



## FTSE Russell & O'Shares Celebrate First Year of Innovation

- Unique multi-factor indexes from FTSE Russell are powerful tools for investors
- O'Shares ETFs based on FTSE Russell indexes popular with investors
- Firms ring NYSE closing bell to celebrate important milestone

FTSE Russell, a leading global index provider, and O'Shares Investments today announced the one year anniversary of their collaboration. In the past year, O'Shares has introduced a new suite of exchange traded funds (ETFs) based on innovative new multi-factor indexes from FTSE Russell.

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

"As the investment landscape evolves and investors use a broader array of index-based investment tools to pursue their objectives, FTSE Russell is at the forefront of smart beta index innovation. Combining our expertise in index design with the client focus, growth mind set and entrepreneurial spirit of O'Shares Investments in the last year has benefitted a wider set of market participants."

**Kevin O'Leary, Chairman of O'Shares Investments, "Shark Tank" cast member and CNBC contributor:**

"We came to FTSE Russell a year ago requesting a non-traditional index-based investment approach to help our ETF clients pursue equity market growth with downside protection. The FTSE Russell team delivered a unique new set of indexes that have outperformed their benchmarks and helped us make a major difference for our investors. We look forward to collaborating with our FTSE Russell partners in the years to come."

In July 2015, in consultation with O'Shares, FTSE Russell introduced three multi-factor indexes designed to track the performance of stocks in various global regions. The indexes are designed to select stocks exhibiting relatively low volatility and high dividend yields. Index constituents are selected from FTSE Russell parent indexes and weighted based on quality, volatility and yield characteristics, with individual index constituents capped at 5% quarterly to avoid over-concentration. All three indexes have outperformed their parent indexes in the year since they were launched while exhibiting lower volatility, with index return differentials ranging from +5.5% (FTSE Europe) to +8.6% (FTSE Asia) to +11.5% for the FTSE US Qual/Vol/Yield Factor 5% Capped Index (Source: FTSE Russell, data as of July 28, 2016)<sup>1</sup>.

**Index**

- FTSE US Qual/Vol/Yield Factor 5% Capped Index
- FTSE Developed Europe Qual/Vol/Yield Factor 5% Capped Index\*
- FTSE Developed Asia Pacific Qual/Vol/Yield Factor 5% Index\*

**Parent Index/Region**

- FTSE USA
- FTSE Developed Europe
- FTSE Developed Asia Pac

*\*These indexes have a US dollar hedged and unhedged version.*

O'Shares has introduced ETFs based on these indexes in the last year that have seen significant inflows. The flagship O'Shares FTSE US Quality Dividend ETF (NYSE: OUSA) has attracted strong asset growth from a range of institutional and retail investors since its inception last July and stood at approximately \$273 million in



# Press Release



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client assets at July 31. The suite of new ETFs from O'Shares based on these three indexes has generated approximately \$330 million in client assets in their first year (*Source: XTF*).

Employees from the two firms along with clients will celebrate the partnership later today with a special closing bell ceremony at the New York Stock Exchange.

1. Past performance is no guarantee of future results. Index returns shown may not represent the results of the actual trading of investable assets.

– Ends –

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### Notes to editors:

#### **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.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$10 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen 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 and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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