

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
for the quarterly period ended **June 30, 2009**.

OR

**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number: **001-34200**

**PROSHARES TRUST II**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**87-6284802**  
(I.R.S. Employer  
Identification No.)

**c/o ProShare Capital Management LLC**  
**7501 Wisconsin Avenue, Suite 1000**  
**Bethesda, Maryland 20814**  
(Address of principal executive offices) (Zip code)

**(240) 497-6400**  
(Registrant's telephone number, including area code)

N/A  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No



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**Part I. FINANCIAL INFORMATION****Item 1. Condensed Financial Statements.****Index**

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**PROSHARES ULTRA DJ-UBS COMMODITY**  
**STATEMENTS OF FINANCIAL CONDITION**

	<u>June 30, 2009</u> <u>(unaudited)</u>	<u>December 31, 2008</u>
<b>Assets</b>		
Cash	\$ 8,805,374	\$ 1,745,354
Segregated cash balances with custodian for swap agreements	14,295,000	1,335,000
Short-term U.S. government agency obligations (Note 3)	9,637,846	—
Unrealized appreciation on swap agreements	—	184,583
Receivable from Sponsor	6,908	33,411
Offering costs (Note 5)	31,210	69,640
Total assets	<u>32,776,338</u>	<u>3,367,988</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,977	42,977
Unrealized depreciation on swap agreements	1,893,398	—
Total liabilities	<u>1,936,375</u>	<u>42,977</u>
<b>Shareholders' equity</b>		
Paid-in capital	29,450,670	3,551,075
Accumulated earnings (deficit)	1,389,293	(226,064)
Total shareholders' equity	<u>30,839,963</u>	<u>3,325,011</u>
Total liabilities and shareholders' equity	<u>\$32,776,338</u>	<u>\$ 3,367,988</u>
Shares outstanding	<u>1,350,014</u>	<u>150,014</u>
Net asset value per share	<u>\$ 22.84</u>	<u>\$ 22.16</u>
Market value per share (Note 2)	<u>\$ 22.92</u>	<u>\$ 22.15</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS COMMODITY**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (31% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 1,000,000	\$1,000,000
0.11% due 07/02/09	1,672,000	1,671,995
0.12% due 07/07/09	1,000,000	999,980
0.12% due 07/08/09	1,500,000	1,499,965
0.15% due 07/10/09	2,000,000	1,999,925
0.02% due 07/15/09	2,466,000	2,465,981
<b>Total short-term U.S. government agency obligations</b>		<b><u>\$9,637,846</u></b>

**Swap Agreement<sup>^</sup>**

	<u>Termination Date</u>	<u>Notional Amount at Value*</u>	<u>Unrealized Appreciation (Depreciation)</u>
Swap agreement with Goldman Sachs International based on Dow Jones-UBS Commodity Index	07/06/09	\$61,519,921	\$(1,893,398)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For swap agreements, a positive amount represents "long" exposure to the benchmark Index. A negative amount represents "short" exposure to the benchmark Index.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS COMMODITY**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 1,791	\$ 2,274
<b>Expenses</b>		
Management fee	30,449	26,503
Offering costs	19,322	38,430
Total expenses	49,771	64,933
Net investment income (loss)	<u>(47,980)</u>	<u>(62,659)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Swap agreements	<u>3,718,222</u>	<u>3,755,997</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Swap agreements	<u>(1,093,594)</u>	<u>(2,077,981)</u>
Net realized and unrealized gain (loss)	<u>2,624,628</u>	<u>1,678,016</u>
Net income (loss)	<u>\$ 2,576,648</u>	<u>\$ 1,615,357</u>
Net income (loss) per weighted-average share	<u>\$ 2.73</u>	<u>\$ 2.51</u>
Weighted-average shares outstanding	<u>942,322</u>	<u>643,108</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS COMMODITY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 3,325,011</b>
Addition of 1,200,000 shares	<u>25,899,595</u>
Net investment income (loss)	(62,659)
Net realized gain (loss)	3,755,997
Change in net unrealized appreciation/depreciation	<u>(2,077,981)</u>
Net income (loss)	<u>1,615,357</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$30,839,963</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS COMMODITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ 1,615,357
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for swap agreements	(12,960,000)
Net purchase of short-term U.S. government agency obligations	(9,637,846)
Change in unrealized appreciation/depreciation on swap agreements	2,077,981
Decrease in receivable from Sponsor	26,503
Amortization of offering cost	38,430
Net cash provided by (used in) operating activities	<u>(18,839,575)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	25,899,595
<b>Net increase (decrease) in cash</b>	<u>7,060,020</u>
Cash, at December 31, 2008	<u>1,745,354</u>
Cash, at June 30, 2009	<u>\$ 8,805,374</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS COMMODITY**  
**STATEMENTS OF FINANCIAL CONDITION**

	<b>June 30, 2009</b> <b>(unaudited)</b>	<b>December 31, 2008</b>
<b>Assets</b>		
Cash	\$1,810,717	\$ 1,579,140
Segregated cash balances with custodian for swap agreements	2,190,000	1,400,000
Short-term U.S. government agency obligations (Note 3)	1,064,989	—
Unrealized appreciation on swap agreements	45,958	—
Receivable from Sponsor	197,293	56,576
Offering costs (Note 5)	124,777	278,414
Total assets	<u>5,433,734</u>	<u>3,314,130</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	208,046	208,046
Unrealized depreciation on swap agreements	—	426,201
Total liabilities	<u>208,046</u>	<u>634,247</u>
<b>Shareholders' equity</b>		
Paid-in capital	5,666,614	2,500,900
Accumulated earnings (deficit)	(440,926)	178,983
Total shareholders' equity	<u>5,225,688</u>	<u>2,679,883</u>
Total liabilities and shareholders' equity	<u>\$5,433,734</u>	<u>\$ 3,314,130</u>
Shares outstanding	<u>250,014</u>	<u>100,014</u>
Net asset value per share	<u>\$ 20.90</u>	<u>\$ 26.80</u>
Market value per share (Note 2)	<u>\$ 20.95</u>	<u>\$ 27.58</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS COMMODITY**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (20% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 100,000	\$ 100,000
0.12% due 07/07/09	100,000	99,998
0.02% due 07/13/09	250,000	249,999
0.02% due 07/15/09	515,000	514,996
0.07% due 07/20/09	100,000	99,996
Total short-term U.S. government agency obligations		<u>\$1,064,989</u>

**Swap Agreement<sup>^</sup>**

	<u>Termination Date</u>	<u>Notional Amount at Value*</u>	<u>Unrealized Appreciation (Depreciation)</u>
Swap agreement with Goldman Sachs International based on Dow Jones-UBS Commodity Index	07/06/09	\$(10,532,313)	\$ 45,958

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For swap agreements, a positive amount represents "long" exposure to the benchmark Index. A negative amount represents "short" exposure to the benchmark Index.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS COMMODITY**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	<b>Three months ended June 30, 2009</b>	<b>Six months ended June 30, 2009</b>
<b>Investment Income</b>		
Interest	\$ 154	\$ 390
<b>Expenses</b>		
Offering costs	77,243	153,637
Limitation by Sponsor	(71,154)	(140,717)
Total expenses	<u>6,089</u>	<u>12,920</u>
Net investment income (loss)	<u>(5,935)</u>	<u>(12,530)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Swap agreements	<u>(1,068,161)</u>	<u>(1,079,538)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Swap agreements	<u>340,661</u>	<u>472,159</u>
Net realized and unrealized gain (loss)	<u>(727,500)</u>	<u>(607,379)</u>
Net income (loss)	<u>\$ (733,435)</u>	<u>\$ (619,909)</u>
Net income (loss) per weighted-average share	<u>\$ (6.54)</u>	<u>\$ (5.84)</u>
Weighted-average shares outstanding	<u>112,102</u>	<u>106,091</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS COMMODITY**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 2,679,883</b>
Addition of 150,000 shares	<u>3,165,714</u>
Net investment income (loss)	(12,530)
Net realized gain (loss)	(1,079,538)
Change in net unrealized appreciation/depreciation	<u>472,159</u>
Net income (loss)	<u>(619,909)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 5,225,688</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS COMMODITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (619,909)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for swap agreements	(790,000)
Net purchase of short-term U.S. government agency obligations	(1,064,989)
Change in unrealized appreciation/depreciation on swap agreements	(472,159)
Increase in receivable from Sponsor	(140,717)
Amortization of offering cost	153,637
Net cash provided by (used in) operating activities	<u>(2,934,137)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	<u>3,165,714</u>
<b>Net increase (decrease) in cash</b>	231,577
Cash, at December 31, 2008	<u>1,579,140</u>
Cash, at June 30, 2009	<u>\$ 1,810,717</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS CRUDE OIL**  
**STATEMENTS OF FINANCIAL CONDITION**

