



PROSHARES LONG ONLINE/SHORT STORES ETF

The Growth of Online Retail and the Changing Retail Landscape

The retail landscape is changing

The rapid growth of e-commerce points to a shift in consumer buying habits that is transforming the retail landscape and creating opportunity for investors. Shoppers are moving out of the aisles and onto the Internet—going from J.C. Penney and Macy's to Amazon and Alibaba.

Retail disruption could be a long-term trend

Key indicators suggest that the transformation of retail could continue for years.

- In 2021, global e-commerce sales are expected to account for almost 20% of all retail sales, reaching almost \$5 trillion.
- The Washington Post reported that as of April 2021, nearly 200 department stores had closed in the U.S. over the past year, and another 800 could close by 2025.

Online retail is soaring



Globally, e-commerce accounts for just under 20% of retail sales, indicating further room for growth.

Amazon's net sales increased 44% to \$108.5 billion from Q1 2020 to Q1 2021.

In the U.S., online retail could account for almost 24% of sales by 2025.



Bricks-and-mortar retailers are struggling

80,000 U.S. retailers are expected to permanently close by 2026, according to an April 2021 research note from UBS.



Forecasts estimate a potential 20% reduction in total U.S. retail square footage by 2025.



30 traditional retailers, such as Sur La Table, Century 21, and Aldo filed for bankruptcy in 2020, up from 17 in 2019.

An ETF Designed to Benefit from Retail Disruption

ProShares Long Online/Short Stores ETF (CLIX) is the first ETF designed to help investors benefit from both sides of retail's transformation—toward online shopping and away from stores.

- CLIX combines a 100% long position in leading online retailers with a 50% short position in those that rely principally on physical stores.
- The fund has the potential to benefit both from outperforming online companies and underperforming bricks-and-mortar stores.
- A potential advantage is that the long and short positions may offset one another, resulting in a lower net exposure to the direction of the market.

ProShares Long Online/Short Stores Index

The index works by combining two specialized retail indexes into one. It is 100% long the ProShares Online Retail Index, which tracks retailers that primarily sell online or through other non-store channels, and 50% short the Solactive-ProShares Bricks and Mortar Retail Store Index that brings together traditional in-store retailers. The positions are rebalanced monthly.

100% LONG

Retailers in the ProShares Online Retail Index include U.S. and non-U.S. companies. To be eligible, a retailer must:

- Be classified as an online retailer, an e-commerce retailer, or an internet or direct marketing retailer, according to standard industry classification systems.
- Have a market capitalization of at least \$500 million.
- Have a six-month daily average value traded of at least \$1 million and meet other requirements.

When the index is rebalanced, it is weighted so that no company may exceed 24% of the value of the index, the sum of companies individually weighing more than 4.5% may not exceed 50% of the value of the index, and the total weight of all non-U.S. companies will be capped at 25% of the value of the index.

The index uses a modified market-cap weighting approach, is rebalanced monthly and is reconstituted annually.

50% SHORT

To be included in the Solactive-ProShares Bricks and Mortar Retail Store Index, a retailer must:

- Be characterized as receiving at least 50% of its revenue from retail operations.
- Receive 75% or more of its retail revenues from in-store sales.
- Be a U.S. company.

In addition, a retailer must have a market capitalization of at least \$500 million, a six-month daily average value traded of at least \$1 million, and meet other requirements.

The index is equally weighted, rebalanced monthly and reconstituted annually.

About the ETF

Ticker Symbol: CLIX

Intraday Symbol: CLIX.IV

Bloomberg Index Symbol: PSCLIXTR

Investment Objective: CLIX seeks investment results, before fees and expenses, that correspond to the performance of the ProShares Long Online/Short Stores Index.

Inception: 11/14/2017

Access to the rapidly expanding online retail marketplace

E-commerce sales are growing at a rapid pace and undermining in-store retail as consumer habits change and shoppers move online. As popular as they may seem now, online retailers only account for about 18% of global retail sales, leaving tremendous room for growth.

Short exposure to struggling bricks-and-mortar retailers

Physical retailers are under immense pressure. Over 100 retailers have filed for bankruptcy since 2015.

The power to invest in both retail disruption trends in one ETF

CLIX combines a 100% long position in retailers that primarily sell online or through other non-store channels with a 50% short position in those that rely principally on physical stores. Investors have the opportunity to benefit from both outperforming online and underperforming physical retailers. A potential advantage is that the long and short positions may offset one another, resulting in a lower net exposure to the direction of the market.

Key Considerations

What are long and short exposures?

To be "long" means to have exposure to an asset with the expectation that its value will increase over time. To be "short" means to have exposure to an asset with the expectation that it will fall in value.

Why is CLIX known as a long/short fund?

CLIX combines full 100% long exposure with a partial 50% short position. In a long/short portfolio, the long and short positions may offset one another, resulting in a lower net exposure to the direction of the market.

See prospectus

For more on risks, obtain a prospectus from your financial advisor or visit ProShares.com.

About ProShares

ProShares has been at the forefront of the ETF revolution since 2006. ProShares now offers one of the largest lineups of ETFs, with more than \$55 billion in assets. The company is the leader in strategies such as dividend growth, alternative and geared (leveraged and inverse). ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

Find out more

Visit [ProShares.com](https://www.proshares.com) or consult your financial advisor.

Retail revenue information in the Solactive-ProShares Bricks and Mortar Retail Store Index is based on Kantar Retail LLC data.

Sources include: Proshares; eMarketer, July 2021; The Washington Post, April 2021; Amazon, April 2021; Retail Dive, February 2021; CBRE 2020; UBS research report as noted by CNBC, April 2021; CBInsights, June 2021.

Investing involves risk, including the possible loss of principal. This ProShares ETF is non-diversified and entails certain risks, which may include risks associated with the use of derivatives (such as swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. The fund's short positions are not intended to hedge the portfolio in market downturns, but rather to allow stocks with unfavorable outlooks to contribute to performance. Investments in the consumer discretionary and retailing industries are subject to risks such as changes in domestic and international economies, interest rates, competition and consumer confidence; disposable household income; consumer tastes and preferences; intense competition; changing demographics; marketing and public perception; and dependence on third-party suppliers and distribution systems. Investments in smaller companies typically exhibit higher volatility. The fund invests in international investments, which may involve risks from: geographic concentration, differences in valuation and valuation times, unfavorable fluctuations in currency, differences in generally accepted accounting principles, and from economic or political instability. Please see the summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

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 broker-dealer representative or visit ProShares.com.

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