



Two Tech-Focused Strategies for Growth & Income

Key Observations

- In the past, investors pursuing a growth and income strategy were often forced to settle for funds with high fees and uneven performance.
- Today, index-based ETFs offer potentially more attractive opportunities for investors seeking growth and high levels of income (that can grow over time).
- ProShares Nasdaq-100 High Income ETF (IQQQ) and ProShares S&P Technology Dividend Aristocrats ETF (TDV) offer convenient, technology-focused strategies to balance growth and income, particularly an income stream that can grow over time.

The Past and Present of Growth and Income

Growth and income funds have a dual mandate to target both capital appreciation and current income, typically generated through dividends or interest payments. They have long been popular among investors with moderate, though not excessive, appetites for risk. Once the exclusive domain of mutual funds, they were prone to high fees and performance that didn't always stack up to their peers.

Today, however, index-based ETFs offer a more modern and potentially more attractive opportunity for investors seeking capital appreciation and high levels of income. The [ProShares Nasdaq-100 High Income ETF \(IQQQ\)](#), and [ProShares S&P Technology Dividend Aristocrats ETF \(TDV\)](#) are two such funds. By combining these two major-index strategies, investors can target both technology-oriented growth and a high level of current income—importantly in the case of TDV, an income stream that has itself grown substantially over time.

A Nasdaq-100 Covered Call Strategy to Target Income and Growth

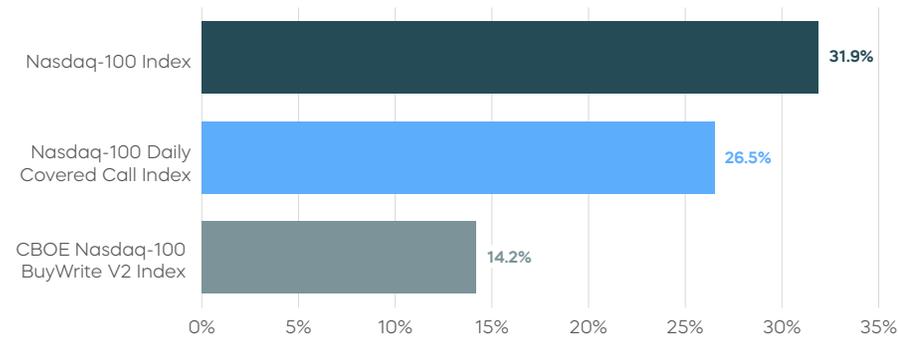
Covered call strategies are an increasingly popular option for investors seeking to match equity market upside with high levels of income. While S&P 500-based covered call strategies have been the most popular, Nasdaq-100 strategies may offer investors the potential for even higher levels of income and total return.

The technology-heavy Nasdaq-100 has outperformed the S&P 500 over the past 10 years, returning 502% vs. 290%, respectively.¹ Also, Nasdaq-based stocks are interesting from an income perspective, as they are generally more volatile than S&P 500 stocks. That increased volatility generally translates to higher options premiums, which covered call strategies can harvest and distribute as higher yield.

But there is a catch: Traditional covered call strategies use options that expire monthly. That means they frequently sacrifice significant total returns in their quest for high levels of income. The Cboe Nasdaq-100 BuyWrite V2 Index serves as a good proxy for traditional monthly covered call strategies. Since its inception in 2015, it has averaged only an 8.9% annualized total return versus the Nasdaq-100's 18.6%.² Why invest in a growth and income strategy that sacrifices a large portion of its growth?

ProShares Nasdaq-100 High Income ETF (IQQQ) offers something different. It employs a daily options strategy tracking the Nasdaq-100 Daily Covered Call Index that enables investors to seek both high levels of income and target a greater percentage of the returns of the Nasdaq-100 over time. Since its inception, IQQQ's index has captured 83% of Nasdaq-100's total returns. IQQQ's 12-month distribution rate was 11.7% as of 8/31/25 (Source: Bloomberg).

Total Return Since IQQQ's Index Inception—3/11/24 to 8/31/25



Source: Bloomberg, data as of 8/31/2025. 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.