	<b>June 30, 2009</b>	<b>December 31, 2008</b>
	<u>(unaudited)</u>	
<b>Assets</b>		
Cash	\$ 53,305,093	\$ 40,341,120
Segregated cash balances with custodian for swap agreements	56,600,000	—
Segregated cash balances with brokers for futures contracts	17,304,511	37,425,038
Short-term U.S. government agency obligations (Note 3)	105,996,361	—
Receivable from capital shares sold	—	8,810,344
Receivable on open futures contracts	—	20,527,738
Unrealized appreciation on swap agreements	4,755,439	—
Receivable from Sponsor	—	16,192
Offering costs (Note 5)	62,397	139,226
Total assets	<u>238,023,801</u>	<u>107,259,658</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	97,742	97,742
Payable for capital shares redeemed	27,717,182	7,388,973
Payable to Sponsor	538,361	—
Total liabilities	<u>28,353,285</u>	<u>7,486,715</u>
<b>Shareholders' equity</b>		
Paid-in capital	132,656,456	89,856,620
Accumulated earnings (deficit)	77,014,060	9,916,323
Total shareholders' equity	<u>209,670,516</u>	<u>99,772,943</u>
Total liabilities and shareholders' equity	<u>\$238,023,801</u>	<u>\$ 107,259,658</u>
Shares outstanding	<u>16,050,014</u>	<u>6,750,014</u>
Net asset value per share	<u>\$ 13.06</u>	<u>\$ 14.78</u>
Market value per share (Note 2)	<u>\$ 13.16</u>	<u>\$ 13.69</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS CRUDE OIL**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (51% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 5,000,000	\$ 5,000,000
0.12% due 07/06/09	15,000,000	14,999,750
0.12% due 07/07/09	3,000,000	2,999,940
0.12% due 07/08/09	5,000,000	4,999,883
0.15% due 07/10/09	8,000,000	7,999,700
0.02% due 07/13/09	10,000,000	9,999,933
0.15% due 07/14/09	20,000,000	19,998,917
0.02% due 07/15/09	5,000,000	4,999,961
0.13% due 07/16/09	25,000,000	24,998,646
0.07% due 07/20/09	10,000,000	9,999,631
<b>Total short-term U.S. government agency obligations</b>		<b><u><u>\$105,996,361</u></u></b>

**Futures Contracts Purchased**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Crude Oil – NYMEX, expires September 2009	2,554	\$180,925,360	\$(3,934,430)

**Swap Agreement<sup>^</sup>**

	<u>Termination Date</u>	<u>Notional Amount at Value*</u>	
Swap agreement with Goldman Sachs International based on Dow Jones-UBS Crude Oil Sub-Index	07/06/09	\$238,396,978	4,755,439

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For swap agreements, a positive amount represents “long” exposure to the benchmark Index. A negative amount represents “short” exposure to the benchmark Index.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS CRUDE OIL**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 36,106	\$ 69,821
<b>Expenses</b>		
Management fee	689,780	1,399,471
Brokerage commissions	54,556	186,506
Offering costs	38,627	76,829
Total expenses	<u>782,963</u>	<u>1,662,806</u>
Net investment income (loss)	<u>(746,857)</u>	<u>(1,592,985)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	85,053,189	41,331,968
Swap agreements	76,735,007	39,216,145
Net realized gain (loss)	<u>161,788,196</u>	<u>80,548,113</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	(22,476,590)	(16,612,830)
Swap agreements	20,557,303	4,755,439
Change in net unrealized appreciation/depreciation	<u>(1,919,287)</u>	<u>(11,857,391)</u>
Net realized and unrealized gain (loss)	<u>159,868,909</u>	<u>68,690,722</u>
Net income (loss)	<u>\$159,122,052</u>	<u>\$ 67,097,737</u>
Net income (loss) per weighted-average share	<u>\$ 5.11</u>	<u>\$ 1.97</u>
Weighted-average shares outstanding	<u>31,169,794</u>	<u>34,069,075</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS CRUDE OIL**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	\$ 99,772,943
Addition of 81,000,000 shares	745,695,336
Redemption of 71,700,000 shares	<u>(702,895,500)</u>
Net addition (redemption) of 9,300,000 shares	42,799,836
Net investment income (loss)	(1,592,985)
Net realized gain (loss)	80,548,113
Change in net unrealized appreciation/depreciation	<u>(11,857,391)</u>
Net income (loss)	<u>67,097,737</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 209,670,516</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA DJ-UBS CRUDE OIL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ 67,097,737
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for swap agreements	(56,600,000)
Decrease in segregated cash balances with brokers for futures contracts	20,120,527
Net purchase of short-term U.S. government agency obligations	(105,996,361)
Decrease in receivable on futures contracts	20,527,738
Change in unrealized appreciation/depreciation on swap agreements	(4,755,439)
Decrease in receivable from Sponsor	16,192
Increase in payable to Sponsor	538,361
Amortization of offering cost	76,829
Net cash provided by (used in) operating activities	<u>(58,974,416)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	754,505,680
Payment on shares redeemed	<u>(682,567,291)</u>
Net cash provided by (used in) financing activities	71,938,389
<b>Net increase (decrease) in cash</b>	<u>12,963,973</u>
Cash, at December 31, 2008	<u>40,341,120</u>
Cash, at June 30, 2009	<u>\$ 53,305,093</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS CRUDE OIL**  
**STATEMENTS OF FINANCIAL CONDITION**

	<u>June 30, 2009</u> <u>(unaudited)</u>	<u>December 31, 2008</u>
<b>Assets</b>		
Cash	\$ 24,533,789	\$ 7,925,214
Segregated cash balances with custodian for swap agreements	37,840,000	—
Segregated cash balances with brokers for futures contracts	9,227,950	5,449,275
Short-term U.S. government agency obligations (Note 3)	57,482,866	—
Receivable from capital shares sold	1,625,469	7,269,858
Receivable from Sponsor	—	53,143
Offering costs (Note 5)	124,777	278,414
Total assets	<u>130,834,851</u>	<u>20,975,904</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	208,046	208,046
Payable for capital shares redeemed	—	1,999,561
Payable on open futures contracts	—	4,265,898
Unrealized depreciation on swap agreements	1,858,544	—
Payable to Sponsor	9,441	—
Total liabilities	<u>2,076,031</u>	<u>6,473,505</u>
<b>Shareholders' equity</b>		
Paid-in capital	153,268,774	15,231,359
Accumulated earnings (deficit)	<u>(24,509,954)</u>	<u>(728,960)</u>
Total shareholders' equity	<u>128,758,820</u>	<u>14,502,399</u>
Total liabilities and shareholders' equity	<u>\$130,834,851</u>	<u>\$ 20,975,904</u>
Shares outstanding	<u>7,600,014</u>	<u>500,014</u>
Net asset value per share	<u>\$ 16.94</u>	<u>\$ 29.00</u>
Market value per share (Note 2)	<u>\$ 16.80</u>	<u>\$ 31.66</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS CRUDE OIL**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (45% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 1,000,000	\$ 1,000,000
0.11% due 07/02/09	2,000,000	1,999,994
0.12% due 07/06/09	5,000,000	4,999,917
0.12% due 07/08/09	2,000,000	1,999,953
0.15% due 07/10/09	4,000,000	3,999,850
0.14% due 07/13/09	12,930,000	12,929,397
0.15% due 07/14/09	5,000,000	4,999,729
0.02% due 07/15/09	7,000,000	6,999,945
0.13% due 07/16/09	13,555,000	13,554,266
0.07% due 07/20/09	5,000,000	4,999,815
<b>Total short-term U.S. government agency obligations</b>		<b><u>\$57,482,866</u></b>

**Futures Contracts Sold**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Crude Oil – NYMEX, expires September 2009	1,209	\$85,645,560	\$ 1,095,010

**Swap Agreement<sup>^</sup>**

	<u>Termination Date</u>	<u>Notional Amount at Value*</u>	
Swap agreement with Goldman Sachs International based on Dow Jones-UBS Crude Oil Sub-Index	07/06/09	\$(171,876,791)	(1,858,544)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For swap agreements, a positive amount represents “long” exposure to the benchmark Index. A negative amount represents “short” exposure to the benchmark Index.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS CRUDE OIL**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	<b>Three months ended June 30, 2009</b>	<b>Six months ended June 30, 2009</b>
<b>Investment Income</b>		
Interest	\$ 7,498	\$ 9,389
<b>Expenses</b>		
Management fee	79,934	62,584
Brokerage commissions	19,379	53,069
Offering costs	77,243	153,637
Total expenses	<u>176,556</u>	<u>269,290</u>
Net investment income (loss)	<u>(169,058)</u>	<u>(259,901)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	(13,729,760)	(10,237,821)
Swap agreements	(16,070,328)	(16,070,328)
Net realized gain (loss)	<u>(29,800,088)</u>	<u>(26,308,149)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	925,020	4,645,600
Swap agreements	(1,780,068)	(1,858,544)
Change in net unrealized appreciation/depreciation	<u>(855,048)</u>	<u>2,787,056</u>
Net realized and unrealized gain (loss)	<u>(30,655,136)</u>	<u>(23,521,093)</u>
Net income (loss)	<u><u>\$(30,824,194)</u></u>	<u><u>\$(23,780,994)</u></u>
Net income (loss) per weighted-average share	<u>\$ (9.38)</u>	<u>\$ (11.77)</u>
Weighted-average shares outstanding	<u>3,286,278</u>	<u>2,019,904</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS CRUDE OIL**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 14,502,399</b>
Addition of 12,600,000 shares	331,468,098
Redemption of 5,500,000 shares	<u>(193,430,683)</u>
Net addition (redemption) of 7,100,000 shares	138,037,415
Net investment income (loss)	(259,901)
Net realized gain (loss)	(26,308,149)
Change in net unrealized appreciation/depreciation	<u>2,787,056</u>
Net income (loss)	<u>(23,780,994)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 128,758,820</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT DJ-UBS CRUDE OIL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (23,780,994)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for swap agreements	(37,840,000)
Increase in segregated cash balances with brokers for futures contracts	(3,778,675)
Net purchase of short-term U.S. government agency obligations	(57,482,866)
Change in unrealized appreciation/depreciation on swap agreements	1,858,544
Decrease in receivable from Sponsor	53,143
Decrease in payable on futures contracts	(4,265,898)
Increase in payable to Sponsor	9,441
Amortization of offering cost	153,637
Net cash provided by (used in) operating activities	<u>(125,073,668)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	337,112,487
Payment on shares redeemed	<u>(195,430,244)</u>
Net cash provided by (used in) financing activities	141,682,243
<b>Net increase (decrease) in cash</b>	<b>16,608,575</b>
Cash, at December 31, 2008	<u>7,925,214</u>
Cash, at June 30, 2009	<u><u>\$ 24,533,789</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA GOLD**  
STATEMENTS OF FINANCIAL CONDITION

