Infrastructure: A Refuge in Uncertain TImes?

Key Observations

- Pure-play infrastructure has continued to demonstrate resilient performance and may offer a compelling investment opportunity during a period of inflation and ongoing economic uncertainty.
- Infrastructure owners and operators typically possess a unique combination of desirable investment characteristics, including historically stable growth and long-term cash flows. These qualities have generally made them less cyclical and capable of producing attractive levels of yield.
- Infrastructure owner/operator American Tower, a company that has grown its revenues, cash flows and dividends at attractive rates, is highlighted in this report.

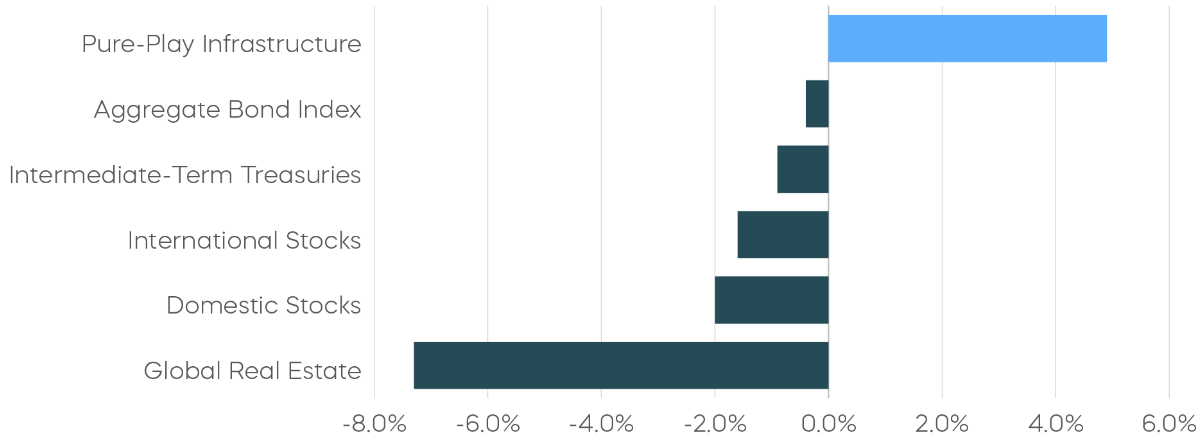
Infrastructure May Provide a Refuge from Volatility

A combination of persistent inflation, rising interest rates and geopolitical instability has dampened markets in 2025. Where can investors look for refuge amid the uncertainty? Pure-play infrastructure companies—whose primary business is the ownership and operation of essential real infrastructure assets like pipelines, cell towers and water systems—may provide an answer. They offer a unique combination of investment characteristics that has historically made them well suited to withstand uncertain times.

Recent stock market volatility has been especially painful for investors because even typical diversifiers like bonds and real estate have suffered losses. There have been few places to hide. One segment of the market that has performed well of late is infrastructure owners and operators. The Dow Jones Brookfield Global Infrastructure Composite Index measures the performance of companies that are owners and operators of pure-play infrastructure assets.

Pure-Play Infrastructure Companies Performed Well Recently

Resilient Performance in Difficult Markets



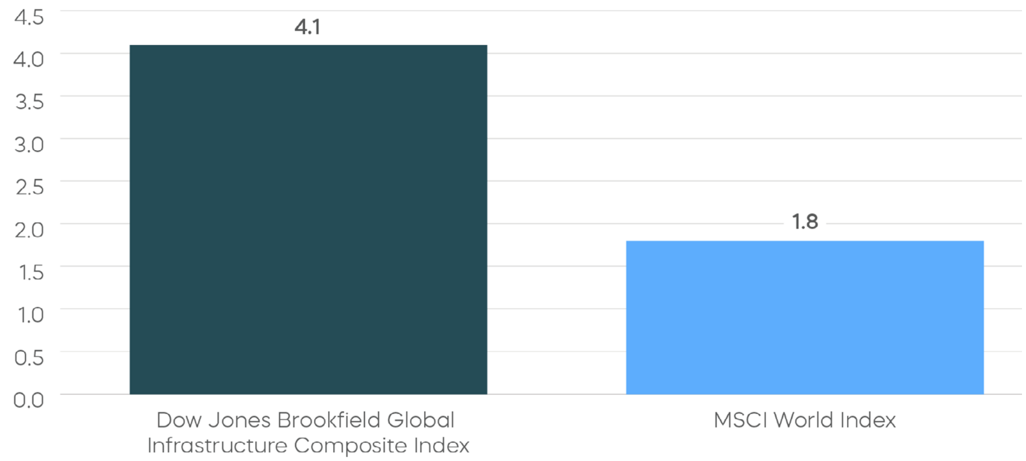
Source: Bloomberg. Data 9/30/24 - 3/31/25. Pure-Play Infrastructure: Dow Jones Brookfield Global Infrastructure Composite Index. Domestic Stocks: S&P 500 Total Return Index. Aggregate Bond Index: Bloomberg U.S. Aggregate Bond Index. Intermediate Term Treasurys: Bloomberg U.S. Treasury 7-10 Year Index. International Stocks: MSCI EAFE Index. Index returns are for illustrative purposes only and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

Opportunity For Attractive Yield

What has driven infrastructure's performance in difficult markets? Infrastructure owners and operators possess a unique combination of growth and defensive qualities that have helped them weather the recent economic headwinds. The need for investment in global infrastructure has been well documented. U.S. infrastructure continues to benefit from the hundreds of billions of dollars appropriated by the Infrastructure Investment and Jobs Act (2021), the Inflation Reduction Act (2022), and other public-private initiatives.

