



EXCHANGE TRADED CONCEPTS TRUST

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Semi-Annual Report

February 29, 2020

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

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

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



Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

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The Fund files its complete schedule of Fund holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q or as an exhibit to its reports on Form N-PORT within sixty days after the end of the period. The Fund's Form N-Q and Form N-PORT reports are available on the Commission's website at <http://www.sec.gov>.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to Fund securities, as well as information relating to how the Fund voted proxies relating to portfolio securities during the most recent period ended June 30, is available (i) without charge, upon request, by calling 1-833-835-6633; and (ii) on the Commission's website at <http://www.sec.gov>.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Schedule of Investments

February 29, 2020 (Unaudited)

Sector Weightings†

	39.2% Utilities
	16.2% Consumer Staples
	15.8% Financials
	12.2% Health Care
	8.3% Communication Services
	4.3% Consumer Discretionary
	4.0% Real Estate

† Percentages based on total investments.

Description	Shares	Fair Value
COMMON STOCK† — 99.8%		
Communication Services — 8.2%		
Facebook, CI A*	9,878	\$ 1,901,219
T-Mobile US*	20,733	1,869,287
		3,770,506
Consumer Discretionary — 4.3%		
Tiffany	14,626	1,953,887
Consumer Staples — 16.2%		
Kellogg	31,171	1,884,910
Kimberly-Clark	14,132	1,853,977
McCormick	12,729	1,860,853
Mondelez International, CI A	34,276	1,809,773
		7,409,513
Financials — 15.8%		
Aon PLC	8,760	1,822,080
Everest Re Group	7,127	1,766,641
Marsh & McLennan	17,359	1,815,057
Willis Towers Watson	9,555	1,808,284
		7,212,062
Health Care — 12.2%		
Cerner	26,853	1,860,107
Medtronic PLC	18,369	1,849,207
Pfizer	56,235	1,879,374
		5,588,688
Real Estate — 4.0%		
American Tower, CI A†	8,040	1,823,472
Utilities — 39.1%		
Alliant Energy	33,609	1,751,701
Ameren	22,765	1,798,435
American Electric Power	19,940	1,779,844
Atmos Energy	17,331	1,789,426
CMS Energy	29,272	1,768,614
Consolidated Edison	22,144	1,745,390
Entergy	15,478	1,809,533
Eversource Energy	20,835	1,801,394
NextEra Energy	7,231	1,827,708
WEC Energy Group	19,416	1,792,679
		17,864,724

Description	Fair Value
Total Common Stock	
(Cost \$48,697,208)	\$ 45,622,852
Total Investments — 99.8%	
(Cost \$48,697,208)	\$ 45,622,852

Percentages are based on net assets of \$45,712,579.

- * Non-income producing security.
- ‡ Real Estate Investment Trust.
- † More narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting purposes.

CI – Class

PLC – Public Limited Company

As of February 29, 2020, all of the Fund's investments in securities were considered Level 1, in accordance with the authoritative guidance on fair value measurement and disclosure under U.S. generally accepted accounting principles.

For the period ended February 29, 2020, there have been no transfers in or out of Level 3.

For more information on valuation inputs, see Note 2 in the Notes to Financial Statements.

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

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Statement of Assets and Liabilities

February 29, 2020 (Unaudited)

Assets:

Investments at Cost	\$ 48,697,208
Investments at Fair Value	\$ 45,622,852
Cash and Cash Equivalents	26,386
Interest Receivable	93,987
Total Assets	<u>45,743,225</u>

Liabilities:

Advisory Fees Payable	30,646
Total Liabilities	<u>30,646</u>

Net Assets

	<u>\$ 45,712,579</u>
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Net Assets Consist of:

Paid-in Capital	\$ 52,290,766
Total Distributable Losses	<u>(6,578,187)</u>

Net Assets

	<u>\$ 45,712,579</u>
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Outstanding Shares of Beneficial Interest (unlimited authorization – no par value)	2,000,000
Net Asset Value, Offering and Redemption Price Per Share	<u>\$ 22.86</u>

