



**alpha architect**

# Welcome to Democratize Quant!

We Empower Investors Through Education | Affordable Alpha

Wesley R. Gray, PhD  
T: +1.215.882.9983  
F: +1.216.245.3686  
[ir@alphaarchitect.com](mailto:ir@alphaarchitect.com)  
19 East Eagle Road  
Havertown, PA 19083

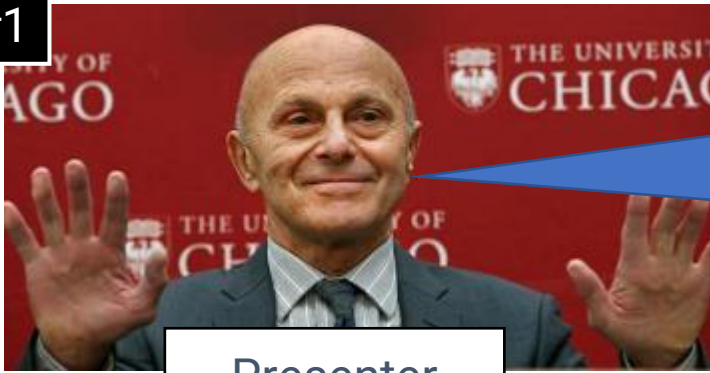
FIRM IMPACT MISSION

# WE EMPOWER INVESTORS THROUGH EDUCATION



# Format

#1



Presenter

Market are Efficient!

#2



Discussant

Have you ever met any humans?

#3



The Audience

# Agenda

## ETF Industry

- **Startup**
  - 1015-1030
- **Nadig**
  - 1030-1100

## Passive and Prices

- **Sammon**
  - 1100-1125
- **Green**
  - 1125-1140
- **Q&A**
  - 1140-1150
- **Bio Break**
  - 1150-1200

## Flows and Prices

- **Hartzmark**
  - 1200-1225
- **Boyson**
  - 1225-1240
- **Q&A**
  - 1240-1250
- **Bio Break**
  - 1250-1300

## Practical Investing

- **Inflation Investing**
  - Johnsen
    - 1300-1315
  - Q&A
    - 1300-1330
- **Time for Value?**
  - Vogel
    - 1330-1345
  - Q&A
    - 1345-1400

