



# Everything You Need to Know about the Next Bitcoin Halving

As the anticipated bitcoin halving in April 2024 draws near, investors are keenly observing the potential for significant market movement. The halving is expected to slash mining rewards from 6.25 to 3.125 bitcoins, marking a critical juncture that historically has been associated with notable price fluctuations and increased investor interest. Here is everything you need to know as we approach this key milestone.

## What is Bitcoin “Halving”?

Bitcoin halving is designed to control the supply of new bitcoin entering circulation. Bitcoin operates on a decentralized network where transactions are verified and added to the blockchain ledger by miners. These miners are rewarded with bitcoin for their computational efforts, which in turn introduces new coins into circulation. The term “halving” refers to the scheduled reduction by half of these mining rewards. By reducing the rate at which new bitcoin are created, halving creates scarcity and limits the total supply of bitcoins that will ever exist. This controlled supply is a fundamental aspect of bitcoin’s design and contributes to its appeal for many investors.

## Why does Halving Matter?

The previous bitcoin halvings occurred in November 2012, July 2016, and May 2020. Historically, the price of bitcoin has increased immediately prior to, as well as after, these halving events.

For example, in the 30 days preceding the July 9, 2016 halving event, bitcoin’s price rose from \$574.63 to \$650.96, a 13% increase. In the 30 days preceding the May 11, 2020 halving event, bitcoin’s price rose from \$6,859.08 to \$8,601.80, a 25% increase. The total calendar year returns for bitcoin in 2016 and 2020 were 124% and 303%, respectively.

## How often do halvings occur?

Halvings occur approximately once every four years, and they are expected to continue until the year 2140, when the amount of bitcoin in circulation is forecast to reach its maximum supply.

## What is the maximum supply of bitcoin?

With a capped supply of 21 million bitcoin, halvings represent a step closer to bitcoin’s max supply limit.

## What is the current award for mining bitcoin?

The current bitcoin award of 6.25 BTC is expected to be reduced to 3.125 BTC following the April 2024 halving event.

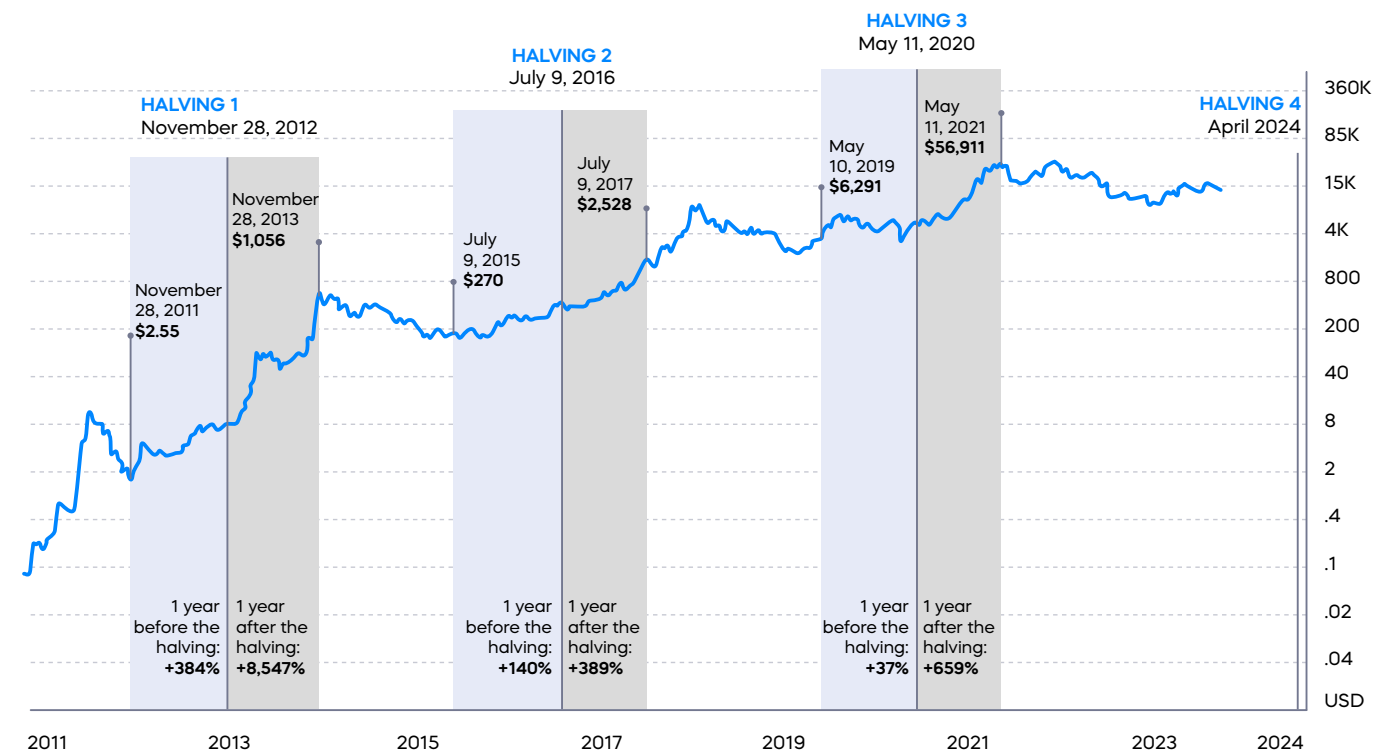
# Historically, Bitcoin Has Rallied Around Halving Events

