

ANNUAL REPORT

MAY 31, 2023

Bitcoin Strategy ETF* **BITO**

Short Bitcoin Strategy ETF* **BITI**

* The Bitcoin Strategy ETF and Short Bitcoin Strategy ETF funds are consolidated with Cayman Bitcoin Strategy Portfolio and Cayman Bitcoin Inverse Strategy Portfolio, respectively. A claim of exemption pursuant to the Commodity Futures Trading Commission ("CFTC") Rule 4.7 has been made by the Investment Adviser with respect to these funds. The exemption relieves these funds of certain disclosure and reporting obligations under the commodity pool rules of the CFTC.

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DEAR SHAREHOLDER:

Given the promise and potential of innovations like bitcoin, ProShares is committed to providing you, our investors, with an array of products and services designed to help you meet your investment objectives. The following is the ProShares Bitcoin Strategies Annual Report for the 12 months ended May 31, 2023.

A Tale of Two Market Cycles

Over the 12-month period covered in this report, the price of bitcoin fell 14.6%, as measured by the Bloomberg Galaxy Bitcoin Index (BTC). However, its performance was essentially bifurcated. There was a sharp downturn in the price of bitcoin through the end of 2022 followed by a significant rebound in 2023. These price swings were mirrored by the broader cryptocurrency market over the same yearlong period.

The wide-ranging effects of inflation and the Federal Reserve's campaign of interest rate hikes weighed on most sectors and asset classes in 2022, and cryptocurrencies like bitcoin fell in a parallel fashion. By the end of 2022, the price of bitcoin had declined 47.5% from the beginning of the reporting period, according to the BTC Index.

As 2023 began, however, the picture changed. Even with lingering inflation, cryptocurrencies rallied alongside equities. From the beginning of 2023 to the end of the reporting period, bitcoin rose 62.9%, according to the BTC Index. Strikingly, this rally persisted despite further turmoil in the category, including the regulatory scrutiny on certain exchanges and heightened concerns over the financial health of regional U.S. banks.

Signs of Crypto Market Maturity Despite Significant Challenges

Underscoring the bifurcated performance of bitcoin during the reporting period have been at least two competing forces. On the one hand, cryptocurrencies are increasingly becoming integrated into the financial services industry and our day-to-day lives. They are part of a broader transformation of the infrastructure supporting our financial system that includes the growing use of the blockchain and other emerging technologies.

The use of digital assets as investments appears to be growing, too. Recent research suggests that the share of people owning any cryptocurrency has increased dramatically since 2018, and that share continued to increase to 12% of the population even as bitcoin prices fell sharply in late 2022.

On the other hand, the challenges of spot cryptocurrency markets over the past year must not be overlooked. In particular, there has been heightened concern over the practices of several largely unregulated cryptocurrency exchanges and other third-party service

providers. Lingering questions over whether cryptocurrency brokerage accounts are segregated in the event of bankruptcy, among other issues, suggest that the financial infrastructure supporting the spot cryptocurrency market is still maturing.

ProShares Provides Regulated Solutions to Investors Looking to Capture Bitcoin-Linked Returns

No matter whether bitcoin prices go up or down, ProShares' Bitcoin Strategy ETFs enable investors to express their views about the price of bitcoin through a regulated investment product. ProShares Bitcoin Strategy ETF (BITO) provides a convenient way for investors to gain exposure to bitcoin-linked returns, and it has very closely tracked spot bitcoin since its inception in October 2021. It is now the world's largest bitcoin-linked ETF. With the June 2022 launch of ProShares Short Bitcoin Strategy ETF (BITI), investors have a way to hedge their bitcoin exposure and/or potentially profit on days when the price of bitcoin falls. BITI seeks daily inverse (-1X) exposure to the S&P CME Bitcoin Futures Index.

ProShares investors may also benefit from the inherent advantages arising from the ETF structure of both funds. Both BITO and BITI invest in regulated futures that trade on regulated exchanges, and the ETF vehicle, by its very nature, trades on a regulated exchange as well. As ETFs, both BITO and BITI have stringent safe-keeping protocols, which require these funds' assets to be held at qualified custodian. Both also have an independent board with a fiduciary duty to look out for the best interests of their shareholders. These multiple layers of regulation should provide ProShares investors with confidence as they navigate the uncertainties and other challenges of the cryptocurrency space.

ProShares has a long and successful history of pioneering some of the ETF industry's most innovative ETFs. BITO and BITI build on this tradition, and we look forward to continuing to provide our investors with a breadth of choices, across diverse market segments, that allow them to adapt their investments to their latest market views. We thank you for the trust and confidence you have placed in us by choosing ProShares, and we appreciate the opportunity to continue serving your investment needs.

Sincerely,

Michael L. Sapir
Chairman of the Board of Trustees

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Strategies and Techniques — Bitcoin Strategies Funds (the “Funds”)

ProShares Bitcoin Strategy ETF (BITO) was in existence for the entire period covered by this annual report. BITO seeks to provide capital appreciation primarily through managed exposure to bitcoin futures contracts. BITO does not invest directly in bitcoin and is actively managed. Its performance reflects the investment decisions that ProShare Advisors LLC (“PSA”), the investment adviser to the funds, makes for the fund. PSAs’ judgments about the fund’s investments may prove to be incorrect. If the investments selected and strategies employed by the fund fail to produce the intended results, the fund could underperform other market segments and funds with a similar investment objective and/or strategies.

ProShares Short Bitcoin Strategy ETF (BITI) was launched during this period. BITI seeks daily investment results, before fees and expenses, that correspond to the inverse (-1x) of the daily performance of the S&P CME Bitcoin Futures Index. The fund does not seek to achieve its stated investment objective over a period of time greater than a single day. A “single day” is measured from the time the Fund calculates its net asset value (“NAV”) to the time of the Fund’s next NAV calculation. The return of BITI for a period longer than a single day will be the result of each day’s returns compounded over the period, which will very likely differ from the inverse (-1x) of the return of the Fund’s index for that period. During periods of higher market volatility, the volatility of BITI’s index may affect the Fund’s return as much as or more than the return of the index. PSA uses a passive approach in seeking to achieve BITI’s investment objective. Using this approach, PSA determines the type, quantity and mix of investment positions that each Fund should hold to approximate the daily performance of its index. PSA does not invest the assets of the BITI in securities or financial instruments based on its view of investment merit nor does PSA conduct conventional investment research or analysis; forecast market movements, trends or market conditions; or take defensive positions in managing assets of BITI. BITI does not invest directly in bitcoin.

The Funds seek to invest primarily in bitcoin futures contracts and do not invest directly in bitcoin. Bitcoin and bitcoin futures are relatively new investments. They are subject to unique and substantial risks, and historically, have been subject to significant price volatility. The value of an investment in the Fund could decline significantly and without warning, including to zero. You may lose the full value of your investment within a single day.

The Funds make significant use of investment techniques that may be considered aggressive, including the use of, futures contracts (“derivatives”). Funds using derivatives are exposed to risks different from, or possibly greater than, the risks associated with investing directly in securities, including one or more of the following: counterparty risk (i.e., the risk that a counterparty is unable or unwilling to make timely payments to meet its contractual obligations) on the amount a Fund expects to receive from a derivatives counterparty, liquidity risk (i.e., the risk that a Fund might not be able to acquire or

dispose of certain holdings quickly or at prices that represent true market value in the judgment of PSA), and increased correlation risk (i.e., the risk that a Fund may not be able to achieve a high degree of correlation with its index or the inverse thereof). If a counterparty becomes bankrupt, or fails to perform its obligations, the value of an investment in a Fund may decline. The counterparty to a listed futures contract is the clearing organization for the listed future, which is held through a futures commission merchant (“FCM”) acting on behalf of the Fund. Consequently, the counterparty risk on a listed futures contract is the creditworthiness of the FCM and the exchange’s clearing corporation.

Factors that Materially Affected the Performance of BITO during the Year Ended May 31, 2023¹:

The primary factors affecting BITO’s performance were the return of spot bitcoin, which is the reference asset for the bitcoin futures held by the fund, and in turn, the factors and market conditions affecting bitcoin and bitcoin futures. Other significant factors affecting performance included the cost associated with PSA’s management of holding and replacement of futures contracts as they approach maturity (often referred to as the cost of “rolling,” which includes the impact of the futures implied financing costs) as well as fund fees, expenses and transaction costs (which are not reflected in the fund’s expense ratio and may be higher than for more traditional funds) and the offsetting impact of interest earned on cash investments.

Factors that Materially Affected the Performance of BITI during the Period Ended May 31, 2023¹:

The primary factors affecting BITI’s performance were the daily return of spot bitcoin, which is the reference asset for the bitcoin futures held by the fund and referenced by BITI’s index, and in turn, the factors and market conditions affecting bitcoin and bitcoin futures combined with the volatility of bitcoin and bitcoin futures and the compounded impact over time of repositioning BITI daily to -100% investment exposure. Other significant factors affecting performance included the cost associated with the replacement of futures contracts as they approach maturity (often referred to as “rolling,” and generally guided by BITI’s index construction) as well as fund fees, expenses and transaction costs and the beneficial impact of interest earned on cash investments.

During the period PSA waived fees or reimbursed the amount of interest expense incurred in connection with use of reverse repurchase agreements and net fees charged by futures commission merchants. After September 30, 2023 this expense limitation may be terminated or revised by ProShare Advisors.

- **Index Performance:** The performance of BITI’s index and, in turn, the factors and market conditions affecting that index are a principal factor driving Fund performance.²
- **Compounding of Daily Returns and Volatility:** BITI seeks daily investment results, before fees and expenses, that correspond to the performance of a daily benchmark that is the inverse (-1x) of its

¹ Past performance is not a guarantee of future results.

² Indexes do not actually hold a portfolio of securities and/or financial instruments. Indexes do not incur fees, expenses and transaction costs. Fees, expenses and transaction costs incurred by the Funds negatively impact the performance of those Funds relative to their respective indexes. Performance of the Funds will generally differ from the performance of the Fund’s index.

