

PAWZ PROSHARES PET CARE ETF

The case for investing in the pet care industry

Pet ownership is growing

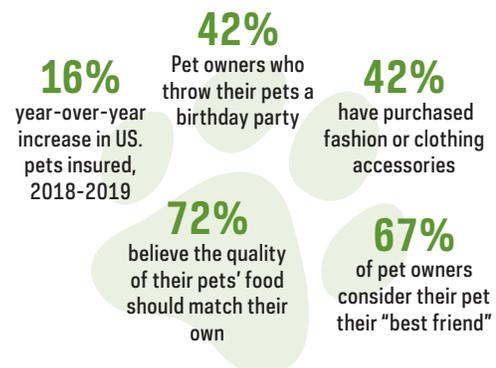
Roughly 67% of U.S. households have pets, up from 56% in 1988 according to the American Pet Products Association (APPA). In fact, more households have pets than have children. And it's not just a U.S. trend—similar growth is taking place internationally.



Sources: APPA 2019-2020 National Pet Owners Survey; Bureau of Labor Statistics data.

More and more, owners are caring for pets like family

For many pet owners, their animals have become part of the family. They want their pets' lives to be as happy, healthy and fulfilling as their own, and they will likely spare little expense to ensure it. Pet owners are spending billions on premium-quality foods, state-of-the-art health care, insurance policies, luxury services and more.



Sources: NAPHIA; I and love and you.

The pet care industry is thriving

Pet care in this country has seen nearly triple the percentage growth of GDP since 2007, increasing even during the Great Recession. Meanwhile, a similar boom has been building internationally. The global pet care industry is expected to grow from \$190 billion in 2018 to as much as \$270 billion by 2025.

Corporate interest is intensifying, too. More than 80 mergers and acquisitions in 2019 indicate that companies are attracted to and investing in this dynamic opportunity.



Source: Global Market Insights. Growth and other pet industry trends may not continue or may reverse.

PAWZ: ProShares Pet Care ETF

PAWZ is the first ETF focused on the pet care industry. PAWZ gives investors the opportunity to gain broad exposure to public companies in the global pet care industry—companies that stand to potentially benefit from the proliferation of pet ownership, and the emerging trends affecting how we care for our pets.

What PAWZ invests in

The pet care industry includes companies with broad-ranging products and services. They span a variety of subindustries that support pet owners and the evolving ways in which they provide for their pets' health and well-being.

Screening for pet care companies

For PAWZ, pet care companies are identified using the methodology of the FactSet Pet Care Index. The index currently consists of 25 companies that provide exposure to potential growth within the pet care industry.

Key pet care subindustries

To be eligible for the FactSet Pet Care Index, FactSet requires that a company meets at least one of the following criteria:

- The company's principal revenue source is from one of eight FactSet Reverse Business Industry Classification System subindustries—"RBICS subindustries" for short; or
- The company generates at least \$1 billion in annual revenue from at least one of the eight RBICS subindustries; or
- The company's principal business is identified by FactSet as being pet care related, but for which an appropriate RBICS subindustry has not yet been created (e.g., pet insurance).

Eight FactSet pet care subindustries



More about the FactSet Pet Care Index

- Both U.S. and international companies are included in the index.
- The index is rebalanced monthly and reconstituted annually.
- At rebalance, the companies whose principal revenue source comes from pet care related products or services will make up 82.5% of the portfolio, while companies that generate \$1 billion or more (but not a principal source) of their revenue from RBICS subindustries will make up 17.5% of the index. The index uses a modified market cap methodology.

About the ETF

Ticker Symbol: PAWZ

Intraday Symbol: PAWZ.IV

Bloomberg Index Symbol: PETCARE

Investment Objective: PAWZ seeks investment results, before fees and expenses, that track the performance of the FactSet Pet Care Index.

Inception: 11/5/2018

Key takeaways

PAWZ is the first ETF that allows investors to capitalize on people's passion for their pets

- Approximately seven out of 10 U.S. households today have pets, more than have children, and owners are providing pets with premium foods, luxury services, state-of-the-art health care, insurance policies and more.
- The pet care industry could reach \$270 billion in global sales by 2025. It has grown steadily every year since 2001, even during the Great Recession.
- PAWZ invests in a range of companies that stand to potentially benefit from the proliferation of pet ownership, and the emerging trends affecting how we care for our pets.

Key potential risks

Performance

There is no guarantee that the fund or its index will achieve intended objectives.

Pet care industry risk

The fund is subject to the risks faced by companies in the pet care industry. Although the pet care industry has historically seen steady growth and has been resilient to economic downturns, these trends may not continue or may reverse.

Consumer preferences

Changing consumer preferences could have a negative impact on the revenue streams of companies in the pet care industry.

Non-diversification risk

Narrowly focused investments typically exhibit higher volatility.

See prospectus

For more on risks, obtain a prospectus from your financial professional 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 \$45 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 professional.

Sources: ProShares; APPA, 2019-2020 National Pet Owners Survey (% with pets, # U.S. households with pets, 7 of 10 U.S. households); NAPHIA; Bureau of Labor Statistics data (households with children); I and love and you (pet owner survey); The Economist (international pet ownership growth); Global Market Insights (pet industry growth, 2018-2025); St. Louis Fed.

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