



EXCHANGE TRADED CONCEPTS TRUST

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

Annual Report

August 31, 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 as an exhibit to its reports on Form N-PORT within sixty days after the end of the period. The Fund's Form N-PORT reports are available on the Commission's website at <http://www.sec.gov>.

Exchange Traded Concepts, LLC's proxy voting policies and procedures are attached to the Fund's Statement of Additional Information (the "SAI"). The SAI, as well as information relating to how the Fund voted proxies relating to the Fund's securities during the most recent 12-month period ended June 30, are available (i) without charge, upon request, by calling 1-833-835-6633; and (ii) on the Commission's website at <https://www.sec.gov>.

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

Management Discussion of Fund Performance (Unaudited)

Dear Shareholders,

On behalf of the entire team, we want to express our appreciation for the confidence you have placed in the Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (“UTRN” or the “Fund”). The following information pertains to the current fiscal period of September 1, 2019 through August 31, 2020 (the “Reporting Period”). 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 had positive performance during the Reporting Period. The market price for UTRN increased 22.57% and the NAV increased 22.72%, while the S&P 500 Index, a broad market index, gained 21.94% over the same period. The Fund’s Index returned positive 24.44%.

For the Reporting Period, the largest positive contributor to return was Apache Corporation (APA), adding 3.81% to the return of the Fund, gaining 79.56%, with an average weighting of 0.18%. The second largest contributor to return was Marathon Oil Corporation (MRO), adding 2.46% to the return of the Fund, gaining 66.45% with an average weighting of 0.31%. The third largest contributor to return was Western Digital Corporation (WDC), adding 1.98% to the return of the Fund, gaining 42.64% with an average weighting of 0.07%.

For the Reporting Period, the largest negative contributor to return was American International Group (AIG), detracting 3.31% from the return of the Fund, declining 55.37% with an average weighting of 0.38%. The security contributing second-most negatively was Exxon Mobil Corporation (XOM), detracting 1.65% from the return of the Fund, and declining 30.16% with an average weighting of 0.39%. The third largest negative contributor to return was Coty Inc. (COTY), detracting 1.54% from the return of the Fund, and declining 29.29% with an average weight of 0.07%.

The Fund began trading on September 21, 2018 and had 1,550,000 outstanding shares as of August 31, 2020.

We appreciate your investment in UTRN.

Sincerely,

J. Garrett Stevens
Chief Executive Officer
Exchange Traded Concepts, LLC

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

Management Discussion of Fund Performance (Unaudited) (Continued)

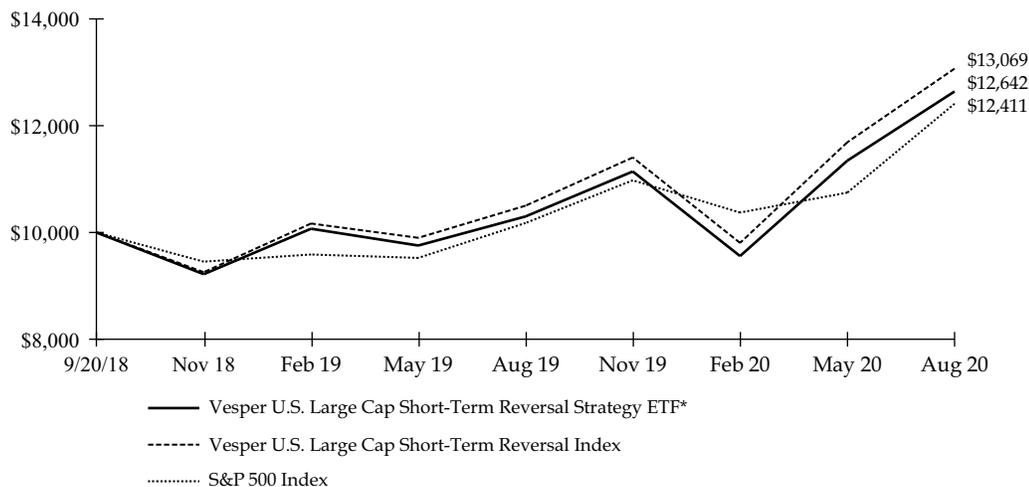
The Vesper U.S. Large Cap Short-Term Reversal Index (the "Index") is designed to measure the performance of a portfolio of 25 stocks selected from the S&P 500 Index that Vesper Capital Management, LLC believes will most likely benefit from the "short-term reversal" effect, as determined by applying a proprietary algorithm.

