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May 21, 2020

VIA SEDAR

Dear Sirs/Mesdames:

Re: Amended Annual Audited Financial Statements for the period ended December 31, 2019 for the Emerge ARK ETFs

SEDAR Project 03060101

In the attached Annual Audited Financial Statements, the statement of comprehensive income for Emerge ARK Autonomous Tech & Robotics ETF was amended to correct a clerical error.

Other than the foregoing, there are no other changes to the Annual Audited Financial Statements of the Emerge ERK ETFs.

Please do not hesitate to contact us should you have any questions or concerns.

Yours truly,

BORDEN LADNER GERVAIS LLP

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Emerge ARK ETFs

2019

FINANCIAL STATEMENTS

For the period June 14 to December 31,
2019

Emerge ARK Global Disruptive Innovation ETF
Emerge ARK Genomics & Biotech ETF
Emerge ARK Fintech Innovation ETF
Emerge ARK AI & Big Data ETF
Emerge ARK Autonomous Tech & Robotics ETF



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222 Bay Street
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Toronto, ON M5K 1H1 Canada

Independent Auditor's Report

To the Unitholders of:

Emerge ARK Global Disruptive Innovation ETF
Emerge ARK Genomics & Biotech ETF
Emerge ARK Fintech Innovation ETF
Emerge ARK AI & Big Data ETF
Emerge ARK Autonomous Tech & Robotics ETF

(collectively, the "ETFs", individually the "ETF")

Opinion

We have audited the financial statements of each of the ETFs, which comprise the statements of financial position as at December 31, 2019, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the period from June 14, 2019 (date of formation) to December 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of each of the ETFs present fairly, in all material respects, the financial position of each ETF as at December 31, 2019, and its financial performance and its cash flows for the period from June 14, 2019 (date of formation) to December 31, 2019 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of each of the ETFs in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information in the amended 2019 Management Report of Fund Performance for the period from June 14, 2019 (date of formation) to December 31, 2019 filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each of the ETFs, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each of the ETFs or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained the amended 2019 Management Report of Fund Performance for the period from June 14, 2019 (date of formation) to December 31, 2019 filed with the relevant Canadian Securities Commissions prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of each of the ETFs in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each of the ETFs to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any of the ETFs or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each of the ETFs.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each of the ETFs.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each of the ETFs, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each of the ETFs.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each of the ETFs to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each of the ETFs or, if such disclosures are inadequate, to modify our opinion. Our



conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the ETFs to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of each of the ETFs, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Bradley Tagieff.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
May 20, 2020

Emerge ARK Global Disruptive Innovation ETF

Statement of Financial Position

As at December 31, 2019

December 31
2019

Assets

Current assets

Cash	8,359
Investments at fair value through profit or loss (Schedule)	1,860,368
Receivable for investments sold	57,463
Receivable from the Manager (Note 8 (c))	106,342
Total assets	<u>2,032,532</u>

Liabilities

Current liabilities

Payable for investments purchased	<u>64,168</u>
Total liabilities	<u>64,168</u>

Net assets attributable to holders of redeemable units	<u>1,968,364</u>
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Net assets attributable to holders of redeemable units per class

CAD Units	984,180
USD Units (in Canadian dollars)	984,184

Number of units outstanding

CAD Units	100,000
USD Units	100,000

Net assets attributable to holders of redeemable units per unit

CAD Units	9.84
USD Units (in Canadian dollars)	9.84

Approved on behalf of the Board of Directors of
Emerge Canada Inc., as Trustee of Emerge ARK Global Disruptive Innovation ETF

(signed) "Lisa Langley"

(signed) "Desmond Alvares"

Emerge ARK Global Disruptive Innovation ETF

Statement of Comprehensive Income

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Income	
Dividend income	509
Interest income for distribution purposes	289
Realized foreign exchange gain (loss)	449
Realized gain (loss) on sale of investments	(11,750)
Change in unrealized foreign exchange (gain) loss on cash	(76)
Change in unrealized appreciation (depreciation) in the value of investments	(7,041)
Total income	(17,620)
Expenses	
Management fees (Note 8)	7,264
Audit fees	18,177
Administration fees	25,971
Withholding taxes	79
Regulatory fees	3,700
Transaction costs	458
Total operating expenses before manager absorption	55,649
Expenses absorbed by manager	41,633
Net expenses	14,016
Increase/(decrease) in net assets attributable to holders of redeemable units	(31,636)
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	(15,820)
USD Units (in Canadian dollars)	(15,816)
Weighted average number of units outstanding	
CAD Units	98,765
USD Units	98,767
Increase/(decrease) in net assets attributable to holders of redeemable units per unit	
CAD Units	(0.16)
USD Units (in Canadian dollars)	(0.16)

See accompanying notes to the financial statements

Emerge ARK Global Disruptive Innovation ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Net assets attributable to holders of redeemable units at beginning of period	
CAD Units	-
USD Units (in Canadian dollars)	-
<hr/>	
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	(15,820)
USD Units (in Canadian dollars)	(15,816)
 Redeemable unit transactions	
Proceeds from redeemable units issued	
CAD Units	1,000,000
USD Units (in Canadian dollars)	1,000,000
<hr/>	
Net increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	984,180
USD Units (in Canadian dollars)	984,184
<hr/>	
Net assets attributable to holders of redeemable units at end of period	
CAD Units	984,180
USD Units (in Canadian dollars)	984,184

See accompanying notes to the financial statements

Emerge ARK Global Disruptive Innovation ETF

Statement of Cash Flows

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Cash flows from operating activities

Increase/(decrease) in net assets attributable to holders of redeemable units (31,636)

Adjustments for:

Net realized (gain)/loss on sale of investments 11,750

Change in unrealized (appreciation)/depreciation in value of investments 7,041

Change in unrealized foreign exchange (gain) loss on cash 76

Decrease/(increase) in receivable from the Manager (106,342)

Purchase of investments (719,247)

Proceeds from sale of investments 805,663

Net cash from operating activities (32,695)

Cash flows from financing activities

Cash received from redeemable units issued 41,130

Net cash from financing activities 41,130

Change in unrealized foreign exchange (gain) loss on cash (76)

Net increase in cash 8,435

Cash at beginning of period -

Cash at end of period 8,359

Supplementary cash flow information:

Dividends received, net of withholding taxes 430

Interest received, net of withholding taxes 289

See accompanying notes to the financial statements

Schedule of Investment Portfolio

As at December 31, 2019

Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities			
Communication Services			
58 Netflix Inc.	24,221	24,336	
249 Tencent Holdings Ltd.	15,236	15,502	
1,049 Twitter Inc.	46,740	43,597	
996 Zillow Group Inc.	54,429	59,334	
	140,626	142,769	7.25
Consumer Discretionary			
634 Eventbrite Inc.	14,727	16,583	
35 MercadoLibre Inc.	24,678	25,958	
306 Roku Inc.	48,529	53,132	
388 Tesla Inc.	146,528	210,478	
	234,462	306,151	15.55
Financials			
1,668 LendingClub Corp.	29,223	27,297	
119 LendingTree Inc.	51,898	46,825	
	81,121	74,122	3.77
Health Care			
3,538 Cerus Corp.	27,131	19,361	
3,892 Compugen Ltd.	17,649	30,080	
1,235 CRISPR Therapeutics AG	78,692	97,538	
1,955 Editas Medicine Inc.	67,131	75,066	
324 Illumina Inc.	128,813	139,380	
4,057 Intellia Therapeutics Inc.	95,385	77,177	
4,836 Invitae Corp.	139,133	101,152	
1,845 NanoString Technologies Inc.	77,056	66,559	
1,875 Organovo Holdings Inc.	1,099	865	
2,533 Seres Therapeutics Inc.	10,011	11,332	
1,773 Syros Pharmaceuticals Inc.	17,017	15,887	
143 Teladoc Health Inc.	13,179	15,525	
1,136 Veracyte Inc.	42,406	41,129	
	714,702	691,051	35.10
Industrial			
629 ExOne Co.	6,580	6,085	
297 Proto Labs Inc.	40,326	39,110	
4,390 Stratasy Ltd.	159,427	115,135	
	206,333	160,330	8.15
Information Technology			
2,528 2U Inc.	66,977	78,644	
82 Autodesk Inc.	14,771	19,508	
1,373 Materialise NV	34,850	32,600	
58 NVIDIA Corp.	14,559	17,697	
508 Pinterest Inc.	13,254	12,279	
175 Salesforce.com Inc.	36,164	36,908	
216 Splunk Inc.	36,704	41,950	
1,645 Square Inc.	159,036	133,450	
239 Teradyne Inc.	18,183	21,134	
117 Trade Desk Inc.	34,419	39,414	
413 Xilinx Inc.	61,380	52,361	
	490,297	485,945	24.69
Total Equities	1,867,541	1,860,368	94.51
Embedded Broker Commissions	(132)		
Total Investments	1,867,409	1,860,368	94.51
Other Assets Less Liabilities		107,995	5.49
Net Assets Attributable to Holders of Redeemable Units		1,968,363	100.00

See accompanying notes to the financial statements

Emerge ARK Genomics & Biotech ETF

Statement of Financial Position

As at December 31, 2019

December 31
2019

Assets

Current assets	
Cash	4,307
Investments at fair value through profit or loss (Schedule)	1,887,449
Receivable for investments sold	83,911
Receivable from the Manager (Note 8 (c))	75,720
Total assets	<u>2,051,387</u>

Liabilities

Current liabilities	
Payable for investments purchased	82,125
Total liabilities	<u>82,125</u>

Net assets attributable to holders of redeemable units	<u>1,969,262</u>
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Net assets attributable to holders of redeemable units per class	
CAD Units	984,630
USD Units (in Canadian dollars)	984,632

Number of units outstanding	
CAD Units	100,000
USD Units	100,000

Net assets attributable to holders of redeemable units per unit	
CAD Units	9.85
USD Units (in Canadian dollars)	9.85

Approved on behalf of the Board of Directors of
Emerge Canada Inc., as Trustee of Emerge ARK Genomics & Biotech ETF

(signed) "Lisa Langley"

(signed) "Desmond Alvares"

Emerge ARK Genomics & Biotech ETF **Statement of Comprehensive Income**

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Income	
Dividend income	493
Interest income for distribution purposes	182
Realized foreign exchange gain (loss)	(345)
Realized gain (loss) on sale of investments	1,168
Change in unrealized foreign exchange (gain) loss on cash	(39)
Change in unrealized appreciation (depreciation) in the value of investments	(17,559)
Total income	(16,100)
Expenses	
Management fees (Note 8)	7,350
Audit fees	18,394
Administration fees	26,274
Withholding taxes	74
Interest expense	99
Regulatory fees	3,700
Transaction costs	900
Total operating expenses before manager absorption	56,791
Expenses absorbed by manager	42,153
Net expenses	14,638
Increase/(decrease) in net assets attributable to holders of redeemable units	(30,738)
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	(15,370)
USD Units (in Canadian dollars)	(15,368)
Weighted average number of units outstanding	
CAD Units	98,765
USD Units	98,767
Increase/(decrease) in net assets attributable to holders of redeemable units per unit	
CAD Units	(0.16)
USD Units (in Canadian dollars)	(0.16)

See accompanying notes to the financial statements

Emerge ARK Genomics & Biotech ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Net assets attributable to holders of redeemable units at beginning of period	
CAD Units	-
USD Units (in Canadian dollars)	-
<hr/>	
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	(15,370)
USD Units (in Canadian dollars)	(15,368)
 Redeemable unit transactions	
Proceeds from redeemable units issued	
CAD Units	1,000,000
USD Units (in Canadian dollars)	1,000,000
<hr/>	
Net increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	984,630
USD Units (in Canadian dollars)	984,632
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Net assets attributable to holders of redeemable units at end of period	
CAD Units	984,630
USD Units (in Canadian dollars)	984,632

See accompanying notes to the financial statements

Emerge ARK Genomics & Biotech ETF

Statement of Cash Flows

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Cash flows from operating activities

Increase/(decrease) in net assets attributable to holders of redeemable units (30,738)

Adjustments for:

Net realized (gain)/loss on sale of investments (1,168)

Change in unrealized (appreciation)/depreciation in value of investments 17,559

Change in unrealized foreign exchange (gain) loss on cash 39

Changes in non-cash working capital:

Decrease/(increase) in receivable from the Manager (75,720)

Purchase of investments (529,302)

Proceeds from sale of investments 561,857

Net cash from operating activities (57,473)

Cash flows from financing activities

Cash received from redeemable units issued 61,819

Net cash from financing activities 61,819

Change in unrealized foreign exchange (gain) loss on cash (39)

Net increase in cash 4,307

Cash at beginning of period -

Cash at end of period 4,307

Supplementary cash flow information:

