

# ISPY: First ETF Powered by a Daily Call Options Strategy

ProShares S&P 500 High Income ETF (ISPY) is the first ETF powered by a daily call options strategy. By employing a next-generation covered call strategy based on the stocks of the S&P 500 and daily call options, ISPY provides investors the opportunity to:



**Seek High Income**



**Target S&P 500 Returns Over the Long Term**



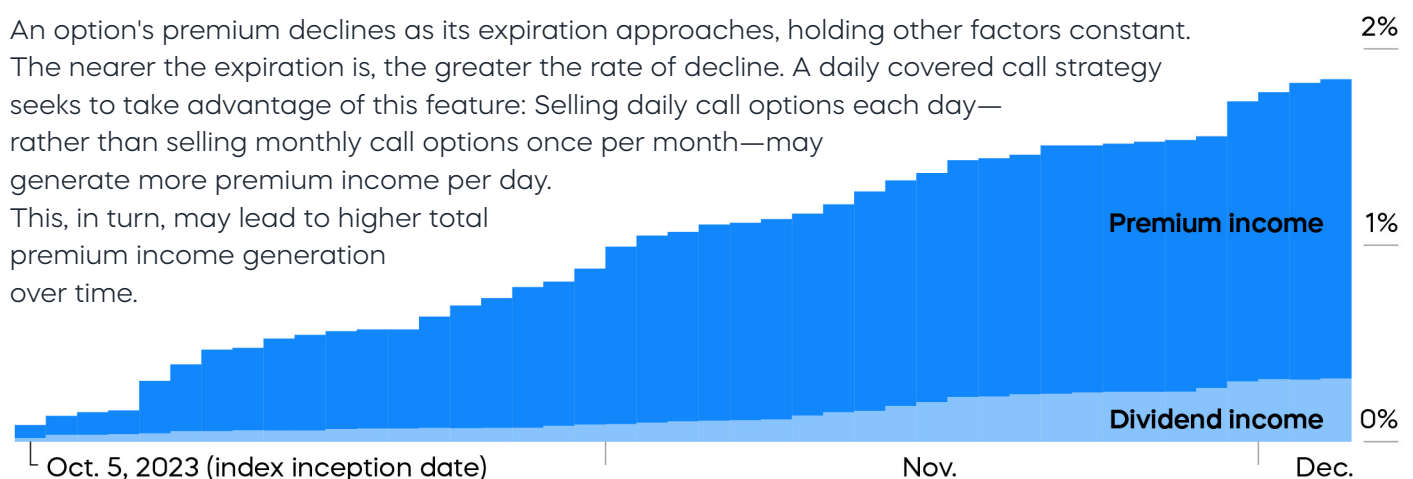
**Capture Returns Traditional Strategies May Sacrifice**

## Revolutionizing Income Investing with Daily Covered Calls

Investors using covered call strategies, which buy stocks and sell call options, face a critical tradeoff: Selling call options in exchange for premiums provides an attractive source of income but caps appreciation potential. ISPY's covered call strategy based on daily call options seeks to improve this tradeoff, allowing ISPY to seek high income, target S&P 500 returns over the long term, and capture returns traditional covered call strategies may sacrifice. Here's how daily call options power ISPY's potential:

### Seek High Income

An option's premium declines as its expiration approaches, holding other factors constant. The nearer the expiration is, the greater the rate of decline. A daily covered call strategy seeks to take advantage of this feature: Selling daily call options each day—rather than selling monthly call options once per month—may generate more premium income per day. This, in turn, may lead to higher total premium income generation over time.



