

# Dividend Growth: A Strategy For Building Resilient Portfolios

## The Long-Term Appeal of Companies That Consistently Increase Dividends

Companies that consistently grow their dividends, year after year, have become especially popular with investors in recent years. Generally, these high-quality companies have displayed durable business models, stable earnings, solid fundamentals, and strong histories of profit and growth. As a result, strategies featuring companies with consistent dividend growth have exhibited strong performance characteristics under a wide range of market conditions.

### Hallmarks of Consistent Dividend Growth



Stable earnings and strong balance sheets, indicative of company health



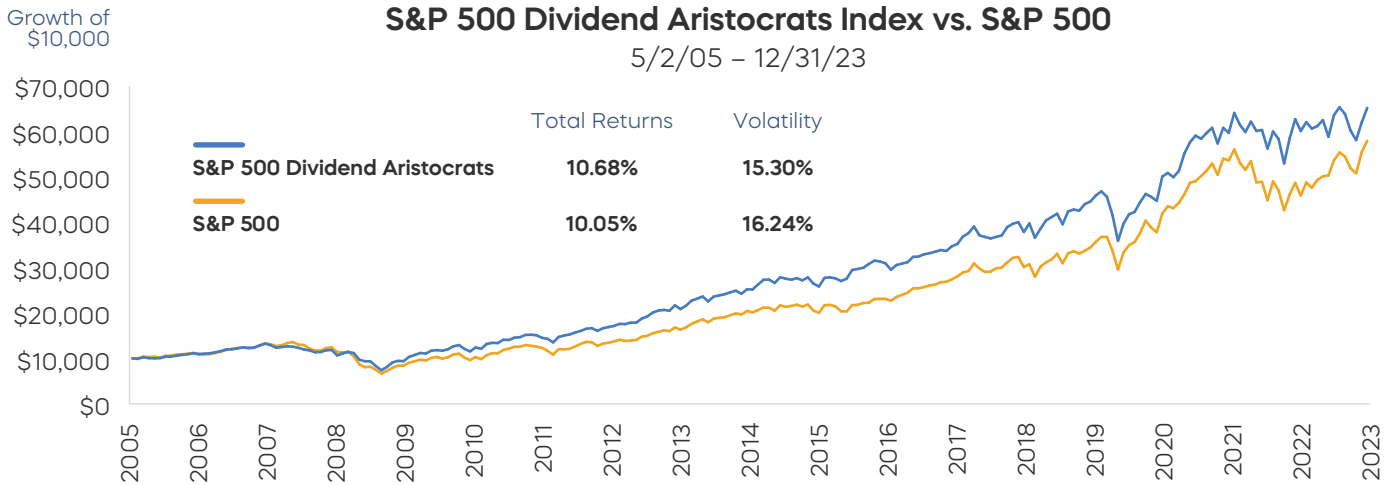
Well-managed companies, with a commitment to returning profits to shareholders



Commonly seen as having durable business models and long-term competitive advantages

# Consistent Dividend Growth Strategies Have Outperformed, with Less Volatility

Investment strategies focused on consistent dividend growth have generally outperformed their benchmarks over the long term. For example, one of the most widely followed dividend growth strategies is the S&P 500® Dividend Aristocrats® Index, which focuses on companies with at least 25 years of uninterrupted dividend growth. Since its inception, the index has outperformed the S&P 500 with lower volatility.