Dividends received, net of withholding taxes 419

Interest received, net of withholding taxes 182

See accompanying notes to the financial statements

Emerge ARK CEmerge ARK Genomics & Biotech ETF

Schedule of Investment Portfolio

As at December 31, 2019

Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities			
Health Care			
529 AquaBounty Technologies Inc.	2,369	1,489	
4,009 Arcturus Therapeutics Holdings Inc.	60,416	56,509	
1,417 Bellicum Pharmaceuticals Inc.	2,323	2,370	
1,611 CareDx Inc.	53,459	45,061	
602 Castle Biosciences Inc.	20,123	26,831	
3,641 Cellectis S.A.	71,332	80,831	
973 Cellular Biomedicine Group Inc.	19,001	20,491	
5,939 Cerus Corp.	42,342	32,500	
1,922 Codexis Inc.	42,952	39,853	
10,271 Compugen Ltd.	46,656	79,381	
2,257 CRISPR Therapeutics AG	147,668	178,254	
2,976 Editas Medicine Inc.	102,471	114,269	
763 Evogene Ltd.	1,533	1,484	
1,161 Fate Therapeutics Inc.	31,259	29,463	
432 Guardant Health Inc.	45,862	43,774	
466 Illumina Inc.	188,137	200,462	
388 Incyte Corp.	40,321	43,934	
14,777 Inovio Pharmaceuticals Inc.	54,935	63,235	
6,586 Intellia Therapeutics Inc.	154,371	125,287	
487 Intrexon Corp.	4,152	3,461	
7,206 Invitae Corp.	211,637	150,725	
620 Ionis Pharmaceuticals Inc.	50,768	48,569	
2,546 Iovance Biotherapeutics Inc.	84,590	91,386	
1,638 NanoString Technologies Inc.	68,154	59,092	
10,272 Organovo Holdings Inc.	6,021	4,738	
3,740 Pacific Biosciences of California Inc.	25,823	24,928	
1,676 Personalis Inc.	36,227	23,690	
1,276 Pluristem Therapeutics Inc.	7,799	6,536	
1,314 Rubius Therapeutics Inc.	23,498	16,187	
4,936 Seres Therapeutics Inc.	19,509	22,083	
5,343 Syros Pharmaceuticals Inc.	45,889	47,876	
765 Teladoc Health Inc.	69,004	83,051	
1,008 Twist Bioscience Corp.	36,658	27,450	
1,905 Veracyte Inc.	70,889	68,971	
	1,888,148	1,864,221	94.67
Information Technology			
61 Apple Inc.	17,211	23,228	
	17,211	23,228	1.18
Total Equities	1,905,359	1,887,449	95.85
Embedded Broker Commissions			
	(351)		
Total Investments	1,905,008	1,887,449	95.85
Other Assets Less Liabilities		81,813	4.15
Net Assets Attributable to Holders of Redeemable Units		1,969,262	100.00

See accompanying notes to the financial statements

Emerge ARK Fintech Innovation ETF

Statement of Financial Position

As at December 31, 2019

December 31
2019

Assets

Current assets	
Cash	9,285
Investments at fair value through profit or loss (Schedule)	1,947,916
Dividends receivable	185
Receivable for investments sold	52,152
Receivable from the Manager (Note 8 (c))	94,960
Total assets	<u>2,104,498</u>

Liabilities

Current liabilities	
Payable for investments purchased	49,691
Total liabilities	<u>49,691</u>

Net assets attributable to holders of redeemable units 2,054,807

Net assets attributable to holders of redeemable units per class

CAD Units	1,027,400
USD Units (in Canadian dollars)	1,027,407

Number of units outstanding

CAD Units	100,000
USD Units	100,000

Net assets attributable to holders of redeemable units per unit

CAD Units	10.27
USD Units (in Canadian dollars)	10.27

Approved on behalf of the Board of Directors of
Emerge Canada Inc., as Trustee of Emerge ARK Fintech Innovation ETF

(signed) "Lisa Langley"

(signed) "Desmond Alvares"

Emerge ARK Fintech Innovation ETF **Statement of Comprehensive Income**

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Income	
Dividend income	2,592
Interest income for distribution purposes	502
Realized foreign exchange gain (loss)	(352)
Realized gain (loss) on sale of investments	42,703
Change in unrealized foreign exchange (gain) loss on cash	(61)
Change in unrealized appreciation (depreciation) in the value of investments	24,193
Total income	69,577
Expenses	
Management fees (Note 8)	7,669
Audit fees	19,201
Administration fees	27,405
Withholding taxes	435
Interest expense	17
Regulatory fees	3,700
Transaction costs	435
Total operating expenses before manager absorption	58,862
Expenses absorbed by manager	44,092
Net expenses	14,770
Increase/(decrease) in net assets attributable to holders of redeemable units	54,807
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	27,400
USD Units (in Canadian dollars)	27,407
Weighted average number of units outstanding	
CAD Units	98,765
USD Units	98,767
Increase/(decrease) in net assets attributable to holders of redeemable units per unit	
CAD Units	0.28
USD Units (in Canadian dollars)	0.28

See accompanying notes to the financial statements

Emerge ARK Fintech Innovation ETF **Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Net assets attributable to holders of redeemable units at beginning of period	
CAD Units	-
USD Units (in Canadian dollars)	-
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	27,400
USD Units (in Canadian dollars)	27,407
Redeemable unit transactions	
Proceeds from redeemable units issued	
CAD Units	1,000,000
USD Units (in Canadian dollars)	1,000,000
Distribution from capital gain	
CAD Units	10,356
USD Units (in Canadian dollars)	10,356
Reinvestments of distribution	
CAD Units	(10,356)
USD Units (in Canadian dollars)	(10,356)
Net increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	1,027,400
USD Units (in Canadian dollars)	1,027,407
Net assets attributable to holders of redeemable units at end of period	
CAD Units	1,027,400
USD Units (in Canadian dollars)	1,027,407

See accompanying notes to the financial statements

Emerge ARK Fintech Innovation ETF **Statement of Cash Flows**

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Cash flows from operating activities

Increase/(decrease) in net assets attributable to holders of redeemable units	54,807
Adjustments for:	
Net realized (gain)/loss on sale of investments	(42,703)
Change in unrealized (appreciation)/depreciation in value of investments	(24,193)
Change in unrealized foreign exchange (gain) loss on cash	61
Decrease/(increase) in dividends receivable	(185)
Decrease/(increase) in receivable from the Manager	(94,960)
Purchase of investments	(460,568)
Proceeds from sale of investments	428,500
Net cash from operating activities	(139,241)

Cash flows from financing activities

Cash received from redeemable units issued	148,587
Net cash from financing activities	148,587
Foreign exchange gain/(loss) on cash	(61)
Net increase in cash	9,285
Cash at beginning of period	-
Cash at end of period	9,285

Supplementary cash flow information:

Dividends received, net of withholding taxes	1,972
Interest received, net of withholding taxes	502

See accompanying notes to the financial statements

Emerge ARK Fintech Innovation ETF **Schedule of Investment Portfolio**

As at December 31, 2019

Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities			
Communication Services			
189 Baidu Inc.	28,883	30,979	
75 Facebook Inc.	19,847	19,962	
1,773 Tencent Holdings Ltd.	109,370	110,381	
4,738 Z Holdings Corp.	22,029	26,063	
1,442 Zillow Group Inc.	87,093	85,904	
	267,222	273,289	13.30
Consumer Discretionary			
333 Alibaba Group Holding Ltd.	78,594	91,588	
27 Amazon.com Inc.	70,454	64,697	
1,391 Eventbrite Inc.	32,170	36,382	
3,600 Meituan Dianping	41,742	61,051	
101 MercadoLibre Inc.	80,454	74,908	
966 Pinduoduo Inc.	26,549	47,376	
3,898 Rakuten Inc.	53,667	42,990	
	383,630	418,992	20.39
Financials			
322 Charles Schwab Corp.	18,722	19,859	
1,790 Discovery Ltd.	20,128	20,024	
476 HDFC Bank Ltd.	36,614	39,115	
260 Interactive Brokers Group Inc.	17,046	15,718	
405 Intercontinental Exchange Inc.	48,085	48,606	
2,153 LendingClub Corp.	37,291	35,234	
172 LendingTree Inc.	82,756	67,679	
95 Nasdaq Inc.	12,252	13,194	
1,500 SBI Holdings Inc.	43,114	41,435	
89 Silvergate Capital Corp.	1,944	1,836	
9,000 ZhongAn Online P&C Insurance Co., Ltd.	28,368	42,089	
2,602 Zip Co., Ltd.	9,608	8,396	
	355,928	353,185	17.19
Industrial			
170 TransUnion	18,193	18,872	
103 Verisk Analytics Inc.	20,391	19,947	
	38,584	38,819	1.89
Information Technology			
40 Adyen NV	39,509	42,015	
312 Apple Inc.	85,489	118,806	
200 DocuSign Inc.	17,561	19,220	
231 Guidewire Software Inc.	30,730	32,881	
97 Intuit Inc.	35,837	32,947	
140 NVIDIA Corp.	32,844	42,717	
389 PayPal Holdings Inc.	59,903	54,565	
894 Pinterest Inc.	31,209	21,609	
241 Salesforce.com Inc.	50,554	50,828	
121 Shopify Inc.	54,071	62,472	
1,082 Snap Inc.	22,508	22,912	
306 Splunk Inc.	55,506	59,429	
2,387 Square Inc.	238,078	193,647	
389 Taiwan Semiconductor Manufacturing Co., Ltd.	22,751	29,308	
290 Twilio Inc.	47,392	36,959	
294 Wirecard AG	32,706	22,844	
96 Workday Inc.	22,002	20,472	
	878,650	863,631	42.03
Total Equities	1,924,014	1,947,916	94.80
Embedded Broker Commissions			
	(291)		
Total Investments	1,923,723	1,947,916	94.80
Other Assets Less Liabilities		106,892	5.20
Net Assets Attributable to Holders of Redeemable Units		2,054,808	100.00

