

PROSHARES:
ALTERNATIVES WITH THE
ADVANTAGES OF ETFs

THE NATION'S LARGEST LINEUP OF ALTERNATIVE ETFs

ProShares helps investors build better portfolios by providing access to alternative investments delivered with the **liquidity, transparency** and **cost effectiveness** of ETFs.

GOING BEYOND THE CONVENTIONAL

What are alternative investments?

Alternative investments are generally considered to be investments that are not long-only positions in the traditional asset classes of equities, U.S. fixed income or cash.

The returns of alternatives generally are not highly correlated to the returns of traditional investments.

Why do investors use alternatives?

Investors use alternative investments because of their history of enhancing diversification, their potential to enhance return, and their ability to help improve the risk/return dynamic in a portfolio.

Alternative investments are generally designed to respond to market changes in different ways or to different degrees than conventional assets.

BUILDING PORTFOLIOS— A DIFFERENT APPROACH

"Alternatives are not simply growing; they are becoming part of the investment management mainstream."

–The Mainstreaming of Alternative Investments, McKinsey & Company, 2012

"Time and trends like economic globalization have led to increased correlations in many asset classes traditionally used to diversify portfolios. Increasingly, investors are recognizing that alternatives could help build portfolios that have lower volatility and better returns."

– Michael L. Sapir, Chairman and CEO of ProShares

The potential benefits of using alternatives

Help when markets turn choppy. Because alternatives typically do not move in sync with traditional investments, diversifying with alternatives can smooth out a portfolio's ups and downs.

Offer shelter from storms. Alternatives can help hedge against market declines, or help shield against specific risks like inflation.

Open new opportunities for investment. They can follow strategies providing sources of return not entirely dependent on rising markets, such as absolute return, merger arbitrage and short exposure.

PROSHARES ETFs— ACCESS TO ALTERNATIVES

Historically, alternative investments have had barriers preventing many investors from accessing them. For example:

- Restricted access or high investment minimums
- Limitations on the amount and timing of purchases and redemptions
- Prohibitive costs like the 2% management and 20% performance fee charged by some hedge funds

ProShares ETFs change that.

Our alternative ETFs are:



LIQUID

They trade in the open market like stocks.



TRANSPARENT

Holdings are disclosed daily.



COST EFFECTIVE

ETFs often have lower costs than many other ways of accessing alternatives.

PROSHARES—THE LEADER IN ALTERNATIVE ETFs

ProShares launched in 2006 and today offers a broad array of ETFs that make alternative strategies available to a wide range of investors. Our ETFs cover the spectrum from alternative equity strategies, like dividend growth and long/short, to fixed income strategies, like interest rate hedged bond funds. We also offer tactical alternatives, including geared, credit, and volatility strategies.

To learn more about ProShares and our alternative ETFs, please visit ProShares.com or consult your financial advisor. Institutional investors and other financial professionals can reach ProShares by calling 866-776-5125.

ProShares—The Leader in Alternative ETFs: ProShares has the largest lineup of alternative ETFs in the United States according to Strategic Insight, based on analysis of all the known alternative ETF providers (as defined by Strategic Insight) by assets and number of funds (as of 1/31/2015).

Cost Effectiveness of ETFs: ETFs typically have lower total expense ratios than retail share classes of comparable mutual funds. Of course, because ETFs are exchange traded, investors must buy and sell ETFs through a broker who will typically charge a commission or other fee for the transaction.

Geared (leveraged and inverse) ProShares ETFs seek returns that are 3x, 2x, -1x, -2x or -3x the return of an index or other benchmark (target) **for a single day**, as measured from one NAV calculation to the next, before fees and expenses. Due to the compounding of daily returns, Geared ProShares' returns over periods other than one day will likely differ in amount and possibly direction from the target return for the same period. Investors should monitor their holdings consistent with their strategies, as frequently as daily. For more on correlation, leverage and other risks, please read the prospectus.

Investing involves risk, including the possible loss of principal. ProShares are generally non-diversified and each entails certain risks, which may include risk associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. Please see summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

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 by visiting ProShares.com.

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