

Press Release

ProShares launches Metaverse ETF tracking Solactive's index that uses state-of-the-art natural language processing algorithm

March 15, 2022

FRANKFURT AM MAIN – Decades have passed since the establishment of the first virtual worlds, such as World of Warcraft or Second Life, and developers' aspirations to create immersive universes where users can roam freely have not reduced their pace. Many big techs start to see this revolutionary concept as their next direction of development. Meta's (formerly known as Facebook) new 'Metaverse' depicts the latest development in that segment, and, through the inclusion of virtual reality content in real life, so called augmented reality, both the digital and non-digital world increasingly coalesce. Whereas still in its infancy, the metaverse has enormous potential: recent studies project the metaverse opportunity to reach at least \$800 USD billion of market capitalization by 2024[1]. In a strategic move, ProShares extends its engagement with Solactive and now releases its ProShares Metaverse ETF (VERS), tracking the Solactive Metaverse Theme Index.

The ETF enables investors to capture the performance of listed companies that potentially stand to benefit from the adoption and use of technologies expected to grow and support the functioning of the metaverse, such as businesses that operate in the field of augmented and virtual reality, virtual marketplaces and social network platforms and businesses that provide specialized equipment to interact with the Metaverse, set interchange standards or provide high-intensity data processing services.

The selection of the companies that constitute the index uses ARTIS®, Solactive's proprietary and in-house developed natural language processing algorithm. The system's foundation consists of hundreds of thousands of unstructured textual data from financial news, annual reports, or business descriptions. As it does not rely on only one kind of document, it offers a broad picture of the industry.

Subsequently, the documents are individually evaluated and companies are tagged, extracted, and mapped according to Solactive's proprietary symbology data base. Every company's theme relevance is calculated, receiving a score that reflects its exposure to the index strategy. Companies are only eligible if they generate at least 50% of their revenues from Metaverse related business operations. The remaining businesses are ranked by their score within each industry category in descending order. Finally, the resulting universe of companies is the basis for the index construction.

The investment industry is changing and, in order to reflect today's world's complexity, conventional data points are not sufficient anymore. Compared to traditional sector classifications, where a company only belongs to one sector at a time, ARTIS® enables Solactive to draw a multi-dimensional view on companies,

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identifying all business operations of a company even if that business is involved in different markets and offers various products.

Timo Pfeiffer, Chief Markets Officer at Solactive, commented: *"We are very pleased that ProShares has chosen us to launch such a cutting-edge product. With our spirit of innovation, we aim to deliver the latest trends in investing, and Metaverse is definitely one of the most prominent topics of the moment and very probably in the years to come. Progressive technology and rising computation power are reshaping our daily lives, especially with the advancements that were triggered by the Covid-19 pandemic. We are starting to see unimaginable worlds in virtual spaces, and the Metaverse is the next stage of this landscape."*

"The metaverse has the potential to revolutionize a range of industries," said Scott Helfstein, executive director, thematic investing at ProShares. *"In the not-too-distant future, anything from a work meeting to time with family could take place in the metaverse, and VERS provides investors an easy way to access the potential growth."*

For more information, please visit:

<http://www.solactive.com>

Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and, with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 20,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2022, Solactive served approximately 500 clients across the world, with approximately US\$250 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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