

VOLMAXX

EXCHANGE TRADED CONCEPTS TRUST

REX VolMAXX™ Long VIX Futures Strategy ETF

REX VolMAXX™ Short VIX Futures Strategy ETF

Semi-Annual Report

May 31, 2018

(Unaudited)



Exchange Traded Concepts

VolMAXX Funds

Table of Contents

(Unaudited)

Consolidated Schedules of Investments	1
Consolidated Statements of Assets and Liabilities	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Financial Highlights.....	6
Notes to the Consolidated Financial Statements.....	7
Board Consideration of Approval of Advisory and Sub-Advisory Agreements.....	20
Disclosure of Fund Expenses	22
Supplemental Information.....	23

The Funds file their complete schedule of Fund holdings with the Securities and Exchange Commission (the "Commission") for the first and third quarters of each fiscal year on Form N-Q within sixty days after the end of the period. The Funds' Forms N-Q will be available on the Commission's website at <http://www.sec.gov>, and may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

A description of the policies and procedures that Exchange Traded Concepts uses to determine how to vote proxies relating to Funds' securities, as well as information relating to how the Funds voted proxies relating to each Fund's securities during the most recent 12-month period ended June 30, is available (i) without charge, upon request, by calling 1-844-REX-1414; and (ii) on the Commission's website at <http://www.sec.gov>.

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VolMAXX Funds
REX VolMAXX™ Long VIX Futures Strategy ETF
Consolidated Schedule of Investments
May 31, 2018 (Unaudited)

A summary of outstanding futures contracts held by the Fund at May 31, 2018 is as follows:

Type of Contract	Number of Contracts Long	Expiration Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
CBOE Volatility Index	34	Oct-2018	\$ 561,785	\$ 578,850	\$ 17,065
CBOE Volatility Index	74	Sep-2018	1,273,125	1,226,550	(46,575)
CBOE Volatility Index	40	Aug-2018	731,041	649,000	(82,041)
			<u>\$ 2,565,951</u>	<u>\$ 2,454,400</u>	<u>\$ (111,551)</u>

The futures contracts are held by REX VolMAXX™ Long VIX Futures Strategy Subsidiary 1 as of May 31, 2018.

Percentages are based on Net Assets of \$2,805,785.

CBOE – Chicago Board Options Exchange

The following is a list of the level of inputs used as of May 31, 2018 in valuing the Fund’s investments, securities sold short and other instruments carried at value:

Other Financial Instruments	Level 1	Level 2	Level 3	Total
Futures Contracts*				
Unrealized Appreciation . . .	\$ 17,065	\$ –	\$ –	\$ 17,065
Unrealized Depreciation . . .	(128,616)	–	–	(128,616)
Total Other Financial Instruments	<u>\$ (111,551)</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ (111,551)</u>

* Futures contracts are valued at unrealized appreciation (depreciation) on the instrument.

For the period ended May 31, 2018, there have been no transfers between Level 1, Level 2 or Level 3 investments. It is the Fund’s policy to recognize transfers into and out of Level 1, Level 2 and Level 3 at the end of the reporting period.

For the period ended May 31, 2018, there were no Level 3 investments.

Amounts designated as “–” are \$0.

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

VolMAXX Funds
REX VolMAXX™ Short VIX Futures Strategy ETF
Consolidated Schedule of Investments
May 31, 2018 (Unaudited)

A summary of outstanding futures contracts held by the Fund at May 31, 2018 is as follows:

Type of Contract	Number of Contracts Short	Expiration Date	Notional Amount	Value	Unrealized Appreciation (Depreciation)
CBOE Volatility Index ...	(140)	Oct-2018	\$ (2,307,406)	\$ (2,383,500)	\$ (76,094)
CBOE Volatility Index ...	(305)	Sep-2018	(5,347,124)	(5,055,375)	291,749
CBOE Volatility Index ...	(165)	Aug-2018	(3,150,586)	(2,677,125)	473,461
			<u>\$ (10,805,116)</u>	<u>\$ (10,116,000)</u>	<u>\$ 689,116</u>

The futures contracts are held by REX VolMAXX™ Short VIX Futures Strategy Subsidiary I as of May 31, 2018.

Percentages are based on Net Assets of \$11,293,817.

CBOE – Chicago Board Options Exchange

The following is a list of the level of inputs used as of May 31, 2018 in valuing the Fund's investments, securities sold short and other instruments carried at value:

Other Financial Instruments	Level 1	Level 2	Level 3	Total
Futures Contracts*				
Unrealized Appreciation ...	\$ 765,210	\$ –	\$ –	\$ 765,210
Unrealized Depreciation ...	(76,094)	–	–	(76,094)
Total Other Financial Instruments	<u>\$ 689,116</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 689,116</u>

* Futures contracts are valued at unrealized appreciation (depreciation) on the instrument.

For the period ended May 31, 2018, there have been no transfers between Level 1, Level 2 or Level 3 investments. It is the Fund's policy to recognize transfers into and out of Level 1, Level 2 and Level 3 at the end of the reporting period.

For the period ended May 31, 2018, there were no Level 3 investments.

Amounts designated as “–” are \$0.

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

VolMAXX Funds
Consolidated Statements of Assets and Liabilities
May 31, 2018 (Unaudited)

	REX VolMAXX™ Long VIX Futures Strategy ETF	REX VolMAXX™ Short VIX Futures Strategy ETF
Assets:		
Cash Collateral on Futures	\$ 2,783,327	\$ 11,419,350
Receivable for Investment Securities Sold.....	575,000	4,400,000
Receivable for Variation Margin.....	27,841	9,150
Interest Receivable	100	905
Total Assets	<u>3,386,268</u>	<u>15,829,405</u>
Liabilities:		
Payable for Capital Shares Redeemed	575,000	4,400,000
Payable for Variation Margin.....	1,950	118,025
Advisory Fees Payable	2,966	15,337
Broker Expense Payable.....	567	2,226
Total Liabilities	<u>580,483</u>	<u>4,535,588</u>
Net Assets	<u>\$ 2,805,785</u>	<u>\$ 11,293,817</u>
Net Assets Consist of:		
Paid-in Capital.....	\$ 2,991,561	\$ 24,712,344
Distributions in Excess of Net Investment Income/Accumulated Net Investment Loss ..	(77,103)	(178,426)
Accumulated Net Realized Gain (Loss) on Investments.....	2,878	(13,929,217)
Net Unrealized Appreciation (Depreciation) on Futures Contracts	(111,551)	689,116
Net Assets	<u>\$ 2,805,785</u>	<u>\$ 11,293,817</u>
Investments, at Cost.....	-	-
Outstanding Shares of Beneficial Interest (unlimited authorization – no par value)	137,419	3,700,000
Net Asset Value, Offering and Redemption Price Per Share	<u>\$ 20.42</u>	<u>\$ 3.05</u>

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

VolMAXX Funds
Consolidated Statements of Operations
For the period May 31, 2018 (Unaudited)

