dividend date. Income and capital gain distributions are determined in accordance with income tax regulations that may differ from GAAP in the United States of America.

### When-issued Purchases and Forward Commitments (Delayed Delivery)

The Funds may engage in when-issued or forward commitment transactions. Securities purchased on a when-issued or forward commitment basis are also known as delayed delivery transactions. Delayed delivery transactions involve a commitment by a fund to purchase or sell a security at a future date, ordinarily up to 90 days later. When-issued or forward commitments enable a fund to lock in what is believed to be an attractive price or yield on a particular security for a period of time, regardless of future changes in interest rates. The Funds record when-issued and delayed delivery securities on the trade date. The Funds maintain collateral for the securities purchased. Securities purchased on a when-issued or delayed delivery basis begin earning interest on the settlement date.

### Loan Agreements

The Virtus Newfleet Multi-Sector Unconstrained Bond ETF may invest in direct debt instruments which are interests in amounts owed by a corporate, governmental, or other borrower to lenders or lending syndicates. Loan agreements are generally non-investment grade and often involve borrowers that are highly leveraged. The Fund may invest in obligations of borrowers who are in bankruptcy proceedings. Loan agreements are typically senior in the corporate capital structure of the borrower. A loan is often administered by a bank or other financial institution (the "lender") that acts as agent for all holders. The lender administers the terms of the loan, as specified in the loan agreement. The Fund's investments in loans may be in the form of participations in loans or assignments of all or a portion of loans from third parties. When investing in loan participations, the Fund has the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the loan participation and only upon receipt by the lender of payments from the borrower. The Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, the Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. When the Fund purchases assignments from lenders, it acquires direct rights against the borrower on the loan.

The Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. Loan agreements may involve foreign borrowers, and investments may be denominated in foreign currencies. Direct indebtedness of emerging countries involves a risk that the government entities responsible for the repayment of the debt may be unable, or unwilling, to pay the principal and interest when due.



October 31, 2016

The loan agreements have floating rate loan interests which generally pay interest at rates that are periodically determined by reference to a base lending rate plus a premium. The base lending rates are generally LIBOR (London Interbank Offered Rate), the prime rate offered by one or more U.S. banks or the certificate of deposit rate. When a loan agreement is purchased, the Fund may pay an assignment fee. On an ongoing basis, the Fund may receive a commitment fee based on the undrawn portion of the underlying line of credit portion of a loan agreement. Prepayment penalty fees are received upon the prepayment of a loan agreement by a borrower. Prepayment penalty, facility, commitment, consent and amendment fees are recorded to income as earned or paid.

At October 31, 2016, all loan agreements held by the Fund are assignment loans.

### Securities Lending

Certain Funds may loan securities to qualified brokers through an agreement with The Bank of New York Mellon (“BNY Mellon”), as a third party lending agent. Under the terms of the agreement, a Fund doing so is required to maintain collateral with a market value not less than 102% of the market value of loaned securities. Collateral is adjusted daily in connection with changes in the market value of securities on loan. Collateral may consist of cash and securities issued by the U.S. Government or its agencies. Cash collateral is invested in a short-term money market fund. Dividends earned on the collateral and premiums paid by the broker are recorded as income by a Fund net of fees and rebates charged by BNY Mellon for its services as securities lending agent and in connection with this securities lending program. Lending portfolio securities involves a risk of delay in the recovery of the loaned securities or in the declining value of the collateral.

As of October 31, 2016, the BioShares Biotechnology Clinical Trials Fund and the BioShares Biotechnology Products Fund had securities on loan, all of which were classified as common stocks in the Schedule of Investments. The value of the related collateral exceeded the value of the securities loaned at period end. In the event of a default by the borrower, the Funds would utilize the collateral to offset amounts owed to the Funds by the borrower.

### Remaining Contractual Maturity of the Agreements, as of October 31, 2016

|   | Overnight and<br>Continuous | Between  |              |          | Total       |
|---|-----------------------------|----------|--------------|----------|-------------|
|   |                             | <30 Days | 30 & 90 Days | >90 Days |             |
| <b>BioShares Biotechnology Clinical Trials Fund</b>                               |                             |          |              |          |             |
| Securities Lending Transactions   |                             |          |              |          |             |
| Common Stocks .....   | \$5,352,399                 | \$ —     | \$ —         | \$ —     | \$5,352,399 |
| Gross amount of recognized liabilities for securities lending transactions: ..... |                             |          |              |          | \$5,352,399 |
| <b>BioShares Biotechnology Products Fund</b>                                      |                             |          |              |          |             |
| Securities Lending Transactions   |                             |          |              |          |             |
| Common Stocks .....   | \$5,769,958                 | \$ —     | \$ —         | \$ —     | \$5,769,958 |
| Gross amount of recognized liabilities for securities lending transactions: ..... |                             |          |              |          | \$5,769,958 |

### 3. INVESTMENT MANAGEMENT, RELATED PARTIES AND OTHER AGREEMENTS

#### Investment Advisory Agreement

The Trust has entered into an Investment Advisory Agreement (the “Advisory Agreement”) with the Adviser, a wholly owned subsidiary of ETFis Holdings LLC, on behalf of each Fund. ETFis Holdings LLC is majority-owned by Virtus Investment Partners, Inc. (Ticker: VRTS) (together with its affiliates, “Virtus”). Pursuant to the Advisory Agreement, the Adviser has overall supervisory responsibility for the general management and investment of the Funds’ securities portfolios. For its services on the BioShares Biotechnology Clinical Trials Fund and BioShares Biotechnology Products Fund, the Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.075% of each Fund’s average daily net assets, subject to an aggregate minimum annual fee of \$35,000, paid by the Sub-Adviser as defined below. For its services on the iSectors® Post-MPT Growth ETF, the Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.125% of the Fund’s average daily net assets, subject to a minimum annual fee of \$25,000 per year. For its services on the Tuttle Tactical Management Multi-Strategy Income ETF and Tuttle Tactical Management U.S. Core ETF, the Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.075% of each Fund’s average daily net assets, subject to a minimum annual fee of \$15,000 and \$25,000, respectively, per year, paid by the Sub-Adviser as defined below. For its services on the Virtus Newfleet Multi-Sector Unconstrained Bond ETF, the Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.70% of the Fund’s average daily net assets.

The Advisory Agreement may be terminated on behalf of a Fund with the approval of a Fund’s Board or by a vote of the majority of a Fund’s shareholders and on behalf of the Adviser, upon not less than 30 day’s written notice.

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**Expense Limitation Agreement**

The Adviser has contractually agreed to reduce its fees and reimburse expenses in order to keep net expenses (excluding interest, taxes, brokerage fees and commissions, other expenditures that are capitalized in accordance with generally accepted accounting principles, acquired fund fees and expenses, other extraordinary expenses not incurred in the ordinary course of the Fund's business, and amounts, if any, payable pursuant to a plan adopted in accordance with Rule 12b-1 under the 1940 Act) from exceeding a specified amount for the Virtus Newfleet Multi-Sector Unconstrained Bond ETF's average daily net assets. The expense limitation agreement will be terminated upon termination of the Advisory Agreement between the Adviser and the Fund. The expense cap in effect for Virtus Newfleet Multi-Sector Unconstrained Bond ETF during the year ended October 31, 2016 was 0.80%.

The Adviser waived fees and reimbursed expenses for Virtus Newfleet Multi-Sector Unconstrained Bond ETF are as follows. Under certain conditions, the Adviser may recapture fees waived and operating expenses reimbursed under these arrangements for a period of three years following the fiscal year in which such reimbursement occurred. The Adviser may recoup such waivers until the date indicated.

| <u>Fund</u>   | <u>Expenses Reimbursed</u> | <u>Recoupment Balance</u> | <u>Recoupment Expiration</u> |
|---|----------------------------|---------------------------|------------------------------|
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF ..... | \$ 57,777                  | \$ 57,777                 | 10/31/2018                   |
|   | \$183,990                  | \$183,990                 | 10/31/2019                   |

**Sub-Advisory Agreement**

Each Sub-Adviser provides investment advice and management services to its respective Funds. Pursuant to an investment sub-advisory agreement among the Trust, the Sub-Adviser and the Adviser, the sub-advisory fee is based on the average daily net assets as specified below. The Sub-Advisers, except the Sub-Adviser of Virtus Newfleet Multi-Sector Unconstrained Bond ETF, have agreed to pay all expenses of their respective Funds, except the Sub-Adviser's fee, brokerage expenses, acquired fund fees and expenses, taxes, interest, litigation and arbitration expenses, payments under any 12b-1 plan adopted by the Funds, and other extraordinary expenses of the Funds. The sub-Advisers and sub-advisory fees for each Fund are listed below.

| <u>Funds</u>   | <u>Sub-Advisers</u>                         | <u>Sub-Advisory Fees</u> |
|--|---|--------------------------|
| BioShares Biotechnology Clinical Trials Fund .....         | LifeSci Index Partners, LLC                 | 0.85%                    |
| BioShares Biotechnology Products Fund .....                | LifeSci Index Partners, LLC                 | 0.85%                    |
| iSectors Post-MPT Growth ETF .....                         | iSectors <sup>®</sup> , LLC                 | 0.825%                   |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | Tuttle Tactical Management, LLC             | 0.90%                    |
| Tuttle Tactical Management U.S. Core ETF .....             | Tuttle Tactical Management, LLC             | 0.90%                    |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | Newfleet Asset Management, LLC <sup>1</sup> | 50% of the Advisory Fee  |

(1) An indirect wholly-owned subsidiary of Virtus.

**Principal Underwriter**

Pursuant to the terms of a Distribution Agreement with the Trust, ETF Distributors LLC (the "Distributor") serves as the Funds' principal underwriter. The Distributor receives compensation for the statutory underwriting services it provides to the Funds. The Distributor will not distribute shares in less than Creation Units (as hereinafter defined), and does not maintain a secondary market in shares. The shares are expected to be traded in the secondary market in shares. The Distributor is a wholly-owned subsidiary of Virtus.

BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors<sup>®</sup> Post-MPT Growth ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Tuttle Tactical Management U.S. Core ETF do not pay directly for the services they receive from the Distributor, but rather the Funds' respective Sub-Advisers have agreed to pay the Distributor's fees under the Sub-Advisers' unified fee arrangements with the Funds. Virtus Newfleet Multi-Sector Unconstrained Bond ETF pays the Distributor directly for the services it receives from the Distributor, which amounted to \$16,913 for the year ended October 31, 2016.

**Distribution and Service (12b-1 Plan)**

The Board of Trustees has adopted a distribution and service plan, under which BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors<sup>®</sup> Post-MPT Growth ETF and Tuttle Tactical Management U.S. Core ETF, (collectively, the "12b-1 Funds") are authorized to pay an amount up to 0.25% of their average daily net assets each year to finance activities primarily intended to result in the sale of Creation Units of the 12b-1 Funds or the provision of investor services. No 12b-1 fees are currently paid by the 12b-1 Funds and there are no current plans to impose the fees.

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**Operational Administrator**

Virtus ETF Solutions LLC (the “Administrator”) serves as the Funds’ operational administrator. The Administrator supervises the overall administration of the Trust and the Funds including, among other responsibilities, the coordination and day-to-day oversight of the Funds’ operations, the service providers’ communications with the Funds and each other and assistance with Trust, Board and contractual matters related to the Funds and other series of the Trust. The Administrator also provides persons satisfactory to the Board to serve as officers of the Trust. The Administrator is a wholly-owned subsidiary of Virtus.

**Accounting Services Administrator, Custodian and Transfer Agent**

BNY Mellon provides administrative, accounting, tax and financial reporting for the maintenance and operations of the Trust as the Funds’ accounting services administrator. BNY Mellon also serves as the custodian for the Funds’ assets, and serves as transfer agent and dividend paying agent for the Funds.

**4. CREATION AND REDEMPTION TRANSACTIONS**

The Funds issue and redeem shares on a continuous basis at Net Asset Value (“NAV”) in groups of 50,000 shares called “Creation Units.” Creation Units of the Funds, with the exception of Virtus Newfleet Multi-Sector Unconstrained Bond ETF, are issued and redeemed generally in exchange for specified securities held by the Funds and a specified cash payment. Creation Units of Virtus Newfleet Multi-Sector Unconstrained Bond ETF are issued and redeemed principally for cash. In each instance of such cash creations or redemptions, the Trust may impose transaction fees based on transaction expenses related to the particular exchange that will be higher than the transaction fees associated with in-kind purchases or redemptions.

Only “Authorized Participants” who have entered into contractual arrangements with the Distributor may purchase or redeem shares directly from the Funds. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a DTC participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors 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 Funds. Rather, most retail investors will purchase shares in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

**5. FEDERAL INCOME TAX**

Each Fund intends to qualify as a “regulated investment company” under Sub-chapter M of the Internal Revenue Code of 1986, as amended, by distributing substantially all of their net investment income and net capital gains to shareholders. *Accounting for Uncertainty in Income Taxes* as issued by the Financial Accounting Standards Board provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements, and requires the evaluation of tax positions taken or expected to be taken in the course of preparing a Fund’s tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Interest and penalties related to income taxes would be recorded as income tax expense. Management of the Funds is required to analyze all open tax years (2015), as defined by IRS statute of limitations, for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of October 31, 2016, the Funds did not have a liability for any unrecognized tax benefits. The Funds have no examination in progress and are not aware of any tax positions for which it is reasonably possible that the amounts of unrecognized tax benefits will significantly change in the next twelve months.

