

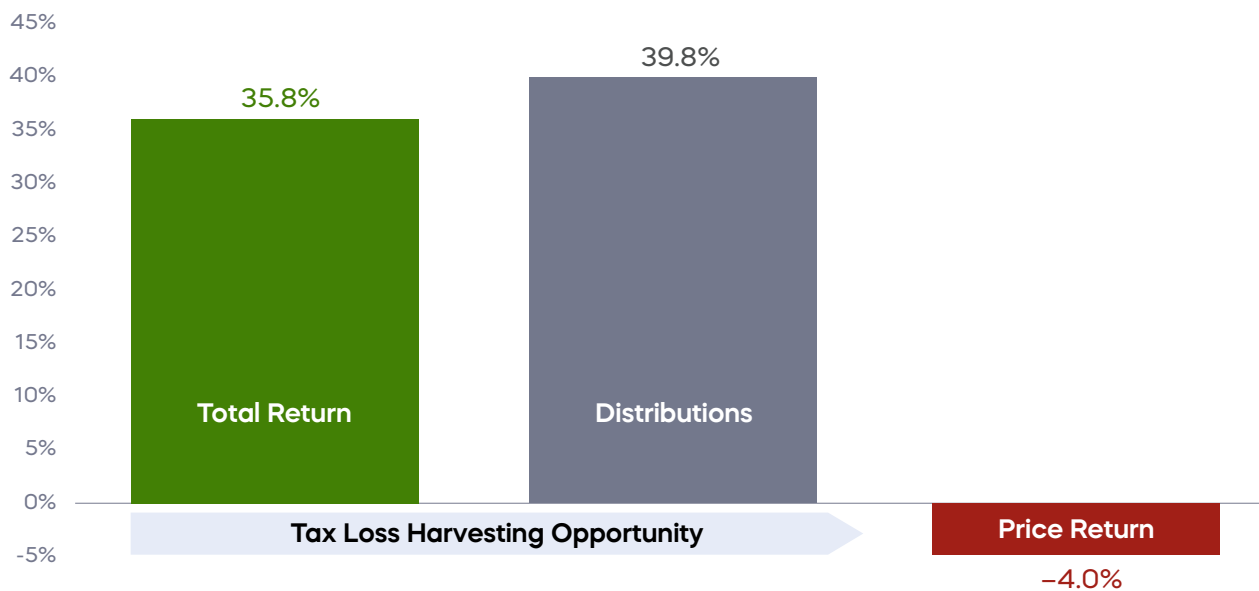


Tax-Loss Harvesting Opportunity: Covered Call ETFs

Tax-loss harvesting—a process of selling investments with losses to offset capital gains elsewhere—can be a valuable strategy for investors to reduce their potential tax liabilities. A tax swap is a specific strategy utilized in taxable accounts that involves selling a losing investment and buying an investment with similar, but not identical, investment characteristics. By doing this, a capital loss is realized that can be used to offset capital gains realized from other investments, potentially reducing the taxes an investor owes.

A unique and often overlooked tax-loss selling strategy is even possible when certain investments have experienced **positive total returns**. For example, some covered call ETFs have made taxable distributions that are greater than their total return, resulting in a **negative price return**—and a potential tax-loss harvesting opportunity for investors.

Negative Price Returns for Covered Call ETFs May Create an Opportunity for Tax-Loss Harvesting



Source: Morningstar, Bloomberg, ProShares calculations. Based on covered call ETFs with a minimum of four years of price performance history in the Morningstar Derivatives Income Category. Total returns assume reinvestment based on market price; distribution is the implied difference between total return and price return. Net assets as of 10/3/24. The return period is 9/30/21-9/30/25. Total returns assume reinvestment based on market price. Distribution is the implied difference between total return and price return. Distributions are assumed to be taxable.

If your covered call ETF's share price is below its cost basis (illustrated above), consider harvesting a tax loss and repositioning your equity income allocation with a ProShares High Income ETF.

By utilizing a next-generation daily covered call strategy, ProShares' suite of innovative High Income strategies can potentially improve the tradeoff between income and total returns, and provide the opportunity to:

- ✓ Seek high levels of income
- ✓ Target the returns of the S&P 500, Nasdaq-100, or Russell 2000 over the long-term
- ✓ Potentially capture the returns that monthly covered call strategies may sacrifice

High Income ETFs

ISPY

S&P 500 High Income ETF

ProShares S&P 500 High Income ETF seeks investment results, before fees and expenses, that track the performance of the S&P 500 Daily Covered Call Index.

IQQQ

Nasdaq-100 High Income ETF

ProShares Nasdaq-100 High Income ETF seeks investment results, before fees and expenses, that track the performance of the Nasdaq-100 Daily Covered Call Index.

ITWO

Russell 2000 High Income ETF

ProShares Russell 2000 High Income ETF seeks investment results, before fees and expenses, that track the performance of the Cboe Russell 2000 Daily Covered Call Index.

→ Interested in learning more?

Visit [ProShares.com](https://proshares.com) to learn more about ProShares High Income ETFs. Additionally, financial professionals can contact ProShares at 866-776-5125 or email info@proshares.com for additional information about ProShares investment products.

This material is not intended to be tax or investment advice. Tax consequences may vary by individual taxpayer. For specific tax advice, we recommend you speak with a qualified tax professional. There is no guarantee dividends will be paid.

Investing involves risk, including the possible loss of principal. ProShares ETFs are generally non-diversified and each entails certain risks, which may include risk associated with the use of derivatives (swap agreements, futures contracts and similar instruments), investments in smaller companies, imperfect benchmark correlation, leverage 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. **There is no guarantee any ProShares ETF will achieve its investment objective.**

ProShares High Income ETFs gain exposure to the sale of daily call options using swap agreements and do not trade options.

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).

The Nasdaq-100® Daily Covered Call Index replicates the performance of a covered call investment strategy that combines a long position in the Nasdaq-100 Index with a short position in Nasdaq-100 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 Nasdaq-100 Index covered call strategy (net of expenses).

The Cboe Russell 2000 Daily Covered Call Index replicates the performance of a covered call investment strategy that combines a long position in the Russell 2000 Index with a short position in Russell 2000 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 Russell 2000 Index covered call strategy (net of expenses).

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. Obtain them from your financial professional or visit ProShares.com. Read them carefully before investing.

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