

**Item 1.        Cover Page**

**Brochure of  
Cambria Investment Management, L.P.**

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**March 31, 2015**

This brochure provides information about the qualifications and business practices of Cambria Investment Management, L.P. ("Cambria"). If you have any questions about the contents of this brochure, please contact us at 310-683-5500 or er@cambriainvestments.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Cambria also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Although Cambria is a "registered investment adviser," that registration does not imply a certain level of skill or training."**

**Item 2. Material Changes**

Item 4 has been amended to reflect discretionary assets under management of approximately \$460,000,000 as of February 28, 2015.

Item 4 has been amended to include the addition of the the Cambria Global Momentum ETF and the Cambria Global Asset Allocation ETF to the Cambria ETF Trust.

Items 4 and 5 have been amended to remove the sub-advisory services Cambria provided to the Cambria Global Tactical ETF, a series of AdvisorShares Trust, a Delaware statutory trust.

Item 10 has been amended to include a discussion of Cambria's self-indexing activities and any conflicts of interest resulting therefrom.

Item 11 has been amended to reflect the appointment of Syed Ehtisham as Chief Compliance Officer on December 9, 2014.

Item 12 has been amended to include a discussion of Cambria's soft dollar benefits from brokerage involving the client's assets.

There have been no other material changes to this brochure since its last annual update on March 31, 2014.

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#### **Item 4. Advisory Business**

Cambria is a Delaware limited partnership formed in 2012. Cambria formerly operated as Cambria Investment Management, L.P., a California corporation that had been in business since 2006. On April 9, 2012, Cambria Investment Management, L.P. merged with and into Cambria solely to effectuate a structural change. Cambria serves as the general partner of, and investment adviser to, two private investment funds, Cambria Global Tactical Fund 2X, L.P. (the "Tactical Fund") and Cambria GTAA Insurance Dedicated Fund, L.P. (the "Insurance Fund"), each a Delaware limited partnership. The Tactical Fund, the Insurance Fund and any other private fund that Cambria may manage in the future are referred to together in this brochure as the "Private Funds."

Cambria provides investment advisory services to the Cambria Shareholder Yield ETF (the "Shareholder Yield ETF"), the Cambria Foreign Shareholder Yield ETF (the "Foreign Shareholder Yield ETF") and the Cambria Global Value ETF (the "Global Value ETF"), the Cambria Global Momentum ETF (the "Global Momentum ETF") and the Cambria Global Asset Allocation ETF (the "Global Asset Allocation ETF") all a series of the Cambria ETF Trust, a Delaware statutory trust (the "Cambria Trust"). The Cambria Trust (and therefore, the Shareholder Yield ETF, the Foreign Yield Shareholder ETF, Global Value ETF, the Global Momentum ETF and the Global Asset Allocation ETF) is a registered open-end management investment company under the Investment Company Act of 1940, as amended. The Shareholder ETF, the Foreign Shareholder ETF, the Global Value ETF, the Global Momentum ETF and the Global Asset Allocation ETF are referred to together in this brochure as the "Cambria Trust Funds."

Cambria also provides investment advice and management to separately managed accounts. Any separately managed account that Cambria manages (excluding the the Funds) are referred to in this brochure as "Separate Accounts." The services that Cambria provides to Separate Accounts include initial advice regarding, and ongoing monitoring of, a Separate Account's asset allocation, quarterly reviews of account performance, general investment consulting and active management of securities portfolios for that account.

Cambria's principal owners are Eric W. Richardson and Mebane T. Faber. Messrs. Richardson and Faber also serve as Cambria's co-portfolio managers. As of February 28, 2015 had total discretionary assets under management of approximately **\$460,000,000**. Cambria only manages assets on a discretionary basis.

Cambria utilizes quantitative algorithms to actively manage the Private Funds, the Cambria Trust Funds and the Separate Accounts, referred to together in this brochure as the "clients;" assets. The strategy is a long term trend following strategy with strict risk control methods that are completely systematic. No efforts are made to forecast future market trends. As new research and models are developed they may be incorporated into Cambria's trading strategies.

Cambria invests in and trades securities, consisting principally, but not solely, of equity and equity-related securities (including exchange-traded funds ("ETFs")) that are traded

publicly in U.S. markets and non-U.S. markets on behalf of its clients, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the client's partnership or other account agreement.