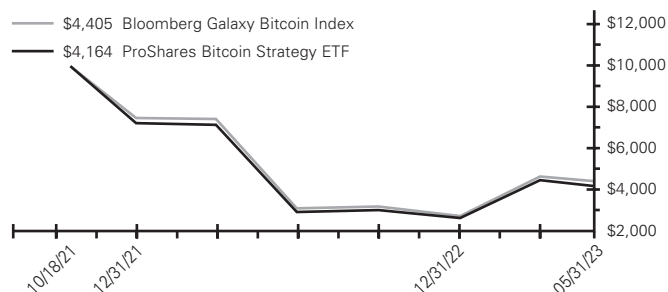
underlying index for a single day only. The fund does not seek to achieve its stated investment objective over a period of time greater than a single day. The return of BITI for a period longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from the inverse (-1x) of the return of the Fund's index for that period. During periods of higher market volatility, the volatility of BITI's index may affect the Fund's return as much as or more than the return of the index. In general, during periods of higher index volatility, compounding will cause the Fund's performance for periods longer than a single day to be less than the inverse (-1x) of the return of the index. This effect becomes more pronounced as volatility increases. Conversely, in periods of lower index volatility (particularly when combined with higher index returns), the Fund's returns over longer periods can be higher than the inverse (-1x) of the return of the index. Longer holding periods and higher index volatility each exacerbates the negative impact of compounding on the Fund's performance.

- **Financing Rates Associated with Derivatives and Interest earned on Cash Positions:** The performance of BITI was impacted by the financing costs implied in the price of bitcoin futures contracts. Because BITI holds short positions in futures contracts, it benefits from these implied financing costs and also earns interest on its cash investments.
- **Fees, Expenses, and Transaction Costs:** Fees and expenses are listed in BITI's financial statements and may generally be higher and thus have a more negative impact on fund performance compared to many traditional index-based funds. Transaction costs are not reflected in the funds' expense ratio and are generally higher for BITI than many more traditional funds. Repositioning of BITI's portfolio to maintain consistent -100% investment exposure may lead to commensurate increases in portfolio transaction costs, which negatively impact BITI's daily NAV.
- **Miscellaneous factors:** BITI holds a mix of securities and/or derivatives that is designed to provide returns that seek to achieve its investment objective. BITI may hold futures contracts or other investments not represented in its index or may have weightings that are different from that of its index.

ProShares Bitcoin Strategy ETF (the “Fund”) seeks capital appreciation. There can be no assurance that the Fund will achieve its investment objective. For the year ended May 31, 2023, the Fund had a total return of -15.27%¹. For the same period, the Bloomberg Galaxy Bitcoin Index had a total return of -14.55%² and a volatility of 60.34%. For the period, the Fund had an average daily volume of 8,840,397 shares.

The Fund does not invest directly in bitcoin. The Fund seeks to provide capital appreciation primarily through managed exposure to bitcoin futures contracts. The Fund expects to gain exposure to these investments by investing a portion of its assets in the ProShares Cayman Bitcoin Strategy Portfolio, a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the “Subsidiary”). Unlike the Fund, the Subsidiary is not an investment company registered under the Investment Company Act of 1940. The Fund’s investment in the Subsidiary is intended to provide the Fund with exposure to commodity markets in accordance with applicable rules and regulations. The Fund will generally limit investments in the Subsidiary to 25% but it may exceed that amount if the Advisor believes doing so is in the best interest of the Fund, such as to help achieve the Fund’s investment objective or increase the tax efficiency of the Fund.

Value of a \$10,000 Investment Since Inception at Net Asset Value*



*The line graph represents historical performance of a hypothetical investment of \$10,000 in the ProShares Bitcoin Strategy ETF from October 18, 2021 to May 31, 2023, assuming the reinvestment of distributions.

Cumulative Total Return as of 05/31/23

	<u>One Year</u>	<u>Since Inception (10/18/21)</u>
ProShares Bitcoin Strategy ETF	-15.27%	-41.84%
Bloomberg Galaxy Bitcoin Index	-14.55%	-39.78%

Expense Ratios**

<u>Fund</u>	<u>Gross</u>	<u>Net</u>
ProShares Bitcoin Strategy ETF	0.95%	0.95%

**Reflects the expense ratio as reported in the Prospectus dated October 1, 2022. See Financial Highlights for effective expense ratios.

Allocation of Portfolio Holdings & Index Composition as of 5/31/23

Market Exposure

<u>Investment Type</u>	<u>% of Net Assets</u>
Futures Contracts	97%
Total Exposure	97%

Bloomberg Galaxy Bitcoin Index – Composition

	<u>% of Index</u>
Bitcoin Futures	100%

“Market Exposure” includes the value of total investments (including the contract value of any derivatives) and excludes any short-term investments and cash equivalents.

Past performance does not guarantee future results. Return calculations assume the reinvestment of distributions and do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and net asset value (“NAV”) will fluctuate so that an investor’s shares, when redeemed, may be more or less than the original cost. The performance above reflects any fee reductions during the applicable periods. If such fee reductions had not occurred, the quoted performance would be lower. To obtain performance current to the most recent month please visit www.ProShares.com.

- 1 Fund returns are based on the NAV of the Fund. This calculation reflects the theoretical reinvestment of distributions, if any, in the Fund as of the ex-date. The impact of transaction costs and the inability of investors to reinvest fractional shares are not reflected in the calculations.
- 2 The Index is a price return index. The total return and any graph or table reflect the theoretical reinvestment of dividends on securities in the Index. The impact of transaction costs and the deduction of expenses associated with an exchange traded fund such as investment management and accounting fees, are not reflected in the Index calculation. It is not possible to invest directly in the Index.

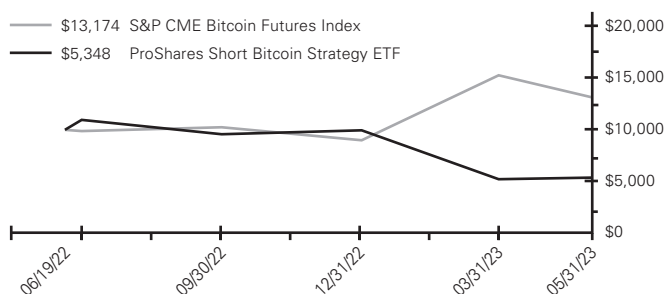
The above information is not covered by the Report of the Independent Registered Public Accounting Firm.

ProShares Short Bitcoin Strategy ETF (the “Fund”) seeks daily investment results, before fees and expenses, that correspond to the inverse (-1X) of the return of the S&P CME Bitcoin Futures Index (the “Index”) for a single day, not for any other period. There can be no assurance that the Fund will achieve its investment objective. From inception on June 19, 2022 to May 31, 2023, the Fund had a total return of -46.52%¹. For the same period, the S&P CME Bitcoin Futures Index had a total return of 29.79%² and a volatility of 64.50%. For the period, the Fund had an average daily volume of 1,001,850 shares.

The Fund does not invest directly in bitcoin nor does it directly short bitcoin. Instead, the Fund seeks to benefit from decreases in the price of bitcoin futures contracts for a single day. The Fund expects to gain exposure to these investments by investing a portion of its assets in the ProShares Cayman Bitcoin Inverse Strategy Portfolio, a wholly-owned subsidiary of the Fund organized under the laws of the Cayman Islands (the “Subsidiary”). Unlike the Fund, the Subsidiary is not an investment company registered under the Investment Company Act of 1940. The Fund’s investment in the Subsidiary is intended to provide the Fund with exposure to commodity markets in accordance with applicable rules and regulations. The Fund will generally limit investments in the Subsidiary to 25% but it may exceed that amount if the Advisor believes doing so is in the best interest of the Fund, such as to help achieve the Fund’s investment objective or increase the tax efficiency of the Fund.

The Index is constructed and maintained by S&P Dow Jones Indices LLC. The Index measures the performance of the front-month bitcoin futures contract trading on the Chicago Mercantile Exchange. The Index is constructed from futures contracts and includes a provision for the replacement of the Index futures contracts as the contracts approach maturity, often referred to as “rolling” a futures contract.

Value of a \$10,000 Investment Since Inception at Net Asset Value*



*The line graph represents historical performance of a hypothetical investment of \$10,000 in the ProShares Bitcoin Strategy ETF from June 19, 2022 to May 31, 2023, assuming the reinvestment of distributions.

Cumulative Total Return as of 05/31/23

	Since Inception (6/19/22)
ProShares Short Bitcoin Strategy ETF	-46.52%
S&P CME Bitcoin Futures Index	29.79%

Expense Ratios**

Fund	Gross	Net
ProShares Short Bitcoin Strategy ETF	1.33%	0.95%

**Reflects the expense ratio as reported in the Prospectus dated June 20, 2023. Contractual fee waivers are in effect through September 30, 2023. See Financial Highlights for effective expense ratios.

Allocation of Portfolio Holdings & Index Composition as of 5/31/23

Market Exposure	
Investment Type	% of Net Assets
Futures Contracts	(100%)
Total Exposure	(100%)

S&P CME Bitcoin Futures Index – Composition	
	% of Index
Bitcoin Futures	100%

“Market Exposure” includes the value of total investments (including the contract value of any derivatives) and excludes any short-term investments and cash equivalents.

Past performance does not guarantee future results. Return calculations assume the reinvestment of distributions and do not reflect taxes that a shareholder would pay on Fund distributions or on the redemption of Fund shares. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and net asset value (“NAV”) will fluctuate so that an investor’s shares, when redeemed, may be more or less than the original cost. The performance above reflects any fee reductions during the applicable periods. If such fee reductions had not occurred, the quoted performance would be lower. To obtain performance current to the most recent month please visit www.ProShares.com.

- 1 Fund returns are based on the NAV of the Fund. This calculation reflects the theoretical reinvestment of distributions, if any, in the Fund as of the ex-date. The impact of transaction costs and the inability of investors to reinvest fractional shares are not reflected in the calculations.
- 2 The Index is a price return index. The total return and any graph or table reflect the theoretical reinvestment of dividends on securities in the Index. The impact of transaction costs and the deduction of expenses associated with an exchange traded fund such as investment management and accounting fees, are not reflected in the Index calculation. It is not possible to invest directly in the Index.

The above information is not covered by the Report of the Independent Registered Public Accounting Firm.

EXPENSE EXAMPLES

As a shareholder, you incur two types of costs: (1) transaction costs for purchasing and selling shares and (2) ongoing costs, including advisory fees and other Fund expenses. The expense examples below are intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other funds.

Actual Expenses

The actual expense examples are based on an investment of \$1,000 invested at the beginning of a six-month period and held through the period ended, May 31, 2023.

The first line in the following tables provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading “Expenses Paid During the Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes

The hypothetical expense examples are based on an investment of \$1,000 invested at the beginning of a six month period and held through the period ended, May 31, 2023.

The second line in the following tables provides information about hypothetical account values and hypothetical expenses based on the Funds’ actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds’ actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transaction costs, such as brokerage charges. Therefore, the second line for each Fund in the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if transaction costs were included, your costs would have been higher.

