

# CAMBRIA SOVEREIGN BOND ETF



# SOVB

Cambria Sovereign Bond ETF

## Why a Global Sovereign Bond Strategy?

### Global Government Debt Diversification

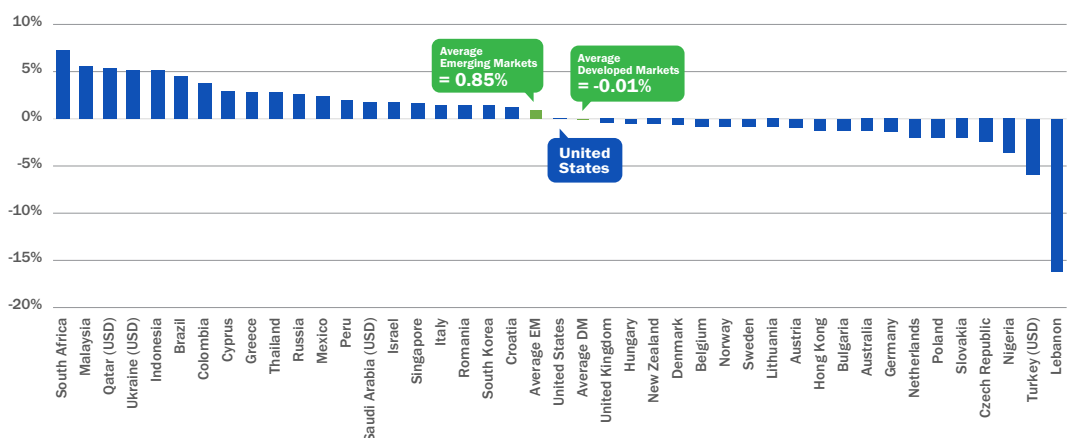
Most investors only think of domestic U.S. Treasuries for their government bond allocation. However, there are many countries around the world that also issue their own sovereign bonds. Sovereign bonds include debt securities issued by a national government.

A global sovereign bond strategy can diversify an investor's fixed income allocation.

### Avoiding Negative Yielding Government Debt

Having a global opportunity set allows investors to potentially avoid country specific geopolitical issues, as well as negative yielding debt, which is currently happening in some countries today.

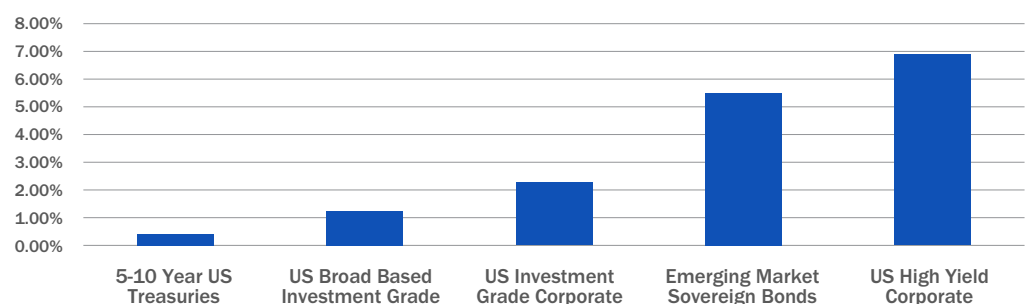
#### Global Real 10-Year Yields



**SOURCE:** Bloomberg, IMF, Trading Economics. Yield and inflation data as of 7/16/20. Country groups based on IMF WEO Groups and Aggregates Information. Averages are based on the following emerging and developed market countries EM countries include: Brazil, Bulgaria, Chile, China, Colombia, Croatia, Hungary, India, Indonesia, Lebanon, Malaysia, Mexico, Nigeria, Pakistan, Peru, Philippines, Poland, Qatar (USD denominated, as local currency denominated N.A.), Romania, Russia, Saudi Arabia (USD denominated, as local currency denominated N.A.), South Africa, Thailand, Turkey (USD denominated, as local currency denominated N.A.), Ukraine (USD Denominated as local currency denominated N.A.). DM countries include: Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Taiwan, United Kingdom, United States.

### Emerging Markets Included

#### Bond Index Yields

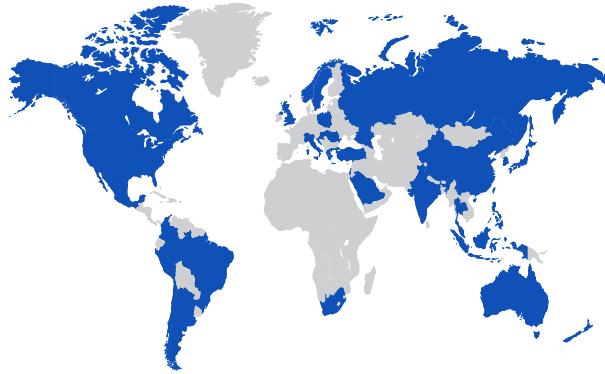


**SOURCE:** Morningstar as of 6/30/20. Yields are nominal. 5-10 Year US Treasuries represented by ICE BofA 5-10 Year US Treasury Index. US Broad Based Investment Grade represented by BBgBarc US Agg Bond Index. US Investment Grade Corp. represented by ICE BofA US Corporate Index. Emerging Market Sovereign Bonds represented by JPM EMBI Global Diversified Index. US High Yield Corp. represented by BBgBarc US Corporate High Yield USD.

# Why SOVB?

## Global Access to Sovereign Debt

SOVB has the ability to access over 30 countries in a single ETF.



