

## ProShares S&amp;P MidCap 400 Dividend Aristocrats ETF

## 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 MidCap 400® gaining 0.3% for the quarter and 13.9% for the year.

Among the eleven S&P MidCap 400 sectors, six posted gains during the third quarter, led by a recovery in the energy sector (12.1%). On the other hand, real estate (-7.5%) underperformed as interest rates rebounded higher.

## Performance

During the quarter, REGL's benchmark, the S&P MidCap400® Dividend Aristocrats® Index, underperformed the S&P MidCap 400 by 0.9% (-0.6% vs. 0.3%). During the full year 2024, the Aristocrats Index underperformed the S&P MidCap 400 by 1.3% (12.6% vs 13.9%). The underperformance during the fourth quarter can be attributed primarily to security selection.

Fund performance and index history <sup>2</sup>	4Q 2024	YTD	1-Year	3-Year	5-Year	Fund Inception 2/3/15
ProShares S&P MidCap 400 Dividend Aristocrats ETF						
REGL NAV Total Return	-0.68%	12.18%	12.18%	5.57%	8.75%	9.68%
REGL Market Price Total Return	-0.63%	12.26%	12.26%	5.57%	8.77%	9.69%
S&P MidCap 400 Dividend Aristocrats Index	-0.59%	12.64%	12.64%	5.98%	9.17%	10.09 %
S&P MidCap 400	-0.34%	13.93%	13.93%	4.86%	10.33%	9.60%

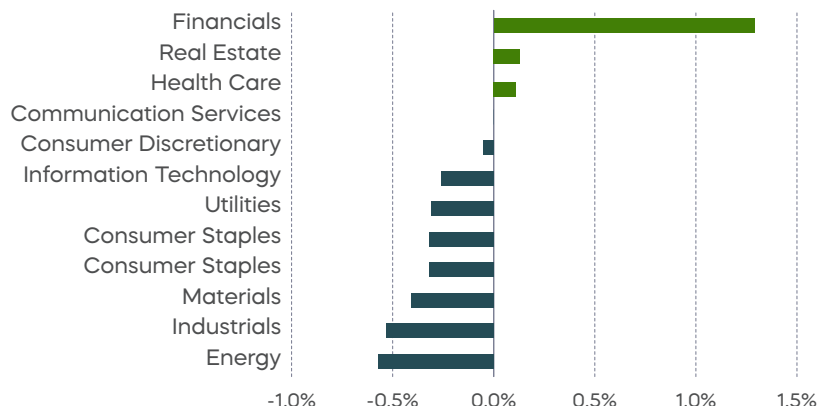
Source: ProShares and Morningstar. Periods greater than one year are annualized.

## Attribution

In terms of sector allocation, REGL benefited from strong performance in the financials sector, which contributed a positive allocation effect of 0.8%. On the flip side, REGL's lack of exposure in the energy sector offset some of those gains with a negative allocation effect of -0.6%. Security selection within the financials sector further enhanced performance through a positive selection effect of 0.5%. However, this positive impact was more than offset by stock underperformance in sectors including materials, consumer staples and utilities.

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### Contribution to Relative Performance vs. S&P Mid Cap 400



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, top contributors included home furnishing company Williams-Sonoma, which saw its shares stage a strong rally after its earnings report. Management continued to expect mid-to-high single-digit net revenue growth with an operating margin in the mid-to-high teens. Other top contributors include financial firms Unum Group and SEI Investments. On the downside, the biggest detractor was Polaris Inc, an off-road vehicle manufacturer, which announced earnings that missed expectations due to challenging retail demand.

Stock <sup>3</sup>	Sector	4Q 2024 Performance	S&P MidCap 400 Weight	REGL's Index Weight <sup>4</sup>	Contribution to Relative Performance
Positive Contributors					
Unum Group	Financials	23.70%	0.39%	2.31%	0.40%
Williams-Sonoma, Inc.	Consumer Discretionary	20.01%	0.68%	2.24%	0.37%
SEI Investments Company	Financials	19.91%	0.26%	2.20%	0.35%
Negative Contributors					
Polaris Inc.	Consumer Discretionary	-30.11%	0.12%	1.96%	-0.67%
Westlake Corporation	Materials	-23.40%	0.15%	1.91%	-0.49%
NNN REIT, Inc.	Real Estate	-14.63%	0.27%	1.90%	-0.27%

REGL’s strategy remains focused exclusively on the S&P MidCap 400 Dividend Aristocrats—high-quality companies that have not only paid dividends but grown them for at least 15 consecutive years. As a group, REGL’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. REGL’s total operating expenses are 0.40%.

<sup>1</sup>Source: Wolters Kluwer’s 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>REGL’s average index weight from 10/1/24–12/31/24.

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

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**Investing involves risk, including the possible loss of principal.** This ProShares ETF is subject to certain risks, including the risk that the fund may not track the performance of the index and that the fund’s market price may fluctuate, which may decrease performance. Please see their summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

Investments in smaller companies typically exhibit higher volatility.

Small- and mid-cap companies may have limited product lines or resources, may be dependent upon a particular market niche and may have greater fluctuations in price than the stocks of larger companies. Small- and mid-cap companies may lack the financial and personnel resources to handle economic or industry-wide setbacks and, as a result, such setbacks could have a greater effect on small- and mid-cap security prices.

**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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