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**alpha architect**

# ***MONTHLY UPDATE***

**ALPHA ARCHITECT  
FOCUSED FACTOR ETFS  
(QVAL/IVAL & QMOM/IMOM)**

We Empower Investors Through Education | Affordable Alpha

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# Our Unique Focused Factor ETF Lineup

ETF Name	ETF Ticker	Inception Date	Factor Exposures	Gross Expense Ratio	Net Expense Ratio <sup>1</sup>	Strategy Overview	Weighting Methodology
U.S Quantitative Value ETF	QVAL	10/22/2014	Focused Value	0.49%	0.49%	Top decile EBIT/TEV, split by quality	Equal-Weight
International Quantitative Value ETF	IVAL	12/17/2014	Focused Value	0.59%	0.59%	Top decile EBIT/TEV, split by quality	Equal-Weight
U.S Quantitative Momentum ETF	QMOM	12/02/2015	Focused Momentum	0.49%	0.49%	Top decile momentum, split by momentum quality	Equal-Weight
International Quantitative Momentum ETF	IMOM	12/23/2015	Focused Momentum	0.59%	0.59%	Top decile momentum, split by momentum quality	Equal-Weight

<sup>1</sup> The Net Expense Ratio represents the percentage applicable to investors.

# Quantitative Value Position Changes (Top 5 ranked by Valuation)

## QVAL: U.S. Value (June)

Add

Ticker	Name	Weight	P/E	EBIT/TEV
AMCX	AMC NETWORKS INC	2.03%	4.3x	19.95%
SANM	SANMINA CORPORATION	2.38%	16.91x	16.69%
KFY	KORN FERRY	2.48%	15.88x	15.98%
MTOR	MERITOR INC	2.44%	3.85x	13.97%
DAN	DANA INC	2.25%	10.31x	13.95%

Drop

Ticker	Name	Weight	P/E	EBIT/TEV
FFIV	F5 NETWORKS INC	3.47%	24.64x	5.84%
KAR	KAR AUCTION SVCS INC	2.03%	15.73x	6.37%
HLF	HERBALIFE NUTRITION LTD	3.63%	25.29x	6.96%
PVH	PVH CORPORATION	1.79%	--	7.63%
BC	BRUNSWICK CORP	2.91%	242.01x	7.66%

## IVAL: International Value (May)

Add

Ticker	Name	Weight	P/E	EBIT/TEV
3765 JP	GUNGHO ONLINE ENTE	2.10%	7.08x	58.85%
7313 JP	TS TECH CO.LTD.	2.09%	14.38x	39.93%
1963 JP	JGC HLDGS CORP	2.17%	72.63x	24.77%
9987 JP	SUZUKEN CO LTD	1.83%	12.84x	21.06%
1942 JP	KANDENKO CO LTD	2.08%	8.9x	18.24%

