

Market overview

Equity volatility increased during the third quarter of 2024, with the VIX spiking and stocks sharply selling off in early August due to concerns over a cooling labor market. Inflation remained subdued, however, suggesting the Federal Reserve's dual mandate is becoming more balanced. In response to these shifting economic conditions, the Federal Reserve lowered the target rate by 50 basis points at the September FOMC meeting, the first decrease in over four years. Bonds rallied in anticipation of the decision, with 10-year U.S. Treasury yields down 62 basis points and 2-year U.S. Treasury yields down by 111 basis points during the quarter. Despite the heightened volatility, equities closed the quarter on a positive note, with the S&P MidCap 400® up 6.9% and outperforming the S&P 500. However, the VIX remained elevated compared to levels seen in the first half of the year.

Among the eleven S&P MidCap 400 sectors, eight posted gains during the third quarter, including real estate (16.7%), financials (13.6%) and utilities (11.2%). On the other hand, energy was the worst-performing sector of the quarter, with a loss of 9.1%.

Performance

During the quarter, REGL's benchmark, the S&P MidCap400® Dividend Aristocrats® Index, outperformed the S&P MidCap 400 by 4.7% (11.6% vs. 6.9%). The outperformance can be attributed to both sector allocation and security selection.

Fund performance and index history ¹	3Q 2024	YTD	1-Year	3-Year	5-Year	Fund Inception 2/3/15
ProShares S&P MidCap 400 Dividend Aristocrats ETF						
REGL NAV Total Return	11.50%	12.94%	25.59%	9.11%	9.83%	10.02%
REGL Market Price Total Return	11.64%	12.97%	25.62%	9.11%	9.83%	10.03%
S&P MidCap 400 Dividend Aristocrats Index	11.63%	13.31%	26.13%	9.55%	10.25%	10.44%
S&P MidCap 400	6.94%	13.54%	26.79%	7.47%	11.78%	9.83%

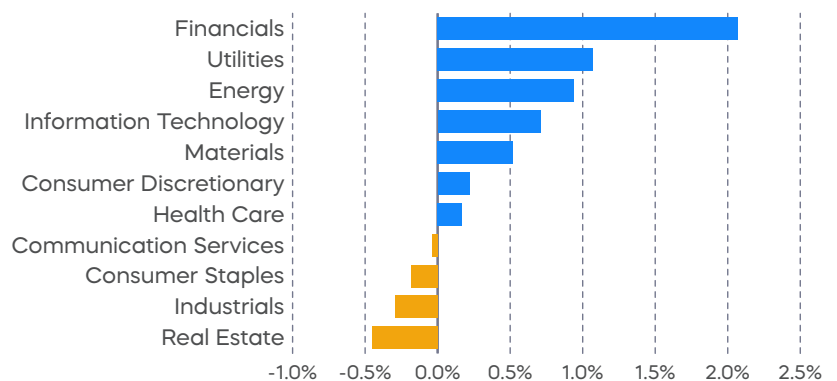
Source: ProShares and Morningstar. Periods greater than one year are annualized.

Attribution

In terms of sector allocation, REGL benefited from its overweight positions in two of the top-performing sectors, financials and utilities. Additionally, REGL had no exposure to the energy sector, which was the worst performer during the quarter. Each of these three sectors contributed 0.9% to REGL's outperformance relative to the benchmark. Security selection within the financials sector further boosted performance, adding 1.1%, as insurance companies and asset managers benefited from the steepening yield curve. However, REGL's underweight position in the real estate sector detracted from performance, resulting in a negative allocation effect of 0.3%.

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Contribution to Relative Performance vs. S&P Mid Cap 400



The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. ¹Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET (when NAV is normally determined for most funds) and do not represent the returns you would receive if you traded shares at other times. Brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained by calling 866.776.5125 or visiting ProShares.com. Index performance does not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in any index.

Attribution (continued)

From a stock perspective, the top contributor was Erie, an insurance company whose shares surged nearly 50% during the quarter following a strong earnings report. Revenue increased by nearly 20% year over year and operating income grew by more than 40%, prompting management to significantly raise its guidance. Regional banking stocks also performed well, with UMB Financial emerging as one of the top performers in the third quarter. The biggest detractor was Lancaster Colony, a specialty food manufacturer, which experienced a revenue decline in the fourth quarter despite an increase in gross profit.

Stock ²	Sector	3Q 2024 Performance	S&P MidCap 400 Weight	REGL's Index Weight ³	Contribution to Relative Performance
Positive Contributors					
Erie Indemnity Co. Class A	Financials	49.06%	0.37%	2.14%	0.71%
UMB Financial Corp.	Financials	26.49%	0.15%	2.13%	0.37%
Silgan Holdings Inc.	Materials	24.49%	0.14%	2.08%	0.30%
Negative Contributors					
Lancaster Colony Corp.	Consumer Staples	-6.08%	0.14%	1.99%	-0.27%
Toro Co.	Industrials	-6.87%	0.34%	1.96%	-0.24%
MSA Safety, Inc.	Industrials	-5.25%	0.25%	1.91%	-0.22%

REGL's strategy remains focused exclusively on the S&P MidCap 400 Dividend Aristocrats—high-quality companies that have not only paid dividends but grown them for at least 15 consecutive years. As a group, REGL's holdings generally have had stable earnings, solid fundamentals, and strong histories of profit and growth. This strategy has a demonstrated history of weathering market turbulence over time by capturing most of the gains of rising markets and fewer of the losses in falling markets.

Sources: FactSet, Bloomberg. REGL's total operating expenses are 0.40%.

¹Market returns are based on the composite closing price and do not represent the returns you would receive if you traded shares at other times. The first trading date is typically several days after the fund inception date. Therefore, NAV is used to calculate market returns prior to the first trading date.

²Holdings are subject to change.

³REGL's average index weight from 7/1/24–9/30/24.

If fewer than 40 stocks meet criteria, the index may include companies with shorter dividend growth histories.

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Investments in smaller companies typically exhibit higher volatility.

Small- and mid-cap companies may have limited product lines or resources, may be dependent upon a particular market niche and may have greater fluctuations in price than the stocks of larger companies. Small- and mid-cap companies may lack the financial and personnel resources to handle economic or industry-wide setbacks and, as a result, such setbacks could have a greater effect on small- and mid-cap security prices.

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