

# HIDE | Investment case

We believe **HIDE** offers a **cheaper, simpler, lower volatility** alternative to a managed futures strategy.

## Standardized Returns as of 12/31/2024

Name	Ticker	Inception Date	YTD		1 Yr.		Annualized 3 Yr. Total Return		Annualized 5 Yr. Total Return		Annualized 10 Yr. Total Return		Annualized Return Since Inception		Expense Ratios	
			NAV	Mkt.	NAV	Mkt.	NAV	Mkt.	NAV	Mkt.	NAV	Mkt.	NAV	Mkt.	Gross	Net
High Inflation & Deflation	HIDE	11/16/2022	-0.94%	-0.85%	-0.94%	-0.85%	--	--	--	--	--	--	0.68%	0.76%	0.31%	0.29% <sup>1</sup>

Source: Alpha Architect, YCharts. **Investing involves risk, including the loss of principal. Past performance does not guarantee future results.** Returns are annualized total returns, except for those periods of less than one year, which are cumulative. **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).** Market price returns 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>1</sup>Gross expense ratio is 0.31%. The Adviser has contractually agreed to waive all or a portion of its management fee until at least November 15, 2025, from exceeding 0.29% of its daily net assets.

# Alpha Architect portfolio management

Alpha Architect is led by Wesley R. Gray, PhD, and Jack R. Vogel, PhD.

Wes and Jack oversee all portfolio operations.



## Wesley R. Gray, PhD | CEO | co-CIO | Portfolio Manager

- PhD/MBA from the University of Chicago – Booth School of Business; studied under Nobel Prize Winner Eugene Fama
- BS The Wharton School of the University of Pennsylvania, *magna cum laude*
- United States Marine Corps Captain (2004-2008)
- Published in multiple academic journals, including the Journal of Portfolio Management, the Journal of Investing, the Journal of Quantitative Finance, and more. Authored or co-authored four books.



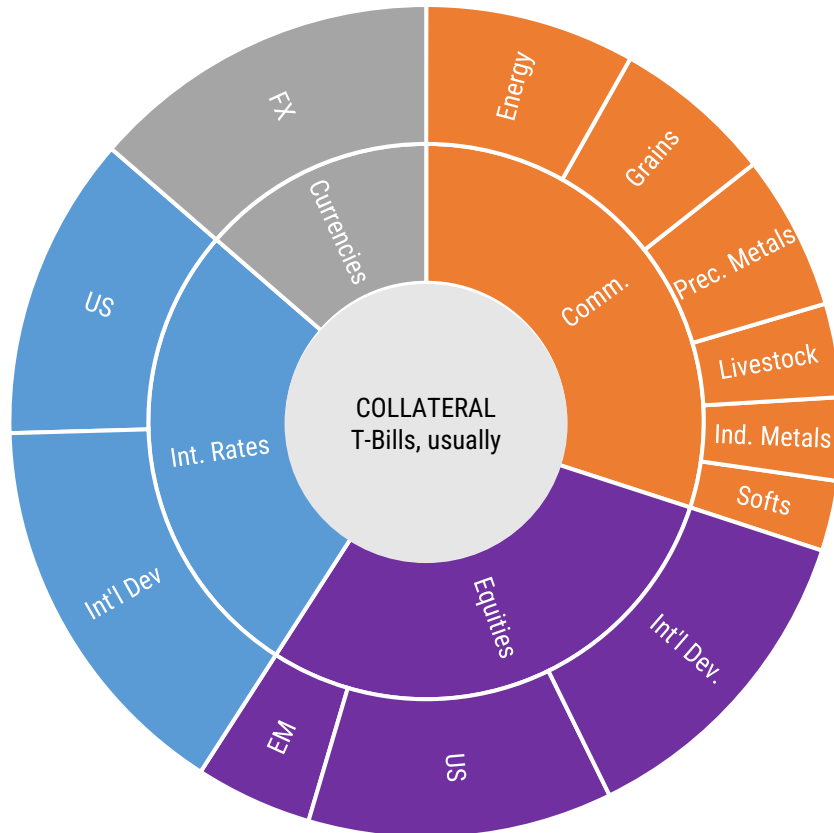
## Jack R. Vogel, PhD | CFO | co-CIO | Portfolio Manager

- PhD Finance and an MS in Mathematics from Drexel University
- BS in Mathematics and Education, *summa cum laude* from The University of Scranton
- Published in multiple academic journals, including the Journal of Portfolio Management, the Journal of Investing, the Journal of Quantitative Finance, and more. Co-authored two books.

We believe HIDE offers a **cheaper, simpler, lower volatility** alternative to a managed futures strategy.

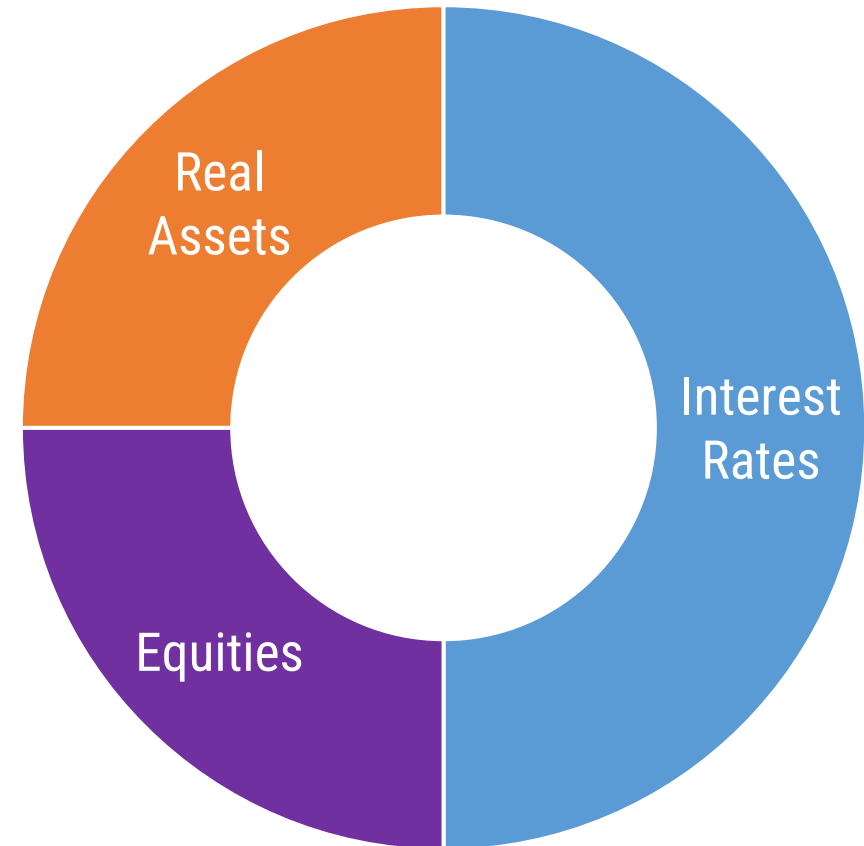
**Why consider  
HIDE?**

Managed futures have many moving parts...