The S&P 500 Index is a market-value weighted index consisting of 500 stocks chosen for market size, liquidity, and industry group representation, with each stock's weight in the index proportionate to its market value.

This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice.

Growth of a \$10,000 Investment (at Net Asset Value)

	AVERAGE ANNUAL TOTAL RETURN FOR THE YEAR ENDED AUGUST 31, 2020			
	One Year Return		Annualized Inception to Date*	
	Net Asset Value	Market Price	Net Asset Value	Market Price
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	22.72%	22.57%	12.81%	12.81%
Vesper U.S. Large Cap Short-Term Reversal Index	24.44%	24.44%	14.73%	14.73%
S&P 500 Index	21.94%	21.94%	11.79%	11.79%



*Fund commenced operations on September 20, 2018.

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

Management Discussion of Fund Performance (Unaudited) (Concluded)

The performance data quoted herein represents past performance and the return and value of an investment in the Fund will fluctuate so that shares, when redeemed or sold in the market, may be worth more or less than their original cost. Past performance is no guarantee of future performance and should not be considered as a representation of the future results of the Fund. The Fund's performance assumes the reinvestment of all dividends and all capital gains. Index returns assume reinvestment of dividends and, unlike the Fund's returns, do not reflect any fees or expenses. If such fees and expenses were included in the index returns, the performance would have been lower. Please note that one cannot invest directly in an unmanaged index.

Investors should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. A prospectus, containing this and other information, is available at www.utrnetf.com. Investors should read the prospectus carefully before investing. There are risks associated with investing, including possible loss of principal.

Current performance may be lower or higher than the performance data shown above.

Performance data current to the most recent month-end is available at www.utrnetf.com.

There are no assurances that the Fund will meet its stated objectives.

The Fund's holdings and allocations are subject to change and should not be considered recommendations to buy individual securities.

Returns shown do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

See definition of comparative index in Management Discussion of Fund Performance on page 2.

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

Schedule of Investments

August 31, 2020

Sector Weightings (Unaudited)†

		36.2% Health Care
		16.2% Utilities
		15.8% Industrials
		11.8% Consumer Staples
		8.1% Financials
		8.0% Consumer Discretionary
		3.9% Information Technology

† Percentages based on total investments.

Description	Shares	Fair Value
COMMON STOCK † — 99.9%		
Consumer Discretionary — 8.0%		
Advance Auto Parts	11,949	\$ 1,867,748
AutoZone *	1,564	1,871,029
		<u>3,738,777</u>
Consumer Staples — 11.8%		
General Mills	29,090	1,860,306
Kroger	51,453	1,835,843
Walgreens Boots Alliance	48,324	1,837,278
		<u>5,533,427</u>
Financials — 8.1%		
Marsh & McLennan	16,352	1,879,008
T Rowe Price Group	13,695	1,906,481
		<u>3,785,489</u>
Health Care — 36.1%		
AbbVie	19,831	1,899,215
Becton Dickinson	7,347	1,783,631
Bristol-Myers Squibb	30,033	1,868,053
Cigna	10,740	1,904,954
Eli Lilly	12,526	1,858,733
IQVIA Holdings*	11,770	1,927,338
Perrigo PLC	35,824	1,873,595
STERIS PLC	12,123	1,935,315
Varian Medical Systems*	10,855	1,885,188
		<u>16,936,022</u>
Industrials — 15.8%		
AMETEK	18,497	1,862,649
PACCAR	21,473	1,843,242
Roper Technologies	4,323	1,846,742
Verisk Analytics, CI A	10,024	1,871,180
		<u>7,423,813</u>
Information Technology — 3.9%		
Qorvo*	14,190	1,820,151

Description	Shares	Fair Value
Utilities — 16.2%		
Duke Energy	23,501	\$ 1,888,070
Entergy	19,335	1,916,873
FirstEnergy	66,846	1,911,127
NextEra Energy	6,708	1,872,672
		<u>7,588,742</u>
Total Common Stock		
(Cost \$46,825,907)		<u>46,826,421</u>
Total Investments — 99.9%		
(Cost \$46,825,907)		<u>\$ 46,826,421</u>

Percentages are based on net assets of \$46,861,672.

* Non-income producing security.

† More narrow industries are utilized for compliance purposes, whereas broad sectors are utilized for reporting purposes.

