

# QMOM | US Quantitative Momentum ETF

**Why consider QMOM?** | QMOM targets stocks with the strongest relative momentum over the past year. The portfolio is **equal-weighted and rebalanced monthly** to maintain consistent exposure to what we believe to be the strongest US momentum stocks on the expectation that stocks with these characteristics will outperform over time.

	US Momentum ETFs <sup>1</sup>	QMOM	Potential Advantage
Avg. # of holdings	187.5	50.0	FOCUSED
Turnover Ratio <sup>2</sup>	122.3%	193.0%	ACTIVE
S&P 500 Overlap <sup>3</sup>	16.7%	4.7%	UNIQUE
Momentum Score (weighted avg.) <sup>4</sup>	70.1%	105.4%	MOMENTUM

Source: FactSet, YCharts, Alpha Architect. Data as of 1/9/2025 for 12/31/2024

**QMOM Top 10 Holdings by Momentum Score** | QMOM's equal-weighted strategy tends to **invest at a higher weighting than a market-cap weighted strategy**; rebalancing frequently may increase the probability that we own a portfolio of high momentum stocks that continue to experience price appreciation.

Ticker	Name	Sector	Momentum Score	Mkt. Cap. (\$ bil)	QMOM Weighting	S&P 500 <sup>5</sup> Weighting
ADMA	ADMA Biologics, Inc.	Healthcare	350.68%	\$4,359	1.96%	--%
FTAI	FTAI Aviation Ltd.	Finance	265.23%	\$15,524	1.91%	--%
CAVA	CAVA Group, Inc.	Cons. Svcs.	259.36%	\$13,186	1.70%	--%
SFM	Sprouts Farmers Mkt, Inc.	Non-Cycl.	215.75%	\$13,464	1.88%	--%
EAT	Brinker International, Inc.	Cons. Svcs.	214.45%	\$6,271	2.32%	--%
TPL	Texas Pacific Land Corp.	Finance	201.26%	\$27,823	1.66%	0.04%
CRS	Carpenter Tech. Corp.	Materials	185.86%	\$8,979	1.97%	--%
NTRA	Natera, Inc.	Healthcare	185.71%	\$22,127	2.01%	--%
SPOT	Spotify Technology SA	Technology	162.49%	\$92,897	1.98%	--%
TOST	Toast, Inc. Class A	Cons. Cycl.	146.06%	\$21,357	1.87%	--%

Source: FactSet, YCharts, Alpha Architect. Holdings as of 1/9/2025 for 12/31/2024. **Investing involves risk, including the loss of principal. Past performance does not guarantee future results.** <sup>1</sup>**US Momentum ETFs** represented by ETFs that we believe use a momentum-based strategy to manage its portfolio. Momentum defined as buying securities that have had high returns over a recent period and selling those that have had poor returns over the same period. Funds selected based on the appearance of "momentum" in the security's name and a portfolio that predominantly invests in US securities. [See note on category average methodology.](#) <sup>2</sup>**Turnover ratio** measures the frequency at which assets in a portfolio are bought and sold over a specific period. <sup>3</sup>**S&P 500 Overlap** represented by active share, which measures the percentage of a portfolio's holdings that differ from its benchmark index. Calculated relative to the S&P 500 Index (represented by the SPDR S&P 500 ETF). <sup>4</sup>**Momentum Score** is a system that scores companies based on their one-year total returns, excluding the last month of returns. Momentum is a characteristic of the security's underlying holdings and should not be construed as performance. <sup>5</sup>**S&P 500 Index** measures the performance of 500 large companies listed on stock exchanges in the United States. Indices are unmanaged. You cannot invest directly in an index or category average.



