

OUSHM | O'Shares FTSE Russell Small Cap Quality Dividend ETF

as of May 4, 2018

OUSHM
LISTED
NYSE ARCA

O'Shares FTSE Russell Small Cap Quality Dividend ETF (OUSHM) is designed to be a core investment holding, providing cost efficient access to a portfolio of small cap high quality low volatility dividend paying companies in the United States selected based on fundamental metrics including:

QUALITY • LOW VOLATILITY • DIVIDEND YIELD

OUSHM is an exchange traded fund (ETF) that seeks investment performance that correlates generally to price and yield before fees and expenses of the FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index.

Why OUSHM?

OUSHM provides investors a simple way to own a portfolio that adheres to core investment principles of:

INCOME: which means investing in companies that generate cashflow and pay dividends;

DIVERSIFICATION: investing in 10 sectors in an attempt to protect your investment capital and limit volatility;

CAPITAL APPRECIATION: investing in quality companies with strong financial performance that could appreciate in value over time in addition to paying dividends.

O'Shares Method Box

Small Cap Blend



The method box reveals a fund's investment strategy. For the equity holdings in the fund's portfolio, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth).

Quarterly Performance (%)

(as of 3/31/2018)

	1 M	3 M	6 M	1 Y	QTD	YTD	S/I	Volatility
NAV (OUSHM)	1.40%	-3.33%	0.63%	5.08%	-3.33%	-3.33%	6.83%	10.31%
Market Value (OUSHM)	1.36%	-3.37%	0.55%	5.08%	-3.37%	-3.37%	6.83%	10.31%
Russell 2000 Index	1.29%	-0.08%	3.25%	11.79%	-0.08%	-0.08%	14.03%	13.70%

Annualized daily standard deviation from inception date (12/30/2016).

NAV: The dollar value of a single share, based on the value of the underlying assets of the fund minus its liabilities, divided by the number of shares outstanding. Calculated at the end of each business day.

Market Price returns are based upon the midpoint of the bid/ask spread at 4:00PM Eastern time (when NAV is normally determined), and do not represent the returns you would receive if you traded shares at other times.

Fund Details

Ticker:	OUSHM
CUSIP:	67110P100
Intraday NAV:	OUSHM.IV
Expense Ratio:	0.48%
Inception Date:	12/30/2016
Rebalance Frequency:	Quarterly / Annually
30 Day SEC Yield ¹ :	3.03%
Number of Holdings:	225
Primary Listing:	NYSE

Top 10 Holdings (as of 5/4/2018)*

STE	STERIS PLC	3.13%
LAZ	Lazard	2.48%
TECH	Bio-Techne	2.37%
EHC	Encompass Health	2.20%
WSO	Watsco	1.99%
EV	Eaton Vance	1.98%
JKHY	Jack Henry & Associates	1.80%
IDCC	InterDigital	1.78%
HCSG	Healthcare Services Group	1.72%
SAIC	Science Applications Intl	1.71%

Sector Allocation (as of 5/4/2018)*

Industrials	23.82%
Financials	18.40%
Consumer Discretionary	16.30%
Information Technology	13.44%
Health Care	9.07%
Utilities	7.69%
Materials	6.29%
Consumer Staples	2.88%
Telecommunication Services	1.35%
Energy	0.59%
Cash	0.17%
Real Estate	0.00%

Performance data quoted represents past performance and is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. For most recent month end performance, please visit oshares.com.

Quality Metrics*	Profitability	Leverage	Volatility	Yield
OUSM Index	8.9%	3.5x	12.1%	2.4%
Russell 2000 Index	1.0%	4.1x	13.9%	1.2%
FTSE USA Small Cap Index	3.7%	4.4x	13.0%	1.4%

Source: Bloomberg. Data as of 5/4/2018. Past performance does not guarantee future results.

- **Profitability measured as ROA (Return on Assets): Trailing 12M Net Income / Average Total Assets)**
- **Leverage: Operating cash flow to total debt**
- **Volatility: Annualized standard deviation of relative price changes for prior 260 trading days**
- **Yield: Projected 12 month dividend yield**

OUSM Index: FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index. The Russell 2000 Index is a U.S. small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index. The FTSE USA Small Cap Index measures the performance of U.S. small cap stocks and is derived from FTSE's flagship Global Equity Index Series universe, which comprises around 7,000 securities worldwide.

Index Methodology

FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index (FUSRQVY3) is designed to reflect the performance of publicly-listed small-capitalization dividend paying issuers in the United States exhibiting high quality, low volatility and high dividend yields. Constituents are selected and weighted based on Quality, Volatility and Yield characteristics. For full index methodology and information please visit: ftserussell.com.

Index Details (as of 5/4/2018)

Index Ticker:	FUSRQVY3
Index Inception Date:	4/27/2018
Rebalance Frequency:	Quarterly / Annually
Index Dividend Yield:	2.54%
Weighting:	Factor Based
AVG Market Cap:	\$3.2 Billion
Weighted AVG Market Cap:	\$4.6 Billion

Index Description

As of May 4, 2018, the index consisted of 225 equities, with weighted average market cap of approximately \$4.6 billion and diversified across 10 industries with largest allocations to Industrials, Financial and Consumer Discretionary.

** Effective May 4, 2018, the OUSM target index was changed to FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index (the "Target Index") from FTSE USA Small Cap Qual/Vol/Yield 3% Capped Factor Index. The sector allocations have been updated to reflect this change.*

About O'Shares Investments

O'Shares ETF Investments is a provider of exchange traded funds (ETFs) formed by ABC Shark Tank investor and CNBC contributor Kevin O'Leary, Chairman, and experienced portfolio manager Connor O'Brien, CEO. O'Shares ETFs use the FTSE Russell Quality/Volatility/Yield rules-based indexes for investing in large cap dividend paying equities. These indexes provide a rules-based approach for investing in the U.S., Europe and Asia-Pacific regions, designed to meet the objectives of the O'Leary Family Trust, which seeks more yield, less risk and strong long-term investment performance. These indexes also reflect the core investment principles used successfully in guiding the investment strategy for the O'Leary Family Trust and O'Leary Funds investment management firm. O'Shares ETFs are designed to provide investors with core long-term investments, that provide income, limited volatility and attractive performance.



1. Data as of 4/30/2018. The 30-day SEC yield is calculated with a standardized formula mandated by the SEC. The formula is based on maximum offering price per share and includes the effect of any fee waivers. Without waivers, yields would be reduced.

Disclosure: 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 to view or download a prospectus online. Read the prospectus carefully before you invest.

There are risks involved with investing, including 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. 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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