The Funds recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. For the year October 31, 2016, the Funds had no accrued penalties or interest.

The adjusted cost basis of investments and gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

| <u>Funds</u>   | <u>Federal Tax Cost<br/>Of Investments</u> | <u>Gross<br/>Unrealized<br/>Appreciation</u> | <u>Gross<br/>Unrealized<br/>Depreciation</u> | <u>Net Unrealized<br/>Appreciation<br/>(Depreciation)</u> |
|--|--|--|--|---|
| BioShares Biotechnology Clinical Trials Fund . . . . .         | \$ 32,859,222                              | \$1,337,743                                  | \$(11,308,576)                               | \$(9,970,833)   |
| BioShares Biotechnology Products Fund . . . . .                | 32,115,807                                 | 2,279,208                                    | (6,595,284)                                  | (4,316,076)   |
| iSectors Post-MPT Growth ETF . . . . .                         | 9,430,311                                  | 42,194                                       | (123,982)                                    | (81,788)  |
| Tuttle Tactical Management Multi-Strategy Income ETF . . . . . | 17,484,346                                 | 23,104                                       | (2,114,388)                                  | (2,091,284)   |
| Tuttle Tactical Management U.S. Core ETF . . . . .             | 56,563,535                                 | 67,662                                       | (4,248,076)                                  | (4,180,414)   |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF . . . . .  | 163,415,300                                | 5,104,138                                    | (966,322)                                    | 4,137,816   |

Notes to Financial Statements (continued)

October 31, 2016

The differences between book basis and tax basis components of net assets are primarily attributable to tax deferral of losses on wash sales and undistributed short-term capital gains treated as ordinary income for tax purposes. At October 31, 2016, the components of accumulated earnings/loss on a tax-basis were as follows:

| <u>Funds</u>   | <u>Undistributed Ordinary Income</u> | <u>Accumulated Capital and Other Gain (Loss)</u> | <u>Net Unrealized Appreciation (Depreciation)</u> | <u>Total Accumulated Earnings (Loss)</u> |
|--|--------------------------------------|--|---|--|
| BioShares Biotechnology Clinical Trials Fund .....         | \$ —                                 | \$(7,234,243)                                    | \$(9,970,833)                                     | \$(17,205,076)                           |
| BioShares Biotechnology Products Fund .....                | —                                    | (1,989,675)                                      | (4,316,076)                                       | (6,305,751)                              |
| iSectors Post-MPT Growth ETF .....                         | 12,967                               | (449,576)  | (81,788)  | (518,397)                                |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 192,254                              | (1,633,761)                                      | (2,091,284)                                       | (3,532,791)                              |
| Tuttle Tactical Management U.S. Core ETF .....             | 224,249                              | (4,696,904)                                      | (4,180,414)                                       | (8,653,069)                              |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | 2,707,839                            | 186,067  | 4,137,816   | 7,031,722                                |

Late year ordinary losses incurred after December 31 within the taxable year are deemed to arise on the first business day of each Fund's next taxable year. During the fiscal year ended October 31, 2016, the following Funds incurred and will elect to defer late year ordinary losses as follows:

|  | <u>Late-year Ordinary Losses</u> |
|--|----------------------------------|
| BioShares Biotechnology Clinical Trials Fund ..... | \$95,019                         |
| BioShares Biotechnology Products Fund .....        | 78,011                           |

The tax character of distributions paid during the periods ended October 31, 2016 and October 31, 2015 were as follows:

| <u>Funds</u>   | <u>2016</u>                                    |  | <u>2015</u>                                    |  |
|--|--|--|--|--|
|  | <u>Distributions Paid From Ordinary Income</u> | <u>Distributions Paid From Long-Term Capital Gains</u> | <u>Distributions Paid From Ordinary Income</u> | <u>Distributions Paid From Long-Term Capital Gains</u> |
| BioShares Biotechnology Clinical Trials Fund .....         | \$ 125,231                                     | \$ —   | \$ —   | \$ —   |
| BioShares Biotechnology Products Fund .....                | 278,077  | —  | —  | —  |
| iSectors Post-MPT Growth ETF .....                         | —  | —  | —  | —  |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 179,322  | —  | —  | —  |
| Tuttle Tactical Management U.S. Core ETF .....             | 133,812  | —  | —  | —  |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | 6,228,079                                      | —  | 179,639  | —  |

At October 31, 2016, for Federal income tax purposes, the following Funds have capital loss carryforwards available to offset future capital gains for an unlimited period. To the extent that these loss carryforwards are utilized, capital gains so offset will not be distributed to shareholders.

| <u>Funds</u>   | <u>Short-Term No Expiration</u> | <u>Long-Term No Expiration</u> | <u>Total</u> |
|--|---------------------------------|--------------------------------|--------------|
| BioShares Biotechnology Clinical Trials Fund .....         | \$5,547,953                     | \$1,591,271                    | \$7,139,224  |
| BioShares Biotechnology Products Fund .....                | 1,503,048                       | 408,616                        | 1,911,664    |
| iSectors Post-MPT Growth ETF .....                         | 449,576                         | —                              | 449,576      |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 1,633,761                       | —                              | 1,633,761    |
| Tuttle Tactical Management U.S. Core ETF .....             | 4,696,904                       | —                              | 4,696,904    |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | —                               | —                              | —            |

For financial reporting purposes, capital accounts are adjusted to reflect the tax character of permanent book/tax differences. Results of operations and net assets were not affected by these reclassifications. Reclassifications are primarily due to tax treatment of redemptions in kind. At October 31, 2016, the effect of permanent book/tax reclassifications resulted in increases (decreases) to the components of net assets as follows:

| <u>Funds</u>   | <u>Undistributed Net Investment Income</u> | <u>Undistributed Net Realized Gain On Investments</u> | <u>Paid-In-Capital</u> |
|--|--|---|------------------------|
| BioShares Biotechnology Clinical Trials Fund .....         | \$35,987                                   | \$(1,015,989)   | \$ 980,002             |
| BioShares Biotechnology Products Fund .....                | 10,764                                     | (1,382,723)   | 1,371,959              |
| iSectors Post-MPT Growth ETF .....                         | —  | —   | —                      |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 812  | 371,988   | (372,800)              |
| Tuttle Tactical Management U.S. Core ETF .....             | —  | 258,978   | (258,978)              |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | 28,981                                     | (17,778)  | (11,203)               |

October 31, 2016

**6. INVESTMENT TRANSACTIONS**

Purchases and sales of investments (excluding short-term investments) for the period ended October 31, 2016 were as follows:

| <u>Funds</u>   | <u>Purchases</u> | <u>Sales</u>  | <u>Subscriptions<br/>In-Kind</u> | <u>Redemptions<br/>In-Kind</u> |
|--|------------------|---------------|----------------------------------|--------------------------------|
| BioShares Biotechnology Clinical Trials Fund .....         | \$ 10,712,234    | \$ 12,722,583 | \$ 9,344,204                     | \$ 5,405,026                   |
| BioShares Biotechnology Products Fund .....                | 7,295,398        | 10,460,387    | 11,354,614                       | 8,206,905                      |
| iSectors Post-MPT Growth ETF .....                         | 5,635,304        | 5,649,706     | 9,850,374                        | —                              |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 1,574,674,804    | 1,583,373,079 | 8,617,498                        | 28,621,871                     |
| Tuttle Tactical Management U.S. Core ETF .....             | 4,801,482,447    | 4,816,054,115 | 27,495,530                       | 29,400,874                     |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | 206,089,060      | 150,288,684   | 624,287                          | 624,287                        |

**7. INVESTMENT RISKS**

As with any investment, an investment in the Funds could result in a loss or the performance of the Funds could be inferior to that of other investments. An investor should consider each Fund's investment objectives, risks, and charges and expenses carefully before investing. Each Fund's prospectus and statement of additional information contain this and other important information.

**8. CREDIT RISK**

High-yield/high-risk securities typically entail greater price volatility and/or principal and interest rate risk. There is a greater chance that an issuer will not be able to make principal and interest payments on time. Analysis of the creditworthiness of issuers of high-yield/high-risk securities may be complex, and as a result, it may be more difficult for the Adviser and/or Sub-Adviser to accurately predict risk.

**9. CASH CONCENTRATION RISK**

At various times, the Funds may have cash and cash collateral balances that exceed federally insured limits.

**10. ASSET CONCENTRATION RISK**

Certain Funds may invest a high percentage of their assets in specific investments, including other funds. Fluctuations in these investments may have a greater impact on a Fund, positive or negative, than if a Fund did not concentrate its investments in such investments.

At October 31, 2016, the following Funds held a security with a significant concentration to the portfolio as detailed below:

| <u>Funds</u>                                   | <u>Security</u>                 | <u>Percentage of<br/>Net Assets</u> |
|--|---------------------------------|-------------------------------------|
| iSectors Post-MPT Growth ETF .....             | iShares U.S. Utilities ETF      | 28.9%                               |
| iSectors Post-MPT Growth ETF .....             | iShares North American Tech ETF | 26.0%                               |
| Tuttle Tactical Management U.S. Core ETF ..... | SPDR S&P 500 ETF Trust          | 32.0%                               |

The iShares U.S. Utilities ETF, iShares North American Tech ETF, and SPDR S&P 500 ETF Trust are registered under the 1940 Act as open-ended management investment companies. The financial statements of iShares U.S. Utilities ETF and iShares North American Tech ETF can be found at the iShares website or the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)) and should be read in conjunction with the iSectors Post-MPT Growth ETF's financial statements. The financial statements of SPDR S&P 500 ETF Trust can be found at the SPDR website or the Securities and Exchange Commission's website ([www.sec.gov](http://www.sec.gov)) and should be read in conjunction with the Tuttle Tactical Management U.S. Core ETF's financial statements.

**11. 10% SHAREHOLDERS**

As of October 31, 2016, certain Funds had individual shareholder account(s) and/or omnibus shareholder account(s) (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of each such Fund as detailed below:

| <u>Funds</u>   | <u>% of Shares<br/>Outstanding</u> | <u>Number of<br/>Accounts</u> |
|--|------------------------------------|-------------------------------|
| BioShares Biotechnology Clinical Trials Fund .....         | 35%                                | 2                             |
| BioShares Biotechnology Products Fund .....                | 48%                                | 3                             |
| iSectors Post-MPT Growth ETF .....                         | 72%                                | 2                             |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | 82%                                | 2                             |
| Tuttle Tactical Management U.S. Core ETF .....             | 85%                                | 2                             |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | 95%                                | 1                             |



October 31, 2016

**12. NEW ACCOUNTING PRONOUNCEMENT**

On October 13, 2016 the Securities and Exchange Commission amended existing rules intended to modernize reporting and disclosure of information. These amendments relate to Regulation S-X which sets forth the form and content of financial statements. At this time, management is evaluating the implications of adopting these amendments and their impact on the financial statements and accompanying notes.

**13. SUBSEQUENT EVENTS**

The following Funds paid the following per share distributions after October 31, 2016:

| <u>Funds</u>   | <u>Ordinary Income</u> | <u>Short-Term<br/>Capital Gains</u> | <u>Long-Term<br/>Capital Gains</u> | <u>Ex- Date</u> |
|--|------------------------|-------------------------------------|------------------------------------|-----------------|
| iSectors Post-MPT Growth ETF .....                         | \$0.15206              |                                     |                                    | 12/20/16        |
| Tuttle Tactical Management Multi-Strategy Income ETF ..... | \$0.29230              |                                     |                                    | 12/20/16        |
| Tuttle Tactical Management U.S. Core ETF .....             | \$0.10031              |                                     |                                    | 12/20/16        |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | \$0.10923              | 0.31038                             | 0.02356                            | 12/20/16        |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF .....  | \$0.09704              |                                     |                                    | 11/21/16        |

The Funds are required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statements of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Funds are required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has determined that, except as set forth above, there are no material events that would require disclosure.