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

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Statement of Operations

For the period ended February 29, 2020 (Unaudited)

Investment Income:	
Dividends	\$ 439,291
Interest Income.....	5,749
Total Investment Income	<u>445,040</u>
Expenses:	
Advisory Fees.....	<u>153,191</u>
Total Expenses	<u>153,191</u>
Net Investment Income	<u>291,849</u>
Net Realized Loss on:	
Investments.....	<u>(1,655,796)</u>
Net Change in Unrealized Depreciation on:	
Investments.....	<u>(3,553,696)</u>
Net Realized and Unrealized Loss on Investments	<u>(5,209,492)</u>
Net Decrease in Net Assets Resulting from Operations	<u>\$ (4,917,643)</u>

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

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Statements of Changes in Net Assets

	Period Ended February 29, 2020 (Unaudited)	Period Ended August 31, 2019 ⁽¹⁾
Operations:		
Net Investment Income	\$ 291,849	\$ 154,798
Net Realized Loss on Investments	(1,655,796)	(495,151)
Net Change in Unrealized Appreciation (Depreciation) on Investments.....	(3,553,696)	479,340
Net Increase (Decrease) in Net Assets Resulting from Operations.....	(4,917,643)	138,987
Distributions	(1,784,367)	(15,164)
Capital Share Transactions:		
Issued	21,736,718	30,554,048
Increase in Net Assets from Capital Share Transactions.....	21,736,718	30,554,048
Total Increase in Net Assets	15,034,708	30,677,871
Net Assets:		
Beginning of Period.....	30,677,871	—
End of Period.....	<u>\$ 45,712,579</u>	<u>\$ 30,677,871</u>
Share Transactions:		
Issued	800,000	1,200,000
Net Increase in Shares Outstanding from Share Transactions	800,000	1,200,000

⁽¹⁾ Commenced operations September 20, 2018.

Amounts designated as “—” are \$0.

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

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Financial Highlights

Selected Per Share Data & Ratios For the Six Month Period Ended February 29, 2020 (Unaudited) and Period Ended August 31, 2019 For a Share Outstanding Throughout the Period

	Net Asset Value, Beginning of Period	Net Investment Income*	Net Realized and Unrealized Gain (Loss) on Investments	Total from Operations	Distributions from Investment Income	Distributions from Net Realized Capital Gains	Total Distributions	Net Asset Value, End of Period	Market Price, End of Period	Total Return ⁽¹⁾	Net Assets End of Period (000)	Ratio of Expenses to Average Net Assets ⁽²⁾	Ratio of Net Investment Income to Average Net Assets ⁽²⁾	Portfolio Turnover ⁽³⁾
2020† ...	\$ 25.56	\$ 0.19	\$ (1.87)	\$ (1.68)	\$ (0.17)	\$ (0.85)	\$ (1.02)	\$ 22.86	\$ 22.86	(7.20)%	\$ 45,713	0.75%	1.43%	2,496%
2019† ...	25.00	0.33	0.38 ⁽⁴⁾	0.71	(0.15)	—	(0.15)	25.56	25.59	3.01	30,678	0.75	1.39	4,261

* Per share data calculated using average shares method.

† For the six month period ended February 29, 2020 (Unaudited).

‡ Commenced operations September 20, 2018.

⁽¹⁾ Total return is for the period indicated and has not been annualized for periods less than one year. Returns do not reflect the deduction of taxes the shareholder would pay on fund distributions or redemption of Fund shares.

⁽²⁾ Annualized.

⁽³⁾ Portfolio turnover rate is for the period indicated and periods of less than one year have not been annualized. Excludes effect of securities received or delivered from processing in-kind creations or redemptions.

⁽⁴⁾ The amount shown for a share outstanding throughout the period does not accord with the aggregate net gains on investments for the period because the sales and repurchase of fund shares in relation to the fluctuating market value of the Fund.

