

Many investors realize they need an allocation to alternatives to diversify their traditional portfolios of stocks and bonds. They may even recognize that a well-constructed allocation should include multiple alternatives. However, figuring out which ones to include can be tricky. To understand how you might begin to think about building an allocation, take a look at how Morningstar does it.

## Morningstar® Diversified Alternatives Index<sup>SM</sup>

The Morningstar® Diversified Alternatives Index<sup>SM</sup> follows a five-step process to build and regularly adjust a portfolio of seven types of alternatives that broadly represent the alternative landscape.



# ProShares Morningstar Alternatives Solution ETF (ALTS)

## Takeaway

Many investors need alternatives to diversify traditional portfolios. You should also diversify your alternatives allocation and adjust it on an ongoing basis.

ProShares Morningstar Alternatives Solution (ALTS) is an ETF that allocates for you, based on the Morningstar Diversified Alternatives Index.

- ALTS follows the Morningstar Diversified Alternatives Index, which allocates among a comprehensive set of seven ProShares alternative ETFs designed to enhance risk-adjusted returns when added to a traditional portfolio of stocks and bonds.
- ALTS comes with the liquidity, transparency and cost effectiveness of ETFs.



For more information, visit [ProSharesALTS.com](http://ProSharesALTS.com).

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**Alternatives may not be appropriate for every investor. Investing involves risk, including the possible loss of principal.** ProShares ETFs are generally non-diversified and each entails certain risks, including 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 their summary and full prospectuses for a more complete description of risks. **There is no guarantee any ProShares ETF will achieve its investment objective.**

ALTS is a fund of ETFs designed to track the performance of the Morningstar® Diversified Alternatives Index<sup>SM</sup>. The fund allocates substantially all of its assets to underlying ETFs that are affiliated with the Advisor. This may create potential conflicts of interest. An investment in ALTS will incur more costs and expenses than a direct investment in the underlying ETFs. The underlying ETFs may include ETFs that are not investment companies regulated under the Investment Company Act of 1940 and are not afforded its protections. ALTS allocates among a set of underlying ProShares ETFs that employ alternative and non-traditional strategies such as long/short, market neutral, managed futures, hedge fund replication, private equity, infrastructure or inflation-related investments. ALTS is subject to the risks of these underlying ETFs to the extent it allocates to them. For more on specific risks related to these underlying ETFs, please see the summary and full prospectuses for ALTS and the underlying ETFs. There is no guarantee that ALTS will produce high or even positive returns, or that it will enhance risk-adjusted portfolio returns when combined with traditional investments. Short positions in a security lose value as that security's price increases. Leverage can increase market exposure and magnify investment risk. Investments in smaller companies typically exhibit higher volatility. International investments may involve risks from: geographic concentration, differences in valuation and valuation times, unfavorable fluctuations in currency, differences in generally accepted accounting principles, and from economic or political instability. In emerging markets, many risks are heightened, and lower trading volumes may occur. There are additional risks related to commodity investments due to large institutional purchases or sales, and natural and technological factors such as severe weather, unusual climate change, and development and depletions of alternative resources.

**Carefully consider the investment objectives, risks, charges and expenses of ProShares before investing. This and other information can be found in summary and full prospectuses.**

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