	REX VolMAXX™ Long VIX Futures Strategy ETF	REX VolMAXX™ Short VIX Futures Strategy ETF
Investment Income:		
Interest Income	\$ 2,455	\$ 12,117
Total Investment Income	<u>2,455</u>	<u>12,117</u>
Expenses:		
Advisory Fees	19,946	100,943
Broker Expense on Securities Sold Short	2,987	65,056
Total Expenses	<u>22,933</u>	<u>165,999</u>
Net Investment Loss	<u>(20,478)</u>	<u>(153,882)</u>
Net Realized Gain (Loss) on:		
Investments	3,608	(1,108,927)
Securities Sold Short	117,621	2,728,632
Futures Contracts	1,621,050	(14,999,889)
Net Change in Unrealized Appreciation (Depreciation):		
Investments	470,668	(1,435,611)
Securities Sold Short	130,428	(5,169,101)
Futures Contracts	(161,351)	585,431
Net Realized and Unrealized Gain (Loss) on Investments	<u>2,182,024</u>	<u>(19,399,465)</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>\$ 2,161,546</u>	<u>\$ (19,553,347)</u>

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

VolMAXX Funds

Consolidated Statements of Change in Net Assets

	REX VolMAXX™ Long VIX Futures Strategy ETF			REX VolMAXX™ Short VIX Futures Strategy ETF		
	Period Ended May 31, 2018 (Unaudited)	Period Ended November 30, 2017 ⁽¹⁾	Period Ended March 31, 2017 ⁽²⁾	Period Ended May 31, 2018 (Unaudited)	Period Ended November 30, 2017 ⁽¹⁾	Period Ended March 31, 2017 ⁽²⁾
	Operations:					
Net Investment Loss	\$ (20,478)	\$ (46,779)	\$ (72,660)	\$ (153,882)	\$ (362,152)	\$ (138,748)
Net Realized Gain (Loss) on Investments, Securities Sold Short and Futures Contracts	1,742,279	(2,286,339)	(3,487,222)	(13,380,184)	8,115,519	3,399,842
Net Change in Unrealized Appreciation (Depreciation) on Investments Securities Sold Short and Futures Contracts	439,745	(11,826)	(539,470)	(6,019,281)	3,758,857	2,949,540
Net Increase (Decrease) in Net Assets Resulting from Operations	<u>2,161,546</u>	<u>(2,344,944)</u>	<u>(4,099,352)</u>	<u>(19,553,347)</u>	<u>11,512,224</u>	<u>6,210,634</u>
Distributions to Shareholders:						
Net Investment Income	—	—	—	(3,025,266)	(3,472,070)	—
Net Realized Gains	—	—	—	(1,103,289)	—	(7,950)
Total Distributions to Shareholders	<u>—</u>	<u>—</u>	<u>—</u>	<u>(4,128,555)</u>	<u>(3,472,070)</u>	<u>(7,950)</u>
Capital Share Transactions:						
Issued	576,186	3,074,576	8,131,490	24,303,047	21,082,489	8,677,588
Redeemed	(2,570,808)	—	(2,122,909)	(5,190,819)	(24,016,296)	(4,123,128)
Increase (Decrease) in Net Assets from Capital Share Transactions ..	<u>(1,994,622)</u>	<u>3,074,576</u>	<u>6,008,581</u>	<u>19,112,228</u>	<u>(2,933,807)</u>	<u>4,554,460</u>
Total Increase (Decrease) in Net Assets	<u>166,924</u>	<u>729,632</u>	<u>1,909,229</u>	<u>(4,569,674)</u>	<u>5,106,347</u>	<u>10,757,144</u>
Net Assets:						
Beginning of Period	2,638,861	1,909,229	—	15,863,491	10,757,144	—
End of Period Undistributed (Distributions in Excess of) Net Investment Income/ Accumulated Net Investment Loss of \$(77,103), \$(56,625), \$15,359, \$(178,426), \$3,000,722 and \$3,472,082	<u>\$ 2,805,785</u>	<u>\$ 2,638,861</u>	<u>\$ 1,909,229</u>	<u>\$ 11,293,817</u>	<u>\$ 15,863,491</u>	<u>\$ 10,857,144</u>
Share Transactions:						
Issued	50,000	750,000 ⁽⁴⁾	550,000	5,100,000	850,000	450,000 ⁽³⁾
Redeemed	(100,081)	(962,500) ⁽⁴⁾	(150,000)	(1,800,000)	(750,000)	(150,000) ⁽³⁾
Net Increase (Decrease) in Shares Outstanding from Share Transactions	<u>(50,081)</u>	<u>(212,500)</u>	<u>400,000</u>	<u>3,300,000</u>	<u>100,000</u>	<u>300,000</u>

⁽¹⁾ For the period April 1, 2017 to November 30, 2017. Effective September 25, 2017, the Rex Funds changed their year end to November 30 (See Note 1 in Notes to Financial Statements).

⁽²⁾ Commenced operations on May 3, 2016

⁽³⁾ As described in Note 11, share amounts have been adjusted for 2:1 stock split that occurred on December 29, 2016.

⁽⁴⁾ As described in Note 11, share amounts have been adjusted for 1:8 reverse stock split that occurred on August 17, 2017.

Amounts designated as “—” are \$0.

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

VolMAXX Funds

Consolidated Financial Highlights

Selected Per Share Data & Ratios For a Share Outstanding Throughout the Period		Net Realized and Unrealized										Ratio of Net Investment Income to Net Assets		
		Net Asset Value, Beginning of Period	Net Investment Loss*	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
REX VolMAXX™ Long VIX Futures Strategy ETF														
2018***	\$ 14.07	\$ (0.12)	\$ 6.47	\$ 6.35	\$ —	\$ —	\$ —	\$ 20.42	\$ 20.25	45.13%	\$ 2,806	1.44% ⁽³⁾⁽⁴⁾	(1.28)% ⁽⁵⁾	241%
2017** ⁽⁶⁾	\$ 38.16	\$ (0.42)	\$ (23.67)	\$ (24.09)	\$ —	\$ —	\$ —	\$ 14.07	\$ 14.02	(63.13)%	\$ 2,639	2.85% ⁽³⁾⁽⁴⁾	(2.80)% ⁽⁵⁾	100
2017†	\$ 200.00	\$ (2.16)	\$ (159.68)	\$ (161.84)	\$ —	\$ —	\$ —	\$ 38.16	\$ 38.08	(80.92)%	\$ 1,909	2.90% ⁽³⁾⁽⁴⁾	(2.86)% ⁽⁵⁾	328
REX VolMAXX™ Short VIX Futures Strategy ETF														
2018***	\$ 39.66	\$ (0.06)	\$ (26.23)	\$ (26.29)	\$ (7.56)	\$ (2.76)	\$ (10.32)	\$ 3.05	\$ 3.06	(90.04)%	\$ 11,294	2.39% ⁽³⁾⁽⁴⁾	(2.22)% ⁽⁵⁾	491%
2017**	\$ 35.86	\$ (0.68)	\$ 14.40	\$ 13.72	\$ (9.92)	\$ —	\$ (9.92)	\$ 39.66	\$ 39.92	64.40%	\$ 15,863	3.46% ⁽³⁾⁽⁴⁾	(3.39)% ⁽⁵⁾	481
2017 ⁽⁵⁾	\$ 12.50	\$ (0.60)	\$ 23.99	\$ 23.39	\$ —	\$ (0.03)	\$ (0.03)	\$ 35.86	\$ 36.07	187.20%	\$ 10,757	3.13% ⁽³⁾⁽⁴⁾	(3.11)% ⁽⁵⁾	511

† For the period May 3, 2016 (commencement of operations) to March 31, 2017.

