

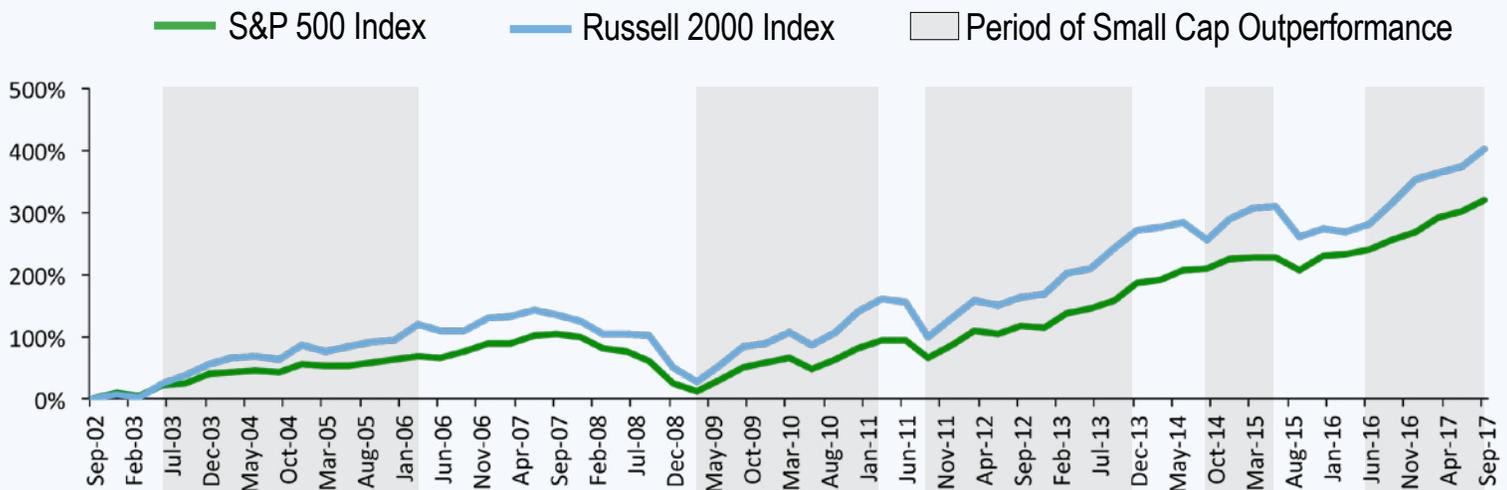
Will Small Caps Benefit From an Improving Economy?

An improving economy often results in stronger equity returns. Small cap stocks may benefit more than their large cap counterparts for several reasons.

- **Smaller companies benefit from growth:** They can react to improving economic conditions faster than large caps.
- **Improving economy tends to coincide with rising interest rates:** To fund growth, companies must raise capital. Smaller companies are less likely to use debt to raise capital than larger companies, reducing their exposure to rising rates.
- **Strong USD:** Rising interest rates tend to coincide with a strengthening U.S. dollar. Small caps generally conduct less business abroad, limiting their risk of a strong Dollar negatively impacting their revenue.

Depicted below, are some periods of small cap outperformance and the GDP growth rate corresponding to the period. Small cap outperformance tends to correlate with GDP growth.

S&P 500 and Russell 2000, Long Term Performance



US GDP Growth Rate



[OUSHM: O'Shares ETFs approach to U. S. Small Caps, visit oshares.com](http://oshares.com)

Source: Bloomberg. Data from 9/30/2002 to 9/30/2017. GDP: GDP US Chained 2009 Dollars YoY SA. Past performance does not guarantee future results.

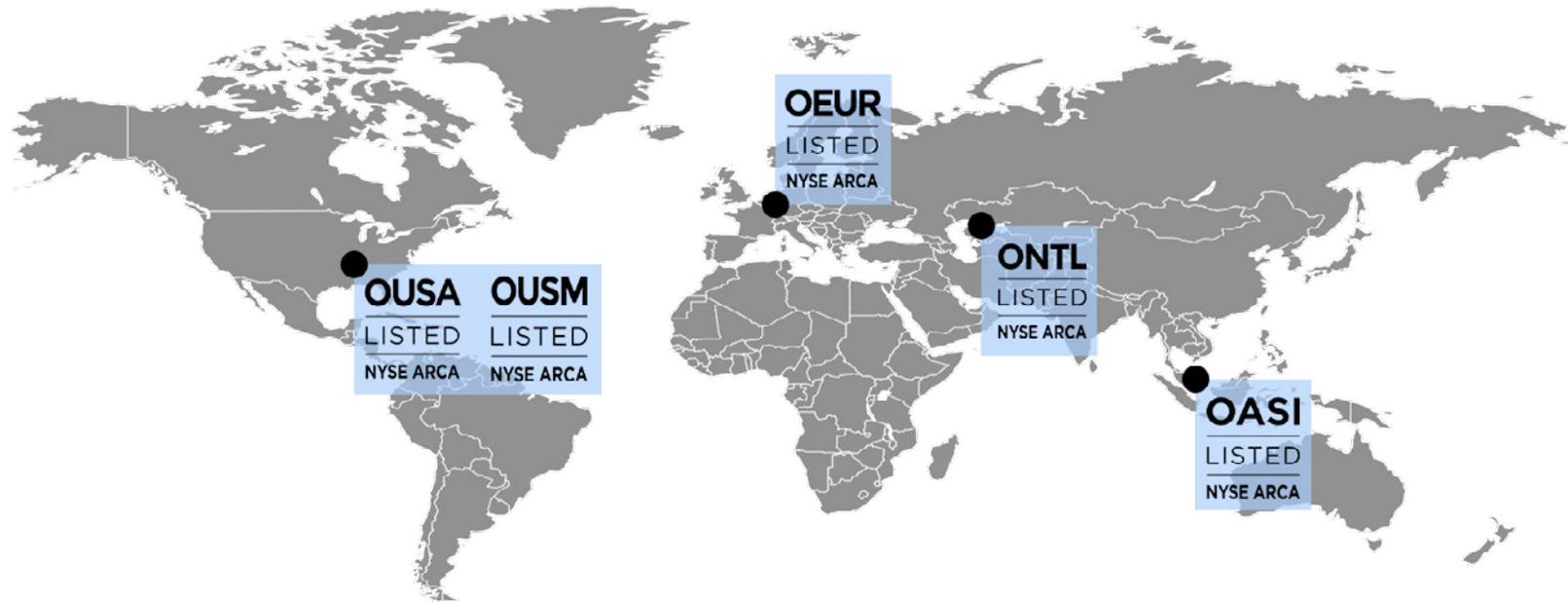
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Past performance does not guarantee future results. Shares are bought and sold at market price (not NAV), are not individually redeemable, and owners of the Shares may acquire those Shares from the Funds and tender those shares for redemption to the Funds in Creation Unit aggregations only, consisting of 50,000 Shares. Brokerage commissions will reduce returns.

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