The investors in the Private Funds and the Funds have no opportunity to select or evaluate any fund investments or strategies. Cambria selects all investments and strategies.

Cambria typically does not tailor its services to the individual needs of Separate Accounts, but manages each such account according to the strategy selected by the client. Cambria's discretionary authority is limited, however, as described in Item 16.

## **Item 5. Fees and Compensation**

### Separate Accounts

Cambria's compensation from Separate Accounts is negotiable and varies, but typically it charges an annual fee of 0.79% of the net asset value of a Separate Account. This annual fee is payable in quarterly installments at the beginning of the calendar quarter. Separate Account clients are responsible for verifying the accuracy of the custodial fees and transaction costs charged by the custodian or Cambria.

### The Private Funds

***The Tactical Fund.*** Cambria's compensation from limited partners in the Tactical Fund is negotiable and varies, but typically, it charges an annual fee of approximately 1.25% of the net asset value of each limited partner's investment in a Tactical Fund, due in advance on the first day of each month based on the applicable Fund's net asset value on that date. Cambria does not receive performance-based compensation from limited partners in the Tactical Fund.

***The Insurance Fund.*** Cambria's compensation from limited partners in the Insurance Fund is negotiable and varies, but typically, it charges an annual fee of 1% of the net asset value of each limited partner's investment in the Insurance Fund, due in advance on the first day of each month based on the Insurance Fund's net asset value on that date. However, the first limited partner that makes an initial investment of at least \$25,000,000 (the "Initial Limited Partner") will be charged a different fee from the other limited partners in the Insurance Fund. The Initial Limited Partner will be charged an annual fee of approximately 0.75% of its initial \$25,000,000 investment due in advance on the first day of each month based on the Insurance Fund's net asset value on that date, and approximately 0.50% of the net asset value of all investments made after the Initial Limited Partner's aggregate investments in the Insurance Fund exceed \$25,000,000. Beginning with the month in which aggregate investments by all of the Limited Partners, including the Initial Limited Partner, exceed \$50,000,000, and for each month thereafter, the fee with respect to the Initial Limited Partner will be approximately 0.50% per year of the net asset value of the Initial Limited Partner's entire investment in the Insurance Fund. Cambria does not receive performance-based compensation from limited partners in the Insurance Fund.

### The Cambria Trust Funds

Pursuant to an advisory agreement between Cambria and the Cambria Trust on behalf of each Cambria Trust Fund, each Cambria Trust Fund pays Cambria an advisory fee at an annualized rate of 0.59% which is calculated daily and paid monthly, based on its average daily net assets. Potential investors should review the appropriate Cambria Trust Fund's prospectus and Statement of Additional Information ("SAI") for additional information on Cambria's compensation.

### General Disclosure

Cambria typically deducts management fees directly from client accounts but may bill a client for such amounts on request.

Accounts that invest in mutual funds or ETFs also pay, indirectly, investment advisory fees to the managers of those funds.

Cambria believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

The disclosure in this Item 5, together with the disclosure in Item 12, allow a plan that is subject to the Employee Retirement Income Security Act of 1974 and that invests in an investment limited partnership of which Cambria is general partner, to use the "alternative reporting option" to report Cambria's compensation as "eligible indirect compensation" on the Schedule C of the plan's Form 5500 Annual Return/Report of Employee Benefit Plan.

Relationships with Cambria's Private Fund clients are terminable on expiration of the Private Fund's term, dissolution of the Private Fund or on Cambria's withdrawal as general partner. Each limited partner may withdraw from a Tactical Fund, on thirty days' prior written notice, on the last day of any calendar quarter that occurs on or after the day preceding the first anniversary of such limited partner's admission to the applicable Tactical Fund. Each limited partner may withdraw from the Insurance Fund, on seven days' prior written notice, on the last day of any calendar month.

Except as may be otherwise negotiated in particular cases, a Separate Account client may terminate its account at any time on written notice to Cambria.

In all cases, expenses, the pro rata portion of the management fee through the date of termination are charged to the account. All prepaid but unearned advisory fees are refunded on termination of a client's account. A limited partner who withdraws from a Private Fund on a date other than the last day of a quarter or month, however, does not receive a refund of the management fee previously paid.

