



Everything You Need to Know about the 2024 Bitcoin Halving

The halving, which took place on April 19, 2024, slashed mining rewards from 6.25 to 3.125 bitcoins. The fourth such occurrence in bitcoin's history, the event marked a critical juncture that historically has been associated with notable price fluctuations and increased investor interest. Here is everything you need to know about this key milestone.

What is Bitcoin “Halving”?

Bitcoin halving is designed to control the supply of new bitcoin entering circulation. Bitcoin operates on a decentralized network where transactions are verified and added to the blockchain ledger by miners. These miners are rewarded with bitcoin for their computational efforts, which in turn introduces new coins into circulation. The term “halving” refers to the scheduled reduction by half of these mining rewards. By reducing the rate at which new bitcoin are created, halving creates scarcity and limits the total supply of bitcoins that will ever exist. This controlled supply is a fundamental aspect of bitcoin’s design and contributes to its appeal for many investors.

Why does Halving Matter?

The previous bitcoin halvings occurred in November 2012, July 2016, and May 2020. Historically, the price of bitcoin has increased immediately prior to, as well as after, these halving events.

For example, in the 30 days preceding the July 9, 2016 halving event, bitcoin’s price rose from \$574.63 to \$650.96, a 13% increase. In the 30 days preceding the May 11, 2020 halving event, bitcoin’s price rose from \$6,859.08 to \$8,601.80, a 25% increase. The total calendar year returns for bitcoin in 2016 and 2020 were 124% and 303%, respectively. The 30 day performance prior to the 2024 halving has been less pronounced, rising 1%, though bitcoin's year to date price has increased 46%.

How often do halvings occur?

Halvings occur approximately once every four years, and they are expected to continue until the year 2140, when the amount of bitcoin in circulation is forecast to reach its maximum supply.

What is the maximum supply of bitcoin?

With a capped supply of 21 million bitcoin, halvings represent a step closer to bitcoin’s max supply limit.

What is the current award for mining bitcoin?

The current award for mining bitcoin is 3.125 BTC (down from 6.25 BTC prior to the April 2024 halving event).

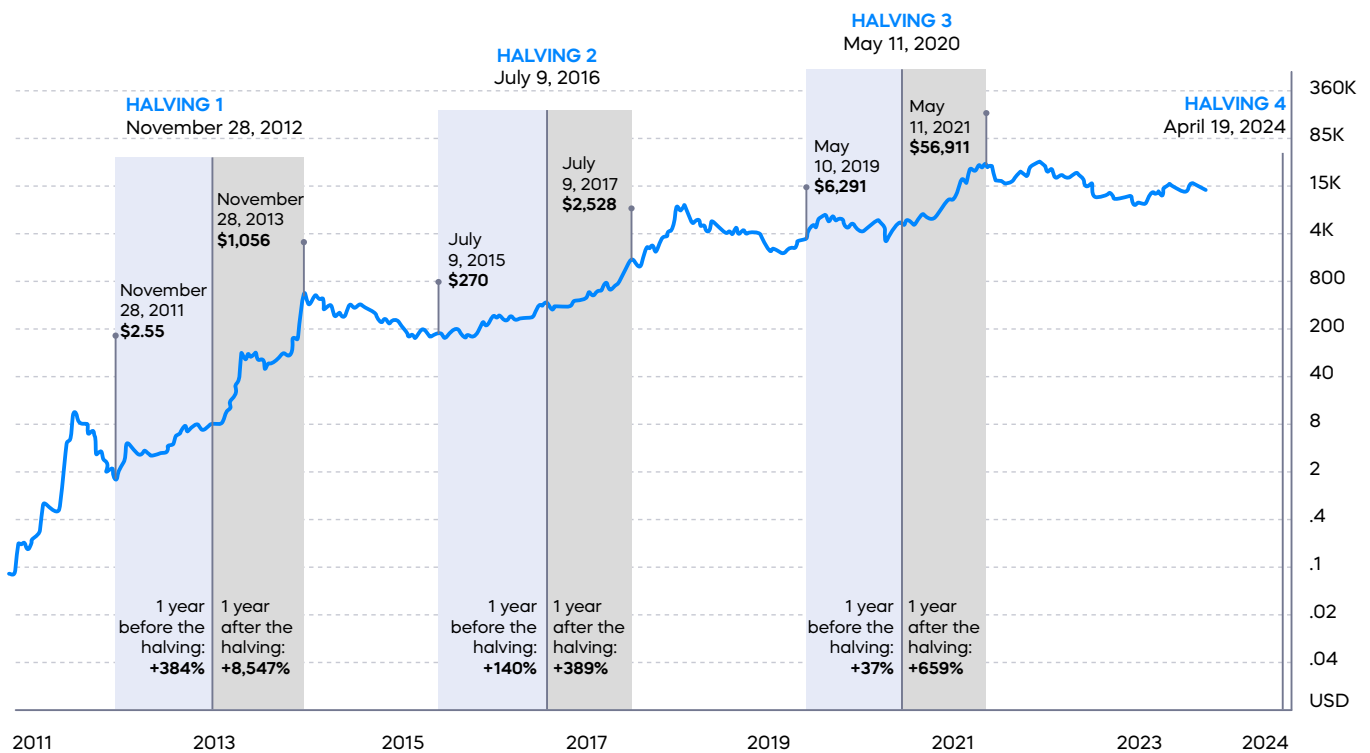
Historically, Bitcoin Has Rallied Before *and* After Halving Events