	1 Year Before	1 Month Before	Halving Event	1 Month After	1 Year After
Halving 1 Nov 28, 2012	\$2.55	\$11	\$12	\$13	\$1,056
Halving 2 July 9, 2016	\$270	\$575	\$649	\$586	\$2,528
Halving 3 May 11, 2020	\$6,291	\$6,797	\$8,636	\$9,341	\$56,911

Source: Bloomberg

Refer to the graph below for bitcoin rallies before and after halving events.

## Bitcoin Halvings: History of BTC Prices



Source: Bloomberg, as of 12/31/23. Past performance does not guarantee future results.

## What to expect.







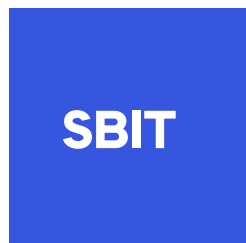

The reduction in the supply of new bitcoin resulting from halving, coupled with potential increased demand, can create a supply-demand imbalance that may contribute to price appreciation. However, it's important to note that the halving itself is not the sole factor influencing bitcoin's price. Other market factors, investor sentiment, and macroeconomic conditions can also play significant roles in the price of bitcoin increasing or decreasing around halving events.

As we approach the April 2024 halving event, investors should prepare for increased volatility, possible consolidation within the mining industry, and potentially consequential shifts in the broader cryptocurrency market:

- **Increased volatility.** As evidenced by past data, bitcoin has experienced significant price moves during halving years. While, historically, those moves have been higher, the opposite could occur.
- **Consolidation within the bitcoin mining industry.** Lower block rewards may impact less-efficient miners' profitability, possibly causing some to cease operations.
- **Potential for higher prices in other cryptocurrencies.** While the halving is specific to bitcoin, other cryptocurrencies have made notable moves during halving years as well. Ether, which has historically maintained a strong correlation to bitcoin prices, rose from \$129.63 to \$737.80 during the 2020 halving, a 469% increase.

ProShares, a global leader in crypto-linked ETFs, offers a broad suite of products to help investors target the performance of the world's largest cryptocurrencies, and prepare their portfolios for the April 2024 halving event.

## ProShares Crypto-Linked ETFs

			
<p><b>Bitcoin Strategy ETF</b> Targets the performance of bitcoin</p>	<p><b>Ether Strategy ETF</b> Targets the performance of ether</p>	<p><b>Bitcoin &amp; Ether Equal Weight Strategy ETF</b> Targets the equal weighted performance of bitcoin and ether in a single investment</p>	<p><b>Bitcoin &amp; Ether Market Cap Weight Strategy ETF</b> Targets the market cap weighted performance of bitcoin and ether in a single investment</p>
			
<p><b>Short Bitcoin Strategy ETF</b> Provides an opportunity to profit when the daily price of bitcoin declines</p>	<p><b>Short Ether Strategy ETF</b> Provides an opportunity to profit when the daily price of ether declines</p>	<p><b>UltraShort Bitcoin ETF</b> Provides an opportunity to profit when the daily price of bitcoin declines</p>	<p><b>Ultra Bitcoin ETF</b> Provides an opportunity to magnify gains when the daily price of bitcoin rises (will also magnify losses if the price declines)</p>

These ETFs do not invest directly in bitcoin or ether.

