

Think Income and Growth Don't Exist Around the Globe? Think Again

by Meb Faber

In early 2017, we wrote a paper called [“Think Income and Growth Don't Exist in This Market? Think Again”](#) that sought to address a question facing many U.S. equity investors...

Was it possible to find a U.S. equity investment that offered an attractive yield, yet came without a lofty, dangerous valuation?

We began that paper with the following investor-perspective...

“I need an investment that's going to provide me not only income, but growth too. Unfortunately, investors have been piling into dividend funds for years now in their search for yield. I'm worried that this has left me few reasonably-valued opportunities. If I invest in a potentially overvalued dividend fund today and this 9-year bull market finally runs out of steam tomorrow, then I'm risking serious losses. On the other hand, keeping my money on the sidelines is returning me zero. Is there an answer?”

Our paper concluded that there was an answer. In our opinion, the [Cambria Shareholder Yield ETF](#) (NYSE: SYLD) offered a potential solid shareholder yield coupled with an attractively-low valuation (watch a short, explanatory video about SYLD [here](#)).

Of course, the potential power of a shareholder yield strategy is not limited by geography. Neither is an investor's need for an attractive yield at a reasonable valuation. Yet, as our non-U.S. readers can attest, this has proved challenging as sovereign banks around the globe have pushed their interest rates into negative territory. This has funneled vast quantities of investor wealth into traditional high yield investments, driving up valuations.

And so, investors considering income investments in the global opportunity set find themselves facing a similar predicament. Is there a balance between income and growth? As you'll see in this paper, I believe the answer is “yes” – in fact, this time, you have two options.

How We Got Into This Predicament

In the U.S., it was the Fed's zero interest rate policy (ZIRP), the ostensible end of a 30+ year bull market in bonds, and one of the lengthiest bull markets in stocks in U.S. history. All of these factors combined to funnel billions of dollars into any investment that even appeared to offer a reasonable dividend or cash distribution. Desperate, yield-hungry investors were left picking over the markets, stretching valuations and depressing yields.

We've seen a similar dynamic play out overseas. In 2014, several of Europe's central banks cut interest rates below zero.¹ ECB President Mario Draghi embarked on a government bond-buying plan worth about 1.1 trillion euros in March 2015. That program was later doubled.² The effect? Desperate, yield-hungry investors faced what seemed to be a challenge – a high-yielding investment that came at a lofty valuation, or a reasonably-valued investment that offered an anemic yield.

What's the answer?

I humbly request you consider the two sister-investments to Cambria's Shareholder Yield ETF – Cambria's Foreign Shareholder Yield ETF (FYLD), and Cambria's Emerging Shareholder Yield ETF (EYLD).

For those unfamiliar, we've engineered the entire "shareholder yield" suite with the goal of helping investors get exposure to quality value stocks that are returning significant free cash flow to shareholders via dividends and buybacks. This makes FYLD and EYLD similar to some popular international dividend ETFs, though the differences are profound enough to set them apart, as you'll see momentarily. But given that I'm referencing Cambria funds, I'd rather not try to sway anyone based on my own opinion. Instead, let's go straight to the numbers so that you can decide for yourself.

The Search for Income

Below we show the SEC 30-day dividend yields for FYLD, iShares International Select Dividend ETF (IDV), SPDR® S&P® International Dividend ETF (DWX), FlexShares International Quality Dividend Index Fund (IQDF), WisdomTree International Equity Fund (DWM), and PowerShares International Dividend Achievers Portfolio (PID). We've placed them in descending order, with the values as of 6/30/18.

We chose these ETFs as they're the largest foreign (non-U.S.) dividend funds as measured by assets under management according to ETFdb.com as of the end of Q2 2018.

(For important information on these ETFs, please see Appendix B – ETF Data.)

1 <https://www.bloomberg.com/quicktake/negative-interest-rates>

2 <https://www.bloomberg.com/quicktake/europes-qe-quandary>

| | |
|--|-------------|
| FlexShares International Quality Dividend Index Fund (IQDF) | 5.4% |
| iShares International Select Dividend ETF (IDV) | 4.6% |
| Cambria Foreign Shareholder Yield (FYLD) | 4.0% |
| SPDR® S&P® International Dividend ETF (DWX) | 3.8% |
| WisdomTree International Equity Fund (DWM) | 3.1% |
| PowerShares International Dividend Achievers Portfolio (PID) | 2.7% |

Past performance does not guarantee future results.

