

Ticker: OUSM

ALPS | O'Shares U.S. Small-Cap Quality Dividend ETF

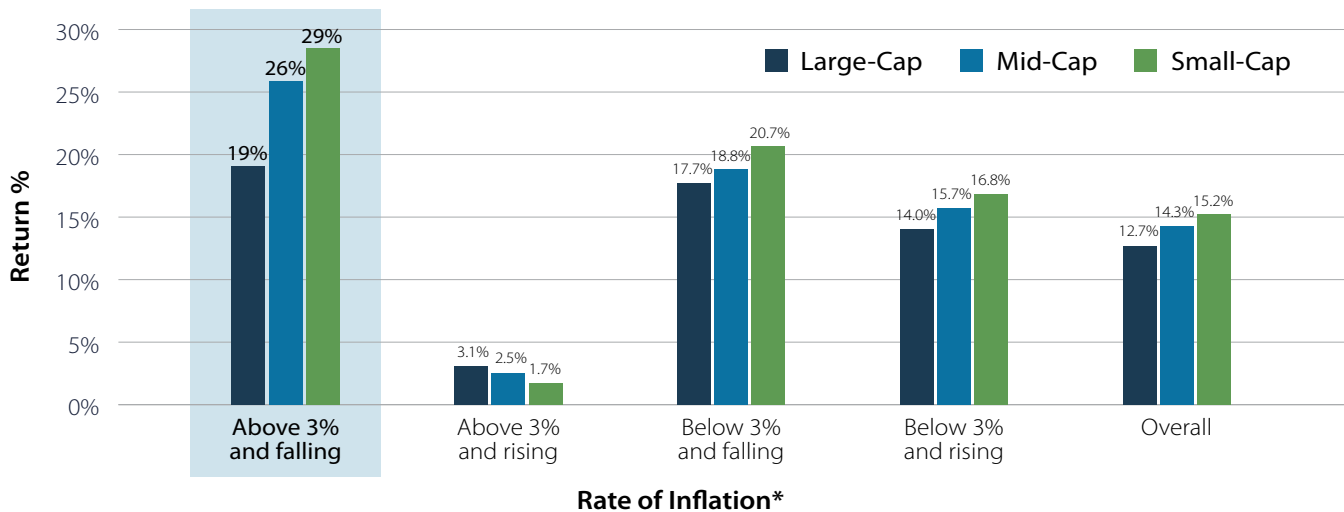
Quality, A Better Approach to Small-Cap Investing | October 2025

With U.S. markets digesting disinflation with extreme valuations and concentration risk among mega-cap stocks, U.S. small-cap stocks may provide an attractive entry point relative to U.S. large-caps as we head into 2025. Importantly, a focus on quality companies within a small-cap allocation is paramount to help protect against the drawdowns that sometimes occur in small-cap stocks during periods of market volatility.

Small-Caps Tend to Outperform in Disinflationary Environments

While rising domestic inflation and interest rates are generally not a constructive environment for U.S. small-caps due to increased borrowing costs, small-caps tend to perform the best when the rate of inflation* is falling (disinflation). Specifically, U.S. small-caps tend to outperform U.S. large-cap and mid-cap stocks when the rate of inflation is above 3% and falling, which is the current economic environment in the U.S.

Today's Environment Could Favor Small-Caps



Source: Center for Research in Security Price, the University of Chicago Booth School of Business; Jefferies, as of 8/31/2024

* Rate of Inflation is represented by year-over-year (YoY) Consumer Price Index (CPI).

