



June 30, 2020
Alpha Architect, LLC
Pennsylvania

Is An Investment Advisory Account Right For You?

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.

We are an investment adviser and provide advisory accounts and services rather than brokerage accounts and services. This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. There are some suggested questions at the end of the document.

Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. We encourage you to use this resource.

Relationships and Services

- We will offer you advice on a regular basis. We will discuss your investment goals, design with you a strategy to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) at least annually to discuss your portfolio. There may be significant market events that may prompt ad hoc account reviews.
- Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies restrictions and guidelines.
- You can choose an account that allows us to buy and sell investments in your account without asking you in advance (a "discretionary account") or we may give you advice and you decide what investments to buy and sell (a "non-discretionary account"). We do not have discretionary authority to vote any proxy with respect to any security held in Client managed account portfolios unless negotiated separately on a case by case basis.
- The minimum investment commitment required of an investor is \$500,000. Our investment minimums vary according to the investment strategy and vehicle (i.e., Managed Account versus investment in a Private Fund), and we maintain the ability to waive such minimums at our discretion. The standard minimum investment required to invest in a Private Fund is described in each Private Fund's offering memorandum. The minimum investment required to invest in a Series Fund of the Alpha Architect Funds is described in each fund's prospectus.
- If you open an advisory account, you may pay an on-going asset-based fee at the end of each day or quarter for our services, based on the value of the cash and investments in your advisory account and / or a performance-based fee.



- Investments for pooled investment vehicles are managed in accordance with the fund's investment objective, strategies and restrictions and are not tailored to the individualized needs of any particular investor in the fund.
- Consulting services are provided to other investment advisory firms, high-net-worth individuals, wealth management companies, financial advisors and registered investment companies. Consulting services are distinct from advisory services, although some of our advisory clients are also consulting clients.
- We provide custom indices which are licensed to third parties. Fees are negotiated on a case by case basis and depend upon the complexity of the index, exclusivity provisions, rebalance frequency, and a host of other factors. Fees are generally assessed on overall AUM of the product tracking the index.
- Through a commonly controlled affiliate, we provide white label ETF servicing for third party funds. Fees are negotiated on a case by case basis and depend upon the complexity of the product, rebalance frequency, and other factors. Fees are generally a fixed fee plus a variable fee component.
- For advisors, Alpha Architect provides sub-advisory services for an asset-based fee based on the value of cash and investments in the sub-advisory account.
- Alpha Architect is registered with the National Futures Association (NFA) as a Commodity Trading Adviser and Commodity Pool Operator.
- With the exception of a private fund, Alpha Architect ETF, LP, of which we are a General Partner; we do not take custody of client funds or securities invested in such funds; rather all such assets are held in the name of each applicable funds by an independent qualified custodian.
- We are not a broker-dealer, futures commission merchant or bank. None of Alpha Architect's management or supervised persons is a registered representative or has an application pending to register as a representative of a broker-dealer. We do not provide accounting or tax advice, please consult an accountant
- Our investment advice will cover a limited selection of investments. Other firms could provide advice on a wider range of choices, some of which might have lower costs.

Our Obligations to You

We must abide by certain laws and regulations in our interactions with you.

- We are held to a fiduciary standard that covers our entire investment advisory relationship with you. For example, we will monitor your goals, objectives, portfolio, investment strategy, risk tolerance, investment horizon and investments on an ongoing basis.

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- Each Client will receive a quarterly report from their broker-dealer that will include a statement of account holdings, market value, broker commissions, and advisory fees charged for the period. Subscribers in Private Funds receive reports from Alpha Architect pursuant to the terms of each Sponsored Funds' offering memoranda or investor side letter.
- Our interests can conflict with your interests. We must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.

Fees and Costs

Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

- Fees vary and are negotiable based upon strategy complexity, holdings, and size of investment.
- You pay our fee (daily or monthly) even if you do not buy or sell. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.
- The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account.
- Alpha Architect, if suitable to the Client objectives, will invest Client assets in investment companies managed by a related adviser. In such a scenario, Alpha Architect will receive fees from the management of Fund assets, and the related adviser will receive an investment management fee from the investment company(ies) it advises.
- You may pay transaction fees and brokerage commissions to a broker-dealer or bank that will hold your assets when we buy and sell an investment for you (called "custody"). In addition, the broker may charge account maintenance fees or fees for transfers.
- Clients will also incur certain charges imposed by third parties other than Alpha Architect in connection with investments made through the Account, including but not limited to, no-load 12b-1 distribution fees; certain deferred sales charges on previously purchased mutual funds, and Maintenance fees and Retirement Plan fees. Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investments such as variable annuities, you may have to pay fees such as "surrender charges" to sell the investment.
- Index licensing fees and ETF white label servicing fees are negotiated on a case by case basis and depend upon the complexity of the index, exclusivity provisions, rebalance frequency, and a

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host of other factors. Fees are generally assessed on overall AUM of the product (Index licensing) or a fixed plus variable cost structure (ETF white label servicing).

- Any Sub-Advisory fees will be exclusive of and in addition to brokerage commissions, transaction fees, and any other costs or expenses incurred by the Primary Adviser's clients and payable to Primary Adviser's clients' broker.
- Fees for consulting services are negotiated on a case by case basis depending on the parameters of the consulting engagement.
- For clients introduced to the firm by a solicitor, a portion of your management fees will be paid to the solicitor.

Financial Professionals

Dr. Wesley Gray and Dr. Jack Vogel are the Chief Investment Officers of the Firm and are directly responsible for all research and analysis. Messrs. Gray and Vogel research, develop, and refine the proprietary quantitative indices that all Alpha Architect ETFs follow.