Potential issuer includes, but is not limited to:		
Argentina	Australia	Brazil
Canada	Chile	China
Colombia	Croatia	Greece
Hungary	Italy	Poland
Romania	Hong Kong	India
Israel	Indonesia	Japan
Malaysia	Mexico	New Zealand
Norway	Peru	Philippines
Russia	Saudi Arabia	Singapore
South Africa	South Korea	Sweden
Switzerland	Taiwan	Thailand
Turkey	United Kingdom	United States

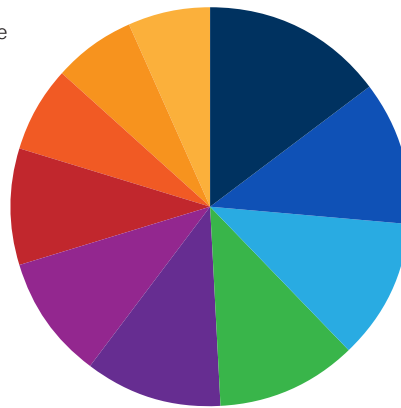
Subject to change

## Be Different

So many investors stay inside the US. SOVB allows you to diversify your fixed income holdings

### Top 10 Country Exposures in SOVB

as of 6/30/20  
Subject to change



- United States (9.2%)
- South Africa (7.3%)
- Russia (7.2%)
- Mexico (7.0%)
- Brazil (7.0%)
- Turkey (6.3%)
- Peru (5.8%)
- Columbia (4.3%)
- Czech (4.2%)
- Singapore (4.1%)

## Denominated in Local and Foreign Currencies

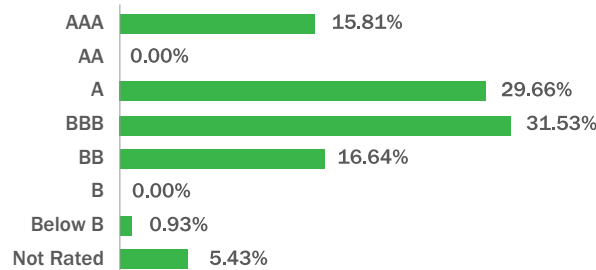
In addition to yield generation, SOVB may benefit from currency appreciation as well

SOVB invests in sovereign debt denominated in local and foreign currencies, therefore the fund may benefit from sovereign bond investing if the U.S. Dollar declines. Of course, the opposite is true too. If the U.S. Dollar rises versus a respective country's currency, the sovereign bond may decline.

## Value Investing with High Yield Characteristics

### SOVB Credit Quality Breakdown

as of 3/31/20, latest data available



Principles of value investing are familiar with many equity investors. These same principles can be applied successfully to fixed income – buying and holding attractively priced (high yielding) bonds. SOVB consists of liquid sovereign debt issues with high yield characteristics.

High yield typically means 'below investment grade,' however SOVB currently has over 75% of it's weighting in investment-grade sovereign debt around the world, as of 3/31/20, latest data available.

**To determine if the Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the Fund's prospectus which may be obtained by calling 855-383-4636 (ETF INFO) or visiting our website at [www.cambriafunds.com](http://www.cambriafunds.com). Read the prospectus carefully before investing or sending money.**

The Cambria ETFs are distributed by ALPS Distributors Inc., 1290 Broadway, Suite 1000, Denver, CO 80203, which is not affiliated with Cambria Investment Management, LP, the Investment Adviser for the Fund.

The Cambria Sovereign Bond ETF was formerly known as the Cambria Sovereign High Yield Bond ETF.

## DEFINITIONS

**Negative-Yielding Debt:** This refers to bonds that offer negative returns from holding a bond bought at a particular price over a particular period of time.

Shares are bought and sold at market price (closing price) not net asset value (NAV) and are not individually redeemed from the Fund. Market price returns are based on the midpoint of the bid/ask spread at 4:00 pm Eastern Time (when NAV is normally determined), and do not represent the return you would receive if you traded at other times. Buying and selling shares will result in brokerage commissions. Brokerage commissions will reduce returns.

There is no guarantee that the Fund will achieve its investment goals. Investing involves risk, including the possible loss of principal. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds involve greater risk of default or downgrade and are more volatile than investment grade securities, due to the speculative natures of their investments. International investing may involve risk of capital loss from unfavorable fluctuations in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Emerging market involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in smaller companies typically exhibit higher volatility. The Fund is not diversified.

The Fund is actively managed using proprietary investment strategies and processes. There can be no guarantee that these strategies and processes will produce the intended results and no guarantee that the Fund will achieve its investment objective. This could result in the Fund's underperformance compared to other funds with similar investment objectives.

There is no guarantee dividends will be paid. Diversification may not protect against market loss.

Indicative value (iNAV) is the measure of intraday net asset value (NAV) of an investment, its is reported approximately every 15 seconds. It gives investors a measure of the value of the investment strategies throughout the day.

The World Government Bond Index (WGBI) measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The WGBI is a widely-used benchmark that currently comprises of sovereign debt from over 20 countries, denominated in a variety of currencies, and has more than 25 years of history available. The WGBI provides a broad benchmark for the global sovereign fixed income market. Sub-indices are available in any combination of currency, maturity, or rating.

Credit ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). All Fund securities except for those labeled "Not Rated" and "Other" have been rated by Moody's, S&P or Fitch, which are each a Nationally Recognized Statistical Rating Organization ("NRSRO"). All Index securities except for those labeled "Not Rated" have been rated by Moody's or S&P. Credit ratings are subject to change. One cannot invest directly into an index.



**Cambria Investment Management, LP**

2321 Rosecrans Avenue, Suite 3225 | El Segundo, CA 90245 | (310) 683-5500 | [www.cambriafunds.com](http://www.cambriafunds.com)