

Product update

IVAL tilts toward European equities

May 26, 2025

Summary

- IVAL recovered alongside the broader market after a tough start to the month.
- Following our rebalance, IVAL increased exposure to developed European equities
- Industrials have been our largest holding by sector for nearly two years

[Please visit the IVAL fund page](#) for current holdings, standardized returns, and prospectus.

Recap

The Alpha Architect International Quantitative Value ETF (IVAL) returned 4.23% (NAV) / 3.25% (MKT) through April 30, 2025, modestly outperforming Foreign Value peers¹, which returned 3.91% at NAV.

¹ Foreign Value represented by the average returns at NAV of the fifty biggest ETFs based on assets under management in the Foreign Large and Small/Mid-Cap Value categories. Foreign Large Value primarily invest in stocks that have market caps in the top 70% of each economically integrated market. (such as Europe or Asia ex-Japan). Foreign Small/Mid Value portfolios primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). Value defined as equities with low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow). Categories determined by YCharts. See category methodology below.

IVAL outperforms value peers in April

Total return at NAV | IVAL | Fgn. Value peers



Source: YCharts, Alpha Architect. 4/1/2025 – 4/30/2025. Daily returns at NAV. **PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.** Investing involves risk, including the potential loss of principal. Returns are derived from sources believed to be accurate but are not guaranteed.

While it's a (very) short-term window, these results are entirely within the expected return profile of a concentrated portfolio like IVAL – a bit more sensitive to the downturn with the potential to recover faster **if markets turn around**. While we don't know what will happen in the future, it's encouraging that IVAL has largely tracked the market's recovery.

IVAL tilts toward Europe

IVAL's universe consists of equities in developed countries outside of the United States, including Europe (e.g., France), Asia (e.g., Singapore), Australasia (e.g., New Zealand), Japan, and the United Kingdom.

Historically, the fund is composed of approximately 50% Japan, 25% Developed Europe, 12.5% United Kingdom, and 10% Australasia, with the balance spread between other developed regions, including Canada and Israel.

Following April's rebalance, IVAL has **tilted toward Developed European stocks**, increasing exposure from 25.3% as of March 31 to 35.1% as of April 30.

Regional allocation change

Date	3/31/2025	4/30/2025	Change
Germany	4.1%	7.9%	3.9%
Luxembourg	0.0%	3.6%	3.6%
Spain	0.0%	2.1%	2.1%
France	6.4%	8.5%	2.0%
Sweden	0.0%	1.8%	1.8%
Austria	0.0%	0.0%	0.0%
Belgium	0.0%	0.0%	0.0%
Ireland	0.0%	0.0%	0.0%
Netherlands	0.0%	0.0%	0.0%
Switzerland	0.0%	0.0%	0.0%
Denmark	2.0%	1.9%	-0.1%
Finland	2.2%	1.8%	-0.3%
Portugal	2.1%	1.7%	-0.4%
Norway	2.3%	1.7%	-0.7%
Italy	6.2%	4.1%	-2.1%

Source: ETF Action. Holdings as of 4/30/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/ival/ for current holdings.

Within our developed European universe, we increased our German exposure, added Luxembourg² stocks, and trimmed our Norwegian and Italian exposure. Overall, we remain tilted toward French equities with German stocks replacing Italian stocks.

Japanese equities remain our top regional holdings at 42.7%, down from 45.7%.

On a sector basis, IVAL's portfolio is largely unchanged month-over-month, with a modest tilt toward industrial stocks and a modest decrease in Energy exposure.

Interestingly, Industrials have been a **favorite target** for IVAL for two years now, acting as the largest or second-largest sector allocation since November 2023's rebalance.

² Luxembourgian? Luxembourgish? Not exactly sure which demonym to use here!

Month-over-month sector change

Sector	3/31/2025	4/30/2025	Change
Industrials	21.43%	22.49%	1.05%
Consumer Non-Cyclical	9.73%	10.45%	0.72%
Technology	5.95%	6.23%	0.28%
Consumer Services	1.98%	2.25%	0.26%
Business Services	3.94%	4.13%	0.18%
Finance	1.92%	2.06%	0.13%
Consumer Cyclical	17.62%	17.74%	0.13%
Healthcare	1.94%	2.06%	0.12%
Utilities	7.88%	7.99%	0.11%
Telecom.	0.00%	0.00%	0.00%
Materials	15.67%	15.55%	-0.12%
Energy	9.74%	8.34%	-1.40%
Cash/Other	2.19%	0.72%	-1.47%

Source: FactSet. Holdings as of 5/10/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/ival/ for current holdings. Sectors are based on the RBICS "economies" taxonomy, defined below. Sector categorization is believed to be accurate but is not guaranteed. Cash/other includes cash as well as currencies we may hold, which can lead to higher variations in weighting.