...with three principal return drivers

Generally, managed futures rely on trends in **real assets, equities, and interest rates** to generate returns<sup>1</sup>



For illustrative purposes only. Lefthand chart represents what we consider to be a typical managed futures portfolio. Righthand chart represents what we believe to be the principal return drivers for the trading portion of a typical managed futures strategy. <sup>1</sup>For this example, we're ignoring collateral yield management strategies, manager-specific construction decisions, and leverage use

# HIDE target allocations

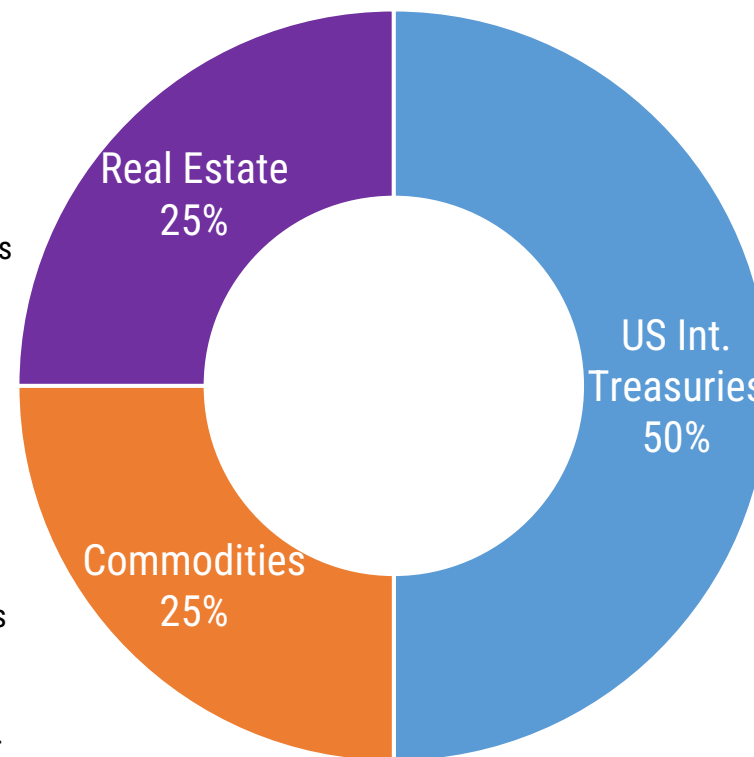
We believe HIDE offers similar exposures as a manager futures strategy in a simpler allocation

## 25% Real Estate (REITs)<sup>5</sup>

- Land prices tend to appreciate over time
- Rents tend to move in relation to inflation & rates
- REITs have ~.88 beta<sup>6</sup> to S&P 500<sup>7</sup> since 2000

## 25% Commodities<sup>8</sup>

- Prices tend to move in relation to inflation
- Low correlation<sup>9</sup> to stocks and bonds, historically
- Historically appreciated against a falling US Dollar



## 50% Int. US Treasuries<sup>1</sup>

- Positive returns when interest rates fall
- Higher expected returns than T-Bills<sup>2</sup>
- Lower risk than longer duration<sup>3</sup> treasuries, historically
- Lower default risk<sup>4</sup> than most bonds

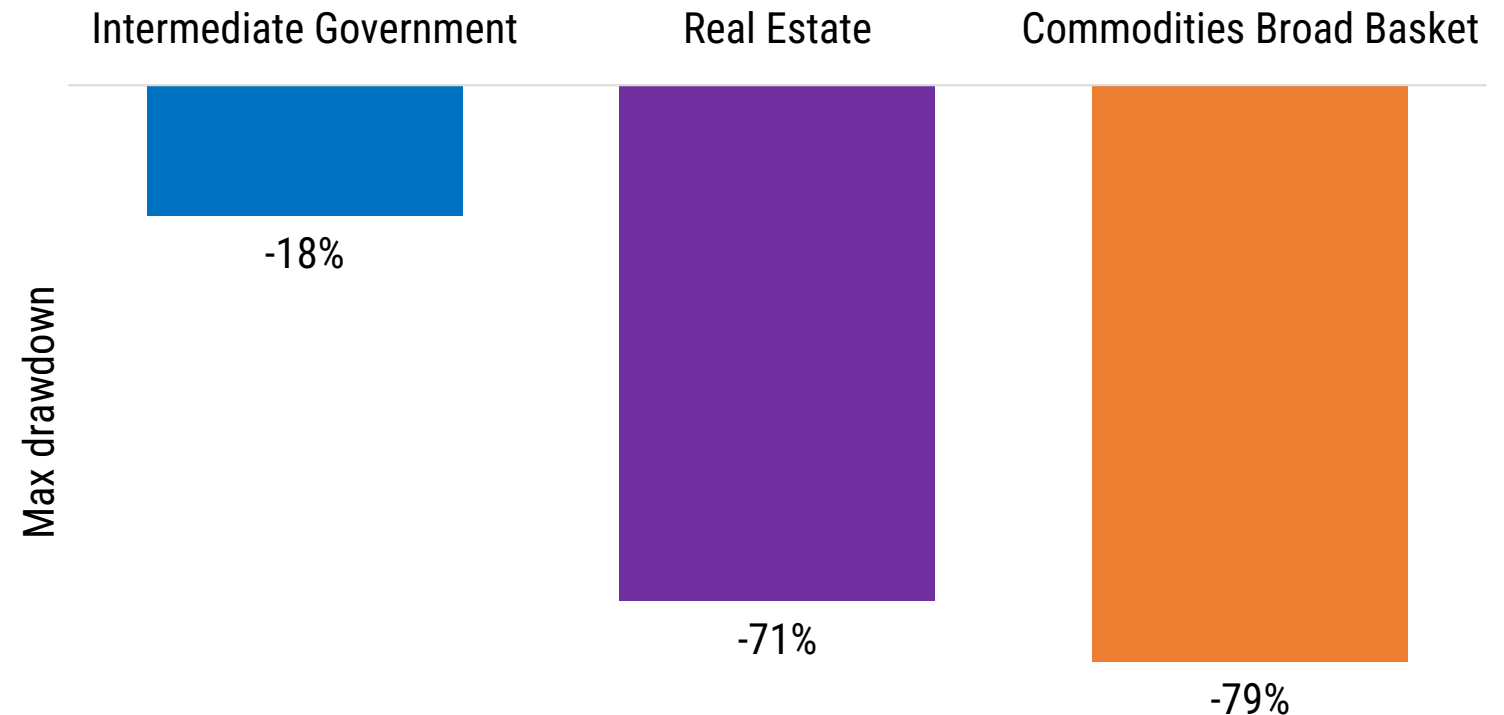
Source: Alpha Architect. Portfolio holdings are subject to change. For current holdings, please visit [efsite.alphaarchitect.com/hide](https://efsite.alphaarchitect.com/hide). <sup>1</sup>Intermediate US Treasuries is a type of debt security issued by the US government with a maturity period that typically ranges from 5 to 10 years. <sup>2</sup>U.S. Treasury bills (T-bills) are short-term debt securities issued by the U.S. Department of the Treasury. <sup>3</sup>Duration measures the sensitivity of a bond's price to changes in interest rates. <sup>4</sup>Default risk refers to the risk that the U.S. government might fail to meet its debt obligations. However, this risk is generally considered extremely low for U.S. government bonds as they are backed by the full faith and credit of the United States. <sup>5</sup>Real Estate (REITs) is a company that owns, operates, or finances income-producing real estate across a range of property sectors. <sup>6</sup>Beta measures a given investment's sensitivity to the movement of a given benchmark. In CAPM, it is used to represent systematic risk. <sup>7</sup>S&P 500 Index measures the performance of the 500 largest companies that are in the United States. <sup>8</sup>Commodities are an economic good, usually a resource, that has full or substantial fungibility. Commonly traded using futures contracts. <sup>9</sup>Correlation measures the degree to which two variables move in relation to each other. Higher correlation implies a tighter relationship.

## Great. So, buy-and-hold. Why use Alpha Architect?

Buy-and-hold approach has exposed investors to **deep drawdowns**, historically.

Our answer: **trend-following**.

### Max drawdown | Int. Gov't Bonds, Real Estate, Commodities



Source: YCharts, Alpha Architect. 1/20/2010 – 1/16/2025. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.** As of 1/16/2025, there are seven open-ended funds (ETFs and mutual funds) in the Commodities Broad Basket category, 44 open-ended funds in the Real Estate category, and 80 funds in the Intermediate Government categories that meet the criteria to be included in the sample. In the event of duplicate share classes, the class with the most assets under management is used. Categories determined by YCharts. You cannot invest directly in an index or category average. **Max drawdown** measures the largest single drop from peak to bottom in the value of a portfolio before a new peak is achieved. It may be considered an indicator of a given investment's historical downside risk. The drawdown figure represented for the given category is calculated by finding the straight average of the max drawdown for each fund in the category with an inception date greater than or equal the average inception date of the funds in the category. [Category definitions available in the disclosures section.](#)

We believe HIDE offers a **cheaper, simpler, lower volatility** alternative to a managed futures strategy.