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

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited)

1. ORGANIZATION

Exchange Traded Concepts Trust (the “Trust”) is a Delaware statutory trust formed on July 17, 2009. The Trust is registered under the Investment Company Act of 1940 (the “1940 Act”) as an open-end management investment company with multiple investment portfolios. The financial statements herein are those of Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (the “Fund”). The Fund seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the Vesper U.S. Large Cap Short-Term Reversal Index (the “Index”). The Fund is classified as a diversified investment company under the 1940 Act. The Fund commenced operations on September 20, 2018.

Shares of the Fund are listed and traded on the NYSE Arca, Inc. (the “Exchange”). Market prices for the shares may be different from their net asset value (“NAV”). The Fund issues and redeems shares on a continuous basis to certain institutional investors (typically market makers or other broker-dealers) at NAV only in large blocks of shares, typically 50,000 shares, called “Creation Units”. Creation Units are issued and redeemed principally in-kind for securities included in the Index. Once created, shares trade in a secondary market at market prices that change throughout the day in share amounts less than a Creation Unit.

2. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which are consistently followed in the preparation of the financial statements of the Trust, are in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for investment companies. The accompanying financial statements have been prepared in accordance with U.S. GAAP on the accrual basis of accounting. Management has reviewed *Financial Accounting Standards Board* (“FASB”) Accounting Standards Codification (“ASC”) Topic 946, *Financial Services – Investment Companies* (“ASC 946”), and concluded that the Fund meets criteria of an “investment company,” and therefore, the Fund prepares its financial statements in accordance with investment company accounting as outlined in ASC 946.

Use of Estimates and Indemnifications – The Fund is an investment company in conformity with U.S. GAAP. Therefore, the Fund follows the accounting and reporting guidelines for investment companies. The preparation of financial statements in conformity with U.S. GAAP requires management to make 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 the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

In the normal course of business, the Trust, on behalf of the Fund, enters into contracts that contain a variety of representations which provide general indemnifications. The Fund’s maximum exposure under these arrangements cannot be known; however, the Fund expects any risk of loss to be remote.

Security Valuation – Securities listed on a securities exchange, market or automated quotation system for which quotations are readily available (except for securities traded on NASDAQ), including securities traded over the counter, are valued at the last quoted sale price on the primary exchange or market (foreign or domestic) on which they are traded (or at approximately 4:00 pm Eastern Time if a security’s primary exchange is normally open at that time), or, if there is no such reported sale, at the most recent quoted bid for long positions and the most recent ask price for short positions. For securities traded on NASDAQ, the NASDAQ Official Closing Price will be used. If available, debt securities are priced based upon valuations provided by independent, third-party pricing agents. Such values generally reflect the last reported sales price if the security is actively traded.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The third-party pricing agents may also value debt securities at an evaluated bid price by employing methodologies that utilize actual market transactions, broker-supplied valuations, or other methodologies designed to identify the fair value for such securities. Debt obligations with remaining maturities of sixty days or less when acquired will be valued at their market value. If a market value is not available from a pricing vendor or from an independent broker, the security shall be fair valued according to the Trust's Fair Value Procedures. Prices for most securities held in the Fund are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Fund seeks to obtain a bid price from at least one independent broker.

Securities for which market prices are not "readily available" are valued in accordance with fair value procedures established by the Board of Trustees (the "Board"). The Fund's fair value procedures are implemented through a fair value committee (the "Committee") designated by the Board. Some of the more common reasons that may necessitate that a security be valued using fair value procedures include: the security's trading has been halted or suspended; the security has been de-listed from a national exchange; the security's primary trading market is temporarily closed at a time when, under normal conditions, it would be open; the security has not been traded for an extended period of time; the security's primary pricing source is not able or willing to provide a price; or trading of the security is subject to local government-imposed restrictions. In addition, the Fund may fair value its securities if an event that may materially affect the value of the Fund's securities that traded outside of the United States (a "Significant Event") has occurred between the time of the security's last close and the time that the Fund calculates its net asset value. A Significant Event may relate to a single issuer or to an entire market sector. Events that may be Significant Events include, but are not limited to: government actions, natural disasters, armed conflict, acts of terrorism and significant market fluctuations. If the Adviser becomes aware of a Significant Event that has occurred with respect to a security or group of securities after the closing of the exchange or market on which the security or securities principally trade, but before the time at which the Fund calculates its net asset value, it may request that a Committee meeting be called. When a security is valued in accordance with the fair value procedures, the Committee will determine the value after taking into consideration relevant information reasonably available to the Committee.

