Issuer Spotlight: Q&A ProShares

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Q. How is e-commerce changing the retail industry?

Online retail has been growing steadily for years. Global e-commerce sales more than doubled from $2.38 trillion annually in 2017 to a projected $5.54 trillion in 2022. With online retail's ease and convenience, over one-third of consumers are already buying products online at least weekly, and 85% at least once a month. This transformative change has fundamentally disrupted traditional retail and put pressure on traditional stores.

Also, data indicates we're still in the early innings: global online sales account for about 21% of total retail sales, and that number is expected to grow to approximately 25% by 2025. Additionally, it is estimated that over 2 billion people were digital buyers in 2021, a 19.5% increase from 2018 as more and more people—particularly in developing nations where barely half the population is online—become internet users.

We call these shifting dynamics "the new retail reality," and it's why we created the ProShares Retail Disruption suite of ETFs, which includes ONLN.

Q. Can you provide an overview of ONLN?

ProShares Online Retail ETF (ONLN) lets investors tap into the potential growth of online retail by pinpointing retailers that principally sell online or through other non-store channels, and then zeroing in on the companies reshaping the retail space, like Amazon and Alibaba.

Q. Amazon and Alibaba account for about 35% of ONLN's total exposure. Why?

Company size really matters. ONLN's modified market-cap weighting puts emphasis on the iconic companies in online retail — like Amazon and Alibaba—while also providing industry diversification.

The global nature of these companies is key. One reason the portfolio invests in online retailers from around the world is that online success, especially in today's global economy, bears little relation to location or to the nation in which a company was founded.

Q. Does ProShares offer other funds that seek to take advantage of trends in retail disruption?

In addition to ONLN, there are two more retail disruption ETFs in the ProShares suite. **The ProShares Long Online/ Short Stores ETF (CLIX)** provides 100% long exposure to global retailers that primarily sell online and 50% short exposure to traditional retailers that rely principally on revenue from physical stores. Its 100/150 construction lets investors potentially benefit from both the growth opportunity of online retail and the possible underperformance of legacy bricks-and-mortar players—all in a single package.

The third member of the retail disruption suite is the **ProShares Decline of the Retail Store ETF (EMTY)**, which is a dedicated short fund designed to benefit from the decline of traditional bricks-and-mortar retailers. Together, these funds provide investors with multiple investment strategies for taking advantage of the investment potential of the new retail reality.

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Note from ProShares:
ONLN and CLIX have 23.22% Amazon and 16.49% Alibaba as of 6/30/22. Holdings are subject to change.

Investing is currently subject to additional risks and uncertainties related to COVID-19, including general economic, market and business conditions; changes in laws or regulations or other actions made by governmental authorities or regulatory bodies; and world economic and political developments.

Any forward-looking statements herein are based on expectations of ProShare Advisors LLC at this time. Whether or not actual results and developments will conform to ProShare Advisors LLC's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market and business conditions, changes in laws or regulations or other actions made by governmental authorities or regulatory bodies, and other world economic and

political developments. ProShare Advisors LLC undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Sources: ProShares; eMarketer (global retail sales data); ITU (developing nations internet use); IPC and Survey Sampling International (online purchasing frequency); PwC (online penetration and shopping preferences); FTI Consulting (Amazon sales projection); CNBC (Alibaba sales record); FactSet (online margins).

Investing involves risk, including the possible loss of principal. These ProShares ETFs are non-diversified and entail certain risks, which may include risks associated with the use of derivatives (such as swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. EMTY seeks short exposure and should lose money when its index rises. CLIX's short positions are not intended to hedge the portfolio in market downturns, but rather to allow stocks with unfavorable outlooks to contribute to performance. Short positions lose value as security prices increase. Investments in the consumer discretionary and retailing industries are subject to risks such as changes in domestic and international economies, interest rates, competition and consumer confidence; disposable household income; consumer tastes and preferences; intense competition; changing demographics; marketing and public perception; and dependence on third-party suppliers and distribution systems. Investments in smaller companies typically exhibit higher volatility. Smaller company stocks also may trade at greater spreads or lower trading volumes, and may be less liquid than stocks of larger companies. ONLN and CLIX invest in international investments, which may involve risks from: geographic concentration, differences in valuation and valuation times, unfavorable fluctuations in currency, differences in generally accepted accounting principles, and from economic or political instability. In emerging markets, many risks are heightened, and lower trading volumes may occur. Please see their summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

ProShares EMTY seeks a return that is -1x the return of an index (target) for a single day, as measured from one NAV calculation to the next. Due to the compounding of daily returns, EMTY's returns over periods other than one day will likely differ in amount and possibly direction from the target return for the same period. Investors should monitor their holdings consistent with their strategies, as frequently as daily. For more on correlation, leverage and other risks, please read the prospectus.

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. Read them carefully before investing.

Obtain them from your financial advisor or broker-dealer representative or visit ProShares.com.

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