IQQQ performance as of 6/30/25: One-year 11.67% (NAV) | 11.65% (Market Price); Since inception on 3/18/24: 15.94% (NAV) | 16.07% (Market Price).

The Trailing 12-Month Distribution Rate represents the sum of IQQQ's distributions for the last 12 months, expressed as a percentage of the NAV, as of 12/31/24, via Morningstar. **Distributions include return of capital which may be taxable or non-taxable. The characterization as return of capital does not impact whether the distribution is taxable. See 19a-1 notice for estimated percentage of return of capital.** Distributions will reduce the NAV by the amount of the distribution. Future distributions may differ significantly from the latest distribution and are not guaranteed. Actual sources of the distributions may vary at the end of the year and will be provided in a Form 1099-DIV.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET (when NAV is normally determined for most funds). Your brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. For standardized returns and performance data current to the most recent month end, visit ProShares.com.

Target High Quality S&P Technology Dividend Aristocrats for Income Growth

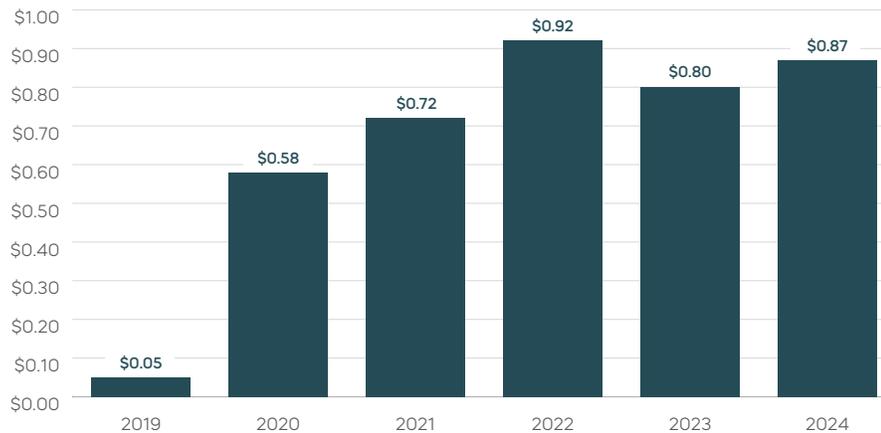
Technology stocks have been the market's growth engine for nearly two decades, and they show no signs of slowing down. According to FactSet, the information technology sector delivered 15% year-over-year revenue growth in Q2 2025—the highest of any S&P 500 sector. Earnings growth was even better at 21.3%. The sector's 25.4% net profit margin was also the highest of any sector.

In short, tech has produced prodigious profits and free cash flows. In recent years, that impressive performance has increasingly translated into our second strategic benefit: rapidly growing dividends.

The Dividend Aristocrats represents some of the market's most iconic dividend growth stocks. Companies that continuously grow their dividends show hallmarks of quality, like stable earnings, strong histories of profit and growth, and solid fundamentals. The S&P Technology Dividend Aristocrats Index requires its members to have grown their dividends for at least seven consecutive

years, and only the ProShares S&P Technology Dividend Aristocrats ETF (TDV) tracks this exclusive index. Since its inception in 2019, TDV has steadily grown its distributions (income) at a compound annual growth rate of 10.7%.

TDV Has Delivered Attractive Per Share Income Growth Over Time



Source: ProShares, data from 11/5/19 to 12/31/24. Past performance does not guarantee future results.

TDV performance as of 6/30/25: One-year 12.83% (NAV) | 12.80% (Market Price); Three-year 17.35% (NAV) | 17.31% (Market Price); Five-year 16.22% (NAV) | 16.23% (Market Price); Since inception on 11/5/19: 15.33% (NAV) | 15.33% (Market Price).

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET (when NAV is normally determined for most funds). Your brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. For standardized returns and performance data current to the most recent month end, visit ProShares.com.

The Takeaway

Investors understand the return potential present in tech-focused investments. Modern income strategies have evolved to meet their needs. Beyond the underperforming and expensive actively managed mutual funds of the past, index-based ETFs like IQQQ and TDV offer meaningful access to technology-oriented stocks and provide the potential for capital appreciation. IQQQ also seeks high levels of income, while TDV's names have grown their dividends over time.