Source: Bloomberg. S&P 500 Daily Covered Call Index – Income Only, 10/5/23 - 12/5/23. Index returns are for illustrative purposes only and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

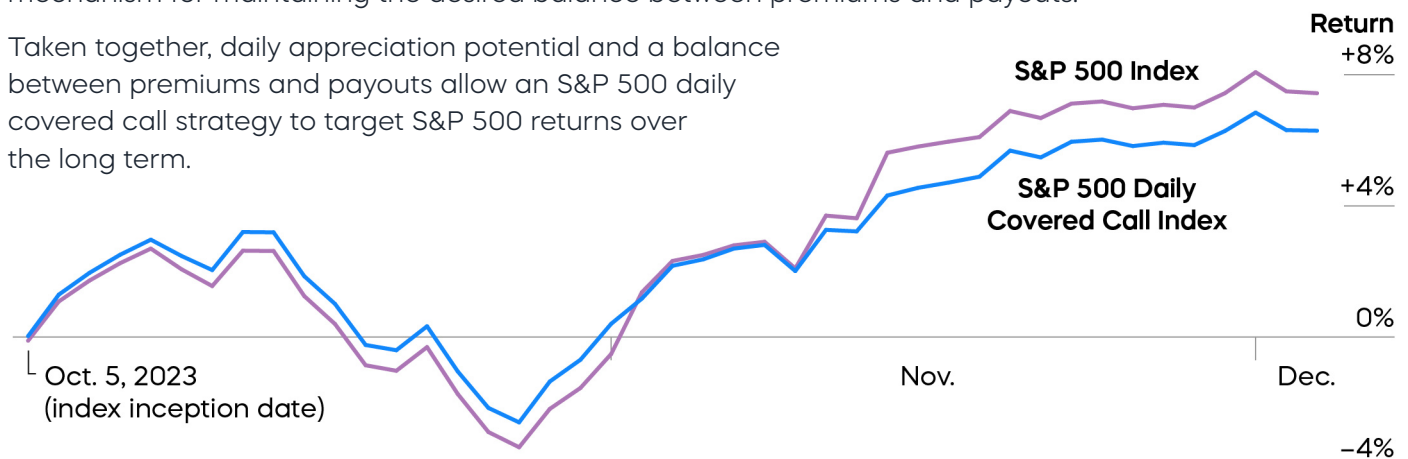
## Target S&P 500 Returns Over the Long Term

Covered call strategies limit appreciation potential by capping the gains of the underlying asset at the strike price of the option. This is because, when the option expires, if the market price of the asset has risen above the option's strike price (so it's "in-the-money"), the seller of the call option owes a payment to the buyer. This "payout" is equal to the difference between the asset's market price and the option's strike price. Once asset appreciation beyond the strike price occurs, the strategy's ability to appreciate is effectively capped by the payout.

For a monthly covered call strategy, this can be a significant drawback if the value of the asset goes above, and stays above, the strike price early in the month. The strategy could potentially be unable to participate in gains for days, or weeks, until the call option expires and a new call option is sold, resetting the cap.

A daily covered call strategy seeks to overcome this by selling daily call options each day—a move that resets the cap. This allows the strategy the opportunity to participate in asset appreciation, up to the strike price, each day that it occurs. Additionally, selling call options each day acts as a rebalancing mechanism for maintaining the desired balance between premiums and payouts.

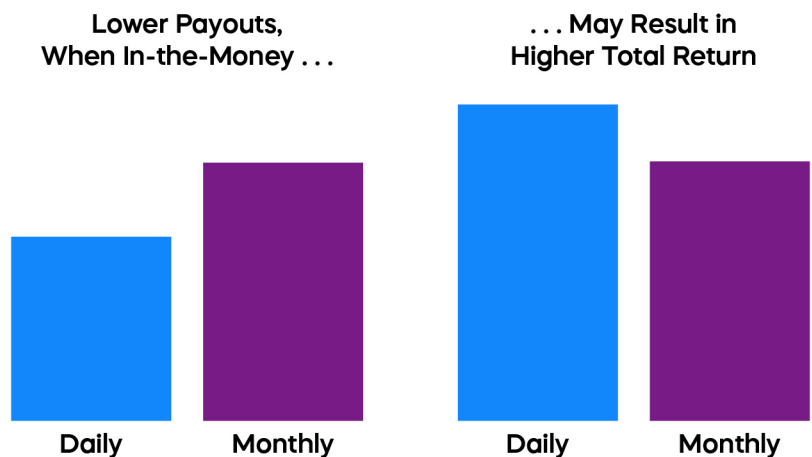
Taken together, daily appreciation potential and a balance between premiums and payouts allow an S&P 500 daily covered call strategy to target S&P 500 returns over the long term.



