

# CAMBRIA SHAREHOLDER YIELD SERIES

## Why a Shareholder Yield Strategy?

### Shareholder Yield

Focusing on dividends alone misses another component of shareholder return, buybacks.



### Dividend Yield

Investors are increasingly turning to dividend-paying stocks to seek yield and potentially add stability to portfolios.

Most dividend-oriented ETFs distribute income to investors quarterly, a frequency that can help investors meet their current spending needs. Fixed bond payments are also regular but tend to be more exposed to inflation than equities. Because stocks may grow their dividends and realize capital appreciation, they can be better positioned to keep pace with or exceed inflation over the long term.

Also, dividend-paying stocks have tended to weather down equity markets better than non-payers. This is intuitive: The ability to consistently pay dividends suggests that a company is mature, has cash flow and has cash flow on hand. Strong cash flows are a sign of a company that is relatively stable. While never guaranteed, corporate boards tend to set dividends at levels that can be maintained. Thus, dividend stocks typically pay a cash return regardless of share price movement, and this income component may help reduce losses in a down market.

### Buyback Yield

Often a forgotten component of total return.

Without getting into too much detail, corporate share buybacks can be an effective way for managers to return profits to shareholders – similar to dividends – yet without triggering the taxable event that occurs with dividends. This means shareholders are receiving value, but it's subtler – generally camouflaged in the asset's market price, rather than the obvious dividend payment that appears in your brokerage account one day. But that doesn't mean the value isn't there, it's just in a different form.

# Why Cambria's Shareholder Yield Series ETFs?



As of 9/30/22 SYLD received a 5-star overall rating, 3 years a 5-star rating, and 5 years a 5-star rating based on risk adjusted returns out of 392, 392, 362 funds respectively in the Mid Cap Value category. Cambria Funds are distributed by ALPS Distributors, Inc.

Valuation Metrics	SYLD	Category
Price / Earnings	5.72	12.32
Price / Book	1.44	1.90
Price / Sales	0.50	1.08
Price / Cash Flow	5.01	9.73
Price / Free Cash Flow	9.04	31.80

**SOURCE:** Morningstar. Based on historical data as of 9/30/2022. Style and Market Cap Breakdown and value and growth measures are calculated only using the long position holdings of the portfolio. P/E, P/B, P/S based on 141 funds, P/CF based on 140 funds, and P/FCF based on 138 funds in the Mid-Cap Value category.



As of 9/30/22 FYLD received a 4-star overall rating, 3 years a 4-star rating, and 5 years a 4-star rating based on risk adjusted returns out of 57, 57, 54 funds respectively in the Foreign Small/Mid Value category. Cambria Funds are distributed by ALPS Distributors, Inc.

Valuation Metrics	FYLD	Category	MSCI EAFE Index
Price / Earnings	4.55	8.14	11.53
Price / Book	0.83	0.96	1.45
Price / Sales	0.52	0.61	1.18
Price / Cash Flow	3.43	5.76	8.33
Price / Free Cash Flow	5.19	16.22	15.12

**SOURCE:** Morningstar. Based on historical data as of 9/30/2022. Style and Market Cap Breakdown and value and growth measures are calculated only using the long position holdings of the portfolio. Based on 34 funds in the Foreign Small/Mid Value Category.