Each account is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, accounting and bookkeeping fees and expenses,

and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Cambria bears its own operating, general, administrative and overhead costs and expenses, other than the expenses described above.

#### **Item 6. Performance-Based Fees and Side-By-Side Management**

Cambria manages accounts that do not pay performance-based compensation.

#### **Item 7. Types of Clients**

Cambria provides investment advice to the Private Funds, the Funds and Separate Accounts. Investors in the Tactical Fund and the Insurance Fund are required to invest minimums of \$100,000 and \$1,000,000, respectively, but Cambria may waive these minimums. Cambria generally requires a minimum of \$500,000 to open a Separate Account, but may waive this minimum. Cambria's Separate Account clients may include high-net-worth individuals, institutions, trusts, endowments and pension plans.

#### **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

##### Investment Strategy

Cambria's investment objective is to preserve and grow capital by producing above-average absolute returns with reduced volatility and management risk. There can be no assurance that Cambria will achieve its investment objective.

Cambria invests in and trades securities, consisting principally, but not solely, of equity and equity-related securities (including ETFs) that are traded publicly in U.S. and non-U.S. markets. Cambria also may invest in preferred stocks, convertible securities, warrants, rights, options (including covered and uncovered puts and calls and over-the-counter options), swaps and other derivative instruments, bonds and other fixed income securities, non-U.S. securities, non-U.S. currencies, futures, options on futures, other commodity interests, private securities and money market instruments, cash and cash equivalents. Cambria also engages in short selling, margin trading and hedging, enters into securities lending, repurchase and reverse repurchase agreements and employs other investment strategies. Cambria does not expect to invest in initial public offerings of equity securities (so-called "new issues").

In managing its clients' assets, Cambria utilizes quantitative algorithms to actively manage a diversified portfolio of world asset classes. The strategy is a long term trend following strategy with strict risk control methods that are completely systematic. No efforts are made to forecast future market trends. As new research and models are developed they may be incorporated into Cambria's trading strategies.

The investment strategies summarized above represent Cambria's current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Cambria may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Cambria may use any trading or investment techniques, whether or not contemplated by

the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Cambria may pursue any objectives or use any techniques that it considers appropriate and in clients' interest.

### Risk Factors

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Cambria manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or investor may encounter. Potential investors in a Private Fund should review such Private Fund's offering circular carefully and in its entirety, and consult with their professional advisers before deciding whether to invest. Potential investors in the Funds should review that ETF's prospectus before deciding whether to invest. The risks described below also generally apply to Separate Accounts. A potential client should discuss with Cambria's representatives any questions that such person may have before opening a Separate Account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and investors may lose some or all of their investment.
- Cambria may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Cambria also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- Cambria invests in investment companies (primarily ETFs) registered under the Investment Company Act of 1940. Shareholders of an investment company generally bear all expenses of that company, including fees of the investment adviser and custodian, brokerage commissions and legal and accounting fees. As a result, client accounts invested in investment companies will be paying two levels of advisory fees -- the management fee to Cambria and the advisory fee charged by the investment adviser of the investment company in which the client account is invested. As a result, the returns realized by those client accounts will be less than the returns they would realize from engaging in the same activities directly.
- Cambria invests in leveraged ETFs. Leveraged ETFs seek leveraged returns and only on a daily basis. As such, a leveraged ETF's return for a period longer than a single trading day will be the result of each day's returns compounded over that period. Compounding affects both ETFs and leveraged ETFs, but has more significant impact on leveraged ETFs.