Let's now include our emerging market investment set.

Below we show the SEC 30-day dividend yields for EYLD, WisdomTree Emerging Markets High Dividend Fund (DEM), SPDR® S&P Emerging Markets Dividend ETF (EDIV), iShares Emerging Markets Dividend ETF (DVYE), WisdomTree Emerging Markets Quality Dividend Growth Fund (DGRE), and ALPS Emerging Sector Dividend Dogs ETF (EDOG). Again, we've placed them in descending order, with the values as of 6/30/18.

Here too, we chose these ETFs as they're the largest emerging market dividend funds as measured by assets under management according to ETFdb.com as of the end of Q2 2018.

(For more information on these ETFs, please see Appendix B – ETF Data.)

| | |
|---|-------------|
| iShares Emerging Markets Dividend ETF (DVYE) | 5.6% |
| ALPS Emerging Sector Dividend Dogs ETF (EDOG) | 4.8% |
| WisdomTree Emerging Markets High Dividend Fund (DEM) | 4.1% |
| Cambria Emerging Shareholder Yield (EYLD) | 3.5% |
| SPDR® S&P Emerging Markets Dividend ETF (EDIV) | 3.5% |
| WisdomTree Emerging Markets Quality Dividend Growth Fund (DGRE) | 2.1% |

Past performance does not guarantee future results.

As you can see from the data tables above, though FYLD offers a healthy dividend at 4.0% and EYLD offers a respectable dividend of 3.5%, neither leads its respective peers in our comparison. But remember, we've engineered our suite of shareholder yield ETFs to reflect total cash distributions to investors from dividends and buybacks. When management rewards investors with buybacks, we wouldn't see that value-transfer reflected in the dividend yield. Therefore, we shouldn't expect FYLD or EYLD to be leading this comparison.

If you're an investor focusing exclusively on dividend yield, you could be overlooking buybacks. But that could be a grave error as we believe what's important isn't just a dividend return but is a total cash return. If you're unsure as to the difference this makes, we'll show you in a moment. But first, let's address the argument against buybacks.

Why Buybacks Should Be Considered

A pure income investor might read our position above and say, “Say whatever you want, but I don’t care about buybacks. After all, it seems like overconfident CEOs are always buying back stock at all sorts of prices, regardless of valuations. Plus, they throw lucrative stock options to management, so trying to include buybacks isn’t worth it to me. I see better dividend yields up there than what FYLD and EYLD are offering, so I’m choosing one of them.”

It’s a logical response, but let’s challenge it.

Why, perhaps, should you be willing to pay more attention to buybacks?

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. And at the end of the day, wouldn’t you prefer the highest total return possible, regardless of the source of that return?

If you’re still not convinced on the value of buybacks, consider famed investor, Warren Buffett’s opinion. From his [1984 letter to Berkshire Hathaway shareholders](#):

“When companies with outstanding businesses and comfortable financial positions find their shares selling far below intrinsic value in the marketplace, no alternative action can benefit shareholders as surely as repurchases.”

The key phrase for buybacks here is “intrinsic value.” If you are an overconfident CEO buying back overvalued shares, then you’re destroying value. In such a case, the earlier objection to including buybacks is valid. Buybacks would indeed be a detriment to total return.

But when a wise CEO buys back shares at great valuations that are below intrinsic value, to paraphrase Buffett’s quote, “no alternative action benefits shareholders as much.”

Combining Dividend Yield with Buyback Yield

Now, just so you’re not misunderstanding, this isn’t an issue of choosing buybacks instead of dividends. It’s not a competition.

We like dividends too; we just think an investor can do better by combining good dividend yields with good buyback yields, rather than by focusing on dividend yield alone. Think of these two returns as a broader, complementary “shareholder yield.”

We’re confident this shareholder yield is a superior indicator of an investment’s long-term potential than focusing on dividend yield alone. But we’re not the only ones.

For instance, J.P Morgan writes, “Across the range of definitions, we find the single best measure of Value is arguably Shareholder Yield, which combines the effects of Dividends, Buy-Backs & Net Issuance...” (J.P Morgan, Value Every

where, August 23, 2016.) Then there was the Societe Generale study reporting that, historically, a shareholder yield strategy had beaten the market in 17 of the previous 20 years, whereas a dividend yield strategy had beaten the market in only 9 of those years. (Societe Generale, Global Quantitative Research, October 9, 2014.) You'll find similar takeaways in various reports from other large financial institutions.

