

Market Overview

The equity market rallied to open the fourth quarter but pared back most of those gains before the end, concluding another consecutive year of strong positive returns. Expectations for rate cuts diminished during the quarter amid positive economic data: consumption remained robust, the Q3 GDP growth estimate was revised higher, and the ISM Services Index suggested expansion in the service sector. Future policy uncertainty lingered over the market following the U.S. elections though. In its December FOMC meeting, the Federal Reserve raised its median forecast for the federal funds rate at year-end 2025 from 3.4% to 3.9%.

Yields broadly rebounded compared to the previous quarter, with 10-year Treasury yields rising 79 basis points. This increase contributed to heightened equity volatility and a pullback at year-end. Despite this, equities posted a positive return with the S&P 500® gaining 2.4% for the quarter and 25.0% for the year. Notably, the market-cap-weighted S&P 500 outperformed the S&P 500 Equal Weighted Index by 12% over the year.

Among the eleven S&P 500 sectors, only four recorded gains in the fourth quarter, led by consumer discretionary (14.3%). In contrast, materials (-12.4%) and health care (-10.3%) underperformed, erasing most of their full-year gains.

Performance

Powered by a daily covered call strategy that sells one-day call options each day, ISPY's index, the S&P 500 Daily Covered Call Index, lagged traditional monthly strategy index, the CBOE S&P 500 BuyWrite Index, by 3.9% during the fourth quarter (1.9% vs. 5.8%). Over the same period, ISPY's index trailed the S&P 500 by 0.5% (1.9% vs. 2.4%). In terms of income, the annualized index yield* for the fourth quarter was 5%.

Fund performance and index history ¹	4Q 2024	Year to Date	1-Year	Fund Inception 12/18/23
ProShares S&P 500 High Income ETF				
ISPY NAV Total Return	1.71%	21.49%	21.49%	21.66%
ISPY Market Price Total Return	1.58%	21.35%	21.35%	21.71%
S&P 500 Daily Covered Call Index	1.88%	22.69%	22.69%	22.80%
S&P 500	2.41%	8.44%	25.02%	25.85%

Source: ProShares and Morningstar. Periods greater than one year are annualized. ISPY gains exposure to the sale of daily call options using swap agreements and does not trade options.

The 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. ¹Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET (when NAV is normally determined for most funds) and do not represent the returns you would receive if you traded shares at other times. Brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 866.776.5125 or visiting ProShares.com. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in any index.

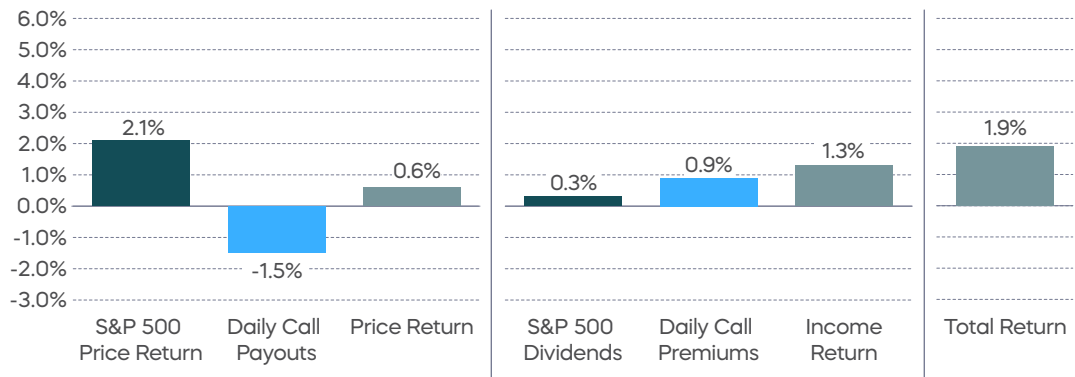
*The annualized index yield reflects the dividend and call premium income earned by the Index for the period from 10/1/2024 through 12/31/24, on an annualized basis, as measured by the S&P 500 Daily Covered Call Index - Income Only, a sub-index that measures the cash received by the Index from dividends and call option premiums. The annualized index yield assumes that the income received from 10/1/2024 – 12/31/24 would remain the same, but future income may differ significantly and is not guaranteed. The annualized index yield reflects dividend and call premium income from a short period of time only and does not reflect total returns or other distributions. The index has a very limited performance history, which should not be taken as an indication of future performance. Indexes are unmanaged and do not include the effect of fees. One cannot invest directly in an index. Past performance does not guarantee future results. The annualized index yield is for illustrative purposes only does not represent actual performance received by any investor. The index's distribution information may differ from ISPY's.

Performance Contribution

ISPY follows a strategy that consists of a long position in the S&P 500 Total Return Index and a short position in a one-day, out-of-the-money S&P 500 call option. The strategy’s performance can be broken into the following components: 1) S&P 500 price return, 2) S&P 500 dividends, 3) daily call premiums, and 4) the payouts required when options sold expire in-the-money.

During the quarter, the strategy saw gains of approximately 2.1% from S&P 500 price return. Net of daily call payouts totaling -1.5%, the strategy’s price return contribution for the quarter was 0.6%. As for income, ISPY’s strategy saw gains of 0.3% from S&P 500 dividends and gains of 0.9% from daily call premiums, bringing the total income contribution for the quarter to 1.3%. Combining the contributions of price return and income, the strategy had a 1.9% total return.

4th Quarter 2024 Contribution Analysis



Price Return equals S&P 500 Price Return plus Daily Call Payouts. Income Return equals S&P 500 Dividends plus Daily Call Premiums. Total Return equals the Price Return total plus the Income Return total.

¹Market 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. Therefore, NAV is used to calculate market returns prior to the first trading date.

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The Fund seeks to replicate a daily covered call strategy by investing in equity securities and derivatives. The Fund does not sell (write) call options. The S&P 500 Daily Covered Call Index replicates the performance of a covered call investment strategy that combines a long position in the S&P 500 Index with a short position in S&P 500 Index call options. In particular, the index is designed to replicate a daily covered call strategy that sells call options with one day to expiration each day. The Fund intends to make distributions each month of an amount that reflects the dividends and call premium income earned by a daily S&P 500 Index covered call strategy (net of expenses). There can be no guarantee that the Fund will make such distributions and the amount of such distributions, if any, may vary significantly from month to month. Some or all of the Fund's distributions may be taxable or non-taxable. For 19a-1 notices, distributions are characterized as income or return of capital or some combination, but this characterization does not impact whether the distribution is taxable.

Investing involves risk, including the possible loss of principal. This ProShares ETF is non-diversified and entails certain risks, including risks associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, and market price variance, all of which can increase volatility and decrease performance. 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.

The performance of the Fund may not correspond to the performance of the S&P 500 Index, the Fund may not be successful in generating income for investors, and the fund may not capture returns that traditional covered call strategies may sacrifice

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.

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