

### 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 Russell 2000® Index up 9.3% 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 Russell 2000 sectors, all but the energy sector posted gains during the third quarter. Top-performing sectors included real estate (18.2%), financials (15.1%), and utilities (12.8%).

### Performance

During the third quarter, SMDV's benchmark, the Russell 2000® Dividend Growth Index, outperformed the Russell 2000 by 2.9% (12.2% vs. 9.3%). The outperformance was mainly driven by sector allocation effects.

Fund performance and index history <sup>1</sup>	3Q 2024	YTD	1-Year	3-Year	5-Year	Fund Inception 2/3/15
ProShares Russell 2000 Dividend Growers ETF						
SMDV NAV Total Return	12.06%	8.70%	26.09%	6.81%	5.80%	8.20%
SMDV Market Price Total Return	12.18%	8.68%	26.13%	6.80%	5.79%	8.21%
Russell 2000 Dividend Growth Index	12.19%	9.02%	26.61%	7.22%	6.25%	8.66%
Russell 2000 Index	9.27%	11.17%	26.76%	1.84%	9.39%	8.13%

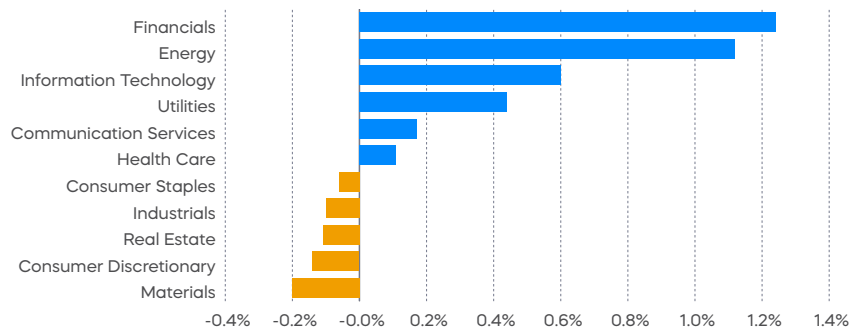
Source: ProShares and Morningstar. Periods greater than one year are annualized.

### Attribution

The largest contributor at the sector level was financials, which delivered the third-highest sector performance of the quarter. With an average weight of 33% compared to 18% in the Russell 2000 Index, SMDV's overweight in financials resulted in a positive sector allocation effect of 0.9%. Additionally, financials stocks in SMDV's portfolio outperformed relative to those in the benchmark index, contributing 0.3% through security selection. SMDV also benefited from having no exposure to the energy sector, the worst-performing sector of the quarter, which added 1.1% to relative performance.

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### Contribution to Relative Performance vs. Russell 2000



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. <sup>1</sup>Market 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 an individual stock perspective, the top contributor was internet service provider Cogent Communications, which saw a rebound from the previous quarter, as the company reported adjusted EBITDA above expectations and increased its quarterly dividend. Investment firm Cohen & Steers and regional bank S&T Bancorp also performed well, with shares rallying nearly 30% during the quarter due to positive earnings outlooks. The biggest detractor from relative performance was industrials company Hillenbrand. Despite exceeding earnings expectations, revenue fell short and management lowered guidance as a result of customer delays in capital expenditure that led to weak demand in the company's Advanced Process Solutions segment.

Stock <sup>2</sup>	Sector	3Q 2024 Performance	Russell 2000 Weight	SMDV's Index Weight <sup>3</sup>	Contribution to Relative Performance
<b>Positive Contributors</b>					
Cogent Communications Holdings Inc.	Communication Services	36.35%	0.12%	1.18%	0.26%
Cohen & Steers, Inc.	Financials	33.19%	0.09%	1.07%	0.22%
S&T Bancorp, Inc.	Financials	26.73%	0.06%	1.19%	0.19%
<b>Negative Contributors</b>					
Hillenbrand, Inc.	Industrials	-29.96%	0.10%	0.78%	-0.30%
Otter Tail Corp.	Utilities	-10.29%	0.14%	0.92%	-0.17%
Hyster-Yale, Inc. Class A	Industrials	-8.04%	0.03%	0.84%	-0.15%

Source: FactSet

SMDV's index focuses on companies within the Russell 2000—quality companies that have not just paid dividends but grown them for at least 10 consecutive years. As a group, SMDV's holdings generally have had stable earnings, solid fundamentals, and strong histories of profit and growth. SMDV's strategy has a demonstrated history of weathering market turbulence over time by capturing a significant portion of the gains of rising markets and fewer of the losses in falling markets.

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

<sup>1</sup>Market 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.

<sup>2</sup>Holdings are subject to change.

<sup>3</sup>SMDV'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.

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