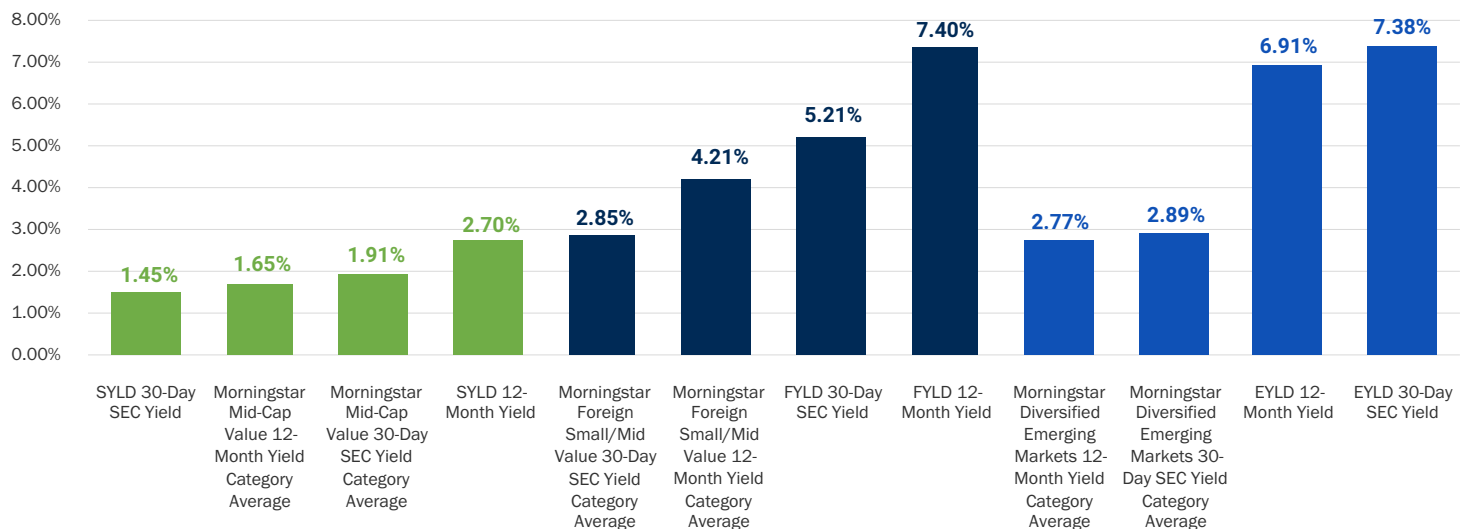


As of 9/30/22 EYLD received a 4-star overall rating, 3 years a 4-star rating, and 5 years a 4-star rating based on risk adjusted returns out of 723, 723, 638 funds respectively in the Diversified Emerging Markets category. Cambria Funds are distributed by ALPS Distributors, Inc.

Valuation Metrics	EYLD	Category	MSCI Emerging Markets Index
Price / Earnings	5.27	12.11	9.97
Price / Book	1.02	1.93	1.51
Price / Sales	0.55	1.58	1.20
Price / Cash Flow	4.24	9.25	7.33
Price / Free Cash Flow	10.23	26.29	19.97

**SOURCE:** Morningstar. Based on historical data as of 9/30/2022. Style and Market Cap Breakdown and value and growth measures are calculated only using the long position holdings of the portfolio. P/E, P/B, P/S based on 316 funds, and P/CF, P/FCF based on 313 funds in the Diversified Emerging Markets category.

## Cambria Shareholder Yield Series Yields vs Category Yield (as of 9/30/22)



**Source:** Morningstar. Past performance is not a guarantee of future results. This material must be preceded or accompanied with a fund prospectus.

# Investment Methodology

## UNIVERSE

Search universe of publicly-listed stocks with market capitalization greater than \$200m and select those that pass certain liquidity and price requirements.

## DIVIDENDS & BUYBACKS

Cambria then selects the Top 20% of stocks based on shareholder yield (buybacks and dividends) while paying attention to a stock's remaining debt paydown, as well as valuation metrics

## VALUATION, QUALITY & LEVERAGE

Cambria evaluates the factors below to screen for stocks trading below intrinsic value

- Price-to-Earnings Ratio
- Price-to-Book Ratio
- Price-to-Sales Ratio
- Price-to-Cash Flow Ratio
- Price-to-Free Cash Flow
- Enterprise Value-to-EBITDA

Cambria also excludes other outlier stocks based on quality and leverage metrics

## SHAREHOLDER YIELD

Cambria then selects the Top 100 stocks for inclusion in the portfolio that exhibit, in aggregate, the best combination of shareholder yield characteristics and value metrics

## QUARTERLY REBALANCING

At the end of each calendar quarter, Cambria will then restart the screening process by searching the universe of publicly-listed stocks.

Although Cambria seeks to equally-weight the 100 stocks selected at each quarter-end, security weights may fluctuate in response to market conditions, investment opportunities and/or tax considerations

Standardized Performance as of 9/30/22	1 Year	3 Year	5 Year	10 Year	Annualized Since Inception
Cambria Shareholder Yield ETF NAV	-10.33%	15.74%	10.62%	-	11.38%
Cambria Shareholder Yield ETF Price	-10.25%	15.73%	10.64%	-	11.38%
S&P 500 TR Index	-15.47%	8.16%	9.24%	11.70%	10.85%

Gross and net expense ratio: 0.59%. SYLD inception date 5/14/13.