* Per share data calculated using average shares method.

** For the period ended November 30, 2017. Effective September 25, 2017, the REX Funds changed their year end to November 30 (see Note 1 in Notes to Financial Statements).

*** For the six months ended May 31, 2018 (Unaudited).

(1) Total return is for the period indicated and has not been annualized. The return does 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 creations or redemptions.

(3) Annualized.

(4) The expense ratio includes broker expense. Had this expense been excluded the ratios would have been 1.25% for REX VolMAXX™ Long VIX Futures Strategy ETF and 1.45% for REX VolMAXX™ Short VIX Futures Strategy ETF for the fiscal year ended, March 31, 2017, the period ended November 30, 2017 and the period ended May 31, 2018.

(5) As described in Note 11, adjusted for 2:1 stock split that occurred on December 29, 2016.

(6) As described in Note 11, adjusted for 1:8 reverse stock split that occurred on August 17, 2017.

Amounts designated as “ — ” are \$0.

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

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited)

1. ORGANIZATION

Exchange Traded Concepts Trust (the “Trust”), is a Delaware statutory trust formed on July 17, 2009 and amended July 20, 2011. The Trust is registered with the Securities and Exchange Commission (the “Commission”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company consisting of multiple investment portfolios. The consolidated financial statements herein are those of the REX VolMAXX™ Long VIX Futures Strategy ETF and REX VolMAXX™ Short VIX Futures Strategy ETF (each a “Fund”, and collectively the “Funds”). The REX VolMAXX™ Long VIX Futures Strategy ETF seeks to provide investors with exposure to the implied volatility of the broad-based, large-cap U.S. equity market. The REX VolMAXX™ Short VIX Futures Strategy ETF seeks to provide investors with short exposure to the implied volatility of the broad-based, large-cap U.S. equity market. Each Fund is classified as a “non-diversified” fund under the 1940 Act. Exchange Traded Concepts, LLC (the “Adviser”), an Oklahoma limited liability company, serves as the investment adviser for the Funds and is subject to the supervision of the Board of Trustees (the “Board”). The Adviser is responsible for managing the investment activities of the Funds, the Funds’ business affairs and other administrative matters. Vident Investment Advisory LLC (the “Sub-Adviser”), serves as the sub-adviser to the Funds. The Funds commenced operations on May 3, 2016. At a meeting held on September 25, 2017, the Trust’s Board approved a change to the Funds’ tax and fiscal year ends from March 31st to November 30th.

The REX VolMAXX™ Long VIX Futures Strategy Subsidiary I and REX VolMAXX™ Short VIX Futures Strategy Subsidiary I are both wholly-owned subsidiaries of the REX VolMAXX™ Long VIX Futures Strategy ETF and REX VolMAXX™ Short VIX Futures Strategy ETF, respectively, (each a “Subsidiary”, collectively the “Subsidiaries”). Each Subsidiary is organized under the laws of the Cayman Islands as an exempt limited company. Information regarding the REX VolMAXX™ Long VIX Futures Strategy ETF and REX VolMAXX™ Short VIX Futures Strategy ETF and their respective subsidiaries have been consolidated in the Consolidated Schedules of Investments, Consolidated Statements of Assets and Liabilities, Consolidated Statements of Operations and Consolidated Statements of Changes in Net Assets.

Shares of the Funds are listed and traded on Cboe BZX Exchange, Inc. Market prices for the Shares may be different from their net asset value (“NAV”). The Funds will issue and redeem Shares on a continuous basis at NAV only in large blocks of Shares, typically 50,000 Shares, called “Creation Units”. Creation Units will be issued and redeemed principally in-kind for securities approximating certain holdings of the Funds. Once created, Shares will trade in a secondary market at market prices that change throughout the day in 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 consolidated 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 (“ASC 946”), and concluded that each Fund meets criteria of an “investment company,” and therefore, the Funds prepare their consolidated financial statements in accordance with investment company accounting as outlined in ASC 946.

Use of Estimates and Indemnifications – The preparation of consolidated 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 consolidated 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.

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In the normal course of business, the Trust, on behalf of the Funds, enters into contracts that contain a variety of representations which provide general indemnifications. The Funds' maximum exposure under these arrangements cannot be known; however, the Funds expect 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 price for long securities and at the most recent ask price for securities sold short. 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. 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 will be fair valued according to the Trust's fair value procedures. Prices for most securities held in the Funds are provided daily by recognized independent pricing agents. If a security price cannot be obtained from an independent, third-party pricing agent, the Funds seek to obtain a bid price from at least one independent broker. Futures are valued at the settlement price established each day by the board of exchange on which they are traded.

Securities for which market prices are not "readily available" are valued in accordance with fair value procedures established by the Board. The Funds' 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 Funds may fair value their securities if an event that may materially affect the value of the Funds' 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 Funds calculate their 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: 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 Funds calculate their 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 Funds disclose fair value of their 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 Funds have the ability to access at the measurement date;

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 Funds to measure fair value during the period ended May 31, 2018 maximized the use of observable inputs and minimized the use of unobservable inputs.

For the period ended May 31, 2018, there have been no significant changes to the Funds' fair valuation methodologies.

Investment in the Subsidiaries – Each Fund expects to gain significant exposure to VIX futures contracts, which are considered commodities through investment in a Subsidiary. Such investment may not exceed 25% of a Fund's total assets, as measured at the end of every quarter of the Fund's taxable year. Each Subsidiary will invest in derivatives including futures contracts and commodity-linked instruments, and other investments intended to serve as margin or collateral or otherwise support the Subsidiary's derivatives positions. Unlike the Funds, the Subsidiaries may invest without limitation in futures and may use leveraged investment techniques. The Subsidiaries otherwise are subject to the same general investment policies and restrictions as the Funds. Except as noted, references to the investment strategies of the Funds for non-equity securities include the investment strategies of the Subsidiaries.

The Subsidiaries are not registered under the 1940 Act. As an investor in its Subsidiary, each Fund, as the Subsidiary's sole shareholder, does not have the protections offered to investors in registered investment companies. However, because each Fund wholly owns and controls its Subsidiary, and each Fund and Subsidiary is managed by the Adviser, it is unlikely that a Subsidiary would take action contrary to the interests of the Fund or the Fund's shareholders. The Board has oversight responsibility for the investment activities of the Funds, including their investments in their respective Subsidiaries, and each Fund's role as the sole shareholder of its Subsidiary. Also, in managing a Subsidiary's portfolio, the Adviser is subject to the same investment restrictions and operational guidelines that apply to the management of the Fund. Changes in the laws of the United States and/or the Cayman Islands, under which the Fund and the Subsidiary are organized, respectively, could result in the inability of the Fund and/or the Subsidiary to operate and could negatively affect the Fund and its shareholders.

