

# Introducing BUYB: The S&P 500 Buyback Aristocrats

## Key Observations

- The S&P 500 Buyback Aristocrats Index tracks companies that have consistently reduced their shares outstanding for at least 10 consecutive years.
- Consistent share repurchases can be a more powerful signal than an individual buyback.
- Together, Buyback Aristocrats and Dividend Aristocrats identify a comprehensive universe of quality companies with a commitment to shareholders.
- ProShares S&P 500 Buyback Aristocrats ETF (BUYB) is the only ETF focused exclusively on the S&P 500 Buyback Aristocrats.

## Why Are Buyback Strategies Appealing?

Dividends have historically been the dominant method by which companies returned capital to shareholders. Share repurchases have only recently surpassed cash dividends as the primary form of corporate payout in the United States. Investor interest in buyback strategies has grown rapidly as a result.

- The category attracted roughly \$1 billion in flows in 2025 and now totals over \$3 billion in assets.<sup>1</sup>

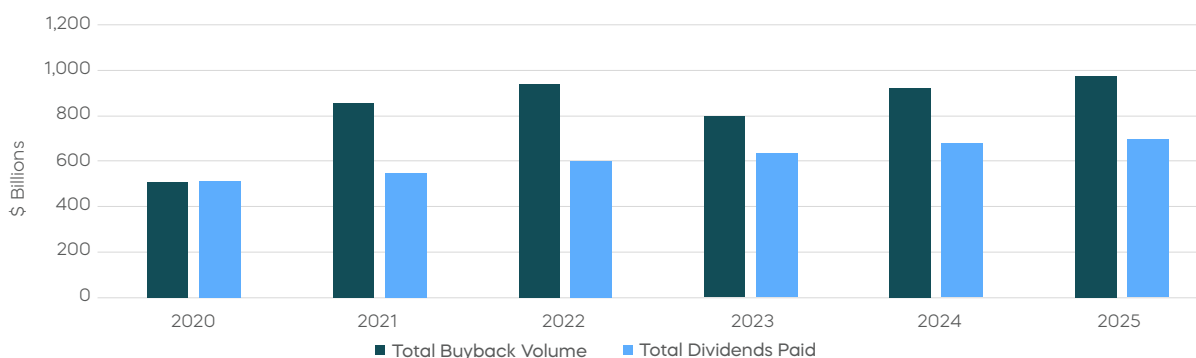
Share buybacks can also provide several distinct advantages to shareholders.

- Earnings per share typically increase when the outstanding share count is reduced (even if total corporate profits don't change).
- Buybacks are generally more tax efficient. Unlike dividends, which are taxed immediately, buybacks allow shareholders to defer taxes—typically at lower capital gains rates—until they sell their shares.
- Many investors see buybacks as a signal from management about their confidence in the strength of the underlying business.

Buybacks can be sporadic, however, with their volume typically rising and falling in parallel to the markets. There is also an opportunity cost to buybacks. The cash a company uses to repurchase its stock could otherwise be used for corporate initiatives with potentially higher returns. An individual buyback may also indicate more about how a company performed last year rather than next year.

<sup>1</sup> Source: Bloomberg, as of December 2025.

## Buybacks Have Exceeded Dividends Paid for S&P 500 Stocks



Source: FactSet, data from 1/1/20 to 12/31/25.

## What to Know About the S&P 500 Buyback Aristocrats Index

The S&P 500 Buyback Aristocrats Index represents the next generation of buyback-focused investing. Other strategies simply focus on companies with the highest recent repurchase activity. But the Buyback Aristocrats focuses on firms that have consistently reduced their net share count for a minimum of 10 consecutive years.

For investors, a Buyback Aristocrats strategy identifies companies that treat share repurchases not as opportunistic, one-off actions, but as a core, repeatable capital allocation policy.

A consistent buyback strategy demonstrates a company's long-term commitment to enhancing value for its shareholders and signals confidence in the future strength of the business.

## Why Are Consistent Buybacks Important?

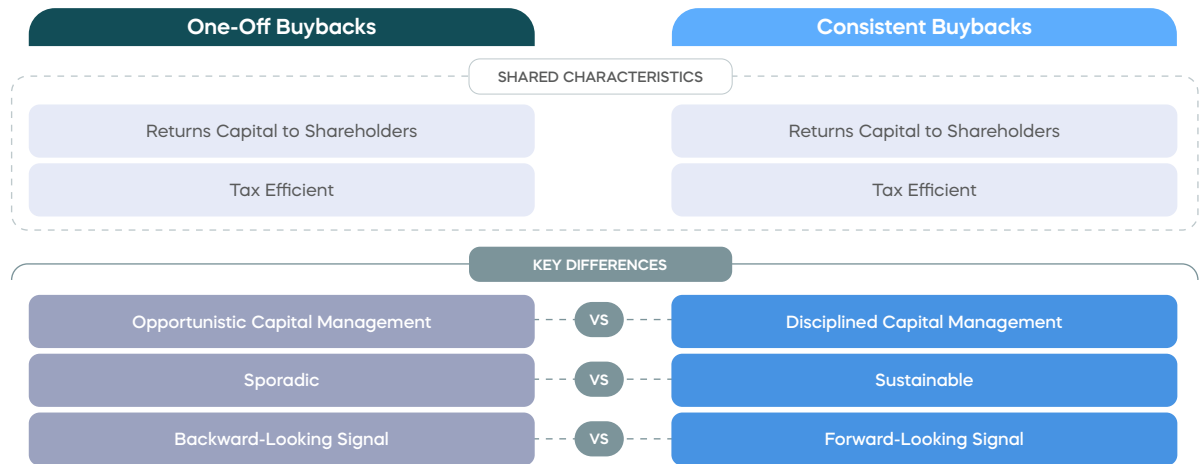
Consistent buybacks can reveal important attributes about an organization:

- **Quality:** A company's ability to regularly buy back its shares over time can be a signal of its ability to consistently generate strong cash flow—a key indicator of company health.
- **Disciplined Management:** A sustained stock repurchase program suggests that a company maintains a structured capital allocation framework, rather than simply reacting to market conditions.
- **Shareholder Alignment:** By consistently reducing its share count over long periods of time, a company provides proof that its interests are financially aligned with those of its investors.

## The Aristocrats Advantage

Much as the S&P 500 Dividend Aristocrats addressed a gap in dividend-focused strategies—that irregular payments or high dividend yields were not necessarily reflective of company quality—the Buyback Aristocrats does the same for share repurchase strategies.

For buyback strategies specifically, consistency may be even more important. Dividend cuts are punished by markets, building in an incentive to raise dividends only if they are sustainable. A buyback is not typically seen as a forward-looking commitment by markets. By introducing the Aristocrats' consistency requirement, the S&P 500 Buyback Aristocrats can help identify companies delivering more of the potential benefits of buyback strategies.



By identifying both companies that consistently grow their dividends and companies that consistently buy back their stock, Buyback Aristocrats and Dividend Aristocrats identify a comprehensive universe of quality companies with a commitment to shareholders.

## The Takeaway

The S&P 500 Buyback Aristocrats Index represents the next generation of buyback investing, focusing on companies with a demonstrated history of consistently reducing their net shares outstanding. It's a compelling approach to investing in quality companies with a commitment to returning cash to shareholders.

## Learn More

# BUYB

## S&P 500 Buyback Aristocrats ETF

Seeks investment results, before fees and expenses, that track the performance of the S&P 500® Buyback Aristocrats® Index.

## Important Information

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