CI — Class

PLC — Public Limited Company

As of August 31, 2020, all of the Fund's investments were considered Level 1, in accordance with the authoritative guidance under U.S. Generally Accepted Accounting Principles.

For the year ended August 31, 2020, there were no transfers in or out of Level 3.

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
August 31, 2020

Assets:	
Investments at Cost	\$ 46,825,907
Investments at Fair Value	\$ 46,826,421
Cash and Cash Equivalents	15,148
Dividend and Interest Receivable	47,507
Reclaims Receivable	1,618
Total Assets	46,890,694
Liabilities:	
Advisory Fees Payable	29,022
Total Liabilities	29,022
Net Assets	\$ 46,861,672
Net Assets Consist of:	
Paid-in Capital	\$ 42,115,036
Total Distributable Earnings	4,746,636
Net Assets	\$ 46,861,672
Outstanding Shares of Beneficial Interest (unlimited authorization – no par value)	1,550,000
Net Asset Value, Offering and Redemption Price Per Share	\$ 30.23

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 year ended August 31, 2020

Investment Income:	
Dividend Income	\$ 830,717
Interest Income.....	5,900
Total Investment Income	<u>836,617</u>
Expenses:	
Advisory Fees.....	<u>313,923</u>
Total Expenses	<u>313,923</u>
Net Investment Income	<u>522,694</u>
Net Realized Gain on:	
Investments ⁽¹⁾	6,279,172
Net Change in Unrealized Depreciation on:	
Investments.....	<u>(478,826)</u>
Net Realized and Unrealized Gain on Investments	<u>5,800,346</u>
Net Increase in Net Assets Resulting from Operations	<u>\$ 6,323,040</u>

⁽¹⁾ Includes realized gains (losses) as a result of in-kind redemptions (See Note 4 in Notes to the Financial Statements).

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

	<u>Year Ended August 31, 2020</u>	<u>Period Ended August 31, 2019⁽¹⁾</u>
Operations:		
Net Investment Income	\$ 522,694	\$ 154,798
Net Realized Gain (Loss) on Investments.....	6,279,172	(495,151)
Net Change in Unrealized Appreciation (Depreciation) on Investments.....	(478,826)	479,340
Net Increase in Net Assets Resulting from Operations	<u>6,323,040</u>	<u>138,987</u>
Distributions	<u>(1,784,367)</u>	<u>(15,164)</u>
Capital Share Transactions:		
Issued	23,009,388	30,554,048
Redeemed	(11,364,260)	—
Increase in Net Assets from Capital Share Transactions	<u>11,645,128</u>	<u>30,554,048</u>
Total Increase in Net Assets	<u>16,183,801</u>	<u>30,677,871</u>
Net Assets:		
Beginning of Year/Period.....	30,677,871	—
End of Year/Period	<u>\$ 46,861,672</u>	<u>\$ 30,677,871</u>
Share Transactions:		
Issued	850,000	1,200,000
Redeemed	(500,000)	—
Net Increase in Shares Outstanding from Share Transactions	<u>350,000</u>	<u>1,200,000</u>

⁽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 Year and Period Ended August 31, For a Share Outstanding Throughout the Year and Period

	Net Asset Value, Beginning of Period	Net Investment Income*	Net Realized Gain on Investments	Total from Operations	Distributions from Investment Income	Distributions from 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	Ratio of Net Investment Income to Net Assets	Portfolio Turnover ⁽²⁾
2020.....	\$ 25.56	\$ 0.33	\$ 5.36	\$ 5.69	\$ (0.17)	\$ (0.85)	\$ (1.02)	\$ 30.23	\$ 30.23	22.72%	\$ 46,862	0.75%	1.25%	4,835%
2019†	25.00	0.33	0.38 ⁽⁴⁾	0.71	(0.15)	—	(0.15)	25.56	25.59	3.01%	30,678	0.75 ⁽³⁾	1.39 ⁽³⁾	4,261

* Per share data calculated using average shares method.

† 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) 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.

(3) Annualized.

(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

August 31, 2020

1. ORGANIZATION

Exchange Traded Concepts Trust (the “Trust”) is a Delaware statutory trust formed on July 17, 2009. The Trust is registered with the Commission 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 25,000 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 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

August 31, 2020 (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 year ended August 31, 2020 maximized the use of observable inputs and minimized the use of unobservable inputs.

For the year ended August 31, 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

August 31, 2020 (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 August 31, 2020, the Fund did not have any interest or penalties associated with the underpayment of any income taxes. All tax years since inception remain 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.