# Schedule of Investments — InfraCap MLP ETF

October 31, 2016

| Security Description                           | Shares           | Value              | Security Description                         | Shares    | Value                       |
|--|------------------|--------------------|--|-----------|-----------------------------|
| <b>Common Stocks — 125.0%</b> <sup>(1)</sup>   |                  |                    | <b>Securities Sold Short — (12.7)%</b>       |           |                             |
| <b>Energy — 125.0%</b>                         |                  |                    | <b>Exchange Traded Funds — (12.7)%</b>       |           |                             |
| Boardwalk Pipeline Partners LP <sup>(2)</sup>  | 20,575           | \$ 354,096         | <b>Commodity Funds — (12.7)%</b>             |           |                             |
| Buckeye Partners LP <sup>(2)</sup>             | 149,188          | 9,628,593          | United States Natural Gas Fund LP*           | (636,000) | \$ (5,138,880)              |
| Cheniere Energy Partners LP <sup>(2)</sup>     | 8,888            | 235,532            | United States Oil Fund LP*                   | (948,796) | <u>(9,990,822)</u>          |
| Crestwood Equity Partners LP <sup>(2)</sup>    | 164,480          | 3,289,600          | <b>Total Commodity Funds</b>                 |           |                             |
| DCP Midstream Partners LP                      | 67,257           | 2,243,021          | <b>Total Securities Sold Short — (12.7)%</b> |           |                             |
| Enbridge Energy Partners LP                    | 379,290          | 9,349,498          | (Proceeds \$(14,905,874))                    |           | <u>(15,129,702)</u>         |
| Energy Transfer Equity LP <sup>(2)</sup>       | 677,361          | 10,113,000         | Liabilities in Excess of                     |           |                             |
| Energy Transfer Partners LP                    | 473,080          | 16,548,338         | Other Assets — (12.5)%                       |           | <u>(14,988,941)</u>         |
| EnLink Midstream LLC                           | 54,442           | 830,240            | <b>Net Assets — 100.0%</b>                   |           | <u><u>\$119,606,170</u></u> |
| EnLink Midstream Partners LP                   | 332,541          | 5,516,855          |  |           |                             |
| Enterprise Products Partners LP <sup>(2)</sup> | 328,636          | 8,294,773          |  |           |                             |
| EQT Midstream Partners LP <sup>(2)</sup>       | 67,677           | 5,066,977          |  |           |                             |
| Genesis Energy LP <sup>(2)</sup>               | 104,690          | 3,656,822          |  |           |                             |
| Magellan Midstream Partners LP <sup>(2)</sup>  | 91,648           | 6,161,495          |  |           |                             |
| MPLX LP <sup>(2)</sup>                         | 279,195          | 9,498,214          |  |           |                             |
| NGL Energy Partners LP                         | 127,007          | 2,260,725          | <b>Written Options — (1.2)%</b>              |           |                             |
| NuStar Energy LP                               | 5,026            | 237,177            | <b>Calls</b>                                 |           |                             |
| ONEOK Partners LP                              | 169,288          | 6,727,505          | Boardwalk Pipeline Partners LP,              |           |                             |
| ONEOK, Inc.                                    | 3,911            | 189,410            | Expires 12/16/16,                            |           |                             |
| Phillips 66 Partners LP <sup>(2)</sup>         | 58,493           | 2,585,391          | Strike Price \$18.00                         | (50)      | (1,500)                     |
| Plains All American Pipeline LP <sup>(2)</sup> | 227,593          | 6,909,723          | Boardwalk Pipeline Partners LP,              |           |                             |
| Shell Midstream Partners LP <sup>(2)</sup>     | 41,697           | 1,131,240          | Expires 01/20/17,                            |           |                             |
| Spectra Energy Corp. <sup>(2)</sup>            | 15,724           | 657,420            | Strike Price \$18.00                         | (150)     | (6,375)                     |
| Spectra Energy Partners LP                     | 4,583            | 195,419            | Buckeye Partners LP,                         |           |                             |
| Sunoco Logistics Partners LP <sup>(2)</sup>    | 375,668          | 9,632,128          | Expires 11/18/16,                            |           |                             |
| Targa Resources Corp. <sup>(2)</sup>           | 11,926           | 523,551            | Strike Price \$70.00                         | (100)     | (1,000)                     |
| TC PipeLines LP                                | 25,461           | 1,328,046          | Buckeye Partners LP,                         |           |                             |
| Tesororo Logistics LP <sup>(2)</sup>           | 125,930          | 6,011,898          | Expires 11/18/16,                            |           |                             |
| Western Gas Equity Partners LP                 | 28,752           | 1,225,410          | Strike Price \$75.00                         | (501)     | (2,505)                     |
| Western Gas Partners LP <sup>(2)</sup>         | 57,238           | 3,156,676          | Buckeye Partners LP,                         |           |                             |
| Williams Cos., Inc. (The) <sup>(2)</sup>       | 30,209           | 882,103            | Expires 11/18/16,                            |           |                             |
| Williams Partners LP <sup>(2)</sup>            | 421,541          | 15,099,599         | Strike Price \$80.00                         | (444)     | (3,552)                     |
| <b>Total Common Stocks</b>                     |                  |                    | Buckeye Partners LP,                         |           |                             |
| (Cost \$147,755,612)                           |                  | <u>149,540,475</u> | Expires 02/17/17,                            | (450)     | (20,250)                    |
|  |                  |                    | Strike Price \$75.00                         | (450)     | (20,250)                    |
|  | <b>Number of</b> |                    | Buckeye Partners LP,                         |           |                             |
|  | <b>Contracts</b> |                    | Expires 02/17/17,                            | (50)      | (800)                       |
|  |                  |                    | Strike Price \$80.00                         | (50)      | (800)                       |
| <b>Purchased Call Options — 0.2%</b>           |                  |                    | Cheniere Energy Partners LP,                 |           |                             |
| Plains All American Pipeline LP,               |                  |                    | Expires 11/18/16,                            |           |                             |
| Expires 11/18/16,                              |                  |                    | Strike Price \$29.00                         | (80)      | (1,000)                     |
| Strike Price \$32.00                           | 1,012            | 45,540             | Crestwood Equity Partners LP,                |           |                             |
| United States Natural Gas Fund LP,             |                  |                    | Expires 11/18/16,                            |           |                             |
| Expires 01/20/17,                              |                  |                    | Strike Price \$22.50                         | (400)     | (6,000)                     |
| Strike Price \$10.00                           | 1,953            | 46,872             | Crestwood Equity Partners LP,                |           |                             |
| United States Oil Fund LP,                     |                  |                    | Expires 01/20/17,                            |           |                             |
| Expires 11/18/16,                              |                  |                    | Strike Price \$22.50                         | (650)     | (29,250)                    |
| Strike Price \$12.00                           | 250              | 750                | Crestwood Equity Partners LP,                |           |                             |
| United States Oil Fund LP,                     |                  |                    | Expires 01/20/17,                            |           |                             |
| Expires 11/18/16,                              |                  |                    | Strike Price \$25.00                         | (250)     | (7,500)                     |
| Strike Price \$12.50                           | 500              | 500                | Energy Transfer Equity LP,                   |           |                             |
| United States Oil Fund LP,                     |                  |                    | Expires 11/04/16,                            |           |                             |
| Expires 12/16/16,                              |                  |                    | Strike Price \$16.00                         | (250)     | (750)                       |
| Strike Price \$12.00                           | 500              | 7,000              | Energy Transfer Equity LP,                   |           |                             |
| United States Oil Fund LP,                     |                  |                    | Expires 11/04/16,                            |           |                             |
| Expires 01/20/17,                              |                  |                    | Strike Price \$16.50                         | (600)     | (1,200)                     |
| Strike Price \$11.50                           | 2,202            | 83,676             | Energy Transfer Equity LP,                   |           |                             |
| <b>Total Purchased Call Options</b>            |                  |                    | Expires 11/11/16,                            |           |                             |
| (Cost \$502,684)                               |                  | <u>184,338</u>     | Strike Price \$16.00                         | (250)     | (3,750)                     |
| <b>TOTAL INVESTMENTS — 125.2%</b>              |                  |                    |  |           |                             |
| (Cost \$148,258,296)                           |                  | <u>149,724,813</u> |  |           |                             |

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

Schedule of Investments — InfraCap MLP ETF (continued)

October 31, 2016

| Security Description  | Number of<br>Contracts | Value      | Security Description  | Number of<br>Contracts | Value       |
|---|------------------------|------------|---|------------------------|-------------|
| <b>Written Options (continued)</b>  |                        |            | <b>Written Options (continued)</b>  |                        |             |
| <b>Calls (continued)</b>  |                        |            | <b>Calls (continued)</b>  |                        |             |
| Energy Transfer Equity LP,<br>Expires 11/11/16,<br>Strike Price \$16.50 .....       | (150)                  | \$ (1,200) | Enterprise Products Partners LP,<br>Expires 03/17/17,<br>Strike Price \$29.00 ..... | (450)                  | \$ (11,250) |
| Energy Transfer Equity LP,<br>Expires 11/18/16,<br>Strike Price \$16.00 .....       | (100)                  | (2,000)    | EQT Midstream Partners LP,<br>Expires 11/18/16,<br>Strike Price \$80.00 .....       | (300)                  | (15,000)    |
| Energy Transfer Equity LP,<br>Expires 11/18/16,<br>Strike Price \$16.50 .....       | (300)                  | (3,300)    | EQT Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$80.00 .....       | (250)                  | (23,750)    |
| Energy Transfer Equity LP,<br>Expires 11/25/16,<br>Strike Price \$17.00 .....       | (400)                  | (4,000)    | EQT Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$85.00 .....       | (50)                   | (1,625)     |
| Energy Transfer Equity LP,<br>Expires 12/02/16,<br>Strike Price \$17.00 .....       | (100)                  | (1,650)    | Genesis Energy LP,<br>Expires 11/18/16,<br>Strike Price \$37.50 .....               | (100)                  | (2,500)     |
| Energy Transfer Equity LP,<br>Expires 01/20/17,<br>Strike Price \$17.50 .....       | (350)                  | (12,950)   | Genesis Energy LP,<br>Expires 12/16/16,<br>Strike Price \$37.50 .....               | (200)                  | (13,000)    |
| Enterprise Products Partners LP,<br>Expires 11/04/16,<br>Strike Price \$27.00 ..... | (300)                  | (1,200)    | Genesis Energy LP,<br>Expires 12/16/16,<br>Strike Price \$40.00 .....               | (300)                  | (5,250)     |
| Enterprise Products Partners LP,<br>Expires 11/04/16,<br>Strike Price \$27.50 ..... | (100)                  | (1,500)    | Genesis Energy LP,<br>Expires 12/16/16,<br>Strike Price \$42.50 .....               | (50)                   | (250)       |
| Enterprise Products Partners LP,<br>Expires 11/11/16,<br>Strike Price \$26.00 ..... | (19)                   | (285)      | Genesis Energy LP,<br>Expires 03/17/17,<br>Strike Price \$42.50 .....               | (35)                   | (1,050)     |
| Enterprise Products Partners LP,<br>Expires 11/11/16,<br>Strike Price \$27.00 ..... | (400)                  | (6,000)    | Magellan Midstream Partners LP,<br>Expires 11/18/16,<br>Strike Price \$70.00 .....  | (50)                   | (1,100)     |
| Enterprise Products Partners LP,<br>Expires 11/11/16,<br>Strike Price \$27.50 ..... | (400)                  | (6,000)    | Magellan Midstream Partners LP,<br>Expires 11/18/16,<br>Strike Price \$72.50 .....  | (50)                   | (1,000)     |
| Enterprise Products Partners LP,<br>Expires 11/18/16,<br>Strike Price \$26.00 ..... | (250)                  | (6,000)    | Magellan Midstream Partners LP,<br>Expires 11/18/16,<br>Strike Price \$75.00 .....  | (50)                   | (250)       |
| Enterprise Products Partners LP,<br>Expires 11/18/16,<br>Strike Price \$26.50 ..... | (200)                  | (3,000)    | Magellan Midstream Partners LP,<br>Expires 12/16/16,<br>Strike Price \$70.00 .....  | (50)                   | (3,750)     |
| Enterprise Products Partners LP,<br>Expires 11/18/16,<br>Strike Price \$28.00 ..... | (100)                  | (1,000)    | Magellan Midstream Partners LP,<br>Expires 12/16/16,<br>Strike Price \$72.50 .....  | (150)                  | (3,750)     |
| Enterprise Products Partners LP,<br>Expires 11/25/16,<br>Strike Price \$27.50 ..... | (150)                  | (3,000)    | Magellan Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$75.00 .....  | (250)                  | (5,000)     |
| Enterprise Products Partners LP,<br>Expires 12/16/16,<br>Strike Price \$27.00 ..... | (150)                  | (3,600)    | Magellan Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$77.50 .....  | (50)                   | (625)       |
| Enterprise Products Partners LP,<br>Expires 12/16/16,<br>Strike Price \$28.00 ..... | (450)                  | (4,500)    | Magellan Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$80.00 .....  | (50)                   | (250)       |
| Enterprise Products Partners LP,<br>Expires 12/16/16,<br>Strike Price \$29.00 ..... | (300)                  | (2,400)    | Magellan Midstream Partners LP,<br>Expires 04/21/17,<br>Strike Price \$80.00 .....  | (50)                   | (1,125)     |
| Enterprise Products Partners LP,<br>Expires 12/16/16,<br>Strike Price \$30.00 ..... | (100)                  | (500)      | Magellan Midstream Partners LP,<br>Expires 01/19/18,<br>Strike Price \$90.00 .....  | (50)                   | (1,750)     |
| Enterprise Products Partners LP,<br>Expires 01/20/17,<br>Strike Price \$29.00 ..... | (100)                  | (1,400)    |   |                        |             |

