

# DEEP

## Roundhill Acquirers Deep Value ETF

### Fund Description

DEEP tracks an equal-weighted index of 100 smallest US stocks, by market-cap, that are potentially undervalued based on their fundamentals.

### FactSet Analyst Report

DEEP holds deeply undervalued names from the smallest 75% of US stocks, including micro-cap, that are fundamentally strong. The underlying index uses its own valuation metric called The Acquirers Multiple. This model evaluates constituents in multiple stages to arrive at a very narrow selection of value stocks. Stocks are first examined and ranked individually based on their assets, earnings and cash flows. Potential components are further screened for fraud, earnings manipulation, and financial distress, with margin of safety being considered in the examination including wide discount, strong liquid balance sheet, and free cash flow. Finally, each remaining components are carefully examined for forensic-accounting review on their financial statements. The top 100 stocks that pass each stage form the portfolio, with each name receiving an equal weight of 1%. The index is to be rebalanced and reconstituted every quarter. Prior to October 26, 2020, DEEP was focused on large-caps only.

