



etfexpress USA Awards 2012





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VelocityShares

Best Alternative ETF Management Firm & most innovative North American ETN provider

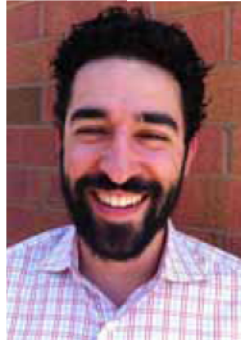
VelocityShares is a leader in designing exchange-traded products and sophisticated tail-risk strategies for institutional investors. The team focuses on developing liquid instruments that enable institutional investors to manage their risk and express short-term market views: an increasingly vital function in today's current risk on, risk off environment.

VelocityShares, which manages ETPs totalling approximately USD800million, was founded (1) based on the recognition that institutional investors represent an underserved segment of the exchange traded products market, and (2) with the goal of developing products specifically designed for this segment.

The firm's executive management team is comprised of Nick Cherney, CIO, Richard Hoge, CFO, and Steven Quinn, Head of Distribution. The team has significant experience across asset classes on both the buy- and sell-sides of the financial markets.

Employing that combined knowledge and insight has enabled VelocityShares to develop an innovative range of exchange traded products. It currently offers 22 ETPs across three core categories: Volatility, Metals and Energy.

"Since founding VelocityShares in 2009, our sole focus has been on developing products for institutional investors looking to manage their market risks and express market views. Product decisions are based on our understanding of investor needs, and investors



Nick Cherney, CIO,
VelocityShares

are interested in managing their exposures to volatility, metals, and energy," says Cherney.

Cherney confirms that the firm has a number of new, innovative products "in development", which it expects to unveil during the second half of 2012. "As with our existing suite of products, these new products have been developed to fulfil the needs of institutional investors," says Cherney.

VelocityShares' commitment to launching sophisticated products to meet the risk management requirements of institutional investors is evident in the process involved in developing new products. The needs of the investors are the primary driver when undertaking the design of new instruments, and the success of this process is in large part due to VelocityShares' close investor relationships.

The firm has committed significant resources to developing tail risk strategies employing VIX futures-based ETPs. These strategies take advantage of both the convexity of leveraged and inverse instruments and the tendency of VIX futures indices to "spike and bleed". It is this combination of fundamentals coupled with the VIX futures indices' negative correlation to the S&P 500 that enabled the creation of the next generation of tail risk strategies.

When asked why it is he thinks VelocityShares won the two awards, Cherney comments: "It gets back to the heart of our development process and how we think about markets. We've assembled a team that is unique in the EIP market - everyone has experience in, and is focused on, the institutional marketplace. It is this level of experience and our focus on institutional investors that truly differentiates us from competitors in the market."

On winning the award, Cherney says: "We are thrilled. It is a great feeling to have your efforts and ideas embraced by the market. It is a very competitive universe, and there is nothing like being recognised as a leader by your peers." ■



Will Lloyd accepts
VelocityShares' awards from
Malcolm Dunn