

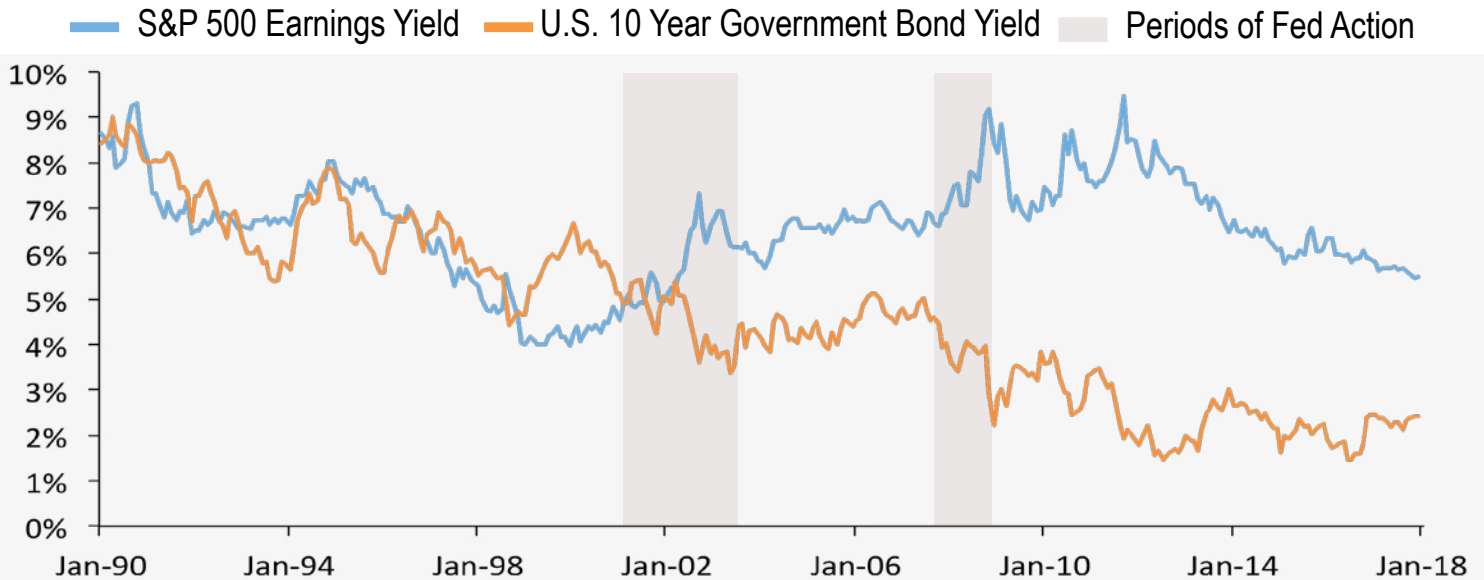
## Fed Model: Equity Valuations Remain Favorable in Low Rate Environment

### What is the Fed Model?

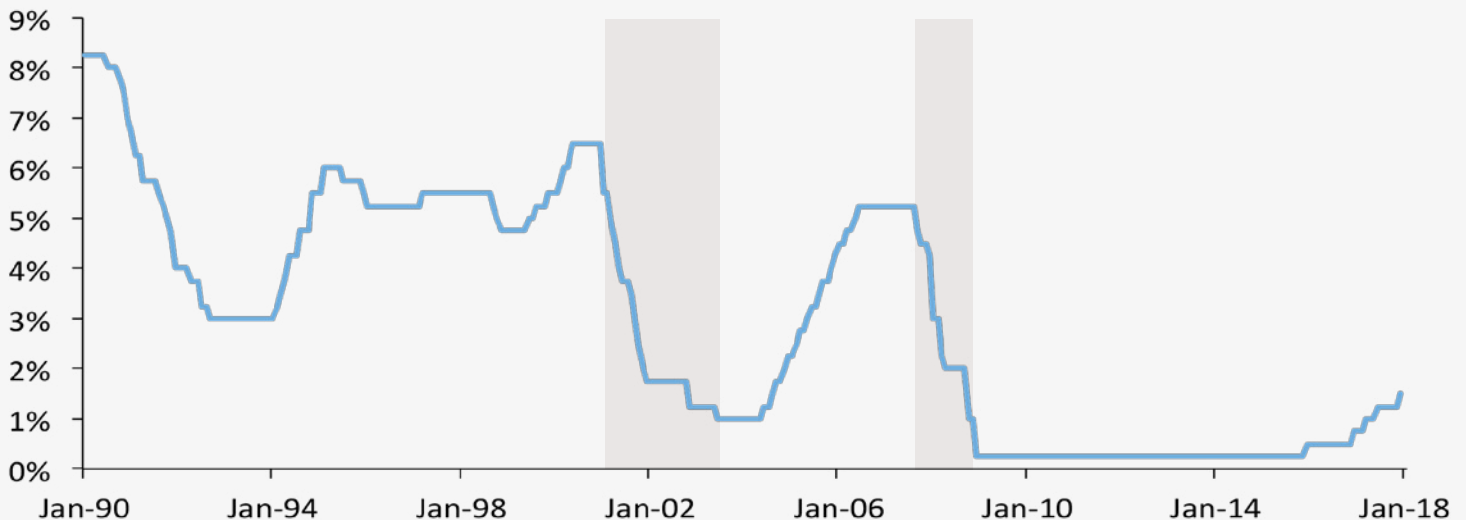
- The model compares the stock market (S&P 500) forward earnings yield to the yield on long-term government bonds (The U.S. 10 Year Government Bond Yield).
- Stocks and bonds are considered fairly valued when these two yield measures are equal.
- When the earnings yield is higher, stocks are considered attractive relative to bonds. Conversely, when bond yields are higher, bonds are considered attractive relative to stocks.