Top 10 holdings by P/E Ratio

Ticker	Name	Sector	P/E Ratio ³	Mkt. Cap. (\$ bil)	IVAL Weighting	Fgn. Lg. Blend %
MAERSK.B	A.P. Moller - Maersk A/S B	Industrials	4.26	\$27,012	1.89%	0.04%
7270-TKS	Subaru Corporation	Cons. Cycl.	4.91	\$13,537	1.91%	0.06%
MBG-ETR	Mercedes-Benz Group AG	Cons. Cycl.	5.72	\$55,413	1.85%	0.24%
CNA-LON	Centrica plc	Utilities	5.85	\$9,813	1.90%	0.06%
TUI1-ETR	TUI AG	Cons. Svcs.	6.72	\$4,123	2.22%	--%
7267-TKS	Honda Motor Co., Ltd.	Cons. Cycl.	6.78	\$53,978	2.08%	0.26%
BS6-SES	Yangzijiang Shipbuilding	Industrials	6.80	\$6,495	1.74%	0.02%
5101-TKS	Yokohama Rubber Co.	Cons. Cycl.	6.83	\$3,731	1.75%	--%

³ P/E Ratio measures how much an investor is willing to pay for one dollar of earnings. It is calculated by dividing the share price by the annual net income earned by the firm.

EQNR-OSL	Equinor ASA	Energy	6.88	\$64,224	1.61%	0.11%
WDS-ASX	Woodside Energy Grp	Energy	7.14	\$24,873	1.68%	0.14%

Source: FactSet. Holdings as of 5/10/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/ival/ for current holdings. Sectors are based on the RBICS “economies” taxonomy, defined below. Sector categorization is believed to be accurate but is not guaranteed.

IVAL’s top holdings show nearly zero overlap with foreign large blend. Despite significant representation from large, global firms like Mercedes-Benz, Equinor, and Honda, their index weightings remain negligible – often less than 0.3% each, with many holdings entirely absent from benchmarks.

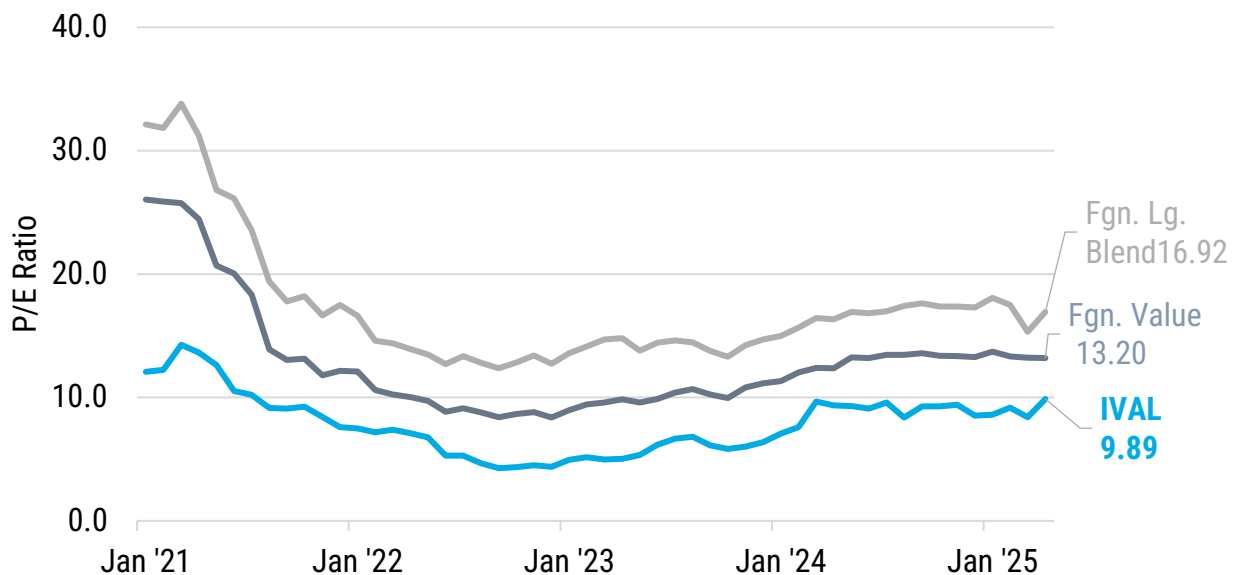
What sets IVAL apart is its deep focus on valuation discipline: all top 10 names trade at P/E ratios under 7.2, with several—like Maersk and Subaru—trading below 5x earnings. This reflects IVAL’s commitment to identifying systematically cheap, fundamentally sound companies that the market may be mispricing. The result is a high-conviction portfolio with minimal index overlap.

Return drivers

It’s worth remembering that, in value investing, you don’t need heroic assumptions to generate a return. IVAL seeks to maintain consistent exposure to what we believe to be the cheapest, highest quality international value stocks on the expectation that stocks with these characteristics will outperform over time.