- Some of the ETFs in which Cambria invests are swap-based ETFs or exchange traded notes. Swap-based ETFs generally hold only a derivative contract with a counterparty pursuant to which the ETF gains exposure to the change in price of a specified security or basket of securities. A swap-based ETF (and thus the client account which is invested in that ETF, to the extent that it holds a long position) is exposed to the risk of default by that counterparty. The exchange-traded notes in which Cambria may invest (directly and indirectly through options and futures) are notes issued by counterparties entitling Cambria to payments from the counterparty in the event of changes in the value of a specified security. To the extent that a client account is long these securities, the client account is exposed to the risk of default by that counterparty.
- Various factors may affect an ETF's or leveraged ETF's ability to achieve a high degree of correlation with its benchmark index and there can be no guarantee that such ETF will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the ETF or leveraged ETF from achieving its investment objective. The risk of a leveraged ETF not achieving its daily investment objective will be more acute particularly during periods of higher index volatility. This effect becomes more pronounced over time as volatility increases.
- Cambria's client accounts may be limited as to their percentage ownership of stock of any ETF that is registered under the Investment Company Act of 1940. In some circumstances, these limits may affect the Cambria's ability to execute its investment strategy and adversely affect its clients' accounts.
- Governments and self-regulatory organizations have increased scrutiny of ETFs (particularly leveraged ETFs). Any increased regulations may adversely affect Cambria's investment strategy.
- Cambria manages the Insurance Fund to comply with the Internal Revenue Code of 1986 section 817(h)'s diversification rules. If the Insurance Fund fails to meet those diversification rules, owners of insurance policies issued by a limited partner would be subject to current taxation on the annual earnings of that limited partner. Also, compliance with the diversification rules may reduce the Insurance Fund's returns if Cambria, in its attempt to comply with the diversification rules, has to use investment strategies that differ from those that Cambria might otherwise believe is desirable.
- Cambria sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Cambria could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.

- Cambria may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedged do not always correlate, resulting in losses on both the hedged security and the hedging instrument. Cambria is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Cambria may use leverage by borrowing on margin, selling securities short or entering into swaps and other derivative contracts, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Cambria may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Cambria may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.
- Cambria may cause clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include: political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Cambria may enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges. Furthermore, transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. Client accounts will be subject to the risk of the inability or refusal of Cambria's counterparties to perform with respect to such contracts. Any such default would eliminate any profit potential and compel the client account to cover its commitments for resale or repurchase, if any, at the then current market price. These events could result in significant losses.
- Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Cambria does business on behalf of clients may default on their obligations. For example, a client may lose its assets

on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.

- Cambria may acquire for a client a large position in an issuer's securities but the client nevertheless is unlikely to have any control over the issuer's management. In addition, if Cambria holds a large position in an issuer's securities, it could depress the market for those securities.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which a client account has invested may cause significant losses.
- Some of an account's positions may be or become illiquid, in which case Cambria may not be able to sell such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly-traded securities and may never become publicly traded.
- Cambria determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Cambria's valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Cambria and its affiliates and agents generally are not responsible to any client or investor for losses incurred in an account unless the conduct resulting in such loss breached Cambria's fiduciary duty to the client or investor.
- The client and not Cambria is responsible for any trade errors that Cambria makes in any separate account, even when the error hurts the client.
- There is not and will not be an active market for fund interests. It may be impossible to transfer any such interests, even in an emergency.
- If the assets that Cambria and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Cambria to find attractive investments as the amount of assets that it must invest increases.
- Cambria and its affiliates may spend time on activities that compete with a fund without accountability to investors, including investing for other clients and their own accounts. If Cambria receives better compensation and other benefits from managing other assets or client accounts compared to managing a fund, it has incentive to allocate more time to those other activities. These factors could

influence Cambria not to make investments on a fund's behalf even if such investments would benefit the fund.

- No client or investor has been represented by separate counsel. The attorneys who represent Cambria do not represent clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- Cambria may provide certain investors or clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or clients.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- The Funds do not intend to make distributions, but intend instead to reinvest substantially all income and gain. Therefore, an investor may have taxable income from a Fund without a cash distribution to pay the related taxes.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Federal, state and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Cambria must devote to regulatory compliance, to the detriment of investment activities.
- Cambria is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity trading adviser or commodity pool operator. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Cambria believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Cambria and any fund could be subject to expensive legal action and potential termination. In addition, investors in the funds do not have certain regulatory protection that they would have if these registrations were in place.
- Cambria's activities could cause adverse tax consequences to clients and investors, including liability for interest and penalties.
- Cambria's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.
- If a fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.

The above is only a brief summary of some of the important risks that a client or investor may encounter. Before deciding to invest in a Private Fund or one of the Funds, you should consider carefully all of the risk factors and other information in the Private Fund's or Fund's offering circular.

**Item 9. Disciplinary Information**

Not applicable.

