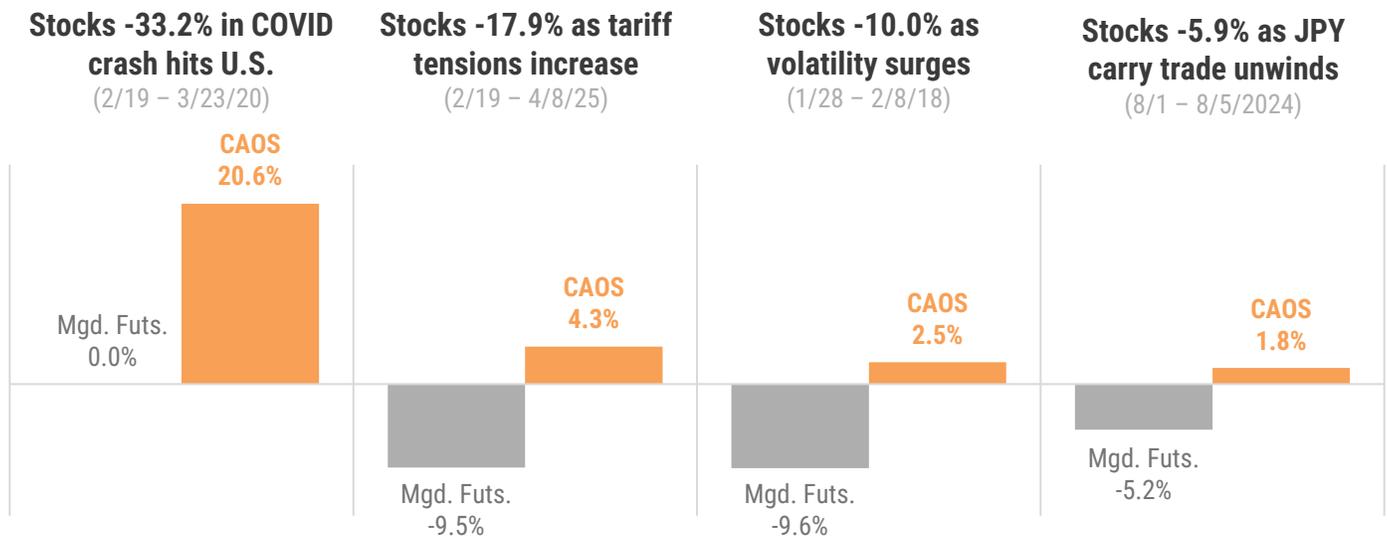


# Performance during fast crashes

**When stocks sell off, investors expect their diversifiers to generate positive returns to offset the losses, otherwise known as “crisis alpha.”**

While managed futures have a reputation as a source of crisis alpha, they often lag during short, fast crashes. CAOS has historically generated positive returns during these periods. In our view, this feature makes CAOS a strong complement to an existing managed futures allocation.



Source: YCharts, Alpha Architect. 8/15/2013 – 6/30/2025. Daily returns at NAV. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** Investing involves risk, including potential loss of principal. U.S. stocks and managed futures represented by category averages. [See category average methodology.](#) Categories defined by YCharts. You cannot directly invest in a category average. Periods selected represent periods when stocks experienced a fast crash, i.e., a decline in value of -10% or more in 60 days or less. “JPY Unwind” example selected to illustrate a period of sudden, macro risk. Periods are peak to trough and sorted by degree of US Large Blend loss.