	June 30, 2009 (unaudited)	December 31, 2008
<b>Assets</b>		
Cash	\$ 21,603,982	\$ 23,435,796
Segregated cash balances with custodian for forward agreements	62,320,000	—
Segregated cash balances with brokers for futures contracts	448,079	102,966
Short-term U.S. government agency obligations (Note 3)	67,998,364	—
Receivable due from counterparty on closed forward contracts	5,083,218	—
Receivable from capital shares sold	—	4,661,921
Receivable on open futures contracts	—	2,885
Receivable from Sponsor	—	43,098
Offering costs (Note 5)	130,717	284,355
Total assets	<u>157,584,360</u>	<u>28,531,021</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	208,045	208,045
Unrealized depreciation on forward agreements	342,722	586,254
Payable to Sponsor	342,989	—
Total liabilities	<u>893,756</u>	<u>794,299</u>
<b>Shareholders' equity</b>		
Paid-in capital	156,194,858	26,025,918
Accumulated earnings (deficit)	495,746	1,710,804
Total shareholders' equity	<u>156,690,604</u>	<u>27,736,722</u>
Total liabilities and shareholders' equity	<u>\$157,584,360</u>	<u>\$ 28,531,021</u>
Shares outstanding	<u>4,650,014</u>	<u>900,014</u>
Net asset value per share	<u>\$ 33.70</u>	<u>\$ 30.82</u>
Market value per share (Note 2)	<u>\$ 33.28</u>	<u>\$ 31.60</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA GOLD**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (43% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 5,000,000	\$ 5,000,000
0.11% due 07/02/09	5,000,000	4,999,985
0.12% due 07/07/09	9,000,000	8,999,820
0.12% due 07/08/09	5,000,000	4,999,883
0.15% due 07/10/09	3,000,000	2,999,887
0.06% due 07/13/09	15,000,000	14,999,700
0.15% due 07/14/09	1,000,000	999,946
0.02% due 07/15/09	7,000,000	6,999,946
0.13% due 07/16/09	8,000,000	7,999,567
0.07% due 07/20/09	10,000,000	9,999,630
<b>Total short-term U.S. government agency obligations</b>		<b><u>\$67,998,364</u></b>

**Futures Contracts Purchased**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Gold Futures – COMEX, expires August 2009	90	\$8,428,500	\$ 77,400

**Forward Agreements<sup>^</sup>**

	<u>Settlement Date</u>	<u>Commitment to (Deliver)/Receive</u>	<u>Notional Amount at Value*</u>	
Forward agreements with Goldman Sachs International based on 0.995 Fine Troy Ounce Gold	07/06/09	\$ 326,720	\$305,329,642	(342,722)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For forward agreements, a positive amount represents “long” exposure to the underlying commodity. A negative amount represents “short” exposure to the underlying commodity.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA GOLD**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 16,032	\$ 25,506
<b>Expenses</b>		
Management fee	258,045	386,087
Brokerage commissions	1,239	2,521
Offering costs	77,244	153,638
Total expenses	<u>336,528</u>	<u>542,246</u>
Net investment income (loss)	<u>(320,496)</u>	<u>(516,740)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	223,390	353,866
Forward agreements	<u>(953,897)</u>	<u>(1,333,346)</u>
Net realized gain (loss)	<u>(730,507)</u>	<u>(979,480)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	65,909	37,630
Forward agreements	<u>2,738,924</u>	<u>243,532</u>
Change in net unrealized appreciation/depreciation	<u>2,804,833</u>	<u>281,162</u>
Net realized and unrealized gain (loss)	<u>2,074,326</u>	<u>(698,318)</u>
Net income (loss)	<u>\$1,753,830</u>	<u>\$(1,215,058)</u>
Net income (loss) per weighted-average share	<u>\$ 0.41</u>	<u>\$ (0.36)</u>
Weighted-average shares outstanding	<u>4,273,640</u>	<u>3,417,417</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA GOLD**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	\$ 27,736,722
Addition of 4,250,000 shares	146,739,547
Redemption of 500,000 shares	<u>(16,570,607)</u>
Net addition (redemption) of 3,750,000 shares	130,168,940
Net investment income (loss)	(516,740)
Net realized gain (loss)	(979,480)
Change in net unrealized appreciation/depreciation	<u>281,162</u>
Net income (loss)	<u>(1,215,058)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$156,690,604</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA GOLD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (1,215,058)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for forward agreements	(62,320,000)
Increase in segregated cash balances with brokers for futures contracts	(345,113)
Net purchase of short-term U.S. government agency obligations	(67,998,364)
Increase in receivable due from counterparty on closed forward contracts	(5,083,218)
Decrease in receivable on futures contracts	2,885
Change in unrealized appreciation/depreciation on forward agreements	(243,532)
Decrease in receivable from Sponsor	43,098
Increase in payable to Sponsor	342,989
Amortization of offering cost	153,638
Net cash provided by (used in) operating activities	<u>(136,662,675)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	151,401,468
Payment on shares redeemed	<u>(16,570,607)</u>
Net cash provided by (used in) financing activities	<u>134,830,861</u>
<b>Net increase (decrease) in cash</b>	<b>(1,831,814)</b>
Cash, at December 31, 2008	<u>23,435,796</u>
Cash, at June 30, 2009	<u>\$ 21,603,982</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT GOLD**  
**STATEMENTS OF FINANCIAL CONDITION**

	<u>June 30, 2009</u> <u>(unaudited)</u>	<u>December 31, 2008</u>
<b>Assets</b>		
Cash	\$12,287,672	\$ 3,104,221
Segregated cash balances with custodian for forward agreements	21,000,000	540,000
Segregated cash balances with brokers for futures contracts	219,944	27,749
Short-term U.S. government agency obligations (Note 3)	19,499,386	—
Receivable on open futures contracts	36,809	—
Unrealized appreciation on forward agreements	101,373	86,657
Receivable from Sponsor	14,062	51,088
Offering costs (Note 5)	130,718	284,355
Total assets	<u>53,289,964</u>	<u>4,094,070</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Payable to counterparty on closed forward contracts	1,845,084	—
Accounts payable	208,046	208,046
Payable on open futures contracts	—	10,931
Total liabilities	<u>2,053,130</u>	<u>218,977</u>
<b>Shareholders' equity</b>		
Paid-in capital	60,072,460	4,537,070
Accumulated earnings (deficit)	<u>(8,835,626)</u>	<u>(661,977)</u>
Total shareholders' equity	<u>51,236,834</u>	<u>3,875,093</u>
<b>Total liabilities and shareholders' equity</b>	<u><b>\$53,289,964</b></u>	<u><b>\$ 4,094,070</b></u>
Shares outstanding	<u>3,400,014</u>	<u>200,014</u>
Net asset value per share	<u>\$ 15.07</u>	<u>\$ 19.37</u>
Market value per share (Note 2)	<u>\$ 15.26</u>	<u>\$ 19.10</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT GOLD**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (38% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 1,000,000	\$ 1,000,000
0.12% due 07/06/09	3,000,000	2,999,950
0.12% due 07/07/09	3,500,000	3,499,930
0.12% due 07/08/09	1,000,000	999,977
0.15% due 07/10/09	1,000,000	999,962
0.10% due 07/13/09	3,000,000	2,999,900
0.15% due 07/14/09	4,000,000	3,999,783
0.02% due 07/15/09	1,000,000	999,992
0.13% due 07/16/09	2,000,000	1,999,892
Total short-term U.S. government agency obligations		<u>\$19,499,386</u>

**Futures Contracts Sold**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Gold Futures – COMEX, expires August 2009	49	\$4,588,850	\$ (13,940)

**Forward Agreements<sup>^</sup>**

	<u>Settlement Date</u>	<u>Commitment to (Deliver)/Receive</u>	<u>Notional Amount at Value*</u>	
Forward agreements with Goldman Sachs International based on 0.995 Fine Troy Ounce Gold	07/06/09	\$ (104,398)	\$(97,563,063)	101,373