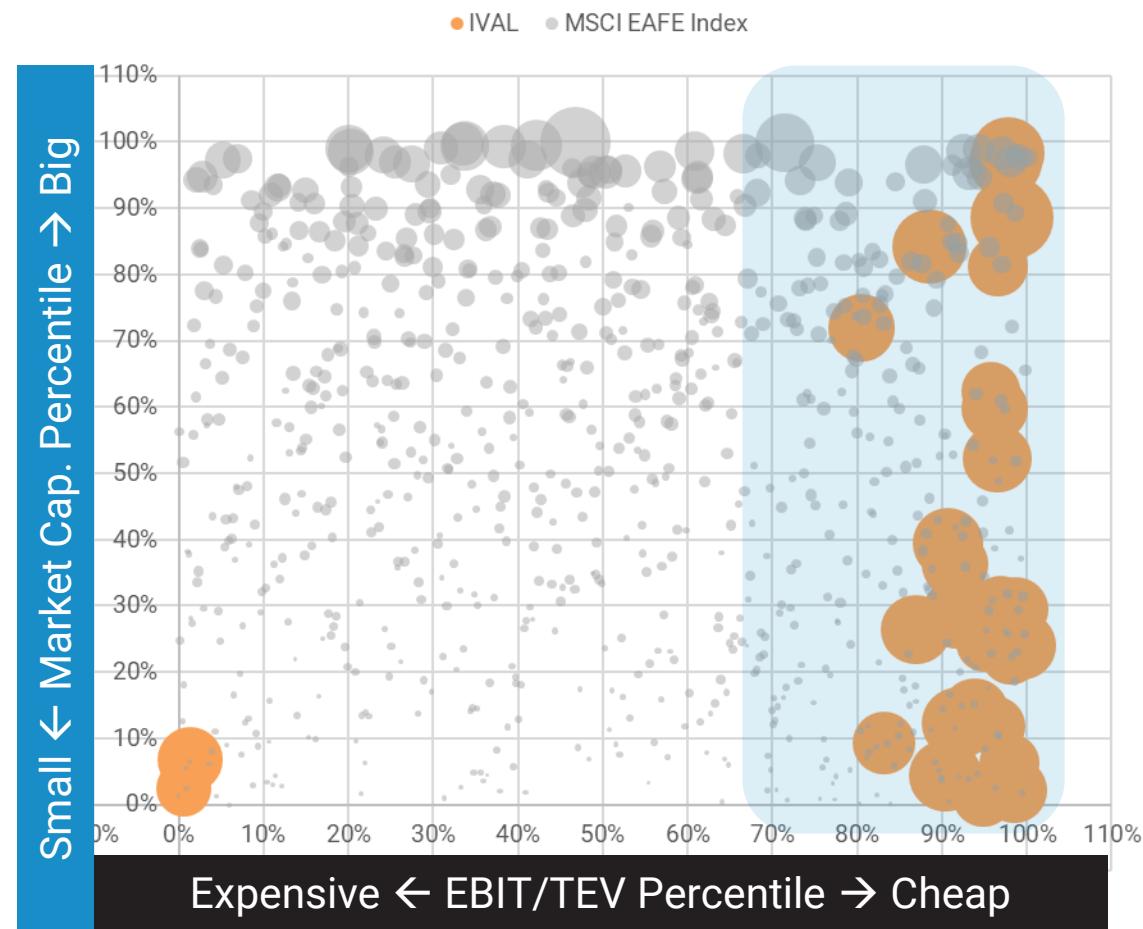
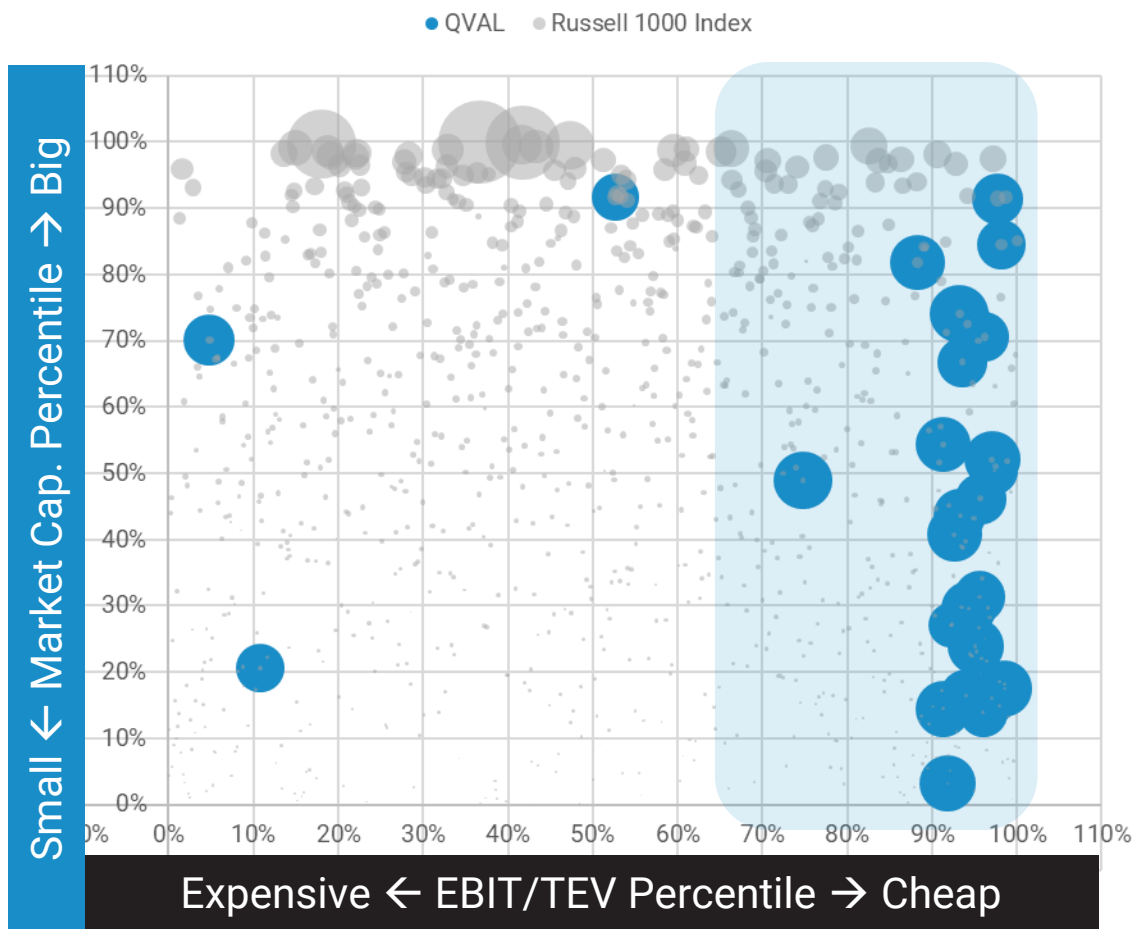
Drop

