

DIVIDEND GROWTH INVESTING

Finding Quality in Emerging Markets

Dividend Growth: an Effective Filter

Investors typically look to emerging markets for diversification and higher returns, but stock selection in emerging markets can present challenges. Many are skeptical of simply deploying stock selection strategies that have proven effective in developed markets. A dividend growth strategy may provide an answer.

Emerging Markets Dividend Growers Outperformed

Over the last 20 years, emerging markets companies that grew their dividends outperformed companies that didn't.¹

It Boils Down to Quality

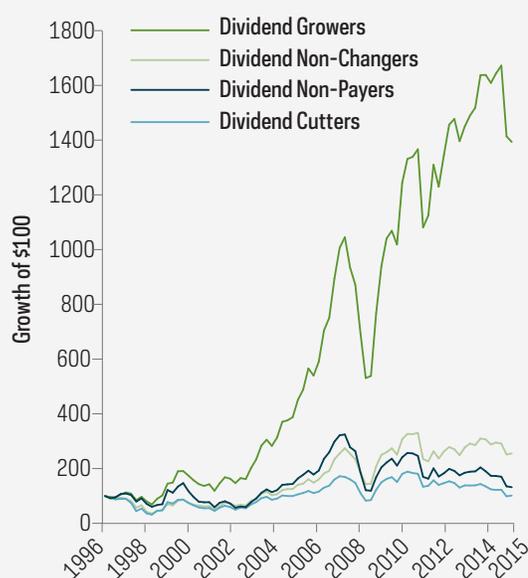
It all boils down to quality. Companies that grow their dividends tend to be higher quality with long histories of profit and growth, strong fundamentals and stable earnings.

One important way quality manifests in emerging market dividend growers is in higher returns on equity (ROE).² ProShares MSCI Emerging Markets Dividend Growers ETF (EMDV), which focuses on emerging market companies with the longest track records of year-over-year dividend growth, generated an ROE of 22.5% compared with 16.5% for the broad MSCI Emerging Markets index. It is one key reason why dividend growers have outperformed even in emerging markets.

Since EMDV's inception on 1/25/16 through 9/30/2016, it returned 25.55% (NAV)/ 28.59% (market price). EMDV's expense ratio is 0.60%.

Even in Emerging Markets, Dividend Growers Outperformed

MSCI Emerging Markets 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. Market returns are based on the composite closing price and do not represent the returns you would receive if you traded shares at other times. The first trading date is typically several days after the fund inception date. 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: Ned Davis Research, based on an analysis of MSCI Emerging Markets stocks from 6/30/1996-12/31/2015. Growth of a hypothetical \$100 in emerging markets countries in the Americas, Europe, the Middle East, Africa and Asia, divided into: Dividend Growers (dividends per share increased); Dividend Non-Changers (no change in dividend per share); Dividend Non-Payers (no dividends paid); Dividend Cutters (dividend per share decreased). Dividend activity measured over trailing 12 months. Assumes dividends reinvested and all are equally weighted. Past performance does not guarantee future results. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index.

² Source: FactSet, for the 12-month period ending 7/29/2016. ROE shows how profitable a company is by comparing net income to average shareholder's equity.

THE TAKEAWAY



If you're looking for outperformance potential in emerging markets, consider ProShares MSCI Emerging Markets Dividend Growers ETF dividend growth strategy.

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



Find out more

Visit ProShares.com or consult your financial advisor.

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