

Product update

QMOM builds tech exposure

May 23, 2025

Summary

- QMOM recovered alongside the broader market after a tough start to the month.
- Following our rebalance, tech stocks now comprise approximately 26% of the portfolio, up from just 4% at the start of the year.
- Streaming giant SPOT is on a run of 19 consecutive months in QMOM

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

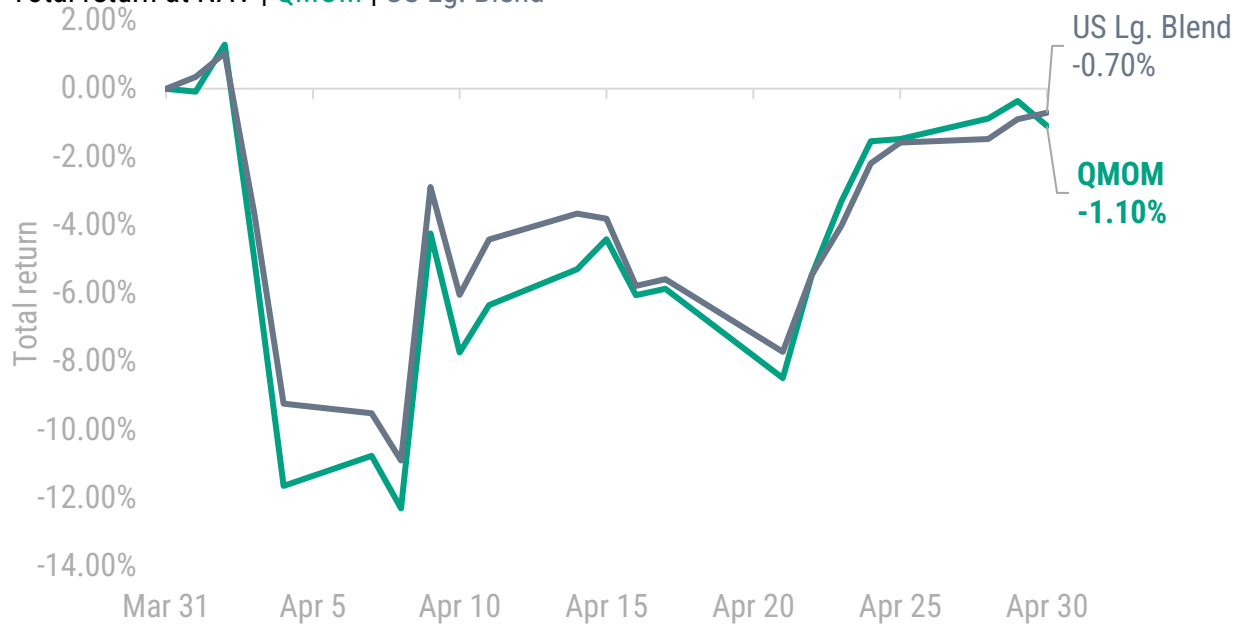
Recap

The Alpha Architect U.S. Quantitative Momentum ETF returned -1.10% (NAV) / -0.94% (MKT) through April 30, 2025, roughly in line with the US market¹, which declined by 0.70%.

¹ US Market represented by the US Large Blend category average, which consists of the average return at NAV of the 50 largest ETFs in the Large Blend category based on assets under management (AUM). Large Blend 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. See category average methodology below.

QMOM tracked market recovery

Total return at NAV | QMOM | US Lg. Blend



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.

These results aren't surprising. Momentum strategies like QMOM tend to perform best when markets move directionally and when it's clear which stocks or sectors are leading. In those environments, there's usually a wide gap between the top and bottom performers, making it easier for the strategy to systematically focus on the winners.

Our concentrated portfolio can make QMOM more sensitive to short, sharp sell-offs like what we saw to start the month; it's also what can help us rally faster, especially if momentum picks back up where it left off before the shock.

While we don't know what will happen, it's encouraging that QMOM largely tracked the market's recovery.