Brandon Koepke (CFA Level III Candidate) is the Portfolio Manager responsible for executing the quantitative strategies created by Drs. Gray and Vogel. He regularly interfaces with market makers, index calculation agent personnel, and other service providers.

Principals and full-time staff receive a base salary plus a bonus based overall firm profitability. Independent IARs receive compensation based on the AUM of their respective portfolios.

Compare with Typical Brokerage Accounts

You could also open a brokerage account with a broker-dealer, where you will pay a transaction-based fee, generally referred to as a commission, when the broker-dealer buys or sells an investment for you. Brokerage and investment advisory services and fees differ. It is important for the retail investor to understand the differences. Features of a typical brokerage account include:

- With a broker-dealer, you may select investments, or the broker-dealer may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase and sale of investments will be yours.
- A broker-dealer must act in your best interest and not place its interests ahead of yours when the broker-dealer recommends an investment or an investment strategy involving securities. When a broker-dealer provides any service to you, the broker-dealer must treat you fairly and comply with a number of specific obligations. Unless you and the broker-dealer agree otherwise, the broker-dealer is not required to monitor your portfolio or investments on an ongoing basis.
- If you were to pay a transaction-based fee in a brokerage account, the more trades in your account, the more fees the broker-dealer charges you. So, it has an incentive to encourage you to trade often.

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- You can receive advice in either type of account, but you may prefer paying:
 - a transaction-based fee from a cost perspective if you do not trade often or if you plan to buy and hold investments for longer periods of time.
 - an asset-based fee if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.

Conflicts of Interest

When we act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means

- We can make more money by advising you to invest in certain affiliated investments, such as the ETFs managed by Empowered Funds, a separate adviser we wholly own and control. Thus, we have implemented policies and procedures to mitigate this conflict of interest and ensure only clients that seek the investing objective of those funds are invested in them. In addition, we have implemented additional compliance protocols and procedures to comply with all federal and laws and regulations, to include the avoidance of “layering” advisory fees.
- The more assets you have in an advisory account, including cash, the more you will pay. Thus, we have an incentive to advise you to increase the assets in your account to increase our fees.
- Some strategies that may be recommended by us are subject to a performance-based incentive fee. Employees providing advice to these private funds or strategies may also hold an economic interest in such strategies. In addition, they may also provide investment advisory services with respect to similarly managed accounts that are not subject to performance fees.
- When clients have similar investment objectives, we may purchase the same security in more than one account. Alpha Architect will aggregate and allocate orders only in a manner designed to ensure no Client or account is favored over others over time.
- Clients with sub-advised assets satisfying the account minimum for separately managed account services are managed consistently with Alpha Architect’s other separately managed account Clients.
- Alpha Architect specifically prohibits supervised persons from knowingly selling to or purchasing from a Client any security or other property, except securities issued by the Client. Alpha Architect also serves as general partner to a pooled investment vehicle. Alpha Architect may also have a conflict of interest related to performance fees charged to investors in the pooled investment vehicle.



- Management and/or supervised persons are prohibited from “front-running,” that is, the purchase or sale of securities for their own or any Client’s account on the basis of their knowledge of a Client’s trading positions or planned trading positions. In addition, Alpha Architect employs trading requirements that prohibit trading of accounts alongside affiliated ETF accounts simultaneously. Any purchase or sale of a security by Alpha Architect or a related person will be subject to Alpha Architect’s fiduciary duty to its
- Alpha Architect is also an index provider to an external financial advisor in Canada that holds an exclusive license for the Adviser’s proprietary Global Value Momentum Trend Index. We are compensated for the index license on the AUM of the licensee’s products that track the index. This construct creates a conflict of interest whereby the Index Personnel (select employees of Empirical who generate the index) could seek to manipulate the index and “front-run” trades prior to execution by the Canadian Advisor.
- Alpha Architect is an index provider to the affiliated exchange traded funds mentioned previously and provides this index to portfolio manager for execution. This construct creates a conflict of interest whereby the Index Personnel (select employees of Alpha Architect who generate the index) could seek to manipulate the index and “front-run” trades prior to execution by the Advisor Personnel (select employees of Alpha Architect who execute the trades to track the index). The Index could also be manipulated to benefit the Index Personnel at the expense of Alpha Architect and Empowered Funds’ clients and / or the trading public more broadly.
- Alpha Architect compensates certain independent third-party solicitors whereby a fee is paid quarterly based on a percentage of the investment advisory fee paid by clients introduced by the solicitors.
- In 2014, Alpha Architect entered into a royalty agreement with a seed investor for providing initial assets under management for the Adviser to manage for a three-year period. The agreement conveys no ownership interest, managerial input, board oversight, or any other equity benefits to the investor.
- We do not have past or current legal and disciplinary events.

We encourage you to seek additional information about our investment advisory services. See our Form ADV and ADV Brochure at <https://adviserinfo.sec.gov/> or on our website (<https://alphaarchitect.com>)

If you have a problem with your investments, account or financial professional, contact us in writing at 213 Foxcroft Rd, Broomall, PA 19008, email us at info@alphaarchitect.com or call 215-882-9983 during normal business hours. To report a problem to the SEC, visit Investor.gov or call the SEC’s toll-free investor assistance line at (800) 732-0330.



Key Questions to Ask

Given my financial situation, why should I choose an advisory account?

Do the math for me. How much would I pay per year for an advisory account? What would make those fees more or less? What services will I receive for those fees?

What additional costs should I expect in connection with my account?

Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments from anyone besides me in connection with my investments?

What are the most common conflicts of interest in your advisory accounts? Explain how you will address those conflicts when providing services to my account.

How will you choose investments to recommend for my account?

How often will you monitor my account's performance and offer investment advice?

Do you or your firm have a disciplinary history? For what type of conduct?

What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.

Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?