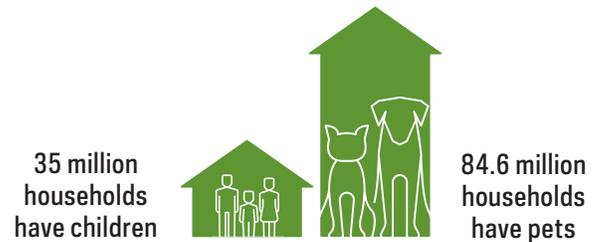


PAWZ PROSHARES PET CARE ETF

The case for investing in the pet care industry

Pet ownership is growing

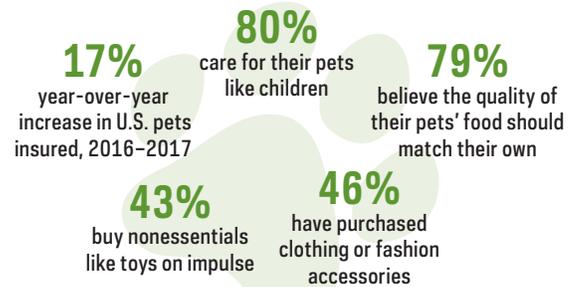
Roughly 68% of U.S. households have pets, up from 56% in 1988 according to the American Pet Products Association (APPA). In fact, more households have pets than have children. And it's not just a U.S. trend—similar growth is taking place internationally.



Source: APPA 2017–2018 National Pet Owners Survey and U.S. Census data

More and more, owners are caring for pets like family

A recent Harris Poll reports 95% of owners consider their pets part of the family. They want their pets' lives to be as happy, healthy and fulfilling as their own, and they will likely spare little expense to ensure it. Pet owners are spending billions on premium-quality foods, state-of-the-art health care, insurance policies, luxury services and more.



Sources: Snipp.com CPG Pet Care Trends Report, North American Pet Health Insurance Association and Mintel

The pet care industry is thriving

Pet care in this country has seen twice the percentage growth of GDP since 2007, increasing even during the Great Recession. Meanwhile, a similar boom has been building internationally. The global pet care industry is expected to grow from \$132 billion in 2016 to as much as \$203 billion by 2025.

Corporate interest is intensifying, too. More than 80 mergers and acquisitions over the past 12 months indicate that a wide range of companies is attracted to and investing in this dynamic opportunity.



Source: Grand View Research. Growth and other pet industry trends may not continue or may reverse.

PAWZ: ProShares Pet Care ETF

PAWZ is the first ETF focused on the pet care industry. PAWZ gives investors the opportunity to gain broad exposure to public companies in the global pet care industry—companies that stand to potentially benefit from the proliferation of pet ownership, and the emerging trends affecting how we care for our pets.

What PAWZ invests in

The pet care industry includes companies with broad-ranging products and services. They span a variety of subindustries that support pet owners and the evolving ways in which they provide for their pets' health and well-being.

Screening for pet care companies

For PAWZ, pet care companies are identified using the methodology of the FactSet Pet Care Index. The index currently consists of 24 companies that provide exposure to potential growth within the pet care industry.

Key pet care subindustries

To be eligible for the FactSet Pet Care Index, FactSet requires that a company meets 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).

Eight FactSet pet care subindustries

Pet Food
Manufacturing

Veterinary
Services

Veterinary
Pharmaceuticals

Pet Supplies
Manufacturing

Internet Pet and
Supply Retail

Veterinary
Product
Distributors

Pet and Pet
Supply Stores

Veterinary
Diagnostics

More about the FactSet Pet Care Index

- Both U.S. and international companies are included in the index.
- The index is rebalanced monthly and reconstituted annually.
- At rebalance, the companies whose principal revenue source comes from pet care related products or services will make up 82.5% of the portfolio, while companies that generate \$1 billion or more (but not a principal source) of their revenue from RBICS categories will make up 17.5% of the index. The index uses a modified market cap methodology.

About the ETF

Ticker Symbol: PAWZ

Intraday Symbol: PAWZ.IV

Bloomberg Index Symbol: PETCARE

Investment Objective: PAWZ seeks investment results, before fees and expenses, that track the performance of the FactSet Pet Care Index.

Inception: 11/5/2018

Key takeaways

PAWZ is the first ETF that allows investors to capitalize on people's passion for their pets

- Seven out of 10 U.S. households today have pets, more than have children, and owners are providing pets with premium foods, luxury services, state-of-the-art health care, insurance policies and more.
- The pet care industry could reach \$203 billion in global sales by 2025. It has grown steadily every year since 2001, even during the Great Recession.
- PAWZ invests in a range of companies that stand to potentially benefit from the proliferation of pet ownership, and the emerging trends affecting how we care for our pets.

Key potential risks

Performance

There is no guarantee that the fund or its index will achieve intended objectives.

Pet care industry risk

The fund is subject to the risks faced by companies in the pet care industry. Although the pet care industry has historically seen steady growth and has been resilient to economic downturns, these trends may not continue or may reverse.

Consumer preferences

Changing consumer preferences could have a negative impact on the revenue streams of companies in the pet care industry.

Non-diversification risk

Narrowly focused investments typically exhibit higher volatility.

See prospectus

For more on risks, obtain a prospectus from your financial advisor or visit ProShares.com.

About ProShares

ProShares has been at the forefront of the ETF revolution since 2006. ProShares now offers one of the largest lineups of ETFs, with more than \$31 billion in assets. The company is the leader in strategies such as dividend growth, alternative and geared (leveraged and inverse). ProShares continues to innovate with products that provide strategic and tactical opportunities for investors to manage risk and enhance returns.

Find out more

Visit ProShares.com or consult your financial advisor.

ProShares is the leader in dividend growth, alternative and geared (leveraged and inverse) strategies. Source: ProShares, Strategic Insight and Lipper, based on number of funds and/or assets, as of 12/31/17. Data sources: American Pet Products Association 2017–2018 National Pet Ownership Survey (68% with pets up from 56%, 84.6M households, 7 of 10 U.S. household have pets); U.S. Census (35M households with children); Snipp.com Industry Trends CPG Pet Care Trends Report (more pets than children); Grand View Research (\$200 billion pet care market); Deal Hound Pet Report Q2:2018 (mergers and acquisitions); American Pet Products Association 2017–2018 National Pet Ownership Survey and ProShares (GDP and resistance to downturns).

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Investing involves risk, including the possible loss of principal. This ProShares ETF is non-diversified and entails certain risks, including imperfect benchmark correlation and market price variance, that may decrease performance. Investments in smaller companies typically exhibit higher volatility. Smaller company stocks also may trade at greater spreads or lower trading volumes, and may be less liquid than stocks of larger companies. Please see the summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

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Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in their summary and full prospectuses. Read them carefully before investing. Obtain them from your financial advisor or broker-dealer representative or visit ProShares.com.

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