	Beginning Account Value 12/1/2022	Ending Account Value 05/31/23	Expenses Paid During the Period*	Annualized Expense Ratio During Period
Bitcoin Strategy ETF				
Actual	\$ 1,000.00	\$ 1,559.50	\$6.06	0.95%
Hypothetical	\$ 1,000.00	\$ 1,020.19	\$4.78	0.95%
Short Bitcoin Strategy ETF				
Actual	\$ 1,000.00	\$ 554.00	\$3.72	0.96%
Hypothetical	\$ 1,000.00	\$ 1,020.14	\$4.84	0.96%

* Expenses are equal to the average account value multiplied by the Fund’s annualized expense ratio multiplied by 182/365 (the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year).

CONSOLIDATED SCHEDULE OF PORTFOLIO INVESTMENTS

Investments	Principal Amount	Value
Short-Term Investments — 65.2%		
Repurchase Agreements (a) — 9.7%		
Repurchase Agreements with various counterparties, rates 4.95% - 5.05%, dated 5/31/2023, due 6/1/2023, total to be received \$86,155,309 (Cost \$86,143,249)	\$ 86,143,249	<u>\$ 86,143,249</u>
U.S. Treasury Obligations — 55.5%		
U.S. Treasury Bills 5.19%, 8/17/2023 (b) (Cost \$494,513,750)	500,000,000	<u>494,576,580</u>
Total Short-Term Investments (Cost \$580,656,999)		<u>580,719,829</u>
Total Investments — 65.2% (Cost \$580,656,999)		<u>580,719,829</u>
Other assets less liabilities — 34.8%		<u>310,523,188</u>
Net Assets — 100.0%		<u>\$ 891,243,017</u>

- (a) The Fund invests in Repurchase Agreements jointly with other funds in the Trust. See “Repurchase Agreements” in the Notes to Financial Statements to view the details of each individual agreement and counterparty as well as a description of the securities subject to repurchase.
- (b) The rate shown was the current yield as of May 31, 2023.

As of May 31, 2023, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investment securities and derivative instruments, if applicable, for federal income tax purposes was as follows:

Aggregate gross unrealized appreciation	\$ 4,646,688
Aggregate gross unrealized depreciation	(28,486,151)
Net unrealized depreciation	<u>\$ (23,839,463)</u>
Federal income tax cost	<u>\$ 580,656,999</u>

Futures Contracts Purchased

Bitcoin Strategy ETF had the following open long futures contracts as of May 31, 2023:

	Number of Contracts	Expiration Date	Trading Currency	Notional Amount	Value and Unrealized Appreciation/ (Depreciation)
CME Bitcoin Futures	4,160	6/30/2023	U.S. Dollar	\$ 563,160,000	\$ (28,486,151)
CME Bitcoin Futures	2,227	7/28/2023	U.S. Dollar	303,484,425	4,583,858
					<u>\$ (23,902,293)</u>

Investments	Principal Amount	Value
Short-Term Investments — 69.7%		
Repurchase Agreements (a) — 15.2%		
Repurchase Agreements with various counterparties, rates 4.95% - 5.05%, dated 5/31/2023, due 6/1/2023, total to be received \$15,223,049 (Cost \$15,220,919)	\$ 15,220,919	<u>\$ 15,220,919</u>
U.S. Treasury Obligations — 54.5%		
U.S. Treasury Bills 5.19%, 8/17/2023 (b) (Cost \$54,396,513)	55,000,000	<u>54,403,424</u>
Total Short-Term Investments (Cost \$69,617,432)		<u>69,624,343</u>
Total Investments — 69.7% (Cost \$69,617,432)		<u>69,624,343</u>
Other assets less liabilities — 30.3%		<u>30,242,393</u>
Net Assets — 100.0%		<u>\$ 99,866,736</u>

- (a) The Fund invests in Repurchase Agreements jointly with other funds in the Trust. See “Repurchase Agreements” in the Notes to Financial Statements to view the details of each individual agreement and counterparty as well as a description of the securities subject to repurchase.
- (b) The rate shown was the current yield as of May 31, 2023.

As of May 31, 2023, the gross unrealized appreciation (depreciation) of investments based on the aggregate cost of investment securities and derivative instruments, if applicable, for federal income tax purposes was as follows:

Aggregate gross unrealized appreciation	\$ 6,911
Aggregate gross unrealized depreciation	<u>(1,029,295)</u>
Net unrealized depreciation	<u><u>\$ (1,022,384)</u></u>
Federal income tax cost	<u><u>\$ 69,617,432</u></u>

Futures Contracts Sold

Short Bitcoin Strategy ETF had the following open short futures contracts as of May 31, 2023:

	Number of Contracts	Expiration Date	Trading Currency	Notional Amount	Value and Unrealized Depreciation
CME Bitcoin Futures	735	6/30/2023	U.S. Dollar	\$ 99,500,625	\$ (1,029,295)

CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

	Bitcoin Strategy ETF	Short Bitcoin Strategy ETF
ASSETS:		
Securities and Repurchase Agreements, at cost	\$ 580,656,999	\$ 69,617,432
Securities, at value	494,576,580	54,403,424
Repurchase Agreements, at value	86,143,249	15,220,919
Cash	35,125,375	1,397,469
Segregated cash balances with brokers for futures contracts	304,063,602	32,340,000
Interest receivable	11,938	2,109
Receivable for capital shares issued	340	501
Receivable from Advisor	—	221
Receivable for variation margin on futures contracts	3,365,369	1,768,092
Total Assets	<u>923,286,453</u>	<u>105,132,735</u>
LIABILITIES:		
Payable for capital shares redeemed	3,542,307	4,801,111
Payable to Advisor	331,118	—
Trustee fees payable	7,367	1,021
Compliance services fees payable	3,075	386
Payable for variation margin on futures contracts	28,159,569	463,481
Total Liabilities	<u>32,043,436</u>	<u>5,265,999</u>
NET ASSETS	<u>\$ 891,243,017</u>	<u>\$ 99,866,736</u>
NET ASSETS CONSIST OF:		
Paid in Capital	\$ 1,955,292,100	\$ 170,726,997
Distributable earnings (loss)	(1,064,049,083)	(70,860,261)
NET ASSETS	<u>\$ 891,243,017</u>	<u>\$ 99,866,736</u>
Shares (unlimited number of shares authorized, no par value)	57,380,001	4,620,000
Net Asset Value	\$ 15.53	\$ 21.62

CONSOLIDATED STATEMENTS OF OPERATIONS

	Bitcoin Strategy ETF	Short Bitcoin Strategy ETF
	Year Ended May 31, 2023	June 19, 2022* through May 31, 2023
INVESTMENT INCOME:		
Interest	\$ 15,727,705	\$ 1,829,355
Total Investment Income	<u>15,727,705</u>	<u>1,829,355</u>
EXPENSES:		
Advisory fees (Note 4)	6,935,393	882,647
Trustees fees (Note 5)	17,240	1,943
Compliance services fees (Note 4)	2,673	386
Interest expense	—	75,309
Futures Commission Merchant fees	—	275,793
Total Gross Expenses before fees waived and/or reimbursed	<u>6,955,306</u>	<u>1,236,078</u>
LESS:		
Expenses waived and/or reimbursed by Advisor (Note 4)	—	(351,102)
Total Net Expenses	<u>6,955,306</u>	<u>884,976</u>
Net Investment Income (Loss)	<u>8,772,399</u>	<u>944,379</u>
NET REALIZED GAIN (LOSS) FROM:		
Transactions in investment securities	(171,076)	(5,404)
Expiration or closing of futures contracts	(105,333,754)	(70,361,125)
Net realized gain (loss)	<u>(105,504,830)</u>	<u>(70,366,529)</u>
CHANGE IN NET UNREALIZED APPRECIATION/DEPRECIATION FROM:		
Investments	87,368	6,911
Futures contracts	(21,996,521)	(1,029,295)
Change in net unrealized appreciation/depreciation	<u>(21,909,153)</u>	<u>(1,022,384)</u>
Net realized and unrealized gain (loss)	(127,413,983)	(71,388,913)
Change in Net Assets Resulting from Operations	<u>\$ (118,641,584)</u>	<u>\$ (70,444,534)</u>

* Commencement of investment operations.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Bitcoin Strategy ETF		Short Bitcoin Strategy ETF
	Year Ended May 31, 2023	October 18, 2021* through May 31, 2022	June 19, 2022* through May 31, 2023
FROM INVESTMENT ACTIVITIES:			
OPERATIONS:			
Net investment income (loss)	\$ 8,772,399	\$ (6,042,371)	\$ 944,379
Net realized gain (loss)	(105,504,830)	(876,876,301)	(70,366,529)
Change in net unrealized appreciation/depreciation	(21,909,153)	(1,930,310)	(1,022,384)
Change in net assets resulting from operations	(118,641,584)	(884,848,982)	(70,444,534)
DISTRIBUTIONS TO SHAREHOLDERS FROM:			
Distributable earnings	(62,858,434)	—	(415,727)
Total distributions	(62,858,434)	—	(415,727)
CAPITAL TRANSACTIONS (a):			
Proceeds from shares issued	1,042,452,625	2,376,696,826	384,618,160
Cost of shares redeemed	(793,632,666)	(667,924,768)	(214,296,663)
Change in net assets resulting from capital transactions	248,819,959	1,708,772,058	170,321,497
Change in net assets	67,319,941	823,923,076	99,461,236
NET ASSETS:			
Beginning of period	\$ 823,923,076	\$ —	\$ 405,500
End of period	\$ 891,243,017	\$ 823,923,076	\$ 99,866,736
SHARE TRANSACTIONS:			
Beginning of period	41,910,001	—	10,000
Issued	73,000,000	68,940,001	12,230,000
Redeemed	(57,530,000)	(27,030,000)	(7,620,000)
Shares outstanding, end of period	57,380,001	41,910,001	4,620,000

* Commencement of investment operations.

(a) Capital share transactions may include transaction fees associated with Creation and Redemption transactions which occurred during the period. See Note 7 to the Financial Statements.

