

Market overview

During the second quarter of 2024, the large-cap equity market continued its rally, primarily driven by a handful of the largest technology stocks (by market capitalization). Despite this, the average stock in the S&P 500® posted losses for the quarter, with the same holding true among small- and mid-cap stocks. The S&P MidCap 400® declined 3.5% in the second quarter. U.S. economic readings slightly underperformed expectations during this period, as the Citi Economic Surprise Index fell into negative territory. Although services inflation accelerated in the first quarter, it resumed a downward trend in the second quarter, potentially signaling to the Federal Reserve that conditions may soon warrant interest rate reductions. However, at the June FOMC meeting, the Federal Reserve slightly raised its long-run policy rate projections for the second time this year.

Among the 11 S&P MidCap 400 sectors, seven posted losses during the second quarter, including Materials (-9.3%) and Consumer Discretionary (-7.1%). On the other hand, Utilities was the quarter's top-performing sector, with a gain of 4.7%.

Performance

During the quarter, REGL's benchmark, the S&P MidCap400® Dividend Aristocrats® Index, underperformed the S&P MidCap 400 by 2.0% (-5.5% vs. -3.5%). The underperformance can mainly be attributed to security selection.

Fund performance and index history ²	2Q 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	-5.57%	1.30%	7.58%	3.63%	7.45%	9.04%
REGL Market Price Total Return	-5.63%	1.19%	7.50%	3.60%	7.43%	9.02%
S&P MidCap 400 Dividend Aristocrats Index	-5.49%	1.50%	8.01%	4.04%	7.87%	9.44%
S&P MidCap 400	-3.45%	6.17%	13.57%	4.47%	10.27%	9.32%

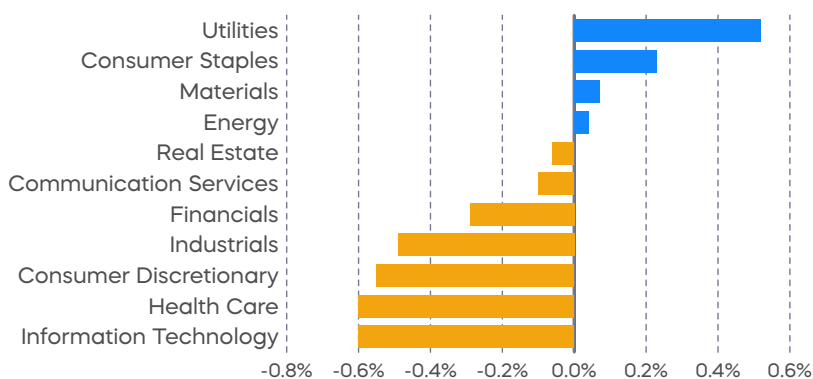
Source: ProShares and Morningstar. Periods greater than one year are annualized.

Attribution

The largest contributor at the sector level was Utilities, which had a positive sector allocation effect of 1.5% and a net contribution of 0.5% to relative performance. During the second quarter, REGL had an average portfolio weight of 22% in Utilities, which was the top-performing mid-cap sector, compared to a 3% weight in the S&P MidCap 400. In terms of detractors at the sector level, REGL's underweight in Information Technology resulted in a negative sector allocation effect of -0.6%. In addition, REGL's relative performance was negatively affected by security selection effects in Health Care (-0.6%) and Consumer Discretionary (-0.9%), although the effects were muted due to low single-digit portfolio weights in these two sectors.

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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 positive contributor was Casey's General Stores. Shares rallied on a strong earnings report that exceeded expectations, as the company is on track to achieve near-term sales and EBITDA growth goals. The company also raised its quarterly dividend by 16%. The top detractor for the second quarter continued to be the bedding and furniture manufacturer Leggett & Platt. The company missed its earnings expectations again and cut its quarterly dividend, which resulted in its removal from the S&P MidCap 400 Dividends Aristocrats Index.

Stock ³	Sector	2Q 2024 Performance	S&P MidCap 400 Weight	REGL's Index Weight ⁴	Contribution to Relative Performance
Positive Contributors					
Casey's General Stores, Inc.	Consumer Staples	19.98%	0.47%	2.19%	0.37%
Evercore Inc.	Financials	8.65%	0.26%	2.05%	0.20%
OGE Energy Corp.	Utilities	5.37%	0.27%	2.09%	0.15%
Negative Contributors					
Leggett & Platt, Inc.	Consumer Discretionary	-36.71%	0.07%	1.01%	-0.52%
Regal Rexnord Corp.	Industrials	-24.73%	0.39%	2.01%	-0.37%
Lincoln Electric Holdings, Inc.	Industrials	-25.87%	0.47%	1.86%	-0.35%

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%.

¹Source: Wolters Kluwer's Blue Chip Economic Indicators and Blue Chip Financial Forecasts.

²Market 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.

³Holdings are subject to change.

⁴REGL's average index weight from 4/1/24–6/30/24.

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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