Securities Sold Short – As consistent with the Funds' investment objectives, the Funds intend to sell securities short. A short sale is the sale by a fund of a security which it does not own in anticipation of purchasing the same security in the future. To complete such a transaction, the Funds must borrow the security to make delivery to the buyer. The Funds are then obligated to replace the security borrowed by purchasing the security at the market price at the time of the replacement. The price at such time may be more or less than the price at which the security was sold by the Funds. Until the security is replaced, the Funds are required to pay the lender amounts equal to any dividends that accrue during the period of the loan. Dividends are shown as an expense for financial reporting purposes. To borrow the security, the Funds also may be required to pay a fee, which is shown as an expense for financial reporting purposes. The proceeds of the short sale are retained by the broker, to the extent necessary to meet margin requirements, until the short position is closed out. A realized gain, limited to the price at which the Funds sold the security short, or a realized loss, unlimited in size, will be recognized upon the close of a short sale.

Until the Funds close their short positions or replace the borrowed security, the Funds may maintain segregated accounts with their custodian containing marginable securities. The Funds may be required to add to the segregated accounts as the market price of a shorted security increases. As a result of maintaining and adding to its segregated account, the Funds may maintain higher levels of marginable assets (for example, long equity positions) for collateral needs thus reducing its overall managed assets available for trading purposes. Collateral is noted as "Cash collateral on securities sold short" on the Consolidated Statements of Assets and Liabilities.

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal Income Taxes – It is each 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 consolidated financial statements.

The Funds’ policy is to classify interest and penalties associated with underpayment of Federal and state income taxes, if any, as income tax expense on their Consolidated Statements of Operations. As of May 31, 2018, the Funds did not have any interest or penalties associated with the underpayment of any income taxes. The Funds have reviewed all major jurisdictions and concluded that there is no impact on the Funds’ net assets and no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken on their 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 on foreign dividends, if any, have been provided for in accordance with the Funds’ understanding of the applicable country’s tax rules and rates.

Futures Contracts – The Funds’ Subsidiaries utilized futures contracts during the period ended May 31, 2018 to meet their investment objective. Variation margin payments are paid or received, depending upon whether unrealized gains or losses are incurred. When the futures contract is closed, the Funds record a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the amount invested/ (received) in the futures contract.

Risks of entering into futures contracts include the possibility that there will be an imperfect price correlation between the futures and the underlying securities. Second, it is possible that a lack of liquidity for futures contracts could exist in the secondary market, resulting in an inability to close a position prior to its maturity date. Third, the futures contract involves the risk that the Funds could lose more than the original margin deposit required to initiate a futures transaction.

Finally, the risk exists that losses could exceed amounts disclosed on the Consolidated Statements of Assets and Liabilities. As of May 31, 2018, the Funds have open futures contracts and during the period ended, all futures contracts held had equity risk exposure. Refer to the Funds’ Consolidated Schedules of Investments for details regarding open futures contracts as of May 31, 2018. The unrealized appreciation on futures contracts is presented on the Consolidated Statements of Assets and Liabilities as “Net Unrealized Appreciation on Futures Contracts.” The amount of realized gain (loss) on futures contracts is presented on the Consolidated Statements of Operations as “Net Realized Gain (Loss) on Futures Contracts.” The change in the net fair value of the futures contracts is included in the Consolidated Statements of Operations as “Net Unrealized Appreciation (Depreciation) on Futures Contracts.” A margin deposit held at one counter party for the futures contracts is included in “Cash Collateral on Futures” on the Consolidated Statements of Assets and Liabilities.

Cash and Cash Equivalents – Idle cash may be swept into various overnight demand deposits and is classified as cash and cash equivalents on the Consolidated Statements of Assets and Liabilities. The Funds 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 – Each 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 ex-dividend date.

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Commodity-Linked Investments – To the extent consistent with its investment objective and strategies, the Funds may invest in commodity investments to provide exposure to the investment returns of the commodities markets. Commodity investments include notes with interest payments that are tied to an underlying commodity or commodity index, exchange traded funds (“ETFs”) or other exchange-traded products that are tied to the performance of a commodity or commodity index or other types of investment vehicles or instruments that provide returns that are tied to commodities or commodity indices.

The Funds also expect to gain exposure to the commodity markets, in whole or in part, through investments in a wholly owned Subsidiary. A Subsidiary, unlike a Fund, may invest to a significant extent directly in commodities and in equity-linked securities and commodity-linked derivative instruments, including options, futures contracts, swaps, options on futures contracts and commodity-linked structured notes. A Subsidiary may also invest in other instruments in which a Fund is permitted to invest, either as investments or to serve as margin or collateral for its derivative positions. A Fund may invest up to 25% of its total assets in its Subsidiary.

In order for a Fund to qualify as a regulated investment company under Subchapter M of the Code, the Fund must derive at least 90% of its gross income each taxable year from qualifying income. Certain of the Funds’ investments generally do not generate qualifying income if made directly by a Fund. Each Fund, however, intends to gain exposure to certain non-qualifying investments, including commodities investments, through its investment in its respective wholly-owned Subsidiary. Each Subsidiary intends to invest in futures contracts or commodity-linked instruments.

Creation Units – The Funds issue and redeem shares (“Shares”) on a continuous basis at NAV and only in large blocks of 50,000 Shares (each block of Shares for the Funds is called a “Creation Unit” or multiples thereof). Purchasers of Creation Units (“Authorized Participants”) at NAV must pay a minimum creation transaction fee of \$500 plus 0.02% of the Creation Units NAV, per transaction. An Authorized Participant who holds Creation Units and wishes to redeem at NAV would also pay a standard redemption transaction fee of \$500 plus 0.02% of the Creation Units NAV, per transaction. In addition to the fixed creation or redemption transaction fee, to the extent a Creation Unit consists of more than 100 securities, an additional creation transaction fee may be charged. The Adviser may retain all or 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 Funds. Shares of the Funds may only be purchased or redeemed by certain financial institutions (“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 Funds’ 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 Funds. Rather, most retail investors will purchase Shares 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 May 31, 2018:

	Creation Unit Shares	Creation Transaction Fee+0.02% Fee	Value	Redemption Transaction Fee+0.02% Fee
REX VolMAXX™ Long VIX Futures Strategy ETF	50,000	\$ 500	\$ 1,021,000	\$ 500
REX VolMAXX™ Short VIX Futures Strategy ETF	50,000	500	152,500	500

VolMAXX Funds
Notes to the Consolidated Financial Statements
May 31, 2018 (Unaudited) (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

To the extent a Fund permits the contribution of securities in exchange for the purchase of shares (contribution in-kind), shares may be issued in advance of receipt by the Fund at all or a portion of the applicable deposit securities. In these circumstances, the Fund may require the Authorized Participant to maintain with the Trust an amount of 115% of the daily mark-to-market of the missing deposit securities. Amounts are disclosed as Segregated Cash Balance with Authorized Participants for Deposit Security and Collateral Payable upon Return of Deposit Securities on the Consolidated Statement of Assets and Liabilities, when applicable.