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For forward agreements, a positive amount represents “long” exposure to the underlying commodity. A negative amount represents “short” exposure to the underlying commodity.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT GOLD**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 5,627	\$ 9,039
<b>Expenses</b>		
Management fee	40,340	37,026
Brokerage commissions	1,045	2,265
Offering costs	77,243	153,637
Total expenses	<u>118,628</u>	<u>192,928</u>
Net investment income (loss)	<u>(113,001)</u>	<u>(183,889)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	(24,477)	(222,084)
Forward agreements	<u>(2,336,048)</u>	<u>(7,791,142)</u>
Net realized gain (loss)	<u>(2,360,525)</u>	<u>(8,013,226)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	(19,724)	8,750
Forward agreements	<u>(1,060,650)</u>	<u>14,716</u>
Change in net unrealized appreciation/depreciation	<u>(1,080,374)</u>	<u>23,466</u>
Net realized and unrealized gain (loss)	<u>(3,440,899)</u>	<u>(7,989,760)</u>
Net income (loss)	<u><u>\$(3,553,900)</u></u>	<u><u>\$(8,173,649)</u></u>
Net income (loss) per weighted-average share	<u>\$ (1.14)</u>	<u>\$ (3.26)</u>
Weighted-average shares outstanding	<u>3,119,794</u>	<u>2,508,301</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT GOLD**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 3,875,093</b>
Addition of 5,250,000 shares	88,548,995
Redemption of 2,050,000 shares	<u>(33,013,605)</u>
Net addition (redemption) of 3,200,000 shares	<u>55,535,390</u>
Net investment income (loss)	(183,889)
Net realized gain (loss)	(8,013,226)
Change in net unrealized appreciation/depreciation	<u>23,466</u>
Net income (loss)	<u>(8,173,649)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 51,236,834</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT GOLD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (8,173,649)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for forward agreements	(20,460,000)
Increase in segregated cash balances with brokers for futures contracts	(192,195)
Net purchase of short-term U.S. government agency obligations	(19,499,386)
Increase in receivable on futures contracts	(36,809)
Change in unrealized appreciation/depreciation on forward agreements	(14,716)
Decrease in receivable from Sponsor	37,026
Increase in payable to counterparty on closed forward contracts	1,845,084
Decrease in payable on futures contracts	(10,931)
Amortization of offering cost	153,637
Net cash provided by (used in) operating activities	<u>(46,351,939)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	88,548,995
Payment on shares redeemed	<u>(33,013,605)</u>
Net cash provided by (used in) financing activities	<u>55,535,390</u>
<b>Net increase (decrease) in cash</b>	9,183,451
Cash, at December 31, 2008	<u>3,104,221</u>
Cash, at June 30, 2009	<u>\$ 12,287,672</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA SILVER**  
STATEMENTS OF FINANCIAL CONDITION

	June 30, 2009 <u>(unaudited)</u>	December 31, 2008
<b>Assets</b>		
Cash	\$12,684,760	\$ 8,641,327
Segregated cash balances with custodian for forward agreements	31,690,000	—
Segregated cash balances with brokers for futures contracts	529,435	73,705
Short-term U.S. government agency obligations (Note 3)	30,999,293	—
Receivable due from counterparty on closed forward contracts	2,243,695	—
Receivable from capital shares sold	4,463,964	1,469,530
Receivable on open futures contracts	—	24,488
Receivable from Sponsor	—	30,776
Offering costs (Note 5)	32,696	71,126
Total assets	<u>82,643,843</u>	<u>10,310,952</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,976	42,976
Payable for capital shares redeemed	2,129,892	—
Unrealized depreciation on forward agreements	1,490,535	256,827
Payable to Sponsor	155,604	—
Total liabilities	<u>3,819,007</u>	<u>299,803</u>
<b>Shareholders' equity</b>		
Paid-in capital	72,293,901	9,881,413
Accumulated earnings (deficit)	6,530,935	129,736
Total shareholders' equity	<u>78,824,836</u>	<u>10,011,149</u>
Total liabilities and shareholders' equity	<u>\$82,643,843</u>	<u>\$ 10,310,952</u>
Shares outstanding	<u>1,850,014</u>	<u>350,014</u>
Net asset value per share	<u>\$ 42.61</u>	<u>\$ 28.60</u>
Market value per share (Note 2)	<u>\$ 40.49</u>	<u>\$ 31.50</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA SILVER**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (39% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 4,000,000	\$ 4,000,000
0.11% due 07/02/09	3,000,000	2,999,991
0.12% due 07/06/09	2,000,000	1,999,967
0.12% due 07/07/09	3,000,000	2,999,940
0.12% due 07/08/09	2,000,000	1,999,953
0.15% due 07/10/09	4,000,000	3,999,850
0.07% due 07/13/09	5,000,000	4,999,886
0.15% due 07/14/09	3,000,000	2,999,837
0.02% due 07/15/09	3,000,000	2,999,977
0.13% due 07/16/09	2,000,000	1,999,892
<b>Total short-term U.S. government agency obligations</b>		<b><u>\$30,999,293</u></b>

**Futures Contracts Purchased**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Silver Futures – COMEX, expires September 2009	66	\$4,608,450	\$ (396,330)

**Forward Agreements<sup>^</sup>**

	<u>Settlement Date</u>	<u>Commitment to Deliver/Receive</u>	<u>Notional Amount at Value*</u>	
Forward agreements with Goldman Sachs International based on 0.999 Fine Troy Ounce Silver	07/06/09	\$ 10,977,800	\$153,042,608	(1,490,535)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For forward agreements, a positive amount represents “long” exposure to the underlying commodity. A negative amount represents “short” exposure to the underlying commodity.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA SILVER**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 7,765	\$ 10,714
<b>Expenses</b>		
Management fee	148,006	199,948
Brokerage commissions	1,341	2,234
Offering costs	19,321	38,430
Total expenses	<u>168,668</u>	<u>240,612</u>
Net investment income (loss)	<u>(160,903)</u>	<u>(229,898)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	444,330	575,394
Forward agreements	4,954,519	7,677,696
Net realized gain (loss)	<u>5,398,849</u>	<u>8,253,090</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	(358,816)	(388,285)
Forward agreements	(2,659,464)	(1,233,708)
Change in net unrealized appreciation/depreciation	<u>(3,018,280)</u>	<u>(1,621,993)</u>
Net realized and unrealized gain (loss)	<u>2,380,569</u>	<u>6,631,097</u>
Net income (loss)	<u>\$ 2,219,666</u>	<u>\$ 6,401,199</u>
Net income (loss) per weighted-average share	<u>\$ 1.35</u>	<u>\$ 5.27</u>
Weighted-average shares outstanding	<u>1,647,816</u>	<u>1,213,826</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA SILVER**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 10,011,149</b>
Addition of 2,050,000 shares	84,422,729
Redemption of 550,000 shares	<u>(22,010,241)</u>
Net addition (redemption) of 1,500,000 shares	<u>62,412,488</u>
Net investment income (loss)	(229,898)
Net realized gain (loss)	8,253,090
Change in net unrealized appreciation/depreciation	<u>(1,621,993)</u>
Net income (loss)	<u>6,401,199</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 78,824,836</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA SILVER**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ 6,401,199
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for forward agreements	(31,690,000)
Increase in segregated cash balances with brokers for futures contracts	(455,730)
Net purchase of short-term U.S. government agency obligations	(30,999,293)
Increase in receivable due from counterparty on closed forward contracts	(2,243,695)
Decrease in receivable on futures contracts	24,488
Change in unrealized appreciation/depreciation on forward agreements	1,233,708
Decrease in receivable from Sponsor	30,776
Increase in payable to Sponsor	155,604
Amortization of offering cost	38,430
Net cash provided by (used in) operating activities	<u>(57,504,513)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	81,428,295
Payment on shares redeemed	<u>(19,880,349)</u>
Net cash provided by (used in) financing activities	<u>61,547,946</u>
<b>Net increase (decrease) in cash</b>	4,043,433
Cash, at December 31, 2008	<u>8,641,327</u>
Cash, at June 30, 2009	<u>\$ 12,684,760</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT SILVER**  
**STATEMENTS OF FINANCIAL CONDITION**

	June 30, 2009 (unaudited)	December 31, 2008
<b>Assets</b>		
Cash	\$ 6,711,153	\$ 992,121
Segregated cash balances with custodian for forward agreements	28,800,000	820,000
Segregated cash balances with brokers for futures contracts	432,090	22,280
Short-term U.S. government agency obligations (Note 3)	30,351,323	—
Receivable from capital shares sold	5,536,384	—
Unrealized appreciation on forward agreements	1,241,264	47,484
Receivable from Sponsor	821	38,902
Offering costs (Note 5)	65,368	142,197
Total assets	<u>73,138,403</u>	<u>2,062,984</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Payable to counterparty on closed forward contracts	2,293,957	—
Accounts payable	97,742	97,742
Payable for capital shares redeemed	1,779,400	—
Payable on open futures contracts	—	5,171
Total liabilities	<u>4,171,099</u>	<u>102,913</u>
<b>Shareholders' equity</b>		
Paid-in capital	73,521,209	2,500,900
Accumulated earnings (deficit)	(4,553,905)	(540,829)
Total shareholders' equity	<u>68,967,304</u>	<u>1,960,071</u>
Total liabilities and shareholders' equity	<u>\$73,138,403</u>	<u>\$ 2,062,984</u>
Shares outstanding	<u>7,750,014</u>	<u>100,014</u>
Net asset value per share	<u>\$ 8.90</u>	<u>\$ 19.60</u>
Market value per share (Note 2)	<u>\$ 9.35</u>	<u>\$ 17.51</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT SILVER**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (44% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 3,000,000	\$ 3,000,000
0.11% due 07/02/09	3,930,000	3,929,988
0.12% due 07/06/09	2,081,000	2,080,965
0.12% due 07/07/09	1,000,000	999,980
0.12% due 07/08/09	1,608,000	1,607,962
0.15% due 07/10/09	2,700,000	2,699,899
0.05% due 07/13/09	4,148,000	4,147,932
0.15% due 07/14/09	2,200,000	2,199,881
0.02% due 07/15/09	4,300,000	4,299,967
0.13% due 07/16/09	3,014,000	3,013,837
0.07% due 07/20/09	2,371,000	2,370,912
Total short-term U.S. government obligations		<u>\$30,351,323</u>

