ProShares

IGHG

QUARTERLY PERFORMANCE REVIEW As of 3/31/22

PROSHARES INVESTMENT GRADE—INTEREST RATE HEDGED

Market overview

The broad U.S. bond market faced headwinds from rising yields across the Treasury curve, falling 5.9% as measured by the Bloomberg U.S. Aggregate Bond Index. Continuous upticks in inflation elevated expectations of how hawkish the Federal Reserve would be this tightening cycle, with the Fed raising the federal funds rate in March. The 2-year Treasury yield rose 160 bps during the first quarter, while the 10-year yield rose 83 bps. The U.S. corporate bond market underperformed the broader bond market, falling 7.7% as tracked by the Bloomberg U.S. Corporate Bond Index. Investment-grade credit spreads widened 22 bps and served as an additional detractor on top of rising rates.

Performance

IGHG declined 2.4% during the quarter, based on NAV, outperforming the investment-grade bond market by 5.3%. The widening of investment-grade credit spreads negatively impacted IGHG's performance, while its relative performance benefited from the embedded interest rate hedge.

Fund performance and index history[1]

	1Q 2022	Year to Date	1-Year	3-Year	5-Year	Fund Inception 11/5/13
ProShares Investment Grade—Interest Rate Hedged						
IGHG NAV Total Return	-2.44%	-2.44%	-2.79%	2.19%	2.38%	2.14%
IGHG Market Price Total Return	-2.44%	-2.44%	-3.91%	2.11%	2.31%	2.12%
FTSE Corporate Investment Grade (Treasury Rate-Hedged) Index	-2.32%	-2.32%	-2.21%	2.31%	2.55%	2.41%
Bloomberg U.S. Corporate Bond Index	-7.69%	-7.69%	-4.20%	3.02%	3.34%	3.68%

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

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. 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.

Sources: FactSet, Bloomberg. All attribution numbers above are estimated and are not exact. IGHG's total operating expenses are 0.30%. As of 3/31/22, IGHG's 30-day SEC yield was 3.45%. "30-day SEC yield" is a standard yield calculation developed by the Securities and Exchange Commission that allows investors to more fairly compare funds. [1]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 trade date.

Performance contribution

The strategy consists of a portfolio of diversified investment-grade bonds, combined with short positions in Treasury futures that are designed to offset the interest rate risk inherent in investment-grade bonds. The strategy's performance can be broken into these components: 1) investment-grade bond yields, 2) the cost of the Treasury hedge, 3) the impact of credit spread changes, and 4) the impact of interest rate changes.

During the quarter, IGHG's bond portfolio yielded approximately 0.7%, while the cost of the Treasury hedge came to roughly 0.6%. The strategy had losses of approximately 2.6% from credit-spread movements. Because of the interest rate hedge constructed within the portfolio, the strategy experienced approximately zero impact from interest rate movements during the period.