CONSOLIDATED FINANCIAL HIGHLIGHTS

ProShares Trust Consolidated Financial Highlights FOR THE PERIODS INDICATED

SELECTED DATA FOR A SHARE OUTSTANDING THROUGHOUT THE PERIODS INDICATED

	PER SHARE OPERATING PERFORMANCE										RATIOS/SUPPLEMENTAL DATA								
	INVESTMENT OPERATIONS					DISTRIBUTIONS					TOTAL RETURN ^(c)			RATIOS TO AVERAGE NET ASSETS ^(f)				SUPPLEMENTAL DATA	
	Net asset value, beginning of period	Net investment income (loss) ^(a)	Net realized and unrealized gains (losses) on investments	Transaction fees ^(b)	Total from investment operations	Net investment income	Net realized gains	Tax return of capital	Total distributions	Net asset value, end of period	Net asset value ^(d)	Market value ^(e)	Expenses before expense reductions	Expenses net of waivers, if any	Net investment income (loss) before expense reductions	Net investment income (loss) net of waivers, if any	Net assets, end of period (000)	Portfolio turnover rate ^(g)	
Bitcoin Strategy ETF																			
Year ended																			
May 31, 2023	\$19.66	\$0.16	\$(3.16)	\$ — ^(h)	\$(3.00)	\$(1.13)	\$—	\$—	\$(1.13)	\$15.53	(15.27)%	(15.21)%	0.95%	0.95%	1.20%	1.20%	\$891,243	N/A	
October 18, 2021* through																			
May 31, 2022	40.00	(0.15)	(20.20)	0.01	(20.34)	—	—	—	—	19.66	(50.85)	(50.93)	0.96	0.96	(0.88)	(0.88)	823,923	N/A	
Short Bitcoin Strategy ETF																			
June 19, 2022* through																			
May 31, 2023	40.55	0.28	(19.14)	0.02	(18.84)	(0.09)	—	—	(0.09)	21.62	(46.52)	(46.53)	1.33	0.95	0.64	1.02	99,867	N/A	

* Commencement of investment operations.

(a) Per share net investment income (loss) has been calculated using the average daily shares method.

(b) Includes transaction fees associated with the issuance and redemption of Creation Units.

(c) Not annualized for periods less than one year.

(d) Net asset value total return is calculated assuming an initial investment made at the net asset value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at net asset value. This percentage is not an indication of the performance of a shareholder's investment in the Fund based on market value due to differences between the market price of the shares and the net asset value per share of the Fund.

(e) Market value total return is calculated assuming an initial investment made at the market value at the beginning of the period, reinvestment of all dividends and distributions at net asset value during the period, if any, and redemption on the last day of the period at market value. Market value is determined by the composite closing price. Composite closing security price is defined as the last reported sale price from any primary listing market (e.g., NYSE and Nasdaq) or participating regional exchanges or markets. The composite closing price is the last reported sale price from any of the eligible sources, regardless of volume and not an average price and may have occurred on a date prior to the close of the reporting period. Market value may be greater or less than net asset value, depending on the Fund's closing price on the listing market.

(f) Annualized for periods less than one year.

(g) Portfolio turnover rate is calculated without regard to instruments having a maturity of less than one year from acquisition or derivative instruments (including futures contracts), therefore the portfolio turnover rate is not applicable to these funds.

(h) Per share amount is less than \$0.005.

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization

ProShares Trust (the “Trust”) is registered as an open-end management investment company under the Investment Company Act of 1940 (“1940 Act”). The Trust was formed as a Delaware statutory trust on May 29, 2002, has authorized capital of an unlimited number of shares at no par value and is comprised of 121 operational funds. These accompanying Notes to Financial Statements relate to the ProShares Bitcoin Strategy ETF and the ProShares Short Bitcoin Strategy ETF, the portfolios of the Trust included in this report (collectively, the “Funds” and individually, a “Fund”). Each Fund qualifies as an investment company as defined in the Financial Accounting Standards Codification Topic 946 – Financial Services – Investment Companies. Each Fund is considered to be “non-diversified” under the 1940 Act.

2. Significant Accounting Policies

The net asset value per share (“NAV”) of each Fund is generally determined as of the close of the regular trading session of the exchange on which it is listed (is typically calculated as of 4:00 p.m. Eastern Time) on each business day.

The following is a summary of significant accounting policies followed by each Fund in preparation of its financial statements. These policies are in conformity with U.S. generally accepted accounting principles (“GAAP”). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts. The actual results could differ from those estimates.

Investment Valuation

The Funds record their investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The securities in the portfolio of a Fund that are listed or traded on a stock exchange or the Nasdaq Stock Market, except as otherwise noted, are generally valued at the closing price, if available, or the last sale price on the exchange or system where the security is principally traded, generally using information provided by a third party pricing service, or market quotations. These valuations are typically categorized as Level 1 in the fair value hierarchy described below. If there have been no sales for that day on the exchange or system where the security is principally traded, then fair value may be determined with reference to the mean of the latest bid and asked quotes, if applicable, on the exchange or system. If there have been no sales or quotes of the security for that day on the exchange or system, the security will be valued in accordance with procedures approved by the Trust’s Board of Trustees (the “Board”).

Securities regularly traded in the over-the-counter (“OTC”) markets, including securities listed on an exchange but that are primarily traded OTC, other than those traded on the Nasdaq Stock Market, are valued on the basis of the mean between the bid and asked quotes furnished by primary market makers for those instruments. Fixed-income securities are valued according to prices as furnished by an independent pricing service, generally at the mean of the bid and asked quotes for

U.S. Treasury securities and at the bid or evaluated bid price for corporate bonds. In each of these situations, valuations are typically categorized as Level 2 in the fair value hierarchy.

Commodity futures contracts are generally valued at the official futures settlement price. These valuations are typically categorized as Level 1 in the fair value hierarchy. If there was no sale on that day, fair valuation procedures as described below may be applied.

When ProShare Advisors LLC (the “Advisor”) determines that the price of a security is not readily available or deemed unreliable (e.g., an approved pricing service does not provide a price, a furnished price is in error, certain prices become stale, or an event occurs that materially affects the furnished price), the Advisor may, in good faith, establish a fair value for that security in accordance with procedures established by and under the general supervision and responsibility of the Board. Fair value pricing may require subjective determinations about the value of a security. While the Trust’s policy is intended to result in a calculation of a Fund’s NAV that fairly reflects security values as of the time of pricing, the Trust cannot ensure that fair values determined by the Advisor or persons acting at their direction would accurately reflect the price that a Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by a Fund may differ from the value that would be realized if the securities were sold and the differences could be material to the financial statements. Depending on the source and relevant significance of valuation inputs, these instruments may be classified as Level 2 or Level 3 in the fair value hierarchy.

The Funds disclose the fair value of their investments in a hierarchy that distinguishes between: (1) market participant assumptions which are developed based on market data obtained from sources independent of the Funds (observable inputs) and (2) the Funds’ own assumptions about market participant assumptions which are developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the hierarchy are as follows:

- **Level 1** – Quoted prices in active markets for identical assets.
- **Level 2** – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).
- **Level 3** – Significant unobservable inputs (including assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, short-term debt securities maturing in sixty days or less may be valued at amortized cost. Generally, amortized cost approximates the current fair value of a security, but since the valuation is not obtained from a quoted price in an active market, such securities are typically reflected as Level 2. Fair value measurements may also require additional disclosure when the volume and level of activity for the asset or liability have significantly decreased, as well as when circumstances indicate that a transaction is not orderly.

The following is a summary of the valuations as of May 31, 2023, for each Fund based upon the three levels defined above:

	LEVEL 1 - Quoted Prices		LEVEL 2 - Other Significant Observable Inputs		Total
	Futures Contracts*	U.S. Treasury Obligations	Repurchase Agreements	Investment Securities, including Repurchase Agreements	Other Financial Instruments, including Futures Contracts*
Bitcoin Strategy ETF	\$(23,902,293)	\$ 494,576,580	\$86,143,249	\$580,719,829	\$(23,902,293)
Short Bitcoin Strategy ETF	(1,029,295)	54,403,424	15,220,919	69,624,343	(1,029,295)

* These investments are recorded in the financial statements at the unrealized gain or loss on the investment.

Please refer to the Consolidated Schedules of Portfolio Investments to view securities segregated by industry type. There were no Level 3 securities held at period end.

Repurchase Agreements

The Funds may enter into repurchase agreements. Repurchase agreements are primarily used by the Funds as short-term investments for cash positions. Under a repurchase agreement, a Fund purchases one or more debt securities and simultaneously agrees to sell those securities back to the seller at a mutually agreed-upon future price and date, normally one day or a few days later. The resale price is greater than the purchase price, reflecting an agreed-upon market interest rate during the purchaser's holding period. While the maturities of the underlying securities in repurchase transactions may be more than one year, the term of each repurchase agreement will always be less than one year. The Funds follow certain procedures designed to minimize the risks inherent in such agreements. These procedures include e-affecting repurchase transactions generally with major global financial institutions whose creditworthiness is monitored by the Advisor. In addition, the value of the collateral underlying the repurchase agreement is required to be at least equal to the repurchase price, including any accrued interest income earned on the repurchase agreement. The Funds may invest in repurchase agreements through joint account arrangements; in such cases, each Fund holds a pro rata share of the collateral and interest income based upon the dollar amount of the repurchase agreements entered into by each Fund. The collateral underlying the repurchase agreement is held by the Fund's custodian. A repurchase agreement is subject to the risk that the counterparty to the repurchase agreement that sells the securities may default on its obligation to repurchase them. In this circumstance, a Fund may lose money because it may not be able to sell the securities at the agreed upon time and price, the securities may lose value before they can be sold, the selling institution may declare bankruptcy or the Fund may have difficulty exercising rights to the collateral. During periods of high demand for repurchase agreements, the Funds may be unable to invest available cash in these instruments to the extent desired by the Advisor.

On May 31, 2023, the Funds had interest in joint repurchase agreements with the following counterparties, for the time periods and rates indicated. Amounts shown in the table below represent Principal Amount, Cost and Value for each respective repurchase agreement.

