

### 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 Russell 2000® Index declined 3.3% 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 eleven Russell 2000 sectors, nine posted losses during the second quarter. The only sector that generated notable gains during the quarter was Consumer Staples, which returned 2.3%.

### Performance

During the third quarter, SMDV's benchmark, the Russell 2000® Dividend Growth Index, outperformed the Russell 2000 by 1.2% (-2.0% vs. -3.3%). The outperformance was mainly driven by sector allocation effects.

Fund performance and index history <sup>2</sup>	2Q 2024	YTD	1-Year	3-Year	5-Year	Fund Inception 2/3/15
ProShares Russell 2000 Dividend Growers ETF						
SMDV NAV Total Return	-2.12%	-3.00%	8.39%	1.96%	3.53%	7.12%
SMDV Market Price Total Return	-2.11%	-3.12%	8.35%	1.91%	3.51%	7.12%
Russell 2000 Dividend Growth Index	-2.04%	-2.83%	8.79%	2.35%	3.96%	7.58%
Russell 2000 Index	-3.28%	1.73%	10.06%	-2.58%	6.94%	7.34%

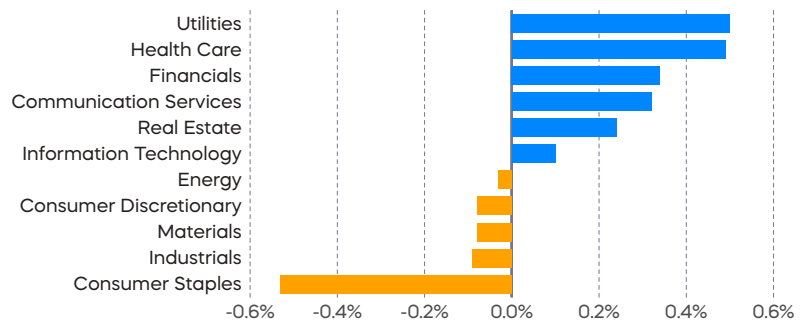
Source: ProShares and Morningstar. Periods greater than one year are annualized.

### Attribution

The largest relative contributor at the sector level was Utilities, which generated the second-highest sector performance during the quarter. SMDV had an average portfolio weight of 18% in the sector compared to less than 3% in the Russell 2000 Index, resulting in a positive sector allocation effect of 0.5%. In terms of detractors, Consumer Staples stocks in SMDV's portfolio underperformed the benchmark and contributed a negative security selection effect of -0.7%.

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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 a stock perspective, top contributors included wireless service provider Telephone and Data Systems as well as medical device manufacturer LeMaitre Vascular. Both companies exceeded earnings expectations and saw shares rally over 20% during the quarter. The individual stock that detracted the most from relative performance was nutritional supplements company Nu Skin Enterprises, which was removed from the Russell 2000 Dividend Growth Index after cutting its quarterly dividend.

Stock <sup>3</sup>	Sector	2Q 2024 Performance	Russell 2000 Weight	SMDV's Index Weight <sup>4</sup>	Contribution to Relative Performance
<b>Positive Contributors</b>					
Telephone and Data Systems, Inc.	Communication Services	29.66%	0.07%	1.14%	0.30%
LeMaitre Vascular, Inc.	Health Care	24.24%	0.06%	1.06%	0.24%
Matson, Inc.	Industrials	16.85%	0.16%	1.03%	0.17%
<b>Negative Contributors</b>					
Nu Skin Enterprises, Inc.	Consumer Staples	-23.45%	0.02%	0.98%	-0.21%
Alamo Group Inc.	Industrials	-24.14%	0.08%	0.94%	-0.20%
Johnson Outdoors Inc.	Consumer Discretionary	-23.55%	0.01%	0.83%	-0.19%

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>Source: Blue Chip Economic Indicators and Blue Chip Financial Forecasts.

<sup>2</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>3</sup>Holdings are subject to change.

<sup>4</sup>SMDV'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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