See accompanying notes to the financial statements

Emerge ARK AI & Big Data ETF

Statement of Financial Position

As at December 31, 2019

December 31
2019

Assets

Current assets	
Cash	2,801
Investments at fair value through profit or loss (Schedule)	1,963,169
Receivable for investments sold	46,617
Receivable from the Manager (Note 8 (c))	100,886
Total assets	<u>2,113,473</u>

Liabilities

Current liabilities	
Payable for investments purchased	46,611
Total liabilities	<u>46,611</u>

Net assets attributable to holders of redeemable units	<u>2,066,862</u>
--------------------------------------------------------	------------------

Net assets attributable to holders of redeemable units per class	
CAD Units	1,033,430
USD Units (in Canadian dollars)	1,033,432

Number of units outstanding	
CAD Units	100,000
USD Units	100,000

Net assets attributable to holders of redeemable units per unit	
CAD Units	10.33
USD Units (in Canadian dollars)	10.33

Approved on behalf of the Board of Directors of
Emerge Canada Inc., as Trustee of Emerge ARK AI & Big Data ETF

(signed) "Lisa Langley"

(signed) "Desmond Alvares"

Emerge ARK AI & Big Data ETF **Statement of Comprehensive Income**

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Income	
Dividend income	661
Interest income for distribution purposes	171
Realized foreign exchange gain (loss)	(108)
Realized gain (loss) on sale of investments	(5,722)
Change in unrealized foreign exchange (gain) loss on cash	(2)
Change in unrealized appreciation (depreciation) in the value of investments	86,052
Total income	81,052
Expenses	
Management fees (Note 8)	7,510
Audit fees	18,803
Administration fees	26,846
Withholding taxes	99
Interest expense	10
Regulatory fees	3,700
Transaction costs	357
Total operating expenses before manager absorption	57,325
Expenses absorbed by manager	43,135
Net expenses	14,190
Increase/(decrease) in net assets attributable to holders of redeemable units	66,862
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	33,430
USD Units (in Canadian dollars)	33,432
Weighted average number of units outstanding	
CAD Units	98,765
USD Units	98,767
Increase/(decrease) in net assets attributable to holders of redeemable units per unit	
CAD Units	0.34
USD Units (in Canadian dollars)	0.34

See accompanying notes to the financial statements

Emerge ARK AI & Big Data ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Net assets attributable to holders of redeemable units at beginning of period	
CAD Units	-
USD Units (in Canadian dollars)	-
<hr/>	
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	33,430
USD Units (in Canadian dollars)	33,432
 Redeemable unit transactions	
Proceeds from redeemable units issued	
CAD Units	1,000,000
USD Units (in Canadian dollars)	1,000,000
<hr/>	
Net increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	1,033,430
USD Units (in Canadian dollars)	1,033,432
<hr/>	
Net assets attributable to holders of redeemable units at end of period	
CAD Units	1,033,430
USD Units (in Canadian dollars)	1,033,432

See accompanying notes to the financial statements

Emerge ARK AI & Big Data ETF

Statement of Cash Flows

For the period from June 14, 2019 (date of formation) to December 31, 2019

2019

Cash flows from operating activities

Increase/(decrease) in net assets attributable to holders of redeemable units	66,862
Adjustments for:	
Net realized (gain)/loss on sale of investments	5,722
Change in unrealized (appreciation)/depreciation in value of investments	(86,052)
Change in unrealized foreign exchange (gain) loss on cash	2
Decrease/(increase) in receivable from the Manager	(100,886)
Purchase of investments	(730,539)
Proceeds from sale of investments	799,990
Net cash from operating activities	(44,901)

Cash flows from financing activities

Cash received from redeemable units issued	47,704
Net cash from financing activities	47,704

Change in unrealized foreign exchange (gain) loss on cash	(2)
Net increase in cash	2,801
Cash at beginning of period	-
Cash at end of period	2,801

Supplementary cash flow information:

Dividends received, net of withholding taxes	562
Interest received, net of withholding taxes	171

See accompanying notes to the financial statements

Emerge ARK AI & Big Data ETF **Schedule of Investment Portfolio**

As at December 31, 2019

Number of Shares	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities			
Communication Services			
118 Baidu Inc.	18,033	19,341	
123 Netflix Inc.	50,701	51,609	
194 Sea Ltd.	9,992	10,118	
126 Spotify Technology S.A.	24,181	24,435	
984 Tencent Holdings Ltd.	60,687	61,261	
2,126 Twitter Inc.	93,414	88,358	
1,186 Zillow Group Inc.	68,802	70,653	
	<u>325,810</u>	<u>325,775</u>	15.76
Consumer Discretionary			
274 Alibaba Group Holding Ltd.	64,696	75,361	
16 Amazon.com Inc.	41,756	38,339	
1,223 Eventbrite Inc.	28,594	31,988	
76 MercadoLibre Inc.	56,089	56,366	
828 Pinduoduo Inc.	22,756	40,608	
504 Roku Inc.	76,565	87,512	
401 Tesla Inc.	145,810	217,530	
	<u>436,266</u>	<u>547,704</u>	26.50
Financials			
2,582 LendingClub Corp.	44,757	42,254	
85 LendingTree Inc.	38,599	33,446	
	<u>83,356</u>	<u>75,700</u>	3.66
Health Care			
451 Teladoc Health Inc.	39,890	48,962	
1,848 Veracyte Inc.	68,700	66,907	
	<u>108,590</u>	<u>115,869</u>	5.61
Information Technology			
1,737 2U Inc.	59,900	54,036	
74 Adobe Inc.	30,149	31,648	
588 Advanced Micro Devices Inc.	25,892	34,968	
146 Alteryx Inc.	19,728	18,946	
138 Atlassian Corp PLC	24,526	21,535	
3,243 Cloudera Inc.	25,811	48,908	
165 HubSpot Inc.	38,101	33,913	
182 NVIDIA Corp.	43,433	55,533	
200 PayPal Holdings Inc.	31,856	28,054	
1,326 Pinterest Inc.	40,970	32,051	
228 Salesforce.com Inc.	47,798	48,086	
45 Shopify Inc.	19,294	23,234	
1,321 Snap Inc.	27,136	27,973	
354 Splunk Inc.	62,020	68,752	
1,959 Square Inc.	192,409	158,926	
158 Trade Desk Inc.	45,517	53,225	
383 Twilio Inc.	60,504	48,811	
90 Workday Inc.	20,516	19,193	
556 Xilinx Inc.	86,720	70,491	
329 Zscaler Inc.	20,956	19,838	
	<u>923,236</u>	<u>898,121</u>	43.45
Total Equities	<u>1,877,258</u>	<u>1,963,169</u>	94.98
Embedded Broker Commissions	<u>(141)</u>		
Total Investments	<u>1,877,117</u>	<u>1,963,169</u>	94.98
Other Assets Less Liabilities		<u>103,693</u>	5.02
Net Assets Attributable to Holders of Redeemable Units		<u>2,066,862</u>	100.00