3. OFFSETTING ASSETS AND LIABILITIES

Certain derivative contracts are executed under standard netting agreements. A derivative netting agreement creates an enforceable right of set off that becomes effective, and affects the realization of settlement on individual assets, liabilities and collateral amounts, only following a specified event of default or early termination. Default events may include the failure to make payments or deliver securities timely, material adverse changes in financial condition or insolvency, the breach of minimum regulatory capital requirements, or loss of license, charter or other legal authorization necessary to perform under contract. These agreements mitigate counterparty credit risk by providing for a single net settlement with a counterparty of all financial transactions covered by the agreement in an event of default as defined under such agreement.

The following tables present the Funds' gross derivative assets and liabilities net of amounts available for offset under netting arrangements as of May 31, 2018:

REX VolMAXXTM Long VIX Futures Strategy ETF

Offsetting of Derivative Assets

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Statements of Assets and Liabilities	Presented in the Consolidated Statements of Assets and Liabilities	Gross Amounts Not Offset in the Consolidated Statements of Assets and Liabilities		
				Financial Instruments ^(a)	Cash Collateral Received	Net Amount
Derivative Assets						
Futures Contracts	\$ 27,841	\$ —	\$ 27,841	\$ —	\$ —	\$ 27,841
Total	<u>\$ 27,841</u>	<u>\$ —</u>	<u>\$ 27,841</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 27,841</u>

Offsetting of Derivative Liabilities

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Statement of Assets and Liabilities	Net Amounts Presented in the Consolidated Statement of Assets and Liabilities	Gross Amounts Not Offset in the Consolidated Statements of Assets and Liabilities		
				Financial Instruments ^(a)	Cash Collateral Pledged ^(a)	Net Amount
Derivative Liabilities						
Futures Contracts	\$ (1,950)	\$ —	\$ (1,950)	\$ —	\$ (1,950)	\$ —
Total	<u>\$ (1,950)</u>	<u>\$ —</u>	<u>\$ (1,950)</u>	<u>\$ —</u>	<u>\$ (1,950)</u>	<u>\$ —</u>

(a) These amounts are limited to the derivatives asset/liability balance and, accordingly, do not include excess collateral received/pledged.

VolMAXX Funds
Notes to the Consolidated Financial Statements
 May 31, 2018 (Unaudited) (Continued)

3. OFFSETTING ASSETS AND LIABILITIES (continued)

REX VolMAXX™ Short VIX Futures Strategy ETF

Offsetting of Derivative Assets

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Statements of Assets and Liabilities	Presented in the Consolidated Statements of Assets and Liabilities	Gross Amounts Not Offset in the Consolidated Statements of Assets and Liabilities		
				Financial Instruments ^(a)	Cash Collateral Received	Net Amount
Derivative Assets						
Futures Contracts	\$ 9,150	\$ —	\$ 9,150	\$ —	\$ —	\$ 9,150
Total	<u>\$ 9,150</u>	<u>\$ —</u>	<u>\$ 9,150</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 9,150</u>

Offsetting of Derivative Liabilities

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Statements of Assets and Liabilities	Net Amounts Presented in the Consolidated Statements of Assets and Liabilities	Gross Amounts Not Offset in the Consolidated Statements of Assets and Liabilities		
				Financial Instruments ^(a)	Cash Collateral Pledged ^(a)	Net Amount
Derivative Liabilities						
Futures Contracts	\$ (118,025)	\$ —	\$ (118,025)	\$ —	\$ (118,025)	\$ —
Total	<u>\$ (118,025)</u>	<u>\$ —</u>	<u>\$ (118,025)</u>	<u>\$ —</u>	<u>\$ (118,025)</u>	<u>\$ —</u>

(a) These amounts are limited to the derivatives asset/liability balance and, accordingly, do not include excess collateral received/pledged.

4. DERIVATIVE TRANSACTIONS

The table below discloses the volume of the Funds' futures contracts during the period ended May 31, 2018:

	REX VolMAXX™ Long VIX Futures Strategy ETF	REX VolMAXX™ Short VIX Futures Strategy ETF
Equity Futures contracts:		
Average Notional Balance Long	\$ 2,416,733	\$ —
Average Notional Balance Short	—	(10,249,481)
Ending Notional Balance Long	2,565,951	—
Ending Notional Balance Short	—	(10,805,116)

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

5. BASIS FOR CONSOLIDATION

The Consolidated Schedules of Investments, Statements of Assets and Liabilities, Statements of Operations, Statements of Changes in Net Assets, and the Consolidated Financial Highlights of the Funds include the accounts of their respective Subsidiary. All intercompany accounts and transactions have been eliminated in consolidation for the Funds. Each of the Subsidiaries has a fiscal year end of November 30th for financial statement consolidation purposes.

The Subsidiaries are classified as controlled foreign corporations under the Internal Revenue Code of 1986 (“IRC”). Each Subsidiary’s taxable income is included in the calculation of the relevant Fund’s taxable income. Net losses of the Subsidiaries are not deductible by the Funds either in the current period or carried forward to future periods.

Each Fund may invest up to 25% of their total assets in its respective Subsidiary.

A summary of the Funds’ investments in the Subsidiaries are as follows:

	Inception Date of Subsidiary	Subsidiary Net Assets at May 31, 2018	% of Total Assets at May 31, 2018
REX VolMAXX™ Long VIX Futures Strategy ETF Subsidiary I	May 3, 2016	\$ 691,140	20.4%
REX VolMAXX™ Short VIX Futures Strategy ETF Subsidiary I	May 3, 2016	2,714,370	17.1

Gains and losses attributed to the Funds’ investments in Subsidiaries are as follows:

	REX VolMAXX™ Long VIX Futures Strategy ETF Subsidiary I	REX VolMAXX™ Short VIX Futures Strategy ETF Subsidiary I
Net Realized Gain (Loss) on Futures Contracts	\$ 1,621,050	\$ (14,999,889)
Net Change in Unrealized Appreciation on Futures Contracts	(161,351)	585,431
Total Realized and Unrealized Gains (Losses) Attributed to the Funds’ Investments in Subsidiaries	\$ 1,459,699	\$ (14,414,458)

6. AGREEMENT

Investment Advisory Agreement

Exchange Traded Concepts, LLC, or the Adviser, is an Oklahoma limited liability company located at 10900 Hefner Pointe Drive, Suite 207, Oklahoma City, Oklahoma 73120. The Adviser serves as investment adviser to the Trust, including the Funds, pursuant to an investment advisory agreement (“Advisory Agreement”). Under the Advisory Agreement, the Adviser provides investment advice to the Funds primarily in the form of oversight of the Sub-Adviser, including daily monitoring of the purchase and sale of securities by the Sub-Adviser and regular review of the Sub-Adviser’s performance. The Adviser also arranges for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Funds to operate. The Adviser administers the Funds’ 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 Funds, the Funds pays the Adviser a fee, which is calculated daily and paid monthly, at an annual rate of 1.25% on the average daily net assets of the REX VolMAXX™ Long VIX Futures Strategy ETF and 1.45% on the average daily net assets of the REX VolMAXX™ Short VIX Futures Strategy ETF. Under the Advisory Agreement, the Adviser has agreed to pay all expenses incurred by the

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

6. AGREEMENT (continued)

Funds 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 Funds under any distribution plan adopted pursuant to Rule 12b-1 under the 1940 Act (the “Excluded Expenses”).

