



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

# PROSHARES RUSSELL 2000 DIVIDEND GROWERS ETF

## Market overview

Despite a rally to end the period, U.S. equity markets declined for the first quarter. Small-cap stocks underperformed large caps, losing 7.5% as measured by the Russell 2000® Index. Rising interest rates, uncomfortably high and persistent inflation readings, and Russia's invasion of Ukraine combined to form significant headwinds for 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. Performance was weak across the market, as nine of the 11 sectors in the Russell 2000 Index posted negative returns. Leading the declines were consumer discretionary (-17.2%), health care (-14.6%) and information technology (-13.8%) stocks. Only energy (+41.8%) and utilities (+3.2%) stocks produced positive returns.

## Performance

During the first quarter, SMDV's benchmark, the Russell 2000® Dividend Growth Index, outperformed the Russell 2000 Index by 4.7% (-2.8% vs. -7.5%). Relative outperformance was driven by favorable sector allocation and stock screening impacts.

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

	1Q 2022	YTD	1-Year	3-Year	5-Year	Fund Inception 2/3/15
<b>ProShares Russell 2000 Dividend Growers ETF</b>						
SMDV NAV Total Return	-2.89%	-2.89%	1.21%	5.94%	6.25%	9.09%
SMDV Market Price Total Return	-2.97%	-2.97%	0.97%	5.90%	6.22%	9.09%
<b>Russell 2000 Dividend Growth Index</b>	-2.80%	-2.80%	1.63%	6.44%	6.74%	9.59%
<b>Russell 2000 Index</b>	-7.53%	-7.53%	-5.79%	11.74%	9.74%	9.41%

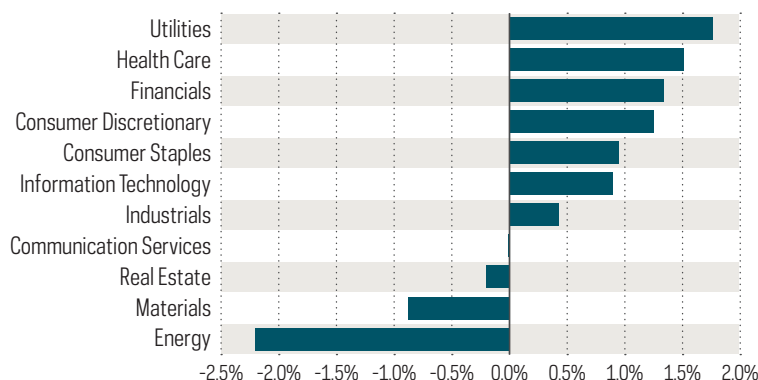
Sources: ProShares and Morningstar. Periods greater than one year are annualized.

## Attribution

The largest relative contributors at the sector level were utilities, health care and financials. The index is overweight utilities (by approximately 15%), which aided performance as the second-best performing sector during the period. The index also benefited from its relative underweight to health care stocks, which performed poorly. The index's financials stocks performed better than those from the broad market, which also helped relative performance. Partially offsetting these results was an underweight to energy stocks, which led the broader market, and underperformance from the index's materials stocks.

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## Contribution to Performance vs. Russell 2000 Index



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.

## Attribution (continued)

During the first quarter, individual securities that added the most to relative performance included overweight positions in South Jersey Industries, SpartanNash and The Andersons. Natural gas utility stock South Jersey soared in late February on news that it had agreed to be purchased and taken private in a deal expected to close at the end of 2022. Agricultural name The Andersons recorded record profits for its fourth-quarter 2021, and its stock continued its strong performance by advancing another 30% for the first quarter. The leading detractors for the period included industrials name Griffon and materials name Quaker Houghton, both of which missed on their earnings.

Stock <sup>2</sup>	Sector	1Q 2022 Performance	Russell 2000 Weight	SMDV's Index Weight <sup>3</sup>	Contribution to Relative Performance
<b>Positive Contributors</b>					
South Jersey Industries, Inc.	Utilities	33.47%	0.11%	1.27%	0.44%
SpartanNash Co	Consumer Staples	28.95%	0.04%	1.25%	0.43%
The Andersons, Inc.	Consumer Staples	30.30%	0.05%	1.33%	0.43%
<b>Negative Contributors</b>					
Griffon Corp.	Industrials	-29.39%	0.04%	0.99%	-0.25%
Ovintiv Inc.	Energy	61.18%	0.41%	0.00%	-0.21%
Quaker Houghton	Materials	-24.98%	0.10%	1.00%	-0.19%

SMDV's index focuses on companies within the Russell 2000—quality companies that have not just paid dividends but grown them for at least 10 consecutive years. As a group, SMDV's holdings generally have had stable earnings, solid fundamentals, and strong histories of profit and growth. SMDV's strategy has a demonstrated history of weathering market turbulence over time by capturing a significant portion of the gains of rising markets and fewer of the losses in falling markets.

Sources: FactSet, Bloomberg. SMDV's total operating expenses are 0.40%. <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>SMDV's average index weight from 1/1/22 to 3/31/22.

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

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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.

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