**Stocks appear attractive, earnings yield remains higher than bond yields.**

## Fed Model - S&P 500 Earnings Yield vs. Long-Term Government Bond Yield

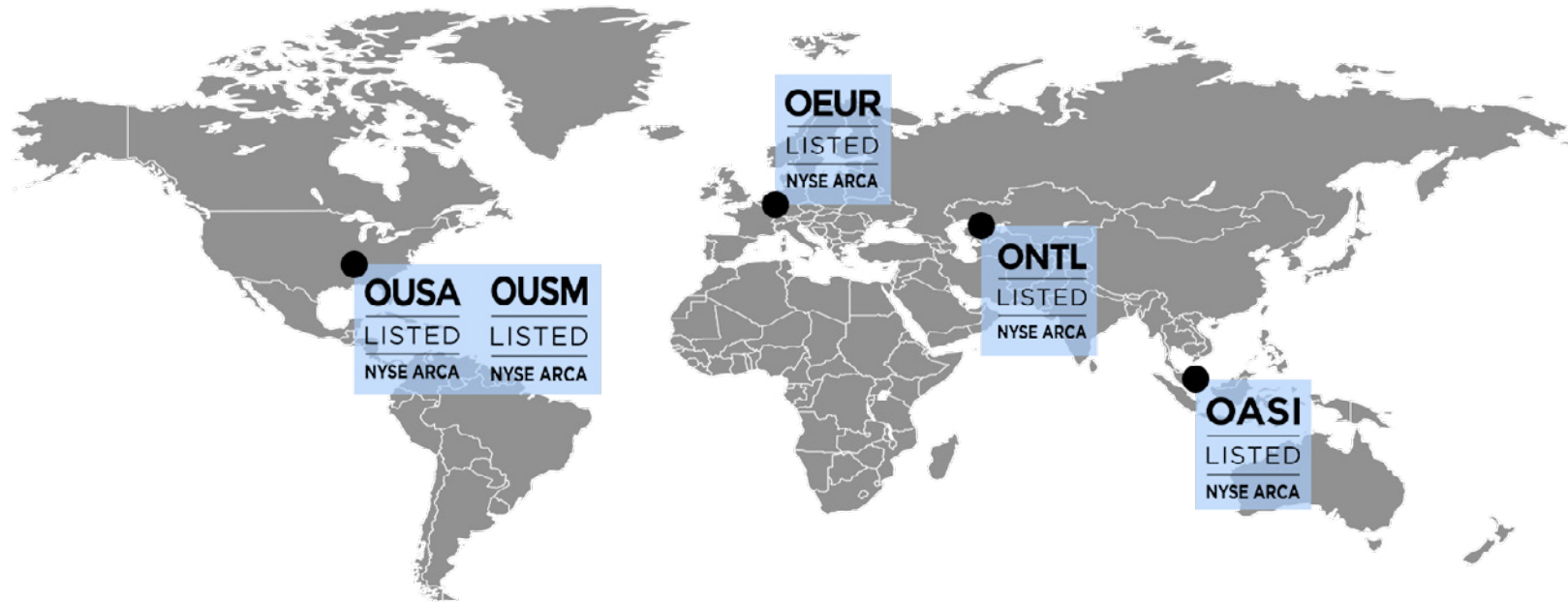


## Federal Funds Target Rate



Source: Bloomberg. Data as of 12/29/2017. Periods of Fed Action: 01/03/2001 - 06/25/2003 and 09/14/2007 - 12/16/2008.

## O'Shares ETFs: ETFs for Conservative Long-Term Investors Consistent investment process focused on Quality, Volatility & Yield



OSHARES.COM | INFO@OSHARES.COM

*Before you invest in O'Shares Investments funds, please refer to the prospectus for important information about the investment objectives, risks, charges and expenses. To obtain a prospectus containing this and other important information, please visit [www.oshares.com](http://www.oshares.com) to view or download a prospectus online. Read the prospectus carefully before you invest. There are risks involved with investing including the possible loss of principal.*

Concentration in a particular industry or sector will subject the Funds to loss due to adverse occurrences that may affect that industry or sector. The funds may use derivatives which may involve risks different from, or greater than, those associated with more traditional investments. The funds' emphasis on dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and underperform the market. Also, a company may reduce or eliminate its dividend after the Fund's purchase of such a company's securities. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities. Exposures to foreign securities entail special risks, including political, diplomatic, economic, foreign market and trading risks. In addition, unless perfectly hedged, the Fund's investments in securities denominated in other currencies could decline due to changes in local currency relative to the value of the U.S. dollar, which may affect the Fund's returns. The funds' hedging strategies may not be successful, and even if they are successful, the funds' exposure to foreign currency fluctuations is not expected to be fully hedged at all times. The securities of small capitalization companies are often more volatile and less liquid than the stocks of larger companies and may be more affected than other types of securities during market downturns. Compared to larger companies, small capitalization companies may have a shorter history of operations, and may have limited product lines, markets or financial resources. See the prospectus for specific risks regarding the Fund.

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.

O'Shares Investments funds are distributed by Foreside Fund Services, LLC. Foreside Fund Services, LLC is not affiliated with O'Shares Investments, or any of its affiliates.