See accompanying notes to the financial statements

Emerge ARK Autonomous Tech & Robotics ETF

Statement of Financial Position

As at December 31, 2019

December 31
2019

Assets

Current assets	
Cash	10,358
Investments at fair value through profit or loss (Schedule)	1,942,688
Dividends receivable	344
Receivable for investments sold	57,249
Receivable from the Manager (Note 8 (c))	108,534
Total assets	<u>2,119,173</u>

Liabilities

Current liabilities	
Payable for investments purchased	67,265
Total liabilities	<u>67,265</u>

Net assets attributable to holders of redeemable units	<u>2,051,908</u>
--------------------------------------------------------	------------------

Net assets attributable to holders of redeemable units per class	
CAD Units	1,025,950
USD Units (in Canadian dollars)	1,025,958

Number of units outstanding	
CAD Units	100,000
USD Units	100,000

Net assets attributable to holders of redeemable units per unit	
CAD Units	10.26
USD Units (in Canadian dollars)	10.26

Approved on behalf of the Board of Directors of

(signed) "Lisa Langley"

(signed) "Desmond Alvares"

Emerge ARK Autonomous Tech & Robotics ETF **Statement of Comprehensive Income**

For the period from June 14, 2019 (commencement of operation) to December 31, 2019

2019

Income	
Dividend income	3,426
Interest income for distribution purposes	247
Realized foreign exchange gain (loss)	667
Realized gain (loss) on sale of investments	(11,541)
Change in unrealized foreign exchange (gain) loss on cash	(95)
Change in unrealized appreciation (depreciation) in the value of investments	74,205
Total income	66,909
Expenses	
Management fees (Note 8)	7,451
Audit fees	18,650
Administration fees	26,631
Withholding taxes	565
Regulatory fees	3,700
Transaction costs	771
Total operating expenses before manager absorption	57,768
Expenses absorbed by manager	42,767
Net expenses	15,001
Increase/(decrease) in net assets attributable to holders of redeemable units	51,908
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	25,950
USD Units (in Canadian dollars)	25,958
Weighted average number of units outstanding	
CAD Units	98,765
USD Units	98,767
Increase/(decrease) in net assets attributable to holders of redeemable units per unit	
CAD Units	0.26
USD Units (in Canadian dollars)	0.26

See accompanying notes to the financial statements

Emerge ARK Autonomous Tech & Robotics ETF

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from June 14, 2019 (commencement of operation) to December 31, 2019

2019

Net assets attributable to holders of redeemable units at beginning of period	
CAD Units	-
USD Units (in Canadian dollars)	-
<hr/>	
Increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	25,950
USD Units (in Canadian dollars)	25,958
 Redeemable unit transactions	
Proceeds from redeemable units issued	
CAD Units	1,000,000
USD Units (in Canadian dollars)	1,000,000
<hr/>	
Net increase/(decrease) in net assets attributable to holders of redeemable units	
CAD Units	1,025,950
USD Units (in Canadian dollars)	1,025,958
<hr/>	
Net assets attributable to holders of redeemable units at end of period	
CAD Units	1,025,950
USD Units (in Canadian dollars)	1,025,958

See accompanying notes to the financial statements

Emerge ARK Autonomous Tech & Robotics ETF

Statement of Cash Flows

For the period from June 14, 2019 (commencement of operation) to December 31, 2019

2019

Cash flows from operating activities

Increase/(decrease) in net assets attributable to holders of redeemable units	51,908
Adjustments for:	
Net realized (gain)/loss on sale of investments	11,541
Change in unrealized (appreciation)/depreciation in value of investments	(74,205)
Change in unrealized foreign exchange (gain) loss on cash	95
Decrease/(increase) in dividends receivable	(344)
Decrease/(increase) in receivable from the Manager	(108,534)
Purchase of investments	(546,862)
Proceeds from sale of investments	647,437
Net cash from operating activities	(18,964)

Cash flows from financing activities

Cash received from redeemable units issued	29,417
Net cash from financing activities	29,417

Change in unrealized foreign exchange (gain) loss on cash	(95)
Net increase in cash	10,358
Cash at beginning of period	-
Cash at end of period	10,358

Supplementary cash flow information:

Dividends received, net of withholding taxes	2,517
Interest received, net of withholding taxes	247

See accompanying notes to the financial statements

Emerge ARK Autonomous Tech & Robotics ETF **Schedule of Investment Portfolio**

As at December 31, 2019

Number of Shares or Par Value	Average Cost \$	Fair Value \$	Percentage of Net Assets %
Equities			
Communication Services			
16 Alphabet Inc.	24,604	27,740	
435 Baidu Inc.	66,698	71,300	
1,126 Iridium Communications Inc.	37,198	35,978	
595 Tencent Holdings Ltd.	36,643	37,043	
	165,143	172,061	8.39
Consumer Discretionary			
18 Amazon.com Inc.	45,953	43,131	
662 Aptiv PLC	74,320	81,527	
295 General Motors Co.	15,835	14,001	
1,262 JD.com Inc.	53,209	57,654	
2,397 Rakuten Inc.	31,424	26,436	
422 Tesla Inc.	150,252	228,922	
	370,993	451,671	22.01
Health Care			
29 Intuitive Surgical Inc.	20,956	22,231	
7,057 Organovo Holdings Inc.	4,231	3,255	
	25,187	25,486	1.24
Industrial			
934 Aerovironment Inc.	67,528	74,777	
83 Deere & Co.	18,379	18,648	
111 Elbit Systems Ltd.	23,424	22,319	
3,887 ExOne Co.	39,929	37,602	
816 Komatsu Ltd.	23,221	25,438	
1,139 Kratos Defense & Security Solutions Inc.	34,351	26,601	
309 Nano Dimension Ltd.	1,771	1,014	
904 Proto Labs Inc.	124,715	119,043	
6,586 Stratasy Ltd.	220,931	172,729	
	554,249	498,171	24.28
Information Technology			
2,552 2U Inc.	85,395	79,390	
76 ANSYS Inc.	21,637	25,368	
103 Apple Inc.	28,222	39,221	
256 Autodesk Inc.	54,468	60,903	
404 Cognex Corp.	23,633	29,359	
79 Cornerstone OnDemand Inc.	6,136	5,998	
363 FLIR Systems Inc.	24,541	24,510	
4,747 Materialise NV	120,273	112,710	
311 NVIDIA Corp.	73,980	94,894	
227 NXP Semiconductors NV	32,829	37,460	
331 Splunk Inc.	57,082	64,285	
236 Taiwan Semiconductor Manufacturing Co., Ltd.	13,803	17,780	
649 Teradyne Inc.	49,357	57,388	
872 Trimble Inc.	51,445	47,142	
780 Xilinx Inc.	110,299	98,891	
	753,100	795,299	38.76
Total Equities	1,868,672	1,942,688	94.68
Embedded Broker Commissions			
	(189)		
Total Investments	1,868,483	1,942,688	94.68
Other Assets Less Liabilities			
		109,220	5.32
Net Assets Attributable to Holders of Redeemable Units			
		2,051,908	100.00