Sector changes: QMOM builds up tech exposure

One of the most powerful features of QMOM is that it systematically adapts to changing market leadership. While this can sometimes lead to short-term lag, especially during regime shifts, it can also position the fund to outperform in future periods. This process ensures QMOM is never permanently locked into past winners—it systematically chases what's working now, allowing it to catch emerging leadership early in the trend, but after confirmation.

Month-over-month, QMOM shifted away from healthcare and consumer services toward tech, telecom, and non-cyclical names.

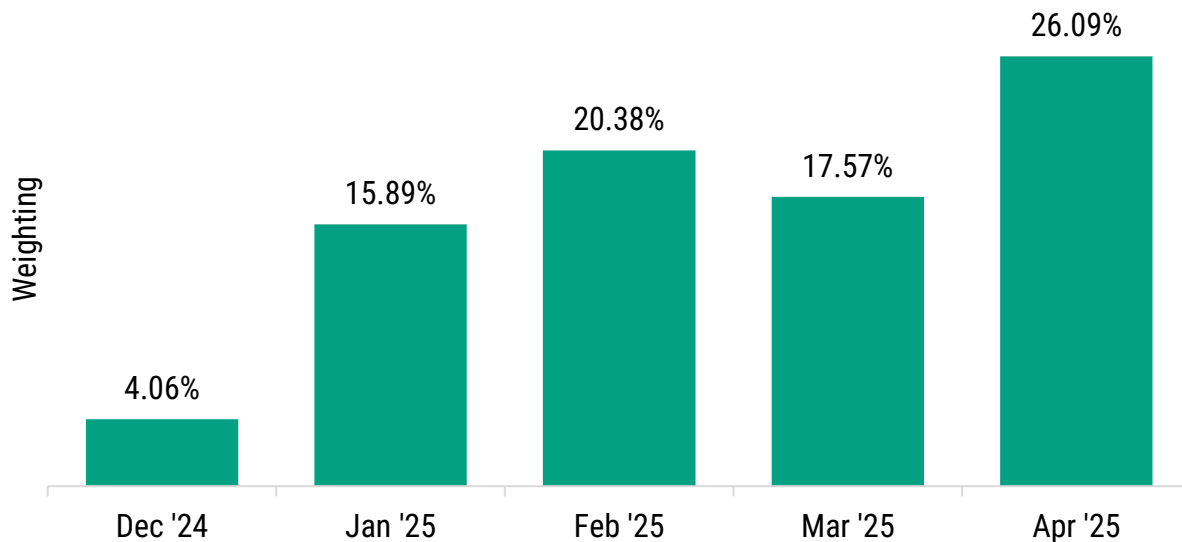
Sector	3/31/2025	4/30/2025	Change
Technology	17.57%	26.09%	8.53%
Telecom.	3.91%	5.96%	2.04%
Non-Cycl.	7.97%	9.56%	1.59%
Industrials	3.97%	4.42%	0.45%
Materials	5.90%	6.02%	0.12%
Biz. Svcs.	1.98%	2.08%	0.10%
Cons. Cycl.	0.00%	0.00%	0.00%
Utilities	4.04%	3.94%	-0.10%
Energy	7.93%	7.76%	-0.17%
Finance	22.00%	18.43%	-3.57%
Cons. Svcs.	8.03%	4.01%	-4.02%
Healthcare	14.56%	9.49%	-5.07%
Cash or equivalent	2.16%	2.25%	0.09%

Source: Alpha Architect. Holdings as of 4/2/2025 and 5/10/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/qmom/ for current holdings. Sectors defined below. Sectors based on the RBICS "economies" taxonomy.

QMOM has steadily built up its tech sector positions since the beginning of the year, now at 26% of the portfolio, up from just 4% to start the year.

QMOM builds tech exposure

Month-over-month weighting



Source: Alpha Architect. Holdings as of 3/3/2025 - 5/10/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/hide/ for current holdings. Sectors defined below. Sectors based on the RBICS "economies" taxonomy.

Notable positions include streaming giants Netflix (NFLX) and Spotify (SPOT), video game firms Roblox (RBLX) and Take-Two Interactive (TTWO). And, for the first time ever, venerable IBM finally passed our momentum screen to enter the portfolio.