**What is trend-following?**



What is trend-following?

Trend-following seeks to invest in an asset after the price has moved in a consistent direction. **Trend-following may mitigate exposure to deep drawdowns** and, over time, decrease overall volatility relative to buy-and-hold.

Why doesn't everyone just trend-follow?

Trend-following is vulnerable to periods of volatility, so-called "trendless" or "sideways" markets, and "v-shaped" market conditions that crash down sharply before recovering quickly.

How does HIDE deploy trend-following?

We seek to address trend-following's potential return lag with two trend-following rules that seek to generate returns through **scaled exposure** to an asset while seeking to minimize exposure to sustained drawdowns.

## HIDE's trend-following rules.

**Objective 1:** seek to generate returns through scaled exposure to trending assets

**Objective 2:** seek to minimize exposure to sustained drawdown periods.

Signal 1	Signal 2	Conclusion	HIDE allocation
POSITIVE	POSITIVE	STRONG TREND	100% exposure to the asset
POSITIVE	NEGATIVE	TREND	50% exposure, 50% cash or equivalent
NEGATIVE	NEGATIVE	NO TREND	0% exposure, 100% cash or equivalent

The Fund primarily invests its assets in the shares of registered investment companies, including affiliated and nonaffiliated exchange-traded funds ("ETFs") (the "underlying funds"), that emphasize investments in (i) intermediate term U.S. Treasury bonds; (ii) real estate; and (iii) commodities (the "Target Asset Classes"). The target weightings, when all Target Asset Classes have a "buy" signal, for the Fund are 50% exposure to intermediate-term U.S. Treasury bonds, 25% exposure to real estate securities, including REITs, and 25% exposure to commodities. The target weightings are investment targets and are subject to change based on the analysis of current market conditions.

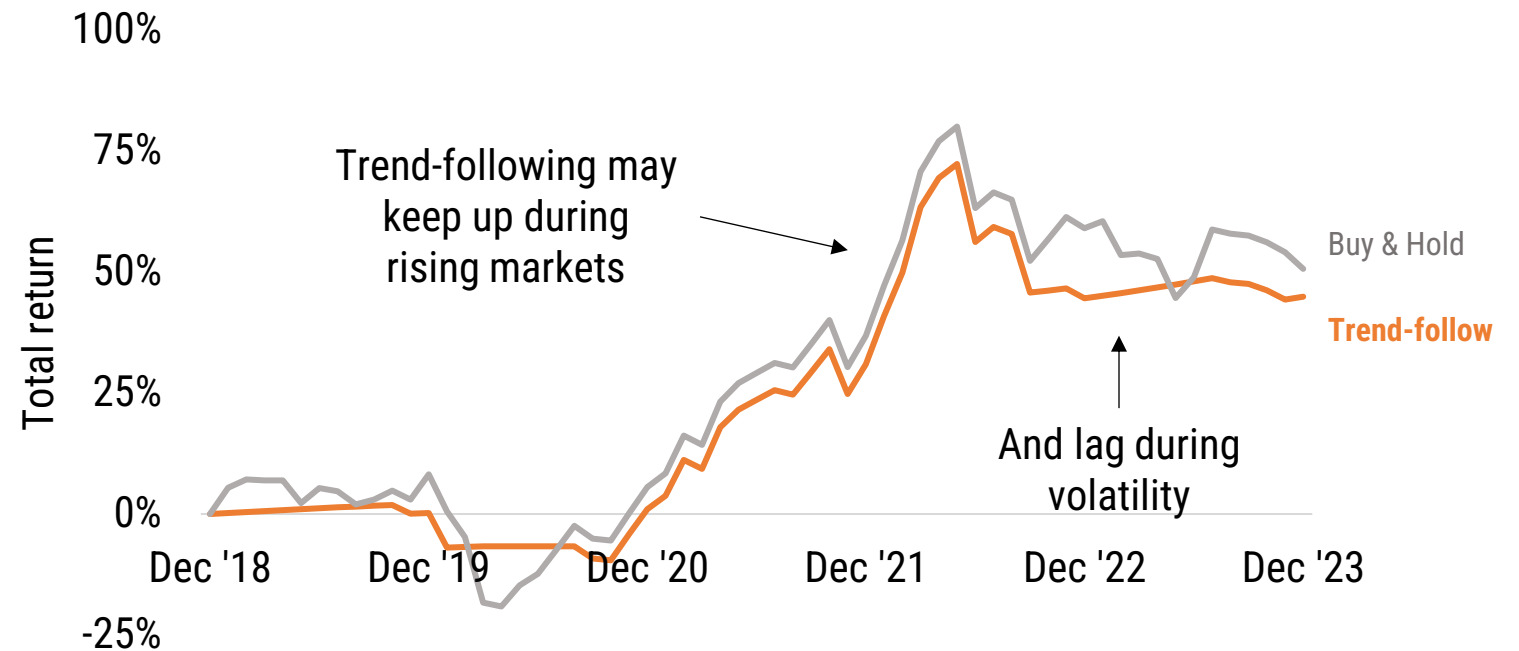
## Trend-following vs. Buy-and-Hold

The following pages seek to illustrate the trade-offs associated with a trend-following approach versus a buy-and-hold approach, applied to commodities, REITS, and intermediate government bonds. **These examples are for illustrative purposes only and do not represent HIDE's allocation model or results.**

To provide what we believe to be a fair and balanced evaluation, we selected a five-year window from 1/1/2019 to 12/31/2023. This window is notable for periods of elevated volatility, one short, sharp market crash (2020), one sustained drawdown (2022), and positive returns for all three asset classes.

## Buy & Hold vs. Trend-Following | Commodities

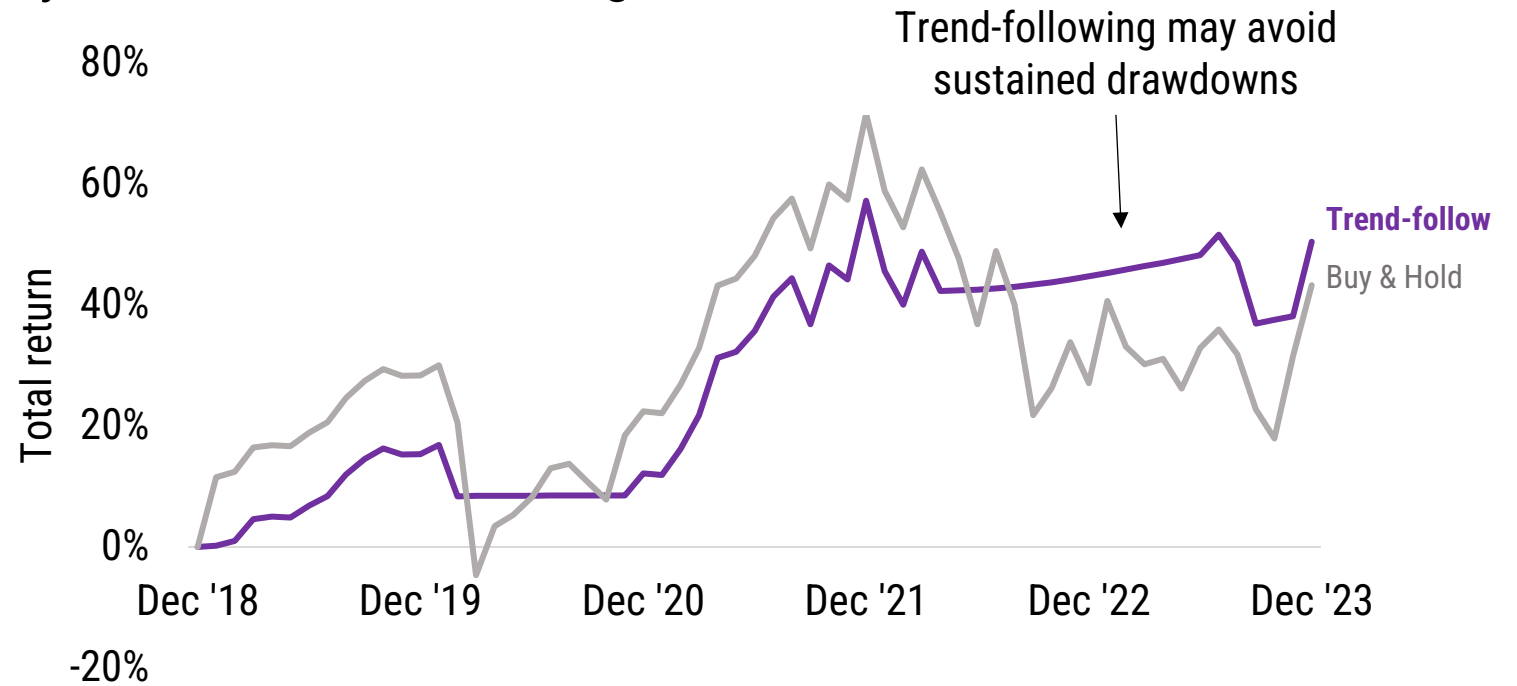
Commodities <sup>1</sup>	Buy & Hold <sup>2</sup>	Trend-follow <sup>3</sup>
CAGR	8.54%	7.70%
Annualized volatility	15.80%	11.86%
Max drawdown	-25.24%	-16.28%



