

Rising Rates: Small-Caps May Provide More Performance

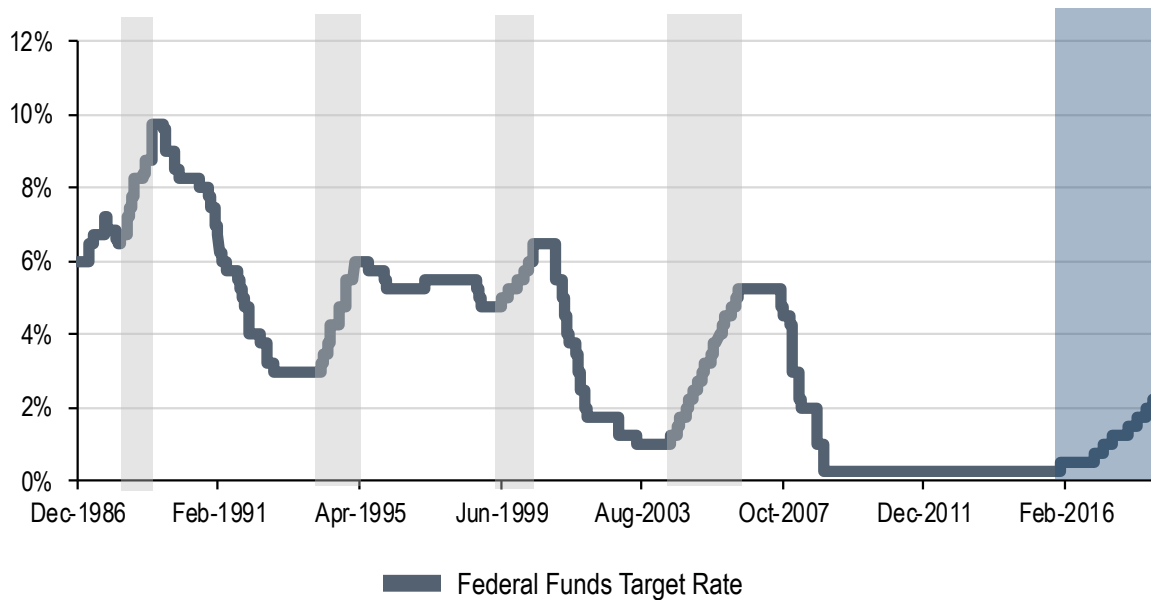
Do Small-Cap Stocks Deserve an Allocation in an Equity Portfolio During Fed Tightening Cycles?

- **Outperformance:** Small-caps outperformed large-caps in 3 of the 4 prior Fed tightening events and are outperforming in the current cycle.

Average Total Return, Fed Rate Hike Cycles

Index Name	Hike 1 2-29-1998 to 5-31-1989	Hike 2 1-31-1994 to 2-28-1995	Hike 3 6-30-1999 to 2-28-1995	Hike 4 6-30-2004 to 6-30-2006	Current 12-15-2015 to 9-30-2018	Average
Russell 2000	25.8%	-3.6%	5.2%	25.3%	55.8%	21.7%
S&P 500	25.3%	4.4%	4.7%	15.5%	50.9%	20.2%

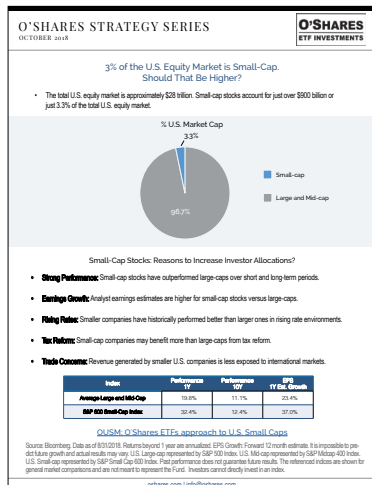
Periods of Fed Tightening



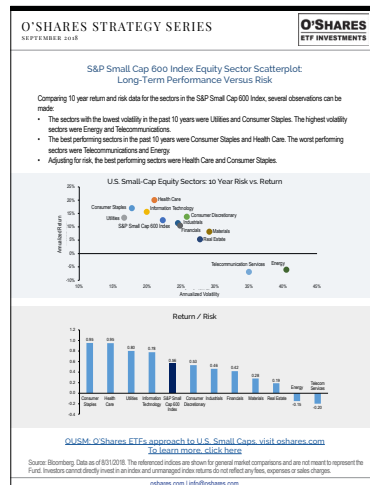
[OUSM: O'Shares ETFs approach to U.S. Small Caps](#)

Source: Bloomberg. Data as of 9/30/2018. The references indices are shown for illustrative purposes only and are not meant to represent the O'Shares Funds. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance does not guarantee future results.

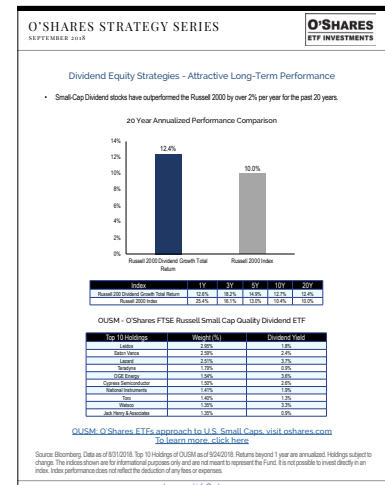
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