Foreign Taxes — The Fund may be subject to taxes imposed by countries in which it invests. Such taxes are generally based on either income (a portion of which may be reclaimable) or gains earned or repatriated. The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or capital gains earned.

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. 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 created in the transaction. 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 in the transaction. 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 transaction. In all cases, such fees will be limited in accordance with the requirements of the Commission 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.

Except when aggregated in Creation Units, shares are not redeemable securities of the Fund. Shares of the Fund may only be purchased or redeemed 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

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

Notes to the Financial Statements

August 31, 2020 (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 shares of the Fund in the secondary market with the assistance of a broker and will be subject to customary brokerage commissions or fees.

The following table discloses the Creation Unit breakdown based on the NAV as of August 31, 2020:

	Creation Unit Shares	Creation Transaction Fee	Value	Redemption Transaction Fee
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF.....	50,000	\$ 250	\$ 1,511,500	\$ 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 the day-to-day management of the Fund, including, among other things, selecting and 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.

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

Notes to the Financial Statements

August 31, 2020 (Continued)

3. AGREEMENTS (continued)

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 Trust 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 the Fund, 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.

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 year ended August 31, 2020, no fees were charged under the Plan; however, the Plan currently is not active and the 12b-1 fee may only be imposed after approval by 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.

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

Notes to the Financial Statements

August 31, 2020 (Continued)

4. INVESTMENT TRANSACTIONS

For the year ended August 31, 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 Strategy ETF	\$ 1,989,620,865	\$ 1,990,516,592

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

For the year ended August 31, 2020, in-kind transactions associated with creations and redemptions were:

	<u>Purchases</u>	<u>Sales</u>	<u>Realized Gain</u>
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	\$ 22,645,968	\$ 11,332,626	\$ 84,140

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

	<u>Purchases</u>	<u>Sales</u>	<u>Realized Gain</u>
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 (accumulated losses), as appropriate, in the period that the differences arise.

Accordingly, the following permanent differences primarily attributable to redemptions in-kind have been reclassified within the components of net assets for the year ended August 31, 2020:

	<u>Total Distributable Earnings</u>	<u>Paid-in Capital</u>
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	\$ 84,140	\$ (84,140)

These reclassifications have no impact on net assets or net asset value per share.

The tax character of dividends paid during the year ended August 31, 2020 and period ended August 31, 2019 were as follows:

	<u>Ordinary Income</u>	<u>Long-Term Capital Gain</u>	<u>Totals</u>
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF			
2020.....	\$ 1,784,367	\$ —	\$ 1,784,367
2019.....	15,164	—	15,164

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

Notes to the Financial Statements

August 31, 2020 (Continued)

5. TAX INFORMATION (continued)

As of August 31, 2020, the components of Distributable Earnings (Accumulated Losses) on a tax basis were as follows:

	Vesper U.S. Large Cap Short-Term Reversal Strategy ETF
Undistributed Ordinary Income	\$ 4,841,249
Undistributed Long-Term Capital Gain.....	7,406
Unrealized Depreciation.....	<u>(102,019)</u>
Total Distributable Earnings	<u>\$ 4,746,636</u>

For federal income tax purposes, the cost of securities owned at August 31, 2020, 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 August 31, 2020, were as follows:

	<u>Federal Tax Cost</u>	<u>Aggregated Gross Unrealized Appreciation</u>	<u>Aggregated Gross Unrealized Depreciation</u>	<u>Net Unrealized Depreciation</u>
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	\$ 46,928,440	\$ 276,013	\$ (378,032)	\$ (102,019)

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.

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

Notes to the Financial Statements

August 31, 2020 (Continued)

6. RISKS OF INVESTING IN THE FUND (continued)

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.

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.

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

Notes to the Financial Statements

August 31, 2020 (Continued)

6. RISKS OF INVESTING IN THE FUND (continued)

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.

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 August 31, 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. RECENT MARKET EVENTS

The spread of COVID-19 around the world 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

Notes to the Financial Statements

August 31, 2020 (Concluded)

9. NEW ACCOUNTING PRONOUNCEMENT

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. Management elected to early adopt the removal of certain disclosures and delay the adoption of additional disclosure until the effective date.

10. 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 additional disclosures and/or adjustments were required to the financial statements.