Source: YCharts, Portfolio Visualizer, Alpha Architect. Monthly returns. 1/1/2019 – 12/31/2023. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. For illustrative purposes only.** <sup>1</sup>**Commodities** represented by the straight average return of the 50 largest open-ended funds (ETFs and mutual funds), based on assets under management (AUM), as of 12/6/2024, in the Commodities Broad Basket category. Broad-basket portfolios can invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Investment can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements. In the event of multiple share classes, the share class with the most AUM is used. Categories determined by YCharts. You cannot invest directly in an index or category average <sup>2</sup>**Buy & Hold** represents the returns of the given category average or index if the investor had bought on the initial date and held through the given end date. <sup>3</sup>**Trend Following** applies a 12-month simple moving average rule to the given time series. The tactical asset allocation model is invested in the selected assets when the adjusted close price of the asset is greater than or equal to the moving average, otherwise the specific portfolio allocation is invested in cash. Trades are executed using the end of month close price each month based on the end of month. Definitions for **CAGR, Annualized Volatility, and Max Drawdown** can be found in the [disclosures](#).

### Buy & Hold vs. Trend-Following | REITs

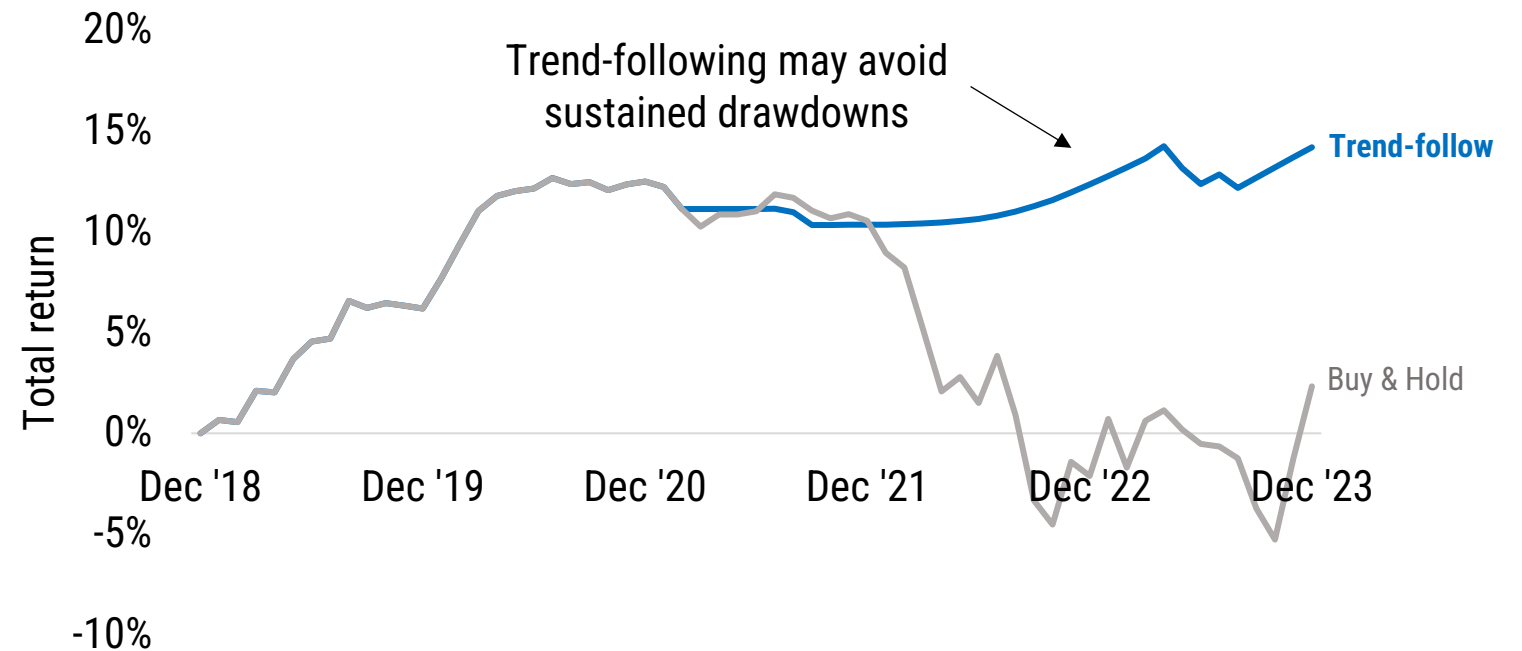
REITs <sup>1</sup>	Buy & Hold <sup>2</sup>	Trend-follow <sup>3</sup>
CAGR	7.46%	8.52%
Annualized volatility	21.11%	11.35%
Max drawdown	-31.30%	-12.92%



Source: YCharts, Portfolio Visualizer, Alpha Architect. Monthly returns. 1/1/2019 – 12/31/2023. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. For illustrative purposes only.** <sup>1</sup>REITs represented by the straight average return of the 50 largest open-ended funds (ETFs and mutual funds), based on assets under management (AUM), as of 12/6/2024, in the Real Estate category. Real estate funds primarily invest in real estate investment trusts of various types. In the event of multiple share classes, the share class with the most AUM is used. Categories determined by YCharts. You cannot invest directly in an index or category average <sup>2</sup>Buy & Hold represents the returns of the given category average or index if the investor had bought on the initial date and held through the given end date. <sup>3</sup>Trend Following applies a 12-month simple moving average rule to the given time series. The tactical asset allocation model is invested in the selected assets when the adjusted close price of the asset is greater than or equal to the moving average, otherwise the specific portfolio allocation is invested in cash. Trades are executed using the end of month close price each month based on the end of month.