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



Schedule of Investments — InfraCap MLP ETF (continued)

October 31, 2016

| <u>Security Description</u>   | <u>Number of<br/>Contracts</u> | <u>Value</u> | <u>Security Description</u>   | <u>Number of<br/>Contracts</u> | <u>Value</u> |
|---|--------------------------------|--------------|---|--------------------------------|--------------|
| <b>Written Options (continued)</b>  |                                |              | <b>Written Options (continued)</b>  |                                |              |
| <b>Calls (continued)</b>  |                                |              | <b>Calls (continued)</b>  |                                |              |
| MPLX LP,<br>Expires 11/18/16,<br>Strike Price \$35.00 .....                         | (50)                           | \$ (1,750)   | Tesoro Logistics LP,<br>Expires 03/17/17,<br>Strike Price \$50.00 .....               | (50)                           | \$ (8,000)   |
| MPLX LP,<br>Expires 12/16/16,<br>Strike Price \$35.00 .....                         | (200)                          | (16,600)     | Tesoro Logistics LP,<br>Expires 03/17/17,<br>Strike Price \$55.00 .....               | (50)                           | (2,500)      |
| MPLX LP,<br>Expires 12/16/16,<br>Strike Price \$40.00 .....                         | (150)                          | (1,875)      | United States Natural Gas Fund LP,<br>Expires 11/04/16,<br>Strike Price \$8.50 .....  | (500)                          | (3,000)      |
| MPLX LP,<br>Expires 01/20/17,<br>Strike Price \$35.00 .....                         | (229)                          | (30,343)     | United States Natural Gas Fund LP,<br>Expires 11/04/16,<br>Strike Price \$9.00 .....  | (1,000)                        | (2,000)      |
| Phillips 66 Partners LP,<br>Expires 12/16/16,<br>Strike Price \$55.00 .....         | (200)                          | (2,500)      | United States Natural Gas Fund LP,<br>Expires 11/04/16,<br>Strike Price \$9.50 .....  | (250)                          | (500)        |
| Phillips 66 Partners LP,<br>Expires 12/16/16,<br>Strike Price \$60.00 .....         | (50)                           | (500)        | United States Natural Gas Fund LP,<br>Expires 11/11/16,<br>Strike Price \$8.50 .....  | (550)                          | (7,150)      |
| Phillips 66 Partners LP,<br>Expires 03/17/17,<br>Strike Price \$55.00 .....         | (150)                          | (6,750)      | United States Natural Gas Fund LP,<br>Expires 11/11/16,<br>Strike Price \$9.00 .....  | (1,150)                        | (5,750)      |
| Plains All American Pipeline LP,<br>Expires 11/18/16,<br>Strike Price \$33.00 ..... | (550)                          | (11,000)     | United States Natural Gas Fund LP,<br>Expires 11/18/16,<br>Strike Price \$9.00 .....  | (1,250)                        | (10,000)     |
| Shell Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$35.00 .....     | (200)                          | (3,000)      | United States Natural Gas Fund LP,<br>Expires 11/25/16,<br>Strike Price \$9.00 .....  | (350)                          | (3,850)      |
| Shell Midstream Partners LP,<br>Expires 01/20/17,<br>Strike Price \$40.00 .....     | (150)                          | (3,000)      | United States Natural Gas Fund LP,<br>Expires 12/16/16,<br>Strike Price \$10.00 ..... | (650)                          | (5,850)      |
| Spectra Energy Corp,<br>Expires 12/16/16,<br>Strike Price \$39.00 .....             | (100)                          | (30,500)     | United States Natural Gas Fund LP,<br>Expires 01/20/17,<br>Strike Price \$11.00 ..... | (1,000)                        | (14,000)     |
| Sunoco Logistics Partners LP,<br>Expires 11/18/16,<br>Strike Price \$28.00 .....    | (50)                           | (500)        | United States Oil Fund LP,<br>Expires 11/04/16,<br>Strike Price \$11.50 .....         | (250)                          | (250)        |
| Sunoco Logistics Partners LP,<br>Expires 11/18/16,<br>Strike Price \$29.00 .....    | (300)                          | (1,500)      | United States Oil Fund LP,<br>Expires 11/11/16,<br>Strike Price \$11.50 .....         | (500)                          | (2,000)      |
| Sunoco Logistics Partners LP,<br>Expires 11/18/16,<br>Strike Price \$30.00 .....    | (50)                           | (250)        | United States Oil Fund LP,<br>Expires 11/18/16,<br>Strike Price \$11.50 .....         | (750)                          | (6,000)      |
| Sunoco Logistics Partners LP,<br>Expires 02/17/17,<br>Strike Price \$30.00 .....    | (212)                          | (7,632)      | United States Oil Fund LP,<br>Expires 12/16/16,<br>Strike Price \$12.50 .....         | (251)                          | (1,757)      |
| Targa Resources Corp,<br>Expires 11/18/16,<br>Strike Price \$55.00 .....            | (100)                          | (1,000)      | United States Oil Fund LP,<br>Expires 12/16/16,<br>Strike Price \$13.00 .....         | (250)                          | (1,250)      |
| Tesoro Logistics LP,<br>Expires 11/18/16,<br>Strike Price \$50.00 .....             | (100)                          | (3,300)      | United States Oil Fund LP,<br>Expires 01/20/17,<br>Strike Price \$12.00 .....         | (1,250)                        | (31,250)     |
| Tesoro Logistics LP,<br>Expires 12/16/16,<br>Strike Price \$50.00 .....             | (400)                          | (27,600)     | United States Oil Fund LP,<br>Expires 01/20/17,<br>Strike Price \$13.00 .....         | (1,050)                        | (12,600)     |
| Tesoro Logistics LP,<br>Expires 12/16/16,<br>Strike Price \$55.00 .....             | (219)                          | (7,665)      | United States Oil Fund LP,<br>Expires 01/20/17,<br>Strike Price \$14.00 .....         | (500)                          | (2,500)      |

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

Schedule of Investments — InfraCap MLP ETF (continued)

October 31, 2016

| Security Description   | Number of<br>Contracts | Value       | Security Description  | Number of<br>Contracts | Value                        |
|--|------------------------|-------------|---|------------------------|------------------------------|
| <b>Written Options (continued)</b>   |                        |             | <b>Written Options (continued)</b>  |                        |                              |
| <b>Calls (continued)</b>   |                        |             | <b>Written Put Option (continued)</b>   |                        |                              |
| United States Oil Fund LP,<br>Expires 04/21/17,<br>Strike Price \$13.00 .....        | (900)                  | \$ (26,550) | United States Natural Gas Fund LP,<br>Expires 12/16/16,<br>Strike Price \$8.00 .....  | (250)                  | \$ (11,000)                  |
| Western Gas Partners LP,<br>Expires 11/18/16,<br>Strike Price \$55.00 .....          | (50)                   | (8,500)     | United States Natural Gas Fund LP,<br>Expires 01/20/17,<br>Strike Price \$8.00 .....  | (1,250)                | (82,500)                     |
| Western Gas Partners LP,<br>Expires 01/20/17,<br>Strike Price \$60.00 .....          | (150)                  | (19,875)    | United States Oil Fund LP,<br>Expires 11/04/16,<br>Strike Price \$10.50 .....   | (1,250)                | (21,250)                     |
| Williams Cos Inc,<br>Expires 11/04/16,<br>Strike Price \$30.00 .....                 | (50)                   | (1,000)     | United States Oil Fund LP,<br>Expires 11/04/16,<br>Strike Price \$11.00 .....   | (2,000)                | (98,000)                     |
| Williams Cos Inc,<br>Expires 11/18/16,<br>Strike Price \$30.00 .....                 | (50)                   | (3,000)     | United States Oil Fund LP,<br>Expires 11/11/16,<br>Strike Price \$10.50 .....   | (1,000)                | (25,000)                     |
| Williams Partners LP,<br>Expires 11/18/16,<br>Strike Price \$37.50 .....             | (100)                  | (2,000)     | United States Oil Fund LP,<br>Expires 11/18/16,<br>Strike Price \$10.50 .....   | (2,548)                | (84,084)                     |
| Williams Partners LP,<br>Expires 11/18/16,<br>Strike Price \$40.00 .....             | (150)                  | (1,500)     | United States Oil Fund LP,<br>Expires 11/18/16,<br>Strike Price \$11.00 .....   | (1,250)                | (77,500)                     |
| Williams Partners LP,<br>Expires 12/16/16,<br>Strike Price \$40.00 .....             | (150)                  | (3,750)     | United States Oil Fund LP,<br>Expires 11/25/16,<br>Strike Price \$10.50 .....   | (1,000)                | (38,000)                     |
| Williams Partners LP,<br>Expires 01/20/17,<br>Strike Price \$40.00 .....             | (100)                  | (5,000)     | Williams Cos Inc/The,<br>Expires 11/18/16,<br>Strike Price \$29.00 .....  | (250)                  | (22,500)                     |
| Williams Partners LP,<br>Expires 03/17/17,<br>Strike Price \$40.00 .....             | (100)                  | (8,200)     | <b>TOTAL WRITTEN OPTIONS — (1.2)%</b><br>(Premiums Received \$1,655,503) .....  |                        | <b><u>\$ (1,484,298)</u></b> |
| <b>Written Put Option</b>  |                        |             | * Non-income producing security.  |                        |                              |
| Buckeye Partners LP,<br>Expires 11/18/16,<br>Strike Price \$70.00 .....              | (250)                  | (140,750)   | (1) Substantially all the securities, or a portion thereof, have been pledged as collateral for line of credit borrowings, short sales and open written option contracts. The aggregate market value of the collateral at October 31, 2016 was \$104,571,209. |                        |                              |
| Plains All American Pipeline LP,<br>Expires 11/18/16,<br>Strike Price \$28.00 .....  | (450)                  | (11,250)    | (2) Subject to written call options.  |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/04/16,<br>Strike Price \$8.00 ..... | (850)                  | (11,050)    |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/04/16,<br>Strike Price \$8.50 ..... | (1,000)                | (47,000)    |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/11/16,<br>Strike Price \$8.50 ..... | (900)                  | (27,000)    |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/11/16,<br>Strike Price \$9.00 ..... | (1,250)                | (103,125)   |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/18/16,<br>Strike Price \$8.00 ..... | (500)                  | (14,500)    |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 11/25/16,<br>Strike Price \$8.50 ..... | (1,000)                | (46,000)    |   |                        |                              |
| United States Natural Gas Fund LP,<br>Expires 12/02/16,<br>Strike Price \$7.50 ..... | (1,250)                | (23,750)    |   |                        |                              |

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

# Statement of Assets and Liabilities

October 31, 2016

|  | <b>InfraCap MLP<br/>ETF</b> |
|--|-----------------------------|
| <b>Assets:</b>   |                             |
| Investments, at cost .....   | \$148,258,296               |
| Investments, at value .....  | 149,724,813                 |
| Cash .....   | 2,445,640                   |
| Receivables:   |                             |
| Return of capital from master limited partnership .....  | 784,723                     |
| Capital shares receivable .....  | 3,218,008                   |
| Investment securities sold .....   | 65,889                      |
| Dividends and interest receivable .....  | 16,929                      |
| Income taxes .....   | 74,269                      |
| Prepaid expenses .....   | 293,106                     |
| Due from broker .....  | 28,852,899                  |
| <b>Total Assets</b> .....  | <b>185,476,276</b>          |
| <b>Liabilities:</b>  |                             |
| Borrowings .....   | 42,046,095                  |
| Payables:  |                             |
| Sub-advisory fees .....  | 94,588                      |
| Investment securities purchased .....  | 6,677,866                   |
| Deferred income tax liability .....  | 145,864                     |
| Written options, at value (a) .....  | 1,484,298                   |
| Securities sold short, at value (b) .....  | 15,129,702                  |
| Other accrued expenses .....   | 291,693                     |
| <b>Total Liabilities</b> .....   | <b>65,870,106</b>           |
| <b>Net Assets</b> .....  | <b>\$119,606,170</b>        |
| <b>Net Assets Consist of:</b>  |                             |
| Paid-in capital .....  | \$119,282,058               |
| Undistributed (Accumulated) net investment income (loss), net of income taxes .....  | (650,915)                   |
| Undistributed (Accumulated) net realized gain (loss) on investments, written options, securities sold short, net of income taxes ..... | (140,000)                   |
| Net unrealized appreciation (depreciation) on investments, written options, securities sold short, net of income taxes .....           | 1,115,027                   |
| <b>Net Assets</b> .....  | <b>\$119,606,170</b>        |
| Shares outstanding (unlimited number of shares of beneficial interest authorized, no par value) .....                                  | 11,250,004                  |
| Net asset value per share .....  | \$ 10.63                    |
| (a) Premiums received .....  | \$ 1,655,503                |
| (b) Proceeds received from securities sold short .....   | \$ 14,905,874               |

