

The Vident Core U.S. Bond Strategy ETF™ (VBND) seeks to track the performance of the Vident Core U.S. Bond Index™ (VUBDX), a strategy that applies time-tested principles to allocate capital across sectors and seeks to achieve better diversification of credit and interest rate risks. In addition, the strategy seeks to improve corporate bond exposures by screening for companies with stronger leadership, governance and credit-worthiness.

To further improve portfolio characteristics (credit risk profile), the strategy weights individual issuers based on their creditworthiness, leadership, governance and distress factors designed to achieve an optimal tradeoff of interest rate risk (duration*) and valuation (yield to worst**). Thus, the issue weights are not driven by debt outstanding but are arrived at by a rules-based process to help improve diversification, valuation and governance characteristics.

A FIXED INCOME STRATEGY WITH

ETF Ticker Symbol	VBND
CUSIP	26922A602
IOPV Ticker ²	VBND.IV
Number of Holdings	235
Stock Exchange	NYSE
Bloomberg Index Symbol	VUBDX
Net Assets (\$mm)	~\$441M
Inception Date	10/16/2014
Expense Ratio	0.43%
Total Annual Operating Expenses	0.47%

PRINCIPLED

Improves sector and issuer allocation based on creditworthiness, leadership and governance principles.

VALUE-DRIVEN

Systematically allocates capital to better valued sectors, confirmed by momentum. Optimally weights issuers based on creditworthiness and valuation.

DIVERSIFIED

Systematically diversifies across all fixed income sectors using investable U.S. issuers.

US TREASURIES

53%

AGENCIES

3%

MBS

25%

IG CORPORATE

10%

HIGH YIELD

10%

100%

50%

0%

GOVERNANCE

Weight corporate bonds based on Leadership, Governance, and Creditworthiness.

VALUATION

Overweight sectors with favorable valuation and momentum.

DIVERSIFICATION

Distribute risks across core and non-core (high yield and TIPS) fixed income sectors.

*Duration is a measure of a bond's price sensitivity to changes in interest rates. **Yield to worst is the lowest potential rate of return for a bond. All bonds in this index must be investment grade (rated at least BBB- or Baa3), have a maturity of at least one year, and a total value outstanding of at least \$200 million. ²IOPV Ticker is the indicative optimized portfolio value, or the intraday value of the underlying portfolio composition file (PCF) on a per-share basis. It is not possible to invest directly in an index.

RATINGS

Average	AA-
AAA	0.1%
AA	81.1%
A	2.6%
BBB	6.5%
BB	7.0%
B	2.7%
CCC	0.0%
CC	0.0%
C or lower	0.0%

MATURITIES

1-3 Years	1.5%
3-5 Years	12.8%
5-7 Years	52.4%
7-10 Years	33.2%
10+ Years	0.1%
Average	6.61

The ratings above are a composite of ratings from the two major credit ratings bureaus as reported by Mellon Capital Management utilizing a scale of AAA (highest) to D (lowest). The method entails (i) using Standard & Poor's rating where available; (ii) in case a security does not have a Standard & Poor's rating, Moody's rating is used instead; (iii) if a security has neither a Standard & Poor's rating nor a Moody's rating, it would be classified as Not Rated (NR).

VBND NAV



VIDENT CORE U.S. BOND STRATEGY ETF PERFORMANCE (AS OF 12/31/2018)

	Quarter	1-Yr	3-Yr (Ann.)	5-Yr (Ann.)	Since Inception (10-15-14)
VBND - NAV Returns	1.39%	-0.77%	1.47%	NA	1.00%
VBND - Market Returns	1.45%	-0.96%	1.45%	NA	0.98%

Returns are average annualized total returns, except those for periods of less than one year, which are cumulative. Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold. Current performance may be higher or lower than that quoted. Short term performance is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. The expense ratio of the fund is 0.41%. To obtain performance data current to the most recent month-end, please call (800) 617-0004.

The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling (404) 267-1501. Read it carefully before investing.

Investing involves risk. Principal loss is possible. VBND has the same risks as the underlying securities traded on the exchange throughout the day. Redemptions are limited and often commissions are charged on each trade. VBND may invest in illiquid or thinly traded securities which involve additional risks such as limited liquidity and greater volatility. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. VBND may also invest in asset backed and mortgage backed securities which include additional risks that investors should be aware of such as credit risk, prepayment risk, possible illiquidity and default, as well as increased susceptibility to adverse economic developments. The performance of the fund may diverge from that of the Index. Because the fund employs a representative sampling strategy and may also invest up to 20% of its assets in securities that are not included in the Index, it may experience tracking error to a greater extent than a fund that seeks to replicate an index. The fund is not actively managed and may be affected by a general decline in market segments related to the index. The fund invests in securities included in, or representative of securities included in, the index, regardless of their investment merits. ETFs may trade at a discount or premium to their NAV.

Holdings and allocations are subjects to change at any time and should not be considered a recommendation to buy or sell any security.

Diversification does not assure a profit or protect against a loss in a declining market.

The Vident Core U.S. Bond Fund ETF is distributed by Quasar Distributors, LLC. Vident Financial is the index provider of the fund. Exchange Traded Concepts, LLC (ETC) is the investment advisor of the fund and Vident Investment Advisory (VIA) is the sub-advisor of the fund. Quasar is not affiliated with Vident Financial, ETC or VIA.

Sources for company analytics are as follows: Bloomberg, GMI Consulting (ESG and AGR data sets) Bloomberg is the source for all index data shown. Graphs calculated using historical data related to index composition, not actual historical performance. Data was collected from 12/29/2017 through 12/31/18. The inception date of the VUBDX Index was 11/30/15.