## Buy & Hold vs. Trend-Following | Gov't Bonds

US Intern. Gov't Bonds <sup>1</sup>	Buy & Hold <sup>2</sup>	Trend-follow <sup>3</sup>
CAGR	0.46%	2.69%
Annualized volatility	5.47%	2.00%
Max drawdown	-15.92%	-2.06%



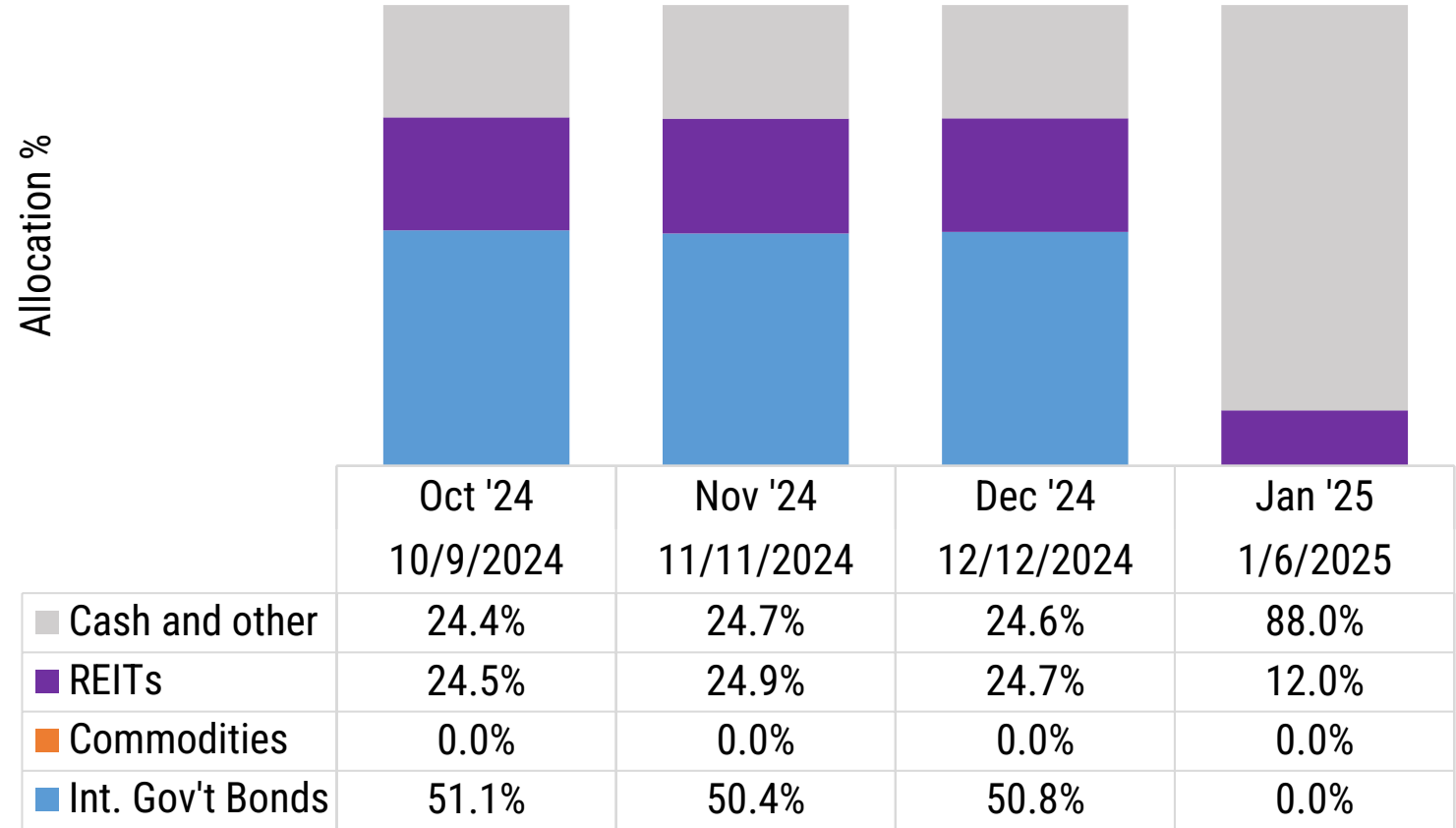
Source: YCharts, Portfolio Visualizer, Alpha Architect. Monthly returns. 1/1/2019 – 12/31/2023. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. For illustrative purposes only.** <sup>1</sup>US Intermediate Government Bonds represented by the straight average return of the 50 largest open-ended funds (ETFs and mutual funds), based on assets under management (AUM), as of 7/31/2024, in the US Intermediate Government bond category. Intermediate-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. In the event of multiple share classes, the share class with the most AUM is used. Categories determined by YCharts. You cannot invest directly in an index or category average. <sup>2</sup>Buy & Hold represents the returns of the given category average or index if the investor had bought on the initial date and held through the given end date. <sup>3</sup>Trend Following applies a 12-month simple moving average rule to the given time series. The tactical asset allocation model is invested in the selected assets when the adjusted close price of the asset is greater than or equal to the moving average, otherwise the specific portfolio allocation is invested in cash. Trades are executed using the end of month close price each month based on the end of month. Definitions for **CAGR, Annualized Volatility, and Max Drawdown** can be found in the [disclosures](#).