**Item 10. Other Financial Industry Activities and Affiliations**

Eric W. Richardson, Cambria's co-portfolio manager, on occasion acts as a licensed attorney in California, through Richardson Law Group, PC and Richardson & Maloney LLP.

Mr. Richardson's activities may create conflicts of interest over his time devoted to managing his law practice and Cambria's client accounts. Mr. Richardson addresses those conflicts by ensuring that the activity does not consume a material portion of his time.

Mr. Richardson is a registered representative of Cambria Capital LLC, a broker-dealer that is not affiliated with Cambria. Cambria does not execute transactions for its client accounts with Cambria Capital LLC and has no other business arrangement with that firm.

Cambria will manage some of its ETFs based on indices managed in-house. This may cause potential conflicts of interest. These potential conflicts include trading based on prior knowledge of index changes (known as "front-running"), allowing index changes that benefit Cambria or other, preferred clients instead of the investors in the Cambria index-tracking ETF, and the manipulation of index pricing to present funds' performance, or tracking ability, in a preferential light. Cambria is following the new self-indexing ruling by the SEC that allows the investing public to view the holdings of their ETFs on a daily basis as sufficient to guard against potential abuses by Cambria in managing its funds or its underlying indexes.

**Item 11. Code of Ethics, Participation or Interest In Client Transactions and Personal Trading**

Cambria has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for Cambria's supervised persons. The Code of Ethics includes general requirements that Cambria's supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Syed Ehtisham, Cambria's Chief Compliance Officer (the "CCO"), and requires the CCO to review those reports. It also requires supervised persons to report any violations of the

Code of Ethics promptly to the CCO. Each supervised person of Cambria receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Quarterly, each supervised person must certify that he or she complied with the Code of Ethics during the preceding quarter. Clients and prospective clients may obtain a copy of Cambria's Code of Ethics by contacting the CCO at uehtisham@cipperman.com or 484-200-5942.

Under Cambria's Code of Ethics, Cambria and its supervised persons and employees may personally invest in securities of the same classes as Cambria purchases for clients and may own securities of issuers whose securities that Cambria subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, Cambria and its supervised persons, its employees and their family members must obtain the CCO's pre-approval before engaging in any personal securities transactions (whether or not through proprietary accounts), other than long purchases and subsequent sales of any of the following securities: (a) securities issued by the government of the U.S. or any state, (b) money market instruments (e.g. bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments) and (c) shares of money market funds. The pre-approval requirement also applies to securities acquired in IPOs and private placements. The CCO must obtain the prior written approval of Eric Richardson (the "CCO's Substitute") before effecting any transactions in the CCO's own proprietary accounts.

Cambria solicits investors who may or may not be Cambria's clients to invest in the Private Funds. Cambria has an incentive to cause a client to invest in a Private Fund instead of a Separate Account because of the reduced expenses and administrative burdens of managing a Fund compared to a Separate Account. In addition, if a Private Fund investor also has a Separate Account with Cambria that uses an investment strategy that is similar to that of the Private Fund, the investor may use knowledge of the other account's portfolio to decide if and when to make an additional investment or withdraw assets from the Private Fund at times when other Private Fund investors would have made similar decisions had they had similar transparency. Cambria discloses these conflicts of interest to clients and investors.

Because Cambria manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Cambria selects investments for each client based solely on investment considerations for that client. Different clients may have differing investment strategies and expected levels of trading. Cambria may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Cambria attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Cambria may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it

takes on behalf of any other client so long as it is Cambria's policy, to the extent practicable, to allocate investment opportunities to its clients fairly and equitably over time. Cambria is not obligated to acquire for any account any security that Cambria or its supervised persons or employees may acquire for its or their own accounts or for any other client, if in Cambria's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

## **Item 12. Brokerage Practices**

Cambria has complete discretion in selecting the broker or futures commission merchant that it uses for client transactions and the commission rates that clients pay such brokers and futures commission merchants. In selecting a broker or futures commission merchant for any transaction or series of transactions, Cambria may consider a number of factors, including, for example:

- net price, clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and block positioning capabilities;
- willingness to execute related or unrelated difficult transactions in the future;
- order of call;
- offering to Cambria on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the availability of stocks to borrow for short trades.

