

# GBF | Global Beta+Factor Model

**Why consider the Global Beta+Factor model portfolio?** The model seeks to produce competitive returns at a reasonable cost without incurring significant tracking error.

This model is offered as a template. For a model tailored to your practice, please contact Ryan Kirlin at [ryan@alphaarchitect.com](mailto:ryan@alphaarchitect.com) or schedule a call here.

## TARGET ALLOCATIONS

|                                     | Asset Class    | Name                                  | Ticker              | Net<br>Exp. Ratio  | 0/100  | 20/80  | 40/60  | 60/40  | 80/20  | 100/0  |
|-------------------------------------|----------------|---------------------------------------|---------------------|--------------------|--------|--------|--------|--------|--------|--------|
| US STOCKS                           | US Equity      | iShares<br>Core S&P 500               | IVV <sup>2</sup>    | 0.03%              | -      | 7.80%  | 15.60% | 23.40% | 31.20% | 39.00% |
|                                     | US Value       | Alpha Architect<br>US Quant. Value    | QVAL <sup>3</sup>   | 0.29%              | -      | 2.60%  | 5.20%  | 7.80%  | 10.40% | 13.00% |
|                                     | US Momentum    | Alpha Architect<br>US Quant. Mmtm.    | QMOM <sup>3</sup>   | 0.29%              | -      | 2.60%  | 5.20%  | 7.80%  | 10.40% | 13.00% |
| INT'L STOCKS                        | Int'l Equity   | Vanguard FTSE<br>Dev. Market          | VEA <sup>2</sup>    | 0.06%              | -      | 3.60%  | 7.20%  | 10.80% | 14.40% | 18.00% |
|                                     | Int'l Value    | Alpha Architect<br>Int'l Quant. Value | IVAL <sup>3</sup>   | 0.39%              | -      | 1.20%  | 2.40%  | 3.60%  | 4.80%  | 6.00%  |
|                                     | Int'l Momentum | Alpha Architect<br>Int'l Quant. Mmtm. | IMOM <sup>3</sup>   | 0.39%              | -      | 1.20%  | 2.40%  | 3.60%  | 4.80%  | 6.00%  |
|                                     | EM Equity      | Freedom 100<br>Emerging Markets       | FRDM <sup>2,3</sup> | 0.49%              | -      | 1.00%  | 2.00%  | 3.00%  | 4.00%  | 5.00%  |
| DIVERSIFIERS                        | Treasuries     | Schwab Intermed.<br>U.S. Treasury     | SCHR <sup>2</sup>   | 0.03%              | 25.00% | 20.00% | 15.00% | 10.00% | 5.00%  | -      |
|                                     | Fast crashes   | Alpha Architect<br>Tail Risk          | CAOS <sup>3</sup>   | 0.63% <sup>4</sup> | 25.00% | 20.00% | 15.00% | 10.00% | 5.00%  | -      |
|                                     | Slow markets   | Alpha Architect<br>High Infl. & Defl. | HIDE <sup>3</sup>   | 0.29% <sup>5</sup> | 50.00% | 40.00% | 30.00% | 20.00% | 10.00% | -      |
| Weighted expense ratio <sup>1</sup> |                |                                       |                     |                    | 0.31%  | 0.28%  | 0.25%  | 0.23%  | 0.20%  | 0.17%  |
| Tracking error <sup>1</sup>         |                |                                       |                     |                    | 4.46%  | 3.59%  | 2.87%  | 2.44%  | 2.47%  | 3.67%  |

Source: YCharts, Alpha Architect. As of 12/31/2024. **Investing involves risk, including the loss of principal.** Asset allocation strategies do not assure a profit and do not protect against loss. Target weightings are subject to change. <sup>1</sup>[See definition for weighted expense ratio and tracking error.](#) <sup>2</sup>Alpha Architect model portfolios may include ETFs or other registered products issued by third-party companies with whom we are not affiliated. [See third-party fund justification.](#) <sup>3</sup>FRDM, QVAL, QMOM, IVAL, IMOM, CAOS, HIDE are affiliated funds on the EA Series Trust. Non-affiliated funds may be replaced with other affiliated funds at any time. <sup>4</sup>The Adviser has contractually agreed to waive all or a portion of its management fee from exceeding 0.63% of its daily net assets. <sup>5</sup>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.

