



Vesper Capital Management

As of 12/31/2018

VESPER U.S. LARGE CAP SHORT-TERM REVERSAL STRATEGY ETF

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (UTRN) is a rules-based investment strategy that seeks to provide investment results that, before fees and expenses, correspond generally to the total return of the U.S. Large Cap Short-Term Reversal Index (UTRNX). The index seeks to capitalize on the tendency for stocks that have experienced sharp recent sell-offs to experience near-term rebounds.

INVESTMENT THESIS

- Investors may overreact to recent negative news driving the stock price down disproportionately and temporarily.
- Some, but not all, stocks may quickly rebound as investors more accurately assess the company's fundamental value.
- Identifying those stocks with the greatest probability of rebounding may lead to strong potential investment returns.
- Limiting the investment universe to the S&P 500 may help to ensure adequate liquidity and reasonable trading costs.

INTRODUCING THE CHOW RATIO

While academic literature¹ has identified the tendency of short-term losing stocks to experience rapid rebounds, not all such stocks will bounce back. To identify those stocks with the greatest potential to rebound, Victor Chow Ph.D. Finance, CFA created the Chow ratio. This metric evaluates recent losing stocks based on risk and volatility measures to determine those that have the greatest potential for a rebound.

Quarter end as of 12/31/18	1 Month	3 Months	YTD	Since Inception
UTRN Market Price	-6.63%	-12.96%	-	-14.25%
UTRN NAV	-6.69%	-12.60%	-	-13.95%
S&P 500	-9.03%	-13.52%	-	-13.99%

Inception Date 9/21/18. Performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the original cost. Returns for periods of less than one year are not annualized. Returns are determined based on the midpoint of the bid/ask spread at 4:00pm Eastern time, when the NAV is typically calculated.

¹Werner F. M. De Bondt, Richard Thaler, Does the Stock Market Overreact?, The Journal of Finance, Vol. 40, No. 3, Papers and Proceedings of the Forty-Third Annual Meeting American Finance Association, Dallas, Texas, December 28-30, 1984. (Jul., 1985), pp.793-805.

FUND FACTS

Ticker UTRN
 Cusip..... 301505749
 Exchange NYSE
 Inception..... 9/21/18
 Expense Ratio 0.75%

UNDERLYING INDEX

Ticker UTRNX
 Index Calculator Standard & Poor
 Index Provider Vesper Capital Management
 Rebalance Schedule . . Weekly

FUND MANAGEMENT

Advisor..... ETC LLC
 Administrator... SEI Investments Global Fund Services
 Distributor..... SEI Investments Distribution Co.

TOP 10 HOLDINGS

Company Name	Weight
Amgen Inc	4.07%
Becton Dickinson and Co	4.06%
Berkshire Hathaway B	4.05%
Aflac Inc	4.05%
Fidelity Natl Information	4.05%
PPG Industries Inc	4.04%
Eastman Chemical Co	4.04%
Emerson Electric Co	4.01%
UNUM GROUP	4.01%
Lyondellbasell Indu-Cl A	4.01%

SECTOR BREAKDOWN

Sectors	Weight
Financials	24.05%
Consumer Discretionary	15.93%
Industrials	15.91%
Materials	12.09%
Health Care	12.05%
Information Technology	11.96%
Energy	3.97%
Communication Services	3.86%

ETF holdings and allocations are subject to change and should not be interpreted as an offer of these securities.



INVESTMENT PROCESS

- Rank stocks in the S&P 500 based on the Chow Ratio.
- The 25 stocks with the most attractive (lowest) Chow ratio are selected for inclusion in the index.
- The Index is evaluated and re-balanced on a weekly basis.
- A stock in the index is removed at rebalance when its Chow ratio becomes unattractive. It is replaced with a stock that has a more attractive Chow ratio.
- The Index is equal-weighted and is provided and calculated by SPDJI.

WHERE UTRN FITS IN YOUR PORTFOLIO

- Equity Exposure – UTRN may be used as a portion of your portfolio's large cap equity allocation.
 - May be appropriate for investors seeking a high conviction, high active-share strategy.
 - May be appropriate for investors seeking higher returns combined with lower volatility.
 - May be appropriate for investors seeking unique, proprietary investment strategies
 - May be appropriate for investors seeking a distinctive return stream
- Factor Exposure – UTRN may be appropriate for investors seeking exposure to the short-term reversal factor.
- Alternatives – With a unique, high-turnover, high potential alpha trading strategy, UTRN may be appropriate for an alternatives allocation.

This information is not meant to be investment advice.

Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus, which may be obtained by visiting www.utrnef.com. Read the prospectus carefully before investing.

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

Shares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Investing involves risk, including the possible loss of principal.

The fund seeks to track the performance of stocks

selected for the Index utilizing a methodology that relies on a proprietary algorithm. No assurance can be given that stocks of companies chosen for the index will outperform stocks of other companies. Moreover, there is no guarantee that the Index methodology will generate or produce the intended results, and stocks of companies selected for the Index may underperform stocks that have been excluded from the Index.

The Fund's return may not match or achieve a high degree of correlation with the return of the Index, to the extent the Fund's investments are concentrated in or have significant exposure to a particular issuer, industry group or group of industries than if the Fund's investment were more broadly diversified. Issuer-specific events, including changes in the financial condition of an issuer, can have a negative impact on the value of the Fund. The Fund is not actively managed and therefore the Fund may not sell shares of an equity security unless that security is removed from the Index or the selling of shares is

otherwise required upon rebalancing of the index. Diversification may not protect against market risk.

The Fund may trade all or a significant portion of the securities in its portfolio in connection with the weekly rebalances and reconstitutions of its Index. A high portfolio turnover rate increases transaction costs, which may increase the Fund's expenses. Frequent trading may also cause adverse tax consequences for investors in the Fund due to an increase in short-term capital gains.

The performance data quoted represents past performance. Past performance does not guarantee future results. The 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 their original cost and current performance may be lower or higher than the performance quoted. Shares are bought and sold at market price and not individually redeemed from the fund. Brokerage commissions will reduce returns. For performance current to the most recent month-end, please visit www.utrnef.com.