**HIDE seeks to deliver consistent exposure to the cheapest and strongest stocks on the developed market.**

# RESULTS

Through 12/31/2024

# HIDE trailing asset allocation

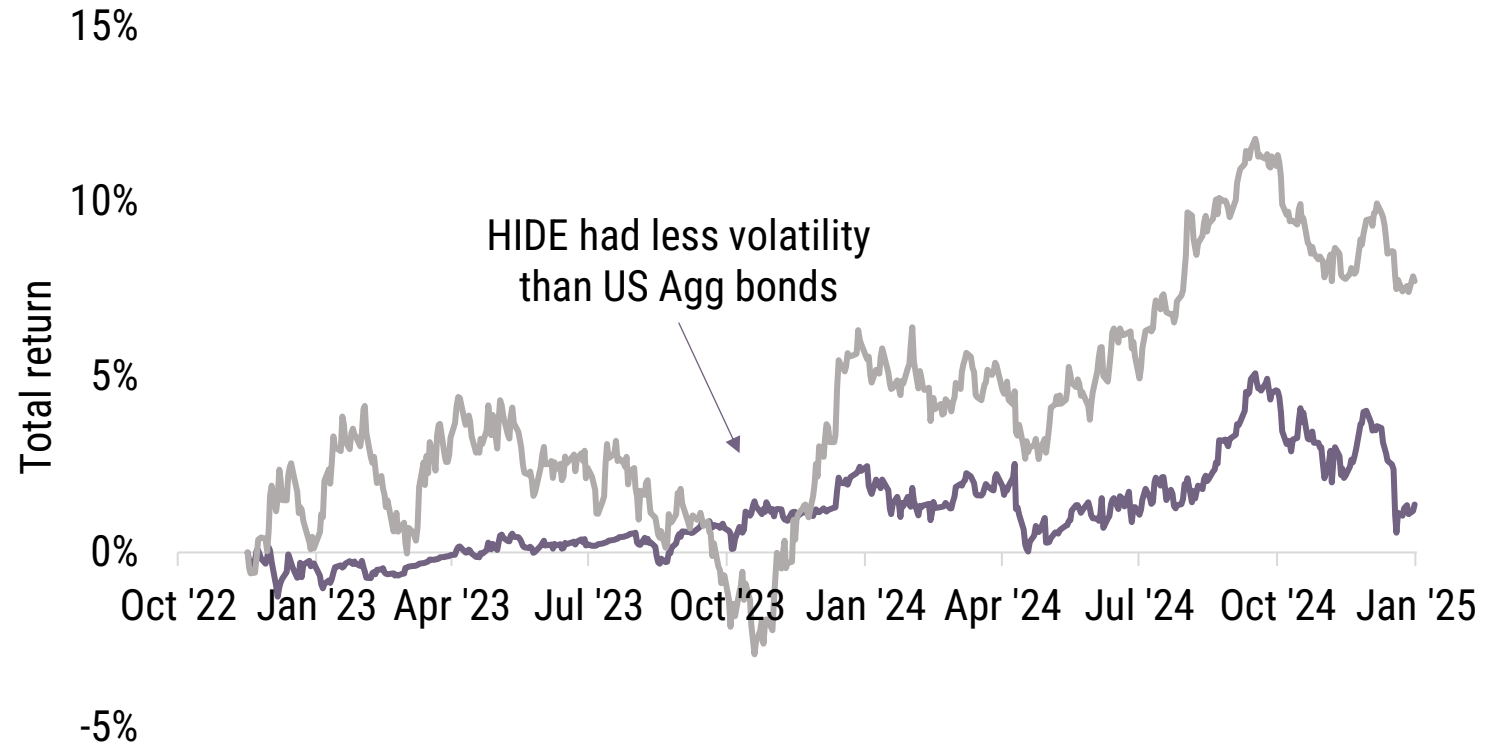


Source: FactSet, Alpha Architect. 7/8/2024 – 10/9/2024. Monthly allocation. Allocation percentage is t+3 from the last business day of the given month. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. REITs** are companies that own, operate, or finance income-producing real estate across a range of property sectors. **Intermediate Term Bonds** are a type of debt security issued by the US government with a maturity period that typically ranges from 5 to 10 years. **Commodities** are an economic good, usually a resource, that has full or substantial fungibility. Commonly traded using futures contracts. **Cash** represented by cash and/or cash equivalents, which may include money market funds, U.S. Treasury bills, and/or U.S. Treasury bill equivalents (or an underlying fund that focus its investments on these objectives). Holdings are subject to change. Visit [etfsite.alphaarchitect.com/hide](https://www.alphaarchitect.com/hide) for current holdings.



### Total return | HIDE vs. US Agg Bonds

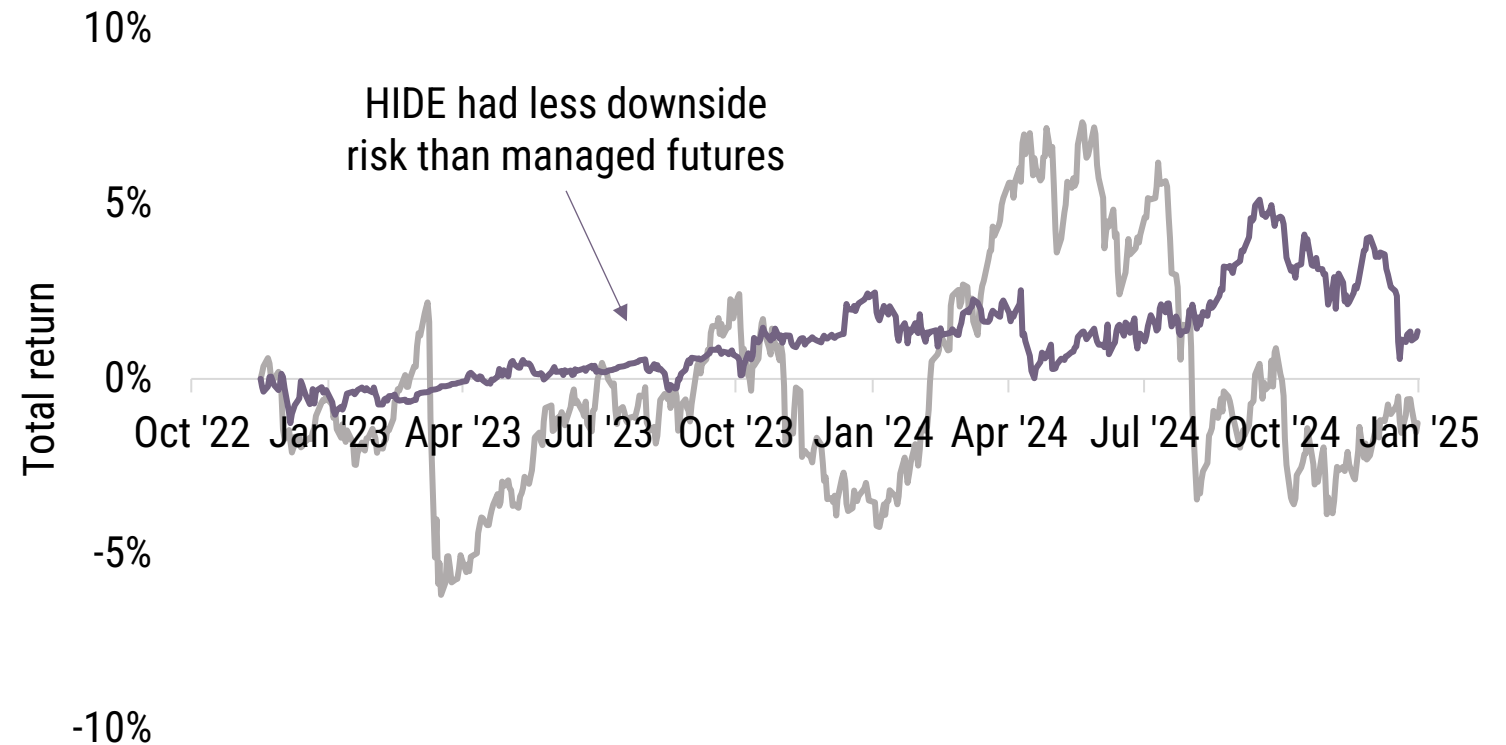
	US Agg Bonds <sup>1</sup>	HIDE
CAGR	3.60%	0.64%
Annualized standard dev.	6.28%	3.53%
Max drawdown	-7.04%	-4.33%
S&P 500 Correlation	0.15	0.31
Int. Core Bond Correlation	--%	0.44



Source: YCharts, Alpha Architect. Daily returns. 11/17/2022 – 12/31/2024. **Past performance does not guarantee future results. 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.funds.alphaarchitect.com](http://www.funds.alphaarchitect.com).** <sup>1</sup>US Aggregate Bonds category represented by the 50 biggest open-ended (mutual funds and ETFs) in the intermediate core bond category. Categories determined by YCharts. [See note on category average methodology.](#) You cannot invest directly in an index or category average. [See disclosures section for definitions.](#)

## Total return | HIDE vs. Managed Futures

	Managed Futures <sup>1</sup>	HIDE
CAGR	-0.60%	2.47%
Annualized standard dev.	8.13%	3.14%
Max drawdown	-10.42%	-2.96%
S&P 500 Correlation	0.26	0.32
Int. Core Bond Correlation	-0.41	0.39



Source: YCharts, Alpha Architect. Daily returns. 11/17/2022 – 12/31/2024. **Past performance does not guarantee future results. 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.funds.alphaarchitect.com](http://www.funds.alphaarchitect.com).** <sup>1</sup>Managed futures category represented by the biggest open-ended (mutual funds and ETFs) in the systematic trend category. Categories determined by YCharts. [See note on category average methodology.](#) You cannot invest directly in an index or category average. [See disclosures section for definitions.](#)