[Schedule a call](#) with our team to learn more

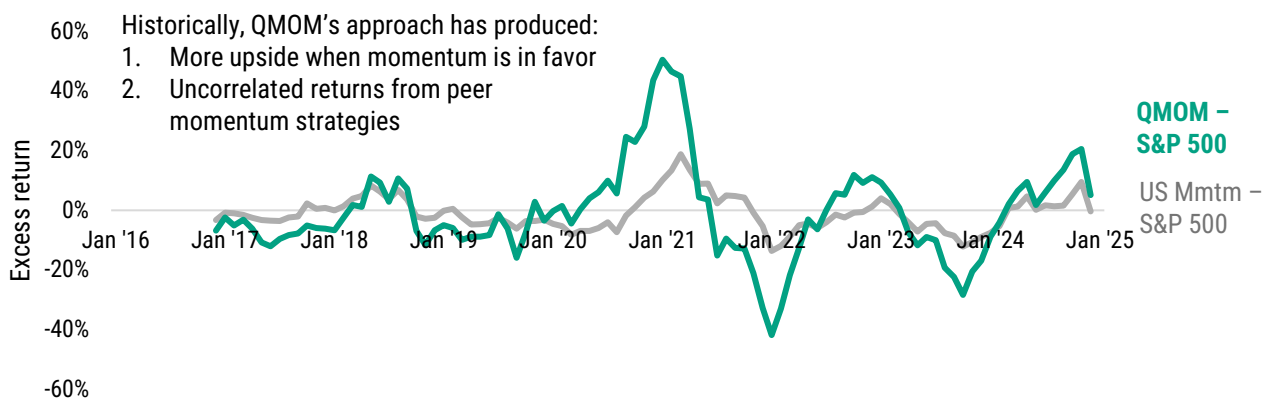
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## Standardized Returns | as of 12/31/2024

	Inception		Annualized				Expense Ratios		
			1 Year	3 Year	5 Year	10 Year		Since Incept	
QMOM	12/2/2015	NAV	30.11%	9.81%	15.53%	--	11.58%	Gross	0.29%
		MKT	30.40%	9.92%	15.59%	--	11.85%	Net	0.29%
S&P 500 Index		MKT	25.02%	8.94%	14.53%	13.10%	10.61%		

Source: FactSet, YCharts

## Rolling 1-Year Excess Returns<sup>6</sup> | QMOM & US Momentum ETFs relative to S&P 500 Index



Source: FactSet, Alpha Architect, YCharts. Monthly returns. 1/1/2016 – 12/31/2024. **Investing involves risk, including the loss of principal. Past performance does not guarantee future results. The performance data quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call (215) 882-9983 or visit [www.alphaarchitect.com/funds](http://www.alphaarchitect.com/funds).** Returns are annualized total returns, except for those periods of less than one year, which are cumulative. **Market price returns (MKT)** are based upon the closing composite market price and do not represent the returns you would receive if you traded shares at other times. A fund's NAV is the sum of all assets less any liabilities, divided by the number of shares outstanding. <sup>6</sup>**Rolling excess returns** measure the difference in performance between an investment and a benchmark over successive, overlapping periods. **Gross expense ratio** measures the total annual operating expenses of a mutual fund or an exchange-traded fund (ETF) expressed as a percentage of the fund's average net assets. **Net expense ratio** represents the cost of owning a fund. It expresses the percent of assets deducted each fiscal year to cover various fund expenses, including 12b-1 fees, management and administrative charges, operational expenditures, and all other costs tied to managing and operating a fund, less any fee waivers or other rebates. **Investment Risk.** When you sell your Shares of the Fund, they could be worth less than what you paid for them. Therefore, you may lose money by investing in the Fund.

**IMPORTANT RISK INFORMATION: Investors should carefully consider the investment objectives, risk, charges, and expenses of the funds. This and other important information is in the indicated fund's prospectus, which can be obtained by calling (215) 882-9983 or by visiting [www.AlphaArchitect.com/funds](http://www.AlphaArchitect.com/funds). The prospectus should be read carefully before investing.**



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**Category Average Methodology.** As of 4/30/2024, the calculation method used to determine the category average's returns changed to account for potentially different inception dates. Previously, a straight average of constituent funds' total return net asset value (NAV) was used to determine the category's average total return NAV; the percent change of the category average NAV was then used to calculate returns. As of 4/30/2024, total returns for the category are now found using a straight average of the total NAV return (percent change) for a given frequency (daily, weekly, monthly, etc.). There may be instances where the straight average of the constituent funds' NAV returns may be higher or lower than the straight average of the total NAV return. As of 4/30/2024, all category average returns are calculated using the straight average of the constituent funds' total NAV return for a given frequency.