## Standardized returns through 6/30/2025

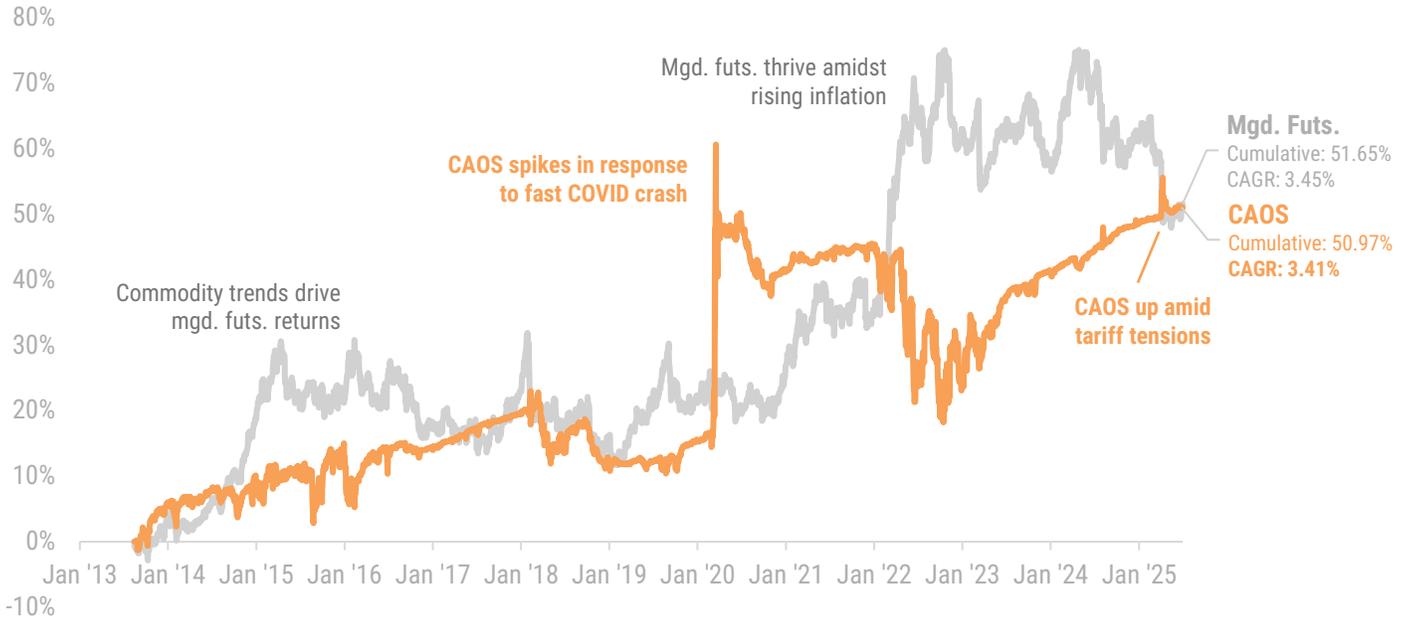
	Inception		1 Year	3 Year	5 Year	10 Year	Since Incept	Expense Ratios
CAOS	8/14/2013	NAV	4.58%	6.88%	0.30%	3.25%	3.57%	Gross 0.73%
		MKT	4.68%	6.90%	0.32%	3.26%	3.57%	Net 0.63% <sup>1</sup>

Source: YCharts, Alpha Architect. **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 visit [funds.alphaarchitect.com/caos/](https://funds.alphaarchitect.com/caos/).** Returns greater than one year are annualized. <sup>1</sup>The Adviser has contractually agreed to waive receipt of its management fees to the extent necessary to offset any acquired fund fees and expenses relating to the Fund’s investment in the Alpha Architect 1-3 Month Box ETF. Any AFEE associated with Fund investments in any other acquired funds are not included in the fee waiver. In its sole discretion, the Fund’s Board of Trustees may terminate this Waiver Agreement only by a majority vote of the “non-interested” trustees of the Trust (as defined in the 1940 Act).

# CAOS isn't an inverse strategy

## CAOS has defended against fast crashes and compounded steadily since inception

Total return at NAV | Mgd. Futs. | CAOS



Source: YCharts, Alpha Architect. 8/15/2013 – 6/30/2025. Daily returns at NAV. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** Investing involves risk, including potential loss of principal. Categories defined by YCharts. You cannot directly invest in a category average. [See managed futures definition.](#)

## How CAOS Invests

CAOS combines three interlocking options positions to defend against fast crashes and generate positive returns over time, historically.