Ticker	Name	Weight	P/E	EBIT/TEV
6417 JP	SANKYO CO LTD	2.16%	15.6x	-238.49%
4506 JP	SUMITOMO DAINIPPON	2.29%	15.58x	4.20%
RNO FP	RENAULT SA	1.03%	--	5.31%
3659 JP	NEXON CO LTD	3.87%	18.46x	6.63%
868 HK	XINYI GLASS HLDGS	2.75%	8.24x	7.53%

Source: Data are from FactSet. Holdings' characteristics are only displayed for the most recent rebalance (month rebalanced in parentheses). P/E is defined as price divided by net income. EBIT/TEV is defined as earnings before interest and taxes divided by total enterprise value. For the "Add" column the top 5 are chosen based on the highest EBIT/TEV measures. For the "Drop" column the top 5 are chosen based on the lowest EBIT/TEV measures. For "Adds" the weight is the holdings weight in the ETF at the as of date. For "Drops" the weight is the holdings weight in the ETF at the end of the month prior to the as of date.

# QVAL/IVAL Visual Active Share

These strategies seek concentration in low-priced companies across the size spectrum



# Quantitative Momentum Position Changes (Top 5 ranked by Momentum)

## QMOM: U.S. Momentum (August)

Add

Ticker	Name	Weight	Momentum
DOCU	DOCUSIGN INC	1.99%	364.40%
FVRR	FIVERR INTL LTD	1.93%	299.44%
DKNG	DRAFTKINGS INC	1.83%	220.45%
FSLY	FASTLY INC	2.06%	205.35%
VICR	VICOR CORP	2.06%	167.20%

Drop

Ticker	Name	Weight	Momentum
AMBA	AMBARELLA INC	1.32%	-18.95%
RGLD	ROYAL GOLD INC	1.73%	5.93%
FCN	FTI CONSULTING INC	1.68%	10.45%
LDOS	LEIDOS HOLDINGS INC	1.49%	10.56%
CHE	CHEMED CORP NEW	1.75%	14.87%