## About ProShares

ProShares has been at the forefront of the ETF revolution since 2006. ProShares offers one of the largest lineups of ETFs and, along with its affiliates, now manages over \$68 billion in assets. The company is a leader in strategies such as crypto-linked, dividend growth, and geared (leveraged and inverse) ETF investing. ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

## Have Questions?

Investors can contact ProShares at **866-296-3818** or email **info@proshares.com** for additional information about ProShares and our other investment products.

## Important information

### ProShares AUM as of 12/31/2023

**Investing involves risk, including the possible loss of principal. There is no guarantee any ProShares ETF will achieve its investment objective.**

SBIT seeks daily investment results that correspond, before fees and expenses, to -2x the daily performance of its underlying benchmark- the Bloomberg Bitcoin Index (the “Daily Target”).

BITU seeks daily investment results that correspond, before fees and expenses, to 2x the daily performance of its underlying benchmark- the Bloomberg Bitcoin Index (the “Daily Target”).

While BITU and SBIT have daily investment objectives, you may hold the funds’ shares for longer than one day if you believe it is consistent with your goals and risk tolerance. For any holding period other than a day, your return may be higher or lower than the Daily Target. These differences may be significant. Smaller index gains/losses and higher index volatility contribute to returns worse than the Daily Target. Larger index gains/losses and lower index volatility contribute to returns better than the Daily Target. The more extreme these factors and the longer your holding period while these factors apply, the more your return will tend to deviate. Investors should consider periodically monitoring their geared fund investments in light of their goals and risk tolerance.

**These ETFs invest in derivatives (swap agreements, futures contracts and similar instruments) that provide indirect exposure to bitcoin and do not invest directly in bitcoin.** Investors seeking exposure to bitcoin directly should consider an investment other than these ETFs. Bitcoin, ether and bitcoin and ether derivatives are each a relatively new asset class and the market for them is subject to rapid changes and uncertainty. Bitcoin, ether and their derivatives are subject to unique and substantial risks, such as rapid price swings and lack of liquidity, including as a result of changes in the supply of and demand for bitcoin or ether, statements by influencers and the media, and other factors. Bitcoin and ether are largely unregulated and may be more susceptible to fraud and manipulation than more regulated investments. Leveraged or short exposure to bitcoin will increase volatility. The value of an investment in the ETFs could decline significantly and without warning, including to zero. These ETFs may not be suitable for all investors.

BITO, EETH, BETE, and BETH are actively managed. The costs associated with rolling (buying and selling) futures and the impact of margin requirements, collateral requirements and other limits may have a negative impact on performance and prevent each Fund from achieving its objective. The price and performance of bitcoin futures and ether futures should be expected to differ from the current “spot” prices of bitcoin and ether (the prices of bitcoin and ether that can be purchased immediately). These differences could be significant.

These ETFs are non-diversified and entail certain risks, including risks associated with the use of derivatives (swap agreements, futures contracts and similar instruments), counterparty risk, imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. BITU and SBIT are new and may have a limited number of market makers. There can be no assurance they will be successful or that an active market will develop. Shares of any ETF are generally bought and sold at market price (not NAV) and are not individually redeemed from the fund. Your brokerage commissions will reduce returns.

**Carefully consider the investment objectives, risks, charges, and expenses of ProShares before investing. This and other information can be found in their summary and full [prospectuses](#). Read them carefully before investing. Obtain them from your financial professional or visit [ProShares.com](#).**

BLOOMBERG® is a trademark and service mark of Bloomberg Finance LP and its affiliates (collectively “Bloomberg”). Bloomberg or Bloomberg’s licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg’s licensors approves or endorses this material, or guarantees the accuracy or completeness of any information herein, or makes any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith.

ProShares are distributed by SEI Investments Distribution Co. (“SIDCO”), which is not affiliated with the funds’ advisor or sponsor. SIDCO is located at 1 Freedom Valley Drive, Oaks, PA 19456.

©2024 PSA 6445732.1