### Out-of-the-Money Put Options<sup>1</sup>

Potential defense against fast crashes

### Box Spreads<sup>2</sup>

Seeks steady, short-term returns

### Put Spreads<sup>3</sup>

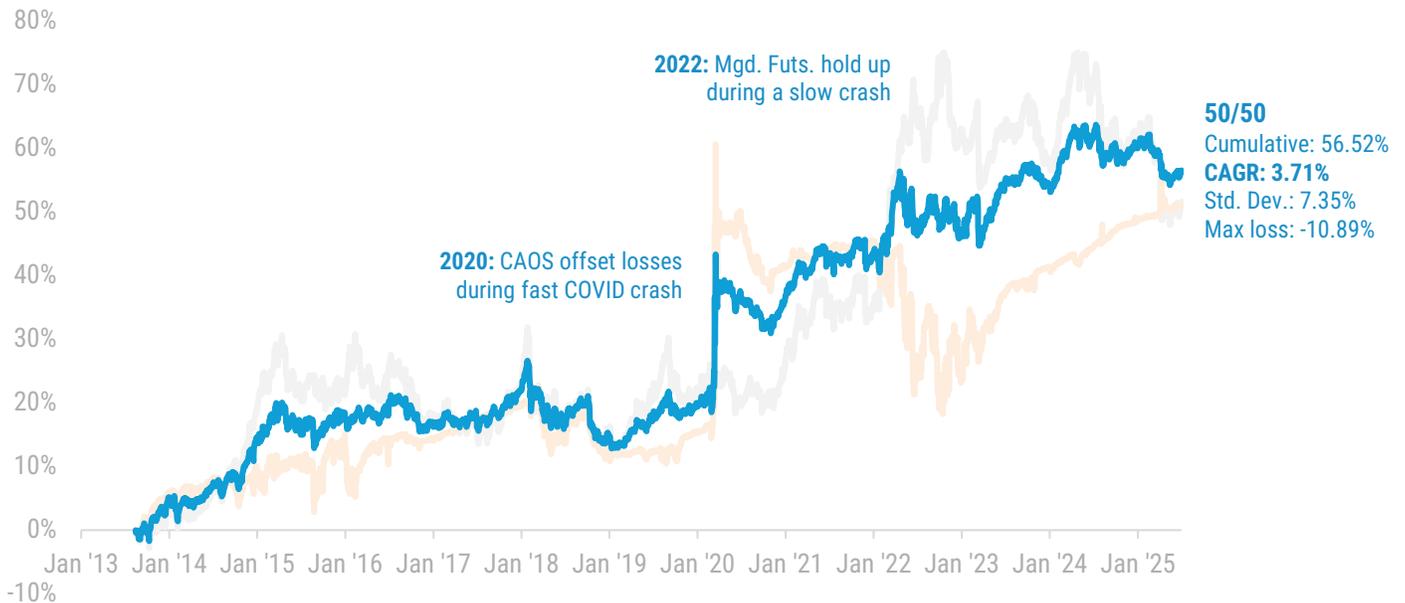
Attempts to generate upside capture with defined risk

For illustrative purposes only. <sup>1</sup>**Out-of-the-money put options** are put options with a strike price far below the current market price of the underlying asset. CAOS often targets put options that are 30-60% out-of-the-money. A put option is a financial contract that grants the buyer the right, but not the obligation to sell a security at a stipulated price (the "strike.") <sup>2</sup>A **box spread** combines a long call and short put at one strike with a short call and long put at another strike. The difference between the "synthetic" long and "synthetic" short can be calibrated to generate a return approximating the risk and return profile of an ultrashort bond. <sup>3</sup>A **put spread** is an options trading strategy where one simultaneously sells a near-the-money put option and buys a further out-of-the-money put option on the same underlying on the same expiration date.

# Combine CAOS and Managed Futures

## CAOS and managed futures offer complementary uncorrelated returns

Total return at NAV | **50/50** (50% CAOS, 50% Mgd. Futs.) | Mgd. Futs. | CAOS



Source: YCharts, Alpha Architect. 8/15/2013 – 6/30/2025. Daily returns at NAV. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** Investing involves risk, including potential loss of principal. Categories defined by YCharts. You cannot directly invest in a category average. [See managed futures definition.](#) 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. "Max loss" is synonymous with max drawdown. 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.

### In our view, CAOS is a compelling complement to a managed futures allocation.

As any managed futures investor knows, **unpredictable performance** is both its greatest strength and, often, its most frustrating weakness: when stocks crash, investors expect diversifiers to **reliably generate "crisis alpha,"** which, in managed futures case, depends almost entirely on the presence of sustained trends.

In practice, managed futures tend to shine in **slow-moving markets** – like 2022 – where trends have time to develop. They're typically less effective during short, fast crashes, like in 2020.

By contrast, **CAOS** seeks to provide "crisis alpha" during fast market crashes by holding a small but meaningful allocation to deep out-of-the-money put options. These complementary return profiles – **CAOS** for FAST crashes, managed futures for SLOW crashes – is why we believe pairing the two strategies together can create a diversification solution that is **truly "robust to chaos."**

# Explore how CAOS can fit in your portfolio

*Keep learning.  
Stay ahead.*

## **Talk to our team.**

Whether it's one question or a deep dive, our team is here to help. To learn more, schedule a call with Jack Vogel, PhD. Click for [availability](#) or [email](#) a question.

## **Read “Managing Fast and Slow Crashes.”**

We analyzed how managed futures and CAOS can work together across multiple market environments, including fast and slow crashes and bull markets. [Click to download.](#)

## **Request an illustration.**

Take CAOS for a “test drive.” Request an illustration to see what impact an allocation to CAOS may have had on your portfolio. Click to [request an illustration](#).

## **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 may be obtained by calling (215) 882-9983 visiting [www.AlphaArchitect.com/funds](http://www.AlphaArchitect.com/funds). The prospectus should be read carefully before investing. Investing involves risk, including loss of principal.

# IMPORTANT INFORMATION

## PRINCIPAL RISKS

**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.

**Counterparty Risk.** Counterparty risk is the risk that a counterparty to a financial instrument held 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.