Source: Bloomberg. 10/5/23 - 12/5/23. Index returns are for illustrative purposes only, show only a 60 day period since index inception, and are not indicative of future results or performance over longer periods of time. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

## Seek to Capture Returns Traditional Covered Call Strategies May Sacrifice

The longer the life of an option, the more time the underlying asset has to compound. As a result, a monthly call option typically faces more costly payouts than an otherwise equivalent daily call option. Selling daily call options can help avoid the typically more costly payouts of monthly call options, allowing a daily covered call strategy the potential to outperform an otherwise equivalent monthly covered call strategy.



For illustrative purposes only; does not represent actual payouts or returns. There can be no guarantee that a daily strategy results in lower payouts or higher total returns over short or long-term periods. Monthly call option strategies may outperform daily call option strategies in certain market conditions.

## With ISPY, investors can seek high income and target S&P 500 returns over the long term

ISPY is the first ETF powered by a daily call options strategy and offers investors the potential to earn high income and capture a long-term total return similar to that of the S&P 500. ISPY may be an attractive alternative to traditional covered call ETFs, where investors may sacrifice long-term return potential in order to strive for high income.

### Key Product Features

<b>S&amp;P 500 Index</b> Bellwether gauge of large-cap U.S. stocks	<b>Daily Call Options Strategy</b> Efficient income generation potential
---	---

### About the ETF

Ticker Symbol:	<b>ISPY</b>
Intraday Symbol:	<b>ISPY.IV</b>
Bloomberg Index Symbol:	<b>SP500DCC</b>
Investment Objective:	<b>ISPY seeks investment results, before fees and expenses, that track the performance of the S&amp;P 500 Daily Covered Call Index.</b>
Inception:	<b>12/18/23</b>

### 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 \$65 billion in assets. The company is the leader in strategies such as dividend growth, interest rate hedged bond and geared (leveraged and inverse) ETF investing. ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

### Have Questions?

Financial professionals can contact ProShares at **866-776-5125** or email **info@proshares.com** for additional information about ISPY and other funds.

## Important Information

The Fund seeks to replicate a daily covered call strategy by investing in equity securities and derivatives. The Fund does not sell (write) call options.

This is not intended to be investment advice.

**Investing involves risk, including the possible loss of principal.** This ProShares ETF is non-diversified and entails certain risks, including risks associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, and market price variance, all of which can increase volatility and decrease performance. Please see summary and full prospectuses for a more complete description of risks on ProShares.com. Shares of any ETF are generally bought and sold at market price (not NAV) and are not individually redeemed from the fund. Your brokerage commissions will reduce returns.

**There is no guarantee any ProShares ETF will achieve its investment objective.** The performance of the Fund may not correspond to the performance of the S&P 500 Index and the Fund may not be successful in generating income for investors.

The S&P 500 Daily Covered Call Index replicates the performance of a covered call investment strategy that combines a long position in the S&P 500 Index with a short position in S&P 500 Index call options. In particular, the index is designed to replicate a daily covered call strategy that sells call options with one day to expiration each day. The Fund intends to make distributions each month of an amount that reflects the dividends and call premium income earned by a daily S&P 500 Index covered call strategy (net of expenses). There can be no guarantee that the Fund will make such distributions and the amount of such distributions, if any, may vary significantly from month to month. Some or all of such distributions may be characterized as a return of capital.

**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 at ProShares.com**

"The S&P 500 Daily Covered Call Index" is a product of S&P Dow Jones Indices LLC and its affiliates and has been licensed for use by ProShares. "S&P®" is a registered trademark of Standard & Poor's Financial Services LLC ("S&P") and "Dow Jones®" is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and its affiliates. ProShares have not been passed on by S&P Dow Jones Indices LLC and its affiliates as to their legality or suitability. ProShares based on the S&P 500 Daily Covered Call Index are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates, and they make no representation regarding the advisability of investing in ProShares. **THESE ENTITIES AND THEIR AFFILIATES MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO PROSHARES.**

ProShares ETFs (ProShares Trust and ProShares Trust II) are distributed by SEI Investments Distribution Co., which is not affiliated with the funds' advisor or sponsor.

©2023 PSA BR-2023-6169160.1