

## 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 as 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

During the fourth quarter, NOBL's benchmark, the S&P 500® Dividend Aristocrats® Index, underperformed the S&P 500 by 8.6% (-6.2% vs. 2.4%). The underperformance can be attributed to both sector allocation and security selection.

Fund performance and index history <sup>2</sup>	4Q 2024	YTD	1-Year	3-Year	5-Year	10-Year	Fund Inception 10/9/13
ProShares S&P 500 Dividend Aristocrats ETF							
NOBL NAV Total Return	-6.28%	6.71%	6.71%	2.54%	7.94%	9.39%	10.71%
NOBL Market Price Total Return	-6.21%	6.72%	6.72%	2.56%	7.96%	9.38%	10.71%
S&P 500 Dividend Aristocrats Index	-6.22%	7.08%	7.08%	2.89%	8.31%	9.81%	11.13%
S&P 500	2.41%	25.02%	25.02%	8.94%	14.51%	13.09%	14.02%

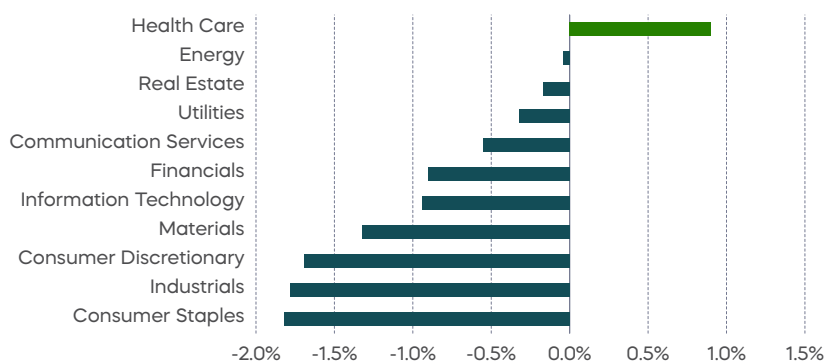
Source: ProShares and Morningstar. Periods greater than one year are annualized.

## Attribution

From a sector perspective, consumer staples, industrials and materials underperformed the broad market during the quarter. Due to NOBL's overweights in these sectors, they generated a combined negative allocation effect of -3.2%. On the other hand, NOBL's underweights in sectors including consumer discretionary, information technology and communication services generated a negative allocation effect of -1.9%. Security selection further detracted from NOBL's performance, with consumer staples and industrial stocks underperforming the broad market sectors. Dividend Aristocrats in the consumer discretionary sector, such as McDonald's and Lowe's, also underperformed. However, NOBL's stock selections in the health care sector sidestepped most of the losses that occurred in the broad market sector, contributing a positive security selection effect of 0.8%.

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### Contribution to Relative Performance vs. S&P 500



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. <sup>1</sup>Market 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.

## Attribution (continued)

From an individual stock perspective, Emerson Electric was the top performer in the portfolio. The stock rallied after a strong earnings report, as the market remained bullish on the company's secular growth potential in areas of automation. Another notable performer was West Pharmaceuticals, as management raised guidance on profitability. On the downside, power tool manufacturer Stanley Black & Decker was the largest detractor and reversed earlier gains, as the company is still being weighed down by the health of the U.S. construction market. Other detractors included A. O. Smith and Brown-Forman, although both companies raised their dividends during the quarter.

Stock <sup>3</sup>	Sector	4Q 2024 Performance	S&P 500 Weight	NOBL's Index Weight <sup>4</sup>	Contribution to Relative Performance
<b>Positive Contributors</b>					
Emerson Electric Co.	Industrials	13.78%	0.14%	1.63%	0.16%
West Pharmaceutical Services, Inc.	Health Care	9.20%	0.05%	1.42%	0.09%
Cardinal Health, Inc.	Health Care	7.50%	0.06%	1.63%	0.08%
<b>Negative Contributors</b>					
Stanley Black & Decker, Inc.	Industrials	-26.43%	0.03%	1.44%	-0.48%
A. O. Smith Corporation	Industrials	-23.72%	0.02%	1.43%	-0.42%
Brown-Forman Corporation Class B	Consumer Staples	-22.41%	0.02%	1.39%	-0.38%

NOBL's strategy remains focused exclusively on the S&P 500 Dividend Aristocrats—high-quality companies that have not just paid dividends but grown them for at least 25 consecutive years, with most doing so for 40 years or more. Often household names, NOBL's holdings generally have had stable earnings, solid fundamentals, and strong histories of profit and growth. This strategy has a demonstrated history of weathering market turbulence over time by capturing most of the gains of rising markets and fewer of the losses in falling markets.

Sources: FactSet, Bloomberg. NOBL's total operating expenses are 0.35%.

<sup>1</sup>Source: Blue Chip Economic Indicators and Blue Chip Financial Forecasts.

<sup>2</sup>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. Therefore, NAV is used to calculate market returns prior to the first trading date.

<sup>3</sup>Holdings are subject to change.

<sup>4</sup>NOBL's average index weight from 10/1/24–12/31/24.

If fewer than 40 stocks meet the criteria, the index may include companies with shorter dividend growth histories.

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