# IMPORTANT INFORMATION

## PRINCIPAL RISKS

**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.). When the Fund obtains exposure to derivatives it will be exposed to the risks of those derivatives. The use of derivatives for non-hedging purposes may be considered to carry more risk than other types of investments. 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.

**Leverage Risk.** Leverage risk refers to the potential for increased volatility and losses in a portfolio due to the use of derivatives or other financial instruments that may magnify gains and losses beyond the initial investment. The Fund will utilize derivatives, such as options, to gain exposure to certain assets or markets with a smaller initial investment. While leveraging derivatives can amplify gains, it can also magnify losses significantly. Leverage could possibly create increased volatility for the Fund.

**Cash and Cash Equivalents Risk.** At any time, the Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

**Market Risk.** The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in interest rate sensitive markets. Interest rate markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, the investment's average time to maturity, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, and general market liquidity. The Fund is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issues, or other events could have a significant impact on the Fund and its investments.

**Equity Securities Risk.** Investments in securities whose performance is linked to that of equity securities, such as SPX Options, may fluctuate in value in response to many factors, including the activities of the individual issuers included in the Index, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject the Fund to potential losses.

**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.

**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.

# IMPORTANT INFORMATION

## PRINCIPAL RISKS

**Valuation Risk.** Some portfolio holdings, potentially a large portion of the Fund's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that the Fund could sell or close out a portfolio position for the value established for it at any time, and it is possible that the Fund would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by the Fund at that time.

**High Portfolio Turnover Risk.** The Fund's investment strategy is expected to result in a high portfolio turnover rate (100% or more). This will increase the Fund's brokerage commission costs, which could negatively impact the performance of the Fund. When taking into account derivative instruments, including option contracts, and instruments with maturities of one year or less at the time acquisition, the Fund's strategy will result in frequent portfolio trading and, if these instruments were included in the calculation of the Fund's portfolio turnover rate it would exceed 100%.

**Management Risk.** The Fund is actively managed and Arin Risk Advisors' ability to choose suitable investments and implement the strategies described above has a significant impact on the ability of the Fund to achieve its investment objectives. In addition, there is the risk that the investment process, techniques and analyses used by Arin Risk Advisors will not produce the desired investment results and the Fund may lose value as a result.

**Authorized Participants, Market Makers and Liquidity Providers Concentration Risk.** The Fund has a limited number of financial institutions that may act as Authorized Participants ("APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

**Cash Creation Unit Risk.** Unlike most other ETFs, the Fund expects to effect a substantial portion of its creations and redemptions for cash, rather than in-kind securities (although redemptions will also be done in-kind under certain circumstances). The use of cash creations and redemptions may also cause the Fund's shares to trade in the market at greater bid-ask spreads or greater premiums or discounts to the Fund's NAV. As a practical matter, only institutions and large investors, such as market makers or other large broker dealers, also known as "authorized participants," create or redeem shares directly through the Fund. Most investors will buy and sell shares of the Fund on an exchange through a broker-dealer. Cash creation and redemption transactions may result in certain brokerage, tax, execution, price movement and other costs and expenses related to the execution of trades resulting from such transactions. To offset these expenses, the Fund will collect fees from the applicable authorized participant to reimburse the Fund for any costs incurred by the Fund that result from a cash creation or redemption. The use of cash for redemptions will limit the tax efficiency of the Fund.

**Trading Risk.** Although the Shares are listed on the Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in Shares on the Exchange may be halted. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of its underlying portfolio holdings, which can be less liquid than Shares, potentially causing the market price of Shares to deviate from its NAV. The spread varies over time for Shares of the Fund based on the Fund's trading volume and market liquidity and is generally lower if the Fund has high trading volume and market liquidity, and higher if the Fund has little trading volume and market liquidity (which is often the case for funds that are newly launched or small in size).

# IMPORTANT INFORMATION

## 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. 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. 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.

## 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.

## Category averages referenced

**US Large Blend** represented by the average return at NAV of the 50 largest ETFs in the Large Blend category based on assets under management (AUM). These portfolios tend to invest across the spectrum of US industries. Large is assigned to stocks in the top 70% of the capitalization stack. Blend is assigned to portfolios where neither growth nor value characteristics predominate. Categories determined by YCharts.

**Managed Futures** represented by the average returns at NAV of the largest open-ended funds (ETFs and mutual funds) in the Systematic Trend category, based on assets under management (AUM). Systematic-trend strategies primarily implement trend-following, price-momentum strategies by trading long and short liquid global futures, options, swaps, and foreign-exchange contracts. Categories determined by YCharts.

The Funds are distributed by Quasar Distributors, LLC. The funds' investment advisor is Empowered Funds, LLC, which is doing business as ETF Architect. Alpha Architect, LLC serves as the Sub-advisor to the Funds. Quasar is not affiliated with ETF Architect or Alpha Architect.

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