**Futures Contracts Sold**

	<u>Number of Contracts</u>	<u>Notional Amount at Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Silver Futures – COMEX, expires September 2009	70	\$4,887,750	\$ 213,445

**Forward Agreements<sup>^</sup>**

	<u>Settlement Date</u>	<u>Commitment to (Deliver)/Receive</u>	<u>Notional Amount at Value*</u>	
Forward agreements with Goldman Sachs International based on 0.999 Fine Troy Ounce Silver	07/06/09	\$ (9,545,500)	\$(133,074,770)	1,241,264

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

\* For forward agreements, a positive amount represents “long” exposure to the underlying commodity. A negative amount represents “short” exposure to the underlying commodity.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT SILVER**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 3,994	\$ 5,161
<b>Expenses</b>		
Management fee	50,482	38,081
Brokerage commissions	1,379	2,019
Offering costs	38,627	76,829
Total expenses	90,488	116,929
Net investment income (loss)	(86,494)	(111,768)
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Futures contracts	(117,274)	(186,571)
Forward agreements	(4,317,999)	(5,122,612)
Net realized gain (loss)	(4,435,273)	(5,309,183)
<b>Change in net unrealized appreciation/depreciation on</b>		
Futures contracts	211,582	214,095
Forward agreements	1,861,879	1,193,780
Change in net unrealized appreciation/depreciation	2,073,461	1,407,875
Net realized and unrealized gain (loss)	(2,361,812)	(3,901,308)
Net income (loss)	<u>\$(2,448,306)</u>	<u>\$(4,013,076)</u>
Net income (loss) per weighted-average share	<u>\$ (0.63)</u>	<u>\$ (1.66)</u>
Weighted-average shares outstanding	<u>3,882,981</u>	<u>2,415,484</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT SILVER**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	\$ 1,960,071
Addition of 9,150,000 shares	86,030,917
Redemption of 1,500,000 shares	<u>(15,010,608)</u>
Net addition (redemption) of 7,650,000 shares	71,020,309
Net investment income (loss)	(111,768)
Net realized gain (loss)	(5,309,183)
Change in net unrealized appreciation/depreciation	<u>1,407,875</u>
Net income (loss)	<u>(4,013,076)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<u><u>\$ 68,967,304</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT SILVER**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (4,013,076)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for forward agreements	(27,980,000)
Increase in segregated cash balances with brokers for futures contracts	(409,810)
Net purchase of short-term U.S. government agency obligations	(30,351,323)
Change in unrealized appreciation/depreciation on forward agreements	(1,193,780)
Decrease in receivable from Sponsor	38,081
Increase in payable to counterparty on closed forward contracts	2,293,957
Decrease in payable on futures contracts	(5,171)
Amortization of offering cost	76,829
Net cash provided by (used in) operating activities	<u>(61,544,293)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	80,494,533
Payment on shares redeemed	(13,231,208)
Net cash provided by (used in) financing activities	<u>67,263,325</u>
<b>Net increase (decrease) in cash</b>	<b>5,719,032</b>
Cash, at December 31, 2008	<u>992,121</u>
Cash, at June 30, 2009	<u>\$ 6,711,153</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA EURO**  
STATEMENTS OF FINANCIAL CONDITION

	<b>June 30, 2009</b> <b>(unaudited)</b>	<b>December 31, 2008</b>
<b>Assets</b>		
Cash	\$2,579,349	\$ 4,467,380
Segregated cash balances with custodian for foreign currency forward contracts	1,340,000	—
Short-term U.S. government agency obligations (Note 3)	3,354,900	—
Receivable from Sponsor	44,966	32,913
Offering costs (Note 5)	31,210	69,640
Total assets	<u>7,350,425</u>	<u>4,569,933</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,977	42,977
Unrealized depreciation on foreign currency forward contracts	15,986	140,545
Total liabilities	<u>58,963</u>	<u>183,522</u>
<b>Shareholders' equity</b>		
Paid-in capital	6,602,810	3,958,670
Accumulated earnings (deficit)	688,652	427,741
Total shareholders' equity	<u>7,291,462</u>	<u>4,386,411</u>
Total liabilities and shareholders' equity	<u>\$7,350,425</u>	<u>\$ 4,569,933</u>
Shares outstanding	<u>250,014</u>	<u>150,014</u>
Net asset value per share	<u>\$ 29.16</u>	<u>\$ 29.24</u>
Market value per share (Note 2)	<u>\$ 29.21</u>	<u>\$ 29.49</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA EURO**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (46% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 200,000	\$ 200,000
0.12% due 07/06/09	500,000	499,992
0.12% due 07/07/09	200,000	199,996
0.12% due 07/08/09	346,000	345,992
0.15% due 07/10/09	300,000	299,989
0.07% due 07/13/09	859,000	858,980
0.15% due 07/14/09	304,000	303,983
0.13% due 07/16/09	471,000	470,974
0.07% due 07/20/09	175,000	174,994
Total short-term U.S. government agency obligations		<u>\$3,354,900</u>

**Foreign Currency Forward Contracts<sup>^</sup>**

	<u>Settlement Date</u>	<u>Local Currency</u>	<u>Notional Amount at Value (USD)</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Contracts to Purchase</b>				
Euro with Goldman Sachs International	07/10/09	10,539,475	\$14,784,236	\$ (15,129)
<b>Contracts to Sell</b>				
Euro with Goldman Sachs International	07/10/09	(143,600)	(201,435)	(857)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA EURO**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 819	\$ 1,509
<b>Expenses</b>		
Offering costs	19,321	38,430
Limitation by Sponsor	(4,710)	(12,053)
Total expenses	<u>14,611</u>	<u>26,377</u>
Net investment income (loss)	<u>(13,792)</u>	<u>(24,868)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Foreign currency forward contracts	<u>346,506</u>	<u>161,220</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Foreign currency forward contracts	<u>274,806</u>	<u>124,559</u>
Net realized and unrealized gain (loss)	<u>621,312</u>	<u>285,779</u>
Net income (loss)	<u>\$ 607,520</u>	<u>\$ 260,911</u>
Net income (loss) per weighted-average share	<u>\$ 2.73</u>	<u>\$ 1.24</u>
Weighted-average shares outstanding	<u>222,541</u>	<u>209,683</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA EURO**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 4,386,411</b>
Addition of 150,000 shares	3,982,254
Redemption of 50,000 shares	<u>(1,338,114)</u>
Net addition (redemption) of 100,000 shares	<u>2,644,140</u>
Net investment income (loss)	(24,868)
Net realized gain (loss)	161,220
Change in net unrealized appreciation/depreciation	<u>124,559</u>
Net income (loss)	<u>260,911</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u><u>\$ 7,291,462</u></u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA EURO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ 260,911
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for foreign currency forward contracts	(1,340,000)
Net purchase of short-term U.S. government agency obligations	(3,354,900)
Change in unrealized appreciation/depreciation on foreign currency forward contracts	(124,559)
Increase in receivable from Sponsor	(12,053)
Amortization of offering cost	38,430
Net cash provided by (used in) operating activities	<u>(4,532,171)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	3,982,254
Payment on shares redeemed	(1,338,114)
Net cash provided by (used in) financing activities	<u>2,644,140</u>
<b>Net increase (decrease) in cash</b>	<b>(1,888,031)</b>
Cash, at December 31, 2008	4,467,380
Cash, at June 30, 2009	<u>\$ 2,579,349</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT EURO**  
STATEMENTS OF FINANCIAL CONDITION

	June 30, 2009 (unaudited)	December 31, 2008
<b>Assets</b>		
Cash	\$ 8,561,193	\$7,121,112
Segregated cash balances with custodian for foreign currency forward contracts	5,600,000	—
Short-term U.S. government agency obligations (Note 3)	24,499,309	—
Receivable from capital shares sold	990,338	—
Unrealized appreciation on foreign currency forward contracts	64,343	151,153
Receivable from Sponsor	—	32,234
Offering costs (Note 5)	31,211	69,641
Total assets	<u>39,746,394</u>	<u>7,374,140</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,977	42,977
Unrealized depreciation on foreign currency forward contracts	2,805	—
Payable to Sponsor	87,046	—
Total liabilities	<u>132,828</u>	<u>42,977</u>
<b>Shareholders' equity</b>		
Paid-in capital	47,395,832	7,676,890
Accumulated earnings (deficit)	<u>(7,782,266)</u>	<u>(345,727)</u>
Total shareholders' equity	<u>39,613,566</u>	<u>7,331,163</u>
Total liabilities and shareholders' equity	<u>\$39,746,394</u>	<u>\$7,374,140</u>
Shares outstanding	<u>2,000,014</u>	<u>350,014</u>
Net asset value per share	<u>\$ 19.81</u>	<u>\$ 20.95</u>
Market value per share (Note 2)	<u>\$ 19.83</u>	<u>\$ 21.26</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT EURO**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (62% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 1,000,000	\$ 1,000,000
0.11% due 07/02/09	1,000,000	999,997
0.12% due 07/06/09	4,000,000	3,999,934
0.12% due 07/07/09	2,500,000	2,499,950
0.12% due 07/08/09	1,000,000	999,977
0.15% due 07/10/09	2,000,000	1,999,925
0.05% due 07/13/09	4,000,000	3,999,933
0.15% due 07/14/09	4,000,000	3,999,783
0.02% due 07/15/09	1,000,000	999,992
0.13% due 07/16/09	2,000,000	1,999,892
0.07% due 07/20/09	2,000,000	1,999,926
Total short-term U.S. government obligations		<u>\$24,499,309</u>