	1 Year Before	1 Month Before	Halving Event	1 Month After	1 Year After
Halving 1 Nov 28, 2012	\$2.55	\$11	\$12	\$13	\$1,056
Halving 2 July 9, 2016	\$270	\$575	\$649	\$586	\$2,528
Halving 3 May 11, 2020	\$6,291	\$6,797	\$8,636	\$9,341	\$56,911

Source: Bloomberg

Refer to the graph below for bitcoin rallies before and after halving events.

Bitcoin Halvings: History of BTC Prices



Source: Bloomberg, as of 12/31/23. Past performance does not guarantee future results.

What to expect.









The reduction in the supply of new bitcoin resulting from halving, coupled with potential increased demand, can create a supply-demand imbalance that may contribute to price appreciation. However, it's important to note that the halving itself is not the sole factor influencing bitcoin's price. Other market factors, investor sentiment, and macroeconomic conditions can also play significant roles in the price of bitcoin increasing or decreasing around halving events.

Investors should focus on the potential for increased volatility, possible consolidation within the mining industry, and potentially consequential shifts in the broader cryptocurrency market:

- **Increased volatility.** As evidenced by past data, bitcoin has experienced significant price moves during halving years. While, historically, those moves have been higher, the opposite could occur.
- **Consolidation within the bitcoin mining industry.** Lower block rewards may impact less-efficient miners' profitability, possibly causing some to cease operations.
- **Potential for higher prices in other cryptocurrencies.** While the halving is specific to bitcoin, other cryptocurrencies have made notable moves during halving years as well. Ether, which has historically maintained a strong correlation to bitcoin prices, rose from \$129.63 to \$737.80 during the 2020 halving, a 469% increase.

ProShares, a global leader in crypto-linked ETFs, offers a broad suite of products to help investors target the performance of the world's largest cryptocurrencies, and position their portfolios in response to the April 2024 halving event.

ProShares Crypto-Linked ETFs

 BITO	 EETH	 BETE	 BETH
Bitcoin Strategy ETF Targets the performance of bitcoin	Ether Strategy ETF Targets the performance of ether	Bitcoin & Ether Equal Weight Strategy ETF Targets the equal weighted performance of bitcoin and ether in a single investment	Bitcoin & Ether Market Cap Weight Strategy ETF Targets the market cap weighted performance of bitcoin and ether in a single investment
 BITI	 SETH	 SBIT	 BITU
Short Bitcoin Strategy ETF Provides an opportunity to profit when the daily price of bitcoin declines	Short Ether Strategy ETF Provides an opportunity to profit when the daily price of ether declines	UltraShort Bitcoin ETF Provides an opportunity to profit when the daily price of bitcoin declines	Ultra Bitcoin ETF Provides an opportunity to magnify gains when the daily price of bitcoin rises (will also magnify losses if the price declines)

These ETFs do not invest directly in bitcoin or ether.

About ProShares

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Have Questions?

Investors can contact ProShares at **866-296-3818** or email **info@proshares.com** for additional information about ProShares and our other investment products.

Important information

ProShares AUM as of 12/31/2023

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These ETFs invest in derivatives (swap agreements, futures contracts and similar instruments) that provide indirect exposure to bitcoin and/or ether and do not invest directly in cryptocurrencies. Investors seeking exposure to bitcoin or ether directly should consider an investment other than these ETFs. Bitcoin, ether and bitcoin and ether derivatives are each a relatively new asset class and the market for them is subject to rapid changes and uncertainty. Bitcoin, ether and their derivatives are subject to unique and substantial risks, such as rapid price swings and lack of liquidity, including as a result of changes in the supply of and demand for bitcoin or ether, statements by influencers and the media, and other factors. Bitcoin and ether are largely unregulated and may be more susceptible to fraud and manipulation than more regulated investments. Leveraged or short exposure to bitcoin will increase volatility. The value of an investment in the ETFs could decline significantly and without warning, including to zero. These ETFs may not be suitable for all investors.

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