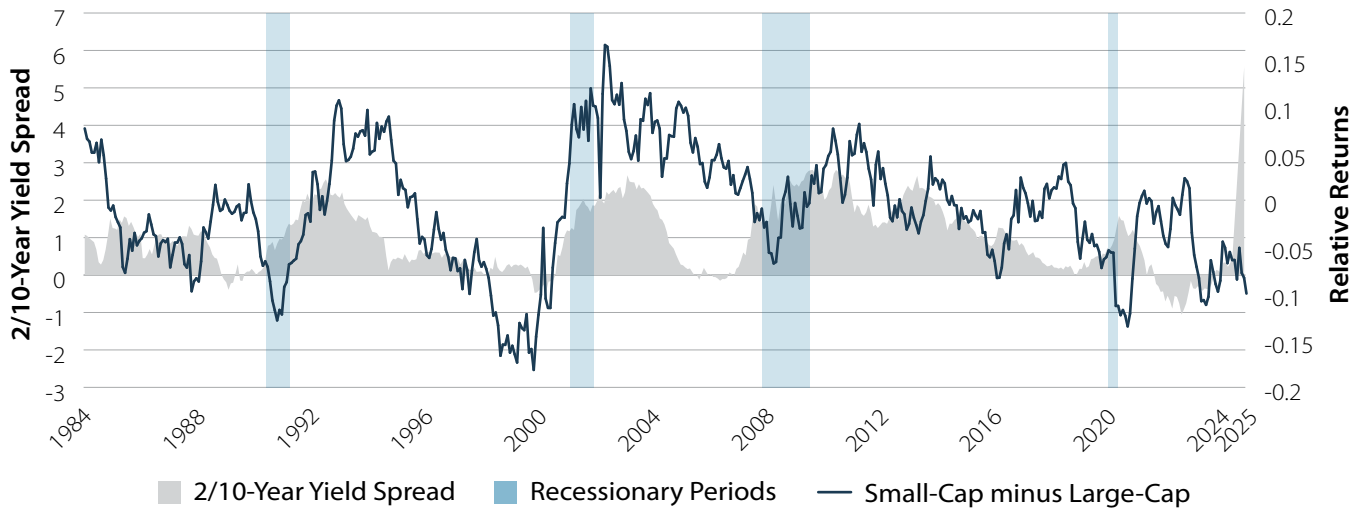
Universe includes NYSE, NASDAQ and AMEX listed stocks. Large-cap is the top 20% of stocks, mid-cap 21% - 50% and small-cap 51% - 80%.

Past performance is no guarantee of future results.

Steepening (Un-Inverting) Yield Curve Is Typically Bullish for Small-Caps

Another signal of potential strength for U.S. small-caps can be viewed through the U.S. 10-year and 2-year yield spread. The steepening (un-inverting) of the U.S. Treasury yield curve into positive territory—where 2-year yields fall more than 10-year yields—has historically marked a relative bottom for U.S. small-caps, even in times of a recession. Small-cap companies tend to have more floating rate debt than large-caps with average maturities of 2-5 years, so a steepening yield curve can disproportionately benefit small-caps as short- to intermediate-term yields fall, reducing the interest expense of their floating rate debt. The U.S. Treasury yield curve has recently un-inverted on the prospect of potentially better economic growth ahead, which is typically an inflection point for U.S. small-cap leadership.

2/10-Year Yield Spread & Rolling 2-Year Returns (Small-Cap minus Large-Cap)