Because infrastructure assets are usually essential and large scale, they often have limited competition, and consumer demand for their services is less elastic, making their business models less cyclical in nature. Even if we do enter a recession, people typically will still pay to heat their homes, turn on the lights and use their cell phones. Additionally, with inflation remaining elevated, owners and operators of infrastructure can often raise revenues in a manner that is consistent with inflation. These qualities have historically enabled infrastructure companies to generate stable cash flows, which has translated to high levels of yield for their shareholders.

Consistently Higher Historical Yields: 12 Month Yield



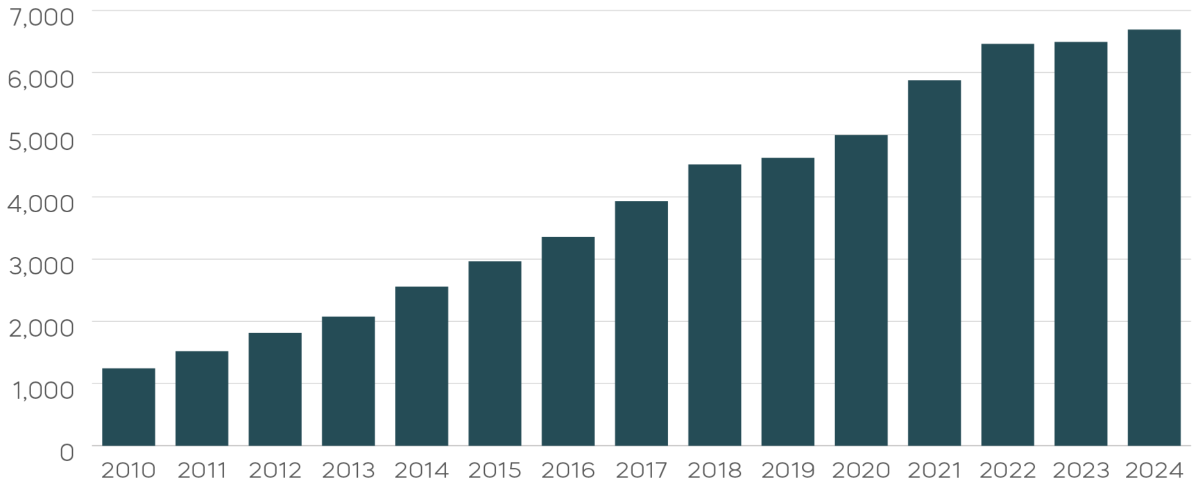
Source: Bloomberg. Data as of 3/31/25. Index returns are for illustrative purposes only and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

American Tower: Consistent Growth with Pricing Power

A pure-play infrastructure company that exemplifies the types of characteristics we've discussed is American Tower Corporation (NYSE: AMT). AMT is a global leader in wireless communication that provides the infrastructure needed to enable a connected world. When you see a cell phone tower, there's a good chance it is owned by AMT, the nation's largest operator. As the world has become more connected, wireless data usage has exploded. Technologies like 5G and AI potentially ensure an attractive runway of growth for years to come. AMT's business model consists of leases with wireless carriers that are typically non-cancellable, extend for several years, and provide annual lease-price escalators. These attributes have helped AMT deliver double-digit growth of cash flows and profits over the previous 10 years. Since it started paying a dividend in 2012, AMT has grown its dividend each year at a compound rate of over 17%, what we believe to be an unmistakable sign of quality.

AMT Has a Long-Term, Consistent Growth & Profitability Profile

Earnings Before Interest, Taxes, Depreciation & Amortization ($ in Millions)



Source: FactSet. Data as of 12/31/2024.

TOLZ: The Only Pure-Play Infrastructure ETF

ProShares DJ Brookfield Global Infrastructure ETF (TOLZ) is the only ETF to invest exclusively in pure-play infrastructure, giving investors access to the asset class's stable, attractive cash flows, high yield, and potential to benefit from global growth.

TOLZ follows the Dow Jones Brookfield Global Infrastructure Composite Index. This index consists of developed and emerging markets companies that qualify as pure-play infrastructure companies, whose primary business is the ownership and operation of infrastructure assets, and that derive more than 70% of their cash flows from infrastructure lines of business.

As of 4/30/25, TOLZ included a 5.27% allocation to AMT. Holdings are subject to change.

View fund performance on ProShares.com. Indexes are unmanaged, and one cannot directly invest in an index. Past performance does not guarantee future results.

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Any forward-looking statements herein are based on expectations of ProShare Advisors LLC at this time. ProShare Advisors LLC undertakes no duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Investing involves risk, including the possible loss of principal. This ProShares ETF is subject to certain risks, including the risk that the fund may not track the performance of the index and that the fund's market price may fluctuate, which may 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.**

This ETF is subject to risks faced by companies in the infrastructure, energy and utilities industries to the same extent as the Dow Jones Brookfield Global Infrastructure Composite Index is so concentrated. This ETF invests in master limited partnerships (MLPs). Investments in MLPs expose the ETF to certain tax risks associated with investing in partnerships. Changes in U.S. tax laws could revoke the pass-through attributes that provide the tax efficiencies that make MLPs attractive investment structures. MLPs may also have limited financial resources, may be relatively illiquid, and may be subject to more erratic price movements because of the underlying assets they hold. In addition, a portion of the ETF's distributions may be a return of capital, which constitutes the return of a portion of a shareholder's original investment.

Under tax rules, returns of capital are generally not currently taxable, but lower a shareholder's tax basis in their shares. Such a reduction in tax basis will result in larger taxable gains and/or lower tax losses on a subsequent sale of shares.

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 economic or political instability.

Emerging markets are riskier than more developed markets because they may develop unevenly or may never fully develop. Investments in emerging markets are considered speculative.

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 ProShares.com.

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