

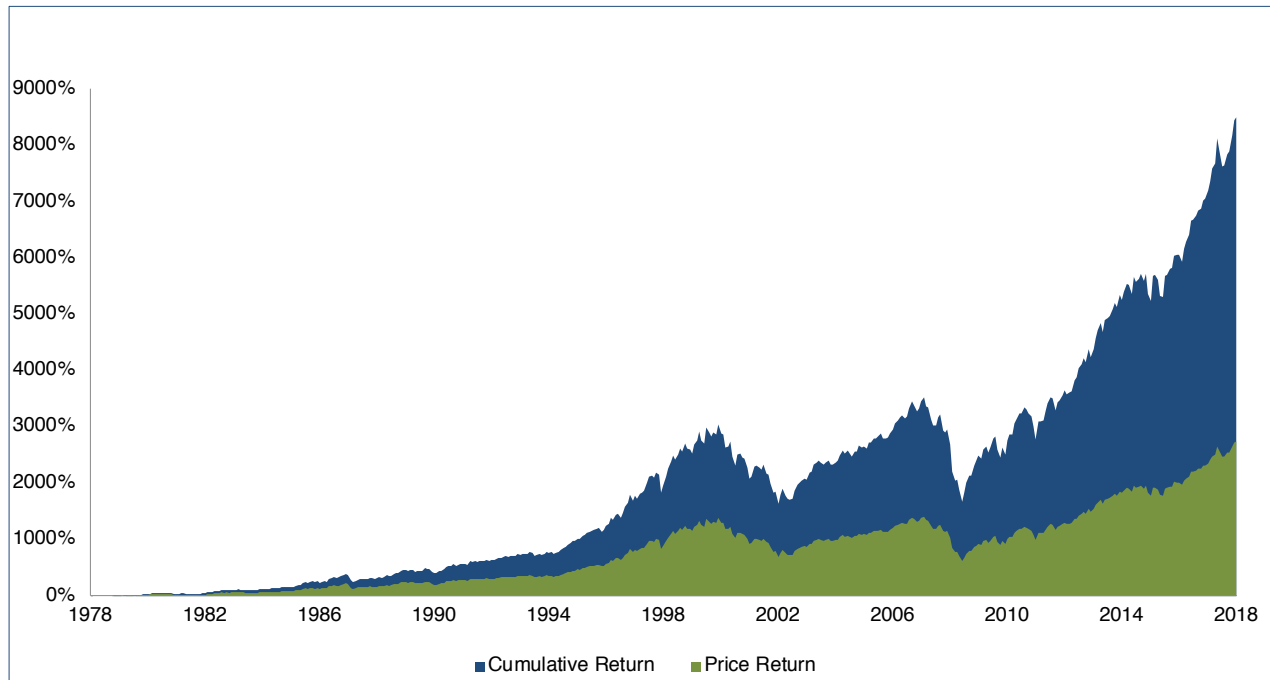
Dividend Stocks and Compounding: The Most Powerful Force in the Universe?

"Compound interest is the most powerful force in the universe"
- Albert Einstein

Almost 70% of S&P total returns comes from dividend compounding

- The 40 year total return of the S&P 500 is over 8,500%, an annualized return of nearly 12%.
- The price return during the same period is over 2,700%.

S&P 500 Price and the Power of Compounding - 40 Years



Source: Bloomberg. Data as of 9/30/2018. Quote: <https://quotesonfinance.com/>. Past performance does not guarantee future results. The references indices are shown for general market comparisons and are not meant to represent any Fund.



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ETF Money Flows: Out Of Growth, But Not Into Value?

Dividend and Quality ETFs: Positive Trend in ETF Fund Flows Month to date ETF Flows (\$ Millions):

Quality: \$885 Dividend: \$576

Value: \$402 Growth: -\$1,172

Monthly Fund Flows - (\$ Millions)

Source: Bloomberg. Data as of 10/15/2018. For informational purposes only. Not meant to represent any investment.

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Invest in Value, Not Value Traps?

Think Quality OUSA vs. S&P Value

- More Profitability:** OUSA has higher return on assets in all 11 sectors.
- Less Volatility:** OUSA has lower volatility on average in all 11 sectors.
- More Income:** OUSA has higher dividend yield in 9 out of 11 sectors.