With all this in mind, let's look again at this same group of ETFs, this time on a total return basis instead of just dividend yield.

A Comparison of Total Returns

Below we compare the cumulative returns of FYLD with the same group of ETFs. The beginning date is 12/02/2013, which is the day on which we introduced FYLD to the market. Returns stop at 6/30/18 and are based on net asset value. The ETFs are ordered from highest to lowest return.

| | |
|--|--------------|
| Cambria Foreign Shareholder Yield (FYLD) | 19.2% |
| WisdomTree International Equity Fund (DWM) | 18.4% |
| FlexShares International Quality Dividend Index Fund (IQDF) | 10.1% |
| iShares International Select Dividend ETF (IDV) | 8.7% |
| SPDR® S&P® International Dividend ETF (DWX) | 4.4% |
| PowerShares International Dividend Achievers Portfolio (PID) | 4.0% |

*Source: Bloomberg FYLD 1-year performance as of 6/30/18 at NAV: 11.1%. FYLD since-inception performance as of 6/30/18 at NAV: 19.2%. FYLD 1-year performance at market price (price return): 10.2%. FYLD since-inception performance at market price (price return): 19.0%. **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.***

Note that FYLD's total return of 19.2% is the highest in the entire group. Therefore, had you focused exclusively on dividend yield, you might have chosen, say, IQDF or IDV with a higher yield – yet that would have meant your overall return would have been significantly lower.

Let's now evaluate our emerging market ETFs. Here, the beginning date is 7/13/2016, which is the day on which we introduced EYLD to the market. Returns stop at 6/30/18 and are based on net asset value. The ETFs are ordered from highest to lowest return.

| | |
|---|--------------|
| Cambria Emerging Shareholder Yield (EYLD) | 38.5% |
| WisdomTree Emerging Markets High Dividend Fund (DEM) | 26.3% |
| iShares Emerging Markets Dividend ETF (DVYE) | 25.0% |
| SPDR® S&P Emerging Markets Dividend ETF (EDIV) | 19.9% |
| WisdomTree Emerging Markets Quality Dividend Growth Fund (DGRE) | 17.8% |
| ALPS Emerging Sector Dividend Dogs ETF (EDOG) | 1.5% |

Source: Bloomberg EYLD 1-year performance as of 6/30/18 at NAV: 14.9%. EYLD since-inception performance as of 6/30/18 at NAV: 38.5%. EYLD 1-year performance at market price (price return): 14.7%. EYLD since-inception performance at market price (price return): 39.5%. **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.**

In this case, EYLD's total return of 38.5% is the highest in the entire group by a wide margin. Therefore, had you focused exclusively on dividend yield, say, DVYE or EDOG with a higher yield – yet that would have meant your overall return would have been significantly lower.

But back to the counter-argument: “I can see that FYLD and EYLD have performed very well in your study up to now, but where are their valuations at this point? Are they bid up too much now?”

Great question – and there's an equally great answer.

Looking at These Investments Through a “Value” Prism

One of the basic tenets of investing is that, all else being equal, the less you pay for an investment, the better your future returns should be. By that logic, the better the value at which we can purchase quality assets, the better positioned we should be for increased returns going forward.

Recall for a moment our earlier discussion of Warren Buffett and buybacks. Buffet believes buybacks are wonderful when they're effected at discounted valuations. He didn't say “all buybacks are great, all the time,” because they're not. If a CEO overpays for his shares, it's an unwise use of money, same as if you or I overpay for, say, a new car or a dishwasher.

The point is, valuation matters. With investing, the price which you pay for an asset has a significant influence on the return (or lack thereof) that you'll get.

With that in mind, let's return to our two groups of ETFs. We'll start with FYLD and its competitors.

