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## **Vident Financial Launches U.S. Diversified Real Estate ETF (PPTY)**

*Multi-factor real estate ETF for investors who know that location, property type, and leverage matter.*

ATLANTA, (March 27, 2018) – Vident Financial, LLC today announced the launch of **PPTY - U.S. Diversified Real Estate ETF** (NYSE Arca: PPTY), a multi-factor alternative to traditional market cap-weighted real estate funds.

“If you ask for the three most important factors when investing in real estate, you’ll probably hear ‘location, location, location.’ To this we’d add property type and leverage,” said Fred Stoops, head of real estate investments at Vident.

“The factors that matter when investing in real estate are no secret,” Stoops continued. “Yet they’re ignored by the traditional cap-weighted approach, which today has over 95% of REIT ETF assets. With the launch of PPTY, we’re looking to give investors access to a better solution: a rules-based fund that delivers diversified exposure to U.S. real estate.”

PPTY seeks to track, before fees and expenses, the performance of the U.S. Diversified Real Estate Index (PPTYX). The portfolio construction process uses data on the individual properties held by each company in the investment universe to build a portfolio diversified by location and property type. Leverage and governance factors are further included to reduce exposure to higher risk companies.

- **Location:** PPTY’s stable geographic targets deliver consistent diversification within each property type.
- **Property Type:** PPTY uses fixed allocations to each property type to ensure appropriate diversification. The largest allocations are to core property types

such as residential, office, and industrial due to their strong track record of delivering the stable income, inflation protection and growth investors seek in real estate.

- **Leverage:** PPTY reduces allocations to companies with high debt in favor of firms with strong balance sheets.
- **Governance:** PPTY excludes companies with two governance risk factors—external management and a minority of their shares publicly listed.

PPTY's rules-based approach uses these factors to provide the consistent, diversified real estate exposure investors seek.

Vince Birley, chief executive officer at Vident, added, "With all our ETFs, we seek to identify specific factors utilizing our principle based framework that can add value for investors, and we've done that again with PPTY. We're delighted to introduce this innovative new fund to the marketplace, the fifth in our growing family of exchange traded funds."

PPTY has a management fee of 0.53 percent, and joins a lineup of Vident Financial ETFs that also includes the [Vident International Equity Fund \(VIDI\)](#), [Vident Core U.S. Equity Fund \(VUSE\)](#), [Vident Core U.S. Bond Strategy \(VBND\)](#), and [FLAG-Forensic Accounting Long-Short ETF \(FLAG\)](#). As of March 20, 2018, Vident's ETF family had a total of approximately \$1.94 billion in assets under management

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### **About Vident Financial**

Vident Financial develops investment market solutions (indices and funds) based on a distinct philosophy. Their investment strategies are founded upon sound principles that help identify environments where capital is going to thrive long-term, measuring different factors (human productivity, quality leadership, etc.) embedded within multiple process layers. Visit [www.videntfinancial.com](http://www.videntfinancial.com) for more information.

Vident ETF's are dedicated to a principle based investing approach, overweighting in countries and companies with strong leadership and governance that foster greater prosperity. Therefore, prudent fiscal management and ethical governance are emphasized.

Vident Financial has been dedicated to answering to one shareholder, the Vident ETF shareholder. Vident's company structure assures that excess profits are used for the ETF shareholders either in the form of further research or fee reductions; Vident recently announced a 10% reduction in fees on the Vident funds as of January 31, 2018. Vident's corporate structure advocating for the fund shareholders has been compared to Vanguard's corporate structure.

***Carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and additional information can be found in the Fund's prospectus, which may be obtained by visiting [www.pptyetf.com](http://www.pptyetf.com). Read the prospectus carefully before investing.***

Investing involves risk, including the possible loss of principal. Because the Fund is a fund of funds, its investment performance largely depends on the investment performance of the Underlying Funds in which it invests. An investment in the Fund is subject to the risks associated with the Underlying Funds that comprise the Index, including risks related to investments in derivatives, REITs, foreign securities and municipal securities. Fixed-income securities' prices generally fall as interest rates rise. High yield securities are subject to the increased risk of an issuer's inability to meet principal and interest payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the non-investment grade securities markets, real or perceived adverse economic conditions, and lower liquidity. Preferred stock is subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred stock may not pay a dividend, an issuer may suspend payment of dividends on preferred stock at any time, and in certain situations an issuer may call or redeem its preferred stock or convert it to common stock. International investments may also involve risk from unfavorable fluctuations in currency values, differences in generally accepted accounting principles, and from economic or political instability. There is no guarantee that the fund will meet its investment objective. The Fund may invest in derivatives, including futures contracts, which are often more volatile than other investments and may magnify the Fund's gains or losses. The fund is new with limited operating history. Leverage may cause the effect of an increase or decrease in the value of the portfolio securities to be magnified and the fund to be more volatile than if leverage was not used. Although the Fund intends to invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, as a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV and are not individually redeemed from the Fund.

**Diversification - Diversification does not assure a profit nor protect against principal loss in a declining market.**

**Definition: U.S. Diversified Real Estate Index (PPTYX) - The index is designed to track the performance of real estate investment trusts (REIT) and other companies that invest directly or indirectly in real estate through development, management, or ownership, including property agencies.**

Exchange Traded Concepts, LLC ("ETC") serves as the investment advisor to the U.S. Diversified Real Estate ETF, (PPTY), and is distributed by Quasar Distributors, LLC.