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

## Statement of Operations

For the Year Ended October 31, 2016

|  | <b>InfraCap MLP<br/>ETF</b> |
|--|-----------------------------|
| <b>Investment Income:</b>  |                             |
| Distributions from master limited partnerships .....                         | \$4,391,084                 |
| Less: Return of capital distributions .....                                  | (4,391,084)                 |
| Dividend income .....  | 354,815                     |
| <b>Total Investment Income (loss) .....</b>                                  | <u>354,815</u>              |
| <b>Expenses:</b>   |                             |
| Sub-advisory fees .....  | 515,252                     |
| Interest expense .....   | 339,703                     |
| <b>Total Expenses .....</b>  | <u>854,955</u>              |
| <b>Net Investment Income (Loss) Before Income Taxes .....</b>                | <u>(500,140)</u>            |
| <b>Income tax benefit (expense) .....</b>                                    | 115,478                     |
| <b>Net Investment Income (Loss) .....</b>                                    | <u><b>(384,662)</b></u>     |
| <b>Net Realized Gain (Loss) on:</b>  |                             |
| Investments .....  | (4,502,467)                 |
| Written options .....  | 3,787,107                   |
| Securities sold short .....  | 23,414                      |
| Income tax benefit (expense) .....   | 37,525                      |
| <b>Total Net Realized Gain (Loss) .....</b>                                  | <u><b>(654,421)</b></u>     |
| <b>Change in Net Unrealized Appreciation (Depreciation) on:</b>              |                             |
| Investments .....  | 9,044,114                   |
| Written options .....  | 101,663                     |
| Securities sold short .....  | (223,828)                   |
| Income tax benefit (expense) .....   | (298,867)                   |
| <b>Total Change in Net Unrealized Appreciation (Depreciation) .....</b>      | <u><b>8,623,082</b></u>     |
| Net Realized and net Change in Unrealized Gain (Loss) .....                  | <u>7,968,661</u>            |
| <b>Net Increase (Decrease) in Net Assets Resulting from Operations .....</b> | <u><b>\$7,583,999</b></u>   |

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

## Statements of Changes in Net Assets

|  | InfraCap MLP ETF                          |   |
|--|---|---|
|  | For the<br>Year Ended<br>October 31, 2016 | For the<br>Year Ended<br>October 31, 2015 |
| <b>Increase (Decrease) in Net Assets Resulting from Operations:</b>  |   |   |
| Net investment income (loss), net of income taxes  | \$ (384,662)                              | \$ (45,071)                               |
| Net realized gain (loss) on investments, written options and securities sold short, net of income taxes                                | (654,421)                                 | 514,416                                   |
| Net change in unrealized appreciation (depreciation) on investments,<br>written options and securities sold short, net of income taxes | 8,623,082                                 | (7,519,150)                               |
| Net increase (decrease) in net assets resulting from operations  | <u>7,583,999</u>                          | <u>(7,049,805)</u>                        |
| <b>Distributions to Shareholders from:</b>   |   |   |
| Net investment income  | —   | (220,083)                                 |
| Return of capital  | (11,752,009)                              | (1,286,175)                               |
| Total distributions  | <u>(11,752,009)</u>                       | <u>(1,506,258)</u>                        |
| <b>Shareholder Transactions:</b>   |   |   |
| Proceeds from shares sold  | 103,784,795                               | 22,493,584                                |
| Cost of shares redeemed  | —   | —   |
| Net increase in net assets resulting from shareholder transactions   | <u>103,784,795</u>                        | <u>22,493,584</u>                         |
| Increase in net assets   | <u>99,616,785</u>                         | <u>13,937,521</u>                         |
| <b>Net Assets:</b>   |   |   |
| Beginning of year  | <u>19,989,385</u>                         | <u>6,051,864</u>                          |
| End of year  | <u>\$119,606,170</u>                      | <u>\$19,989,385</u>                       |
| Undistributed (Accumulated) net investment income (loss)   | <u>\$ (650,915)</u>                       | <u>\$ (266,253)</u>                       |
| <b>Changes in Shares Outstanding:</b>  |   |   |
| Shares outstanding, beginning of year  | 1,400,004                                 | 250,004                                   |
| Shares sold  | 9,850,000                                 | 1,150,000                                 |
| Shares redeemed  | —   | —   |
| Shares outstanding, end of year  | <u>11,250,004</u>                         | <u>1,400,004</u>                          |

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

## Statement of Cash Flows

For the year ended October 31, 2016

|  | <b>InfraCap MLP<br/>ETF</b> |
|--|-----------------------------|
| <b>Cash Flows From Operating Activities:</b>   |                             |
| Net increase in net assets from operations .....   | \$ 7,583,999                |
| <b>Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:</b> |                             |
| Purchases of investment securities .....   | (48,305,114)                |
| Proceeds from sales of investment securities .....   | 56,661,688                  |
| Net proceeds from purchased and written options .....  | 5,526,578                   |
| Proceeds from securities sold short .....  | 32,654,887                  |
| Payments paid to cover securities sold short .....   | (15,115,224)                |
| Net realized loss on investments .....   | 4,502,467                   |
| Net realized gain on securities sold short .....   | (23,414)                    |
| Net realized gain on written options .....   | (3,787,107)                 |
| Net change in unrealized appreciation on investments .....   | (9,044,114)                 |
| Net change in unrealized depreciation on securities sold short .....   | 223,828                     |
| Net change in unrealized depreciation on written options .....   | (101,663)                   |
| Decrease in deferred tax asset, net of valuation allowance .....   | 63,302                      |
| Decrease in dividends receivable .....   | 10,904                      |
| Increase in income tax receivable .....  | (74,269)                    |
| Increase prepaid expenses .....  | (293,106)                   |
| Increase in return of capital from master limited partnerships receivable .....  | (557,485)                   |
| Increase in due from broker .....  | (28,852,899)                |
| Increase in current income tax payable .....   | (63,302)                    |
| Increase in deferred income tax liability .....  | 145,864                     |
| Increase in accrued expenses .....   | 291,693                     |
| Increase in sub-advisory fees payable .....  | 78,359                      |
| <b>Net cash provided by operating activities .....</b>   | <b><u>1,525,872</u></b>     |
| <b>Cash Flows from Financing Activities:</b>   |                             |
| Proceeds from borrowings .....   | 34,840,691                  |
| Payments for fund shares sold in excess of in-kind creations .....   | (22,511,988)                |
| Distributions paid .....   | (11,752,009)                |
| <b>Net cash used in financing activities .....</b>   | <b><u>576,694</u></b>       |
| <b>Net increase in cash .....</b>  | <b><u>2,102,566</u></b>     |
| Cash, beginning of year .....  | 343,074                     |
| <b>Cash, end of year .....</b>   | <b><u>\$ 2,445,640</u></b>  |
| <b>Supplementary information:</b>  |                             |
| Interest paid .....  | <u>\$ 339,703</u>           |
| <b>Non-cash financing activities:</b>  |                             |
| In-kind creations .....  | <u>\$126,655,082</u>        |

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

## Financial Highlights

|   | InfraCap MLP ETF                          |   |   |
|---|---|---|---|
|   | For the<br>Year Ended<br>October 31, 2016 | For the<br>Year Ended<br>October 31, 2015 | For the Period<br>October 1, 2014 <sup>1</sup><br>Through<br>October 31, 2014 |
| <b>Per Share Data for a Share Outstanding throughout each period presented:</b> |   |   |   |
| Net asset value, beginning of period  | \$ 14.28                                  | \$ 24.21                                  | \$25.00   |
| Investment operations:  |   |   |   |
| Net investment loss <sup>2</sup>  | (0.08)                                    | (0.06)                                    | (0.01)  |
| Net realized and unrealized loss on investments                                 | (1.49) <sup>3</sup>                       | (7.84)                                    | (0.78) <sup>3</sup>   |
| Total from investment operations  | (1.57)                                    | (7.90)                                    | (0.79)  |
| <b>Less Distributions from:</b>   |   |   |   |
| Net Investment Income   | —   | (0.30)                                    | —   |
| Return of capital   | (2.08)                                    | (1.73)                                    | —   |
| Total distributions   | (2.08)                                    | (2.03)                                    | —   |
| <b>Net Asset Value, End of Period</b>   | <b>\$ 10.63</b>                           | <b>\$ 14.28</b>                           | <b>\$24.21</b>  |
| Net Asset Value Total Return <sup>4</sup>                                       | (8.60)%                                   | (34.34)%                                  | (3.17)%   |
| Net assets, end of period (000's omitted)                                       | \$119,606                                 | \$19,989                                  | \$6,052   |
| <b>RATIOS/SUPPLEMENTAL DATA:</b>  |   |   |   |
| <b>Ratios to Average Net Assets:</b>  |   |   |   |
| Expenses, including deferred income tax expense/benefit <sup>5</sup>            | 1.36% <sup>6</sup>                        | 1.11% <sup>7</sup>                        | 2.70% <sup>8</sup>  |
| Expenses, excluding deferred income tax expense/benefit <sup>5</sup>            | 1.58% <sup>6</sup>                        | 1.16% <sup>7</sup>                        | 0.95% <sup>8</sup>  |
| Net investment loss <sup>9</sup>  | (0.70)%                                   | (0.36)%                                   | (0.35)% <sup>8</sup>  |
| Portfolio turnover rate <sup>10</sup>   | 90%                                       | 60%                                       | 0% <sup>11,12</sup>   |

(1) Commencement of operations.

(2) Based on average shares outstanding.

(3) The per share amount of realized and unrealized loss on investments does not accord with the amounts reported in the Statements of Operations due to the timing of creation of fund shares in relation to fluctuating market values.

(4) Net Asset Value Total Return is calculated assuming an initial investment made at the net asset value on the first day of the period, reinvestment of dividends and distributions at net asset value during the period, and redemption at net asset value on the last day of the period. Total return calculated for a period of less than one year is not annualized.

(5) Deferred tax expense/benefit estimate for the ratios of expenses to average net assets is derived from net investment loss and net realized and unrealized loss on investments.

(6) The ratios of expenses to average net assets include interest expense fees of 0.63%.

(7) The ratios of expenses to average net assets include interest expense fees of 0.21%.

(8) Annualized.

(9) The ratio of net investment loss to average net assets is net of a deferred tax benefit estimate derived from net investment loss only.

(10) Portfolio turnover excludes the value of portfolio securities received or delivered as a result of in-kind creations or redemptions of the Fund's capital shares.

(11) Not annualized.

(12) Amount rounds to less than 1%.

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

**1. ORGANIZATION**

The ETFis Series Trust I (the “Trust”) was organized as a Delaware statutory trust on September 20, 2012 and is registered with the Securities and Exchange Commission (the “SEC”) as an open-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”). The shares of the InfraCap MLP ETF, a series of the Trust, are presented and referred to herein as “Fund Shares” or “Shares”. The offering of Shares is registered under the Securities Act of 1933, as amended (the “Securities Act”).

| <u>Fund</u>            | <u>Commencement<br/>of Operations</u> |
|------------------------|---------------------------------------|
| InfraCap MLP ETF ..... | October 1, 2014                       |

The Fund’s investment objective is to seek total return primarily through investments in equity securities of publicly traded master limited partnerships and limited liability companies taxed as partnerships (“MLPs”).

**2. SIGNIFICANT ACCOUNTING POLICIES**

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standard Codification Topic 946 Financial Services — Investment Companies. The Fund prepares its financial statements in accordance with generally accepted accounting principles (“GAAP”) in the United States of America and follows the significant accounting policies described below.

**Use of Estimates**

Management makes certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of increases and decreases in the net assets from operations during the reporting period. Actual results could differ from those estimates.

**Indemnification**

In the normal course of business, the Fund may enter into contracts that contain a variety of representations which provide general indemnifications for certain liabilities. The Fund’s maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

**Security Valuation**

Security holdings traded on a national securities exchange are valued based on their last sale price. Price information on listed securities is taken from the exchange where the security is primarily traded. Securities regularly traded in an over the counter market are valued at the latest quoted sale price in such market or in the case of the New York Stock Exchange (“NYSE”) or NASDAQ, at the NYSE or NASDAQ Official Closing Price. If market quotations are not readily available, or if it is determined that a quotation of a security does not represent fair value, then the security is valued at fair value as determined in good faith using procedures adopted by the Trust’s Board of Trustees (the “Board”).

Short-term securities with 60 days or less remaining to maturity are valued using the amortized cost method, which approximates current market value.

Purchased and written options contracts listed on exchanges are valued at their reported mean of bid and ask quotations; over-the-counter derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Board of Trustees of the Trust.

**Fair Value Measurement**

Accounting Standards Codification, Fair Value Measurements and Disclosures (“ASC 820”) defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and requires disclosure about fair value measurements. It also provides guidance on determining when there has been a significant decrease in the volume and level of activity for an asset or liability, when a transaction is not orderly, and how that information must be incorporated into fair value measurement. Under ASC 820, various inputs are used in determining the value of the Fund’s investments. These inputs are summarized in the following hierarchy:

- Level 1 — Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2 — Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.