**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.**



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## THIRD PARTY FUND JUSTIFICATION

Alpha Architect model portfolios may include ETFs or other registered products issued by third-party companies with whom we are not affiliated. The inclusion of these third-party funds in our model portfolios does not constitute a recommendation, solicitation, or endorsement of these products. The holdings within any model portfolio are subject to change at any time without prior notice. These model portfolios are provided for informational purposes only and do not constitute investment advice. Alpha Architect does not guarantee the accuracy, completeness, or timeliness of the information contained herein and shall not be liable for any errors or omissions or for any actions taken in reliance on this information. Investors should consult with their financial advisor before making any investment decisions. <sup>1</sup>[iShares Core S&P 500 ETF](#) (IVV) seeks to provide exposure to US large-cap stocks; <sup>2</sup>[Vanguard FTSE Developed Market ETF](#) (VEA) seeks to provide exposure to the Developed International market; <sup>3</sup>[Freedom 100 Emerging Markets](#) (FRDM)<sup>3</sup> ETF, which seeks to provide exposure to emerging market countries with higher personal and economic freedom scores. Research suggests that the stocks issued by companies based in countries that meet this criteria could generate higher returns than a market-cap weighted index; <sup>4</sup>[Schwab Intermediate-Term US Treasury ETF](#) (SCHR) seeks to provide exposure to intermediate US Treasury bonds. Treasuries are given significant weighting in more conservative models given their credit quality, modest duration, and historical track record of producing positive returns during equity drawdowns, generally. All third-party funds are in the top 10% for assets under management and lowest 10% for expense ratio in their respective categories. Generally, high AUM implies reasonable liquidity. Categories determined by YCharts.

## 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

As of 4/30/2024, the constituent selection includes exchange traded funds (ETFs) with live track records over the period represented. Funds that may have been active over the period represented but have since been delisted are not included. 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.

**Global Large Stock Blend** is represented by the biggest ETFs by AUM in the Global Large Stock Blend category. These ETFs invest in a variety of international stocks and typically skew toward large caps that are fairly representative of the global stock market in size, growth rates, and price. Global large-stock blend portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in developed markets, with the remainder divided among the globe's emerging markets. These portfolios are not significantly overweight in US equity exposure relative to the Morningstar Global Market Index and maintain at least a 20% absolute US exposure. As of 12/31/2024, there are 41 ETFs that meet the given criteria.

**US Aggregate Bonds** are represented by the 50 biggest open-ended (mutual funds and ETFs) funds in the Intermediate Core Bond category, ranked by AUM. Intermediate Core Bonds consists 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. As of 12/31/2024, there are 187 funds in the category.

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**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.

**Value Style Investing Risk.** A value stock may not increase in price if other investors fail to recognize the company's value and bid up the price, or the markets favor faster-growing companies. Cyclical stocks in which the Fund may invest tend to lose value more quickly in periods of anticipated economic downturns than non-cyclical stocks. Companies that may be considered out of favor, particularly companies emerging from bankruptcy, may tend to lose value more quickly in periods of anticipated economic downturns, may have difficulty retaining customers and suppliers and, during economic downturns, may have difficulty paying their debt obligations or finding additional financing.

**Momentum Style Risk.** Investing in or having exposure to securities with the highest relative 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 highest relative 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.

**Fund of Funds Risk.** Because it invests primarily in other funds, the Fund's investment performance largely depends on the investment performance of those Underlying Alpha Architect ETFs. An investment in the Fund is subject to the risks associated with the Underlying Alpha Architect ETFs that comprise the Fund's portfolio. At times, certain of the segments of the market represented by constituent Underlying Alpha Architect ETFs may be out of favor and underperform other segments. The Fund indirectly pays a proportional share of the expenses of the Underlying Alpha Architect ETFs in which it invests (including operating expenses and management fees), which are identified in the fee schedule above as "Acquired Fund Fees and Expenses."

**Derivatives Risk.** A derivative is any financial instrument whose value is based on, and determined by, another asset, rate or index (i.e., stock options, futures contracts, caps, floors, etc.). Unfavorable changes in the value of the underlying asset, rate or index may cause sudden losses. Changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index, as the Fund could lose more than the principal amount invested. Derivative instruments are subject to a number of risks including counterparty, liquidity, interest rate, market, credit and management risks, as well as the risk of improper valuation. To the extent a derivative contract is used to hedge another position in the Fund, the Fund will be exposed to the risks associated with hedging. Since the Fund primarily uses exchange-traded equity index futures contracts and exchange-traded interest rate futures contracts, the primary risks associated with the Fund's use of derivatives are equity market risk and hedging risk.

**Quantitative Security Selection Risk.** Data for some companies in which the Underlying Alpha Architect ETFs invest or upon which the Fund calculates its risk-parity allocations may be less available and/or less current than data for companies in other markets. The Sub-Adviser uses a quantitative model to generate investment decisions and its processes and stock selection could be adversely affected if it relies on erroneous or outdated data. 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.