IVAL remains consistently cheap

P/E Ratio | IVAL | Fgn. Value | Fgn. Lg. Blend



Source: FactSet, Alpha Architect. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/ival/ for current holdings.

For questions about IVAL, please contact Jack Vogel, PhD, Alpha Architect's co-CIO, CFO, and portfolio manager. He can be reached at jack@alphaarchitect.com.

Additional IVAL Resources

IVAL Investment Case. Learn about IVAL's process and performance to see how we compare to other value ETFs. Not every value fund is built the same!

The Case for International Value (YouTube). Jack, Ryan and Jose make the case for why U.S.-based investors should consider investing in international value, more specifically, in IVAL.

Model portfolio. Want to invest in IVAL but unsure of how much to own? We have a solution! See our complete model portfolio that steps through our entire allocation methodology.

IMPORTANT INFORMATION

Investors should carefully consider the investment objectives, risk, charges, and expenses of the funds. 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. Obtain the fund's prospectus and/or performance data current to the most recent end by calling (215) 882-9983 or by visiting funds.alphaarchitect.com/qmom/. The prospectus should be read carefully before investing.

PRINCIPAL RISKS

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.

Equity Investing Risk. An investment in the Fund involves risks similar to those of investing in any fund holding equity securities, such as market fluctuations, changes in interest rates and perceived trends in stock prices. The values of equity securities could decline generally or could underperform other investments. In addition, securities may decline in value due to factors affecting a specific issuer, market or securities markets generally.

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

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

Value investing risk. Value investing is subject to the risk that intrinsic values of investments may not be recognized by the broad market or that their prices may decline. Investments utilizing quantitative methods may perform differently than the market as a result of characteristics and data used and changes in trends. Investments in foreign securities involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are magnified in emerging markets.

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.

Category averages referenced

Foreign Large Blend represented by the average returns at NAV of the 50 biggest open-ended funds (ETFs and mutual funds) in the Foreign Large Blend category based on assets under management (AUM). Funds in the Foreign Large Blend category invest in stocks with market caps in the top 70% of developed markets, including Japan, Britain, France, and Germany. Categories determined by YCharts.

Foreign Value peers represented by the average returns at NAV of the 50 biggest ETFs in the Foreign Large and Small/Mid Value category based on assets under management (AUM). Foreign large-value portfolios invest mainly in big international stocks that are less expensive or growing more slowly than other large-cap stocks. Foreign small/mid-value portfolios invest in international stocks that are smaller and less expensive than other stocks. These portfolios primarily invest in stocks that fall in the bottom 30% of each economically integrated market (such as Europe or Asia ex-Japan). Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow). Category defined by YCharts.

RBICS Sector Definitions

Business Services is composed of companies that offer services targeted toward businesses, including administrative, support, janitorial, and professional services.

Consumer Cyclicals is composed of companies that offer products targeted toward individual or household use, including apparel, toys, school and art supplies, and electronics; motor vehicle sales and rental, and automotive parts and services; building materials, garden supplies, furniture, appliances, cabinetry, window treatments, and carpets

Consumer Non-Cyclicals is composed of companies that offer products targeted toward individual and consumer needs, including groceries, beverages, health and personal care items, kitchenware, decorative items, and household cleaning products

Consumer Services is composed of companies that offer services targeted toward individuals, including accommodation; food and beverage retail; gaming, arts, entertainment and recreation; and television, radio, film, and print media

Energy is composed of companies that primarily engage in oil and gas exploration and production, pipeline transportation, refineries, and oil and gas equipment and services; leasing, mining and processing of coal and coke; uranium, radium, and vanadium mining

Finance is composed of companies that offer financial products and services in banking, insurance, investment, specialty finance, and real estate

Healthcare is composed of companies that offer products and services that are designed, developed, and utilized in the promotion of health and well-being, including medical services, health plans, medical devices, and biopharmaceuticals

Industrials is composed of companies that offer products and services for industrial use or with applications in aerospace, defense, or security; transportation, construction, and related infrastructure; or farming, including equipment and machinery manufacture, wholesale, rental, and distribution and related support activities

Non-Energy Materials is composed of companies that offer basic and intermediate material products, including non-energy mining; forestry, timber logging, and lumber production; and chemical, plastic, paper, metal, and textile manufacturing

Technology is composed of companies that offer semiconductor, electronic, and optics based products and related software and services that directly or indirectly facilitate the creation, transfer, storage, manipulation, or interpretation of data, audio, and video

Telecommunications is composed of companies that offer services designed to promote or enhance transmission of voice, data, and video over various communications mediums, including cable, satellite, terrestrial-based wireless, and wireline mediums

Utilities is composed of companies that offer gas, electricity, and water services delivered directly to residential and commercial users

NA or Other is a catchall designation for cash, cash alternatives, or holdings that may have been delisted in the proceeding periods from when a fund may have held the security.

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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