



QUARTERLY PERFORMANCE REVIEW As of 12/31/21

PROSHARES PET CARE ETF

Market Overview

U.S. equity markets rallied sharply in the fourth quarter to close another year of strong performance, with the S&P 500® advancing 11%. Investors largely shrugged off concerns of the latest COVID-19 variant and increasing inflation readings, instead focusing on corporate earnings that continued to beat expectations and resilient economic indicators. The pet care industry underperformed the broader market, up 1.9% as tracked by the FactSet Pet Care Index.

Fund performance and index history¹

	4Q 2021	Year to Date	1-Year	3-Year	5-Year	Fund Inception 11/5/18
ProShares Pet Care ETF						
PAWZ NAV Total Return	1.81%	10.82%	10.82%	29.97%	—	24.48%
PAWZ Market Price Total Return	1.71%	10.46%	10.46%	29.98%	—	24.41%
FactSet Pet Care Index	1.96%	11.63%	11.63%	30.80%	—	25.25%
S&P 500	11.03%	28.71%	28.71%	28.71%	—	21.33%

Sources: ProShares, Morningstar and Bloomberg. Periods greater than one year are annualized.

Contribution

PAWZ’s benchmark, the FactSet Pet Care Index, is designed to track the performance of companies that potentially stand to benefit from interest in, and resources spent on, pet ownership. To be eligible for the FactSet Pet Care Index, FactSet requires that a company meet at least one of the following criteria:

- The company’s principal revenue source is from one of eight FactSet Revere Business Industry Classification subindustries—“RBICS subindustries” for short; or
- The company generates at least \$1 billion in annual revenue from at least one of the eight RBICS subindustries; or
- The company’s principal business is identified by FactSet as being pet care related, but for which an appropriate RBICS subindustry has not yet been created (e.g., pet insurance).

The subindustries represented within the FactSet Pet Care Index have been grouped into three broad categories in order to analyze their performance.

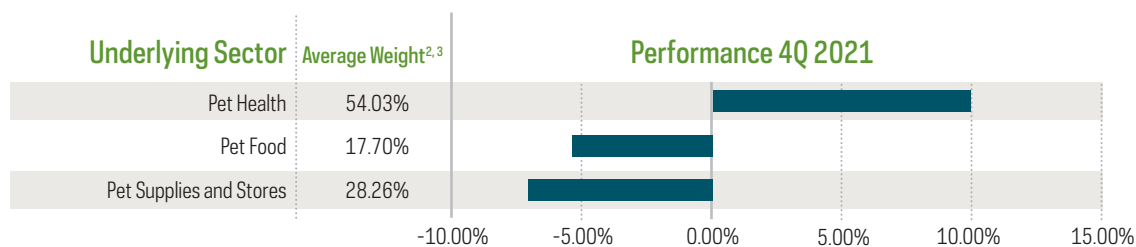
The Pet Health segment was the strongest-performing category within the index for the quarter, posting returns of just below 10%. The Pet Food and Pet Supplies & Stores categories posted negative returns, down 5.4% and 7.1%, respectively.

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Broad Pet Category	Subindustry
Pet Health	Veterinary Pharmaceuticals
	Veterinary Diagnostics
	Veterinary Product Distributors
	Other Personal Insurance
	Diversified Biopharmaceuticals
Pet Supplies and Stores	Veterinary Services
	Internet Pet and Pet Supply Retail
	Pet and Pet Supply Stores
	Pet Supplies Manufacturing
	Other Building Materials and Garden Supply Stores
Pet Food	Pet Food Manufacturing
	General Food Manufacturing and Processing
	General Personal Care and Cleaning Products Makers
	Other Health and Personal Care Stores

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. 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.

Broad Pet Category Performance



Contribution (continued)

At the stock level, the top three contributors to performance came from the Pet Health category: Zoetis, Trupanion and Dechra Pharmaceuticals. Veterinary pharmaceutical companies Zoetis and Dechra Pharmaceuticals saw a steady climb throughout the quarter; however, pet insurance company Trupanion leaped a whopping 39% in one day following news that the company would be partnering with Chewy to offer a suite of pet health insurance and wellness plans. The partnership has the potential to greatly expand Trupanion's customer base. While the news appeared to excite investor interest in Trupanion, Chewy did not receive as many accolades. The internet pet and pet supply retailer was instead a top detractor from the strategy's performance. During the quarter, Chewy announced earnings results below expectations, attributing them to "ongoing supply chain disruptions, labor shortages and higher inflation." Other top detractors included Freshpet and Heska, both of which delivered earnings results below expectations during the quarter.

Stock ²	Broad Pet Category	Subindustry	4Q 2021 Performance	PAWZ's Avg Index Weight ³	Contribution to Performance
Top Contributors					
Zoetis, Inc. Class A	Pet Health	Veterinary Pharmaceuticals	25.85%	10.47%	2.38%
Trupanion, Inc.	Pet Health	Other Personal Insurance	69.99%	4.68%	2.26%
Dechra Pharmaceuticals plc	Pet Health	Veterinary Pharmaceuticals	10.92%	9.14%	1.02%
Top Detractors					
Freshpet Inc.	Pet Food	Pet Food Manufacturing	-33.23%	6.44%	-2.49%
Chewy, Inc. Class A	Pet Supplies and Stores	Internet Pet and Pet Supply Retail	-13.42%	7.34%	-1.15%
Heska Corp.	Pet Health	Veterinary Diagnostics	-29.42%	2.60%	-0.88%

Outlook

Growth in the pet care industry has been driven by changes in demographics and consumer trends, with the pandemic having fostered a "puppy boom." PAWZ's index is poised to benefit from industry growth and potentially continued increases in spending on pets as a result of the humanization trend, in which people treat their pets like part of the family. While the FactSet Pet Care Index posted returns of just 1.9% during the fourth quarter, the long-term trends bolstering the pet care industry support the outlook for continued growth in the space.

Sources: FactSet, Bloomberg. PAWZ's total operating expenses are 0.50%. 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. ³PAWZ's average index weight from 10/1/21 to 12/31/21.

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