RAFI Indices Announces Launch of the RACWI US ETF(RAUS)

ETF tracks the RACWI US Index employing company fundamentals in index construction before applying market cap weighting, which can mitigate structural flaws in traditional market-cap-based indices.*

Newport Beach, CA – September 12, 2025 – RAFI Indices, LLC, the index company of Research Affiliates, a global leader in asset allocation and innovative index design, in partnership with ETF Architect, today announced the launch of the RACWI US ETF (Ticker: RAUS). The ETF seeks to track the Research Affiliates Cap-Weighted Index (RACWI), a reimagined approach to cap-weighted indexing that aims to deliver market-like exposure while mitigating structural inefficiencies in traditional benchmarks, notably excessive turnover, and an ingrained buy-high and sell-low bias when it comes to index additions and deletions. RAUS will begin trading on NASDAQ on September 12, 2025.

The RACWI Index is designed to preserve the familiar structure of cap-weighting, simple, scalable, low-cost, and low-turnover, while seeking to improve the way constituent stocks are selected. The familiar, established cap-weighted indexes rely largely on market capitalization to drive membership, so that stocks are typically added when they have had impressive momentum and are priced at lofty valuation multiples. Some go on to be the next mega cap tech stocks, while others fall short of expectations, only to be dropped at a large loss. By contrast, RACWI selects companies based on their economic footprint, using four equally weighted fundamental measures: adjusted sales, adjusted cash flow, dividends plus buybacks, and book value plus intangibles. After this selection step, constituents are cap-weighted, creating an index that looks and behaves almost identically to traditional benchmarks like the S&P 500, with the differentiated selection process historically providing a measurable performance edge.

“I believe RACWI is the most important innovation in indexing in decades. For over a half-century, investors have relied on traditional cap-weighted benchmarks like the S&P 500 and Russell 1000[1] when they want to simply own the stock market. But these indices unintentionally enshrine ‘buy high, sell low’ behavior, which may encourage investors to buy stocks when they are frothy and beloved and drop them when they are out of favor and cheap. This structural flaw could cost investors meaningful returns,” said Rob Arnott, Founder and Chairman of Research Affiliates. “RACWI fixes this problem not by abandoning cap-weighting, but by rethinking the selection step. By tying index membership to fundamentals and then employing cap-weighting, RAUS offers investors a familiar, scalable benchmark, but one that may compound a return edge over time. Indexers will claim this is an active strategy, but RACWI has historically less tracking error relative to the S&P 500 than Russell 1000 does, has turnover near-identical to the S&P 500, and fewer addition/deletion flip-flops.”

Since its live launch in 2021, the index has outperformed the S&P 500 by approximately 81 basis points[2] annually with a tracking error[3] under 60 basis points. With more than 95 percent overlap in holdings with the S&P 500, RACWI seeks to deliver traditional market exposure while avoiding costly inefficiencies inherent in the traditional stock selection process.

“We believe RAUS embodies the best qualities of traditional passive investing: low-cost, transparency, low-turnover and vast capacity, while eliminating structural inefficiencies that could erode returns,” added Arnott. “Why do people not notice the drag imposed on them with conventional cap-weighted indexes? Because the index performance is measured against itself!

RACWI feels and behaves like the indexes investors know and trust, but is built on a more robust foundation: the scale and success of the underlying businesses, rather than speculations about future success that may or may not transpire."

ETF Architect will serve as the fund sponsor, with Research Affiliates acting as sub-adviser and RAFI Indices as the index provider.

For more information on the RACWI US ETF, visit: www.rafietfs.com

For more information on the Research Affiliates Cap-Weighted Index, www.rafi.com.

About RAFI Indices
RAFI Indices, LLC is an index company founded in 2016 by Research Affiliates. It specializes in constructing, publishing, and licensing indices that reflect a deep, academically rigorous understanding of the fundamental factors driving capital market returns. The company is renowned for its innovative approach, offering over 55 live strategies that cater to a diverse range of investment needs worldwide. Importantly, RAFI Indices operates independently and does not offer investment advice or sell any securities, commodities, or derivative instruments.

Web: www.rafi.com

About Research Affiliates
Research Affiliates is a globally recognized investment advisor established in 2002. Its mission is to challenge conventional wisdom and revolutionize the investment community for the benefit of investors through innovative research and product development. The company offers industry-leading smart beta and enhanced indexing, quantitative active equity, and multi-asset products. Research Affiliates believes that because market prices are not perfectly efficient, systematic investment strategies can provide opportunity for improved investment performance. It partners with some of the world's largest investment managers and offers mutual funds, ETFs, commingled funds, and separately managed accounts. As of June 30, 2025, the firm has over $159 billion in assets under management through strategies developed by Research Affiliates.

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Important Information

Investments involve risk. Principal loss is possible. Redemptions are limited and often commissions are charged on each trade. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Past performance does not guarantee future results.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. Click here for the RAUS [Prospectus] and [Summary Prospectus]. A free hardcopy of any prospectus may be obtained by calling +1.215.330.4476. Read carefully before investing.

*** RACWI (Research Affiliates Cap-Weighted Index) is a reimagined approach to cap-weighted indexing. It preserves the familiar structure of cap-weighting—simple, scalable, and low-turnover—while changing the way constituents are selected. Instead of letting price momentum dictate index membership, RACWI selects companies based on their economic footprint (fundamental measures of company size) before applying cap-weighting. It seeks to deliver higher returns, lower hidden costs, and better stability, all while looking and behaving almost identically to mainstream indexes.*

Indexes are unmanaged and cannot be invested in directly.

1. Russell 1000® Index: A market capitalization-weighted index that measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index.

2. Basis Points (bps): A unit of measure used in quoting yields, changes in yields or differences between yields. One basis point is equal to 0.01%, or one one-hundredth of a percent of yield and 100 basis points equals 1%.

3. Tracking Error: The volatility of the difference in returns between a fund and its benchmark. It describes how well a fund tracks its benchmark.

The Fund is distributed by Quasar Distributors, LLC. The fund's investment advisor is Empowered Funds, LLC, which is doing business as ETF Architect. Research Affiliates, LLC serves as the Sub-adviser to the Fund. Quasar is not affiliated with ETF Architect or Research Affiliates, LLC.

Mid-Capitalization Companies Risk. The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of larger-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than larger capitalization stocks or the stock market as a whole.

Micro- and Small-Capitalization Companies Risk. Investing in securities of micro- and small-capitalization companies involve greater risk than customarily is associated with investing in larger, more established companies. Micro- and small- capitalization companies often have less predictable earnings, more limited product lines, markets, distribution channels and financial resources, and the management of such companies may be dependent upon one or few people.

Passive Investment Risk. The Fund is not actively managed and the Adviser will not sell shares of an equity security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the Index, sold in connection with a rebalancing of the Index, or sold to comply with the Fund's investment limitations (for example, to maintain the Fund's tax status).

Non-Diversification Risk. Because the Fund is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the Shares and greater risk of loss.

Concentration Risk. The Fund may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting the Fund more than the market as a whole, to the extent that the Fund's investments are concentrated in the securities of a particular issuer or issuers, market, industry, group of industries, sector, or asset class.

New Fund Risk. The Fund is a recently organized management investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision. There can be no assurance that the Fund will grow to or maintain an economically viable size.