**Foreign Currency Forward Contracts<sup>^</sup>**

	<u>Settlement Date</u>	<u>Local Currency</u>	<u>Notional Amount at Value (USD)</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Contracts to Purchase</b>				
Euro with Goldman Sachs International	07/10/09	1,639,300	\$ 2,299,526	\$ (2,805)
<b>Contracts to Sell</b>				
Euro with Goldman Sachs International	07/10/09	(58,078,775)	(81,469,933)	64,343

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT EURO**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	Three months ended June 30, 2009	Six months ended June 30, 2009
<b>Investment Income</b>		
Interest	\$ 7,923	\$ 13,109
<b>Expenses</b>		
Management fee	75,067	119,279
Offering costs	19,320	38,430
Total expenses	94,387	157,709
Net investment income (loss)	<u>(86,464)</u>	<u>(144,600)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Foreign currency forward contracts	<u>(2,655,513)</u>	<u>(7,202,324)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Foreign currency forward contracts	<u>(1,771,263)</u>	<u>(89,615)</u>
Net realized and unrealized gain (loss)	<u>(4,426,776)</u>	<u>(7,291,939)</u>
Net income (loss)	<u>\$(4,513,240)</u>	<u>\$(7,436,539)</u>
Net income (loss) per weighted-average share	<u>\$ (2.41)</u>	<u>\$ (4.94)</u>
Weighted-average shares outstanding	<u>1,869,245</u>	<u>1,506,368</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT EURO**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	\$ 7,331,163
Addition of 2,450,000 shares	57,054,534
Redemption of 800,000 shares	<u>(17,335,592)</u>
Net addition (redemption) of 1,650,000 shares	39,718,942
Net investment income (loss)	(144,600)
Net realized gain (loss)	(7,202,324)
Change in net unrealized appreciation/depreciation	<u>(89,615)</u>
Net income (loss)	<u>(7,436,539)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<u><u>\$ 39,613,566</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT EURO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (7,436,539)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for foreign currency forward contracts	(5,600,000)
Net purchase of short-term U.S. government agency obligations	(24,499,309)
Change in unrealized appreciation/depreciation on foreign currency forward contracts	89,615
Decrease in receivable from Sponsor	32,234
Increase in payable to Sponsor	87,046
Amortization of offering cost	38,430
Net cash provided by (used in) operating activities	<u>(37,288,523)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	56,064,196
Payment on shares redeemed	<u>(17,335,592)</u>
Net cash provided by (used in) financing activities	38,728,604
<b>Net increase (decrease) in cash</b>	<b>1,440,081</b>
Cash, at December 31, 2008	<u>7,121,112</u>
Cash, at June 30, 2009	<u><u>\$ 8,561,193</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA YEN**  
STATEMENTS OF FINANCIAL CONDITION

	June 30, 2009 (unaudited)	December 31, 2008
<b>Assets</b>		
Cash	\$2,026,986	\$ 2,986,826
Segregated cash balances with custodian for foreign currency forward contracts	590,000	—
Short-term U.S. government agency obligations (Note 3)	2,387,932	—
Unrealized appreciation on foreign currency forward contracts	762	—
Receivable from Sponsor	54,083	33,137
Offering costs (Note 5)	31,210	69,639
Total assets	<u>5,090,973</u>	<u>3,089,602</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,975	42,975
Unrealized depreciation on foreign currency forward contracts	101,552	201,574
Total liabilities	<u>144,527</u>	<u>244,549</u>
<b>Shareholders' equity</b>		
Paid-in capital	5,225,715	2,500,350
Accumulated earnings (deficit)	(279,269)	344,703
Total shareholders' equity	<u>4,946,446</u>	<u>2,845,053</u>
Total liabilities and shareholders' equity	<u>\$5,090,973</u>	<u>\$ 3,089,602</u>
Shares outstanding	<u>200,014</u>	<u>100,014</u>
Net asset value per share	<u>\$ 24.73</u>	<u>\$ 28.45</u>
Market value per share (Note 2)	<u>\$ 24.70</u>	<u>\$ 28.66</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA YEN**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (48% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 100,000	\$ 100,000
0.12% due 07/06/09	100,000	99,998
0.12% due 07/08/09	484,000	483,989
0.02% due 07/13/09	500,000	499,996
0.15% due 07/14/09	300,000	299,984
0.13% due 07/16/09	114,000	113,994
0.07% due 07/20/09	790,000	789,971
Total short-term U.S. government agency obligations		<u>\$2,387,932</u>

**Foreign Currency Forward Contracts<sup>^</sup>**

	<u>Settlement Date</u>	<u>Local Currency</u>	<u>Notional Amount at Value (USD)</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Contracts to Purchase</b>				
Yen with Goldman Sachs International	07/10/09	971,090,000	\$10,080,518	\$ (101,552)
<b>Contracts to Sell</b>				
Yen with Goldman Sachs International	07/10/09	(18,080,000)	(187,682)	762

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

*See accompanying notes to financial statements.*

**PROSHARES ULTRA YEN**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	<b>Three months ended June 30, 2009</b>	<b>Six months ended June 30, 2009</b>
<b>Investment Income</b>		
Interest	\$ 439	\$ 947
<b>Expenses</b>		
Offering costs	19,321	38,429
Limitation by Sponsor	<u>(10,460)</u>	<u>(20,946)</u>
Total expenses	<u>8,861</u>	<u>17,483</u>
Net investment income (loss)	<u>(8,422)</u>	<u>(16,536)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Foreign currency forward contracts	<u>142,595</u>	<u>(708,220)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Foreign currency forward contracts	<u>2,666</u>	<u>100,784</u>
Net realized and unrealized gain (loss)	<u>145,261</u>	<u>(607,436)</u>
Net income (loss)	<u>\$ 136,839</u>	<u>\$ (623,972)</u>
Net income (loss) per weighted-average share	<u>\$ 0.89</u>	<u>\$ (4.27)</u>
Weighted-average shares outstanding	<u>153,860</u>	<u>146,147</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA YEN**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<u>\$2,845,053</u>
Addition of 100,000 shares	<u>2,725,365</u>
Net investment income (loss)	(16,536)
Net realized gain (loss)	(708,220)
Change in net unrealized appreciation/depreciation	<u>100,784</u>
Net income (loss)	<u>(623,972)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<u><u>\$4,946,446</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRA YEN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (623,972)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for foreign currency forward contracts	(590,000)
Net purchase of short-term U.S. government agency obligations	(2,387,932)
Change in unrealized appreciation/depreciation on foreign currency forward contracts	(100,784)
Increase in receivable from Sponsor	(20,946)
Amortization of offering cost	38,429
Net cash provided by (used in) operating activities	<u>(3,685,205)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	<u>2,725,365</u>
<b>Net increase (decrease) in cash</b>	<u>(959,840)</u>
Cash, at December 31, 2008	<u>2,986,826</u>
Cash, at June 30, 2009	<u><u>\$ 2,026,986</u></u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT YEN**  
STATEMENTS OF FINANCIAL CONDITION

	June 30, 2009 <u>(unaudited)</u>	<u>December 31, 2008</u>
<b>Assets</b>		
Cash	\$ 6,736,690	\$ 1,970,377
Segregated cash balances with custodian for foreign currency forward contracts	7,020,000	—
Short-term U.S. government agency obligations (Note 3)	28,999,132	—
Unrealized appreciation on foreign currency forward contracts	902,852	135,917
Receivable from Sponsor	—	33,660
Offering costs (Note 5)	31,211	69,641
Total assets	<u>43,689,885</u>	<u>2,209,595</u>
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
Accounts payable	42,978	42,978
Payable for capital shares redeemed	2,351,556	—
Unrealized depreciation on foreign currency forward contracts	32,034	—
Payable to Sponsor	111,268	—
Total liabilities	<u>2,537,836</u>	<u>42,978</u>
<b>Shareholders' equity</b>		
Paid-in capital	42,325,855	2,500,350
Accumulated earnings (deficit)	<u>(1,173,806)</u>	<u>(333,733)</u>
Total shareholders' equity	<u>41,152,049</u>	<u>2,166,617</u>
Total liabilities and shareholders' equity	<u>\$43,689,885</u>	<u>\$ 2,209,595</u>
Shares outstanding	<u>1,750,014</u>	<u>100,014</u>
Net asset value per share	<u>\$ 23.52</u>	<u>\$ 21.66</u>
Market value per share (Note 2)	<u>\$ 23.46</u>	<u>\$ 21.85</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT YEN**  
**SCHEDULE OF INVESTMENTS**  
**JUNE 30, 2009**  
(unaudited)