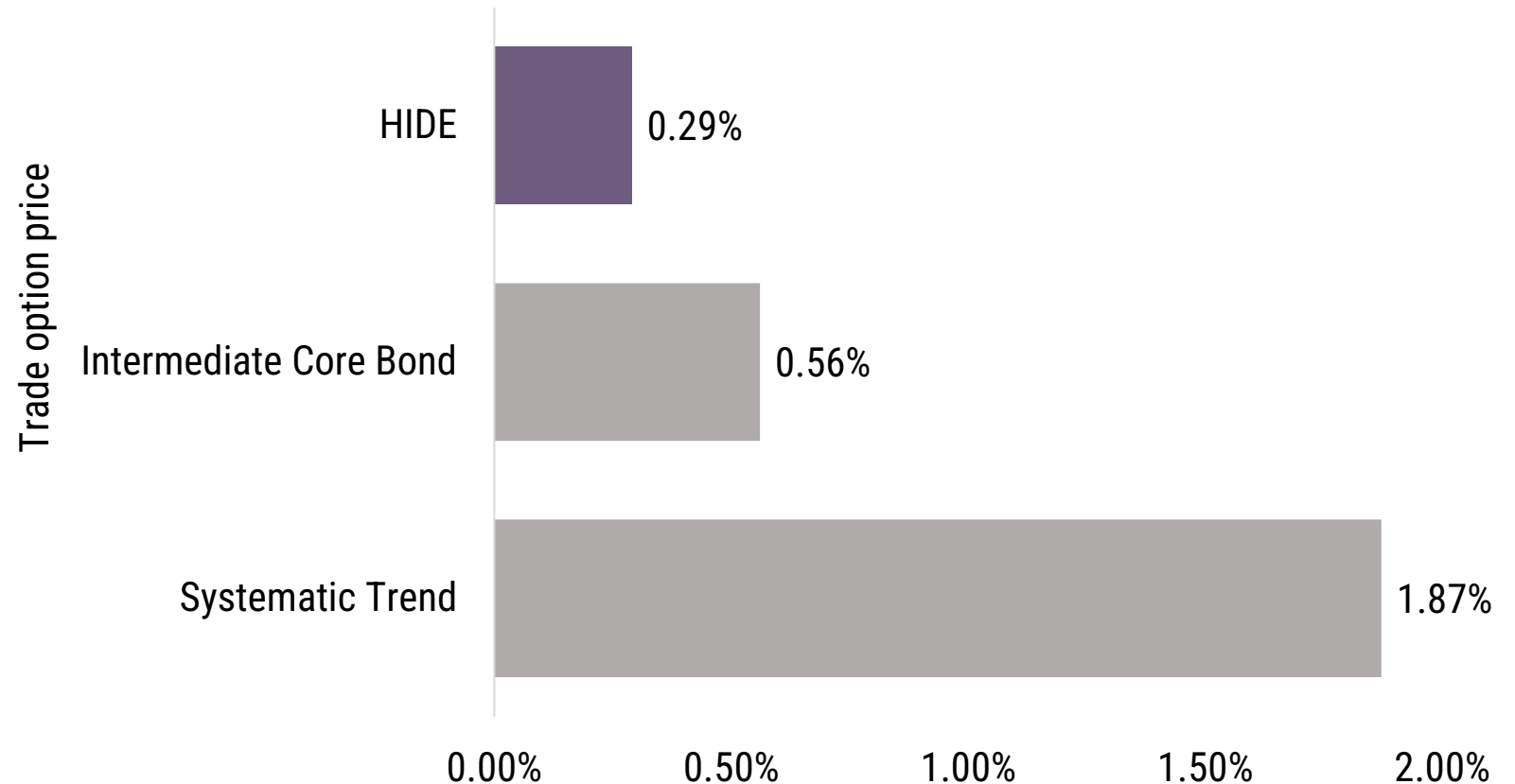
## Fund expenses

We aim to keep the fund's costs reasonable relative to peers.

### Expense ratios

Gross	0.31%
Net <sup>1</sup>	0.29%

### Avg. Expense Ratio | Select fund categories



Source: Alpha Architect. **Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal.** The values presented are for illustrative purposes only and should not be construed as a reflection of the fund's current holdings or exposures. Please click [here](#) or visit [alphaarchitect.com/funds](http://alphaarchitect.com/funds) for up-to-date holdings information. Holdings are subject to change. <sup>1</sup>Gross expense ratio is 0.31%. The Adviser has contractually agreed to waive all or a portion of its management fee until at least November 15, 2025, from exceeding 0.29% of its daily net assets.

# HIDE SUMMARY

**Slow markets.** May provide a source of positive, uncorrelated returns, especially during slow markets.

**Dynamic.** Trades on rules, not views. Every month.

**Affordable.** 0.29% expense ratio.

## Where to add HIDE in a portfolio

GOAL	How HIDE may help	What to target	Target HIDE weighting
Retain potential diversification benefits at a lower cost	At 0.29% net expense ratio, we believe HIDE is a cheaper, simpler, and less volatile alternative to managed futures with similar diversification benefits.	<b>Target managed futures funds with expense ratios over 1%</b> that may have underperformed expectations.	100% replace or 50% split target strategies
Add an active satellite to core fixed income	HIDE rebalances monthly with up to half of the portfolio allocated towards US government bonds	<b>Target bond strategies with &lt;100% turnover</b> that may have underperformed during periods of prolonged drawdowns.	100% replace or 50% split target strategies
Hedge rising interest rate risk	HIDE's trend-following on U.S. Treasuries may reduce duration by moving to T-bills in a rising rate environment, like 2022.	<b>Target long-duration, lower-credit quality bond strategies</b> that may be most affected.	100% replace or 50% split target strategies

Ready to learn more? Click below to schedule a call.

[Talk to our team](#)

Access additional resources by visiting the Content Library on our ETF site. Want to see how HIDE stacks up against a specific fund? Request an illustration here.

## IMPORTANT INFORMATION

This material has been distributed for informational purposes only and should not be considered investment advice or a recommendation of any particular security, strategy, or investment product. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. No part of this material may be reproduced in any form, or referred to in any other publication, without express written permission.

### PROSPECTUS OFFER

**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.funds.alphaarchitect.com](http://www.funds.alphaarchitect.com). The prospectus should be read carefully before investing.**

**Investment risk.** When you sell your Shares of the Fund, they could be worth less than what you paid for them. The Fund could lose money due to short-term interest rate market movements and over longer periods during continued interest rate market movements. Therefore, you may lose money by investing in the Fund.

**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.

**Fund of Funds Risk.** The Fund's investment performance will largely depend on the investment performance of the selected underlying funds. An investment in the Fund is subject to the risks associated with the underlying funds that then-currently comprise the Fund's portfolio. At times, certain of the segments of the market represented by the Fund's underlying funds may be out of favor and underperform other segments. The Fund will indirectly pay a proportional share of the expenses of the underlying funds in which it invests (including operating expenses and management fees), which are identified in the fee schedule above as "Acquired Fund Fees and Expenses."

**Fixed Income Risk.** The market value of fixed income securities will change in response to interest rate changes and other factors, such as changes in the effective maturities and credit ratings of fixed income investments. During periods of falling interest rates, the values of outstanding fixed income securities and related financial instruments generally rise. Conversely, during periods of rising interest rates, the values of such securities and related financial instruments generally decline. Fixed income investments are also subject to credit risk.

**Interest Rate Risk.** Changes in interest rates can result in losses for fixed-income and other securities. Specifically, for fixed-income securities or fixed-income ETFs, when interest rates rise, the market values of the fixed-income instruments normally decrease. Typically, the longer the maturity or duration of a fixed-income security, the greater the security's sensitivity to changes in interest rates. Changes in monetary policy, government policy, government spending and inflation may affect the level of interest rates.

**Credit Risk.** Debt securities are subject to credit risk. Credit risk refers to the possibility that the issuer or guarantor of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt or to otherwise honor its obligations and/or default completely. Debt securities are subject to varying degrees of credit risk, depending on the issuer's financial condition and on the terms of the securities, which may be reflected in credit ratings. There is a possibility that the credit rating of a debt security may be downgraded after purchase or the perception of an issuer's credit worthiness may decline, which may adversely affect the value of the security.

**Risk of U.S. Treasury Bills.** Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary

## IMPORTANT INFORMATION

**Investment Company Risk.** An investment in other registered investment companies (including other ETFs, affiliated and non-affiliated) is subject to the risks associated with those investment companies, which include, but are not limited to, the risk that such fund's investment strategy may not produce the intended results; the risk that securities in such fund may underperform in comparison to the general securities markets or other asset classes; and the risk that the fund will be concentrated in a particular issuer, market, industry or sector, and therefore will be especially susceptible to loss due to adverse occurrences affecting that issuer, market, industry or sector. Moreover, the Fund will incur duplicative expenses from such investments, bearing its share of that fund's expenses while also paying its own advisory fees and trading costs. Investments in ETFs are also subject to the "ETF Risks" described below. In addition, the Fund may invest in underlying funds which invest a larger portion of their assets in one or more sectors than many other funds, and thus will be more susceptible to negative events affecting those sectors. The Fund may invest in affiliated ETFs managed by the Adviser and/or Alpha Architect. The Adviser and/or Alpha Architect may be subject to potential conflicts of interest in selecting underlying funds because the fees paid to it by certain affiliated underlying funds are higher than the fees paid by other affiliated and unaffiliated underlying funds. To the extent the Fund invests a significant percentage of its assets in any one affiliated ETF or across multiple affiliated ETFs, the Fund will be subject to a greater degree to the risks particular to the investment strategies employed by the Adviser and/or Alpha Architect.