The chart below includes numerous common valuation metrics: the ratios of price-to-earnings, price-to-book, price-to-sales, and price-to-cash flow. We've re-included the dividend yield for perspective, as well as the metrics for the S&P 500 (SPY).

| | FYLD | SPY | IDV | DWX | IQDF | DWM | PID |
|-----------------------------|------|------|------|------|------|------|------|
| Price/Prospective Earnings* | 10.8 | 17.1 | 13.0 | 13.7 | 11.4 | 13.2 | 13.8 |
| Price/Book* | 1.2 | 2.9 | 1.8 | 1.5 | 1.5 | 1.5 | 2.0 |
| Price/Sales* | 0.7 | 2.2 | 1.0 | 1.5 | 0.9 | 1.1 | 1.5 |
| Price/Cash Flow* | 2.7 | 12.8 | 5.7 | 9.5 | 4.1 | 4.1 | 7.8 |
| Dividend Yield %* | 4.0% | 1.8% | 4.6% | 3.8% | 5.4% | 3.1% | 2.7% |

*Forward-looking based on historical data, as of 7/03/2018. Source: Morningstar

Style and Market Cap Breakdown and Value and Growth Measures are calculated only using the long position holdings of the portfolio.

ETF div yields are SEC 30 day yield as of 6/30/18. Source: individual fund companies.

FYLD trades at the lowest valuation of all ETFs in every single category. In many cases, the aggregate holdings in FYLD are significantly cheaper than those of the competing dividend funds.

And what about EYLD and its emerging market competitors?

| | EYLD | SPY | DEM | EDIV | DVYE | DGRE | EDOG |
|-----------------------------|------|------|------|------|------|------|------|
| Price/Prospective Earnings* | 7.9 | 17.1 | 8.9 | 10.4 | 8.8 | 14.7 | 10.8 |
| Price/Book* | 1.2 | 2.9 | 1.1 | 1.3 | 1.2 | 3.3 | 1.5 |
| Price/Sales* | 0.5 | 2.2 | 0.9 | 1.2 | 0.8 | 1.7 | 1.1 |
| Price/Cash Flow* | 2.7 | 12.8 | 3.4 | 6.4 | 3.9 | 10.5 | 7.8 |
| Dividend Yield %* | 3.5% | 1.8% | 4.1% | 3.5% | 5.6% | 2.1% | 4.8% |

*Forward-looking based on historical data, as of 7/03/2018. Source: Morningstar

Style and Market Cap Breakdown and Value and Growth Measures are calculated only using the long position holdings of the portfolio.

ETF div yields are SEC 30 day yield as of 6/30/18. Source: individual fund companies.

EYLD trades at the lowest valuation in every category except one, where it is second lowest, despite its overall performance to date.

And for any skeptics remaining, wondering about the extent to which valuation really matters, I'll point you to a report from O'Shaughnessy Asset Management. The group conducted research on the subject and concluded the following:

*“While (dividend) yield is attractive in general, one of the most important lessons we’ve learned in the large cap market is that it becomes unattractive when expensive... . . .if a company has a high yield but is also cheap, then it has outperformed the market by 3.29%, on average. But when a stock has a high yield and is trading at expensive multiples of earnings, sales, EBITDA, and free cash flow, it’s lost to the market by an average of 2.06% a year.” (O’Shaughnessy Asset Management, *The Myth of the Most Efficient Market*, 2013.)*

As we stand here today looking forward, FYLD’s and EYLD’s low valuations stand out amongst the selected universe of ETFs. We’ll let you draw your own conclusion as to what this might mean for future returns.

Yes, this is a challenging market for income investors, but it doesn’t have to be an impossible market. Income, growth, and good values are still out there. If you aren’t familiar with FYLD and EYLD, perhaps it’s time you take a look.

To determine if these Funds are an appropriate investment for you, carefully consider the Funds' investment objectives, risk factors, charges and expense before investing. This and other information for FYLD, EYLD, and SYLD can be found in the Funds' full and summary prospectus which may be obtained by calling 855-383-4636 (ETF INFO) or visiting our website at www.cambriafunds.com. Read the prospectus carefully before investing or sending money.

The Cambria ETFs (FYLD, EYLD, SYLD) are distributed by SEI Investments Distribution Company, 1 Freedom Valley Drive, Oaks, PA 19456, 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 4:00 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 their 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 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.

There is no guarantee dividends will be paid. 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.

Appendix A – Definitions

Intrinsic Value

Investopedia defines “intrinsic value” as the actual value of a company or an asset based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors. This value may or may not be the same as the current market value.

S&P 500

The Standard & Poor’s 500, often abbreviated as the S&P 500, or just the S&P, is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices.

EBITDA

Earnings before interest, tax, depreciation and amortization (EBITDA) is a measure of a company’s operating performance. Essentially, it’s a way to evaluate a company’s performance without having to factor in financing decisions, accounting decisions or tax environments.