October 31, 2016

- Level 3 — Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available; representing the Fund's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following summarizes inputs used as of October 31, 2016 in valuing the Fund's assets and liabilities carried at fair value:

|                             | <u>InfraCap<br/>MLP ETF</u> |
|-----------------------------|-----------------------------|
| <b>Assets</b>               |                             |
| <b>Level 1</b>              |                             |
| Common Stocks .....         | \$149,540,475               |
| Purchased Options .....     | 184,338                     |
| <b>Liabilities</b>          |                             |
| <b>Level 1</b>              |                             |
| Exchange Traded Funds ..... | (15,129,702)                |
| Written Options .....       | (1,175,330)                 |
| <b>Level 2</b>              |                             |
| Written Options .....       | (308,968)                   |
| Total .....                 | <u>\$133,110,813</u>        |

For significant movements between levels within the fair value hierarchy, the Fund adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement. There were no transfers between levels during the year ended October 31, 2016.

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 investments at the end of the period. There were no Level 3 securities as of October 31, 2016.

#### Security Transactions

Security transactions are accounted for on the trade date. Realized gains and losses on sales of investment securities are calculated using specific identification.

#### Investment Income and Expenses

Dividend income is recognized on the ex-dividend date. Expenses are recognized on the accrual basis.

The Fund pays all of its expenses not assumed by Infrastructure Capital Advisors, LLC (the "Sub-Adviser") or Virtus ETF Advisers LLC (the "Adviser"). General Trust expenses that are allocated among and charged to the assets of the Fund and other series of the Trust are done so on a basis that the Board deems fair and equitable, which may be on a basis of relative net assets of the Fund and other series of the Trust or the nature of the services performed and relative applicability to the Fund and other series of the Trust.

#### Short Sales

The Fund may sell securities short. A short sale is a transaction in which the Fund sells a security it does not own in anticipation of a decline in market price. To sell a security short, the Fund must borrow the security. The Fund's obligation to replace the security borrowed and sold short will be fully collateralized at all times by the proceeds from the short sale retained by the broker and by cash and securities deposited in a segregated account with the Fund's custodian. If the price of the security sold short increases between the time of the short sale and the time the Fund replaces the borrowed security, the Fund will realize a loss, and if the price declines during the period, the Fund will realize a gain. Any realized gain will be decreased, and any realized loss increased, by the amount of transaction costs. On ex-dividend date, dividends on short sales are recorded as an expense to the Fund.

In accordance with the terms of its prime brokerage agreement, the Fund may receive rebate income or be charged a fee on borrowed securities which is under "Interest Expense" on the Statements of Operations. Such income or fee is calculated on a daily basis based upon the market value of each borrowed security and a variable rate that is dependent upon the availability of such security.

### **Distributions to Shareholders**

Distributions to shareholders are declared and paid on a quarterly basis and are recorded on the ex-dividend date. The Fund uses a cash flow-based distribution approach based on the Fund's net cash flow received from portfolio investments.

The estimated character of the distributions paid will either be a dividend (ordinary income eligible to be treated as qualified dividend income) or a return of capital. Distributions made from current or accumulated earnings and profits of the Fund will be taxable to shareholders as dividend income. Distributions that are in an amount greater than the Fund's current and accumulated earnings and profits will represent a return of capital to the extent of a shareholder's basis in their common shares, and such distributions will correspondingly increase the realized gain upon the sale of their common shares. Additionally, distributions not paid from current or accumulated earnings and profits that exceed a shareholder's tax basis in their common shares will generally be taxed as a capital gain. This estimate is based on the Fund's operating results during the period.

### **3. INVESTMENT MANAGEMENT, RELATED PARTIES AND OTHER AGREEMENTS**

#### **Investment Advisory Agreement**

The Trust has entered into an Investment Advisory Agreement (the "Advisory Agreement") with the Adviser, a wholly owned subsidiary of ETFis Holdings LLC, on behalf of the Fund. ETFis Holdings LLC is majority-owned by Virtus Investment Partners, Inc. (Ticker: VRTS) (together with its affiliates, "Virtus"). Pursuant to the Advisory Agreement, the Adviser has overall supervisory responsibility for the general management and investment of the Fund's securities portfolio. For its services to the Fund, the Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.075% of the Fund's average daily net assets, subject to a minimum annual fee of \$25,000, paid by the Sub-Adviser as described below.

#### **Sub-Advisory Agreement**

The Sub-Adviser provides investment advice and management services to the Fund. Pursuant to an investment sub-advisory agreement among the Trust, the Sub-Adviser and the Adviser, the Sub-Adviser is entitled to receive a fee, payable monthly, at an annual rate of 0.95% of the Fund's average daily net assets. The Sub-Adviser has agreed to pay all expenses of the Fund, except the Sub-Adviser's fee, brokerage expenses, taxes, interest, litigation expenses, acquired fund fees and expenses, payments under any 12b-1 plan adopted by the Fund, and other non-routine or extraordinary expenses of the Fund.

#### **Principal Underwriter**

Pursuant to the terms of a Distribution Agreement with the Trust, ETF Distributors LLC (the "Distributor") serves as the Fund's principal underwriter. The Distributor receives compensation for the statutory underwriting services it provides to the Fund. The Distributor will not distribute shares in less than Creation Units (as hereinafter defined), and does not maintain a secondary market in shares. The shares are expected to be traded in the secondary market in shares. The Distributor is a wholly owned subsidiary of Virtus.

The Fund does not pay directly for the services it receives from the Distributor, but rather the Fund's Sub-Adviser has agreed to pay the Distributor's fees under the Sub-Adviser's unified fee arrangement with the Fund.

#### **Operational Administrator**

Virtus ETF Solutions LLC (the "Administrator") serves as the Fund's operational administrator. The Administrator supervises the overall administration of the Trust and the Fund including, among other responsibilities, the coordination and day-to-day oversight of the Fund's operations, the service providers' communications with the Fund and each other and assistance with Trust, Board and contractual matters related to the Fund. The Administrator also provides persons satisfactory to the Board to serve as officers of the Trust. The Administrator is a wholly-owned subsidiary of Virtus.

#### **Accounting Services Administrator, Custodian and Transfer Agent**

The Bank of New York Mellon ("BNY Mellon") provides administrative, accounting, tax and financial reporting for the maintenance and operations of the Trust as the Fund's accounting services administrator. BNY Mellon also serves as the custodian for the Fund's assets, and serves as transfer agent and dividend paying agent for the Fund.

#### **Affiliated Shareholders**

At October 31, 2016, the Sub-Adviser held 284,943 shares of InfraCap MLP ETF, which represent 2.53% of shares outstanding. These shares may be sold at any time.

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**4. CREATION AND REDEMPTION TRANSACTIONS**

The Fund issues and redeems shares on a continuous basis at Net Asset Value (“NAV”) in groups of 50,000 shares called “Creation Units.” Creation Units of the Fund are issued and redeemed generally in exchange for specified securities held by the Fund generally included in the Index and a specified cash payment. Redemptions of Creation Units are affected principally for cash. In each instance of such cash creations or redemptions, the Trust may impose transaction fees based on transaction expenses related to the particular exchange that will be higher than the transaction fees associated with in-kind purchases or redemptions.

Only “Authorized Participants” who have entered into contractual arrangements with the Distributor may purchase or redeem shares directly from the Fund. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a DTC participant and, in each case, must have executed a Participant Agreement with the Distributor. Most retail investors 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 and will be subject to customary brokerage commissions or fees.

**5. FEDERAL INCOME TAX**

The Fund is taxed as a regular C-corporation for federal income tax purposes and as such is obligated to pay federal and applicable state and foreign corporate taxes on its taxable income. Currently, the maximum marginal regular federal income tax rate for a corporation is 35 percent, but the Fund expects to pay tax at a rate of 34 percent, or less depending on earnings. The Fund may be subject to a 20 percent federal alternative minimum tax on its federal alternative taxable income to the extent that its alternative minimum tax exceeds its regular federal income tax. This treatment differs from most investment companies, which elect to be treated as “regulated investment companies” under the Code in order to avoid paying entity level income taxes. Under current law, the Fund is not eligible to elect treatment as a regulated investment company due to its investments primarily in MLPs invested in energy assets. The Fund expects that substantially all of the distributions it receives from MLPs may be treated as a tax-deferred return of capital, thus reducing the Fund’s current tax liability. However, the amount of taxes paid by the Fund will vary depending on the amount of income and gains derived from investments and/or sales of MLP interests and such taxes will reduce your return from an investment in the Fund.

Cash distributions from MLPs to the Fund that exceed the Fund’s allocable share of such MLP’s net taxable income are considered a tax deferred return of capital that will reduce the Fund’s adjusted tax basis in the equity securities of the MLP. These reductions in the Fund’s adjusted tax basis in the MLP equity securities will increase the amount of any taxable gain (or decrease the amount of any tax loss) recognized by the Fund on a subsequent sale of the securities. The Fund will accrue deferred income taxes for any future tax liability associated with (i) that portion of MLP distributions considered to be a tax-deferred return of capital as well as (ii) capital appreciation of its investments. Upon the sale of an MLP security, the Fund may be liable for previously deferred taxes. The Fund will rely to some extent on information provided by the MLPs, which is not necessarily timely, to estimate deferred tax liability for purposes of financial statement reporting and determining the Fund’s NAV. From time to time, the Adviser will modify the estimates or assumptions related to the Fund’s deferred tax liability as new information becomes available. The Fund will generally compute deferred income taxes based on the marginal regular federal income tax rate applicable to corporations and an assumed rate attributable to state taxes.

The Fund’s income tax expense/(benefit) consists of the following:

| <u>October 31, 2016</u>   | <u>Current</u>    | <u>Deferred</u>   | <u>Total</u>      |
|---------------------------|-------------------|-------------------|-------------------|
| Federal .....             | \$(60,119)        | \$ 2,608,227      | \$ 2,548,108      |
| State .....               | (3,183)           | 138,630           | 135,447           |
| Valuation Allowance ..... | —                 | (2,537,691)       | (2,537,691)       |
| Total tax expense .....   | <u>\$(63,302)</u> | <u>\$ 209,166</u> | <u>\$ 145,864</u> |

Notes to Financial Statements (continued)

October 31, 2016

Components of the Fund's deferred tax assets and liabilities are as follows:

|  | <u>As of</u><br><u>October 31, 2016</u> |
|--|---|
| Deferred tax assets:                               |   |
| Net operating loss carryforward .....              | \$ 396,974                              |
| Capital loss carryforward .....                    | 923,458                                 |
| Other .....  | 2,831                                   |
| Less Deferred tax liabilities                      |   |
| Net unrealized gain on Investment securities ..... | <u>(1,469,127)</u>                      |
| Net Deferred tax liability .....                   | <u>\$ (145,864)</u>                     |

The Fund reviews the recoverability of its deferred tax assets based upon the weight of available evidence. When assessing the recoverability of its deferred tax assets, significant weight was given to the effects of potential future realized and unrealized gains on investments and the period over which these deferred tax assets can be realized. Currently, any capital losses that may be generated by the Fund in the future are eligible to be carried back up to three years and can be carried forward for five years to offset capital gains recognized by the Fund in those years. The Fund's current capital loss carryforward will expire in 2021. Net operating losses that may be generated by the Fund in the future are eligible to be carried back up to two years and can be carried forward for 20 years to offset income generated by the Fund in those years. The Fund's current net operating loss carryforward will expire in 2036.

Based upon the Fund's assessment, it has determined that it is "more-likely-than-not" that a portion of its deferred tax assets will be realized through future taxable income of the appropriate character. Accordingly, no valuation allowance has been established for a portion of the Fund's deferred tax assets. The Fund will continue to assess the need for a valuation allowance in the future. Significant declines in the fair value of its portfolio of investments may change the Fund's assessment of the recoverability of these assets and may result in the recording of the valuation allowance against all or a portion of the Fund's gross deferred tax assets.