In accordance with the authoritative guidance on fair value measurements and disclosure under U.S. GAAP, the Fund discloses fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

- Level 1 – Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 – Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and
- Level 3 – Prices, inputs or exotic modeling techniques which are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The valuation techniques used by the Fund to measure fair value during the period ended February 29, 2020 maximized the use of observable inputs and minimized the use of unobservable inputs.

For the period ended February 29, 2020, there have been no significant changes to the Fund's fair valuation methodologies.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal Income Taxes — It is the Fund's intention to qualify as a regulated investment company for Federal income tax purposes by complying with the appropriate provisions of Subchapter M of the Internal Revenue Code of 1986, as amended. Accordingly, no provisions for Federal income taxes have been made in the financial statements.

The Fund's policy is to classify interest and penalties associated with underpayment of federal and state income taxes, if any, as income tax expense on its Statement of Operations. As of February 29, 2020, the Fund did not have any interest or penalties associated with the underpayment of any income taxes. Current tax year remains open and subject to examination by tax jurisdictions. The Fund has reviewed all major jurisdictions and concluded that there is no impact on the Fund's net assets and no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on its tax returns.

Security Transactions and Investment Income — Security transactions are accounted for on trade date. Costs used in determining realized gains and losses on the sale of investment securities are based on specific identification. Dividend income is recorded on the ex-dividend date. Interest income is recognized on the accrual basis. Withholding taxes and reclaims on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

Cash and Cash Equivalents — Idle cash may be swept into various overnight demand deposits and is classified as Cash and Cash equivalents on the Statement of Assets and Liabilities. The Fund maintains cash in bank deposit accounts which, at times, may exceed United States federally insured limits. Amounts swept overnight are available on the next business day.

Dividends and Distributions to Shareholders — The Fund pays out dividends from its net investment income and distributes its net capital gains, if any, to investors at least annually. All distributions are recorded on the ex-dividend date.

Creation Units — The Fund issues and redeems shares at NAV and only in Creation Units, or multiples thereof. Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Purchasers of Creation Units ("Authorized Participants") at NAV must pay a standard creation transaction fee of \$250 per transaction. The fee is a single charge and will be the same regardless of the number of Creation Units purchased by an investor on the same day. An Authorized Participant who holds Creation Units and wishes to redeem at NAV would also pay a standard minimum redemption transaction fee of \$250 per transaction to the custodian on the date of such redemption, regardless of the number of Creation Units redeemed that day. The Fund may charge, either in lieu of or in addition to the fixed creation transaction fee, a variable fee for creations and redemptions in order to cover certain non-standard brokerage, tax, foreign exchange, execution, market impact and other costs and expenses related to the execution of trades resulting from such transactions. In all cases, such fees will be limited in accordance with the requirements of the SEC applicable to management investment companies offering redeemable securities.

The Adviser may retain all or a portion of the transaction fee to the extent the Adviser bears the expenses that otherwise would be borne by the Trust in connection with the purchase or redemption of a Creation Unit, which the transaction fee is designed to cover.