**Commodity Risk.** Investing in physical commodities is speculative and can be extremely volatile. Market prices of commodities may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade; domestic and foreign political and economic events and policies; diseases; pestilence; technological developments; currency exchange rate fluctuations; and monetary and other governmental policies, action and inaction. When the Fund obtains exposure to commodities through its investments in other underlying funds, it will be indirectly exposed to the foregoing risks.

**Real Estate Investment Risk.** Companies in the real estate sector include companies that invest in real estate, such as real estate investment trusts (REITs) and real estate management and development companies. Companies that invest in real estate are subject to the risks of owning real estate directly as well as to risks that relate specifically to the way that such companies operate, including management risk (such companies are dependent upon the management skills of a few key individuals and may have limited financial resources). Adverse economic, business or political developments affecting real estate could have a major effect on the value of an underlying fund's investments. Investing in real estate is subject to such risks as decreases in real estate values, overbuilding, increased competition and other risks related to local or general economic conditions, increases in operating costs and property taxes, changes in zoning laws, casualty or condemnation losses, possible environmental liabilities, regulatory limitations on rent, possible lack of availability of mortgage financing, market saturation, fluctuations in rental income and the value of underlying properties and extended vacancies of properties. Certain real estate securities have a relatively small market capitalization, which may tend to increase the volatility of the market price of these securities. Real estate securities have limited diversification and are, therefore, subject to risks inherent in operating and financing a limited number of projects. Real estate securities are also subject to heavy cash flow dependency and defaults by borrowers or tenants. The Fund's investments in REITs are subject to additional risks, such as poor performance by the manager of the REIT or failure by the REIT to qualify for tax-free pass through of income under the Code.

**Asset Allocation Risk.** The Fund is also subject to asset allocation risk, which is the chance that the selection of investments, and the allocation of assets to such investments, will cause the Fund to underperform other funds with a similar investment objective.

**Non-Diversification Risk.** The Fund is non-diversified, meaning that it is permitted to invest a larger percentage of its assets in fewer issuers than diversified funds. Thus, the Fund may be more susceptible to adverse developments affecting any single issuer held in its portfolio and may be more susceptible to greater losses because of these developments.



## IMPORTANT INFORMATION

**Quantitative Security Selection Risk.** The Sub-Adviser uses a quantitative model, and its processes could be adversely affected if erroneous or outdated data is utilized. In addition, securities selected using a 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. The factors used in such analyses may not be predictive of a security's value and its effectiveness can change over time. These changes may not be reflected in the quantitative model. There can be no assurance that use of a quantitative model will enable the Fund to achieve positive returns or outperform the market.

**High Portfolio Turnover Risk.** The Fund's investment strategy may from time-to-time result in higher turnover rates. This may increase the Fund's brokerage commission costs, which could negatively impact the performance of the Fund. Rapid portfolio turnover also exposes shareholders to a higher current realization of short-term capital gains, distributions of which would generally be taxed to you as ordinary income and thus cause you to pay higher taxes.

**Cash and Cash Equivalents Risk.** Holding cash or cash equivalents rather than securities or other instruments in which the Fund primarily invests, even strategically, may cause the Fund to risk losing opportunities to participate in market appreciation, and may cause the Fund to experience potentially lower returns than the Fund's benchmark or other funds that remain fully invested.

**Note on category average methodology**

Constituents of a given category are determined by YCharts. 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.

**Category average constituent selection criteria**

Unless otherwise noted, the given category is represented by the 50 biggest funds based on assets under management (AUM). The AUM figure is point-in-time and is not retroactively applied to constituent funds. In the event fewer than 50 funds are available in a given category, all funds are used in to calculate returns. Unless otherwise indicated, mutual funds are excluded from category average constituents. Funds that may have been open for investment over the given period but are no longer active are not included. The number of constituent funds in a given category average may affect represented returns. In the event of multiple share classes, the share class with the highest AUM is referenced. In the event of a duplicate ETFs and mutual funds from the same fund family, the ETF is referenced. Category returns are a straight average of the total return of the constituent funds over the given period.

Wherever possible, we reference the 50 biggest funds by AUM to provide what we believe to be a reasonable sample of the most popular strategies that includes a mix of passive and active approaches. The highest AUM funds tend to have more established track records, providing what we believe to be a reasonable basis for returns. We reference all funds in the category in the event there are fewer than 50 funds open for investment.

**Limited universe**

The information presented regarding peer ETFs may be 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.

**US Aggregate Bond category average** is represented by the 50 biggest open-ended funds (mutual funds and ETFs), ranked by AUM, in the Intermediate Core Bond category, which is composed of funds that invest primarily in investment-grade U.S. fixed-income issues including government, corporate, and securitized debt, and hold less than 5% in below-investment-grade exposures. Their durations (a measure of interest-rate sensitivity) typically range between 75% and 125% of the three-year average of the effective duration of the core bond index. As of 12/31/2024, there are 187 funds open for investment in the category.

**Managed futures category average** is represented by the biggest open-ended funds (mutual funds and ETFs), ranked by AUM, in the Systematic Trend category, which is composed of funds that primarily implement trend-following, price-momentum strategies by trading long and short liquid global futures, options, swaps, and foreign-exchange contracts. The remaining exposure may be invested in a mix of other complementary nontraditional risk premia. These portfolios typically obtain exposure referencing a mix of diversified global markets, including commodities, currencies, government bonds, interest rates, and equity indexes. As of 12/31/2024, there are 28 funds open for investment in the category.

**Commodities broad basket category average** is represented by the 50 biggest open-ended funds (mutual funds and ETFs), ranked by AUM, in the Commodities Broad Basket category, which is composed of funds that invest in a diversified basket of commodity goods, including, but not limited to, grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Investment can be made directly in physical assets or commodity-linked derivative instruments, such as commodity swap agreements. As of 12/31/2024, there are 53 funds open for investment in the category.

**Intermediate Government category average** is represented by the 50 biggest open-ended funds (mutual funds and ETFs), ranked by AUM, in the Intermediate Government category, which is composed of funds that at least 90% of their bond holdings in bonds backed by the US government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the US government is unlikely to default on its debt. These portfolios have durations typically between 3.5 and 6.0 years. As of 12/31/2024, there are 80 funds open for investment in the category.

**Real Estate category average** is represented by the 50 biggest open-ended funds (mutual funds and ETFs), ranked by AUM, in the Real Estate category, which is composed of funds that primarily in US REITs of various types. Securities that these portfolios purchase include debt securities, equity securities, convertible securities, and securities issued by real REITs and REIT-like entities. Some portfolios in this category also invest in real estate operating companies. As of 12/31/2024, there are 95 funds open for investment in the category.

**Annualized standard deviation** measures the degree to which an investment's historical returns deviate from its mean. Higher standard deviation implies greater deviation. Standard deviation and volatility are often synonymous.

**CAGR** stands for compounded annualized growth rate, which represents the rate at which an investment would have grown if it had grown at the same rate every year and the profits were reinvested at the end of each year.

**Max Drawdown** measures the largest single drop from peak to bottom in the value of a portfolio before a new peak is achieved. It may be considered an indicator of a given investment's historical downside risk.

**Correlation** measures the degree to which two variables move in relation to each other. Higher correlation implies a tighter relationship.

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

AA-653905-2024-12-09