See accompanying notes to the financial statements

The Emerge ETFs
Notes to the Financial Statements
For the period June 14, 2019 (date of formation) to December 31, 2019

1. Establishment of the ETF

Each Emerge ETF (collectively, the “ETFs” and each, the “ETF”) listed below is an unincorporated open-ended mutual fund trust under the laws of the Province of Ontario, which is authorized to issue an unlimited number of redeemable, transferable Units.:

ETF Full Name	Short Name	Commencement Date
Emerge ARK Global Disruptive Innovation ETF	EARK	June 14, 2019
Emerge ARK Genomics & Biotech ETF	EAGB	June 14, 2019
Emerge ARK Fintech Innovation ETF	EAFT	June 14, 2019
Emerge ARK AI & Big Data ETF	EAAI	June 14, 2019
Emerge ARK Autonomous Tech & Robotics ETF	EAUT	June 14, 2019

The ETFs are each established pursuant to a declaration of trust dated June 14, 2019, as the same may be amended or restated from time to time. The registered office of the ETFs and the Manager is located at 130 King St. West, Exchange Tower, Suite 1804, Toronto, Ontario, M5X 1E3.

Emerge Canada Inc. (the “Manager”) is the trustee, manager and portfolio manager of the ETFs and is responsible for the administration of the ETFs. RBC Investor Services Trust acts as custodian and administrator of the ETFs. The ETFs commenced operations on June 14, 2019 and the listing date was July 29, 2019. The Financial Statements were authorized for issuance by the Manager on May 20, 2020.

The ETFs have received exemptions from National Instrument 81-102 - Investment Funds (“NI 81-102”) to permit the purchase by a unitholder of more than 20% of the units of the ETF without regard to the takeover bid requirements of applicable Canadian securities legislation and relief for the ETFs from the requirement to include in the prospectus a certificate of an underwriter.

The ETFs are currently offered in both Canadian-dollar-denominated units and U.S.-dollar-denominated units. An unlimited number of units may be issued. The financial statements are presented in Canadian dollars and are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

The investment objective of each ETF are contained in Note 7.

2. Significant Accounting Policies

The significant accounting policies adopted by the ETFs for the preparation of these financial statements are set out below.

Statement of Compliance and Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”).

Financial Instruments

(a) Classification and measurement

Classification and measurement categories under Financial instrument (“IFRS 9”) are amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL). To determine the appropriate classification and measurement category, IFRS 9 requires an entity to consider the business model for managing financial instruments and the contractual cash flow characteristics associated with the financial instruments.

2. Significant Accounting Policies (continued)

The ETFs' business model is one in which investments are managed with the objective of realizing cash flows through the sale of assets. Decisions are made based on the assets' fair values and investments are managed to realize these fair values. This business model is aligned with a FVTPL classification and measurement category. Other financial assets and liabilities are classified and measured as amortized cost, which approximates fair value due to their short term or liquid nature.

(b) Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Specifically, IFRS 9 requires the ETFs to recognize a loss allowance for expected credit losses on financial assets measured at amortized cost. The ETFs' credit loss on its financial assets measured at amortized cost is not material.

(c) Recognition

All financial assets and liabilities are recognized in the Statement of Financial Position when the ETFs become a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the ETFs have transferred substantially all risks and rewards of ownership.

The ETFs recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Investment transactions are accounted for on the trade date. The ETFs' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. The ETFs' accounting policies for measuring the fair value of its investments are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders, except where the last traded market price is not within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

(d) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the ETFs may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts. As of December 31, 2019, no amounts have been offset in the Statement of Financial Position.

(e) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The ETFs use the close prices for both financial assets and financial liabilities where the close price falls within that day's bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis.

Fixed-income securities, debentures and other debt instruments, including short-term investments, are valued at the quotation received from recognized investment dealers. The fair value of financial assets and liabilities that are not traded

2. Significant Accounting Policies (*continued*)

in an active market, including over the-counter derivatives, is determined using valuation techniques. The ETFs may use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and others commonly used by market participants and which make the maximum use of observable inputs.

For instruments for which there is no active market, the ETFs may use externally provided pricing or internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of the model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the ETFs hold.

Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The fair value of financial instruments other than investments at FVTPL closely approximates their carrying values, given their short-term maturities.

Refer to Note 3 for further information about the ETFs' fair value measurements.

(f) Foreign Currency Translation

The ETFs' functional and reporting currency is Canadian dollars. The ETFs have issued CAD Units and USD Units and maintains the capital accounts of these two unit pools in Canadian dollars. The income and expenses of the ETFs on a daily basis are divided between the two unit pools based on their capital accounts in Canadian dollars and the USD Units net asset value per unit (NAVPU) is calculated daily and converted to U.S. dollars based on the rate of exchange at the end of the day. This NAVPU in U.S. dollars is used for subscriptions and redemptions of the USD Units.

The fair value of foreign currency denominated portfolio investments and other assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date. Income and expense items are translated at the exchange rates prevailing at the dates that transactions occur. Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" and realized gains (losses) relating to other financial assets and liabilities are presented within "Realized gain (loss) on sale of investments". Unrealized gains (losses) on financial assets and liabilities are presented within "Change in unrealized appreciation (depreciation) in the value of investments" in the Statement of Comprehensive Income.

(g) Unit Valuation

Units of the ETFs are valued at the NAVPU on each valuation day. A valuation day is each business day or any other day designated by the Manager on which the NAV and NAV per unit of the ETFs are calculated. The NAVPU is determined by dividing the aggregate fair value of the net asset value by the total number of units outstanding before giving effect to redemptions or subscriptions for units on that day.

(h) Income Recognition

Dividend income is recorded on the ex-dividend date. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation in the value of investments are calculated with reference to the average cost of the related investments.

2. Significant Accounting Policies (continued)

(i) Transaction Costs

Transaction costs are expensed and are included in “Transaction costs” in the Statement of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The embedded transaction costs in the cost of the investment portfolio as at December 31, 2019 are disclosed in the Schedule of Investment Portfolio.

(j) Cash

Cash balances of the ETFs include cash with Canadian chartered financial institutions and are recorded as “Cash” in the Statement of Financial Position.

(k) Increase (decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit represents the increase (decrease) in net assets divided by the weighted average number of units outstanding during the period.