Shares of the Fund may only be purchased or redeemed directly by the Fund by Authorized Participants. An Authorized Participant is either (i) a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the National Securities Clearing Corporation or (ii) a Depository Trust Company ("DTC") participant and, in each case, must have executed an Authorized Participant Agreement with the Fund's 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 and sell shares of the Fund in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following table discloses the Creation Unit breakdown based on the NAV as of February 29, 2020:

	Creation Unit Shares	Creation Transaction Fee	Value	Redemption Transaction Fee
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF.....	50,000	\$ 250	\$ 1,143,000	\$ 250

To the extent contemplated by a participant agreement, in the event an Authorized Participant has submitted a redemption request in proper form but is unable to transfer all or part of the shares comprising a Creation Unit to be redeemed to the Distributor, on behalf of the Fund, by the time as set forth in a participant agreement, the Distributor may nonetheless accept the redemption request in reliance on the undertaking by the Authorized Participant to deliver the missing shares as soon as possible, which undertaking shall be secured by the Authorized Participant's delivery and maintenance of collateral equal to a percentage of the value of the missing shares as specified in the participant agreement. A participant agreement may permit the Fund to use such collateral to purchase the missing shares, and could subject an Authorized Participant to liability for any shortfall between the cost of the Fund acquiring such shares and the value of the collateral. Amounts are disclosed as Segregated Cash Balance from Authorized Participants for Deposit Securities and Collateral Payable upon Return of Deposit Securities on the Statement of Assets and Liabilities, when applicable.

3. AGREEMENTS

Investment Advisory Agreement

Exchange Traded Concepts, LLC (the "Adviser") is an Oklahoma limited liability company located at 10900 Hefner Pointe Drive, Suite 401, Oklahoma City, Oklahoma 73120, its principal place of business, and 295 Madison Avenue, New York, New York 10017. The Adviser serves as the investment adviser to the Trust, including the Fund, pursuant to an investment advisory agreement ("Advisory Agreement"). Under the Advisory Agreement, the Adviser provides investment advisory services to the Fund. The Adviser is responsible for, among other things, implementing changes to the Fund's portfolio in connection with any rebalancing or reconstitution of the Index, trading portfolio securities on behalf of the Fund, and selecting broker-dealers to execute purchase and sale transactions, subject to the supervision of the Board. The Adviser also arranges for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Fund to operate. The Adviser administers the Fund's business affairs, provides office facilities and equipment and certain clerical, bookkeeping and administrative services, and provides its officers and employees to serve as officers or Trustees of the Trust.

For the services it provides to the Fund, the Adviser receives a fee, which is calculated daily and paid monthly, at an annual rate of 0.75% of average daily net assets of the Fund.

Under the Advisory Agreement, the Adviser has agreed to pay all expenses of the Fund except for the advisory fee, interest, taxes, brokerage commissions and other expenses incurred in placing orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, extraordinary expenses, and distribution fees and expenses paid by the Fund under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act.

The Adviser has entered into a license agreement with Vesper Capital Management, LLC, the Index creator, pursuant to which the Adviser pays a fee to use the Index. The Adviser is sub-licensing rights to the Index to the Fund at no charge.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

3. AGREEMENTS (continued)

Pursuant to an exemptive order from the Commission and subject to the conditions of that order, the Adviser may, with Board approval but without shareholder approval, change or select new sub-advisers, materially amend the terms of an agreement with a sub-adviser (including an increase in its fee), or continue the employment of a sub-adviser after an event that would otherwise cause the automatic termination of services. Shareholders will be notified of any sub-adviser changes.

Distribution Agreement

SEI Investments Distribution Co. (the “Distributor”) serves as the Fund’s underwriter and distributor of shares pursuant to a Distribution Agreement. Under the Distribution Agreement, the Distributor, as agent, receives orders to purchase shares in Creation Units and transmits such orders to the Fund’s custodian and transfer agent. The Distributor has no obligation to sell any specific quantity of Fund shares. The Distributor bears the following costs and expenses relating to the distribution of shares: (i) the expenses of maintaining its registration or qualification as a dealer or broker under federal or state laws; (ii) filing fees; and (iii) all other expenses incurred in connection with the distribution services, that are not reimbursed by the Adviser, as contemplated in the Distribution Agreement. The Distributor does not maintain any secondary market in Fund shares.