Cambria has established brokerage accounts with Fidelity to maintain custody of Separate Account clients' assets and to effect trades for their accounts. Although Cambria may recommend that its Separate Account clients establish accounts at Fidelity, it is ultimately the client's decision to custody assets with Fidelity.

Fidelity may provide Cambria with access to its institutional trading and custody services, which are typically not available to Fidelity retail investors. These services are contingent on Cambria committing to Fidelity some specific amount of business (assets in custody or trading commissions). Fidelity's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Separate Accounts maintained in its custody, Fidelity generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts.

**Trade Aggregation.** Cambria may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that Cambria manages or with accounts of its affiliates. In such event, Cambria may charge or credit a

client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if Cambria were not executing similar transactions concurrently for other accounts.

**Cross Transactions.** On occasion, Cambria may order brokers to effect “cross” transactions between client accounts in which one client will purchase securities held by another client. Such transactions are only entered into when Cambria deems the transaction to be in the best interests of both clients and at a price Cambria has determined to be fair to both parties by reference to independent market indicators (or as otherwise prescribed by law) and which Cambria believes to constitute “best execution” for both parties. Neither Cambria nor any related party receives any compensation in connection with such “cross” transactions.

Brokers executing transactions for or on the behalf of clients in connection with “cross” transactions may charge the client a commission for such transaction unless otherwise prohibited by law. Other local transaction charges and fees may apply. Total brokerage compensation to any particular broker in connection with such “cross” transactions may be determined by the commission rate negotiated by Cambria on the transaction (if any), the terms of the client’s brokerage agreement with the participating broker and any other local market regulations and practices.

Cambria does not intend to effect cross trades between any registered investment company that it advises (such as the Cambria Trust Funds) and any of Cambria’s other client accounts.

**Broker Referrals.** Cambria may in the future direct a certain amount of brokerage to a broker or futures commission merchant in return for the broker’s or futures commission merchant’s referral of prospective clients or investors. Directing brokerage in exchange for client or investor referrals creates a conflict of interest in that Cambria has an incentive to refer its clients’ brokerage business to brokers and futures commission merchants to which it might not otherwise direct transactions. During its last fiscal year, Cambria did not direct client transactions to a particular broker or futures commission merchant in return for client referrals.

**Directed Brokerage.** If a Separate Account client directs Cambria to use a specific broker, Cambria has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. Cambria is not responsible for obtaining from any such broker the best prices or particular commission rates. A Separate Account client that directs Cambria to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if Cambria had discretion to select broker-dealers other than those that the client chooses.

**Soft Dollars:** When Cambria selects brokers, it may be based in part on the quality and amount of investment research or trading services which those brokers can provide to Cambria. Cambria obtains these so-called “soft dollar” benefits from brokerage involving



the client's assets, consistent with best execution. Trades are generally executed at a commission price per share that is not determined by reference to whether the trade generates soft dollar credits or not. Copies of soft dollar commission reports will be provided to clients upon request.

The soft dollar services are of the type described in Section 28(e) of the Securities Exchange Act of 1934, and related SEC guidance, and are provided by the brokers themselves - proprietary services -- or are non-proprietary services provided by third parties, and are designed to augment Cambria's own internal research, trading and investment strategy capabilities. A given service must provide lawful and appropriate assistance to the investment management process and the cost of such service must bear a reasonable relationship to the value of the research or trading service being provided before Cambria will use it. Cambria currently uses these arrangements to acquire such things as quotation services, and economic, industry and individual company research reports, among other things. The services obtained are generally used for all accounts and, accordingly, a service may be used to benefit accounts other than those whose trades generated the commissions paid to the broker providing the services. A limited number of clients from time to time may benefit from these services although those accounts do not generate soft dollar commissions.

Due to the fact that Cambria obtains a benefit from these services which it does not pay for itself, it has an incentive to select a broker-dealer based on its interest in receiving the investment research or other product or service. To ensure that it continues to receive best execution of all trades, including any trades for which it receives soft dollar benefits, Cambria reviews all of its trades on a regular and ongoing basis.

#### **Item 13. Review of Accounts**

Cambria's co-portfolio managers, Eric. W. Richardson and Mebane T. Faber, attempt to review all accounts at least quarterly, but will do so no less than annually. Those reviews take into account such matters as asset allocation, cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels. Each account receives from their custodians on either a monthly or quarterly basis, statements showing the current market value as well as interest and dividends for the reporting period.

