



O'Shares U.S. Quality Dividend Index OUSAX

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Introduction

Index Objective

The O'Shares U.S. Quality Dividend Index is a rules-based index whose constituents are selected by the ranking of their score-modified float market cap weight. The score is based on the following factors: quality, volatility, dividend yield and dividend quality.

Highlights

The index includes security constraints and sector constraints that align with its universe sectors.

Dates

Reference Dates: The last trading date of the second month of the calendar quarter.

Weight Date: Close of trading on the trade date preceding the second Friday of the rebalance month.

Reconstitution Dates: Indexes are reconstituted annually on the close of trading of the third Friday of September.

Rebalance Dates: Indexes are rebalanced quarterly on the on the close of trading of the third Friday of the last month of the calendar quarter.

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](#) page as follows:

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

Eligibility Criteria and Index Construction

Universe

The S-Network US Equity Large-Cap 500 Index (SN500) includes the 500 largest US companies as measured by market capitalization.

Index Construction

Constituent Selection

Companies included in the index are derived from the following GICS Sectors within its Universe:

Communication Services

Consumer Discretionary

Consumer Staples

Financials

Health Care

Industrials

Information Technology

Utilities

Index constituents are selected by the ranking of their score-modified float market cap weight. The score consists of the following factors: quality, volatility, dividend yield and dividend quality. The following steps are taken to select the holdings:

- 1) Calculate the percentile ranks of the metrics used in each factor (multiple metric ranks within a factor are averaged using the noted weights):

Quality

70% weight (100% weight for Financials) — Return on Assets (ROA) in the trailing 12 months (in descending order)

30% weight (0% weight for Financials) — Total Net Debt / EBITDA (in ascending order)

Volatility

Trailing-5-year weekly volatility (in ascending order)

Dividend Yield

Logarithm of the trailing-12-month regular cash dividend yield (in descending order)

Dividend Quality

50% weight — Income Available to Common Shareholders / Gross Dividends (in descending order)

50% weight — Trailing-5-year regular cash dividend growth (in descending order)

- 2) Calculate the percentile rank for each factor to produce the factor's Score
- 3) Calculate the score-modified float market cap in the following way: $\text{Float market cap} * (\text{Quality Score})^2 * (\text{Volatility Score})^5 * \text{Yield Score} * \text{Dividend Quality Score}$
- 4) Weight all companies by score-modified float market cap resulting from (3)
- 5) Select top 100 highest-weighted companies

Constituent Weightings & Constraints

During a reconstitution, the selected companies are weighted as follows:

- 1) Weight (summed to 100%) using score-modified float market cap
- 2) Apply sector constraints by limiting each sector's weight to between 1.4 and 0.6 times the same sector's weight in the starting universe
- 3) Apply a sector weight cap of 22%
- 4) Cap the security weights at 5%

During a quarterly rebalancing apart from a reconstitution, only the constituent weight cap of 5% is applied; the preceding steps are not taken. Such rebalancings are only done if at least one constituent's weight has exceeded 6% as of the Reference Date.

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

Additions may be made at the close of trading on the quarterly rebalancing dates in the case of certain recent Initial Public Offerings that occurred more than 22 trading days prior to the rebalancing date.

Deletions

Deletions may be made to remove companies that fail to meet the inclusion criteria as of the Reference Date for a reconstitution or rebalancing.

Changes of Eligible Securities

In the event that a component no longer meets the Universe or Industry eligibility requirements, it may be removed from the index.

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 U.S. Quality Dividend Index	OUSAX	12/21/2007	1000	OUSAXT	12/21/2007	1000

Methodology Updates and Changes

Date	Version	Previous	New
September 2025	1.0.0	July 2022	Initial Version in VettaFi format

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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