Key Metrics by Sector

	Return on Assets			Volatility			Yield		
	OUSA	Value	S&P 500	OUSA	Value	S&P 500	OUSA	Value	S&P 500
Information Technology	12.5%	13.7%	12.0%	23.3%	22.5%	22.5%	2.2%	2.3%	1.5%
Consumer Discretionary	18.5%	8.2%	10.7%	25.3%	26.6%	25.2%	2.2%	2.4%	1.2%
Financials	13.7%	1.8%	2.5%	23.8%	20.0%	20.5%	2.2%	2.2%	2.1%
Communication Services	6.3%	5.9%	3.0%	20.7%	22.3%	20.5%	4.6%	3.9%	1.4%
Health Care	11.0%	8.1%	8.9%	20.0%	21.9%	22.7%	2.7%	1.8%	1.6%
Energy	4.3%	4.4%	4.4%	18.9%	23.1%	23.4%	3.7%	3.8%	2.8%
Consumer Staples	12.3%	6.1%	10.7%	22.5%	21.2%	21.0%	3.7%	3.0%	3.1%
Industrials	16.8%	7.5%	8.8%	21.2%	23.4%	22.8%	2.2%	2.1%	1.9%
Materials	11.3%	8.4%	6.8%	22.2%	14.9%	14.1%	2.8%	2.3%	2.1%
Utilities	3.0%	3.0%	3.0%	17.6%	19.2%	19.7%	3.8%	3.8%	3.5%
Real Estate	6.7%	3.3%	3.3%	18.3%	18.7%	19.7%	3.8%	4.2%	3.5%
Std Average	10.4%	5.6%	8.5%	20.8%	22.1%	21.6%	3.1%	2.8%	1.9%

Source: Bloomberg. Data as of 9/30/2018. Value represented by S&P 500 Value Index. Dividend yield: The most recently announced gross dividend, annualized based on the dividend frequency, then divided by the current market price. Past performance does not guarantee future results. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges. For current Fund performance information, please visit www.oshares.com/oshares/fundinfo.

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[Invest in Value, Not Value Traps?](#)

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Dividend Stock Performance: More Wins Than Losses?

- Strong long-term performance:** Dividend stocks beat the S&P 500 over 20 years. A hypothetical investment of \$100,000 in dividend stocks may have grown to over \$60,000 versus just over \$40,000 if invested in the S&P 500.
- More wins than losses?** Dividend stocks have yielded 2% more than the S&P 500.
- How often has it happened?** Since 2000, dividend stocks have outperformed the S&P 500 eleven times through 2017. In the 7 years that dividend stocks underperformed the market, they proceeded to outperform in the subsequent year 5 times.

Calendar Return Comparison

Year	S&P 500 Total Return Index	Dividend Stocks	Dividend Strategy (OUSA)
2000	-2.1%	24.2%	Win
2001	-11.9%	13.1%	Win
2002	-22.6%	10.1%	Win
2003	28.1%	26.7%	Win
2004	10.1%	12.1%	Win
2005	12.6%	18.5%	Win
2006	15.2%	15.2%	Win
2007	-7.2%	-27.5%	Win
2008	-37.6%	18.8%	Win
2009	-26.5%	18.8%	Win
2010	15.0%	18.2%	Win
2011	11.8%	15.8%	Win
2012	15.9%	15.8%	Win
2013	32.4%	26.1%	Win
2014	12.9%	26.1%	Win
2015	1.2%	16.2%	Win
2016	11.9%	11.4%	Win
2017	21.3%	19.4%	Loss
2018	14.0%	14.1%	Loss

Long-Term Performance - 20 Years

	Unmanaged (OUSA)	Dividend Yield
Dividend Stocks	\$63,640	3.8%
S&P 500 Total Return Index	\$40,887	1.9%
Difference	\$22,752	2.0%

Source: Bloomberg. Data as of 9/30/2018. Dividend stocks represented by Dow Jones Select Dividend Index. Past performance does not guarantee future results. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges.

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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. Shares are not individually redeemable and can be redeemed only in Creation Units. The market price of shares can be at, below or above the NAV. Brokerage commissions will reduce returns. Market Price returns are based upon the midpoint of the bid/ask spread at 4:00 PM Eastern time (when NAV is normally determined), and do not represent the returns you would receive if you traded shares at other times.

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