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

Report of Independent Registered Public Accounting Firm

To the Shareholders of Vesper U.S. Large Cap Short-Term Reversal Strategy ETF and
Board of Trustees of Exchange Traded Concepts Trust

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (the “Fund”), a series of Exchange Traded Concepts Trust, as of August 31, 2020, the related statement of operations for the year then ended, and the statements of changes in net assets, including the related notes, and the financial highlights for each of the two periods in the period then ended (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of August 31, 2020, the results of its operations for the year then ended, the changes in its net assets and the financial highlights for each of the two periods in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on the Fund’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of August 31, 2020, by correspondence with the custodian. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the auditor for one or more investment companies advised by Exchange Traded Concepts, LLC since 2012.

COHEN & COMPANY, LTD.

Chicago, Illinois

October 29, 2020

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

Trustees and Officers of the Trust

(Unaudited)

Certain officers and/or interested trustees of the Fund are also officers of the Distributor, the Adviser or the Administrator.

Set forth below is information about the Trustees of the Trust. The address of each Trustee of the Trust is c/o Exchange Traded Concepts Trust, 10900 Hefner Pointe Drive, Suite 401, Oklahoma City, Oklahoma 73120. The Fund's Statement of Additional Information ("SAI") includes additional information about the Trustees. The SAI may be obtained without charge by calling 1-833-835-6633.

Name and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served ⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen By Trustee ⁽²⁾	Other Directorships held by Trustee
Interested Trustee					
J. Garrett Stevens (1979)	Trustee and President	Trustee (Since 2009); President (Since 2011)	Investment Adviser/Vice President, T.S. Phillips Investments, Inc. (since 2000); Chief Executive Officer, Exchange Traded Concepts, LLC (since 2009); President, Exchange Traded Concepts Trust (since 2011); President, Exchange Listed Funds Trust (since 2012).	15	Trustee, ETF Series Solutions (2012 - 2014)
Independent Trustees					
Timothy Jacoby (1952)	Trustee	Since 2014	Senior Partner, Deloitte & Touche LLP, Private Equity/Hedge Fund/Mutual Fund Services Practice (2000 - 2014).	28	Independent Trustee, Exchange Listed Funds Trust (13 portfolios) (since 2014); Audit Committee Chair, Perth Mint Physical Gold ETF (since 2018); Independent Trustee, Edward Jones Money Market Fund (since 2017); Independent Trustee, Source ETF Trust (2014 - 2015).

Vesper U.S. Large Cap Short-Term Reversal Strategy ETF
Trustees and Officers of the Trust
(Unaudited) (Continued)

Name and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served ⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen By Trustee ⁽²⁾	Other Directorships held by Trustee
Independent Trustees (continued)					
David M. Mahle (1943)	Trustee	Since 2011	Consultant, Jones Day (2012 - 2015); Of Counsel, Jones Day (2008 - 2011); Partner, Jones Day (1988 - 2008).	28	Independent Trustee, Exchange Listed Funds Trust (13 portfolios) (since 2012); Independent Trustee, Source ETF Trust (2014 - 2015).
Mark Zurack (1957)	Trustee	Since 2011	Professor, Columbia Business School (since 2002).	15	Independent Trustee, Exchange Listed Funds Trust (13 portfolios) (since 2019); Independent Trustee, AQR Funds (46 portfolios) (since 2014); Independent Trustee, Source ETF Trust (2014 - 2015).
Linda Petrone (1962)	Trustee	Since 2019	Founding Partner, Sage Search Advisors (since 2012).	28	Independent Trustee, Exchange Listed Funds Trust (13 portfolios) (since 2019).

⁽¹⁾ Each Trustee shall serve during the continued life of the Trust until he or she dies, resigns, is declared bankrupt or incompetent by a court of competent jurisdiction, or is removed.

⁽²⁾ The Fund Complex includes each series of the Trust and of Exchange Listed Funds Trust.

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

Trustees and Officers of the Trust

(Unaudited) (Concluded)

Set forth below is information about each of the persons currently serving as officers of the Trust. The address of J. Garrett Stevens, Richard Hogan, and James J. Baker Jr. is c/o Exchange Traded Concepts Trust, 10900 Hefner Pointe Drive, Suite 401, Oklahoma City, Oklahoma 73120; the address of Eric Kleinschmidt is SEI Investments Company, One Freedom Valley Drive, Oaks, Pennsylvania 19456; and the address of Joseph Scavetti is Cipperman Compliance Services, 480 E. Swedesford Road, Suite 220, Wayne, PA 19087.

