

Press Release

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FTSE Russell Introduces New US Quality Dividend Index

- Expands FTSE Global Factor Index Series to US equity markets
- Responds to investor demand for more efficient ways to combine factor exposures
- O'Shares to use index as the basis for new suite of ETFs

Leading global index provider FTSE Russell today announced the launch of the FTSE US Qual / Vol / Yield Factor Index. The Index represents an expansion of the FTSE Global Factor Index Series and reflects specific factor characteristics - quality, low volatility and yield – for U.S. large- and mid-cap companies.

This new multi-factor index is designed to reflect the performance of quality US large- and mid-cap stocks exhibiting low volatility and high dividend yield characteristics. In addition, individual index constituent weights are capped at 5% on a quarterly basis to avoid over-concentration in any single security. The result is an index that aims to deliver lower volatility and higher dividend yield relative to the starting universe of stocks while limiting exposure to distressed securities.

Ron Bundy, CEO Benchmarks North America, FTSE Russell, said:

"We are seeing growing demand in the investment community for more sophisticated indexes that can tap into market exposures efficiently and, in many cases, combine multiple factors. We are excited to introduce factor indexes that help clients like O'Shares target the specific exposures they seek."

O'Shares today launched an ETF based on the FTSE US Qual / Vol / Yield Factor Index, which is intended as the first in a series of ETFs based on the new multi-factor index model from FTSE Russell.

Kevin O'Leary, Chairman of O'Shares and entrepreneur, said:

"We believe now is the time to provide our time tested investment principles through a simple, transparent, efficient and cost effective index-based investment product. So we are launching our new family of global index-based ETFs for investors and joining forces with leading global index provider FTSE Russell."

The remaining ETFs in the series will be based on additional indexes from FTSE Russell following the same multi-factor index model and covering Developed Europe and Developed Asia-Pacific stocks. Kevin O'Leary, members of the O'Shares and FTSE Russell teams and clients will celebrate the launch of the new ETF series with a special opening bell ceremony at the New York Stock Exchange (NYSE) on July 28.

According to the second annual FTSE Russell global institutional smart beta survey, published in May, smart beta index adoption is growing and becoming more broad-based. This survey [Smart Beta: 2015 Global Survey Findings from Asset Owners](#) - confirms an increased interest in, and adoption of, multiple smart beta indexes among institutional asset owners around the world. The survey results also show that market participants are increasingly interested in using factor indexes and in combining indexes as part of their approach to achieve greater diversification and return. In 2014, 59% of the asset owners responding to the survey were using more than one strategy index; in 2015, 71% are using more than one strategy index, and 22% of those respondents are using four or more strategy indexes. These differences highlight a growing allocation to smart beta and a movement toward combining multiple factor and strategy indexes.



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FTSE Russell has been a pioneer in smart beta indexes and currently approximately \$132 billion in assets are linked to smart beta indexes developed by FTSE Russell. There are now over 200 ETFs tracking FTSE Russell indexes in North America.

- Ends -

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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 80 countries, covering 98% of the investable market globally and trading on over 25 exchanges worldwide.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Leading asset owners, asset managers, ETF providers and investment banks use FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance. FTSE Russell is also focused on index innovation and client collaboration as it seeks to enhance the breadth, depth and reach of its offering.

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