Fund Name	Bank of America Securities, Inc., 5.05%, dated 05/31/2023 due 06/01/2023 ^(a)	Barclays Capital, Inc., 5.02%, dated 05/31/2023 due 06/01/2023 ^(b)	BNP Paribas Securities Corp., 4.95%, dated 05/31/2023 due 06/01/2023 ^(c)	BNP Paribas Securities Corp., 5.05%, dated 05/31/2023 due 06/01/2023 ^(d)	ING Financial Markets LLC, 5.05%, dated 05/31/2023 due 06/01/2023 ^(e)	Total
Bitcoin Strategy ETF	\$10,363,811	\$5,682,391	\$7,819,966	\$41,455,243	\$20,821,838	\$ 86,143,249
Short Bitcoin Strategy ETF	1,831,214	1,004,039	1,381,734	7,324,857	3,679,075	15,220,919
	<u>\$12,195,025</u>	<u>\$6,686,430</u>	<u>\$9,201,700</u>	<u>\$48,780,100</u>	<u>\$24,500,913</u>	<u>\$101,364,168</u>

Each Repurchase Agreement was fully collateralized by U.S. government and/or agency securities at May 31, 2023 as follows:

- U.S. Treasury Notes, 3.13 to 3.88%, due 8/31/2027 to 12/31/2029, which had an aggregate value at the Trust level of \$561,000,056.
- U.S. Treasury Bonds, 4%, due 11/15/2042; U.S. Treasury Notes, 2.63%, due 7/31/2029, which had an aggregate value at the Trust level of \$307,591,722.
- U.S. Treasury Bonds, 2.38% to 6.5%, due 1/15/2025 to 11/15/2048; U.S. Treasury Notes, 1.25% to 4%, due 4/30/2024 to 5/31/2030, which had an aggregate value at the Trust level of \$423,300,025.
- U.S. Treasury Bills, 0%, due 6/13/2023 to 10/19/2023; U.S. Treasury Bonds, 0% to 5.38%, due 5/15/2025 to 2/15/2051; U.S. Treasury Notes, 0.13% to 4.63%, due 7/15/2023 to 5/31/2030, which had an aggregate value at the Trust level of \$2,244,000,080.
- Federal Farm Credit Bank, 0% to 4%, due 8/29/2023 to 1/19/2033; Federal Home Loan Bank, 0% to 5.12%, due 2/7/2024 to 8/8/2030; Federal Home Loan Mortgage Corp., 0% to 5%, due 10/30/2024 to 3/15/2031; Federal National Mortgage Association, 0% to 6.63%, due 9/6/2024 to 11/15/2030; U.S. Treasury Bills, 0%, due 9/19/2023 to 1/25/2024; U.S. Treasury Bonds, 1.13% to 3.63%, due 5/15/2040 to 5/15/2051; U.S. Treasury Notes, 0.25% to 5.4%, due 7/31/2023 to 5/15/2033, which had an aggregate value at the Trust level of \$1,127,100,785.

Reverse Repurchase Agreements

The Funds may enter into reverse repurchase agreements as part of its investment strategy, which may be viewed as a form of borrowing. Reverse repurchase agreements involve sales by the Fund of portfolio assets for cash concurrently with an agreement by the Fund to repurchase those same assets at a later date at a fixed price. Generally, the effect of such a transaction is that the Fund can recover all or most of the cash invested in the portfolio securities involved during the term of the reverse repurchase agreement, while the Fund will be able to keep the interest income associated with those portfolio securities. Such transactions are advantageous only if the interest cost to the Fund of the reverse repurchase transaction is less than the cost of obtaining the cash otherwise. For the ProShares Bitcoin Strategy ETF, the interest on reverse repurchase agreements is paid for by the Advisor and is not a direct fund expense. Opportunities to achieve this advantage may not always be available, and the Funds intend to use the reverse repurchase technique only when it will be to the Funds advantage to do so. The Funds will segregate with their custodian bank cash or liquid instruments equal in value to the Funds obligations with respect to reverse repurchase agreements.

As of May 31, 2023, the ProShares Bitcoin Strategy ETF had no outstanding reverse repurchase agreements. The weighted average daily balance of the reverse repurchase agreements during the year ended May 31, 2023 was \$17,298,058.

As of May 31, 2023, the ProShares Short Bitcoin Strategy ETF had no outstanding reverse repurchase agreements. The weighted average daily balance of the reverse repurchase agreements during the period ended May 31, 2023 was \$2,211,245. The average interest expense for same period was \$218.

Debt Instruments

The Funds may invest in debt instruments, including U.S. government securities; Foreign and U.S. investment grade corporate debt securities.

Accounting for Derivatives Instruments

In seeking to achieve the investment objectives of Funds whose objective is tied to an index or benchmark, the Advisor uses a passive approach to investing that is designed to track the performance of the Fund's underlying index or benchmark. Each such Fund attempts to achieve its investment objective by investing all, or substantially all, of its assets in investments that make up its index or in financial instruments that provide similar exposure.

In connection with its management, the Advisor has registered as a commodity pool operator (a "CPO") and the Commodity Pools are commodity pools under the Commodity Exchange Act (the "CEA"). Accordingly, the Advisor is subject to registration and regulation as a CPO under the CEA, and must comply with various regulatory requirements under the CEA and the rules and regulations of the Commodity Futures Trading Commission ("CFTC") and the National Futures Association ("NFA"), including investor protection requirements, antifraud provisions, disclosure requirements and reporting and record keeping requirements. The Advisor is also subject to periodic inspections and audits by the CFTC and NFA. Compliance with these regulatory

requirements could adversely affect the Commodity Pools' total return. In this regard, any further amendment to the CEA or its related regulations that subject the Advisor or the Commodity Pools to additional regulation may have adverse impacts on the Commodity Pools' operations and expenses.

All open derivative positions at period end are reflected on each respective Fund's Consolidated Schedule of Portfolio Investments. The Funds utilized a varying level of derivative instruments in conjunction with investment securities in seeking to meet their investment objective during the period. While the volume of open positions may vary on a daily basis as each Fund transacts derivative contracts in order to achieve the appropriate exposure to meet its investment objective, the volume of these open positions relative to the net assets of each respective Fund at the date of this report is generally representative of open positions throughout the reporting period.

For financial reporting purposes, the Trust can offset financial assets and financial liabilities that are subject to master netting arrangements or similar agreements in the Consolidated Statement of Assets and Liabilities. Information concerning the value of and amounts due under Repurchase and Reverse Repurchase Agreement transactions may be found on each Fund's Consolidated Schedule of Portfolio Investments. Information concerning the counterparties to each Repurchase Agreement and levels of collateralization may be found above, under the caption "Repurchase Agreements."

Following is a description of the Funds' use of derivative instruments, the types of derivatives utilized by the Funds during the reporting period, as well as the primary underlying risk exposures related to each instrument type.

Futures Contracts

Each Fund may purchase or sell futures contracts and options thereon as a substitute for a comparable market position in the underlying securities or to satisfy regulatory requirements. A physical-settlement futures contract generally obligates the seller to deliver (and the purchaser to take delivery of) the specified asset on the expiration date of the contract. A cash-settled futures contract obligates the seller to deliver (and the purchaser to accept) an amount of cash equal to a specific dollar amount (the contract multiplier) multiplied by the difference between the final settlement price of a specific futures contract and the price at which the agreement is made. No physical delivery of the underlying asset is made.

The Funds generally engage in closing or offsetting transactions before final settlement of a futures contract, wherein a second identical futures contract is sold to offset a long position (or bought to offset a short position). In such cases, the obligation is to deliver (or take delivery of) cash equal to a specific dollar amount (the contract multiplier) multiplied by the difference between the price of the offsetting transaction and the price at which the original contract was entered into. If the original position entered into is a long position (futures contract purchased) there will be a gain (loss) if the offsetting sell transaction is carried out at a higher (lower) price, inclusive of commissions. If the original position entered into is a short position (futures contract sold) there will be a gain (loss) if the offsetting buy transaction is carried out at a lower (higher) price, inclusive of commissions.

Whether a Fund realizes a gain or loss from futures activities depends generally upon movements in the underlying commodity. The extent of the Fund's loss from an unhedged short position in futures contracts or from writing options on futures contracts is potentially unlimited. Each Fund will engage in transactions in futures contracts and related options that are traded on a U.S. exchange or board of trade or that have been approved for sale in the U.S. by the CFTC.

Upon entering into a futures contract, each Fund will be required to deposit with the broker an amount of cash or cash equivalents in the range of approximately 5% to 10% of the contract amount for commodity futures (these amounts are subject to change by the exchange on which the contract is traded). This amount, known as "initial margin," is in the nature of a performance bond or good faith deposit on the contract and is returned to the Fund upon termination of the futures contract, assuming all contractual obligations have been satisfied. Subsequent payments, known as "variation margin," to and from the broker will be made as the price of the commodity underlying the futures contract fluctuates, making the long and short positions in the futures contract more or less valuable, a process known as "marking-to-market." At any time prior to expiration of a futures contract, a Fund may elect to close its position by taking an opposite position, which will operate to terminate the Fund's existing position in the contract.

The primary risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures and the market value of the underlying assets, and the possibility of an illiquid market for a futures contract. Although each Fund intends to sell futures contracts only if there is an active market for such contracts, no assurance can be given that a liquid market will exist for any particular contract at any particular time. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit

has been reached in a particular contract, no trades may be made that day at a price beyond that limit, or trading may be suspended for specified periods during the day. Futures contract prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting a Fund to substantial losses. If trading is not possible, or if a Fund determines not to close a futures position in anticipation of adverse price movements, the Fund will be required to make daily cash payments of variation margin. The risk that the Fund will be unable to close out a futures position will be minimized by entering into such transactions on a national exchange with an active and liquid secondary market. In addition, although the counterparty to a futures contract is often a clearing organization, backed by a group of financial institutions, there may be instances in which the counterparty could fail to perform its obligations, causing significant losses to a Fund.

The Financial Accounting Standards Board, pursuant to Accounting Standards Codification 815-10 ("ASC 815-10"), requires companies (including the Trust) to disclose information intended to enable financial statement users to understand how derivative instruments affect the Consolidated Statements of Assets and Liabilities as well as the effect of derivative instruments on the Consolidated Statements of Operations during the reporting period, in the context of each entity's risk exposure. ASC 815-10 provides examples of risk exposure, including interest rate, commodity and credit.

As the Funds' investment objective is to provide investment results, before fees and expenses, that correspond to the return of its underlying index on a daily basis, the derivatives utilized are aligned to the same primary risk. The primary risk for ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF is commodity market risk.

The following tables indicate the location of derivative-related items on the Consolidated Statements of Assets and Liabilities as well as the effect of derivative instruments on the Consolidated Statements of Operations during the reporting period.

Fair Value of Derivative Instruments as of May 31, 2023

Asset Derivatives				Liabilities Derivatives		
Derivatives not accounted for as hedging instruments under ASC 815	Consolidated Statements of Assets and Liabilities Location	Fund	Unrealized Appreciation*	Consolidated Statements of Assets and Liabilities Location	Fund	Unrealized Depreciation*
Commodity futures	Net assets consist of: Net unrealized appreciation (depreciation) on futures contracts*	Bitcoin Strategy ETF Short Bitcoin Strategy ETF	\$ 4,583,858 —	Net assets consist of: Net unrealized appreciation (depreciation) on: futures contracts*	Bitcoin Strategy ETF Short Bitcoin Strategy ETF	\$ 28,486,151 1,029,295

* Includes cumulative appreciation (depreciation) of futures contracts as reported in the Consolidated Schedule of Portfolio Investments. For these securities, only the variation margin is reported within the asset and liability sections of the Consolidated Statements of Assets and Liabilities.