The Fund has adopted a Distribution and Service Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, the Fund is authorized to pay an amount up to 0.25% of its average net assets each year for certain distribution-related activities. For the period ended February 29, 2020, no fees were charged by the Distributor under the Plan and the Plan will only be implemented with approval of the Board.

Administrator, Custodian and Transfer Agent

SEI Investments Global Funds Services (the “Administrator”) serves as the Fund’s Administrator pursuant to an Administration Agreement. Brown Brothers Harriman & Co. (the “Custodian” and “Transfer Agent”) serves as the Fund’s Custodian and Transfer Agent pursuant to a Custodian Agreement and Transfer Agency Services Agreement. The Adviser of the Fund pays these fees.

Certain officers and an interested trustee of the Trust may also be officers of the Administrator, the Adviser, or Distributor. They receive no fees for serving as officers or interested trustee of the Trust.

4. INVESTMENT TRANSACTIONS

For the period ended February 29, 2020, the purchases and sales of investments in securities, excluding in-kind transactions, long-term U.S. Government and short-term securities were:

	<u>Purchases</u>	<u>Sales and Maturities</u>
Vesper U.S. Large Cap Short-Term Reversal Index	\$ 991,874,741	\$ 993,254,836

There were no purchases or sales of long-term U.S. Government securities by the Fund.

For the period ended February 29, 2020, in-kind transactions associated with creations and redemptions were:

	<u>Purchases</u>	<u>Sales</u>	<u>Realized Gain/(Loss)</u>
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	\$ 21,581,692	\$ —	\$ —

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

4. INVESTMENT TRANSACTIONS (continued)

For the period ended August 31, 2019, in-kind transactions associated with creations and redemptions were:

	Purchases	Sales	Realized Gain/(Loss)
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF*	\$ 30,495,949	\$ —	\$ —

* Commenced operations September 20, 2018.

5. TAX INFORMATION

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with Federal income tax regulations, which may differ from U.S. GAAP. As a result, net investment income (loss) and net realized gain (loss) on investment transactions for a reporting period may differ significantly from distributions during such period. These book/tax differences may be temporary or permanent. To the extent these differences are permanent in nature, they are charged or credited to paid-in capital, or distributable earnings, as appropriate, in the period that the differences arise.

The tax character of dividends paid during the period ended August 31, 2019 were as follows:

	Ordinary Income	Long-Term Capital Gain	Totals
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF			
2019.....	\$ 15,164	\$ —	\$ 15,164

As of August 31, 2019, the components of tax basis Distributable Earnings (Accumulated Losses) were as follows:

	Vesper U.S. Large Cap Short-Term Reversal Strategy ETF
Undistributed Ordinary Income	\$ 259,776
Unrealized Depreciation.....	(135,953)
Total Distributable Earnings	<u>\$ 123,823</u>

For federal income tax purposes, the cost of securities owned at August 31, 2019, and the net realized gains or losses on securities sold for the period, were different from amounts reported for financial reporting purposes primarily due to wash sales adjustments, which cannot be used for Federal income tax purposes in the current year and have been deferred for use in future years. The Federal tax cost and aggregate gross unrealized appreciation and depreciation on investments, held by the Fund at February 29, 2020, were as follows:

	Federal Tax Cost	Aggregated Gross Unrealized Appreciation	Aggregated Gross Unrealized Depreciation	Net Unrealized Depreciation
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF.....	\$ 48,697,208	\$ 1,134	\$ (3,075,490)	\$ (3,074,356)

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

6. RISKS OF INVESTING IN THE FUND

As with all exchange traded funds (“ETFs”), a shareholder of the Fund is subject to the risk that his or her investment could lose money. The Fund is subject to the principal risks noted below, any of which may adversely affect the Fund’s NAV, trading price, yield, total return and ability to meet its investment objective. A more complete description of principal risks is included in the prospectus under the heading “Principal Risks”.

