O’Shares US Focused Quality Dividend Index OUSAF

Sep 2024

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Introduction

Index Objective

The O'Shares US Focused Quality Dividend Index selects 50 securities from the 100 securities in the O'Shares U.S. Quality Dividend Index by focusing on quality and dividend growth factors. Selected companies are weighted by an average of float market cap and equal weight.

Highlights

Sector count is determined by a quality metric, ROA, and security selection within sectors is determined by market cap adjusted by dividend growth rank.

Dates

Reference Dates: Last business date of the month prior to the Rebalance month.

Reconstitution Dates: Index reconstitutes annually on the Close of Business of the third Friday of September

Weight Date: Close of Business Thursday prior to the second Friday of the Rebalancing Month.

Rebalance Dates: The Index rebalances quarterly on the COB of the third Friday in March, June, September, and December.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein.

The list of the main supplemental documents for this methodology can be found in the Methodologies and Governance tabs on the Index Resources[1] page as follows:

Supporting Documents
Index Maintenance Policy
Index Governance
Index Policies
Methodology Policies
Glossary
Index Change and Consultation Policy

[1] https://vettafi.com/issuer-services/indexing/index-resources/

Eligibility Criteria and Index Construction

Universe

Constituents of the O'Shares U.S. Quality Dividend Index (OUSAX).

Index Construction

Selection

Sector: The count of securities within each sector is determined by the membership of the top 50 securities by ROA within the Universe.

(ROA = [Trailing 12 Month Normalized Income / (Total Tangible Assets beginning balance + Total Tangible Assets ending balance) / 2)] * 100)

Security: Securities within each sector are ranked by Forward Dividend Growth (FDG). The FDG is used to calculate a Score Modified Weight (SMW). SMW is the product of the weight of the constituent in the underlying universe and the FDG percentile rank of that constituent within its sector. The constituents with the highest SMW's are selected as that sector's constituents with the count equal to the previously calculated sector count for that sector.

(FDG = Forward Annual DPS Est/Trailing Annual DPS)

Constituent Weightings & Constraints

Constituent weights are an average of an equal weight value (2% for 50 stocks) and the constituent's free float market cap weight. Weights are capped at 5% and excess weight is distributed proportionally.

Index Maintenance

Rebalancing and Reconstitution

The Indexes are rebalanced on the "Rebalance Date" and additionally reconstituted on the "Reconstitution Date". Pricing used in share weights used for reconstitutions are as of the "Weight Date". Share weights for the rebalanced Indexes are computed as of the "Weight Date". Changes to the Indexes related to the rebalances are as of the "Rebalance Date". Additions are only made on reconstitution dates.

Rebalancing only occurs if at least one constituent has a weight of at least 6%. During a rebalance only the weights over 5% are capped.

Corporate Actions

Please refer to the Index Maintenance Policy document for information on Corporate Action processing.

Index Information

Index history availability, base dates and base values are shown in the table below.

Index	Price Index	Base Date	Base Value	Net Total Return Index	Base Date	Base Value
O'Shares US Focused Quality Dividend Index	OUSAF	12/21/2017	1000	OUSAFT	12/21/2017	1000

Methodology Updates and Changes

Date	Version	Previous	New

Index Calculation

Please refer to the Index Maintenance Policy document for information on index calculations.

Index Governance

The index is governed and administered by a VettaFi Index Committee for the purpose of meeting the goals of the index. For more information, please refer to the Index Governance document.

Index Policies

Please refer to the Index Policies document for information regarding Announcements, Holiday Schedules, Unexpected Exchange Closures, and Recalculation Policy.

Contact Information

For any questions regarding an index, please contact: index.production@vettafi.com

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