



## QUARTERLY PERFORMANCE REVIEW As of 3/31/22

# PROSHARES ONLINE RETAIL ETF

### Market overview

Despite a rally to end the period, U.S. equity markets declined for the first quarter, with the S&P 500 posting losses of 4.6%. Rising interest rates, uncomfortably high and persistent inflation readings, and Russia's invasion of Ukraine combined to form significant headwinds for most stocks. The Fed also raised its federal funds rate during the period, the first of several hikes expected over the coming quarters. Despite these challenges, economic readings continued to show resilience, especially labor markets, where the unemployment rate fell to 3.6% in March. With respect to the retail industry, the segment underperformed the broader market, falling 16.3% as tracked by the S&P Retail Select Industry Index. Department stores and food retail were some of the only sub-industries to post positive returns, while internet and direct marketing retail was at the bottom of the pack.

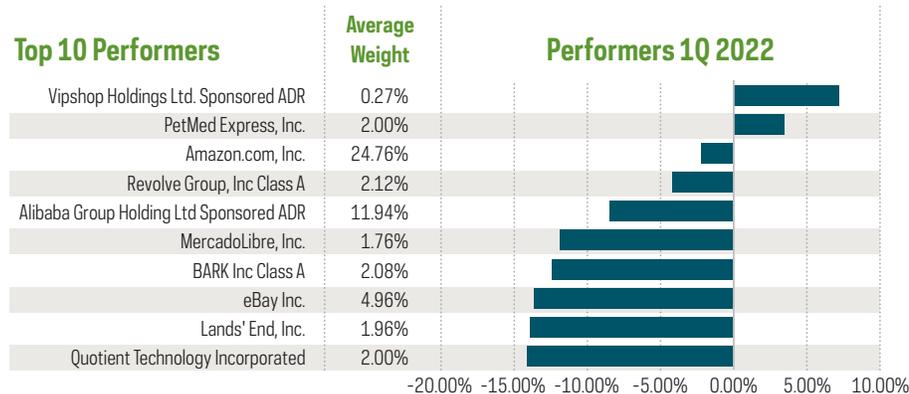
### Performance

During the first quarter, ONLN's benchmark, the ProShares Online Retail Index, fell 19.1% and underperformed the S&P Retail Select Industry Index.

### Fund performance and index history<sup>1</sup>

	1Q 2022	Year to Date	1-Year	3-Year	5-Year	Fund Inception 7/13/18
<b>ProShares Online Retail ETF</b>						
ONLN NAV	-19.24%	-19.24%	-41.55%	6.65%	—	4.10%
ONLN Market Price	-19.08%	-19.08%	-41.49%	6.73%	—	4.15%
<b>ProShares Online Retail Index</b>						
ProShares Online Retail Index	-19.12%	-19.12%	-41.31%	7.17%	—	4.63%
<b>S&amp;P Retail Select Industry Index</b>						
S&P Retail Select Industry Index	-16.27%	-16.27%	-13.72%	20.59%	—	21.92%
<b>S&amp;P 500 Index</b>						
S&P 500 Index	-4.60%	-4.60%	15.65%	18.92%	—	16.46%

Sources: ProShares, Morningstar and Bloomberg. 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. ONLN's total operating expenses are 0.58%. <sup>1</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>2</sup>Holdings are subject to change. <sup>3</sup>ONLN's average index weight from 1/1/22 to 3/31/22.

## Contribution

ONLN's strategy is constructed to provide the opportunity to profit from the potential growth of retailers that sell primarily online or through other non-store channels. Only two online retailers within the strategy managed to post positive returns during the period. PetMed Express, which engages in the provision of pet medications, eked out a return of 3.4%. Vipshop Holdings, an online retailer for clothing and accessories headquartered in China, was up 7.1%. Top detractors included e-commerce giant Alibaba and Sea Ltd., which engages in the provision of online gaming, e-commerce and digital payments. Alibaba saw a fairly volatile quarter. It fell as much as 35% prior to partially recovering after the announcement that it would be buying back \$25 billion in stock. It ended the period down 8.4%. While the stock outperformed the majority of online retailers within the strategy, its relative overweight caused it to be a top detractor from overall performance. Singapore-based Sea Ltd. saw its performance falter on news that Tencent Holdings would be selling 14.5 million shares of its stake in the company (Tencent would still maintain approximately 19% ownership following the sale).

Stock <sup>2</sup>	1Q 2022 Performance	ONLN's Index Weight <sup>3</sup>	Contribution to Performance
<b>Top Contributors</b>			
PetMed Express, Inc.	3.41%	2.00%	0.12%
Vipshop Holdings Ltd. Sponsored ADR	7.14%	0.27%	0.01%
<b>Top Detractors</b>			
Alibaba Group Holding Ltd. Sponsored ADR	-8.41%	11.94%	-1.74%
Sea Ltd. (Singapore) Sponsored ADR Class A	-46.45%	2.49%	-1.63%

## Outlook

The growth of e-commerce and struggle of some legacy bricks-and-mortar retailers is a trend that accelerated during the onset of the pandemic. Recent performance has seen online retailers struggling though, as investors evaluate the potential impact of rising yields on future profits. Moving forward, we expect the online segment of the retail industry to expand its still relatively small share of total domestic retail sales, standing at just 13%, as of the latest e-commerce report.

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