Source: Bloomberg, as of 9/30/2025

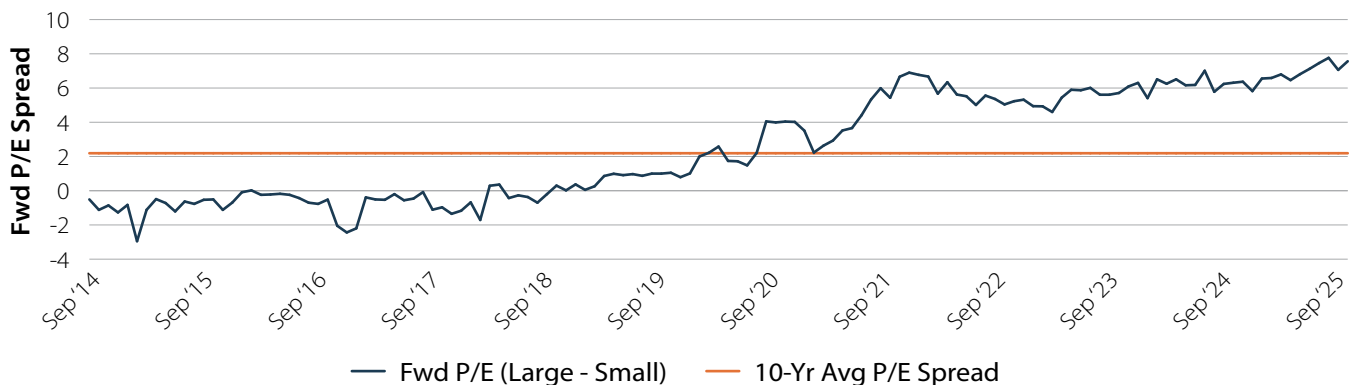
Small-cap represented by the Russell 2000 Index; Large-cap represented by the Russell 1000 Index.

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Valuations Are Attractive for Small-Caps

Due to the historic valuation expansion and concentration risk among mega-cap stocks in U.S. large-cap indices, the disparity between the price-to-earnings (P/E) ratios on U.S. large-cap stocks relative to U.S. small-cap stocks is at levels not seen since the Dotcom Bubble. U.S. large-cap stocks have historically traded around two turns higher on a P/E basis above U.S. small-cap stocks, but that valuation disparity currently sits at over six turns—a tenuous situation for large-cap stocks to potentially either revert to the mean or for small-cap stocks to witness an overdue valuation expansion as interest rates fall.

Large-Cap vs. Small-Cap: Forward P/E Spread



Source: Bloomberg, as of 9/30/2025

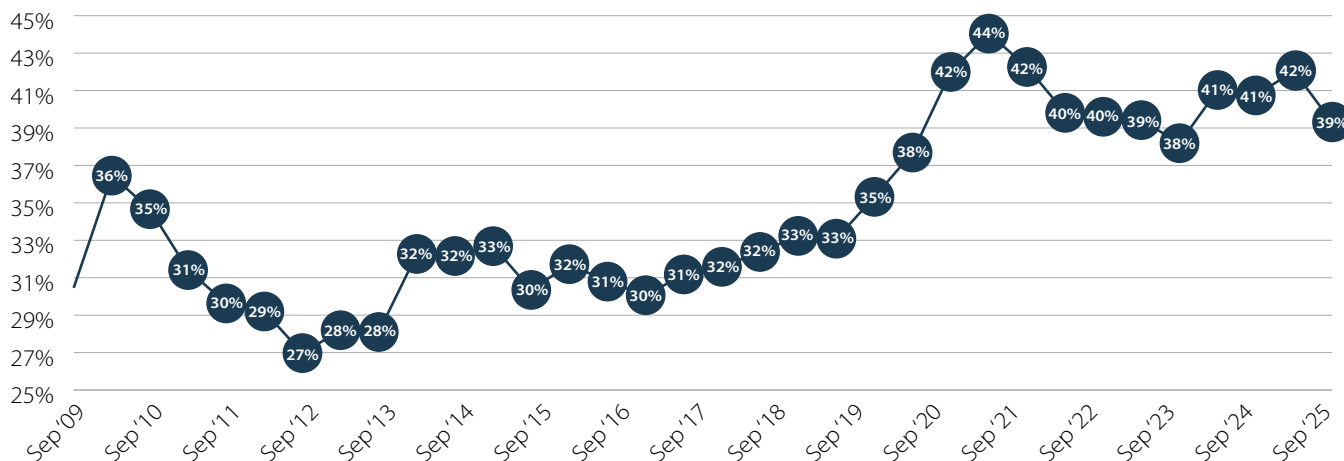
Large-cap represented by the S&P 500 Index; Small-cap represented by the S&P Small-Cap 600 Index.

Past performance is no guarantee of future results.