Appendix B – ETF Data

This paper was compiled to provide a framework to analyze the characteristics of Cambria’s ETFs, Foreign Shareholder Yield (BATS: FYLD) and Emerging Shareholder Yield (BATS: EYLD) relative to funds that seek to offer investors exposure to foreign and emerging market based companies with a focus on dividends, and/or foreign and emerging market based companies with a focus on share buybacks, when such Funds are available. The valuation data—at the time this report was written—reflects the fundamental data of Price/Earnings ratios, Price/Book ratios, Price/Sales ratios, Price/Cash Flow ratios, and dividend yield so that investors can compare the ETFs across the same metrics. All information is provided strictly for educational and illustrative purposes only.

No representation is being made that any investment will achieve performance that is similar to the returns shown above. The information provided should not be considered investment advice.

Below is more information on each of the referenced funds in this paper.

IQDF

(all info below from [ETFDB on 4/16/18](#) and/or the [fund company’s own website](#))

| | | |
|---|---|------------------------------|
| Objective | The Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Northern Trust International Quality Dividend Index™ (Underlying Index). | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.47% | |
| Liquidity | AUM: \$1,080.6 M | Shares: 40.9 M |
| | 1 Month Avg. Volume: 95,800 | 3 Month Avg. Volume: 117,430 |
| Safety | There are risks associated with investing in IQDF, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in IQDF. | |
| Fluctuation of Principal or Return | Because of its narrow focus, IQDF may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in IQDF, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

IDV

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|--|------------------------------|
| Objective | This ETF is one of the many options for investors seeking to access stocks of developed markets outside of the U.S., an asset class that is a major component of almost any balanced portfolio and that can be quite useful for implementing tactical tilts. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.50% | |
| Liquidity | AUM: \$4,869.1 M | Shares: 143.6 M |
| | 1 Month Avg. Volume: 742,443 | 3 Month Avg. Volume: 766,351 |
| Safety | There are risks associated with investing in IDV, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in IDV. | |
| Fluctuation of Principal or Return | Because of its narrow focus, IDV may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in IDV, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

FYLD

(all info below from [ETFDB on 4/16/18](#) and/or the [fund company's own website](#))

| | | |
|---|--|----------------------------|
| Objective | The Cambria Foreign Shareholder Yield ETF seeks investment results that closely correspond to the price and yield performance, before fees and expenses, of the Cambria Foreign Shareholder Yield Index. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.59% | |
| Liquidity | AUM: \$46.6 M | Shares: 1.8 M |
| | 1 Month Avg. Volume: 5,926 | 3 Month Avg. Volume: 5,370 |
| Safety | There are risks associated with investing in FYLD, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in FYLD. | |
| Fluctuation of Principal or Return | Because of its narrow focus, FYLD may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in FYLD, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

DWX

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|---|------------------------------|
| Objective | This ETF offers exposure to dividend-paying stocks in developed markets outside of the U.S. and Canada, making it a potential cornerstone of a balanced long-term portfolio that may have appeal to investors who value the approach offered by dividend-focused funds. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.45% | |
| Liquidity | AUM: \$1,236.3 M | Shares: 30.9 M |
| | 1 Month Avg. Volume: 85,926 | 3 Month Avg. Volume: 105,384 |
| Safety | There are risks associated with investing in DWX, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in DWX. | |
| Fluctuation of Principal or Return | Because of its narrow focus, DWX may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in DWX, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

PID

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|--|------------------------------|
| Objective | This ETF seeks to replicate an index comprised of stocks that have increased their annual dividend for five consecutive years, an exclusive club that may have obvious appeal to investors looking to enhance current returns generated by the equity portion of their portfolios. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.56% | |
| Liquidity | AUM: \$876.2 M | Shares: 54.8 M |
| | 1 Month Avg. Volume: 189,917 | 3 Month Avg. Volume: 192,656 |
| Safety | There are risks associated with investing in PID, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in PID. | |
| Fluctuation of Principal or Return | Because of its narrow focus, PID may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in PID, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

DWM

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|---|-----------------------------|
| Objective | This ETF offers investors an alternative means of accessing the developed markets outside of the U.S., as DWM may have appeal as a substitute to EAFE funds such as EFA or VEA. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.48% | |
| Liquidity | AUM: \$936.0 M | Shares: 16.8 M |
| | 1 Month Avg. Volume: 37,735 | 3 Month Avg. Volume: 50,630 |
| Safety | There are risks associated with investing in DWM, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in DWM. | |
| Fluctuation of Principal or Return | Because of its narrow focus, DWM may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in DWM, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