QMOM Tech exposure

Ranked by momentum score

Sector	Ticker	Security name	Weight	Mkt. Cap.	Mom. Score
Tech.	IDCC	InterDigital, Inc.	2.06%	\$5,498	98.4%
Tech.	SPOT	Spotify Tech.	2.12%	\$132,142	90.5%
Tech.	RBLX	Roblox Corp. Cl. A	2.06%	\$48,755	88.4%
Tech.	FTNT	Fortinet, Inc.	1.84%	\$74,567	72.0%
Tech.	TWLO	Twilio, Inc. Class A	2.15%	\$16,136	54.6%
Tech.	NFLX	Netflix, Inc.	1.98%	\$485,245	54.5%
Tech.	FFIV	F5, Inc.	2.03%	\$15,511	54.4%
Tech.	IBM	IBM, Corp.	2.05%	\$231,606	44.9%
Tech.	VRSN	VeriSign, Inc.	1.98%	\$26,424	44.1%
Tech.	TTWO	Take-Two Interactive	1.88%	\$39,985	42.9%
Tech.	CVLT	Commvault Systems	2.04%	\$7,528	42.0%
Tech.	GDDY	GoDaddy, Inc. Cl. A	1.90%	\$26,018	32.0%

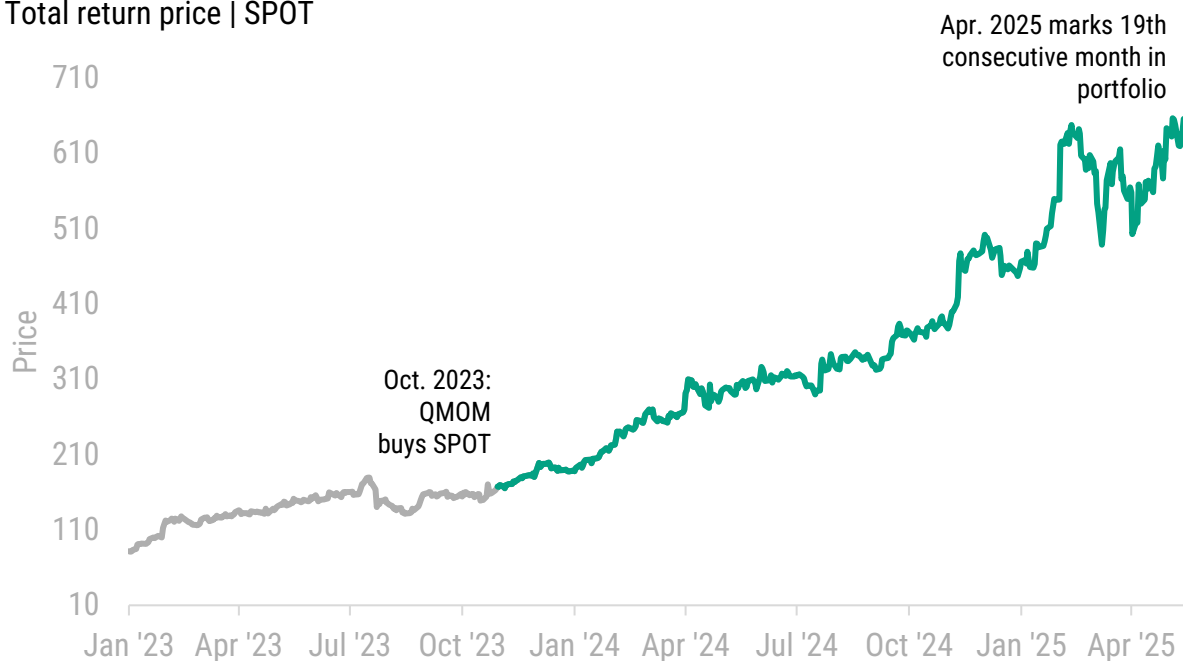
Tech.	GRMN	Garmin Ltd.	2.00%	\$36,858	15.7%
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Source: Alpha Architect. Holdings as of 5/10/2025. Investing involves risk, including the potential loss of principal. Holdings are subject to change. Visit funds.alphaarchitect.com/hide/ for current holdings. Sectors defined below. Sectors based on the RBICS "economies" taxonomy.