(l) Taxation

The Emerge ETFs currently do not qualify as a “mutual fund trust” for purposes of the Tax Act, an extension has been requested to extend the qualifying period. As a result, each of the Emerge ETFs: (i) may become liable for alternative minimum tax under the Tax Act; (ii) may not be eligible for the Capital Gains Refund; (iii) may be subject to the “mark-to-market” rules; (iv) may be required to withhold on capital gains distributions made to Unitholders who are non-residents of Canada for purposes of the Tax Act; and (v) may be subject to a special tax under Part XII.2 of the Tax Act.

All of the ETFs’ net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the ETFs. As a result, the ETFs do not record income taxes. Since the ETFs do not record income taxes, the tax benefit of capital and noncapital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

The ETFs currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income. The ETFs do not have unused capital losses. As at December 31, 2019, the ETFs non-capital losses were as per table below:

	December 31, 2019
Emerge ARK Global Disruptive Innovation ETF	8,023
Emerge ARK Genomics & Biotech ETF	4,682
Emerge ARK AI & Big Data ETF	8,800
Emerge ARK Autonomous Tech & Robotics ETF	3,507

(m) Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These judgements, estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingencies, as well as the reported amounts of investment income and expenses during the year. Actual results could differ from those estimates. The most significant accounting judgements and estimates made in preparing the financial statements include the fair value measurement of financial assets and liabilities in and the classification of financial assets and liabilities.

3. Fair Value Disclosure

The ETFs' financial assets measured at fair value have been categorized based upon a fair value hierarchy. The ETFs have established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are as follows.

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

There were no transfers between levels during the period ended December 31, 2019. The ETFs' policy is to recognize transfers in and out and between Levels 1 and 2 as per the value at the end of the reporting period and for transfers in and out of Level 3 as per the value at the date of transfer.

The table below summarizes the ETFs' classification of financial instruments within the fair value hierarchy as at December 31, 2019:

Emerge ARK Global Disruptive Innovation ETF	Level 1	Level 2	Total
Equities	1,812,265	48,103	1,860,368
Emerge ARK Genomics & Biotech ETF	Level 1	Level 2	Total
Equities	1,806,618	80,831	1,887,449
Emerge ARK Fintech Innovation ETF	Level 1	Level 2	Total
Equities	1,491,320	456,596	1,947,916
Emerge ARK AI & Big Data ETF	Level 1	Level 2	Total
Equities	1,756,480	206,689	1,963,169
Emerge ARK Autonomous Tech & Robotics ETF	Level 1	Level 2	Total
Equities	1,593,313	349,375	1,942,688

All fair value measurements above are recurring. The carrying values of cash, dividends and interest and other accounts receivable approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

4. Redeemable Units

The ETFs are authorized to issue an unlimited number of units in both Canadian-dollar-denominated units and U.S.-dollar-denominated units.

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4. Redeemable Units (continued)

Units of the ETFs are redeemable at the option of the holder on each trading day. Unitholders may redeem units in any number for cash at a redemption price per unit equal to 95% of the closing price for the units on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per unit. Any gain or loss determined on such redemptions is recorded as a gain or loss on redemption on the Statement of Comprehensive Income, if any. Such reduced redemption price causes cash flows on redemption which are not substantially based on profit or loss, changes in net assets or changes in fair value of net assets, and thus the redeemable units are classified as financial liabilities.

In accordance with the objectives and the risk management policies outlined in the Financial Risk Management notes, the ETFs endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being managed by investing the majority of assets in investments that can be readily disposed.

Unit transactions of the ETFs for the period ended December 31, 2019 were as follows:

Emerge ARK Global Disruptive Innovation ETF	
Units outstanding, beginning of period	-
Units issued, during the period	200,000
Units redeemed, during the period	-
Units reinvested, during the period	-
Units outstanding, end of period	200,000

Emerge ARK Genomics & Biotech ETF	
Units outstanding, beginning of period	-
Units issued, during the period	200,000
Units redeemed, during the period	-
Units reinvested, during the period	-
Units outstanding, end of period	200,000

Emerge ARK Fintech Innovation ETF	
Units outstanding, beginning of period	-
Units issued, during the period	200,000
Units redeemed, during the period	-
Units reinvested, during the period	-
Units outstanding, end of period	200,000

Emerge ARK AI & Big Data ETF	
Units outstanding, beginning of period	-
Units issued, during the period	200,000
Units redeemed, during the period	-
Units reinvested, during the period	-
Units outstanding, end of period	200,000

Emerge ARK Autonomous Tech & Robotics ETF	
Units outstanding, beginning of period	-
Units issued, during the period	200,000
Units redeemed, during the period	-
Units reinvested, during the period	-
Units outstanding, end of period	200,000

5. Expenses

Each ETF pays a management fee, plus applicable taxes, to the Manager based on the annual rate of 0.8% of the NAV of the ETF.

In addition to the management fee, each ETF pays all applicable operating expenses payable by the ETFs including: the performance incentive fee; brokerage expenses and commissions; the cost of complying with governmental or regulatory requirements introduced after the date of creation of the ETFs; the fees payable to the custodian, the registrar and transfer agent, the fund administrator, the auditor and other service providers retained by the Manager; the fees and expenses relating to the implementation and ongoing operation of the Independent Review Committee; all other operating expenses; any goods and services or harmonized sales taxes on those expenses and any income, withholding or other taxes.

6. Capital Risk Management

Units issued and outstanding are considered to be the capital of the ETFs. The Manager manages the capital of the ETFs in accordance with the ETFs' investment objectives. The ETFs do not have any specific externally imposed capital requirements on the subscription of units, other than certain minimum subscription requirements.

7. Financial Risk Management

The table below summarizes each ETFs' investment objective:

Emerge ARK Global Disruptive Innovation ETF	The ETF seeks to achieve long-term growth of capital by investing primarily, under normal circumstances, in global equity securities of companies that are, or are expected, to be focused on disruptive innovation, being the introduction of technologically enabled new products or services that could potentially change the way the world works.
Emerge ARK Genomics & Biotech ETF	The ETF seeks to achieve long-term growth of capital by investing primarily, under normal circumstances, in global equity securities of companies that are, or are expected, to be focused on extending and enhancing the quality of human and other life through technological and scientific developments, improvements and advancements in Genomics.
Emerge ARK Fintech Innovation ETF	The ETF seeks to achieve long-term growth of capital by investing primarily, under normal circumstances, in global equity securities of companies that are, or are expected, to be focused on financial technology innovation, including the shift of the financial sector and economic transactions towards payment infrastructure platforms and technically enabled web-based intermediaries.
Emerge ARK AI & Big Data ETF	The ETF seeks to achieve long-term growth of capital by investing primarily, under normal circumstances, in global equity securities of companies that are, or are expected, to be focused on artificial intelligence, big data, and the shift of technology infrastructure from hardware and software to the cloud.
Emerge ARK Autonomous Tech & Robotics ETF	The ETF seeks to achieve long-term growth of capital by investing primarily, under normal circumstances, in global equity securities of companies that are, or are expected, to be focused on the development of new products or services, technological improvements, the use of artificial intelligence and advancements in scientific research related to disruptive innovation in energy, automation and manufacturing, materials and transportation.

