O'SHARES ETF INVESTMENTS
For Conservative Long-Term Investors

Small Caps Positioned to Benefit from U.S. Tax Reform Here's the Math

- U.S. tax reform announced in December 2017 lowered the corporate tax rate from 35% to 21%.
- Lower taxes will boost profits for many companies, however some businesses will benefit more than others.
- Because large caps generally have significant international sales, many already pay lower taxes, making the tax cuts potentially less significant. In 2017 the average tax rate for companies in the S&P 500 was 25%.
- Because small caps are generally more focused on the U.S., many pay taxes closer to the 35% rate, making the tax cut potentially more significant. In 2017 the average tax rate for companies in the Russell 2000 was 31%.

A simple accounting example illustrates how the tax cut can boost net income for a small caps paying higher taxes versus a large caps paying lower taxes.

Small Cap Company	Before	After
Pretax Income	$100	$100
Tax rate	31%	21%
Tax expense	$31	$21
Net Income	$69	$79
Increase	➡	+14.5%

Large Cap Company	Before	After
Pretax Income	$100	$100
Tax rate	25%	21%
Tax expense	$25	$21
Net Income	$75	$79
Increase	➡	+5.3%

OUSM: U.S. Small Caps by O'Shares ETFs

Source: Bloomberg. Data as at 12/29/2017.
Past performance does not guarantee future results.

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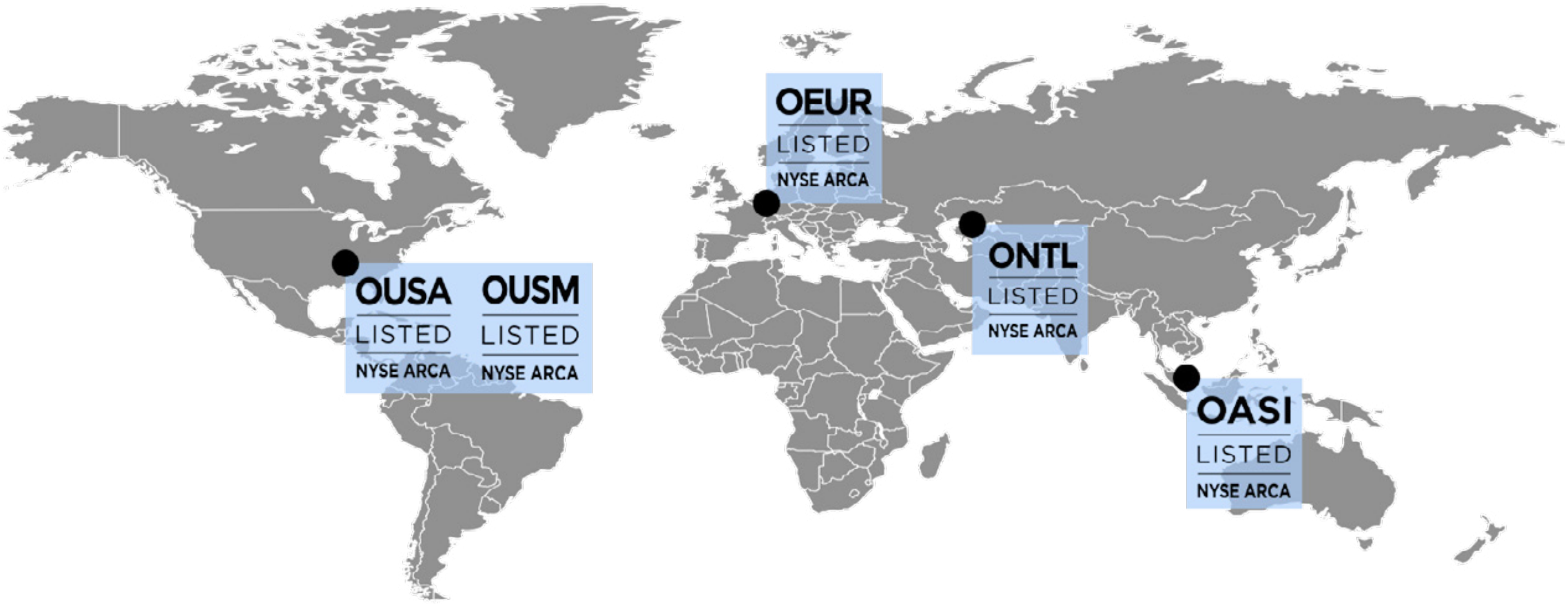
O'Shares ETFs: ETFs for Conservative Long-Term Investors
Consistent investment process focused on Quality, Volatility & Yield



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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.

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