Total income tax benefit (current and deferred) differs from the amount computed by applying the federal statutory income tax rate of 34% to net investment income and realized and unrealized gain/(losses) on investments before taxes as follows for the Fund:

|   | <u>Amount</u>      | <u>Rate</u>    |
|---|--------------------|----------------|
| Income tax expense at statutory rate .....        | \$ 2,628,153       | 34.00%         |
| State income taxes (net of federal benefit) ..... | 157,612            | 2.04           |
| Permanent Differences, Net .....                  | (86,147)           | (1.11)         |
| Change in estimated state deferred rate .....     | (17,383)           | (0.22)         |
| Other .....                                       | 1,320              | 0.02           |
| Valuation Allowance .....                         | <u>(2,537,691)</u> | <u>(32.83)</u> |
| Net income tax expense/(benefit) .....            | <u>\$ 145,864</u>  | <u>1.90%</u>   |

The Fund recognizes interest accrued related to unrecognized tax benefits and penalties as income tax expense. For the period from inception to October 31, 2016, the Fund had no accrued penalties or interest.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is "more-likely-than-not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on U.S. tax returns and state tax returns filed since inception of the Fund. No U.S. federal or state income tax returns are currently under examination. The Fund's tax years, October 31, 2014 and October 31, 2015, remain subject to examination by tax authorities in the United States. Due to the nature of the Fund's investments, the Fund may be required to file income tax returns in several states. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The adjusted cost basis of investments and gross unrealized appreciation and depreciation of investments, excluding written options and securities sold short, for federal income tax purposes were as follows:

| <u>Fund</u>            | <u>Federal Tax Cost</u><br><u>Of Investments</u> | <u>Gross</u><br><u>Unrealized</u><br><u>Appreciation</u> | <u>Gross</u><br><u>Unrealized</u><br><u>Depreciation</u> | <u>Net Unrealized</u><br><u>Appreciation</u><br><u>(Depreciation)</u> |
|------------------------|--|--|--|---|
| InfraCap MLP ETF ..... | \$145,200,751                                    | \$7,616,107  | \$(3,276,383)  | \$4,339,724   |

October 31, 2016

**6. INVESTMENT TRANSACTIONS**

Purchases and sales of investments (excluding short-term investments) for the year ended October 31, 2016 were as follows:

| <u>Fund</u>            | <u>Purchases</u> | <u>Sales</u> | <u>Subscriptions<br/>In-Kind</u> | <u>Redemptions<br/>In-Kind</u> |
|------------------------|------------------|--------------|----------------------------------|--------------------------------|
| InfraCap MLP ETF ..... | \$66,882,518     | \$85,338,709 | \$126,655,082                    | \$ —                           |

**7. DERIVATIVE FINANCIAL INSTRUMENTS****Options**

Transactions in options written during the year ended October 31, 2016, which serve as an indicator of the volume of activity, were as follows:

|   | <u>Contracts</u> | <u>Premiums<br/>Received (Paid)</u> |
|---|------------------|-------------------------------------|
| Options outstanding, at beginning of year ..... | 3,701            | \$ 210,900                          |
| Options written .....                           | 258,899          | 7,280,724                           |
| Options closed .....                            | (9,831)          | (578,404)                           |
| Options exercised .....                         | (55,328)         | (1,705,951)                         |
| Options expired .....                           | (151,153)        | (3,551,766)                         |
| Options outstanding, at end of year .....       | <u>46,288</u>    | <u>\$1,655,503</u>                  |

The Fund may write covered call and put options on portfolio securities and other financial instruments. Premiums received are recorded as liabilities. The liabilities are subsequently adjusted to reflect the current value of the options written. Premiums received from writing options which expire are treated as realized gains. Premiums received from writing options which are exercised or are closed are added to or offset against the proceeds or amount paid on the transactions to determine the net realized gain or loss. By writing a covered call option, the Fund, in exchange for the premium, foregoes the opportunity for capital appreciation above the exercise price should the market price of the underlying security increase. By writing a put option, the Fund, in exchange for the premium, accepts the risk of having to purchase a security at an exercise price that is above the current price. Changes in value of written options are reported as change in unrealized gain (loss) on written options in the Statement of Operations. When the written option expires, is terminated or is sold, the Fund will record a gain or loss, which is reported as realized gain (loss) on written options in the Statement of Operations.

The Fund may purchase call and put options on the portfolio securities or other financial instruments. The Fund may purchase call options to protect against an increase in the price of the security or financial instrument it anticipates purchasing. The Fund may purchase put options on securities which it holds or other financial instruments to protect against a decline in the value of the security or financial instrument or to close out covered written positions. Changes in value of purchased options are reported as part of change in unrealized gain (loss) on investments in the Statement of Operations. When the purchased option expires, is terminated or is sold, the Fund will record a gain or loss, which is reported as part of realized gain (loss) on investments in the Statement of Operations. Risks may arise from an imperfect correlation between the change in market value of the securities held by the Fund and the prices of options relating to the securities purchased or sold by the Fund and from the possible lack of liquid secondary market for an option. The maximum exposure to loss for any purchased option is limited to the premium initially paid for the option. Written uncovered call options subject the Fund to unlimited risk of loss. Written covered call options limit the upside potential of a security above the strike price. Put options written subject the Fund to risk of loss if the value of the security declines below the exercise price minus the put premium.

Transactions in derivative instruments reflected on the Statement of Assets and Liabilities at October 31, 2016, are:

|                                 | <u>Equity Risk</u> |
|---------------------------------|--------------------|
| <b>Assets</b>                   |                    |
| Investments, at value* .....    | \$ 184,338         |
| <b>Liabilities</b>              |                    |
| Written options, at value ..... | \$1,484,298        |

\* Purchased option contracts are included in Investments, at value on the Statement of Assets and Liabilities.

October 31, 2016

Transactions in derivative instruments reflected on the Statement of Operations during the year were as follows:

| <u>Net Realized Gain (Loss) on:</u> | <u>Equity Risk</u> |
|-------------------------------------|--------------------|
| Investments**                       | \$ (730,038)       |
| Written options                     | 3,787,107          |

\*\* Purchased option contracts are included in Net Realized Gain (Loss) on Investments on the Statement of Operations.

| <u>Change in Net Unrealized Appreciation (Depreciation) on:</u> | <u>Equity Risk</u> |
|---|--------------------|
| Investments***  | \$(303,407)        |
| Written options   | 101,663            |

\*\*\* Purchased option contracts are included in Change in Net Unrealized Appreciation (Depreciation) on Investments in the Statement of Operations.

For the year ended October 31, 2016, the monthly average notional value of the purchased options and written options contracts held by the Fund were \$127,878 and \$(996,829), respectively.

## 8. BORROWINGS

On April 27, 2016 the Fund entered into a Lending Agreement (the "Agreement") with a commercial bank (the "Bank") that allows the Fund to borrow cash from the Bank. Borrowings under the Agreement are collateralized by investments of the Fund. If the Fund defaults with respect to any of its obligations under the Agreement, the Bank may foreclose on assets of the Fund and/or the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the Agreement, necessitating the sale of securities at potentially inopportune times. Interest is charged at the 3 Month LIBOR (London Interbank Offered Rate) plus an additional percentage rate on the amount borrowed. The Agreement has an on-demand commitment term. From April 27, 2016 to October 31, 2016, the average daily borrowings under the Agreement and the daily average interest rate were \$24,732,272 and 1.95%, respectively.

At October 31, 2016, the amount of such outstanding borrowings was as follows:

| <u>Outstanding Borrowings</u> | <u>Interest Rate</u> |
|-------------------------------|----------------------|
| \$42,046,095                  | 2.08%                |

From November 1, 2015 to April 26, 2016 and pursuant to another borrowing arrangement, the Fund's average daily borrowings and the daily average interest rate were \$6,326,247 and 1.13%, respectively.

## 9. INVESTMENT RISKS

As with any investment, an investment in the Fund could result in a loss or the performance of the Fund could be inferior to that of other investments. An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. The Fund's prospectus and statement of additional information contain this and other important information.

### MLP Risk

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

## 10. 10% SHAREHOLDERS

As of October 31, 2016, the Fund had individual shareholder account(s) and/or omnibus shareholder account(s) (comprised of a group of individual shareholders), which individually amounted to more than 10% of the total shares outstanding of the Fund as detailed below:

| <u>% of Shares Outstanding</u> | <u>Number of Accounts</u> |
|--------------------------------|---------------------------|
| 51%                            | 3                         |

## 11. SUBSEQUENT EVENTS

The Fund is required to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statement of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the Fund is required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuance of these financial statements and has determined that there are no material events that would require disclosure.



October 31, 2016



**To the Board of Trustees of ETFis Series Trust I and the Shareholders of BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors Post-MPT Growth ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Tuttle Tactical Management U.S. Core ETF, and Virtus NewFleet Multi-Sector Unconstrained Bond ETF**

We have audited the accompanying statements of assets and liabilities of BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors Post-MPT Growth ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Tuttle Tactical Management U.S. Core ETF, and Virtus NewFleet Multi-Sector Unconstrained Bond ETF (the “**Funds**”), each a series of shares of beneficial interest in ETFis Series Trust I, including the schedules of investments, as of October 31, 2016, and the related statements of operations, changes in net assets and the financial highlights for the years and periods presented. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2016 by correspondence with the custodian, agent banks, and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of BioShares Biotechnology Clinical Trials Fund, BioShares Biotechnology Products Fund, iSectors Post-MPT Growth ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Tuttle Tactical Management U.S. Core ETF, and Virtus NewFleet Multi-Sector Unconstrained Bond ETF as of October 31, 2016, and the results of their operations, changes in net assets and their financial highlights for the years and periods presented, in conformity with accounting principles generally accepted in the United States of America.

*BBD, LLP*  
**BBD, LLP**

**Philadelphia, Pennsylvania**  
**December 29, 2016**

October 31, 2016



**To the Board of Trustees of ETFis Series Trust I and the Shareholders of InfraCap MLP ETF**

We have audited the accompanying statement of assets and liabilities of InfraCap MLP ETF, a series of shares of beneficial interest in ETFis Series Trust I, (the "*Fund*") including the schedule of investments, as of October 31, 2016, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the two-year period then ended and for the period October 1, 2014 (commencement of operations) through October 31, 2014. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2016 by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of InfraCap MLP ETF as of October 31, 2016, and the results of its operations and cash flows for the year then ended, and the changes in its net assets for each of the years in the two-year period then ended and its financial highlights for each of the years in the two-year period then ended and for the period October 1, 2014 through October 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

*BBD, LLP*  
**BBD, LLP**

**Philadelphia, Pennsylvania**  
**December 29, 2016**



October 31, 2016

On November 11, 2015, at an in-person meeting at which all of the Independent Trustees were present, the Board of Trustees, including the Independent Trustees voting separately, reviewed and unanimously approved an investment advisory agreement between Virtus ETF Advisers LLC (the “Adviser”) and the Trust (the “Advisory Agreement”) and an investment sub-advisory agreement among iSectors, LLC (“iSectors”), the Adviser and the Trust (the “iSectors Sub-Advisory Agreement”), each with respect to the iSectors Post-MPT Growth ETF.

The Board received and reviewed a substantial amount of information provided by the Adviser and iSectors in response to requests of the Board and counsel, including, without limitation, a memorandum from the Adviser that included a description of the Adviser’s business, a copy of the Adviser’s Form ADV and certain other information about the Adviser to be considered in connection with the Trustees’ review process (the “Adviser Memorandum”), and a memorandum from iSectors that included a description of iSectors’ business, a copy of iSectors’ Form ADV and certain other information about iSectors to be considered in connection with the Trustees’ review process (the “iSectors Memorandum”).

In deciding on whether to approve the Advisory Agreement on behalf of the iSectors Post-MPT Growth ETF, the Board considered numerous factors, including:

*The nature, extent, and quality of the services to be provided by the Adviser.* The Board considered the responsibilities the Adviser would have under the Advisory Agreement and the services that would be provided by the Adviser to the iSectors Post-MPT Growth ETF including, without limitation, the management and oversight services that the Adviser and its employees would provide to the iSectors Post-MPT Growth ETF, the services already provided by the Adviser related to organizing the Trust and the iSectors Post-MPT Growth ETF, the Adviser’s coordination of services for the iSectors Post-MPT Growth ETF by the Trust’s service providers, and its compliance procedures and practices, particularly with respect to the Trust’s exemptive order permitting the operation of the iSectors Post-MPT Growth ETF as an exchange-traded fund. The Board noted that many of the Trust’s executive officers are employees of the Adviser, and serve the Trust without additional compensation from the iSectors Post-MPT Growth ETF. After reviewing the foregoing information and further information in the Adviser Memorandum (including descriptions of the Adviser’s investment advisory services and its related non-advisory business), and discussing the Adviser’s proposed services to the iSectors Post-MPT Growth ETF with the Adviser, the Board concluded that the quality, extent, and nature of the services proposed to be provided by the Adviser are satisfactory and adequate for the iSectors Post-MPT Growth ETF.

*The investment management capabilities and experience of the Adviser.* The Board evaluated the management experience of the Adviser, in the light of the services it will be providing. In particular, the Board received information from the Adviser regarding, among other things, the Adviser’s experience in organizing, managing and overseeing exchange-traded funds and coordinating their operation and administration. After consideration of these factors, the Board determined that the Adviser would be an appropriate manager for the iSectors Post-MPT Growth ETF.

*The costs of the services to be provided and profits to be realized by the Adviser from its relationship with the iSectors Post-MPT Growth ETF.* The Board examined and evaluated the arrangements between the Adviser and the iSectors Post-MPT Growth ETF under the proposed Advisory Agreement, including the fact that the iSectors Post-MPT Growth ETF would utilize a “unified fee structure” to cap the Fund’s total expenses (subject to customary exclusions). The Board also considered potential benefits for the Adviser in managing the iSectors Post-MPT Growth ETF, including promotion of the interests of the Adviser in providing management and oversight services to the iSectors Post-MPT Growth ETF. Following these comparisons and upon further consideration and discussion of the foregoing, the Board concluded that the fees to be paid to the Adviser by the iSectors Post-MPT Growth ETF are appropriate and within the range of what would have been negotiated at arm’s length.