	<u>Principal Amount</u>	<u>Value</u>
<b>Short-term U.S. government agency obligations (70% of shareholders' equity)</b>		
Federal Home Loan Bank, Discount Notes:		
0.11% due 07/01/09	\$ 2,000,000	\$ 2,000,000
0.11% due 07/02/09	1,000,000	999,997
0.12% due 07/06/09	5,000,000	4,999,917
0.12% due 07/07/09	3,000,000	2,999,940
0.15% due 07/10/09	1,000,000	999,962
0.08% due 07/13/09	4,000,000	3,999,893
0.15% due 07/14/09	7,000,000	6,999,621
0.02% due 07/15/09	2,000,000	1,999,984
0.13% due 07/16/09	2,000,000	1,999,892
0.07% due 07/20/09	2,000,000	1,999,926
<b>Total short-term U.S. government agency obligations</b>		<b><u>\$28,999,132</u></b>

**Foreign Currency Forward Contracts<sup>^</sup>**

	<u>Settlement Date</u>	<u>Local Currency</u>	<u>Notional Amount at Value (USD)</u>	<u>Unrealized Appreciation (Depreciation)</u>
<b>Contracts to Purchase</b>				
Yen with Goldman Sachs International	07/10/09	784,020,000	\$ 8,138,615	\$ 902,852
<b>Contracts to Sell</b>				
Yen with Goldman Sachs International	07/10/09	(8,706,920,000)	(90,383,245)	(32,034)

<sup>^</sup> The positions and counterparties herein are as of June 30, 2009. The Funds continually evaluate different counterparties for their transactions and counterparties are subject to change. New counterparties can be added at anytime. As of July 31, 2009, UBS AG was also an active counterparty.

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT YEN**  
**STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2009**  
(unaudited)

	<b>Three months ended June 30, 2009</b>	<b>Six months ended June 30, 2009</b>
<b>Investment Income</b>		
Interest	\$ 11,195	\$ 16,577
<b>Expenses</b>		
Management fee	113,131	152,703
Offering costs	19,321	38,430
Total expenses	<u>132,452</u>	<u>191,133</u>
Net investment income (loss)	<u>(121,257)</u>	<u>(174,556)</u>
<b>Realized and unrealized gain (loss) on investment activity</b>		
<b>Net realized gain (loss) on</b>		
Foreign currency forward contracts	<u>(4,105,677)</u>	<u>(1,400,418)</u>
<b>Change in net unrealized appreciation/depreciation on</b>		
Foreign currency forward contracts	<u>(665,624)</u>	<u>734,901</u>
Net realized and unrealized gain (loss)	<u>(4,771,301)</u>	<u>(665,517)</u>
Net income (loss)	<u>\$(4,892,558)</u>	<u>\$ (840,073)</u>
Net income (loss) per weighted-average share	<u>\$ (2.13)</u>	<u>\$ (0.50)</u>
Weighted-average shares outstanding	<u>2,291,772</u>	<u>1,666,865</u>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT YEN**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Shareholders' equity, at December 31, 2008</b>	<b>\$ 2,166,617</b>
Addition of 2,850,000 shares	68,279,994
Redemption of 1,200,000 shares	<u>(28,454,489)</u>
Net addition (redemption) of 1,650,000 shares	<u>39,825,505</u>
Net investment income (loss)	(174,556)
Net realized gain (loss)	(1,400,418)
Change in net unrealized appreciation/depreciation	<u>734,901</u>
Net income (loss)	<u>(840,073)</u>
<b>Shareholders' equity, at June 30, 2009</b>	<b><u>\$ 41,152,049</u></b>

*See accompanying notes to financial statements.*

**PROSHARES ULTRASHORT YEN**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED**  
**JUNE 30, 2009**  
(unaudited)

<b>Cash flow from operating activities</b>	
Net income (loss)	\$ (840,073)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with custodian for foreign currency forward contracts	(7,020,000)
Net purchase of short-term U.S. government agency obligations	(28,999,132)
Change in unrealized appreciation/depreciation on foreign currency forward contracts	(734,901)
Decrease in receivable from Sponsor	33,660
Increase in payable to Sponsor	111,268
Amortization of offering cost	38,430
Net cash provided by (used in) operating activities	<u>(37,410,748)</u>
<b>Cash flow from financing activities</b>	
Proceeds from addition of shares	68,279,994
Payment on shares redeemed	<u>(26,102,933)</u>
Net cash provided by (used in) financing activities	42,177,061
<b>Net increase (decrease) in cash</b>	<b>4,766,313</b>
Cash, at December 31, 2008	<u>1,970,377</u>
Cash, at June 30, 2009	<u><u>\$ 6,736,690</u></u>

*See accompanying notes to financial statements.*

PROSHARES TRUST II  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2009  
 (unaudited)

**NOTE 1 – ORGANIZATION**

ProShares Trust II (the “Trust”) was organized as a Delaware statutory trust on October 9, 2007 and is authorized to issue an unlimited number of common units of beneficial interest (“Shares”). The Trust is comprised of twelve separate series (each, a “Fund”, and collectively, the “Funds”): ProShares Ultra DJ-UBS Commodity (formerly ProShares Ultra DJ-AIG Commodity), ProShares UltraShort DJ-UBS Commodity (formerly ProShares UltraShort DJ-AIG Commodity), ProShares Ultra DJ-UBS Crude Oil (formerly ProShares Ultra DJ-AIG Crude Oil), ProShares UltraShort DJ-UBS Crude Oil (formerly ProShares UltraShort DJ-AIG Crude Oil), ProShares Ultra Gold, ProShares UltraShort Gold, ProShares Ultra Silver, ProShares UltraShort Silver, ProShares Ultra Euro, ProShares UltraShort Euro, ProShares Ultra Yen and ProShares UltraShort Yen.

Each “Ultra” Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the daily performance of its corresponding benchmark. Each “UltraShort” Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the inverse (opposite) of the daily performance of its corresponding benchmark. Each Fund generally invests in Financial Instruments (i.e., commodity-based or currency-based instruments whose value is derived from the value of an underlying asset, rate or index) as a substitute for investing directly in a commodity or currency in order to gain exposure to the commodity index, commodity or currency. Financial Instruments also are used to produce economically “leveraged” or “inverse” investment results and may include futures contracts and options on futures contracts, swap agreements, forward contracts and other commodity-based or currency-based options contracts.

The Funds do not seek to achieve their stated investment objective over a period of time greater than one day because mathematical compounding prevents the Funds from achieving such results. Accordingly, results over periods of time greater than one day should not be expected to be a simple multiple (+200 or -200%) of the period return of the corresponding benchmark and will likely differ significantly.

The Trust had no operations prior to November 24, 2008 other than matters relating to its organization, the registration of each series under the Securities Act of 1933, as amended, and the sale and issuance to ProShare Capital Management LLC (the “Sponsor”) of fourteen Shares of each Fund at an aggregate purchase price of \$350 in each of the Funds.

Eight of the Funds, ProShares Ultra DJ-UBS Commodity, ProShares UltraShort DJ-UBS Commodity, ProShares Ultra DJ-UBS Crude Oil, ProShares UltraShort DJ-UBS Crude Oil, ProShares Ultra Euro, ProShares UltraShort Euro, ProShares Ultra Yen and ProShares UltraShort Yen, commenced investment operations on November 24, 2008, and four of the Funds, ProShares Ultra Gold, ProShares UltraShort Gold, ProShares Ultra Silver and ProShares UltraShort Silver, commenced investment operations on December 1, 2008.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

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 accounting principles generally accepted in the United States of America (“GAAP”).

The accompanying unaudited financial statements were prepared in accordance with GAAP for interim financial information and with the instructions for Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). In the opinion of management, all material adjustments, consisting only of normal recurring adjustments, considered necessary for a fair statement of the interim period financial statements have been made. Interim period results are not necessarily indicative of results for a full-year period. These financial statements and the notes thereto should be read in conjunction with the Funds’ financial statements included in the Trust’s Annual Report on Form 10-K for the period ended December 31, 2008, as filed with the SEC on March 31, 2009.

**Use of Estimates & Indemnifications**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in these financial statements. Actual results could differ from those estimates.

In the normal course of business, the Trust enters into contracts that contain a variety of representations which provide general indemnifications. The Trust’s maximum exposure under these arrangements cannot be known; however, the Trust expects any risk of loss to be remote.

### Fiscal Period Cut-off

These financial statements have been prepared as of the time of the final calculation of the Funds' net asset value ("NAV") for the three-month period ended June 30, 2009 as follows. All times are Eastern:

	<u>NAV Calculation Time</u>	<u>NAV Calculation Date</u>
UltraSilver, UltraShort Silver	7:00 A.M.	June 30
Ultra Gold, UltraShort Gold	10:00 A.M.	June 30
Ultra DJ-UBS Commodity, UltraShort DJ-UBS Commodity	2:30 P.M.	June 30
Ultra DJ-UBS Crude Oil, UltraShort DJ-UBS Crude Oil	2:30 P.M.	June 30
Ultra Euro, UltraShort Euro	4:00 P.M.	June 30
Ultra Yen, UltraShort Yen	4:00 P.M.	June 30

Although the Funds' Shares may continue to trade subsequent to these times, these times represent the close of business for the three-month period ended June 30, 2009 for the Funds' investment operations and Share creation and redemption operations. Market value per Share is determined at the close of the New York Stock Exchange and may be later than when the Funds' NAV per Share is calculated.

