

HDG

ProShares Hedge Replication ETF

Analyst Report

This ETF seeks to replicate the risk/return profiles of a diversified benchmark of hedge funds, potentially giving all types of investors access to a strategy that may otherwise be out of reach. HDG seeks to accomplish this objective by maintaining exposure to six "factors" that include U.S. stocks, international equities, Treasuries, and the euro. The fund has the flexibility to establish long or short exposure to most of these factors (long or flat to some) based on a proprietary quantitative analysis.

It's important for investors to realize what hedge fund replication strategies entail, and the limitations to such techniques. HDG doesn't have access to all the same tools as famous hedge fund managers, and shouldn't be confused with a product that will seek to generate huge absolute returns in any environment. Instead, the primary appeal of this product may be in its ability to offer non-correlated returns, adding diversification benefits to traditional stock-and-bond portfolios and smoothing overall volatility.

The exposure offered by HDG would be quite expensive and demanding for most investors to establish; this ETF offers a way to access this advanced and potentially time-consuming strategy at a relatively low price point. There are several other options for hedge fund replication exposure in the ETF universe, including the broad-based QAI, MCRO (macro strategy), merger arbitrage products (MNA), and long/short techniques.

ESG Themes and Scores

5.63/10

ESG Rate

25.23%

Global Percentile

9.64%

Peer Percentile

Performance Data

	HDG	ETF Database Category Average	Factset Segment Average
1 Month	2.15%	1.70%	0.88%
3 Month	5.02%	5.03%	3.33%
YTD Return	6.62%	6.87%	6.77%
1 Year Return	13.31%	11.78%	8.33%
3 Year Return	7.63%	8.38%	3.41%
5 Year Return	3.10%	2.76%	1.21%

Top 5 Holdings

Symbol	Holding	% Assets
Other	United States Treasury Bills 0.0% 03-SEP-2026	66.34%
Other	U.S. Dollar	19.38%
BE	Bloom Energy Corporation Class A	0.27%
CRDO	Credo Technology Group Holding Ltd.	0.15%
STRL	Sterling Infrastructure, Inc.	0.12%

Vitals

Issuer	Proshare Advisors LLC
Brand	ProShares
Structure	ETF
Expense Ratio	0.95%
Inception	Jul 12, 2011
Index Tracked	BofAML Factor Model - Exchange Series

ETF Database Themes

Category	Long-Short
Asset Class	Alternatives
Asset Class Size	N/A
Asset Class Style	N/A
Region (General)	North America
Region (Specific)	U.S.

FactSet Classifications

Segment	Alternatives: Hedge Fund Strategies
Category	Hedge Fund Strategies
Focus	Multi-strategy
Niche	Multi-strategy
Strategy	Multi-factor
Weighting	Multi-Factor

