Meb Faber

Meb Faber is a co-founder and the Chief Investment Officer of Cambria Investment Management. He manages Cambria's exchange traded fund (ETFs) and separately managed accounts.

Faber says it’s been an amazing time to be an equity investor since the 2008 financial crisis. Stocks were super cheap in 2009. The stock market has gone up a lot since. But now the stock market is historically expensive.

At the Alliance conference, Faber discussed some Canbria ETFs he like – that are traded at valuations close to 10-year lows.

One of them is the Cambria Shareholder Yield ETF (SYLD) – which focuses on U.S. companies returning cash to shareholders. Faber says there’re five ways a company can maximize return on investment (ROI) - cash dividends, buybacks (which are equivalent to tax-free dividend), pay down debt, mergers and acquisitions, and reinvesting in the business.

Faber gave investors that like to focus on dividends a tip. They need to make sure payouts are not diluted by additional share issuance. If that’s the case, then the company actually is generating a negative yield.

In addition to Cambria Shareholder Yield, Faber said Investors tend to be underweight foreign stocks and emerging markets. He recommended investors take a look at Cambria Foreign Shareholder Yield ETF (FYLD) - which focuses on companies in foreign developed countries that are returning cash to shareholders. And Cambria Emerging Shareholder Yield ETF (EYLD) - which focuses on companies in emerging market countries that are returning cash to shareholders