



**Exchange Traded Concepts Files Forensic Accounting ETF with Established Manager  
John Del Vecchio to Utilize ETF-in-a-Box™ Platform to Launch ETF Based on Earnings  
Quality Index**

Oklahoma City, OK — October 22, 2012 — Exchange Traded Concepts, LLC (ETC), in conjunction with Index Deletion Strategies (Index), has filed a registration statement and preliminary prospectus with the Securities and Exchange Commission to issue the Forensic Accounting ETF (FLAG). FLAG will represent the first long-only exchange-traded fund strategy based on an index derived from forensic accounting principles that red flags problems in a company's financial statements, enabling FLAG to exclude such companies from its portfolio.

John Del Vecchio, CFA, an Index principal and forensic accountant, is currently portfolio manager of the Active Bear ETF (HDGE), the largest actively managed equity ETF with \$330 million in assets and the only actively managed short ETF. He plans to use his more than a decade of experience as a portfolio manager using forensic accounting to short stocks in establishing FLAG as an alternative to traditional index funds.

FLAG will track the Del Vecchio Earnings Quality Index, which assigns 500 large capitalization stocks A through F scores based on Del Vecchio's "earnings quality" method. The index excludes F ranked stocks rather than shorting them, allowing investors to attain the alpha of the index without taking short positions. Constituents stocks are weighted by earnings quality rather than market capitalization.

“John's choice to work with us reinforces the value of leveraging our counsel and operational expertise to introduce new concepts to the ETF marketplace,” says J. Garrett Stevens, CEO of ETC. “His team has a proven ability to manage and market a successful ETF and our platform will enable them to best leverage that expertise for this new ETF.”

“ETC has offered us the guidance and service relationships necessary to bring this rules-based ETF concept to market expediently,” says Del Vecchio. “Our expertise in using forensic accounting at the core of our investment analysis has already been validated for ETF investors on the short side. They will soon have the opportunity to capitalize on our earnings quality-based strategy in a long-only index structure too.”

[What's Behind the Numbers?](#) (McGraw Hill, 2012), penned by Del Vecchio and colleague Tom Jacobs, was published October 2012 and provides extended detail and insight into the investment philosophy that underlies forensic accounting-based investment strategies.

### **About Exchange Traded Concepts**

ETC is carving out a niche as a portal to launch new, custom exchange-traded funds efficiently and cost-effectively through a complete turnkey solution. ETC is a private-label ETF advisor

with passive exemptive relief from the SEC to launch both domestic and international equity exchange traded funds under the Investment Company Act of 1940.

Investment managers, independent advisors, foreign managers and others seeking to launch an ETF for their strategy have the opportunity to build awareness and recognition for their brand as a private label ETF and, for a relatively low initial investment, launch an ETF in approximately one-third of the time it would take to launch an ETF from scratch.

ETC's ETF-in-a-Box™ Solution is a turnkey platform that provides time-sensitive and cost-effective methods to bring an exchange-traded fund to market. Seasoned ETF professionals have the operational and regulatory experience plus the industry contacts needed to navigate the complexities of launching and managing an ETF.

ETC has developed strategic relationships with other ETF service providers to assist ETC's sub-advisors in navigating the exchange-traded fund launch process with the guidance necessary to maintain regulatory compliance.

ETC can assist your firm to successfully launch an ETF strategy. For more information, please go to [www.ExchangeTradedConcepts.com](http://www.ExchangeTradedConcepts.com).