

AAEQ

Alpha Architect US Equity 2 ETF

Fund Description

AAEQ offered initial investors a way to diversify taxable holdings via a 351 exchange. The actively managed fund seeks to provide market-cap weighted exposure to broad US equities.

FactSet Analyst Report

AAEQ. You are not seeing double, this is a second broad US equity fund from this issuer. Both offerings were launched through a 351 exchange, which allows the initial investors to exchange their taxable holdings for shares of this broad-based US equity exposure. Holdings may include individual stocks or ETF with a range of strategies (hedged, buffered, long/short, options, etc.) The fund offers a unique secondary strategy which involves systematic dividend timing, where holdings expected to pay dividends may be replaced before their record date to exploit pricing imbalances and potentially reduce taxable income, although this may lower yield and increase trading costs. Option contracts may supplement equity exposure for efficiency. The funds investment universe is reviewed annually, and frequent trading may result in higher transaction costs.