The Effect of Derivative Instruments on the Consolidated Statements of Operations for the Year Ended May 31, 2023

Derivatives not accounted for as hedging instruments under ASC 815	Location of Gain or (Loss) on Derivatives on the Consolidated Statements of Operations	Fund	Realized Gain or (Loss) on Derivatives	Change in Unrealized Appreciation or (Depreciation) on Derivatives
	Net realized gain (loss) on Expiration or closing of futures contracts Change in net unrealized appreciation (depreciation) on Futures contracts			
Commodity futures		Bitcoin Strategy ETF	\$ (105,333,754)	\$ (21,996,521)
		Short Bitcoin Strategy ETF	(70,361,125)	(1,029,295)

Taxes and Distributions

Each of the Funds intends to qualify or continue to qualify as a regulated investment company and distribute substantially all of its net investment income and capital gains to shareholders. Accordingly, no provision for Federal income taxes is required in the financial statements.

As of May 31, 2023, management of the Funds has reviewed all open tax years and major jurisdictions (the last four tax year ends including the interim tax periods since then, as applicable) and concluded that there is no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future tax returns. The Funds are also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

Distributions to shareholders from net investment income and net capital gain, if any, are declared and paid at least annually. The amount of distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These “book/tax” differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the composition of net assets based on their federal tax-basis treatment; temporary differences (e.g., wash sales, 1256 mark-to-market, and qualified late-year loss deferrals) do not require a reclassification. The Funds may utilize equalization accounting for tax purposes and designate earnings and profits, including net realized gains distributed to shareholders on redemption of shares, as a part of the dividends paid deduction for income tax purposes. While subject to management’s discretion, any available tax equalization is typically applied first to short-term capital gains, next to long-term capital gains and then to ordinary income. To the extent distributions exceed net investment income and net realized capital gains for tax purposes, they are reported as a tax return of capital.

The Funds’ tax year end is October 31st and the tax character of current year distributions and current components of accumulated earnings (deficit) will be determined at the end of the current tax year.

The Funds did not have distributions paid for the most recent tax years ended October 31, 2022 and October 31, 2021.

At October 31, 2022 (the Funds’ most recent tax year end), the components of accumulated earnings (deficit) on a tax basis were as follows:

Fund	Undistributed Ordinary Income	Undistributed Long-Term Capital Gain	Accumulated Capital and Other Losses	Unrealized Appreciation/ (Depreciation)
Bitcoin Strategy ETF	—	—	\$ (4,379,301)	\$(1,314,812,363)
Short Bitcoin Strategy ETF	\$ 931	—	(9,217)	(16,461,314)

Temporary differences are generally due to differing book and tax treatments for the timing of the recognition of gains and losses on certain investment transactions and the timing and the deductibility of certain expenses. Permanent differences, primarily due to reclassification on sale of derivatives, reversal of gain/(loss) on disposition of subsidiary units, and nondeductible expenses, resulted in reclassifications as of October 31, 2022 (the Funds’ most recent tax year end), among the Funds’ components of net assets.

As of October 31, 2022 (the Funds’ most recent tax year end), the Funds had capital loss carry forwards (“CLCFs”) available to offset future realized gains, if any, to the extent provided for by regulations and to thereby reduce the amount of future taxable capital gain distributions. Under current tax law, CLCFs retain their character as either short-term or long-term capital losses, and are not subject to expiration.

At October 31, 2022 (the Funds' most recent tax year end), the following Funds had available CLCFs:

	<u>No Expiration Date</u>
Bitcoin Strategy ETF	\$ 719,411
Short Bitcoin Strategy ETF	9,217

At October 31, 2022 (the Funds' most recent tax year end), the following Funds utilized CLCFs and/or elected to defer late-year ordinary losses to November 1, 2022:

<u>Fund</u>	<u>Capital Loss Utilized</u>	<u>Ordinary Late Year Loss Deferrals</u>
Bitcoin Strategy ETF	\$ —	\$ 3,659,890

3. Investment Transactions, Income and Expense Allocations

Throughout the reporting period, investment transactions are generally accounted for no later than one business day following the trade date. For financial reporting purposes, investment transactions on the last business day of the reporting period are accounted for on the trade date.

Interest income is recognized on an accrual basis and includes, where applicable, the amortization of premium or discount. Gains or losses realized on sales of securities are determined using the specific identification method by comparing the identified cost of the security lot sold with the net sales proceeds.

Expenses directly attributable to a Fund are charged to that Fund, while expenses which are attributable to more than one Fund or jointly with an affiliate, are allocated among the respective Funds and/or affiliates based upon relative net assets or another reasonable basis.

4. Advisory and Management Service Fees and Transactions with Affiliates

The Advisor serves as the investment adviser to each Fund pursuant to an Investment Advisory and Management Agreement. The Funds pay the Advisor a monthly fee, accrued daily at an annualized rate of 0.95% based on average daily net assets for investment advisory and management services. The Advisor is responsible for substantially all other expenses of the Funds except, generally, interest expenses (except that the Advisor will pay net expenses incurred in connection with investments in reverse repurchase agreements in ProShares Bitcoin Strategy ETF), taxes, brokerage and other transaction costs (except that the Advisor will pay account or similar fees charged by futures commission merchants in ProShares Bitcoin Strategy ETF), legal expenses fees and expenses related to securities lending, compensation and expenses of the Independent Trustees, compensation and expenses of the counsel to the Independent Trustees, compensation and expenses of the Trust's chief compliance officer and his or her staff, legal fees and expenses in connection with litigation, future distribution fees or expenses (if any), and extraordinary expenses.

The Advisor has agreed to waive net expenses incurred in connection with investments in reverse repurchase agreements and fees charged by futures commission merchants in ProShares Short Bitcoin Strategy ETF through September 30, 2023. These waivers are non-recoupable. After such date, the expense limitation may be terminated or revised by the Advisor. For the period ended May 31, 2023, the Advisor waived \$351,102.

Employees of the Advisor serve in the roles of Interested Trustee, President, Chief Legal Officer and Secretary of the Trust. These individuals receive no compensation directly from the Trust. Another employee of the Advisor serves as Chief Compliance Officer and Anti-Money Laundering Officer. This individual's related compensation, along with the compensation of staff who administer the Funds' compliance program, and certain other expenses are reimbursed to the Advisor by the Funds and are reflected on the Consolidated Statements of Operations as "Compliance services fees".

5. Trustees Fees

The Trust, together with other affiliated trusts, pay each Independent Trustee an aggregate fee consisting of a \$325,000 annual retainer (paid in quarterly increments) for services provided as a Board member. Such fees are allocated between the Funds and other affiliated funds. Each Fund's share of these fees, together with reimbursable expenses of the Trustees, is reflected on the Consolidated Statements of Operations as "Trustees Fees".

6. Distribution and Service Plan

SEI Investments Distribution Co. serves as the Funds' distributor. The Trust has adopted a Distribution and Service (12b-1) Plan pursuant to which each Fund may bear a 12b-1 fee not to exceed 0.25% per annum of the Fund's average daily net assets. No 12b-1 fees are currently paid by the Funds, and there are currently no plans to impose these fees.

7. Issuance and Redemption of Fund Shares

Each Fund issues and redeems its shares only to Authorized Participants (typically broker-dealers) in exchange for the deposit of cash, in large blocks known as Creation Units, each of which is comprised of a specified number of shares.

Retail investors may only purchase and sell Fund shares on a national securities exchange through a broker-dealer and such transactions may be subject to customary commission rates imposed by the broker-dealer.

Authorized Participants may pay transaction fees to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. Transaction fees related to unsettled Creation Unit transactions are included in the receivable for capital shares issued on the Consolidated Statements of Assets and Liabilities. Transaction fees assessed during the period, which are included in the proceeds from shares issued on the Consolidated Statements of Changes in Net Assets, were as follows:

	For the periods ended	
	May 31, 2023	May 31, 2022
Bitcoin Strategy ETF	\$ 180,527	\$ 506,152
Short Bitcoin Strategy ETF	59,228	—

8. Investment Transactions

For the period ended May 31, 2023, there were no securities purchased or proceeds from sales of securities excluding short-term securities and derivatives.

9. Basis of Consolidation

The accompanying Consolidated Schedules of Portfolio Investments, Consolidated Statements of Assets and Liabilities, Consolidated Statements of Operations, Consolidated Statements of Changes in Net Assets and Consolidated Financial Highlights of ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF include the accounts of ProShares Cayman Bitcoin Strategy Portfolio, a wholly-owned subsidiary of ProShares Bitcoin Strategy ETF, and ProShares Cayman Bitcoin Inverse Strategy Portfolio, a wholly-owned subsidiary of ProShares Short Bitcoin Strategy ETF, organized under the laws of the Cayman Islands (together, the “Subsidiaries” and each, a “Subsidiary”), which primarily invest in commodity-related instruments. The Subsidiaries enable the Funds to hold these commodity-related instruments and satisfy regulated investment company tax requirements. Each Fund will invest a significant portion of its total assets in its Subsidiary. As of May 31, 2023, the net assets of ProShares Cayman Bitcoin Strategy Portfolio were 35.3% of the net assets of ProShares Bitcoin Strategy ETF; and the net assets of ProShares Cayman Bitcoin Inverse Strategy Portfolio were 35.1% of ProShares Short Bitcoin Strategy ETF. Intercompany accounts and transactions, if any, have been eliminated. The Subsidiaries are subject to the same investment policies and restrictions that apply to ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF, except that the Subsidiaries may invest without limitation in commodity-related instruments.

10. Risk

Some risks apply to all Funds, while others are specific to the investment strategy of certain Funds. Each Fund may be subject to other risks in addition to these identified risks. This section discusses certain common principal risks encountered by the Funds.

- **Risks Associated with the Use of Derivatives**

The Funds may obtain investment exposure through derivatives (i.e., bitcoin futures). Investing in derivatives may be considered aggressive and may expose a Fund to risks different from, or possibly greater than, the risks associated with investing directly in the reference asset(s) underlying the derivative, including: 1) the risk that there may be imperfect correlation between the price of financial instruments and movements in the prices of the underlying reference asset(s); 2) the risk that an instrument is mispriced; 3) credit or counterparty risk on the amount each Fund expects to receive from a counterparty; 4) the risk that securities prices, interest rates and currency markets will move adversely and a Fund will incur significant losses; 5) the risk that the cost of holding a financial instrument might exceed its total return; and 6) the possible absence of a liquid secondary market for a particular instrument and possible exchange-imposed price fluctuation limits, either of which may make it difficult or impossible to adjust a Fund’s position in a particular instrument when desired. The occurrence of any of these factors may prevent the Fund from achieving its investment objective. Because derivatives often require limited initial investment, the use of derivatives also may expose the Fund to losses in excess of those amounts initially invested.