## IMOM: International Momentum (June)

Add

Ticker	Name	Weight	Momentum
SINCH SS	SINCH AB	2.82%	487.02%
EVO SS	EVOLUTION GAMING	2.31%	173.17%
NEL NO	NEL ASA	2.76%	146.48%
1973 JP	NEC NETWORKS & SYS	2.19%	139.19%
3110 JP	NITTO BOSEKI CO	1.91%	122.05%

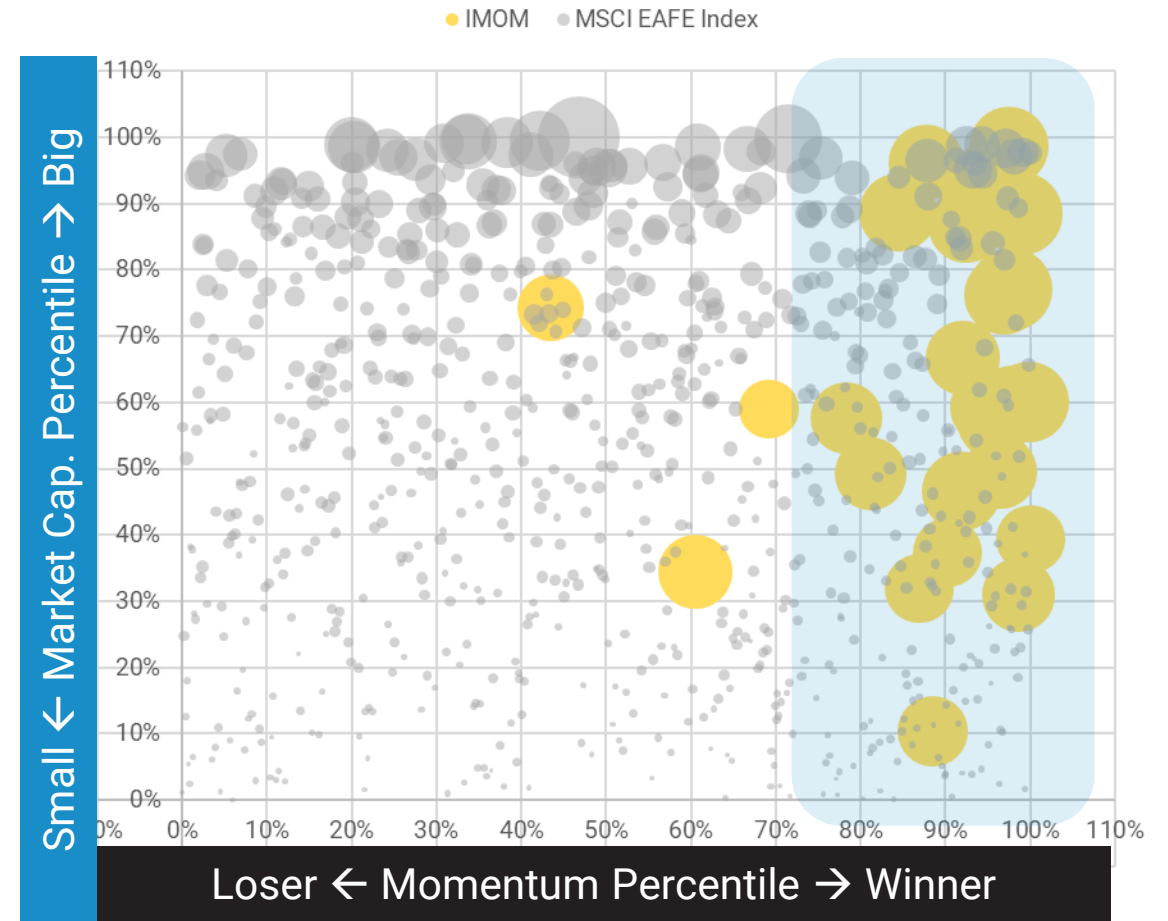
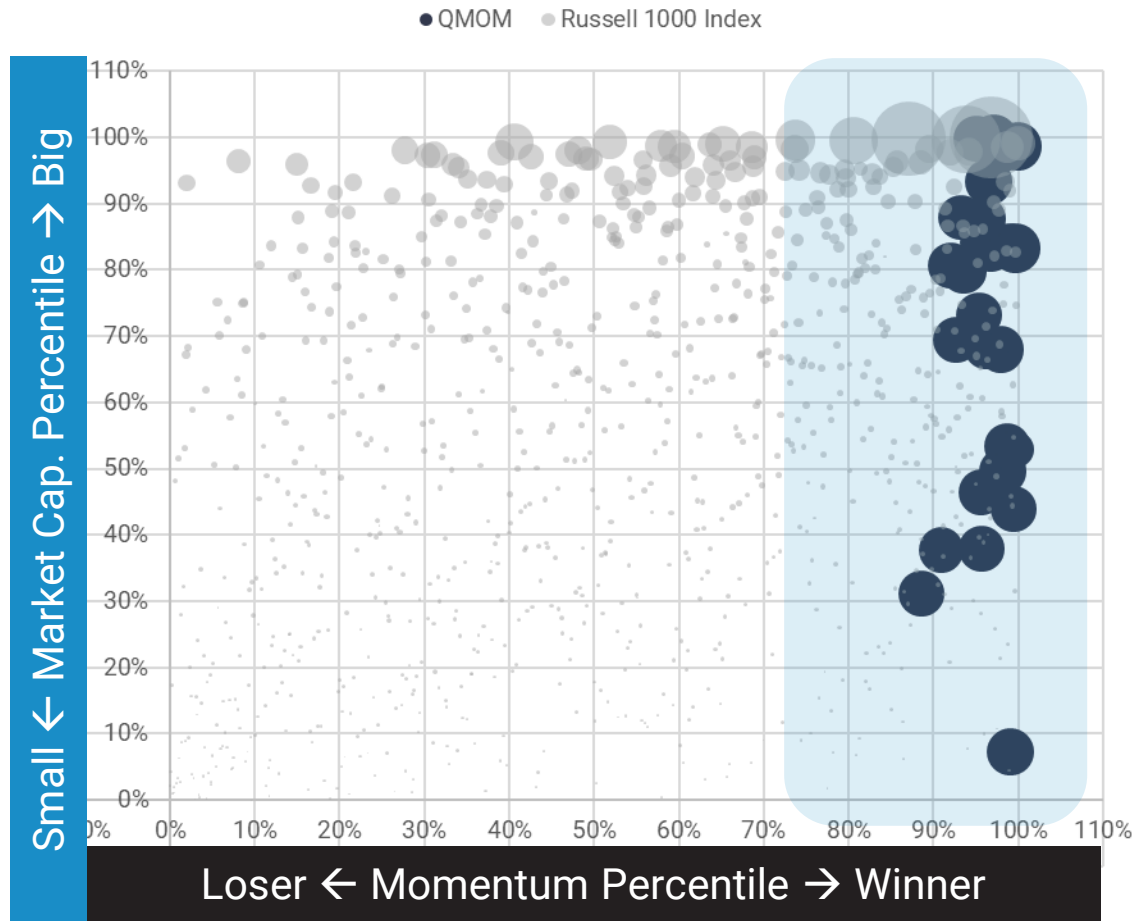
Drop