Tread Lightly with Broad-Based Small-Cap Funds

Even with a compelling valuation story on disinflation and better U.S. economic prospects in 2025, proper security selection in U.S. small-caps can help limit drawdowns during periods of market volatility. Small-cap stocks tend to face a lot of idiosyncratic risk, or company-specific risk that largely results from derailed profitability guidance. With 40% of the companies by number in the Russell 2000 Index (broad small-cap) currently unprofitable in 2024, investors face a higher risk of earnings dissapointments by owning Russell 2000 companies that cannot fund themselves.

Percentage of Unprofitable Companies (Negative Earnings per Share) in the U.S. Small-Cap Universe

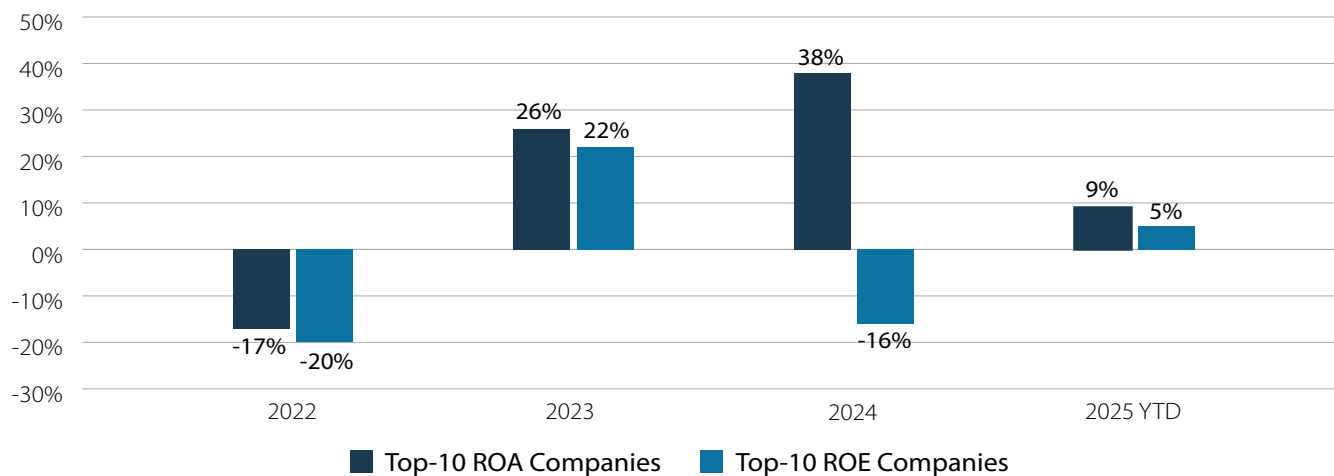


Source: Bloomberg, as of 9/30/2025

ROA: A Superior Metric, Historically, for Small-Cap Returns

While traditional screens for quality across the entire stock market tend to rely heavily on Return on Equity (ROE) as the defining fundamental characteristic for quality stocks, ROE does not analyze the entire capital structure of a company. Since U.S. small-cap stocks tend to carry more debt on their balance sheets, we believe that Return on Assets (ROA) provides a better screen for quality small-cap companies, as the metric considers returns on the entire capital structure of the company, both debt and shareholder equity. Over the past three years, U.S. small-caps that have exhibited high ROA have outperformed U.S. small-caps that have exhibited high ROE, in both up and down markets, per Bloomberg.

Small-Cap Returns (High-ROA vs. High-ROE)