Name and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served ⁽¹⁾	Principal Occupation(s) During Past 5 Years
Officers			
J. Garrett Stevens (1979)	Trustee and President	Trustee (Since 2009); President (Since 2011)	Investment Adviser/Vice President, T.S. Phillips Investments, Inc. (since 2000); Chief Executive Officer, Exchange Traded Concepts, LLC (since 2009); President, Exchange Traded Concepts Trust (since 2011); President, Exchange Listed Funds Trust (since 2012).
Richard Hogan (1961)	Secretary	Since 2011	President, Exchange Traded Concepts, LLC (since 2011); Private Investor (since 2003); Trustee and Secretary, Exchange Listed Funds Trust (since 2012); Board Member, Peconic Land Trust (2012 - 2016); Managing Member, Yorkville ETF Advisors (2011 - 2016).
James J. Baker Jr. (1951)	Treasurer	Since 2015	Managing Partner, Exchange Traded Concepts, LLC (since 2011); Managing Partner, Yorkville ETF Advisors (2012 - 2016); Vice President, Goldman Sachs (2000 - 2011).
Eric Kleinschmidt (1968)	Assistant Treasurer	Since 2013	Director, Fund Accounting, SEI Investments Global Funds Services (since 2004); Manager, Fund Accounting (1999 - 2004).
Joseph Scavetti (1968)	Chief Compliance Officer	Since 2018	Compliance Director, Cipperman Compliance Services, LLC (since 2018); Chief Operating Officer, Palladium, LLC (2011 - 2018).

⁽¹⁾ Each officer serves at the pleasure of the Board of Trustees.

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

Board Consideration of Approval of Advisory Agreement

(Unaudited)

At a meeting of the Board of Trustees (the “Board”) of Exchange Traded Concepts Trust (the “Trust”) on August 25, 2020 (the “Meeting”), the Board considered and approved the continuance of the investment advisory agreement between the Trust, on behalf of the Vesper U.S. Large Cap Short-Term Reversal Strategy ETF (the “Fund”), and Exchange Traded Concepts, LLC (“ETC”), pursuant to which ETC provides advisory services to the Fund (the “Agreement”).

Pursuant to Section 15 of the Investment Company Act of 1940 (the “1940 Act”), the continuance of the Agreement must be approved: (i) by the vote of the Trustees or by a vote of the shareholders of the Fund; and (ii) by the vote of a majority of the Trustees who are not parties to the Agreement or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), cast at a meeting called for the purpose of voting on such approval. In connection with its consideration of such approvals, the Board must request and evaluate, and the Adviser is required to furnish, such information as may be reasonably necessary to evaluate the terms of the Agreement.

Consistent with these responsibilities, in preparation for the Meeting, the Board requested that the Adviser furnish information necessary to evaluate the terms of the Agreement. The Board received an overview of the Adviser’s operations and management of the Fund, including comparative fee data and profitability analyses, and reviewed information regarding compliance oversight. The Board reviewed the management of the Fund, including the Fund’s strategy, the focus in the markets, the Fund’s positioning in the market, and its attractive and unique offering. The Board reviewed the Adviser’s overall business generally. The Trustees used this information, as well as other information that the Adviser and other service providers of the Fund presented or submitted to the Board at the Meeting and at other meetings held during the prior year, to help them decide whether to renew the Agreement for an additional year. During the Meeting, representatives from the Adviser were available to present additional information to help the Board evaluate the Agreement. The Board discussed the information it received and deliberated on the approval of the continuance of the Agreement in light of this information. Throughout the process, the Trustees were afforded the opportunity to ask questions of and request additional materials from the Adviser.

In considering whether to approve the continuance of the Agreement, the Board took into consideration (i) the nature, extent, and quality of the services provided by the Adviser to the Fund; (ii) the Fund’s performance, including the extent to which the Fund tracks its underlying index; (iii) the Adviser’s costs of and profits realized from providing advisory services to the Fund, including any fall-out benefits enjoyed by the Adviser or its affiliates; (iv) comparative fee and expense data for the Fund; (v) the extent to which the advisory fee for the Fund reflects economies of scale shared with Fund shareholders; and (vi) other factors the Board deemed to be relevant. The Independent Trustees were assisted in their review by independent legal counsel and met with counsel separately without management present.

