Securities Lending

Securities lending is a long-held practice whereby ETFs make loans of stocks or bonds to seek an incremental increase in returns for fund shareholders. While not without risk, securities lending seeks to benefit ETF shareholders.

To understand securities lending, let's start with the basics of understanding how it works. First, a large financial institution asks to borrow a stock or bond from an ETF. In order to borrow the stock or bond, the financial institution will negotiate financial terms with the lending agent of the ETF and provide collateral. The ETF keeps the collateral to secure repayment in case the borrower fails to return the loaned stock or bond. The value of the collateral is required to be at least equal to the market value of the loaned stock or bond and usually even more than the value. The financial institution typically uses the stock or bond to hedge against market risks, facilitate a short sale, or to use as collateral in another transaction.

Starting the Process

- A large financial institution asks to borrow a stock or bond from an ETF, and in return the ETF asks for collateral to secure the loan
- Once the collateral is received, the ETF lends the stock or bond to the financial institution

While the Stock or Bond is Out on Loan

- The ETF invests cash collateral in a money market fund to seek incremental return
- If the security pays a dividend or other distribution while on loan, the borrower will pay the ETF what the ETF would have received if it had been holding such security

Ending the Process

- Either at the request of the ETF company, or at the end of the loan term, the borrower must return the security back to the ETF
- ETF company then releases the collateral back to the borrower to close out the process

How do ETF investors benefit from securities lending?

ETF investors can benefit from securities lending in the form of performance. This is possible because the ETF can generate additional income through the rate that it charges for lending securities and/or income on the reinvestment of the collateral that the borrower provides in exchange for the loan. Cambria likes to look at this as hidden yield.

How is securities lending regulated?

Securities lending is a well-established activity and is subject to regulation. The U.S. Securities and Exchange Commission (SEC) is the primary regulator of securities lending activities for ETFs. SEC rules and guidance govern who can borrow or lend, what types of collateral are acceptable, the levels of collateral, and the reasons for which securities can be borrowed.

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What are the primary risks associated with securities lending?

Overall, the primary risks for securities lending are:

- ***Borrower Default Risk***

  Securities lending involves the risk that the borrower may default, including by failing to return the securities in a timely manner, or at all. In order to minimize the risk of the borrower default, each borrower is assessed by Cambria and monitored over time. Cambria will conduct regular borrower reviews. New transactions are systematically prevented if a borrower reaches internal limits.

  As an additional safeguard, Cambria provides an indemnity for its ETFs for a shortfall in collateral in the event of a borrower default. If a shortfall were to exist between the collateral amount received and the cost to repurchase a loaned security, and that shortfall is not due to reinvestment risk, Cambria would reimburse the fund in full.

- ***Collateral Re-Investment Risk***

  When an ETF receives cash as collateral, it may be reinvested in a money market fund with the objective of preserving principal and liquidity while generating income.

  This re-investment of cash collateral exposes the fund to various investment risks and potential loss of principal. These risks include market, liquidity and credit risks, and are not covered by Cambria's borrower default indemnity. Market risk is the potential for losses due to changing prices. Liquidity risk is the possibility that securities or instruments in which the cash is invested become difficult to sell or can only be sold at discounted prices. Credit risk is the potential that securities or instruments in which the cash is invested default or sell at discounted prices due to changes in credit quality.

Does Cambria participate in securities lending?

Yes. Cambria ETFs may lend up to 33.3% of total assets, subject to any investment policies and restrictions disclosed in the fund's Statement of Additional Information (SAI). While every investment bears risk, Cambria conducts due diligence to its securities lending to mitigate risk. For Cambria, securities loans will be made to broker-dealers that Cambria believes to be of relatively high credit standing pursuant to agreements requiring that the loans continuously be collateralized by cash, liquid securities, or shares of other investment companies with a value at least equal to the market value of the loaned securities.

Cambria doesn't keep the revenue, but instead passes it along to shareholders. Not all asset managers do this. Cambria does! This revenue, in some cases, can even be greater than the expense ratio of the ETF.

All Cambria ETFs have the ability to participate in securities lending. The table below illustrates the Cambria ETFs that participated in securities lending, and the management fee that was offset by lending.