## **Note on momentum category**

There is no explicit "momentum" category. Generally, momentum funds tend to fall into the "growth" category, however, that standard is not uniformly applied by third party data providers such as FactSet, Morningstar, YCharts, or others. To facilitate what we believe to be fair and balanced comparison, we build a momentum category using the following criteria.

## **US Momentum**

1. Exclude Alpha Architect funds
2. Exclude non-USD denominated funds
3. Exclude mutual funds. We do this to facilitate a fair comparison at a structural level (ETF to ETF) and to facilitate accurate advanced characteristics data, such as active share and momentum score
4. Filter for Broad Asset Class: US Equity & Sector Equity. We include sector momentum ETFs on the basis that a sector-based momentum strategy could be a reasonable alternative to a broad-based momentum approach. Filtering for funds in the US Equity broad asset class excludes alternatives such as long/short momentum funds. Our goal is to identify "peer" momentum strategies that are long-only.
5. Filter for US Equity Exposure  $\geq 50\%$ . Here we seek to avoid strategies that aren't focused on US equities.
6. Remove funds that contain the word "value" or variations in the fund's name. This removes funds that blend value and momentum together, which may cause performance deviations.
7. Filter funds that contain the word "momentum" or variations in the fund. We believe this is a reasonable approach to identify most funds seeking to hold themselves out as a momentum strategy, and therefore, a peer to our momentum to our strategy.

**Limited universe.** These steps may generate a limited universe of funds that meet the stated criteria. The information presented regarding peer ETFs is based on a limited universe of comparable funds that we believe are relevant to the strategy, investment style, and asset class of this ETF. This comparison is not exhaustive and may exclude other funds that also offer similar exposures or strategies. Investors are encouraged to conduct their own research and consider other products in the marketplace that may provide comparable investment objectives or characteristics. Past performance is no guarantee of future results, and differences in fees, structures, or market conditions may lead to different outcomes between peer funds and this ETF. Investors should consider factors such as risk tolerance, fees, liquidity, and investment goals before making any investment decisions based on peer comparisons. This disclosure is not an endorsement of any peer fund, nor should it be interpreted as financial advice. As of 1/9/2025, there are 26 funds that meet the given criteria.

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**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.

**Quantitative Security Selection Risk.** Data for some companies may be less available and/or less current than data for companies in other markets. The Adviser uses a quantitative model, and its processes could be adversely affected if erroneous or outdated data is utilized. In addition, securities selected using the quantitative model could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic and changes in the characteristic's historical trends.

**Equity Investing Risk.** An investment in the Fund involves risks similar to those of investing in any fund holding equity securities, such as market fluctuations, changes in interest rates and perceived trends in stock prices. The values of equity securities could decline generally or could underperform other investments. In addition, securities may decline in value due to factors affecting a specific issuer, market or securities markets generally. **Investment Risk.** When you sell your Shares of the Fund, they could be worth less than what you paid for them. Therefore, you may lose money by investing in the Fund.

**Large-Capitalization Companies Risk.** Large-capitalization companies may trail the returns of the overall stock market. Large-capitalization stocks tend to go through cycles of doing better - or worse - than the stock market in general. These periods have, in the past, lasted for as long as several years. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies.

**Small- and Mid-Capitalization Company Risk.** Investing in securities of small- and mid-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. Often small- and mid-capitalization companies and the industries in which they focus are still evolving and, as a result, they may be more sensitive to changing market conditions.

**Management Risk.** The Fund is actively managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for the Fund.

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

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