Certain officers or interested trustees of the Trust are also officers or employees of the Adviser or its affiliates. They receive no fees for serving as officers of the Trust.

The Adviser has entered into a Sub-License, Marketing Support, and Expense Reimbursement Agreement (“Expense Reimbursement Agreement”) with Rex Shares, LLC (the “Sponsor”). Under the Expense Reimbursement Agreement, the Sponsor assumes the obligation of the Adviser to pay all expenses of the Funds, except Excluded Expenses.

Each Subsidiary is managed by the Adviser. For each Subsidiary, pursuant to a management agreement between the Subsidiary and the Adviser (the “Subsidiary Agreement”), the Adviser will: (i) provide management services; (ii) pay all expenses incurred by the Subsidiary except for the fee paid to the Adviser pursuant to the Subsidiary Agreement (the “Subsidiary Management Fee”), interest, taxes, brokerage commissions and other expenses incurred in placing or settlement of orders for the purchase and sale of securities and other investment instruments, acquired fund fees and expenses, accrued deferred tax liability, and extraordinary expenses; and, in consideration thereof (iii) receive the Subsidiary Management Fee. The Adviser has contractually agreed to waive the management fee it receives from each Fund in an amount equal to the Subsidiary Management Fee, if any, paid to the Adviser by each Fund’s Subsidiary. The Adviser earned \$0 Subsidiary management fees for the period ended May 31, 2018. The Adviser, and not the Funds or their respective Subsidiaries, pay the Sub-Adviser’s fees.

Sub-Advisory Agreement

Vident Investment Advisory, LLC, or the Sub-Adviser, is a Delaware limited liability company, located at 300 Colonial Center Parkway, Suite 330, Roswell, Georgia, 30076. The Sub-Adviser is responsible for trading portfolio securities and other investment instruments on behalf of the Funds, including selecting broker-dealers to execute purchase and sale transactions, subject to the supervision of the Adviser and the Board. Under a sub-advisory agreement, the Adviser pays the Sub-Adviser a fee calculated daily and paid monthly at an annual rate of the average daily net assets of each Fund as follows: 1) 5 basis points on up to \$250 million in assets; 2) 4 basis points on the next \$250 million; 3) 3 basis points on all assets above \$500 million; subject to an annual minimum fee of \$30,000. Each Subsidiary is sub-advised by the Sub-Adviser. The Adviser, and not the Funds or their respective Subsidiaries, pays the Sub-Adviser’s fees.

Distribution Agreement

SEI Investments Distribution Co. (the “Distributor”) serves as the Funds’ 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 Funds’ 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.

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

6. AGREEMENT (continued)

The Funds have adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. No payments pursuant to the Plan will be made during the twelve (12) month period from the date of the Fund’s currently effective prospectus. In accordance with the Plan, each Fund is authorized to pay an amount up to 0.25% of its average daily assets each year for certain distribution-related activities. For the period ended May 31, 2018, 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 Funds’ Administrator pursuant to an Administration Agreement. Brown Brothers Harriman & Co. (the “Custodian” and “Transfer Agent”) serves as the Funds’ Custodian and Transfer agent pursuant to a Custodian Agreement and Transfer Agency Services Agreement. The Adviser of the Funds pays these fees.

Certain officers of the Trust are also employees of the Administrator or its affiliates. They receive no fees for serving as officers of the Trust.

7. INVESTMENT TRANSACTIONS

For the period ended May 31, 2018, the purchases and sales of investments in securities, excluding in-kind transactions, securities sold short, long-term U.S. Government and short-term securities were:

	Purchases	Sales and Maturities
REX VolMAXX™ Long VIX Futures Strategy ETF	\$ 4,696,353	\$ 6,837,742
REX VolMAXX™ Short VIX Futures Strategy ETF	52,245,182	29,515,868

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

For the period ended May 31, 2018, there were no in-kind transactions associated with creations and redemptions.

8. 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, accumulated undistributed net investment income (loss), or accumulated net realized gain (loss) as appropriate, in the period that the differences arise.

The tax character of dividends and distributions declared during the periods ended March 31, and November 30, 2017, respectively, were as follows:

	Ordinary Income March 31, 2017	Ordinary Income November 30, 2017
REX VolMAXX™ Long VIX Futures Strategy ETF	\$ —	\$ —
REX VolMAXX™ Short VIX Futures Strategy ETF	7,950	3,472,070

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

8. TAX INFORMATION (continued)

As of November 30, 2017, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

	REX VolMAXX™ Long VIX Futures Strategy ETF	REX VolMAXX™ Short VIX Futures Strategy ETF
Undistributed Ordinary Income	\$ —	\$ 3,668,907
Undistributed long-term capital gain	—	325,600
Capital loss carryforwards	(1,220,033)	—
Current year late year loss deferral	(56,625)	—
Other temporary differences	(2)	(4)
Unrealized appreciation (depreciation)	(1,070,662)	6,165,187
Total Accumulated Gains (Losses)	\$ (2,347,322)	\$ 10,159,690

The Funds are permitted to carry forward capital losses for an unlimited period. Additionally, capital losses that are carried forward will retain their character as either short-term or long-term capital losses.

Unlimited losses carried forward under these new provisions are as follows:

	Non-Expiring Short-Term Loss	Non-Expiring Long-Term Loss	Total
REX VolMAXX™ Long VIX Futures Strategy ETF	\$ 773,334	\$ 446,699	\$ 1,220,033

For Federal income tax purposes, the cost of securities owned at November 30, 2017, 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 and partnership basis adjustment, which cannot be used for Federal income tax purposes in the current year and have been deferred for use in future years.

9. RISKS OF INVESTING IN THE FUNDS

As with all ETFs, a shareholder of each Fund is subject to the risk that his or her investment could lose money. Each 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".

The Funds are not suitable for all investors and are designed to be utilized only by sophisticated investors who understand the risks associated with the use of derivatives and seeking "short" investment exposure, are willing to assume a high degree of risk, and intend to actively monitor and manage their investments in the Funds.

The Funds are actively managed and are not benchmarked to the VIX Index, which is calculated based on the prices of put and call options on the S&P 500® Index. As such, the Funds can be expected to perform very differently from the performance of the VIX Index. Although the REX VolMAXX™ Short VIX Futures Strategy ETF seeks to provide "short" exposure, the Fund does not promise or seek to provide any specific negative multiple of the performance of the VIX Index or VIX Futures Contracts over any specified period of time.

In addition, investors in the REX VolMAXX™ Short VIX Futures Strategy ETF should understand the consequences of the "short" strategy employed by the Fund, which is subject to, among others, compounding and market volatility risk. The Fund normally will adjust its portfolio on a daily basis in seeking to provide short exposure, which entails obtaining additional short exposure as the Fund experiences gains, and reducing short exposure as the Fund

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Continued)

9. RISKS OF INVESTING IN THE FUNDS (continued)

experiences losses. As a result, the Fund's performance may be more vulnerable to the effects of compounding than funds that do not seek to provide short investment exposure. During periods of high volatility, this risk may be exacerbated and the Fund may have losses as a result of such adjustments, even if the value of assets held by the Fund is ultimately unchanged.