¹ Source: Bloomberg, data from 8/31/15 to 8/31/25.

² Source: Bloomberg, data from 6/22/15 to 8/31/25.

Learn More

IQQQ

Nasdaq-100 High Income ETF

ProShares Nasdaq-100 High Income ETF seeks investment results, before fees and expenses, that track the performance of the Nasdaq-100 Daily Covered Call Index.

TDV

S&P Technology Dividend Aristocrats ETF

ProShares S&P Technology Dividend Aristocrats ETF seeks investment results, before fees and expenses, that track the performance of the S&P® Technology Dividend Aristocrats® Index.

Any forward-looking statements herein are based on expectations of ProShare Advisors LLC at this time.

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Shares are bought and sold at market price (not NAV) and are not individually redeemed from the fund. Market price returns are based upon the midpoint of the bid/ask spread at 4:00 p.m. ET (when NAV is normally determined for most funds) and do not represent the returns you would receive if you traded shares at other times. Your brokerage commissions will reduce returns. Current performance may be lower or higher than the performance quoted. For standardized returns and performance data current to the most recent month end, see Performance.

Shares of any ETF are generally bought and sold at market price (not NAV) and are not individually redeemed from the fund. Your brokerage commissions will reduce returns.

Investing involves risk, including the possible loss of principal. These ProShares ETFs are non-diversified and entail certain risks, including risks associated with the use of derivatives (swap agreements, futures contracts and similar instruments), imperfect benchmark correlation, 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.**

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.

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.

The Nasdaq-100[®] Daily Covered Call Index replicates the performance of a covered call investment strategy that combines a long position in the Nasdaq-100 Index with a short position in Nasdaq-100 Index[®] call options. In particular, the index is designed to replicate a daily covered call strategy that sells call options with one day to expiration each day. The fund intends to make distributions each month of an amount that reflects the dividends and call premium income earned by a daily Nasdaq-100 Index covered call strategy (net of expenses). There can be no guarantee that the fund will make such distributions, and the amount of such distributions, if any, may vary significantly from month to month. On the [19a-1 notices](#), the fund discloses the accounting source of each distribution, either net investment income or accounting return of capital. The accounting source of the distribution does not impact whether the distribution is considered to be taxable income or a tax return of capital for income tax purposes.

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.

Indexes are unmanaged, and one cannot invest directly in an index.

Nasdaq[®], Nasdaq-100 Index[®], Nasdaq-100[®], NDX[®], Nasdaq-100 Daily Covered Call[™] Index, NDXDCC[™], Nasdaq-100 Daily Covered Call Option[™] Index, NDXDCCOV[™], Nasdaq-100 Daily Covered Call Income[™] Index, NDXDCCI[™], are registered trademarks of Nasdaq, Inc. (which with its affiliates and third party licensors is referred to as the "Corporations") and are licensed for use by ProShare Advisors LLC. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The Product(s) are not issued, endorsed, sold, or promoted by the Corporations. The Corporations make no warranties and bear no liability with respect to the product(s).

The "S&P[®] Technology Dividend Aristocrats[®] Index" is a product of S&P Dow Jones Indices LLC and its affiliates and has been licensed for use by ProShares. "S&P[®]" is a registered trademark of Standard & Poor's Financial Services LLC ("S&P") and "Dow Jones[®]" is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones") and have been licensed for use by S&P Dow Jones Indices LLC and its affiliates. ProShares have not been passed on by S&P Dow Jones Indices LLC and its affiliates as to their legality or suitability. ProShares based on the S&P Technology Dividend Aristocrats Index are not sponsored, endorsed, sold or promoted by S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates, and they make no representation regarding the advisability of investing in ProShares. THESE ENTITIES AND THEIR AFFILIATES MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO PROSHARES.

ProShares are distributed by SEI Investments Distribution Co., which is not affiliated with the funds' advisor or sponsor.

©2025 PSA BR-2025-8384824.1