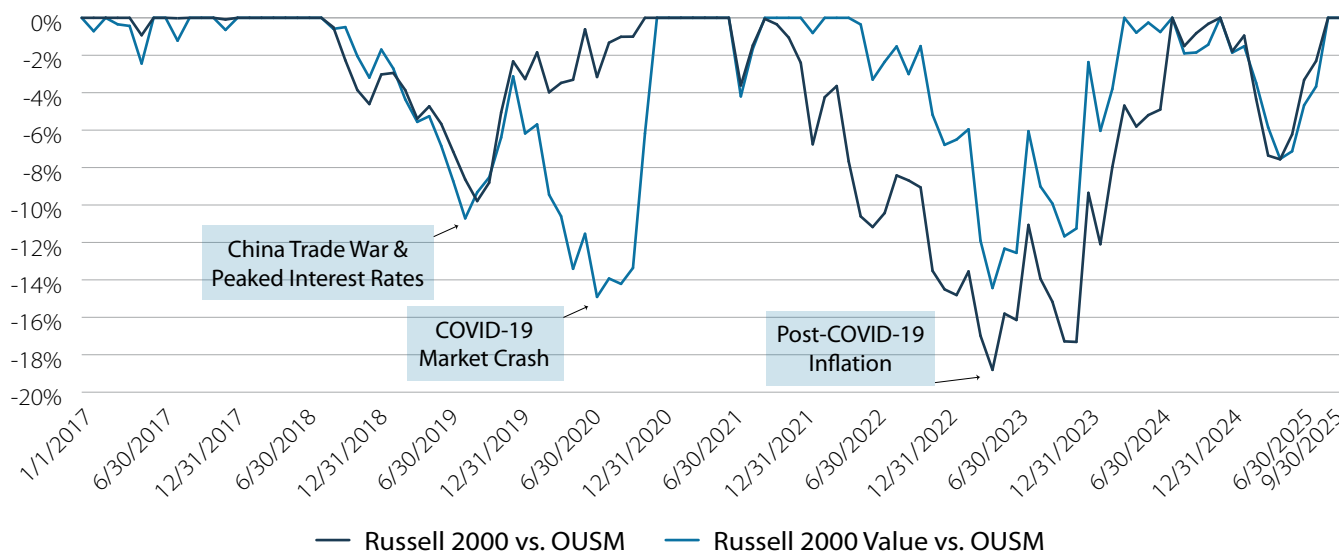
Source: Bloomberg, as of 9/30/2025

Past performance is no guarantee of future results.

OUSM's Quality Holdings Substantially Limit Drawdowns within the Volatile Small-Cap Universe

The ALPS | O'Shares U.S. Small-Cap Quality Dividend ETF (OUSM) introduces four key quality screens in its index methodology: low volatility, high ROA, low leverage (Net Debt/EBITDA) and consistent dividend growth and quality across the investible small-cap universe. These quality screens provide investors with an all-weather, profitable small-cap portfolio that has exhibited smaller (better) drawdowns relative to broad-based small-cap indices since OUSM's inception.

Broad-Based Small-Cap Indices Show Larger Drawdown Risk Relative to OUSM



Source: Morningstar, as of 9/30/2025

Returns indicate relative drawdown performance against OUSM. One may not invest directly in an index.

Past performance is no guarantee of future results.

ALPS | O'Shares U.S. Small-Cap Quality Dividend ETF (OUSM) Performance

Total Returns	Cumulative as of 10/31/2025			Annualized as of 9/30/2025			
	1 M	3 M	YTD	1 Y	3 Y	5 Y	SI ¹
NAV (Net Asset Value)	-2.73%	0.70%	1.13%	1.58%	16.41%	13.34%	9.05%
Market Price	-2.75%	0.73%	1.10%	1.60%	16.43%	13.37%	9.05%
O'Shares U.S. Small-Cap Quality Dividend Index - TR ²	-2.69%	0.84%	1.54%	2.09%	16.99%	13.90%	9.59%
Morningstar US Small-Cap Broad Value Extended Index - TR	-0.50%	6.72%	6.23%	7.08%	14.40%	15.98%	7.38%

Performance data quoted represents past performance. Past performance is no guarantee of future results so that shares, when redeemed, may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance quoted. For current month-end performance call 1-866-759-5679 or visit www.alpsfunds.com. Performance includes reinvested distributions and capital gains.

Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

Performance data prior to 6/21/2022 reflects the performance of the Fund as managed under the OSI ETF Trust.