Derivatives Risk

The Funds may invest in and will have investment exposure to VIX Futures Contracts and swap agreements, which are types of derivative contracts. A derivative refers to any financial instrument whose value is derived, at least in part, from the price of an underlying security, asset, rate, or index. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities. Changes in the value of a derivative may not correlate perfectly with the underlying security, asset, rate or index. Gains or losses in a derivative may be magnified and may be much greater than the derivative's original cost.

Leveraging Risk

The Fund's investment in derivative instruments generally requires a small investment relative to the amount of investment exposure assumed. As a result, such investments may give rise to losses that exceed the amount invested in those instruments. The cost of investing in such instruments generally increases as interest rates increase, which will lower the Fund's return.

Non-Diversification Risk

The Funds are non-diversified, meaning that, as compared to a diversified fund, they can invest a greater percentage of their assets in securities issued by or representing a small number of issuers. As a result, the performance of these issuers can have a substantial impact on the Funds' performance.

Portfolio Turnover Risk

Each Fund's investment strategy is expected to result in high portfolio turnover, which may result in increased transaction costs and may lower Fund performance.

Short Sales Risk

Short sales are transactions in which the Fund sells a security it does not own. To complete the transaction, the Fund must borrow the security to make delivery to the buyer. The Fund is then obligated to replace the security borrowed by purchasing the security at the market price at the time of replacement. The price at such time may be higher or lower than the price at which the security was sold by the Fund. If the security goes down in price between the time the Fund sells the security and buys it back, the Fund will realize a gain on the transaction. Conversely, if the security goes up in price during the period, the Fund will realize a loss on the transaction. Any such loss is increased by the amount of premium or interest the Fund must pay to the lender of the security. Likewise, any gain will be decreased by the amount of premium or interest the Fund must pay to the lender of the security. Because a short position loses value as the security's price increases and the market price of the security sold short could increase without limit, the loss on a short sale is theoretically unlimited. Short sales involve leverage because the Fund borrows securities and then sells them, effectively leveraging its assets.

Subsidiary Risk

The Subsidiaries are not registered under the 1940 Act and are not subject to all of the investor protections of the 1940 Act. Thus, each Fund, as the sole investor in its Subsidiary, will not have all of the protections offered to

VolMAXX Funds

Notes to the Consolidated Financial Statements

May 31, 2018 (Unaudited) (Concluded)

9. RISKS OF INVESTING IN THE FUNDS (continued)

shareholders of registered investment companies. By investing in its Subsidiary, a Fund is exposed to the risks of investing in the commodities markets. A Fund also will incur its pro rata share of the expenses of the Subsidiary. In addition, changes in the laws of the United States or the Cayman Islands, under which each Fund and its Subsidiary, respectively, are organized, could result in the inability of a Fund and/or its Subsidiary to operate as intended and could negatively affect the Funds and their shareholders.

Volatility Risk

The Fund's derivative investments, which are largely linked to equity market volatility levels, can be highly volatile and may experience large losses. Trading in VIX Futures Contracts and VIX Options Contracts, particularly contracts that are close to expiration, has been very volatile and can be expected to be very volatile in the future. The volatile nature of these instruments may have an adverse impact on the Fund beyond the impact of any changes in the VIX Index.

10. OTHER

At May 31, 2018, the records of the Trust reflected that 100% of each Fund's total Shares outstanding were held by seven Authorized Participants, in the form of Creation Units. However, the individual shares comprising such Creation Units are listed and traded on the Cboe BZX Exchange, Inc. and have been purchased and sold by persons other than Authorized Participants.

11. SHARE SPLITS

Effective December 29, 2016, the REX VolMAXX™ Short VIX Futures Strategy ETF underwent a 2-for-1 share split. The effect of the share split was to multiply the number of outstanding shares of the Fund by the split factor, with a corresponding decrease in the net asset value per share. This transaction did not change the net assets of the Fund or the value of a shareholder's investment.

Effective August 17, 2017, the REX VolMAXX™ Long VIX Futures Strategy ETF underwent a 1-for-8 reverse share split. The effect of the share split was to divide the number of outstanding shares of the Fund by the split factor, with a corresponding increase in the net asset value per share. This transaction did not change the net assets of the Fund or the value of a shareholder's investment.

12. SUBSEQUENT EVENTS

The Funds have evaluated the need for additional disclosures and/or adjustments resulting from subsequent events through the date the consolidated financial statements were issued. Based on this evaluation, please note the additional disclosure:

The Board approved the liquidation and closure of the REX VolMAXX™ Long VIX Futures Strategy ETF at its June 2018 meeting. The Fund subsequently liquidated on July 27, 2018.

VolMAXX Funds

Board Consideration of Approval of Advisory and Sub-Advisory Agreements

May 31, 2018 (Unaudited)

At a meeting of the Board of Trustees (the “Board”) of Exchange Traded Concepts Trust (the “Trust”) held on March 27, 2018, the Board considered and approved the continuance of the following agreements with respect to the REX VolMAXXTM Long VIX Futures Strategy ETF and REX VolMAXXTM Short VIX Futures Strategy ETF (each, a “Fund” and together, the “Funds”):

- the investment advisory agreement between the Trust, on behalf of the Funds, and Exchange Traded Concepts, LLC (the “ETC”), pursuant to which ETC currently provides advisory services to the Funds (the “Advisory Agreement”); and
- the investment sub-advisory agreement between ETC and Vident Investment Advisory, LLC (the “Vident”), pursuant to which Vident currently provides sub-advisory services to the Fund (the “Sub-Advisory Agreement” and, together with the Advisory Agreement, the “Agreements”).

Pursuant to Section 15 of the Investment Company Act of 1940 (the “1940 Act”), the continuance of the Agreements must be approved: (i) by the vote of the Trustees or by a vote of the shareholders of the Funds; and (ii) by the vote of a majority of the Trustees who are not parties to the Agreements or “interested persons” of any party thereto, as defined in the 1940 Act (the “Independent Trustees”), cast in person 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 ETC and Vident are required to furnish, such information as may be reasonably necessary to evaluate the terms of the Agreements. In addition, rules under the 1940 Act require an investment company to disclose in its shareholder reports the material factors and the conclusions with respect thereto that formed the basis for the board’s approval of an investment advisory agreement.

In considering whether to approve the continuance of the Agreements, the Board took into consideration (i) the nature, extent, and quality of the services provided by ETC and Vident to the Funds; (ii) ETC and Vident’s cost and profits realized from providing such services, including any fall-out benefits enjoyed by ETC and Vident or their affiliates; (iii) comparative fee and expense data for each Fund; (iv) the extent to which the advisory and sub-advisory fees reflect economies of scale shared with Fund shareholders; and (v) other factors the Board deemed to be relevant. In their deliberations, the Board did not identify any single piece of information discussed below that was all-important, controlling, or determinative of its decision.