7. Financial Risk Management *(continued)*

Market Risk

(a) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. The investments of the ETFs are subject to market fluctuations and the risks inherent in financial markets. The maximum risk resulting from financial instruments held by the ETFs are determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the ETFs' other price risk is managed through diversification of the ETFs' investments. The Manager monitors the ETFs' overall market positions on a daily basis.

As at December 31, 2019 the overall market exposures were as follows:

	December 31, 2019	
	Fair Value of Investments	% of Net Assets
Emerge ARK Global Disruptive Innovation ETF	1,860,368	94.51
Emerge ARK Genomics & Biotech ETF	1,887,449	95.85
Emerge ARK Fintech Innovation ETF	1,947,916	94.80
Emerge ARK AI & Big Data ETF	1,963,169	94.98
Emerge ARK Autonomous Tech & Robotics ETF	1,942,688	94.68

If equity prices on the respective stock exchanges for these securities had increased (decreased) by 5% at December 31, 2019, with all other variables held constant, net assets would have increased (decreased) approximately:

	Increased (decreased) in Net Assets, \$
Emerge ARK Global Disruptive Innovation ETF	93,018
Emerge ARK Genomics & Biotech ETF	94,372
Emerge ARK Fintech Innovation ETF	97,396
Emerge ARK AI & Big Data ETF	98,158
Emerge ARK Autonomous Tech & Robotics ETF	97,134

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(b) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the ETFs, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the ETFs' functional currency in determining fair value.

The ETFs hold assets and liabilities, including cash and investments in equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

7. Financial Risk Management *(continued)*

The table below summarizes the ETFs' exposure to currency risks:

Emerge ARK Global Disruptive Innovation ETF	December 31, 2019	
	Currency Exposure, \$	% of Total Net Assets
US Dollar	1,862,022	94.60

Emerge ARK Genomics & Biotech ETF	December 31, 2019	
	Currency Exposure, \$	% of Total Net Assets
US Dollar	1,893,540	96.15

Emerge ARK Fintech Innovation ETF	December 31, 2019	
	Currency Exposure, \$	% of Total Net Assets
US Dollar	1,699,052	82.69
Japanese Yen	67,498	3.28
Australian Dollar	8,396	0.41
Hong Kong Dollar	105,053	5.11
South African Rand	20,024	0.97
Total	1,900,023	92.46

Emerge ARK AI & Big Data ETF	December 31, 2019	
	Currency Exposure, \$	% of Total Net Assets
US Dollar	1,940,118	93.87

Emerge ARK Autonomous Tech & Robotics ETF	December 31, 2019	
	Currency Exposure, \$	% of Total Net Assets
US Dollar	1,943,374	94.71

As at December 31, 2019, if the exchange rate between the Canadian Dollar and the foreign currencies the ETFs are exposed to increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased by approximately:

	Increased (decreased) in Net Assets, \$
Emerge ARK Global Disruptive Innovation ETF	18,620
Emerge ARK Genomics & Biotech ETF	18,935
Emerge ARK Fintech Innovation ETF	19,000
Emerge ARK AI & Big Data ETF	19,401
Emerge ARK Autonomous Tech & Robotics ETF	19,434

In practice, actual results may differ from this sensitivity analysis and the difference could be material.

In accordance with the ETFs' policy, the Manager monitors currency positions as part of the overall portfolio construction but does not actively manage currency positions and does not hedge currencies.

7. Financial Risk Management *(continued)*

(c) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the ETFs invest in interest-bearing financial instruments. The ETFs are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

As at December 31, 2019, the ETFs are not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

(d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the ETFs. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Each ETF is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at December 31, 2019, the credit risk is considered limited as the cash balance represents a deposit with an AA-rated financial institution.

(e) Liquidity risk

The ETFs' main liquidity risk exposure is in meeting redemption and expense requirements on a monthly basis. The ETFs' manager monitors cash needs on a regular basis. Liquidity risk is managed by investing the majority of the ETFs' assets in investments that are traded in an active market and can be readily disposed of. In addition, the ETFs' aim to retain sufficient cash to maintain liquidity. The ETFs' investments are considered readily realizable and highly liquid, therefore the ETFs' liquidity risk is considered minimal.

As at December 31, 2019 the ETFs' liabilities re expected to be liquidated within 90 days.

Redeemable units are redeemable on demand at the holder's option. The ETFs' liquid investments are considered to be in excess of the redemption requirements.

(g) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. A summary of the ETFs' concentration risk by industry sector can be found in the ETFs' Schedule of Investment Portfolio.

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8. Related Parties

(a) Management fees, administration fees and Internal Review Committee (IRC) expense

Each ETF pays a management fee, plus applicable taxes, to the Manager, Emerge Canada Inc. who is the trustee, manager and portfolio manager of the ETFs and is responsible for the administration of the ETFs. The management fees, administration fees and IRC expenses for the period ended December 31, 2019 were as follows:

	Management fee expense*	Administration fee expense*	IRC expense*	Total MER*
Emerge ARK Global Disruptive Innovation ETF	0.80%	0.23%	0.46%	1.49%
Emerge ARK Genomics & Biotech ETF	0.80%	0.22%	0.46%	1.48%
Emerge ARK Fintech Innovation ETF	0.80%	0.21%	0.44%	1.45%
Emerge ARK AI & Big Data ETF	0.80%	0.22%	0.45%	1.47%
Emerge ARK Autonomous Tech & Robotics ETF	0.80%	0.22%	0.45%	1.47%

*The total percentages above are before applicable taxes.

(b) Operating expense absorbed by the Manager

For the period from the date of formation to December 31, 2019, the following operational expenses related to audit, regulatory and administration of the ETFs have been absorbed by the Manager.

	December 31, 2019
Emerge ARK Global Disruptive Innovation ETF	41,633
Emerge ARK Genomics & Biotech ETF	42,153
Emerge ARK Fintech Innovation ETF	44,092
Emerge ARK AI & Big Data ETF	43,135
Emerge ARK Autonomous Tech & Robotics ETF	42,767

These amounts do not include the ETFs organization costs, such as legal fees and audit fee for initial startup, which were paid by the Manager and are not reimbursable by the ETFs.

(c) Receivable from the Manager

As at December 31, 2019, following amounts were receivable from the Manager, which represent the amounts pre-paid to the Manager from the ETFs for managing the ETFs. The ETFs plan to amortize these receivables during the reporting year of 2020 against future management fees and administration costs payable to the Manager.

	December 31, 2019
Emerge ARK Global Disruptive Innovation ETF	106,342
Emerge ARK Genomics & Biotech ETF	75,720
Emerge ARK Fintech Innovation ETF	94,960
Emerge ARK AI & Big Data ETF	100,886
Emerge ARK Autonomous Tech & Robotics ETF	108,534

9. Subsequent Events

After December 31, 2019, the world was impacted by the emergence and rapid spread of the coronavirus COVID-19. As a result, the first quarter of 2020 has seen significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates, which have impacted the market value of the net assets of the ETFs. The effect of COVID-19 remains an emerging and rapidly evolving issue, leading to a high degree of volatility and uncertainty that will likely impact worldwide financial markets throughout much of 2020.