



SHORT TERM USD EMERGING MARKETS BOND

Target Yield While Helping to Manage U.S. Interest-Rate Risk

Short term emerging market bonds have become an attractive option for income-focused investors. They offer the naturally higher yield of emerging market bonds (and the corresponding higher risk), while helping to mitigate rate risk.

EMSH seeks to harness the income potential of emerging markets while potentially benefiting from lower interest rate sensitivity.

Tapping Emerging Markets for Higher Yield Potential

- Emerging market bonds typically offer more attractive yields than developed market bonds, because they are perceived to carry more credit risk.
- Increasingly, income investors are also concerned with U.S. interest rate risk—and the losses rising rates can bring, particularly on longer-term bonds.
- Short term U.S. dollar-denominated emerging market bonds may provide a balanced solution, offering comparatively strong yields and broad global diversification, while limiting U.S. interest-rate risk with short term holdings.
- EMSH is the first ETF in the United States to provide access to short term emerging market bonds.

EMSH: Yield with a Short Term Focus

EMSH is designed with an attractive combination of features:

- Offers income potential by investing in a diversified portfolio of short term, dollar-denominated emerging market bonds.
- Short-term focus means the fund may help limit interest rate risk.
- Helps investors diversify across emerging market countries.

Higher Yield Potential While Mitigating Interest Rate Risk

A Portfolio Designed to Reduce Interest Rate Risk

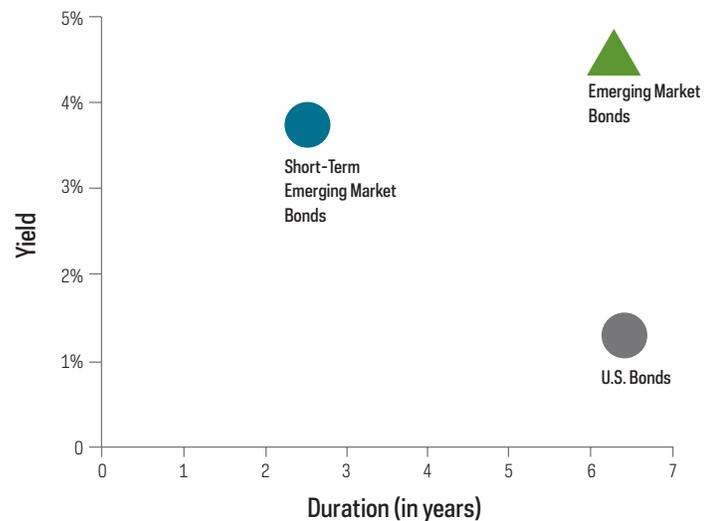
EMSH is designed to track the DBIQ Short Duration Emerging Market Bond IndexSM:

- A diversified portfolio of fixed-rate, U.S. dollar-denominated, emerging market bonds.
- Bonds may be rated investment grade or below investment grade and issued by emerging market sovereign governments, non-sovereign government agencies, and corporations with significant government ownership or control.
- Bonds must have more than \$500 million in outstanding value and remaining maturities of five years or less.
- To enhance diversification, individual country weights may not exceed 10%, and the total weight of issuers with more than a 4.5% weight may not exceed 45%.
- Reconstituted and rebalanced quarterly.

A Strategy That May Hit the Spot for Income Investors

In the chart below, many U.S. bonds (gray circle) offer relatively low yields with high interest rate risk (also known as duration), while longer-term emerging market bonds (green triangle) offer higher yields and higher interest rate risk. Short-term emerging market bonds (blue circle) offer higher yields and much lower interest rate risk.

Short-term emerging market bonds are subject to credit risk, of course. And if interest rates fall, longer-term U.S. and emerging market bonds can receive more of a boost than shorter-term bonds. But for investors principally concerned with income and interest rates, a short term emerging markets bond strategy may hit the right spot.



Source: Barclays and Bloomberg, 9/30/2016. For illustrative purposes only. Short Term Emerging Market Bonds = DBIQ Short Duration Emerging Market Bond Index, U.S. Bonds = Barclays U.S. Treasury Index, Emerging Market Bonds = Barclays Emerging Market USD Sovereign and Quasi-Sov Index. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest in an index. **Past performance does not guarantee future results.**

About the ETF

Ticker Symbol: EMSH

Intraday Symbol: EMSH.IV

Bloomberg Index Symbol: DBEMPRO

Investment Objective: ProShares Short Term USD Emerging Markets Bond ETF seeks investment results, before fees and expenses, that track the performance of the DBIQ Short Duration Emerging Market Bond Index.SM

Inception: 11/19/2013

Advantages of EMSH

The Attractive Yield Potential of Emerging Market Bonds

EMSH invests in emerging market bonds, which generally offer higher yields than developed market bonds.

Short-Term Focus Designed to Reduce Interest Rate Risk

EMSH helps reduce U.S. interest rate risk by holding short term bonds, which reduces the downside when rates rise.

Adds Country Diversification to a Portfolio

The U.S. dollar-denominated global bond market offers the opportunity for many countries to issue bonds. EMSH helps investors diversify across emerging market countries.

Potential Risks of EMSH

Performance

There are no guarantees that the fund or its index will achieve intended objectives.

Credit Quality

The fund invests in lower-quality bonds, which may involve greater levels of credit, liquidity and valuation risk than for higher-rated instruments.

Political Risk

Emerging countries tend to have a lower level of political stability, which influences economic policy and market performance.

Dollar Denominated

Debt paid in dollars can be difficult for a country to repay in extreme cases of currency debasement and hyperinflation.

About ProShares

ProShares helps investors to go beyond the limitations of conventional investing and face today's market challenges. We help investors build better portfolios by providing access to specialized strategies delivered with the liquidity and cost effectiveness of ETFs. Our funds cover the spectrum from equity strategies, like dividend growth and long/short, to fixed income strategies, like interest rate hedged bond funds. We also offer tactical options, including geared, credit, and volatility strategies. Our wide array of ETFs is designed to help you reduce volatility, manage risk and enhance returns.

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