

CAMBRIA FOREIGN SHAREHOLDER YIELD INDEX

Index Description

Name	Currency	WKN	ISIN	RIC	Ticker
Cambria Foreign Shareholder Yield Index	USD	SLA0CE	DE000SLA0CE1	.FSYLD	FYLD Index

The Cambria Foreign Shareholder Yield Index (the “Index”) consists of stocks with high cash distribution characteristics. The initial universe for this Index includes approximately 2000 stocks in foreign developed countries with market capitalizations over \$200 million. The Index is comprised of the 100 companies in the universe with the best combined rank of dividend payments and net stock buybacks, which are the key components of shareholder yield. The Index also screens for value and quality factors, and for companies that demonstrate low financial leverage.

More Specifically, the Index is constructed as follows:

1. **Universe:** Cambria Indices, LLC begins with a universe of approximately 2,000 stocks of companies located in foreign developed countries. These countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. The universe does not include ETFs, closed end funds, private companies or bonds.
2. **Market Cap and Liquidity.** The stocks must have a market capitalization over \$200 million and must have at least \$250,000 per day average trading volume over the past 3 months.
3. **Dividends & Buybacks:** The Index selects the top 20% of stocks in the universe by shareholder yield which is based on dividend payments and net share buybacks. Currently this results in a minimum shareholder yield of approximately 4%.
4. **Valuation, Quality, Leverage:** The Index then applies a number of valuation factors – such as price to cash flow, price to book and enterprise value to EBITDA -- to screen for stocks trading below intrinsic value. As part of this step, the Index excludes outlier stocks based on quality and leverage metrics.
5. **Momentum and Trend:** As a measure to avoid value traps, the Index does a final sort based on momentum and trend indicators to position the portfolio in the strongest performing shareholder yield stocks.
6. **Limitation on Illegal or Restricted Securities.** The index includes screens that exclude as components any issuers trading in foreign markets where owning such component securities is highly restricted or illegal, including due to the imposition of economic sanctions by the U.S. Government.
7. **Final Construction:** The Index then applies screens that seek to ensure no overconcentration in any one sector or industry, and equally weights in the top 100 stocks.