#### **Item 14. Client Referrals and Other Compensation**

Cambria may engage solicitors to whom it pays cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice is disclosed in writing to the client and Cambria complies with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, to the extent required by applicable law.

**Item 15. Custody**

The custodian of each Separate Account sends account statements at least quarterly to the client. Each client should carefully review those statements.

**Item 16. Investment Discretion**

Cambria has discretionary authority to manage investment accounts on behalf of clients pursuant to a grant of authority in each Private Fund's limited partnership agreement or a limited power of attorney in each client's account agreement. Except for Cambria's Private Fund clients, such discretion is limited by the requirement that clients advise Cambria of:

- the investment objectives of the account;
- any changes or modifications to those objectives; and
- any specific investment restrictions relating to the account.

A client must promptly notify Cambria in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct Cambria to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify Cambria at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

**Item 17. Voting Client Securities**

With respect to any registered investment company account that Cambria advises (such as the Cambria Trust Funds), Cambria will decide how to vote proxies based on Cambria's determination of the best interests of that account, and will provide its client the information required to be disclosed by that registered investment company pursuant to Rule 30b1-4 of the Investment Company Act of 1940, as amended, and SEC Form N-PX. In determining whether a proposal serves any such client's best interests, Cambria will consider a number of factors, including the economic effect of the proposal on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect of the proposal on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the grievance of one individual. Cambria will abstain from voting proxies when Cambria believes that it is appropriate.

Cambria will decide whether to vote proxies on behalf of each other account (such as the Private Funds, the Funds and Separate Accounts) over which it has proxy voting authority after considering whether the proposal will have a material effect on the investment strategy that Cambria pursues for that account. This analysis typically leads to a determination by Cambria not to vote proxies.

If a material conflict of interest over proxy voting arises between Cambria and a client, Cambria will vote all proxies in accordance with the policy described above. If Cambria determines that this policy does not adequately address the conflict of interest, Cambria will notify the client of the conflict and request that the client consent to Cambria's intended response to the proxy solicitation. If the client consents to Cambria's intended response or fails to respond to the notice within a reasonable period of time specified in the notice, Cambria will vote the proxy as described in the notice. If the client objects to Cambria's intended response, Cambria will vote the proxy as directed by the client.

A client can obtain a copy of Cambria's proxy voting policy and a record of votes cast by Cambria on behalf of that client by contacting Eric W. Richardson at [er@cambriainvestments.com](mailto:er@cambriainvestments.com) or 310-683-5500.

**Item 18. Financial Information**

Not Applicable.

**Item 19. Requirements for State-Registered Advisers**

Not Applicable.

## Privacy Policy

Cambria, the Private Funds and the Funds:

Protecting your privacy is important to us. We want our customers to understand what nonpublic personal information we collect and how we use it. “Nonpublic Personal Information” is nonpublic information about you that we obtain in connection with providing a financial product or service to you, such as that described in the examples below.

**Why We Collect Your Information.** *We gather nonpublic personal information about you and your accounts so that we can (i) know who you are and thereby prevent unauthorized access to your information, (ii) design, deliver and improve the products and services we offer and (iii) comply with the laws and regulations that govern us.*

**Confidentiality and Security.** *We limit access to your nonpublic personal information to those of our employees and service providers who are involved in offering or administering the products or services that we offer. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.*

**What Information We Collect.** *We may collect the following types of “nonpublic personal information” about you:*

- Information about your identity, such as your name, address and social security number;
- Information about your transactions with us;
- Information we receive from you on applications, such as your beneficiaries or income; and
- Information we receive from a consumer reporting agency after we obtain your consent to seek this information.

**What Information We Disclose.** *We are permitted by law to disclose nonpublic personal information about you to third parties in certain circumstances. For example, we may disclose nonpublic personal information about you to affiliated and nonaffiliated third parties to assist us in servicing your account with us (e.g., mailing of account-related materials) and to government entities (e.g., IRS for tax purposes.)*

**Modifications.** *We may amend this privacy notice at any time, and we will inform you of changes as required by law.*

*We will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive. Should you have any questions regarding our Privacy Policy, please contact us at 484-200-5942.*

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