



# Supply Chain Logistics ETF (SUPL): Companies Moving Global Trade Forward

## Key Takeaways:

- **Growing pressure** on the supply chain has ignited rapid change across the industry.
- **Technological transformation** is heralding the next era of supply chain logistics.
- **Leaders in global logistics** are poised to potentially thrive in this changing landscape.
- **ProShares Supply Chain Logistics ETF (SUPL)** offers a liquid and convenient way to invest in the supply chain logistics opportunity.

## Get End-to-End Exposure to the Entire Supply Chain

Supply chain logistics companies include global shipping, railroad, air cargo, trucking, technology and brokerage companies that collectively touch every point of the supply chain and move raw materials and goods around the world. Many of these companies are undergoing significant transformation and may be an attractive investment opportunity.



### Sea

Cost-efficient container ships move goods around the world



### Rail

Moves freight coast to coast across continental networks



### Air

Meets tight deadlines by moving sizable distances within hours



### Road

24/7 moving of items from ports to warehouses and retailers anywhere



### Last Mile

Meets critical demand to quickly bring packages to doorsteps



### Software

Tracks items, manages the flow of products and solves problems on the fly

## New Trends Are Reshaping Supply Chain Processes

Today, the spotlight on the supply chain is brighter than ever, precipitating a number of significant changes including a swing in demand for manufactured goods, volatility in consumption and spending patterns, and labor and material shortages.<sup>1</sup>

In pursuit of efficiency and resilience, companies across the supply chain have been and are fundamentally transforming the way they operate. Some of these changes are:

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**Implementing just-in-time delivery models**

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**Onshoring more manufacturing work**

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**Localizing production of many critical goods**

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**Digitizing delivery, tracking, and the customer experience**

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## New Technologies Are Evolving Traditional Industries



### Robotics, Automation, and Algorithms:

Automation is helping companies rein in costs, improve margins and increase the efficiency of moving, packing, loading, and tracking goods.

#### The results:

These advances are compressing costs and increasing margins for logistics companies.

- Warehouse automation could **drive costs down 40%** for logistics companies.<sup>2</sup>
- Automating trucks moving to and from warehouses **may save 45%** in operating costs.<sup>2</sup>
- Robots can result in as much as a **3X or 4X improvement** in average warehouse picker productivity.<sup>3</sup>



### Artificial Intelligence (AI) and Analytics:

Harnessing massive amounts of data helps companies improve transparency and make faster, smarter decisions—from inventory optimization to product performance.

#### The results:

Early adopters implementing AI in supply chain operations are:

- **Improving logistics costs by 15%**<sup>4</sup>
- **Improving service levels by 65%**<sup>4</sup>
- **Improving inventory levels by 35%**<sup>4</sup>
- **Improving employee productivity by 20%**<sup>4</sup>



## Digital Twins:

Creating virtual replicas of physical assets to improve forecasts of asset utilization, repair and replacement cycles, capacity, and costs.

### The results:

Early adopters seem capable of:

- **Reducing inventory by 5%** <sup>5</sup>
- **Reducing capital expenditure up to 10%** <sup>5</sup>

## Current Supply Chain Logistics Companies May Benefit

Supply chain logistics is a capital-intensive industry with high barriers to entry. Expanding capacity in logistics often involves acquiring or manufacturing container ships, rail cars, warehouses, airplanes, or a truck fleet. Likewise, technological advancement often involves making large-scale investments. Therefore, companies with size and strength may be best positioned to innovate and implement the needed changes to meet the evolving demands of the supply chain.

What distinct advantages do these companies have that may allow them to succeed?



**High fixed-cost  
barriers to entry**



**Significant  
economies of scale**



**Head start on applying  
learnings from other industries**

## ProShares Supply Chain Logistics ETF

ProShares Supply Chain Logistics ETF (SUPL) is the first ETF focused exclusively on the companies that may benefit from the transformation of how raw materials and goods move around the world. These logistics companies include leading global shipping, railroad, air and trucking companies that collectively touch every point of the supply chain.

To learn more about this ETF and our other thematic funds, please visit [ProShares.com](https://www.proshares.com).

## Have Questions?

Financial professionals can contact ProShares at **866-776-5125** or email [info@proshares.com](mailto:info@proshares.com) for additional information about this ETF and our other thematic funds.

<sup>1</sup> FRED Personal Consumption Expenditures (PCE), February 2022; Council on Foreign Relations, "What Happened to Supply Chains in 2021?," December 2021

<sup>2</sup> Shipware, "How Logistics Automation Cuts Costs," May 2020

<sup>3</sup> Vox, "How Robots Are Transforming Amazon Warehouse Jobs—for Better and Worse," December 2019

<sup>4</sup> ASCM Insights, "Optimize Your Supply Chain with AI and ML," January 2022; IDC, "IDC Reveals India Artificial Intelligence Predictions for 2022 and Beyond; Large Enterprises to Expand AI Usage for Critical Horizontal Functions," March 2022

<sup>5</sup> BCG, "Conquering Complexity in Supply Chains with Digital Twins," January 2020

## Important Information

Any forward-looking statements herein are based on expectations of ProShare Advisors LLC at this time. Whether or not actual results and developments will conform to ProShare Advisors LLC's expectations and predictions, however, is subject to a number of risks and uncertainties, including general economic, market and business conditions, changes in laws or regulations or other actions made by governmental authorities or regulatory bodies, and other world economic and political developments. ProShare Advisors LLC undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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