- **Bitcoin Risk**

The ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF do not invest directly in Bitcoin. The Funds invest primarily in Bitcoin futures.

Bitcoin is a relatively new innovation and the market for Bitcoin is subject to rapid price swings, changes and uncertainty. The further development of the Bitcoin Network and the acceptance and use of Bitcoin are subject to a variety of factors that are difficult to evaluate. The slowing, stopping or reversing of the development of the Bitcoin Network or the acceptance of Bitcoin may adversely affect the price of Bitcoin. Bitcoin is subject to the risk of fraud, theft, manipulation or security failures, operational or other problems that impact Bitcoin trading venues. Additionally, if one or a coordinated group of miners were to gain control of 51% of the Bitcoin Network, they would have the ability

to manipulate transactions, halt payments and fraudulently obtain Bitcoin. A significant portion of Bitcoin is held by a small number of holders sometimes referred to as “whales”. These holders have the ability to manipulate the price of Bitcoin. Unlike the exchanges for more traditional assets, such as equity securities and futures contracts, Bitcoin and Bitcoin trading venues are largely unregulated. As a result of the lack of regulation, individuals or groups may engage in fraud or market manipulation and investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional asset classes. Over the past several years, a number of Bitcoin trading venues have been closed due to fraud, failure or security breaches. Investors in Bitcoin may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Legal or regulatory changes may negatively impact the operation of the Bitcoin Network or restrict the use of Bitcoin. The realization of any of these risks could result in a decline in the acceptance of Bitcoin and consequently a reduction in the value of Bitcoin, Bitcoin futures, and the Fund. The Bitcoin Network is collectively maintained by (1) a decentralized group of participants who run computer software that results in the recording and validation of transactions (commonly referred to as “miners”), (2) developers who propose improvements to the Bitcoin Protocol and the software that enforces the protocol and (3) users who choose which version of the bitcoin software to run. From time to time, the developers suggest changes to the bitcoin software. If a sufficient number of users and miners elect not to adopt the changes, a new digital asset, operating on the earlier version of the bitcoin software, may be created. This is often referred to as a “fork.” The creation of a “fork” or a substantial giveaway of Bitcoin (sometimes referred to as an “air drop”) may result in a significant and unexpected decline in the value of Bitcoin, Bitcoin futures, and the Fund.

- **Bitcoin Futures Risk**

The market for bitcoin futures may be less developed, and potentially less liquid and more volatile, than more established futures markets. While the bitcoin futures market has grown substantially since bitcoin futures commenced trading, there can be no assurance that this growth will continue. Bitcoin futures are subject to collateral requirements and daily limits that may limit the Fund’s ability to achieve the desired exposure. If the Fund is unable to meet its investment objective, the Fund’s returns may be lower than expected. Additionally, these collateral requirements may require the Fund to liquidate its position when it otherwise would not do so.

When a bitcoin futures contract is nearing expiration, the Fund will generally sell it and use the proceeds to buy a bitcoin futures contract with a later expiration date. This is commonly referred to as “rolling”. The costs associated with rolling bitcoin futures typically are substantially higher than the costs associated with other futures contracts and may have a significant adverse impact on the performance of the Fund.

- **Borrowing Risk**

The ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF may borrow for investment purposes using reverse repurchase agreements. Borrowing may cause a Fund to liquidate positions under adverse market conditions to satisfy its repayment obligations. Borrowing increases the risk of loss and may increase the volatility of the Fund.

- **Correlation Risk**

ProShares Short Bitcoin Strategy ETF is subject to correlation risk. A number of factors may affect the Fund’s ability to achieve a high degree of inverse correlation with the Index, and there is no guarantee that the Fund will achieve a high degree of inverse correlation. Failure to achieve a high degree of inverse correlation may prevent the Fund from achieving its investment objective, and the percentage change of the Fund’s NAV each day may differ, perhaps significantly in amount, and possibly even direction, from the inverse (-1x) of the percentage change of the Index on such day. In order to achieve a high degree of inverse correlation with the Index, the Fund seeks to rebalance its portfolio daily to keep exposure consistent with its investment objective. Being materially under- or overexposed to the Index may prevent the Fund from achieving a high degree of inverse correlation with the Index and may expose the Fund to greater leverage risk. Market disruptions or closures, regulatory restrictions, market volatility, illiquidity in the markets for the financial instruments in which the Fund invests, and other factors will adversely affect the Fund’s ability to adjust exposure to requisite levels. The target amount of portfolio exposure is impacted dynamically by the Index’s movements, including intraday movements. Because of this, it is unlikely that the Fund will have perfect inverse (-1x) exposure during the day or at the end of each day and the likelihood of being materially under- or overexposed is higher on days when the Index is volatile, particularly when the Index is volatile at or near the close of the trading day.

A number of other factors may also adversely affect the Fund’s inverse correlation with the Index, including fees, expenses, transaction costs, financing costs associated with the use of derivatives, income items, valuation methodology, accounting standards and disruptions or illiquidity in the markets for the financial instruments in which the Fund invests. The Fund may not have investment exposure to all of the financial instruments in the Index, or its weighting of investment exposure to financial instruments may be different from that of the Index. In addition, the Fund may invest in financial instruments not included in the Index. The Fund may take or refrain from taking positions in order to improve tax efficiency, comply with regulatory restrictions, or for other reasons, each of which may negatively affect the Fund’s correlation with the Index. The Fund may also be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being under- or overexposed to the Index and may be impacted by Index reconstitutions and Index rebalancing events. Additionally, bitcoin and bitcoin futures contracts may trade on markets that may not be open at the same time or on the same day as the Fund. In particular, bitcoin trades 24 hours per day, seven days per week. These differences in trading hours may cause differences between the performance of

the Fund and the performance of the Index. Any of these factors could decrease correlation between the performance of the Fund and the Index and may hinder the Fund's ability to meet its daily investment objective.

- **Counterparty Risk**

A Fund will be subject to credit risk (i.e., the risk that a counterparty is unwilling or unable to make timely payments or otherwise meet its contractual obligations) with respect to the amount the Fund expects to receive from counterparties to financial instruments (including derivatives and repurchase agreements) entered into by the Fund. If a counterparty terminates a contract, a Fund may not be able to invest in other derivatives to achieve the desired exposure, or achieving such exposure may be more expensive. A Fund may be negatively impacted if a counterparty becomes bankrupt or otherwise fails to perform its obligations under such an agreement.

- **Liquidity Risk**

In certain circumstances, such as the disruption of the orderly markets for the securities and/or financial instruments in which a Fund invests, the Fund might not be able to acquire or dispose of certain holdings quickly or at prices that represent true market value in the judgment of the Advisor. Markets for the securities and/or financial instruments in which a Fund invests may be disrupted by a number of events, including but not limited to economic crises, natural disasters, new legislation, or regulatory changes inside or outside of the U.S. For example, regulation limiting the ability of certain financial institutions to invest in certain securities would likely reduce the liquidity of those securities. These situations may prevent a Fund from limiting losses, realizing gains or achieving a high correlation with its index.

The market for the Bitcoin futures contracts is still developing and may be subject to periods of illiquidity. During such times it may be difficult or impossible to buy or sell a position at the desired price. Market disruptions or volatility can also make it difficult to find a counterparty willing to transact at a reasonable price and sufficient size. Illiquid markets may cause losses, which could be significant. The large size of the positions which the Fund may acquire increases the risk of illiquidity, may make its positions more difficult to liquidate, and increase the losses incurred while trying to do so.

- **Inflation Risk**

Inflation risk is the risk that the value of assets or income from a Fund's investments will be worth less in the future as inflation decreases the value of payments at future dates. As inflation increases, the real value of a Fund's portfolio could decline. Inflation rates may change frequently and drastically as a result of various factors and the Fund's investments may not keep pace with inflation, which may result in losses to Fund investors or adversely affect the real value of shareholders' investments in a Fund. Inflation has recently increased and it cannot be predicted whether it may decline.

- **Subsidiary Investment Risk**

Changes in the laws of the United States and/or the Cayman Islands, under which the ProShares Bitcoin Strategy ETF and ProShares Short Bitcoin Strategy ETF and their Subsidiaries are organized, respectively, could result in the inability of the Funds to operate as intended and could negatively affect the Funds and their shareholders. The Funds comply with the provisions of the 1940 Act governing investment policies, capital structure and leverage on an aggregate basis with their Subsidiaries.

- **Active Management Risk**

The performance of actively managed funds (ProShares Bitcoin Strategy ETF) reflect, in part, the ability of the Advisor to select investments and make investment decisions that are suited to achieving a Fund's investment objective. The Advisor's judgments about a Fund's investments may prove to be incorrect. If the investments selected and strategies employed by a Fund fail to produce the intended results, the Fund could underperform other funds with a similar investment objective and/or strategies.

- **Short Sale Exposure Risk**

The Short Bitcoin Strategy ETF seeks to obtain inverse or "short" exposure to bitcoin futures contracts. The risks of short exposure include, under certain market conditions, an increase in the volatility and decrease in the liquidity of bitcoin futures contracts. To the extent that, at any particular point in time, bitcoin futures contracts may be thinly traded or have a limited market, the Fund may be unable to meet its investment objective due to a lack of available financial instruments or counterparties. During such periods, the Short Bitcoin Strategy ETFs ability to achieve its investment objective, as well as to issue additional Creation Units, may be adversely affected. Obtaining inverse exposure through bitcoin futures contracts may be considered an aggressive investment technique.

- **Bitcoin Futures Capacity Risk**

If the Fund's ability to obtain exposure to bitcoin futures contracts consistent with its investment objective is disrupted for any reason including, for example, limited liquidity in the bitcoin futures market, a disruption to the bitcoin futures market, or as a result of margin requirements, position limits, accountability levels, or other limitations imposed by the Fund's futures commission merchants ("FCMs"),

the listing exchanges, or the CFTC, the Fund may not be able to achieve its investment objective and may experience significant losses. In such circumstances, the Advisor intends to take such action as it believes appropriate and in the best interest of the Fund. Any disruption in the Fund's ability to obtain exposure to bitcoin futures contracts will cause the Fund's performance to deviate from the performance of bitcoin and bitcoin futures. Additionally, the ability of the Fund to obtain exposure to bitcoin futures contracts is limited by certain tax rules that limit the amount the Fund can invest in its wholly-owned subsidiary as of the end of each tax quarter.