Common Stock Risk

Common stock holds the lowest priority in the capital structure of a company, and therefore takes the largest share of the company’s risk and its accompanying volatility. The value of the common stock held by the Fund may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or facts relating to specific companies in which the Fund invests.

Early Close/Trading Halt Risk

An exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may result in the Fund being unable to buy or sell certain securities or financial instruments. In such circumstances, the Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.

Index Tracking Risk

The Fund’s return may not match or achieve a high degree of correlation with the return of the Index.

Industry Concentration Risk

Because the Fund’s assets will be concentrated in an industry or group of industries to the extent that the Index concentrates in a particular industry or group of industries, the Fund is subject to loss due to adverse occurrences that may affect that industry or group of industries.

Issuer-Specific Risk

Fund performance depends on the performance of individual securities to which the Fund has exposure. Issuer-specific events, including changes in the financial condition of an issuer, can have a negative impact on the value of the Fund.

Large Capitalization Risk

Returns on investments in securities of large companies could trail the returns on investments in securities of smaller and mid-sized companies.

Limited Authorized Participants, Market Makers and Liquidity Providers Concentration Risk

Because the Fund is an exchange-traded fund ETF, only a limited number of institutional investors (known as “Authorized Participants”) are authorized to purchase and redeem shares directly from the Fund. In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Fund shares may trade at a material discount to NAV and possibly face delisting: (i) Authorized Participants exit the business or otherwise become unable to process creation and/or redemption orders and no other Authorized Participants step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

6. RISKS OF INVESTING IN THE FUND (continued)

Market Risk

The market price of a security or instrument could decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic or political conditions throughout the world, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. Local, regional, or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, recessions, or other events could have a significant impact on the market generally and on specific securities. The market value of a security may also decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Methodology Risk

The Fund seeks to track the performance of the Index, which selects stocks of companies utilizing a methodology that relies on Chow's Ratio, a proprietary algorithm. The Index is the first practical application of Chow's Ratio. 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 of companies that have been excluded from the Index.

New Smaller/Fund Risk

A new or smaller fund is subject to the risk that its performance may not represent how the fund is expected to or may perform in the long term. In addition, new funds have limited operating histories for investors to evaluate and new and smaller funds may not attract sufficient assets to achieve investment and trading efficiencies. There can be no assurance that the Fund will achieve an economically viable size, in which case it could ultimately liquidate. The Fund may be liquidated by the Board of Trustees without a shareholder vote. In a liquidation, shareholders of the Fund will receive an amount equal to the Fund's NAV, after deducting the costs of liquidation, including the transaction costs of disposing of the Fund's portfolio investments. Receipt of a liquidation distribution may have negative tax consequences for shareholders. Additionally, during the Fund's liquidation all or a portion of the Fund's portfolio may be invested in a manner not consistent with its investment objective and investment policies.

Operational Risk

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

Passive Investment Risk

The Fund is not actively managed and therefore the Fund would not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index or the selling of shares is otherwise required upon a rebalancing of the Index.

Portfolio Turnover 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.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Continued)

6. RISKS OF INVESTING IN THE FUND (continued)

REIT Risk

The Index may include REITs. Adverse economic, business or political developments affecting real estate could have a major effect on the value of the Fund's investments in REITs. Investing in REITs may subject the Fund to risks associated with the direct ownership of real estate, such as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent and fluctuations in rental income. In addition, REITs are subject to the possibility of failing to qualify for the favourable U.S. federal income tax treatment generally available to them under the Internal Revenue Code of 1986, as amended (the "Code"), and failing to maintain exemption from the registration requirements of the 1940 Act.

Sector Focus Risk

The Fund may invest a significant portion of its assets in one or more sectors and thus will be more susceptible to the risks affecting those sectors.

Trading Risk

Shares of the Fund may trade on the Exchange above or below their NAV. The NAV of shares of the Fund will fluctuate with changes in the market value of the Fund's holdings. In addition, although the Fund's shares are currently listed on the Exchange, there can be no assurance that an active trading market for shares of the Fund will develop or be maintained. Trading in Fund shares may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in shares inadvisable.