In considering the nature, extent, and quality of the services provided to each Fund, the Board considered ETC and Vident’s specific responsibilities in all aspects of day-to-day management of each Fund. The Board noted that ETC’s responsibilities include overseeing the activities of Vident and monitoring compliance with various Fund policies and procedures and with applicable securities regulations, while Vident’s responsibilities include determining from time to time what assets will be purchased, retained or sold by the Funds, and what portion of the assets will be invested or held uninvested in cash; placing orders with respect to transactions in securities or other assets held or to be acquired by the Funds; selecting broker-dealers for executing portfolio 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 Funds. The Board noted that Vident is responsible for, among other portfolio transaction-related duties, purchasing, selling, and “rolling” futures contracts, and noted Vident’s lead portfolio manager’s previous experience trading the types of futures contracts in which the Funds invest. The Board considered the qualifications, experience and responsibilities of ETC and Vident’s investment personnel, the quality of ETC and Vident’s compliance infrastructure, and the determination of the Trust’s Chief Compliance Officer that ETC and Vident have appropriate compliance policies and procedures in place. The Board noted that it had reviewed ETC and Vident’s registration forms on Form ADV as well as ETC and Vident’s responses to a detailed series of questions, which included a description of ETC and Vident’s operations, service offerings, personnel, compliance program, risk management program, and financial condition. The Board considered ETC and Vident’s experience working

VolMAXX Funds

Board Consideration of Approval of Advisory and Sub-Advisory Agreements

May 31, 2018 (Unaudited) (Concluded)

with ETFs, including the Funds, other series of the Trust, and other ETFs managed by ETC and Vident outside of the Trust. The Board also considered other services provided to the Funds by ETC, such as arranging for transfer agency, custody, fund administration and accounting, and other non-distribution related services necessary for the Funds to operate, administering each Fund's business affairs, providing office facilities and equipment and certain clerical, bookkeeping and administrative services, and providing its officers and employees to serve as officers or Trustees of the Trust.

The Board was provided with reports regarding the past performance of each Fund. The Board noted that each Fund's investment performance was in line with ETC's and Vident's expectations. The Board also noted that each Fund had been operating for less than two years, which was a relatively short period to judge an adviser's performance.

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 each Fund by ETC and Vident.

The Board reviewed the advisory and sub-advisory fees paid to ETC and Vident for their services to each Fund under the Agreements and compared the fees to those paid by comparable products, including ETFs. The Board noted that each Fund's advisory fee was at the higher end of the range of advisory fees paid by other peer products and took into account the limited universe of peers available for comparison purposes, the various differences between the Funds and the peer products, and the nature of the Funds' investment strategy. The Board took into consideration that the advisory fee for each Fund was a "unified fee," meaning that each Fund pays no expenses other than certain expenses customarily excluded from unitary fee arrangements, such as brokerage commissions, taxes, interest, and acquired fund fees and expenses. The Board noted that ETC is responsible for compensating the Trust's other service providers and paying each Fund's other expenses out of its own fee and resources but that REX Shares, LLC has agreed to assume the responsibility to pay each Fund's expenses out of its own fee and resources. The Board further noted, nevertheless, that ETC is ultimately responsible for ensuring that the obligation to each Fund is satisfied. The Board further noted that each Fund seeks to achieve its primary investment objective in part by investing up to 25% of its total assets, as measured at the end of every quarter of the Fund's taxable year, in a wholly-owned and controlled Cayman Islands subsidiary (each, a "Subsidiary") advised by ETC, and noted that ETC had contractually agreed to waive the advisory fee it receives from each Fund in an amount equal to the advisory fee paid to ETC by the corresponding Subsidiary. The Board considered the appropriateness of each Fund's advisory fee as well as the advisory fee's comparability to peer products, taking into consideration the profitability and comparable fee analyses with which it had been provided as well as the nature of the Funds' investment strategy. The Board noted that the sub-advisory fees under the Sub-Advisory Agreement have two components: 1) a basis point fee based on assets under management and 2) a minimum annual fee. The Board considered that the fees are paid by ETC, not the Funds, and that each fee reflected an arm's length negotiation between ETC and Vident. The Board further determined that each fee reflected an appropriate allocation of the advisory fees paid to ETC given the work performed by each firm. The Board considered the costs and expenses incurred by ETC and Vident in providing advisory and sub-advisory services, evaluated the compensation and benefits received by ETC and Vident from its relationship with each Fund, and reviewed profitability analyses from ETC and Vident with respect to each Fund. In light of this information, the Board concluded for each Fund that the advisory and sub-advisory fees appeared reasonable in light of the services rendered. In addition, the Board considered for each Fund whether economies of scale have been realized. The Board concluded that no significant economies of scale have been realized by the Funds and that the Board will have the opportunity to periodically reexamine whether such economies have been achieved.

No single factor was determinative of the Board's decision to approve the continuance of the Agreements on behalf of the Funds; 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 Agreements, including the compensation payable thereunder, were fair and reasonable to the Funds. The Board, including a majority of the Independent Trustees, therefore determined that the approval of the continuance of the Agreements was in the best interests of each Fund and its shareholders.

VolMAXX Funds

Disclosure of Fund Expenses

(Unaudited)

All ETFs have operating expenses. As a shareholder of a Fund you incur an advisory fee. In addition to the advisory fee, a shareholder may pay brokerage expenses, taxes, interest, litigation expenses, dividend expense on securities sold short, 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 expense ratio and are intended to help you understand the ongoing costs (in dollars) of investing in your 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 (December 1, 2017 to May 31, 2018).

The table below illustrates your Fund's costs 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 12/01/17	Ending Account Value 5/31/18	Annualized Expense Ratios	Expenses Paid During Period ⁽¹⁾
REX VolMAXX™ Long VIX Futures Strategy ETF				
Actual Fund Return	\$ 1,000.00	\$ 1,451.30	1.44%	\$8.80
Hypothetical 5% Return	\$ 1,000.00	\$ 1,017.75	1.44%	\$7.24
REX VolMAXX™ Short VIX Futures Strategy ETF				
Actual Fund Return	\$ 1,000.00	\$ 99.60	2.39%	\$6.55
Hypothetical 5% Return	\$ 1,000.00	\$ 1,013.01	2.39%	\$11.99

⁽¹⁾ Expenses are equal to the Fund's annualized expense ratio (including broker expense on securities sold short) multiplied by the average account value over the period, multiplied 182/365 (to reflect the one-half year period shown).

VolMAXX Funds

Supplemental Information

(Unaudited)

Net asset value, or “NAV”, is the price per share at which a Fund issues and redeems shares. It is calculated in accordance with the standard formula for valuing mutual fund shares. The “Market Price” of a Fund generally is determined using the midpoint between the highest bid and the lowest offer on the stock exchange on which the Shares of a Fund are listed for trading, as of the time that the Fund’s NAV is calculated. A Fund’s Market Price may be at, above or below its NAV. The NAV of a Fund will fluctuate with changes in the market value of the Fund’s holdings. The Market Price of a 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 a Fund on a given day, generally at the time NAV is calculated. A premium is the amount that a Fund is trading above the reported NAV, expressed as a percentage of the NAV. A discount is the amount that a Fund is trading below the reported NAV, expressed as a percentage of the NAV.

Further information regarding premiums and discounts is available on the Funds’ website at www.volmaxx.com.

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Independent Registered Public Accounting Firm:

Cohen & Company, Ltd.
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Cleveland, OH 44115

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