# Question and Answer Logistics

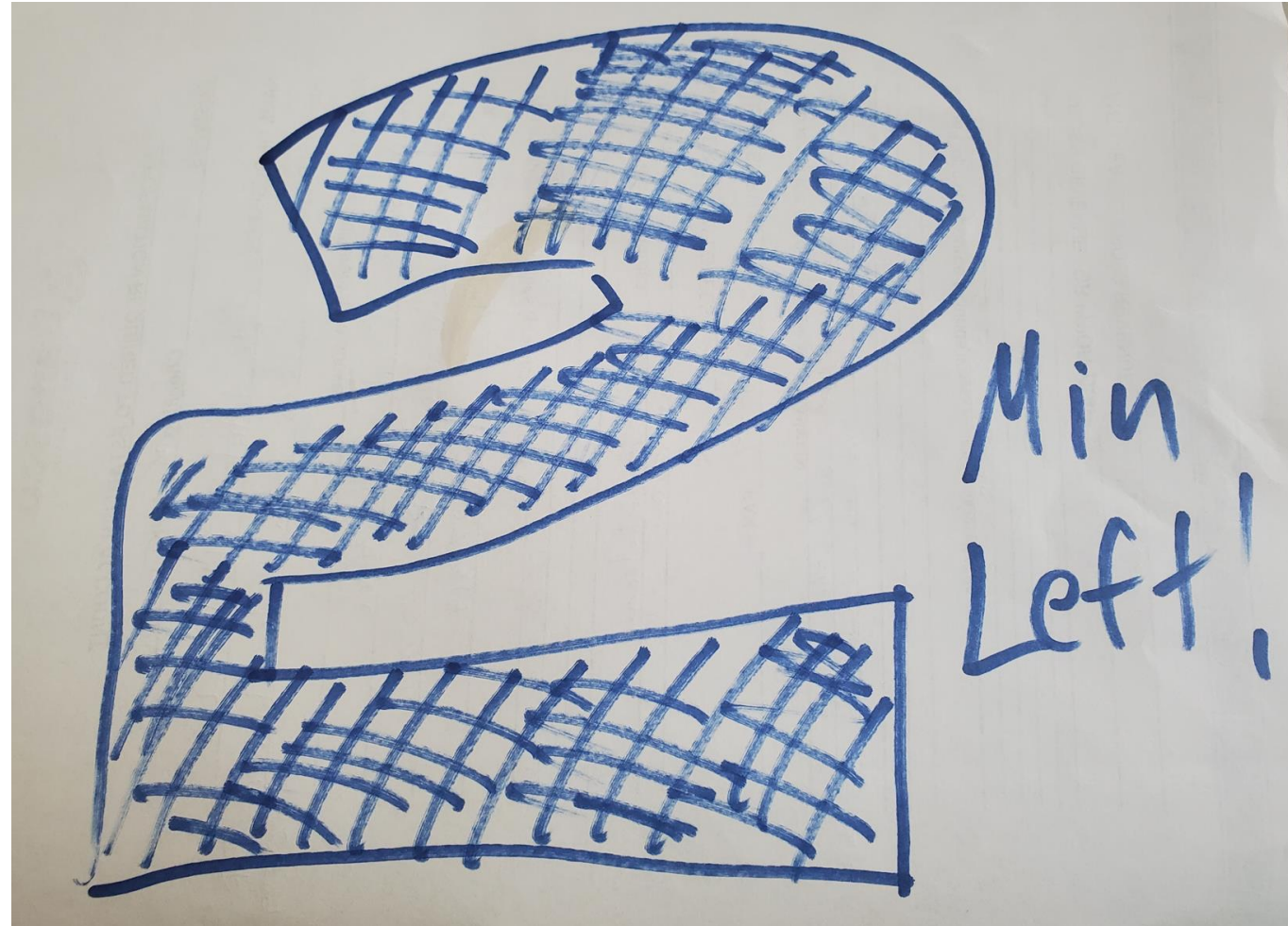


Q&A  
Leader



Caveman  
Translator

# Discipline Timeline





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**CONTACT US TO  
LEARN MORE**

Wesley R. Gray, PhD  
T: +1.215.882.9983  
F: +1.216.245.3686  
[ir@alphaarchitect.com](mailto:ir@alphaarchitect.com)  
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# Appendix

A dark, moody photograph of a desk. On the right, a silver laptop is partially visible. In the center, a pair of round-rimmed glasses rests on a white notebook. The left side of the image is dominated by a semi-transparent dark grey overlay that contains the word 'Appendix' in a clean, white, sans-serif font.



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There is a risk of substantial loss associated with trading commodities, futures, options and other financial instruments. Before trading, investors should carefully consider their financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when trading futures, commodities and/or granting/writing options one could lose the full balance of their account. It is also possible to lose more than the initial deposit when trading futures and/or granting/writing options. All funds committed to such a trading strategy should be purely risk capital.

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Indexes are unmanaged and one cannot invest directly in an index. There are no active components of indexes; therefore, using them as a proxy can be of limited value because there is no guarantee that the portfolio would have been managed to match the index. Realized returns and/or volatility may come in higher or lower than expected.

Annual performance is calculated based on monthly return streams, geometrically linked as of the end of the specified month end.

Results, unless cited otherwise, are shown gross of fees and do not reflect the effect of investment fees which would lower performance. Performance reflects the reinvestment of dividends and other earnings. The following hypothetical illustrates the compound effect fees have on investment return: For an account charged 1% with a stated annual return of 10%, the net total return before taxes would be reduced from 10% to 9%. A ten year investment of \$100,000 at 10% would grow to \$259,374, and at 9%, to \$236,736 before taxes. For a complete description of all fees and expenses, please refer to Alpha Architect's Form ADV Part 2A.

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# IMPORTANT INFORMATION - DISCLOSURES

- Simulated Historical Performance: All returns are total returns and include the reinvestment of distributions (e.g., dividends).
- Index Characteristics Data Source: Characteristics are from FactSet and derived via the ETFs that track the respective Indexes. Characteristics are holdings-weighted. The data for the performance and factor attribution analysis are from Alpha Architect and Solactive.
- The S&P 500 Index (SP500) is a capitalization-weighted index that measures the performance of the broad U.S. equity market.
- The MSCI EAFE Index (EAFE) is a capitalization-weighted index that measures the performance of developed market equities, excluding the U.S. and Canada.
- The MSCI World Index is a capitalization-weighted index that measures the performance of developed market equities.
- EBIT/TEV is defined as earnings before interest and taxes divided by total enterprise value.
- Momentum (2-12) is defined as the cumulative total return for the past 12 months, excluding the last (12th) month.
- Size is defined as the total market value of the company's listed equity.
- Return on assets is defined as net income divided by total assets.
- Compound annualized growth rate, or CAGR, is defined as the annualized growth of an initial investment to the ending investment value if you assume that the investment has been compounding over the time period.
- Standard Deviation: Sample standard deviation
- Downside Deviation: Sample standard deviation, but only monthly observations below 41.67bps (5%/12) are included in the calculation
- Sharpe Ratio (annualized): Average monthly return minus treasury bills divided by standard deviation
- Sortino Ratio (annualized): Average monthly return minus treasury bills divided by downside deviation
- Appraisal Ratio (annualized): CAPM regression intercept estimate divided by regression residual volatility
- Worst Drawdown: Worst peak to trough performance (measured based on monthly returns)
- Rolling X-Year Win %: Percentage of rolling X periods that a strategy outperforms
- Sum (5-Year Rolling MaxDD): Sum of all 5-Year rolling drawdowns
- Down %: The Down Number Ratio is a measure of the number of periods that the investment was down when the benchmark was down, divided by the number of periods that the benchmark was down. The smaller the ratio, the better
- Up %: The Up Number Ratio is a measure of the number of periods that the investment was up when the benchmark was up, divided by the number of periods that the benchmark was up. The larger the ratio, the better
- Tracking Error: Tracking Error is measured by taking the square root of the average of the squared deviations between the investment's returns and the benchmark's returns
- Negative Correlation: Correlation of returns relative to benchmark returns when the benchmark is negative
- Positive Correlation: Correlation of returns relative to benchmark returns when the benchmark is positive
- Performance figures contained herein are hypothetical, unaudited and prepared by Alpha Architect, LLC; hypothetical results are intended for illustrative purposes only. Past performance is not indicative of future results, which may vary. Index returns are for illustrative purposes only and do not represent actual fund performance. Index performance returns do not reflect any management fees, transaction costs, or expenses, which would reduce returns. Indexes are unmanaged and one cannot invest directly in an index.