Cambria ETF	Ticker	Securities Lending Returns 10/1/21 - 9/30/22 (basis points, or bps*)	Mgt. Fee (basis points, or bps*)	Mgt. Fee Offset by Lending
Cambria Cannabis	TOKE	60.69	59***	102.86%
Cambria Cannabis	TOKE	60.69	42***	144.50%
Cambria Emerging Shareholder Yield	EYLD	6.54	59	11.08%
Cambria Foreign Shareholder Yield	FYLD	8.70	59	14.75%
Cambria Global Asset Allocation	GAA	13.15	0	NA**
Cambria Global Momentum	GMOM	12.83	59	21.75%
Cambria Global Tail Risk	FAIL	2.43	59	4.12%
Cambria Global Value	GVAL	5.48	59	9.29%
Cambria Shareholder Yield	SYLD	3.65	59	6.19%
Cambria Trinity	TRTY	8.61	0	NA**
Cambria Value & Momentum	VAMO	1.42	59	2.41%

Past performance does not guarantee future results.
* Basis Point Definition: A basis point is one hundredth of a percent, or equivalently one percent of one percent. It is a term used to describe rates. For example, 100 basis points equals 1.00%.
** Cambria Trinity ETF (TRTY) and Cambria Global Asset Allocation have a 0% management fee so their 'Management Fee Offset by Lending' is NA.
Cambria Tail Risk ETF (TAIL) and Cambria Global Real Estate ETF (BLDG) did not have securities lending revenue during the period.
***Cambria Cannabis ETF (TOKE): Gross Expense Ratio / Management Fee: 0.59%. Net Expense Ratio 0.42%. The Fund's investment adviser has agreed to waive 17 basis points (0.17% of its management fee) for the Fund until at least August 31, 2023. This agreement may be terminated only by, or with the consent of, the Trust's Board of Trustees.

Cambria's priority is acting as a fiduciary to its clients, investors and shareholders. Securities lending is a strategy for funds to seek additional value from their portfolios.

Speak with your financial advisor or Cambria to learn more about Securities Lending.
For more information, visit www.cambriafunds.com

To determine if this 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 full and summary prospectus which may be obtained by calling 855-383-4636 (ETF INFO) or visiting our website at www.cambriafunds.com. Read 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.

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 4:00pm 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 goal. Investing involves risk, including the possible loss of principal. High yielding stocks are often speculative, high risk investments. The underlying holdings of the fund may be leveraged, which will expose the holding 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 Fund is 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.

For Cambria Global Value ETF, Cambria Global Value & Momentum ETF, Cambria Foreign Shareholder Yield ETF and Cambria Emerging Shareholder Yield ETF, there are special risks associated with margin investing. As with stocks, you may be called upon to deposit additional cash or securities if your account equity declines.

For Cambria Global Momentum ETF, the risks of investing in securities of ETFs, ETPs and investment companies typically reflect the risk of the types of instruments in which the underlying ETF, ETP or investment company invests. In addition, with such investments the Fund bears its proportionate share of fees and expenses of the underlying entity. As a result, the Fund's operating expenses may be higher and performance may be lower.

For Cambria Value & Momentum ETF, the Fund may hedge up to 100% of the value of the Fund's long portfolio. The Fund may use derivatives to attempt to effectuate such hedging during times when the advisor believes that the U.S. equity market is overvalued from a valuation standpoint, or model identify unfavorable trends and momentum in the U.S. equity market. The primary risk of derivative instruments is that changes in the market value of securities held by the fund and of the derivative instruments relating to those securities may not be proportionate. Derivatives are also subject to illiquidity and counterparty risk. Derivatives are often more volatile than other investments and may magnify the Fund's gains or losses.

For Cambria Cannabis ETF, cannabis companies are subject to various laws and regulations that may differ at the local and federal level. They are subject to the risks associated with agricultural, biotechnology and pharmaceutical industries. Since the use of marijuana is illegal under United States federal law, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of marijuana. The Fund's investments are concentrated in the cannabis industry, and the Fund may be susceptible to loss due to adverse occurrences affecting this industry. The Fund is also expected to have significant exposure to the health care, consumer discretionary and consumer staples sectors.

For Cambria Global Real Estate ETF, the Fund's investments are concentrated in real-estate related industries, and the Fund may be susceptible to loss due to adverse occurrences affecting these industries including declines in the real estate market, decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems and natural disasters. The availability of mortgages and changes in interest rates may also affect real estate values.

All Cambria ETFs are actively managed.

For Cambria Global Tail Risk ETF, prior to 3/15/21, the fund operated as Cambria Sovereign Bond ETF (SOVB). On that date, the investment strategy and the objective also changed. Any performance prior to 3/15/21 was achieved under the previous strategy.

CAMBRIA

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