DVYE

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|---|-----------------------------|
| Objective | This ETF offers exposure to dividend paying stocks in emerging markets, making DVYE a tool for fine tuning exposure to an asset class that is at the core of many long-term portfolios. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.49% | |
| Liquidity | AUM: \$459.4 M | Shares: 10.9 M |
| | 1 Month Avg. Volume: 61,409 | 3 Month Avg. Volume: 76,997 |
| Safety | There are risks associated with investing in DVYE, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in DVYE. | |
| Fluctuation of Principal or Return | Because of its narrow focus, DVYE may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in DVYE, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

EDOG

(all info below from [ETFDB on 4/16/18](#) and/or the [fund company's own website](#))

| | | |
|---|--|-----------------------------|
| Objective | The Fund seeks investment results that replicate as closely as possible, before fees and expenses, the performance of the S-Network Emerging Sector Dividend Dogs Index (the "Index"). | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.60% | |
| Liquidity | AUM: \$53.6 M | Shares: 2.2 M |
| | 1 Month Avg. Volume: 6,543 | 3 Month Avg. Volume: 15,052 |
| Safety | There are risks associated with investing in EDOG, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in EDOG. | |
| Fluctuation of Principal or Return | Because of its narrow focus, EDOG may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in EDOG, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

DEM

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|---|------------------------------|
| Objective | This ETF offers exposure to some of the highest dividend yielding stocks in the emerging market world with a fundamental weighting system. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.63% | |
| Liquidity | AUM: \$2,264.6 M | Shares: 48.2 M |
| | 1 Month Avg. Volume: 201,561 | 3 Month Avg. Volume: 268,957 |
| Safety | There are risks associated with investing in DEM, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in DEM. | |
| Fluctuation of Principal or Return | Because of its narrow focus, DEM may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in DEM, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

EDIV

(all info below from [ETFDB on 4/16/18](#) and/or the fund company's own website)

| | | |
|---|--|-----------------------------|
| Objective | This ETF offers exposure to a number of emerging markets, focusing on dividend paying stocks in the developing world. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.49% | |
| Liquidity | AUM: \$498.3 M | Shares: 14.3 M |
| | 1 Month Avg. Volume: 63,739 | 3 Month Avg. Volume: 63,739 |
| Safety | There are risks associated with investing in EDIV, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in EDIV. | |
| Fluctuation of Principal or Return | Because of its narrow focus, EDIV may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in EDIV, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

EYLD

(all info below from [ETFDB on 4/16/18](#) and/or the [fund company's own website](#))

| | | |
|---|--|----------------------------|
| Objective | The Cambria Emerging Shareholder Yield ETF seeks investment results that closely correspond to the price and yield performance, before fees and expenses, of the Cambria Emerging Shareholder Yield Index. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.69% | |
| Liquidity | AUM: \$28.7 M | Shares: 0.8 M |
| | 1 Month Avg. Volume: 3,813 | 3 Month Avg. Volume: 4,444 |
| Safety | There are risks associated with investing in EYLD, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in EYLD. | |
| Fluctuation of Principal or Return | Because of its narrow focus, EYLD may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in EYLD, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |

DGRE

(all info below from [ETFDB on 4/16/18](#) and/or the [fund company's own website](#))

| | | |
|---|---|-----------------------------|
| Objective | WisdomTree Emerging Markets Quality Dividend Growth Fund seeks to track the investment results of dividend-paying companies with growth characteristics in the emerging markets region. | |
| Cost, Expenses, Sales Charges, Expense Ratio | 0.32% | |
| Liquidity | AUM: \$72.8 M | Shares: 2.7 M |
| | 1 Month Avg. Volume: 13,987 | 3 Month Avg. Volume: 28,916 |
| Safety | There are risks associated with investing in DGRE, including possible loss of principal. | |
| Guarantees or Insurance | There are no guarantees or insurance when investing in DGRE. | |
| Fluctuation of Principal or Return | Because of its narrow focus, DGRE may be more volatile than broadly diversified funds, and generally result in greater price fluctuations than the overall market. | |
| Tax Features | Before investing in DGRE, investors should consult their own CPA or tax attorney to determine whether the investment is right for them. | |