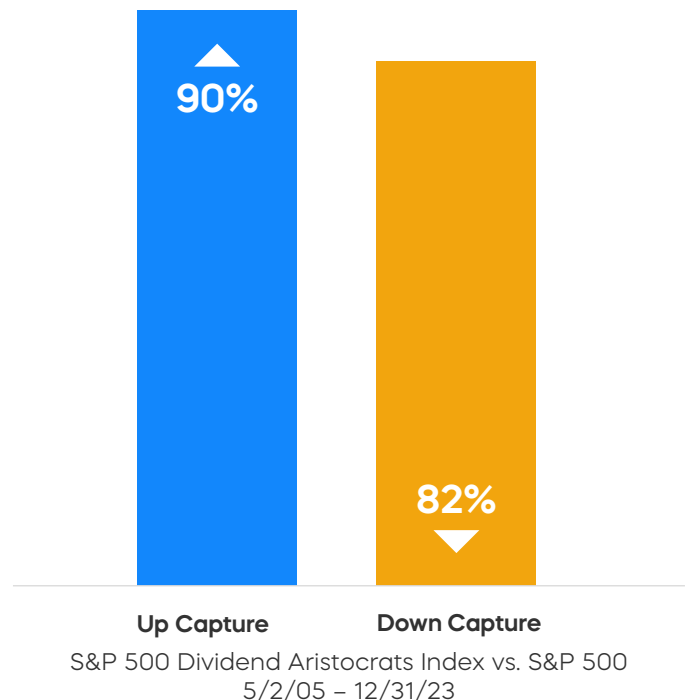
Sources: ProShares, S&P Dow Jones Indices, Bloomberg, Morningstar, Kiplinger, "The Long-Term Allure of Dividends," May 2019. NOBL performance from 10/9/13 (inception) to 12/31/23: NAV 8.06% one-year, 11.85% five-year, 10.25% ten-year, 11.11% since inception; Market Price 8.11% one-year, 11.85% five-year, 10.26% ten-year, 11.11% since inception. NOBL's total operating expenses are 0.35%. **Performance quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month-end may be obtained at ProShares.com.**

# Consistent Dividend Growers Have Captured More of the Market's Gain, with Less of the Loss

One way to evaluate how an investment strategy performs is to look at its up/down capture ratio—how it performs in both rising and falling markets over time. Strategies focused on consistent dividend growth have typically displayed highly favorable up/down capture ratios.

For investors, that means the opportunity to participate in the long-term growth of the markets—but importantly, it also means the potential to retain more value when markets inevitably decline.

Since its inception, the S&P 500 Dividend Aristocrats Index has captured 90% of the market's gains, while experiencing just 82% of the market's losses—contributing to the long-term outperformance of the strategy.



"Up capture" measures fund or index performance relative to a benchmark when it has risen. Likewise, "down capture" measures performance when that benchmark has declined. Ratios are calculated by dividing monthly returns for the fund or index by the monthly returns of the benchmark during the stated period and multiplying that factor by 100.

# ProShares Dividend Growth ETFs

Strategies focused on companies with the longest records of consistent dividend growth can help investors build durable portfolios that may perform well in both strong and turbulent markets. And ProShares offers more dividend growth ETFs than any other company.\*

Our flagship fund, NOBL, is the only ETF that invests exclusively in the high-quality names of the S&P 500 Dividend Aristocrats Index. NOBL is the crown jewel in ProShares' royal family of ETFs designed to enable diverse dividend growth allocations across an array of geographies and market segments.

Market Segment	Ticker/Fund Name	Reference Index	Minimum Years of Dividend Growth	Methodology
Large Cap	<b>NOBL</b> S&P 500 Dividend Aristocrats ETF	S&P 500	25 years	<ul style="list-style-type: none"> <li>- Focus exclusively on the best dividend growers with the longest track records of growth</li> <li>- Minimum of 40 stocks (25 for Tech Aristocrats and MSCI Europe)</li> <li>- Equal weighting (each company makes up an equal percentage of the index)</li> <li>- 30% cap on each sector (e.g., financials or utilities)</li> <li>- 50% country cap for international indexes</li> </ul>
Mid Cap	<b>REGL</b> S&P MidCap 400 Dividend Aristocrats ETF	S&P MidCap 400	15 years	
Small Cap	<b>SMDV</b> Russell 2000 Dividend Growers ETF	Russell 2000	10 years	
U.S. Total Market	<b>TMDV</b> Russell U.S. Dividend Growers ETF	Russell 3000	35 years	
Technology	<b>TDV</b> S&P Technology Dividend Aristocrats ETF	S&P Composite 1500 Info Technology	7 years	
Developed International	<b>EFAD</b> MSCI EAFE Dividend Growers ETF	MSCI EAFE	10 years	
Developed International	<b>EUDV</b> MSCI Europe Dividend Growers ETF	MSCI Europe	10 years	
Emerging Markets	<b>EMDV</b> MSCI Emerging Markets Dividend Growers ETF	MSCI Emerging Markets	7 years	

If fewer than 40 stocks (25 stocks for S&P Technology Dividend Aristocrats and MSCI Europe Dividend Masters) meet criteria, indexes may include companies with shorter dividend growth histories. Indexes are unmanaged, and one cannot invest in an index. Each fund carries its own risk profile; read the prospectus for more information.