¹ Fund inception date: 12/30/2016, date reflects the commencement of investment operations.

² The O'Shares U.S. Small-Cap Quality Dividend Index performance information reflects the blended performance of the FTSE USA Small Cap Qual/Vol/Yield 3% Capped Factor Index through 5/3/2018, the FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index from 5/4/2018 through 5/31/2020 and the O'Shares U.S. Small-Cap Quality Dividend Index thereafter.

Total Operating Expenses: **0.48%**

Important Disclosures & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus containing this and other information, call 1-866-759-5679 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemable.

Performance data quoted represents past performance. Past performance is no guarantee of future results; current performance may be higher or lower than performance quoted.

All investments are subject to risks, including the loss of money and the possible loss of the entire principal amount invested. Additional information regarding the risks of this investment is available in the prospectus.

Diversification does not eliminate the risk of experiencing investment losses.

Concentration in a particular industry or sector will subject the Fund to loss due to adverse occurrences that may affect that industry or sector. 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.

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.

The Fund employs a "passive management" - or indexing - investment approach and seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index. Unlike many investment companies, the Fund is not "actively" managed. Therefore, it would not necessarily sell or buy a security unless that security is removed from or added to the underlying index, respectively.

Bull Market: a financial market in which prices are trending upward or are expected to trend upward.

Consumer Price Index (CPI): a measure of the average change over time in the prices paid by urban consumers for a representative basket of consumer goods and services.

Dotcom Bubble: the period between 1995 and 2000 when investors poured money into Internet-based startups in the hopes that these fledgling companies would soon turn a profit. The technology-centric NASDAQ Composite Index rose five-fold, from less than 1,000 in 1995 to a peak of 5,408.60 on March 10, 2000. Less than three years later, the NASDAQ Composite Index had tumbled to 1,139.90 on Oct. 4, 2002, a 76+% fall.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): a measure of a company's overall financial performance.

Forward Price/Earnings (P/E) Ratio: a stock valuation metric that compares a company's share price to its projected future earnings.

FTSE USA Small Cap Qual/Vol/Yield 3% Capped Factor Index: designed to reflect the performance of high quality US small-cap equities exhibiting low volatility and high dividend yields. Quality is measured by profitability and leverage. Constituents are selected and weighted based on quality, volatility and yield characteristics.

FTSE USA Small Cap ex Real Estate 2Qual/Vol/Yield 3% Capped Factor Index: comprised of securities within the FTSE USA Small-Cap Index, excluding Real Estate. The index is designed to reflect the performance of three recognized equity risk factors: quality, low volatility and yield.

Morningstar US Small-Cap Broad Value Extended Index: designed to provide comprehensive, consistent representation of the small cap value segment of the US equity market.

Net Debt-to-EBITDA Ratio: a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

O'Shares U.S. Small-Cap Quality Dividend Index: designed to reflect the performance of publicly-listed small-capitalization dividend paying issuers in the United States that meet certain market capitalization, liquidity, high quality, low volatility and dividend yield thresholds. The quality and low volatility requirements are designed to reduce exposure to high dividend equities that have experienced large price declines.

Price/Earnings (P/E) Ratio: a valuation ratio of a company's current share price compared to its per-share earnings.

Russell 1000 Index: an index of the largest 1000 US companies by market capitalization.

Russell 2000 Index: measures the performance of the small-cap segment of the US equity universe.

Russell 2000 Value Index: measures the performance of the small capitalization value sector of the US equity market.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

S&P Small-Cap 600 Index: seeks to measure the small-cap segment of the US equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.

Yield Curve: a graphical representation of the yields (y-axis) on debt instruments with different maturities (x-axis).

One may not invest directly in an index.

ALPS Advisors, Inc., registered investment adviser with the SEC, is the investment adviser to the Fund. ALPS Advisors, Inc. and ALPS Portfolio Solutions Distributor, Inc., affiliated entities, are unaffiliated with O'Shares Investments.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Fund.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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