Standardized Performance as of 9/30/22	1 Year	3 Year	5 Year	10 Year	Annualized Since Inception
Cambria Foreign Shareholder Yield ETF NAV	-19.23%	2.29%	0.64%	-	2.10%
Cambria Foreign Shareholder Yield ETF Price	-19.26%	2.39%	0.45%	-	2.08%
MSCI EAFE Index USD	-24.75%	-1.38%	-0.36%	4.15%	1.78%

Gross and net expense ratio: 0.59%. FYLD inception date 12/3/13.

Standardized Performance as of 9/30/22	1 Year	3 Year	5 Year	10 Year	Annualized Since Inception
Cambria Emerging Shareholder Yield ETF NAV	-23.42%	-0.04%	0.36%	-	5.24%
Cambria Emerging Shareholder Yield ETF Price	-24.21%	-0.44%	-0.17%	-	5.14%
MSCI Emerging Markets TR USD	-27.80%	-1.71%	-1.44%	1.42%	3.16%

Gross and net expense ratio: 0.64%. EYLD inception date 7/14/16.

The 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 and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 855-383-4636 (ETF INFO) or visit [www.cambriafunds.com](http://www.cambriafunds.com). Current performance may be higher or lower than the performance quoted. Market price returns are based upon the midpoint of the bid/ask spread at 4:00 Eastern Time and do not represent the returns you would receive if you traded shares at other times.

## Definitions:

**Dividends:** The distribution of reward from a portion of the company's earnings and is paid to a class of its shareholders. Dividends can be issued as cash payments or as shares of stock, though cash dividends are the most common.

**Dividend Yield:** Generally, the total interest and dividend payments over a specific time period divided by the most recent period's ending share price.

**Buybacks:** Also known as share repurchase. When a company buys its own outstanding shares to reduce the number of shares available on the open market, thus increasing the proportion of shares owned by investors. Companies buy back shares for a number of reasons, such as to increase the value of remaining shares available by reducing the supply or to prevent other shareholders from taking a controlling stake.

**Buyback Yield:** Generally, the dollar value of net buybacks over a specific time period divided by the company's total market capitalization.

**Net Debt Paydown:** When a company repays in debt exceeds the amount it currently borrows.

**Momentum:** A measure of a security's historical price performance relative to another group of securities.

**Trend:** A measure of a security's historical price performance relative to itself.

**Long Position:** A position in a security in which one buys and owns the security.

**Price/earnings ratio (P/E Ratio):** The ratio of a company's stock price to the company's per share earnings.

**Price/book ratio (P/B Ratio):** The ratio of a company's stock price to the company's book value.

**Price/sales ratio (P/S Ratio):** The ratio of a company's stock price to the company's revenue.

**Price/cash flow ratio (P/CF Ratio):** The ratio of a company's stock price to the company's per share cash flow.

**Price/free cash flow ratio (P/FCF Ratio):** The ratio of a company's stock price to the company's per share free cash flow.

**Enterprise Value/EBITDA:** The ratio of a company's enterprise value (A measure of a company's total value) to the company's earnings before interest, taxes, depreciation and amortization

**30-Day SEC Yield:** A standard yield calculation developed by the U.S. SEC that is based on the most recent 30-day period.

## This material must be preceded or accompanied with a fund prospectus.

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. Check the background of ALPS on FINRA's BrokerCheck.

SYLD, FYLD, EYLD are actively managed.

ETFs are subject to commission costs each time a "buy" or "sell" is executed. Depending on the amount of trading activity, the low costs of ETFs may be outweighed by commissions and related trading costs.

Shares are bought and sold at market price (closing price) not net asset value (NAV) 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 Funds will achieve investment goals. Investing involves risk, including the possible loss of principal. High yielding stocks are often speculative, high risk investments. The underlying holdings of the funds may be leveraged, which will expose the holdings to higher volatility and may accelerate the impact of any losses. These companies can be paying out more than they can support and may reduce their dividends or stop paying dividends at any time, which could have a material adverse effect on the stock price of these companies and the Fund's performance. 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 markets 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. Narrowly focused funds typically exhibit higher volatility.

The Funds are 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 a measure of the intraday net asset value (NAV) of an investment. It is reported approximately every 15 seconds and gives investors a measure of the value of the investment throughout the day.

The S&P 500 Index is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

The MSCI EM TR (Emerging Markets Total Return) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

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The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Past performance is no guarantee of future results.



**Cambria Investment Management, LP**