While we don't normally highlight individual names in much depth, we will call out Spotify (SPOT), which has been in our portfolio for 19 consecutive months. This means that SPOT has had to maintain both top-decile momentum AND a "clean," high quality momentum path nineteen times in a row – no small feat! We'd have to check the books, but this might be one of the longer consecutive streaks since QMOM's inception.

SPOT has been on a 19 month run in QMOM

Total return price | SPOT



Source: YCharts, Alpha Architect. Holdings as of 3/2025 - 5/10/2025. 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/hide/ for current holdings.

We deploy a very active portfolio approach that's constantly hunting for the highest momentum names; to keep the fund focused on the highest momentum stocks, we rebalance monthly to refresh the portfolio with the highest momentum stocks and remove those that don't. Meaning, it's pretty typical to scrape some returns from a stock and then move on, often just a few months at a time. But every so often we catch a long-term winner like SPOT that just keeps chugging upward. So long as it passes our criteria, we'll continue to own it!

Top 10 holdings by momentum score

Despite trimming overall healthcare exposure back, ADMA Biologics (ADMA) and Corcept Therapeutics (CORT) currently sit at the top of our top-10 holdings based on momentum score.

Ticker	Name	Sector	Momentum Score	Mkt. Cap. (\$ bil)	QMOM Weighting	US Lg. Blend ² Weighting
ADMA	ADMA Biologics, Inc.	Healthcare	179.8%	\$4,770	1.72%	--%
CORT	Corcept Therapeutics Inc	Healthcare	174.3%	\$7,448	1.93%	--%
EAT	Brinker International, Inc.	Cons. Svcs.	150.0%	\$6,089	1.98%	--%
DOCS	Doximity, Inc. Class A	Healthcare	134.0%	\$11,106	2.03%	--%
TPL	Texas Pacific Land Corp	Finance	109.4%	\$29,916	1.96%	0.05%
SFM	Sprouts Farmers Market, Inc.	Non-Cycl.	106.0%	\$15,831	1.80%	--%
IDCC	InterDigital, Inc.	Technology	98.4%	\$5,498	2.06%	--%
SPOT	Spotify Technology SA	Technology	90.5%	\$132,142	2.12%	--%
RBLX	Roblox Corp. Class A	Technology	88.4%	\$48,755	2.06%	--%
AXON	Axon Enterprise Inc	Industrials	81.1%	\$53,296	2.20%	0.09%

Source: YCharts, Alpha Architect. Holdings as of 5/10/2025. 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/hide/ for current holdings. Sectors defined below.

QMOM's top 10 holdings show strong momentum across diverse sectors—healthcare, technology, consumer services, and more. Notably, eight of these stocks have no representation in the benchmark index, and the two that do—Texas Pacific Land (TPL) and Axon (AXON)—carry minimal index weight (<0.10% each). QMOM's portfolio's weighted average momentum score is 72.0% as of April 30, 2025.

With less than 5% overlap in total weighting versus US large blend, we believe QMOM offers a distinct return profile that's historically uncorrelated with broad market benchmarks, a profile we believe to be ideal for investors seeking to own what's working based on momentum, not just what's big.

² Holdings derived from the iShares S&P 500 Core ETF (IVV). References made to registered funds issued by third-party companies are for informational purposes only and do not constitute a recommendation, solicitation, or endorsement of these products.

Return drivers

One of the benefits of equal-weighting is that it equalizes opportunities for all stocks in the portfolio. As of this writing, the tech sector (26.09%) has the largest number of positions, offering the most opportunities for contribution, followed by financials (18.43%), and non-cyclicals (9.56%).

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

Additional QMOM Resources

QMOM Investment Case. Learn about QMOM's process and performance to see how QMOM compares to other momentum ETFs. Not every momentum fund is built the same!

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

Diversifying with Value and Momentum. What's the best diversifier for momentum? Value! See how we our US Quantitative Value ETF (QVAL) works alongside QMOM to diversify concentration risk.

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.

Momentum investing risk. Momentum is investing in or having exposure to 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 positive 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.

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.

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. 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. 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.

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