- **Market and Volatility Risk**

The prices of bitcoin and bitcoin futures have historically been highly volatile. The value of the Fund's inverse exposure to bitcoin futures – and therefore the value of an investment in the Fund – could decline significantly and without warning, including to zero.

- **Rolling Futures Contract Risk**

ProShares Bitcoin Strategy ETF (through its investment in the Subsidiary) and ProShares Short Bitcoin Strategy ETF (through its investment in the Subsidiary) have exposure to futures contracts and are subject to risks related to “rolling” of such contracts. A Fund does not intend to hold futures contracts through their expiration date, but instead intends to “roll” its futures positions. Rolling occurs when a Fund closes out of futures contracts as they near their expiration date and is replaced with contracts that have a later expiration date. When the market for these futures contracts is such that the prices are higher in the more distant delivery months than in the nearer delivery months, the sale during the course of the rolling process of the more nearby contract would take place at a price that is lower than the price of the more distant contract. This pattern of higher futures contract prices for longer expiration contracts is often referred to as “contango.” Alternatively, when the market for futures contracts is such that the prices are higher in the nearer months than in the more distant months, the sale during the course of the rolling process of the more nearby contract would take place at a price that is higher than the price of the more distant contract. This pattern of higher futures prices for shorter expiration futures contracts is referred to as “backwardation.” Extended periods of contango or backwardation have occurred in the past and can in the future cause significant losses for a Fund. The Advisor will utilize active management techniques (with respect to ProShares Bitcoin Strategy ETF) to seek to mitigate the negative impact or, in certain cases, benefit from the contango or backwardation present in the various futures contract markets, but there can be no guarantee that it will be successful in doing so.

- **Natural Disaster/Epidemic Risk**

Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics (for example, the novel coronavirus COVID-19), have been and can be highly disruptive to economies and markets and have recently led, and may continue to lead, to increased market volatility and significant market losses. Such natural disaster and health crises could exacerbate political, social, and economic risks, and result in significant breakdowns, delays, shutdowns, social isolation, and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of the Funds and their investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and reduce the availability of potential investment opportunities, and increases the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, the Fund may have difficulty achieving its investment objectives which may adversely impact Fund performance. Further, such events can be highly disruptive to economies and markets, significantly disrupt the operations of individual companies (including, but not limited to, the Fund's investment advisor, third party service providers and counterparties), sectors, industries, markets, securities and commodity exchanges, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Funds' investments. These factors can cause substantial market volatility, exchange trading suspensions and closures, changes in the availability of and the margin requirements for certain instruments, and can impact the ability of the Fund to complete redemptions and otherwise affect Fund performance and Fund trading in the secondary market. A widespread crisis would also affect the global economy in ways that cannot necessarily be foreseen. How long such events will last and whether they will continue or recur cannot be predicted. Impacts from these could have a significant impact on a Fund's performance, resulting in losses to your investment.

- **Risk of Public Health Disruptions**

The onset of the novel coronavirus (COVID-19) has caused significant shocks to global financial markets and economies, with many governments taking extreme actions to slow and contain the spread of COVID-19 (including any variants). These actions have had, and likely will continue to have, a severe economic impact on global economies as economic activity in some instances has essentially ceased. The global economic shocks being experienced as of the date hereof may cause the underlying assumptions and expectations of the Fund's to quickly become outdated or inaccurate, resulting in significant losses. Additionally, other public health issues, war, military conflicts, sanctions, acts of terrorism, sustained elevated inflation, supply chain issues or other events could have a significant negative impact on global financial markets and economies. Russia's recent military incursions in Ukraine have led to and may lead to additional sanctions being levied by the United States, European Union and other countries against Russia. Russia's military incursion and the resulting sanctions could adversely affect global energy and financial markets and thus could affect the value of the Fund's investments, even beyond any direct exposure the

Fund's may have to the region or to adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could have a severe adverse effect on the region, including significant negative impacts on the economy and the markets for certain securities and commodities, such as oil and natural gas. How long such tensions and related events will last cannot be predicted. These tensions and any related events could have significant impact on the Fund's performance and the value of an investment in the Funds.

- **Risks of Government Regulation**

The Financial Industry Regulatory Authority ("FINRA") issued a notice on March 8, 2022 seeking comment on measures that could prevent or restrict investors from buying a broad range of public securities designated as "complex products" – which could include the leveraged and inverse funds offered by ProShare Advisors. The ultimate impact, if any, of these measures remains unclear. However, if regulations are adopted, they could, among other things, prevent or restrict investors' ability to buy the funds.

11. Indemnifications

Under the Trust's organizational documents, its officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust. In addition, in the normal course of business the Trust enters into contracts that contain a variety of general indemnifications. The Trust's maximum exposure under these arrangements cannot be known; however, the Trust expects risk of significant loss to be remote.

12. Subsequent Events

Subsequent events occurring after the date of this report have been evaluated for potential impact, for purposes of recognition or disclosure in the financial statements, through the date the report was issued.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees of ProShares Trust and Shareholders of Bitcoin Strategy ETF and Short Bitcoin Strategy ETF

Opinions on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of assets and liabilities, including the consolidated schedules of portfolio investments, of Bitcoin Strategy ETF and Short Bitcoin Strategy ETF (two of the funds constituting ProShares Trust, hereafter collectively referred to as the “Funds”) as of May 31, 2023, the related consolidated statements of operations, and of changes in net assets for each of the periods indicated in the table below, including the related notes, and the consolidated financial highlights for each of the periods indicated in the table below (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of each of the Funds as of May 31, 2023, the results of each of their operations, the changes in each of their net assets and each of the financial highlights for each of the periods indicated in the table below, in conformity with accounting principles generally accepted in the United States of America.

Fund	Consolidated statement of operations	Consolidated statement of changes in net assets	Consolidated Financial highlights
Bitcoin Strategy ETF	For the year ended May 31, 2023	For the year ended May 31, 2023, and period from October 18, 2021 (commencement of investment operations) through May 31, 2022	
Short Bitcoin Strategy ETF	For the period from June 19, 2022 (commencement of investment operations) through May 31, 2023		

Basis for Opinions

These consolidated financial statements are the responsibility of the Funds’ management. Our responsibility is to express an opinion on the Funds’ consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Funds in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of May 31, 2023 by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinions.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland
July 27, 2023

We have served as the auditor of one or more investment companies in ProFunds and ProShares Trust group since 1997.

Federal Tax Information

Funds with Short-Term Capital Gain Designation

For the tax period ended October 31, 2022, the Trust does not have any ordinary distributions paid during the Trust's tax year that are from qualified short-term capital gain. The funds designate up to the maximum amount of Qualified Short-Term Gains.

Proxy Voting Information

A description of the Trust's (1) proxy voting policies, (2) proxy voting procedures and (3) information regarding how the Trust voted any proxies related to portfolio securities for the prior twelve-month period ended June 30, is available by August 31 of each year, without charge, upon request by contacting the Fund directly at 1-866-PRO-5125 or on the Securities and Exchange Commission ("SEC") Website (<http://www.sec.gov>).

Quarterly Portfolio Holdings Information

The Funds will file their complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. The Funds' Form N-PORT will be available on the SEC's Website at <http://www.sec.gov>. The Funds' Form N-PORT may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Premium/Discount Information

Information about the differences between the daily market price on the secondary markets for shares of a Fund and the Fund's net asset value may be found on the website at www.ProShares.com

Name, Address and Birth Date	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios* in Fund Complex Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees					
William D. Fertig c/o ProFunds 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 9/56	Trustee	Indefinite; June 2011 to present	Context Capital Management (Alternative Asset Management): Chief Investment Officer (September 2002 to present)	ProShares (121) ProFunds (116)	Context Capital
Russell S. Reynolds, III c/o ProFunds 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 7/57	Trustee	Indefinite; November 2005 to present	RSR Partners and predecessor company (Retained Executive Recruitment and Corporate Governance Consulting): Managing Director (February 1993 to present)	ProShares (121) ProFunds (116)	RSR Partners, Inc.
Michael C. Wachs c/o ProFunds 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 10/61	Trustee	Indefinite; November 2005 to present	Linden Lane Capital Partners LLC (Real Estate Investment and Development): Managing Principal (2010 to present)	ProShares (121) ProFunds (116)	NAIOP (the Commercial Real Estate Development Association)
Interested Trustee and Chairman of the Board					
Michael L. Sapir** 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 5/58	Trustee and Chairman	Indefinite; 2002 to present	Chairman and Chief Executive Officer of the ProShare Advisors (November 2005 to present); ProFund Advisors LLC (April 1997 to present); and ProShare Capital Management LLC (August 2008 to present)	ProShares (121) ProFunds (116)	

* Represents number of operational portfolios in Fund complex overseen by Trustee.

** Mr. Sapir is an "interested person," as defined by the 1940 Act, because of his ownership interest in ProShare Advisors.

The Statement of Additional Information ("SAI") includes additional information about the Trust's Trustees and is available, without charge, upon request by contacting the Fund directly at 1-866-PRO-5125.

Name, Address and Birth Date	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Officers			
Todd B. Johnson 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 1/64	President	Indefinite; January 2014 to present	Chief Investment Officer of the Proshare Advisors (December 2008 to present); ProFund Advisors LLC (December 2008 to present); and ProShare Capital Management LLC (February 2009 to present)
Maria Clem Sell 3 Canal Plaza, Suite 100 Portland, ME 04101 Birth Date: 2/78	Treasurer	Indefinite; June 2022 to present	Senior Principal Consultant, Principal Financial Officer Group, ACA Group (2021 to present); Director, Fund Administration and Reporting, Franklin Templeton (2014 to 2021)
Victor M. Frye, Esq. 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 10/58	Chief Compliance Officer and AML Officer	Indefinite; November 2005 to present	Counsel and Chief Compliance Officer of the ProShare Advisors (December 2004 to present) and ProFund Advisors LLC (October 2002 to present); Secretary of ProFunds Distributors, Inc. (April 2008 to present)
Richard F. Morris 7272 Wisconsin Avenue, 21st Floor Bethesda, MD 20814 Birth Date: 8/67	Chief Legal Officer and Secretary	Indefinite; December 2015 to present	General Counsel of ProShare Advisors; ProFund Advisors LLC; and ProShare Capital Management LLC (December 2015 to present); Chief Legal Officer of ProFunds Distributors, Inc. (December 2015 to present)

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ProShares Trust

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