7. OTHER

At February 29, 2020, the records of the Trust reflected that 100% of the Fund's total shares outstanding were held by one Authorized Participant, in the form of Creation Units. However, the individual shares comprising such Creation Units are listed and traded on the Exchange and have been purchased and sold by persons other than Authorized Participants.

8. NEW ACCOUNTING PRONOUNCEMENTS

In August 2018, the FASB issued Accounting Standards Update 2018-13, *Fair Value Measurement (Topic 820)*. The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.

On August 17, 2018, the SEC adopted amendments to Regulation S-X. These changes are effective for periods after November 5, 2018. The amendments relevant to registered investment companies were mainly focused on simplifying the presentation of distributable earnings by eliminating the need to present the components of distributable earnings on a book basis in the financial statements. The update also impacted the presentation of undistributed net investment income and distribution to shareholders on the Statement of Changes in Net Assets. The amounts presented in the current Statement of Changes in Net Assets represent the aggregated total distributions of net investment income and realized capital gains, except for distributions classified as return of capital, which are still presented separately.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Notes to the Financial Statements

February 29, 2020 (Unaudited) (Concluded)

9. SUBSEQUENT EVENTS

The Fund has evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no adjustments will be required to the financial statements.

The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies. The operational and financial performance of the issuers of securities in which the Fund invests depends on future developments, including the duration and spread of the outbreak, and such developments may in turn impact the value of the Fund's investments. The ultimate impact of COVID-19 on the financial performance of the Fund's investments is not reasonably estimable at this time.

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Disclosure of Fund Expenses

(Unaudited)

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

The following examples use the annualized expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in the Fund and to compare these costs with those of other funds. The examples are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period (September 1, 2019 to February 29, 2020) (unless otherwise noted below). The table below illustrates each Fund's cost in two ways:

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

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

Hypothetical 5% Return. This section helps you compare your Fund's costs with those of other funds. It assumes that the Fund had an annual 5% return before expenses during the year, but that the expense ratio (Column 3) for the period is unchanged. This example is useful in making comparisons because the Commission requires all funds to make this 5% calculation. You can assess your Fund's comparative cost by comparing the hypothetical result for your Fund in the "Expenses Paid During Period" column with those that appear in the same charts in the shareholder reports for other funds.

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

	Beginning Account Value 9/1/2019	Ending Account Value 2/29/2020	Annualized Expense Ratios	Expenses Paid During Period ⁽¹⁾
<i>Vesper U.S. Large Cap Short-Term Reversal Strategy ETF</i>				
Actual Fund Return	\$ 1,000.00	\$ 928.00	0.75%	\$ 3.60
Hypothetical 5% Return	\$ 1,000.00	\$ 1,021.13	0.75%	\$ 3.77

⁽¹⁾ Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied 182/366 (to reflect the one-half year period).

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF

Supplemental Information

(Unaudited)

NAV is the price per share at which the Fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The “Market Price” of the Fund generally is determined using the midpoint between the highest bid and the lowest offer on the stock exchange on which the shares of the Fund are listed for trading, as of the time that the Fund’s NAV is calculated. The Fund’s Market Price may be at, above or below its NAV. The NAV of the Fund will fluctuate with changes in the market value of the Fund’s holdings. The NAV of the Fund may also be impacted by the accrual of deferred taxes. The Market Price of the Fund will fluctuate in accordance with changes in its NAV, as well as market supply and demand.

Premiums or discounts are the differences (expressed as a percentage) between the NAV and Market Price of the Fund on a given day, generally at the time NAV is calculated. A premium is the amount that the Fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that the Fund is trading below the reported NAV, expressed as a percentage of the NAV.

Further information regarding premiums and discounts is available on the Fund’s website at www.utrnetf.com.



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This information must be preceded or accompanied by a current prospectus for the Fund.

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