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**Selling or Writing Options.** Writing option contracts can result in losses that exceed the seller's initial investment and may lead to additional turnover and higher tax liability. The risk involved in writing a call option is that there could be an increase in the market value of the underlying or reference asset. An underlying or reference asset may be an index, equity security, or ETF. If this occurs, the call option could be exercised and the underlying asset would then be sold at a lower price than its current market value. In the case of cash settled call options such as SPX options, the call seller would be required to purchase the call option at a price that is higher than the original sales price for such call option. Similarly, while writing call options can reduce the risk of owning the underlying asset, such a strategy limits the opportunity to profit from an increase in the market value of the underlying asset in exchange for up-front cash at the time of selling the call option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying asset. If this occurs, the put option could be exercised and the underlying asset would then be sold at a higher price than its current market value. In the case of cash settled put options, the put seller would be required to purchase the put option at a price that is higher than the original sales price for such put option.

**Buying or Purchasing Options Risk.** If a call or put option is not sold when it has remaining value and if the market price of the underlying asset, in the case of a call option, remains less than or equal to the exercise price, or, in the case of a put option, remains equal to or greater than the exercise price, the buyer will lose its entire investment in the call or put option. Since many factors influence the value of an option, including the price of the underlying asset, the exercise price, the time to expiration, the interest rate, and the dividend rate of the underlying asset, the buyer's success in implementing an option buying strategy may depend on an ability to predict movements in the prices of individual assets, fluctuations in markets, and movements in interest rates. There is no assurance that a liquid market will exist when the buyer seeks to close out any option position. When an option is purchased to hedge against price movements in an underlying asset, the price of the option may move more or less than the price of the underlying asset.

**Box Spread Risk.** A Box Spread is a synthetic bond created by combining different options trades that have offsetting spreads (e.g., purchases and sales on the same underlying instrument, such as an index or an ETF, but with different strike prices). If one or more of these individual option positions are modified or closed separately prior to the option contract's expiration, then the Box Spread may no longer effectively eliminate risk tied to the underlying asset's price movement. Furthermore, the Box Spread's value is derived in the market and is in part, based on the time until the options comprising the Box Spread expire and the prevailing market interest rates. If the Fund (or an underlying ETF) sells a Box Spread prior to its expiration, then the Fund may incur a loss. The Fund's ability to profit from Box Spreads is dependent on the availability and willingness of other market participants to sell Box Spreads to the Fund (or the underlying ETF) at competitive prices.

**FLEX Options Risk.** FLEX Options are exchange-traded options contracts with uniquely customizable terms like exercise price, style, and expiration date. Due to their customization and potentially unique terms, FLEX Options may be less liquid than other securities, such as standard exchange listed options. In less liquid markets for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The value of FLEX Options will be affected by, among others, changes in the underlying share or equity index price, changes in actual and implied interest rates, changes in the actual and implied volatility of the underlying shares or equity index and the remaining time to until the FLEX Options expire. The value of the FLEX Options will be determined based upon market quotations or using other recognized pricing methods. During periods of reduced market liquidity or in the absence of readily available market quotations for the holdings of the Fund, the ability of the Fund to value the FLEX Options becomes more difficult and the judgment of Arin Risk Advisors (employing the fair value procedures adopted by the Board of Trustees of the Trust) may play a greater role in the valuation of the Fund's holdings due to reduced availability of reliable objective pricing data.

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**Counterparty Risk.** Counterparty risk is the risk that a counterparty to a financial instrument held by the Fund or by a special purpose or structured vehicle invested in by the Fund may become insolvent or otherwise fail to perform its obligations, and the Fund may obtain no or limited recovery of its investment, and any recovery may be significantly delayed. Exchange listed options, including FLEX Options, are issued and guaranteed for settlement by the Options Clearing Corporation ("OCC"). The Fund's investments are at risk that the OCC will be unable or unwilling to perform its obligations under the option contract terms. In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses.

## DEFINITIONS

**Beta** measures a given investment's sensitivity to the movement of a defined benchmark. In CAPM, it is used to represent systematic risk.

**Tracking Error** measures the degree that an investment's returns deviate from a given benchmark. Tracking error is frequently calculated as the standard deviation of the difference in the return of the security and the benchmark. Higher tracking error implies greater deviation.

Model portfolio tracking error calculated relative to the iShares MSCI ACWI ETF (ACWI) and the iShares Core US Aggregate Bond ETF (AGG), based on the given model's allocation to equities and diversifiers/fixed income. References to third-party funds are for informational purposes only and should not be considered investment advice or a recommendation of any particular security, strategy, or investment product.

**Weighted average expense ratio** calculates the average cost of investing in a portfolio of securities. It accounts for the expenses associated with each individual investment within the portfolio, and the weight of each investment relative to the total portfolio.

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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