Nature, Extent, and Quality of Services

In considering the nature, extent, and quality of the services provided to the Fund, the Board considered ETC’s specific responsibilities in all aspects of day-to-day management of the Fund. The Board noted that such responsibilities include providing investment advice to the Fund, monitoring compliance with various Fund policies and procedures and applicable securities regulations, trading portfolio securities and other investment instruments on behalf of the Fund, selecting broker-dealers to execute purchase and sale transactions, determining the daily baskets of deposit securities and cash components, executing portfolio securities trades for purchases and redemptions of Fund shares conducted on a cash-in-lieu basis, oversight of general portfolio compliance with relevant law, responsibility for quarterly reporting to the Board, and implementation of Board directives as they relate to the Fund. The Board considered the qualifications, experience, and responsibilities of ETC’s investment personnel, the quality of ETC’s compliance infrastructure, and the determination of the Trust’s Chief Compliance

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

Board Consideration of Approval of Advisory Agreement

(Unaudited) (Continued)

Officer that ETC has appropriate compliance policies and procedures in place. The Board noted that it had been provided with ETC's registration on form ADV as well as ETC's responses to a detailed series of questions, which included a description of ETC's operations, service offerings, personnel, compliance program, risk management program, and financial condition. The Board considered ETC's experience working with ETFs, including other series of the Trust and other ETFs managed by ETF outside of the Trust. The Board also considered other services provided to the Fund by ETC, such as arranging for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Fund to operate; administering the Fund's business affairs; providing office facilities and equipment and certain clerical, bookkeeping, and administrative services; liaising with and reporting to the Board on matters relating to Fund operations, portfolio management and other matters essential to the Fund's business activities; supervising the Fund's registration as an investment company and the offering of its shares to the public, including oversight and preparation of regulatory filings; working with ETF market participants, including authorized participants, market makers, and exchanges, to help facilitate an orderly trading environment for the Fund's shares; and providing its officers and employees to serve as officers or Trustees of the Trust. Based on the factors discussed above, as well as those discussed below, the Board concluded that it was satisfied with the nature, extent, and quality of the services provided to the Fund by the Adviser.

Performance

The Board was provided with information regarding the past performance of the Fund, including a comparison of the Fund's performance with the performance of the Fund's underlying index for various time periods. The Board noted that the index-based investment objective of the Fund made analysis of investment performance, in absolute terms, less of a priority for the Fund than that which normally attaches to the performance of actively managed funds. Instead, the Board focused on the extent to which the Fund achieved its investment objective as a passively managed fund. In that regard, the Board reviewed information regarding factors impacting the performance of the Fund, including the construction of its underlying index and the addition or deletion of securities from the underlying index. The Board reviewed information regarding the Fund's index tracking, noting, as applicable, various factors which contributed to the Fund's tracking error over certain periods of time. The Board noted that while the Fund had slightly underperformed its underlying index over certain periods, such underperformance was to be expected as it partially was the result of costs incurred by the Fund that were not incurred by its underlying index. The Board also noted that the Fund's performance was nonetheless generally in line with that of its underlying index and believed that the extent of the underperformance therefore did not necessitate significant additional review. The Board further noted that it received regular reports regarding the Fund's performance at its quarterly meetings.

Cost of Advisory Services and Profitability

The Board reviewed the advisory fee paid to ETC for its services provided to the Fund under the Agreement. The Board reviewed a report prepared by ISS, an independent third party, comparing the Fund's advisory fee to those paid by a group of peer funds. The Board noted that the Fund's advisory fee was within range of advisory fees paid by a group of peer funds. The Board took into consideration that the advisory fee for the Fund is a "unitary fee," meaning that the Fund pays no expenses other than the advisory fee and certain expenses customarily excluded from unitary fee arrangements, such as brokerage commissions, taxes, and interest. The Board noted that, under the Agreement, ETC is responsible for compensating the Fund's other service providers and paying the Fund's other expenses out of its own fee and resources. The Board considered information provided about the costs and expenses incurred by the Adviser in providing advisory services, evaluated the compensation and benefits received by the Adviser from its relationship with the Fund, and reviewed profitability analyses from the Adviser with respect to the Fund. In light of this information, the Board concluded that the advisory fees were reasonable in light of the services rendered.

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

Board Consideration of Approval of Advisory Agreement

(Unaudited) (Concluded)

Economies of Scale

The Board considered whether economies of scale have been realized by the Fund. The Board concluded that no significant economies of scale have been realized by the Fund and that the Board will have the opportunity to periodically reexamine whether such economies have been achieved.