## More than Just Consistent—the Best Dividend Growers

Not all dividend growth strategies are equal—our funds invest in the best dividend growers, companies with the longest track records of dividend growth in their market segments. Other self-described “dividend growth” strategies don’t require any record of dividend growth from the companies they invest in. ProShares Dividend Growth ETFs and the indexes they follow, however, set a high standard for consistency. For example, just 67 companies in the S&P 500—only 13%—currently meet the requirements of the S&P 500 Dividend Aristocrats Index. Many of them are household names recognized all over the world for their quality characteristics, investment potential and staying power.

Not only are these companies rare, but their commitment to consistent dividend growth is remarkable. Among the S&P 500 Dividend Aristocrats, more than half of its companies have over 40 consecutive years of dividend growth, and 20+ have grown their dividends for more than half a century.

\*Source: Morningstar. Data as of 1/27/2023. “Dividend Growth ETF” refers to an exchange-traded fund that tracks an index of companies with consecutively increasing dividend payments.

## Dividend Aristocrats with more than 50 years of dividend growth

Source: ProShares, S&P Dow Jones, as of 2/1/23. Historical dividend growth not recorded by S&P before 1962; companies with 60 years may have longer records.

**60+**  
Years

3M, Coca-Cola, Colgate-Palmolive, Dover Corp., Emerson Electric Co., Genuine Parts Co., Johnson & Johnson, Procter & Gamble Co.

**50+**  
Years

Nordson Corp., Stanley Black & Decker Inc., Hormel Foods Corp., Becton Dickinson and Co., Illinois Tool Works Inc., PPG Industries Inc., Target Corp., WW Grainger Inc., Abbott Laboratories, AbbVie Inc., Federal Realty Investment Trust, Kimberly-Clark Corp., PepsiCo Inc., VF Corp.

## 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 \$65 billion in assets. The company is the leader in strategies such as dividend growth, interest rate hedged bond and geared (leveraged and inverse) ETF investing. 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](https://proshares.com) or consult your financial professional.

**Index performance returns are for illustrative purposes only, and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest in an index.**

As of 2/1/23, weights for NOBL holdings with greater than 50+ consecutive years of dividend growth are: 3M Co. 1.48%, Coca-Cola Co. 1.49%, Colgate-Palmolive Co. 1.45%, Dover Corp. 1.61%, Emerson Electric Co. 1.50%, Genuine Parts Co. 1.50%, Johnson & Johnson 1.44%, Procter & Gamble Co. 1.48%, Nordson Corp. 1.49%, Stanley Black & Decker 1.53%, Hormel Foods Corp. 1.49%, Becton Dickinson and Co. 1.52%, Illinois Tool Works Inc. 1.53%, PPG Industries Inc. 1.48%, Target Corp. 1.59%, WW Grainger Inc. 1.54%, Abbott Laboratories 1.46%, AbbVie Inc. 1.46%, Federal Realty Investment Trust 1.49%, Kimberly-Clark Corp. 1.42%, PepsiCo Inc. 1.48%, VF Corp. 1.53%.

**Investing involves risk, including the possible loss of principal.** These ProShares ETFs entail certain risks, including imperfect benchmark correlation and market price variance, that may decrease performance. Investments in smaller companies typically exhibit higher volatility. Small- and mid-cap companies may have limited product lines or resources, may be dependent upon a particular market niche and may have greater fluctuations in price than the stocks of larger companies. Small- and mid-cap companies may lack the financial and personnel resources to handle economic or industry-wide setbacks and, as a result, such setbacks could have a greater effect on small- and mid-cap security prices. Technology companies may be subject to intense competition, product obsolescence, general economic conditions and government regulation and may have limited product lines, markets, financial resources or personnel. 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. EUDV may be adversely affected by economic uncertainty experienced by various members of the European Union. In emerging markets, many risks are heightened, and lower trading volumes may occur. 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 professional or visit ProShares.com.**

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