DIVIDEND GROWTH INVESTING

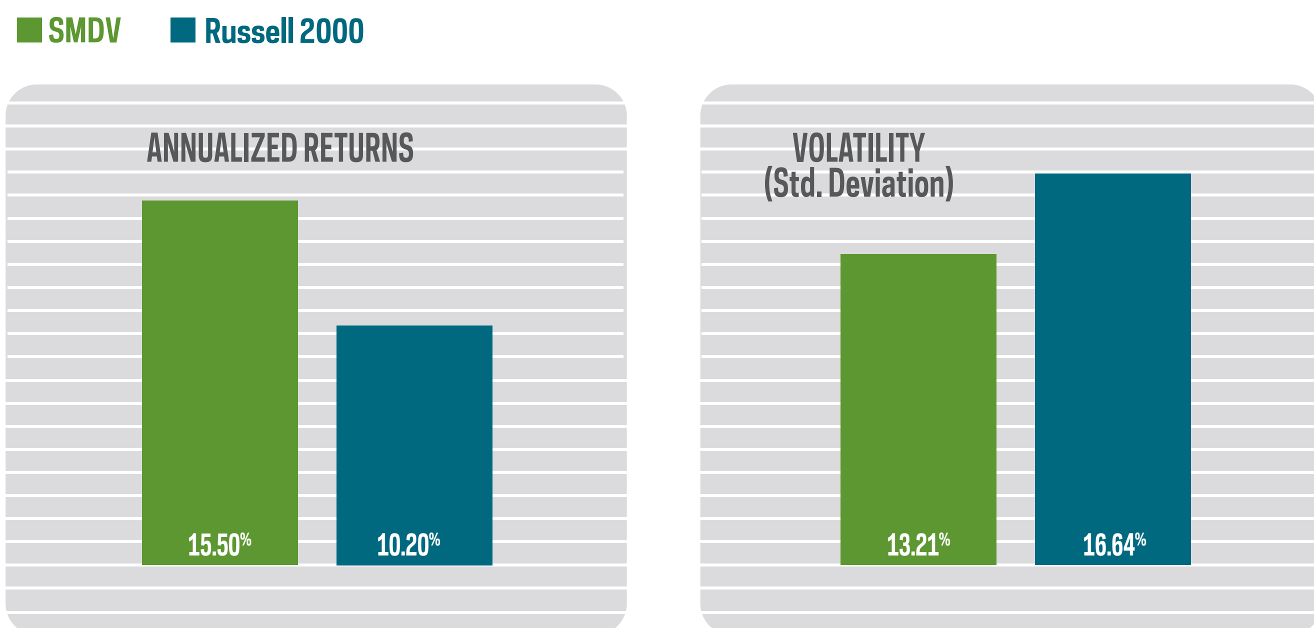
Finding Hidden Gems in the Small-Cap World

Outperformance Potential with Lower Volatility

Small-cap investing is a core strategy for many—for diversification and potentially higher returns. But those higher returns have usually come with greater risk. How can investors exploit the return potential of small-cap stocks with less risk? The answer may be found in a dividend growth strategy.

ProShares Russell 2000 Dividend Growers ETF (SMDV) focuses on companies with the longest track records of year-over-year dividend growth. Since its launch, the fund has outperformed the Russell 2000—with lower volatility.

SMDV outperformed the Russell 2000[1]



09/30/17 for SMDV, NAV since inception (2/3/15): 15.50%; Market Price, since inception (2/3/15): 15.54%; NAV, 1 year: 19.49%; Market Price, 1 year: 19.41%. Source: Bloomberg, SMDV's expense ratio is 0.40%

ETF performance is based on NAV. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index. **Performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. Standardized returns performance data current to the most recent month end may be obtained by visiting ProShares.com.** [1]Source: ProShares, Bloomberg, 2/3/2015 (fund inception)–9/30/17. "Volatility" refers to annualized standard deviation, a statistical measure that captures the variations from the mean of a fund's or index's returns and that is often used to quantify risk over a specific time period. The higher the volatility, the more the returns fluctuate over time. There is no guarantee dividends will be paid. Companies may reduce or eliminate dividends at any time, and those that do will be dropped from the indexes at reconstitution. Investments in smaller companies typically exhibit higher volatility. Smaller company stocks also may trade at greater spreads or lower trading volumes, and may be less liquid than stocks of larger companies.

Why Quality Matters

Much of the potential return advantage small-cap dividend growers have over other small caps can be attributed to quality. Higher-quality companies tend to have stronger balance sheets and a potentially greater ability to withstand stormy market environments. Indeed, companies in the index SMDV targets have had a higher return on equity (ROE) than the Russell 2000—12.54% versus 8.24%.[2] The higher the return on equity, the more efficient management is in using its equity base and the greater the potential return to investors.

THE TAKEAWAY

SMDV
Russell 2000 Dividend Growers

If you're looking for the outperformance potential of small caps without the typical volatility, consider dividend growth strategies.

ProShares Russell 2000 Dividend Growers ETF (SMDV) has outperformed the Russell 2000—with lower volatility. The key is quality.

ProShares offers the largest suite of ETFs focused on dividend growers, covering various U.S. market caps as well as international markets.

NOBL	REGL	EFAD	EUDV	EMDV
S&P 500 Dividend Aristocrats	S&P MidCap 400 Dividend Aristocrats	MSCI EAFE Dividend Growers	MSCI Europe Dividend Growers	MSCI Emerging Markets Dividend Growers

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[2]Source: FactSet. ROE is based on the 5-year average for the period ending 9/30/17. ROE shows how profitable a company is by comparing net income to average shareholders' equity.

NAV is typically set when underlying securities markets close. Market price is the last price of the trading day; if an ETF is thinly traded, the last trade can occur prior to market close. First trading date is typically several days after the fund inception date; therefore, NAV is used here. Diversification may not protect against market loss. **This information is not meant to be investment advice.** Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index. **Investing involves risk, including the possible loss of principal.** This ProShares ETF is diversified and entails certain risks, including imperfect benchmark correlation and market price variance, that may decrease performance. Investments in smaller companies typically exhibit higher volatility. Smaller company stocks also may trade at greater spreads or lower trading volumes, and may be less liquid than stocks of larger companies. Please see summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

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 advisor or broker-dealer representative or visit ProShares.com.