Conclusion

No single factor was determinative of the Board's decision to approve the continuance of the Agreement on behalf of the Fund; rather, the Board based its determination on the total mix of information available to it. Based on a consideration of all the factors in their totality, the Board, including a majority of the Independent Trustees, determined that the Agreement, including the compensation payable thereunder, was fair and reasonable to the Fund. The Board, including a majority of the Independent Trustees, therefore determined that the approval of the continuance of the Agreement was in the best interests of the Fund and its shareholders.

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 (March 1, 2020 to August 31, 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 3/1/2020	Ending Account Value 8/31/2020	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	\$ 1,322.40	0.75%	\$ 4.38
Hypothetical 5% Return	\$ 1,000.00	\$ 1,021.37	0.75%	\$ 3.81

⁽¹⁾ Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied 184/366 (to reflect the one-half year period).

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

Liquidity Risk Management Program

(Unaudited)

Pursuant to Rule 22e-4 under the Investment Company Act of 1940, the Trust, on behalf of the Fund, has adopted a liquidity risk management program to govern the Trust's approach to managing liquidity risk. Rule 22e-4 seeks to promote effective liquidity risk management, thereby reducing the risk that the Fund will be unable to meet its redemption obligations and mitigating dilution of the interests of its shareholders. The Trust's liquidity risk management program (the "Program"), which adopts the liquidity risk management policies and procedures of Exchange Traded Concepts, LLC, the Trust's investment adviser (the "Adviser"), is tailored to reflect the Fund's particular risks, but not to eliminate all adverse impacts of liquidity risk, which would be incompatible with the nature of the Fund.

The Adviser, which is the administrator of the Program, has formed a Liquidity Risk Working Group ("LRWG") consisting of certain individuals from portfolio management, capital markets, and legal and compliance teams. The LRWG is responsible for conducting an initial assessment of the liquidity risk of the Fund and to manage the liquidity risk of the Fund on an ongoing basis. Meetings of the LRWG are held no less than monthly.

At the May 2020 meeting of the Board of Trustees of the Trust, the Trustees received a report pertaining to the operation, adequacy, and effectiveness of implementation of the Program for the period ended December 31, 2019. The report concluded that the Program is adequately designed to assess and manage the Funds' liquidity risk and has been effectively implemented. The report reflected that no material changes have been made to the Program since its implementation.

There can be no assurance that the Program will achieve its objectives in the future. Please refer to the Fund's prospectus for more information regarding the Fund's exposure to liquidity risk and other principal risks to which an investment in the Fund may be subject.

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

Notice to Shareholders

(Unaudited)

For shareholders that do not have an August 31, 2020 tax year end, this notice is for informational purposes only. For shareholders with an August 31, 2020 tax year end, please consult your tax advisor as to the pertinence of this notice.

For the fiscal year ended August 31, 2020, the Fund is designating the following items with regard to distributions paid during the year.

	Long-Term Capital Gain Distributions	Ordinary Income Distributions	Total Distributions	Qualifying For Corporate Dividend Received Deduction ⁽¹⁾	Qualifying Dividend Income ⁽²⁾	U.S. Government Interest ⁽³⁾	Interest Related Dividends ⁽⁴⁾	Qualified Short-Term Capital Gain ⁽⁵⁾
Vesper U.S. Large Cap Short-Term Reversal Strategy ETF	0.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.08%	100.00%

- ⁽¹⁾ Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and are reflected as a percentage ordinary Income distributions (the total of short-term capital gain and net investment income distributions).
- ⁽²⁾ The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Relief Reconciliation Act of 2003 and it's reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of the Fund to designate the maximum amount permitted by law.
- ⁽³⁾ U.S. Government Interest represents the amount of interest that was derived from U.S. Government obligations and distributed during the fiscal year. Generally, interest from direct U.S. Government obligations is exempt from state income tax.
- ⁽⁴⁾ The percentage in this column represents the amount of "Interest Related Dividends" as created by the American Jobs Creation Act of 2004 and is a percentage of net investment income that is exempt from U.S. withholding tax when paid for foreign investors.
- ⁽⁵⁾ The percentage in this column represents the amount of "Qualifying Short-Term Capital Gain" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.

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.



Exchange Traded Concepts

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Independent Registered Public Accounting Firm:

Cohen & Company, Ltd.
151 North Franklin Street
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Chicago, IL 60606

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