

## Validea Market Legends ETF (VALX)

Advisor: Validea Capital Management, LLC

September 2017

### Strategy Overview

The investment advisor has developed a proprietary investing system that utilizes the fundamental stock-selection methods outlined by great investors, such as Ben Graham, Warren Buffett, Martin Zweig, John Neff and many others. These computerized fundamental models are used as the foundation for the fund's stock-selection approach. All US-traded stocks meeting specific liquidity requirements are scored across more than twenty unique investment models, but only the top-scoring individual stocks, ranked according to the manager's best-performing risk-adjusted "guru"-based models, will be held within the portfolio.

### Why Invest in VALX?

- I. Investment approach utilizes the fundamental stock selection strategies of Wall Street legends.
- II. Strategic blending of models should help reduce variability over time and has the potential to generate superior investor returns.
- III. Disciplined, rules-based approach removes emotions and biases that often times adversely affect investors' performance.
- IV. Active ETF structure offers real-time transparency in portfolio holding, intraday pricing, flexible trading and low expense ratio.
- V. True active management and high expected active share compared to the S&P 500 and Russell 2000.
- VI. Proven management team focused on seeking long-term market outperformance and discipline throughout the entire market cycle.

**Inception Date:** Dec. 10th, 2014

**Symbol:** VALX

**CUSIP:** 26922A883

**Fund Type:** Active ETF

**Exchange:** NASDAQ

**Annual Expense Ratio:** 0.79%

**Advisor:** Validea Capital Management, LLC.

**Portfolio Managers:**

John Reese

Jack Forehand, CFA

**# of Holdings:** 100 stocks  
(as of August 31st, 2017)

**Total Assets:** \$24,379,804

**Lead Market Maker:**

Knight Capital Group (KCG)

#### VALX Quick Links

[Investment Process](#)

[Summary Prospectus](#)

[Full Prospectus](#)

[VALX Press Highlights](#)



### About the Portfolio Manager

For more than 14 years, John Reese has been conducting extensive research into quantitative investment strategies. He is co-founder of Validea Capital Management, founder of Validea.com, the author of *The Guru Investor: How to Beat the Market Using History's Best Investment Strategies*, and a regular columnist for Forbes.com and *The Globe & Mail*. John is also the sub-advisor to the National Bank Consensus American and Consensus International equity funds offered in the Canadian market.

He holds a master's in business administration degree from Harvard Business School and a computer science degree from the Massachusetts Institute of Technology. He is also the owner of two patents in the area of automated stock analysis.

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### Fund Performance – Latest Month End (performance as of 09/30/2017)

	Since Inception (12/10/2014)	Ann. Since Inception	YTD	One Year	Three Years	Five Years
VALX - Price	14.27%	4.87%	7.37%	15.80%	---	---
VALX - NAV	14.02%	4.78%	7.26%	15.71%	---	---
S&P 500	29.84%	9.74%	14.25%	18.63%	---	---
Russell 2000	30.63%	9.98%	10.95%	20.75%	---	---

### Fund Performance – Latest Quarter End (performance as of 09/30/2017)

	Since Inception (12/10/2014)	Ann. Since Inception	YTD	One Year	Three Years	Five Years
VALX - Price	14.27%	4.87%	7.37%	15.80%	---	---
VALX - NAV	14.02%	4.78%	7.26%	15.71%	---	---
S&P 500	29.84%	9.74%	14.25%	18.63%	---	---
Russell 2000	30.63%	9.98%	10.95%	20.75%	---	---

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 800-730-3457. Performance periods for greater than one-year are annualized.

The S&P 500 Index is a broad-based index of 500 stocks, which is widely recognized as representative of the equity market in general. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It is not possible to invest directly in either index.

## Risk Controls & Disciplined Management Rules

- Approximately 100 stocks representing a variety of capitalizations providing for adequate exposure and diversification;
- 10 systematic proprietary "guru"-based models (over 20 distinct models run by the firm) to ensure strategy diversification across the portfolio;
- Sector and position limits to avoid overconcentration in one particular area of the market or one stock;
- Real-time and dynamic stop-loss criteria are utilized in an attempt to avoid major company-specific catastrophic events;
- Staggered and set rebalancing dates allow our top-rated stocks to continuously be added to the portfolio during the year;
- Liquidity requirements to ensure portfolio positions are of sufficient size and liquidity.

## Contact Us

Validea Capital Management, LLC.  
Validea Funds

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## About Validea Capital Management

Validea Capital Management, LLC was founded on the principle that the best way to outperform the market is to learn from those who have done so in the past. That is why we have developed a series of computerized investment models based on the proven strategies of Wall Street legends. Our time-tested stock-selection system is built to identify fundamentally sound stocks that exhibit strong potential for long-term market outperformance. Our value-based method combines elements of growth to take advantage of market cycles and smooth returns over time. Validea Capital is an SEC-registered investment advisor. As of September 30<sup>th</sup>, 2016, Validea Capital's total assets under management and sub-advisory were \$547 million.

## Disclaimer

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Must be preceded or accompanied by a current prospectus.

*Investing involves risk. Principal loss is possible. The Validea Market Legends ETF has the same risks as the underlying securities traded on the exchange throughout the day. Redemptions are limited and often commissions are charged on each trade, and ETFs may trade at a premium or discount to their net asset value. Shares are not individually redeemable from the fund and may be acquired or tendered in large creation units only. The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund invests in foreign and emerging markets securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. The Fund invests in smaller companies, which involve additional risks such as limited liquidity and greater volatility. The Adviser relies heavily on proprietary quantitative models as well as information and data supplied by third parties. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose the Fund to potential risks. Diversification does not assure a profit or protect against a loss in a declining market*

The SEC does not endorse, indemnify, approve, nor disapprove of any security.

\*Active share can be defined as the measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. The measure offers an intuitive way to answer the question: "How active is your portfolio manager?" Active share is measured on a scale from 0% to 100%. Index funds have less than 20% active share as they closely mirror their benchmarks with no appreciable difference in holdings. A fund with an active share above 80% is considered to be highly actively managed. The Russell 2000 index measures the performance of the small-cap segment of the U.S. equity universe, while the S&P 500 is considered the index most widely followed by investors and is comprised of the 500 largest companies that trade on US exchanges.

Validea Capital Management is the Advisor to the Validea Market Legends ETF which is distributed by Quasar Distributors, LLC.