

Small-Cap Dividend Risks and Cuts, The Quality Difference

- ~80% of stocks in OUSM increased their dividends in the past year vs. ~55% for Russell 2000 Value dividend paying stocks.
- Energy, Real Estate, Communication Services, Health Care & Consumer Discretionary are the sectors with biggest proportion of companies that cut dividends.
- Stocks of companies in OUSM experienced proportionately less dividend cuts in all sectors vs. Value.

Sector	Trailing 12-month Dividend Change (% of Dividend Payers)							
	WEIGHT		INCREASE		DECREASE		NO CHANGE	
	OUSM	Value	OUSM	Value	OUSM	Value	OUSM	Value
Industrials	23%	15%	91%	52%	5%	16%	5%	32%
Financials	21%	26%	74%	65%	11%	17%	16%	19%
Information Technology	15%	6%	54%	30%	8%	10%	38%	60%
Consumer Discretionary	12%	8%	64%	66%	18%	27%	18%	7%
Health Care	9%	11%	75%	14%	-	29%	25%	57%
Consumer Staples	9%	3%	80%	71%	10%	14%	10%	14%
Utilities	7%	5%	100%	88%	-	8%	-	4%
Communication Services	4%	4%	100%	38%	-	46%	-	15%
Energy	0%	6%	-	41%	-	52%	-	7%
Materials	0%	5%	-	46%	-	22%	-	32%
Real Estate	0%	12%	-	34%	-	48%	-	18%
Total	100%	100%	80%	55%	7%	24%	13%	21%

Source: Bloomberg Finance L.P., data as of 06/30/2021. Russell 2000 Value Index: Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Past performance does not guarantee future results. Investors cannot directly invest in an index.

OUSM seeks small-cap companies with strong profitability, balance sheets and dividend growth
To learn more about OUSM visit oshares.com/OUSM

Why OUSM?

Quality Dividend Stocks: Seeks small-cap companies with strong balance sheets, profitability and dividend quality.

Performance: Aim to provide strong performance with less risk than a market-cap weighted approach.

Reduced Risk of Yield Traps: Emphasis on dividend quality to help avoid dividend cuts and suspensions.

General Information		Top 10 Holdings		Sector Breakdown	
Inception Date	12/30/2016	A O Smith	2.16%	Industrials	23.48%
Number of Stocks	102	Houlihan Lokey	2.10%	Financials	20.22%
Expense Ratio	0.48%	Toro Co	2.10%	Information Technology	14.73%
30-Day SEC Yield	1.58%	Bio-Techne	2.09%	Consumer Discretionary	11.97%
Rebalance Reconstitution	Quarterly Annually	Graco	2.09%	Consumer Staples	9.47%
Average Daily Trading Volume (1M)	11,286	National Instruments	2.05%	Health Care	8.85%
		Dolby Laboratories	2.02%	Utilities	7.49%
		Watsco	2.02%	Communication Services	3.63%
		Service Corp International	2.01%	Cash	0.16%
		Whirlpool	1.99%	Total	100.00%
		Total	20.62%		

Quarterly Performance (as of 6/30/2021)

	QTD	YTD	1 Y	3 Y	SI
NAV	3.33%	13.60%	42.79%	11.31%	10.17%
Market Value	3.33%	13.56%	42.77%	11.28%	10.18%

Data as of 3/31/2021. Holdings subject to change. Fund launched on December 30, 2016. 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 beyond 1 year are annualized. For most recent month end performance, please visit www.oshares.com. Please note that very strong performance may be due to unusually favorable conditions that are likely not sustainable.

Before you invest in O'Shares ETF 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 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. A Fund's 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. See the prospectus for specific risks regarding the Funds.

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.

Past performance does not guarantee future results. Shares are bought and sold at market price (not NAV), are not individually redeemable, and owners of 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. The market price of Shares can be at, below, or above NAV. 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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