*The extent to which economies of scale would be realized as the iSectors Post-MPT Growth ETF grows and whether management fee levels reflect these economies of scale for the benefit of the iSectors Post-MPT Growth ETF’s investors.* The Board concluded that, in light of the relatively low management fee charged by the Adviser, the fact that the iSectors Post-MPT Growth ETF was newly organized, and that its assets were expected to be low for the foreseeable future, it would be premature to consider economies of scale.

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed with Trustee counsel the legal standards applicable to its consideration of the Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the advisory arrangement, as outlined in the Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred and such other matters as the Board considered relevant.

After full consideration of the above factors as well as other factors, the Board unanimously approved the Advisory Agreement on behalf of the iSectors Post-MPT Growth ETF.

October 31, 2016

In deciding on whether to approve the iSectors Sub-Advisory Agreement on behalf of the iSectors Post-MPT Growth ETF, the Board considered numerous factors, including:

*The nature, extent, and quality of the services to be provided by iSectors.* The Board considered the responsibilities iSectors would have under the iSectors Sub-Advisory Agreement and the services that would be provided by iSectors including, without limitation, its sub-advisory services and its compliance procedures and practices. After reviewing the foregoing information and further information in the materials, including the iSectors Memorandum (which included descriptions of iSectors' business and iSectors' Form ADV), the Board concluded that the quality, extent, and nature of the services to be provided by iSectors would be satisfactory and adequate for the iSectors Post-MPT Growth ETF.

*The investment management capabilities and experience of the iSectors.* The Board evaluated the investment management experience of iSectors. In particular, the Board received information from iSectors regarding the experience of its portfolio managers in implementing strategies similar to the one proposed for the iSectors Post-MPT Growth ETF. The Board discussed with iSectors the investment objective and strategies for the iSectors Post-MPT Growth ETF and iSectors' plans for implementing the strategies. The Board also considered the ability of iSectors to manage the iSectors Post-MPT Growth ETF. After consideration of these factors, the Board determined that iSectors would be an appropriate sub-adviser to the iSectors Post-MPT Growth ETF.

*The costs of the services to be provided and profits to be realized by iSectors from its relationship with the iSectors Post-MPT Growth ETF.* The Board examined and evaluated the proposed arrangements between iSector and the iSectors Post-MPT Growth ETF under the proposed iSectors Sub-Advisory Agreement, including the fact that the iSectors Post-MPT Growth ETF would utilize a "unified fee structure" to cap the Fund's total expenses (subject to customary exclusions) at 0.95%. The Board noted that, under such an arrangement, iSectors would likely supplement a portion of the cost of operating the iSectors Post-MPT Growth ETF for some period of time.

The Board considered iSectors' staffing, personnel, and methods of operating; iSectors' compliance policies and procedures; the financial condition of iSectors and the level of commitment to the iSectors Post-MPT Growth ETF by iSectors; the projected asset levels of the iSectors Post-MPT Growth ETF; iSectors' payment of startup costs for the iSectors Post-MPT Growth ETF and the overall projected expenses of the iSectors Post-MPT Growth ETF. The Board reviewed the iSectors Post-MPT Growth ETF's proposed capped fee arrangement with iSectors and noted the benefits that would accrue to the iSectors Post-MPT Growth ETF from iSectors likely waiver of a portion of its sub-advisory fees for a period of time based on the initial projected asset levels of the iSectors Post-MPT Growth ETF.

The Board also considered potential benefits to iSectors in sub-advising the iSectors Post-MPT Growth ETF, including promotion of iSectors' name. The Board compared the fees and expenses of the iSectors Post-MPT Growth ETF (including the sub-advisory fee) to other funds considered by iSectors to have investment objectives and strategies similar to the iSectors Post-MPT Growth ETF. Following these comparisons and upon further consideration and discussion of the foregoing, the Board concluded that the fees to be paid to iSectors by the iSectors Post-MPT Growth ETF would be appropriate and representative of an arm's length negotiation.

*The extent to which economies of scale would be realized as the iSectors Post-MPT Growth ETF grows and whether sub-advisory fee levels reflect these economies of scale for the benefit of the iSectors Post-MPT Growth ETF's investors.* The Board considered that the iSectors Post-MPT Growth ETF is new, and iSectors has capped its fees. The Board considered that the iSectors Post-MPT Growth ETF would likely experience benefits from the capped fee and would continue to do so until the iSectors Post-MPT Growth ETF's assets grow to a level where iSectors begins to receive the full fee. Accordingly, the Board concluded that it was too early to evaluate potential economies of scale in the iSectors Post-MPT Growth ETF.

The Board did not identify any single factor as being of paramount importance, and different Trustees may have given different weight to different factors. The Board reviewed with Trustee counsel the legal standards applicable to its consideration of the iSectors Sub-Advisory Agreement. Based on its review, including consideration of each of the factors referenced above, the Board determined, in the exercise of its reasonable business judgment, that the subadvisory arrangement, as outlined in the iSectors Sub-Advisory Agreement, was fair and reasonable in light of the services performed or to be performed, expenses incurred or to be incurred, and such other matters as the Board considered relevant.

After full consideration of the above factors as well as other factors, the Board unanimously approved the iSectors Sub-Advisory Agreement on behalf of the iSectors Post-MPT Growth ETF.

**TRUSTEES AND OFFICERS OF THE TRUST**

The Trustees of the Trust, their addresses, positions with the Trust, ages, term of office and length of time served, principal occupations during the past five years, the number of portfolios in the Fund Complex overseen by each Trustee and other directorships, if any, held by the Trustees are set forth below. The SAI includes additional information about the Fund's Trustees and is available, without charge, upon request, by calling the Adviser (collect) at (212) 593-4383.

| Name and Age                              | Position(s) held with Trust                               | Length of Time Served | Principal Occupation(s) During Past Five Years  | Number of Portfolios in Fund Complex* Overseen by Trustee | Other Directorships Held by Trustee During Past Five Years  |
|---|---|-----------------------|---|---|---|
| <b>INDEPENDENT TRUSTEES</b>               |   |                       |   |   |   |
| Myles J. Edwards<br>Year of Birth: 1961   | Trustee   | Since November 2016   | General Counsel, CCO and COO, Shufro, Rose & Co., LLC (2014-present); General Counsel and CC, Constellation Wealth Advisers, LLC (2011-2014)  | Thirteen  | Trustee (since 2015), Virtus ETF Trust II (3 portfolios)  |
| Stephen O'Grady<br>Year of Birth: 1946    | Trustee   | Since September 2014  | Lead Market Maker, GFI Group (2011-2012); Partner, Kellogg Capital Markets (2004-2011)  | Thirteen  | Trustee (since 2015), Virtus ETF Trust II (3 portfolios); Trustee (since 2013), Greenhaven Continuous Commodity ETF (GCC); Trustee (since 2014), Acacia Group LLC |
| James A. Simpson<br>Year of Birth: 1970   | Trustee   | Since Inception       | President, ETP Resources, LLC (2009-present) (a financial services consulting company); Vice President, Northern Trust Securities, Inc. and Vice President, Northern Trust Global Investments (2008-2009)   | Thirteen  | Trustee (since 2015), Virtus ETF Trust II (3 portfolios)  |
| Robert S. Tull<br>Year of Birth: 1952     | Trustee   | Since Inception       | Independent Consultant (2013-present); Chief Operating Officer, Factor Advisors, LLC (2010-2013); Chief Operating Officer, GlobalShares (2009-2010)   | Thirteen  | Trustee (since 2015), Virtus ETF Trust II (3 portfolios)  |
| <b>INTERESTED TRUSTEE**</b>               |   |                       |   |   |   |
| William J. Smalley<br>Year of Birth: 1983 | Trustee, President, Chief Executive Officer and Secretary | Since Inception       | President, Virtus ETF Solutions LLC (2012-Present); Managing Principal, ETF Distributors LLC (2012-Present); President, Virtus ETF Trust II (2015-present); Vice President, Factor Advisors, LLC (2010-2012); Vice President, MacroMarkets, LLC (2006-2010) | Ten   | None  |

Supplemental Information (unaudited) (continued)

October 31, 2016

| Name and Age                            | Position(s) held with Trust           | Length of Time Served | Principal Occupation(s) During Past Five Years   | Number of Portfolios in Fund Complex* Overseen by Trustee | Other Directorships Held by Trustee During Past Five Years |
|---|---------------------------------------|-----------------------|--|---|--|
| <b>OTHER EXECUTIVE OFFICERS</b>         |                                       |                       |  |   |  |
| Brinton W. Frith<br>Year of Birth: 1969 | Treasurer and Chief Financial Officer | Since Inception       | Managing Director, Virtus ETF Solutions LLC (2013-present); Treasurer, ETFis Series Trust I (2012-present); President, Javelin Investment Management, LLC (2008-2013)  | N/A   | N/A  |
| Nancy J. Engberg<br>Year of Birth: 1956 | Chief Compliance Officer              | Since 2015            | Vice President (since 2008) and Chief Compliance Officer (2008 to 2011 and since 2016), Virtus Investment Partners, Inc. and/or certain of its subsidiaries; various officer positions (since 2003) with Virtus affiliates; Vice President and Chief Compliance Officer (since 2011), Virtus Mutual Fund Complex; Vice President (since 2010) and Chief Compliance Officer (since 2011), Virtus Variable Insurance Trust; Vice President and Chief Compliance Officer (since 2011), Virtus Closed-End Funds; Vice President and Chief Compliance Officer (since 2013), Virtus Alternative Solutions Trust; Chief Compliance Officer (since 2015), Virtus ETF Trust II. | N/A   | N/A  |

The address for each Trustee and officer is 1540 Broadway, 16th Floor, New York, NY 10036. Each Trustee serves until resignation, death, retirement or removal. Officers are elected yearly by the Trustees. For the fiscal year ended October 31, 2016, the Board of Trustees received an aggregate of \$42,754.

\* As of October 31, 2016, the Fund Complex consisted of the Trust, which consisted of ten portfolios – BioShares Biotechnology Products Fund, BioShares Biotechnology Clinical Trials Fund, iSectors Post-MPT Growth ETF, Tuttle Tactical Management U.S. Core ETF, Tuttle Tactical Management Multi-Strategy Income ETF, Virtus Newfleet Multi-Sector Unconstrained Bond ETF, InfraCap MLP ETF, InfraCap REIT Preferred ETF, Reaves Utilities ETF, and Cumberland Municipal Bond ETF – and Virtus ETF Trust II, which consisted of three portfolios – Virtus Newfleet Dynamic Credit ETF, Virtus Japan Alpha ETF, and Virtus Enhanced U.S. Equity ETF.

\*\* William J. Smalley is an “interested person” as defined in the Investment Company Act of 1940, because he is an employee of the Adviser.

**INFORMATION ABOUT PORTFOLIO HOLDINGS**

The Funds file their complete schedule of portfolio holdings for their first and third fiscal quarters with the Securities and Exchange Commission (“SEC”) on Form N-Q. The Funds Form N-Q are available without charge, upon request, by calling toll-free at (888) 383-4184. Furthermore, you may obtain the Form N-Q on the SEC’s website at [www.sec.gov](http://www.sec.gov). The Funds’ portfolio holdings are posted daily on the Funds’ website at [www.etfissuersolutions.com](http://www.etfissuersolutions.com)

The Funds’ premium/discount information that is current as of the most recent month-end is available by visiting [www.etfissuersolutions.com](http://www.etfissuersolutions.com) or by calling (888) 383-4184.

**INFORMATION ABOUT PROXY VOTING**

A description of the policies and procedures the Funds use to determine how to vote proxies relating to portfolio securities is provided in the Statement of Additional Information (“SAI”). The SAI is available without charge upon request by calling toll-free at (888) 383-4184, by accessing the SEC’s website at [www.sec.gov](http://www.sec.gov), or by accessing the Funds’ website at [www.etfissuersolutions.com](http://www.etfissuersolutions.com).

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30th is available by calling toll-free at (888) 383-4184 or by accessing the SEC’s website at [www.sec.gov](http://www.sec.gov).

**TAX INFORMATION**

For the fiscal year ended October 31, 2016, the Funds make the following disclosures for federal income tax purposes. Below is listed the percentages, or the maximum amount allowable, of its ordinary income dividends (“QDI”) to qualify for the lower tax rates applicable to individual shareholders, and the percentage of ordinary income dividends earned by each Fund which qualifies for the dividends received deduction (“DRD”) for corporate shareholders. The actual percentage of QDI and DRD for the calendar year will be designated in year-end tax statements.

| Funds  | QDI% | DRD% |
|--|------|------|
| BioShares Biotechnology Clinical Trials Fund . . . . .         | 0%   | 0%   |
| BioShares Biotechnology Products Fund . . . . .                | 13%  | 14%  |
| iSectors Post-MPT Growth ETF . . . . .                         | 0%   | 0%   |
| Tuttle Tactical Management Multi-Strategy Income ETF . . . . . | 2%   | 4%   |
| Tuttle Tactical Management U.S. Core ETF . . . . .             | 17%  | 26%  |
| Virtus Newfleet Multi-Sector Unconstrained Bond ETF . . . . .  | 0%   | 0%   |

**c/o ETF Distributors LLC**  
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