Ticker	Name	Weight	Momentum
ALHE IT	ALONY HETZ	1.46%	-25.81%
LAND SW	LANDIS & GYR GROUP	1.66%	-20.64%
EVD GR	CTS EVENTIM AG & C	1.79%	-17.50%
MVNE IT	MIVNE REAL ESTATE	1.61%	-16.68%
PST IM	POSTE ITALIANE SPA	1.75%	-14.91%

Source: Data are from FactSet. Holdings' characteristics are only displayed for the most recent rebalance. Holdings' characteristics are only displayed for the most recent rebalance (month rebalanced in parentheses). "No Rebalance" means there was not a rebalance during the month. Momentum is defined as the cumulative total return for the past 12 months, excluding the most recent month. Momentum is a characteristic of the underlying holdings and should not be construed as fund or index performance. For the "Add" column the top 5 are chosen based on the top 5 Momentum measures. For the "Drop" column the top 5 are chosen based on the lowest Momentum measures.

# QMOM/IMOM Visual Active Share

These strategies seek concentration in high momentum stocks across the size spectrum



# IMPORTANT INFORMATION - DISCLOSURES

The Funds are distributed by Quasar Distributors, LLC. The Funds' investment advisor is Empowered Funds, LLC which is doing business as Alpha Architect.

References to other funds should not be interpreted as an offer of these securities.

Holdings are subject to change at any time and are not recommendations to buy or sell any security.

Investments involve risk. Principal loss is possible. Redemptions are limited and often commissions are charged on each trade. VMOT is non-diversified, which may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Fund's Shares and greater risk of loss. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value.

Value investing is subject to the risk that intrinsic values of investments may not be recognized by the broad market or that their prices may decline. Investments utilizing quantitative methods may perform differently than the market as a result of characteristics and data used and changes in trends. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are magnified in emerging markets.

Momentum investing is investing in or having exposure to securities with positive momentum entails investing in securities that have had above-average recent returns. These securities may be more volatile than a broad cross-section of securities. Returns on securities that have previously exhibited momentum may be less than returns on other styles of investing or the overall stock market. Momentum can turn quickly and cause significant variation from other types of investments, and stocks that previously exhibited high momentum may not experience continued positive momentum. In addition, there may be periods when the momentum style is out of favor, and during which the investment performance of the Fund using a momentum strategy may suffer.

The Funds are not actively managed. Maintaining investments regardless of market conditions or the performance of an individual investment could cause the Funds' returns to be lower than if the Funds employed an active strategy. The performance of the Funds and their Indices may differ due to tracking error.

Because it invests primarily in other funds, the Value Momentum Trend Fund's investment performance largely depends on the investment performance of those underlying Alpha Architect ETFs. An investor will indirectly bear the principal risks and its share of the fees and expenses of the underlying funds. Derivatives can be volatile and involve various types and degrees of risks including hedging risk. The use of derivatives in connection with the Alpha Architect Value Momentum Trend Index's hedging strategies may expose the Index (and therefore the Value Momentum Trend Fund) to losses (some of which may be sudden) that it would not have otherwise been exposed to if it had only invested directly in equity securities.

*The Funds' investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company. Click here for the VMOT [Prospectus](#) and [SAI](#). All fund documents can be found at <https://etfsite.alphaarchitect.com/documents/>. A free hardcopy of any prospectus may be obtained by calling +1.215.882.9983. Read carefully before investing.*

# IMPORTANT INFORMATION - DISCLOSURES

- Underlying data are from FactSet. Fund characteristics are weighted averages by security weight and derived by Alpha Architect.
- Size is market capitalization which is defined as the total market value of the company's listed equity in millions.
- Value is price to earnings which is defined as price divided by net income.
- EBIT/TEV is defined as earnings before interest and taxes divided by total enterprise value.
- Momentum (2-12) is defined as the cumulative total return for the past 12 months, excluding the most recent month.
- Quality is return on assets which is defined as net income divided by total assets.
- Active share is the percentage of a portfolio's stock holdings that differ from its benchmark index. It is based on the weightings of securities in a portfolio compared with those of its benchmark and can be used as a measure of the degree of a portfolio's active management. See Cremers, K. J. Martijn, and Antti Petajisto, 2009, "How active is your fund manager? A new measure that predicts performance," *Review of Financial Studies* 22, 3329-3365 for more information.
- The Russell 1000 Index (Russell 1000) is a capitalization-weighted index that measures the performance of the broad U.S. equity market. Indexes are unmanaged, do not reflect management or trading fees, and one cannot invest directly in an index.
- The MSCI EAFE Index is a capitalization-weighted index that measures the performance of international developed stocks. Indexes are unmanaged, do not reflect management or trading fees, and one cannot invest directly in an index.