### Investment Valuation

Short-term investments are valued at amortized cost to the extent that it approximates value.

Derivatives (e.g., futures, swaps and forward agreements) are generally valued using independent sources and/or agreements with counterparties or other procedures as determined by the Sponsor. Futures contracts, except for the Gold and Silver Funds, are generally valued at the last settled price on the applicable exchange on which that future trades. Futures in the Gold and Silver Funds are valued at the last sales price prior to the time at which the NAV per Share of a Fund is determined. If there was no sale on that day, and for non-exchange-traded derivatives, the Sponsor may in its sole discretion choose to determine a fair value price as the basis for determining the market value of such position for such day. Such fair value price would be generally determined based on available inputs about the current value of the underlying financial instrument or commodity and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

Fair value pricing may require subjective determinations about the value of an investment. While the Trust's policy is intended to result in a calculation of a Fund's NAV that fairly reflects investment values as of the time of pricing, the Trust cannot ensure that fair values determined by the Sponsor or persons acting at their direction would accurately reflect the price that a Fund could obtain for an investment if it were to dispose of that investment 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 investments were sold and the differences could be material to the financial statements.

### Fair Value of Financial Instruments

Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157") became effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurement. The changes to current practice resulting from the application of SFAS 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurement. SFAS 157 establishes a fair value hierarchy that distinguishes between: (1) market participant assumptions developed based on market data obtained from sources independent of the Funds (observable inputs); and (2) the Funds' own assumptions about market participant assumptions developed based on the best information available under the circumstances (unobservable inputs). The three levels defined by the SFAS 157 hierarchy are as follows:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II assets include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level III – Unobservable pricing input at the measurement date for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

In some instances, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement in its entirety falls shall be determined based on the lowest input level that is significant to the fair value measurement in its entirety.

In April 2009, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position No. 157-4, “Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly” (“FSP 157-4”). FSP 157-4 provides additional guidance for estimating fair value in accordance with SFAS 157, when the volume and level of activity for the asset or liability have significantly decreased, as well as guidance on identifying circumstances that indicate a transaction is not orderly. FSP 157-4 is effective for fiscal years and interim periods ending after June 15, 2009. The Funds have adopted the provisions of FSP 157-4 as of June 30, 2009, and the additional disclosure requirements have been incorporated.

The following table summarizes the valuation of investments at June 30, 2009 using the fair value hierarchy:

	LEVEL I – Quoted Prices		LEVEL II – Other Significant Observable Inputs		Total Short-Term U.S. Government Agencies, Futures Contracts, Forward and Swap Agreements
	Short-Term U.S. Government Agencies	Futures Contracts	Forward Agreements	Swap Agreements	
Ultra DJ-UBS Commodity	\$ 9,637,846	\$ —	\$ —	\$(1,893,398)	\$ 7,744,448
UltraShort DJ-UBS Commodity	1,064,989	—	—	45,958	1,110,947
Ultra DJ-UBS Crude Oil	105,996,361	(3,934,430)	—	4,755,439	106,817,370
UltraShort DJ-UBS Crude Oil	57,482,866	1,095,010	—	(1,858,544)	56,719,332
Ultra Gold	67,998,364	77,400	(342,722)	—	67,733,042
UltraShort Gold	19,499,386	(13,940)	101,373	—	19,586,819
Ultra Silver	30,999,293	(396,330)	(1,490,535)	—	29,112,428
UltraShort Silver	30,351,323	213,445	1,241,264	—	31,806,032
Ultra Euro	3,354,900	—	(15,986)	—	3,338,914
UltraShort Euro	24,499,309	—	61,538	—	24,560,847
Ultra Yen	2,387,932	—	(100,790)	—	2,287,142
UltraShort Yen	28,999,132	—	870,818	—	29,869,950

At June 30, 2009, there were no Level III portfolio investments for which significant unobservable inputs were used to determine fair value.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those securities.

### Investment Transactions and Related Income

Investment transactions are recorded on the trade date. All such transactions are recorded on the identified cost basis and marked to market daily. Unrealized appreciation/depreciation on open contracts are reflected in the Statements of Financial Condition and changes in the unrealized appreciation/depreciation between periods are reflected in the Statements of Operations. Discounts and premiums on short-term securities purchased are accreted and amortized, respectively, on a yield-to-maturity basis and reflected as Interest Income in the Statements of Operations.

### **Brokerage Commissions and Fees**

Each Fund pays its respective brokerage commissions, including applicable exchange fees, National Futures Association (“NFA”) fees, give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities for each Fund’s investment in U.S. Commodity Futures Trading Commission regulated investments.

### **Federal Income Tax**

Each Fund is registered as a series of a Delaware statutory trust and is treated as a partnership for U.S. federal income tax purposes. Accordingly, no Fund expects to incur U.S. federal income tax liability; rather, each beneficial owner of a Fund’s Shares is required to take into account its allocable share of its Fund’s income, gain, loss, deductions and other items for its Fund’s taxable year ending with or within the beneficial owner’s taxable year.

FASB issued FASB Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (“FIN 48”), an interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a threshold of more-likely-than-not for recognition of tax benefits of uncertain tax positions taken or expected to be taken in a tax return. FIN 48 also provides related guidance on measurement, derecognition, classification, interest and penalties, and disclosure.

Management of the Funds has reviewed all open tax years and major jurisdictions and concluded that FIN 48 did not impact the Funds’ shareholders’ equity or results of operations. 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 twelve months. On an ongoing basis, management will monitor its tax positions taken under FIN 48 to determine if adjustments to conclusions are necessary based on factors including, but not limited to, further implementation of guidance expected from FASB and on-going analysis of tax law, regulation, and interpretations thereof.

## **NOTE 3 – INVESTMENTS**

### **Short-Term Investments**

The Funds may purchase U.S. Treasury Bills, agency securities, and other high-credit quality short-term fixed income or similar securities with original maturities of one year or less. A portion of these investments may be posted as collateral in connection with swap agreements and/or used as margin for a Fund’s trading in futures and forward contracts.

### **Accounting for Derivative Instruments**

In seeking to achieve each Fund’s investment objective, the Sponsor uses a mathematical approach to investing. Using this approach, the Sponsor determines the type, quantity and mix of investment positions that the Sponsor believes in combination should produce daily returns consistent with a Fund’s objective.

All open derivative positions at period-end for each Fund are disclosed in the Schedules of Investments and the volume of these open positions relative to the shareholders’ equity of each Fund is generally representative of the volume of open positions throughout the reporting period for each respective Fund.

In March 2008, FASB issued Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Funds’ derivative and hedging activities.

Following is a description of the derivative instruments used by the Funds during the reporting period, including the primary underlying risk exposures related to each instrument type.

## **Futures Contracts**

The Funds may enter into futures contracts to gain exposure to changes in the value of an underlying commodity. A futures contract obligates the seller to deliver (and the purchaser to accept) the future delivery of a specified quantity and type of a commodity at a specified time and place. The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or by making an offsetting sale or purchase of an identical futures contract on the same or linked exchange before the designated date of delivery.

Upon entering into a futures contract, each Fund is required to deposit and maintain as collateral at least such initial margin as required by the exchange on which the transaction is effected. The initial margin is segregated as cash balances with brokers for futures contracts, as disclosed in the Statements of Financial Condition, and is restricted as to its use. Pursuant to the futures contract, each Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the futures contract. Such receipts or payments are known as variation margin and are recorded by each Fund as unrealized gains or losses. Each Fund will realize a gain or loss upon closing of a futures transaction.

Futures contracts involve, to varying degrees, elements of market risk (specifically commodity price risk) and exposure to loss in excess of the amount of variation margin. The face or contract amounts reflect the extent of the total exposure each Fund has in the particular classes of instruments. Additional risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures contracts and the market value of the underlying securities or commodity and the possibility of an illiquid market for a futures contract. With futures contracts, there is minimal counterparty risk to the Funds since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures contracts, guarantees the futures contracts against default.

## **Swap Agreements**

The Funds may enter into swap agreements for purposes of pursuing their investment objectives or as a substitute for investing directly in (or shorting) commodities, or to create an economic hedge against a position. Swap agreements are two-party contracts entered into primarily with institutional investors for a specified period, ranging from a day to more than one year. In a standard swap transaction, two parties agree to exchange the returns earned or realized on a particular predetermined investment, instrument or index in exchange for a fixed or floating rate of return in respect of a predetermined notional amount. In the case of futures contracts based indices, such as those used by the Commodity Index Funds, the reference interest rate is zero. The gross returns to be exchanged are calculated with respect to a notional amount and the benchmark returns to which the swap is linked. Swap agreements do not involve the delivery of securities or other underlying instruments.

Generally, swap agreements entered into by the Funds calculate and settle the obligations of the parties to the agreement on a "net basis" with a single payment. Consequently, each Fund's current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of such obligations (or rights) (the "net amount"). In a typical swap agreement entered into by an Ultra Fund, the Ultra Fund would be entitled to settlement payments in the event the benchmark increases and would be required to make payments to the swap counterparties in the event the benchmark decreases, adjusted for any transaction costs or trading spreads on the notional amount the Funds may pay. In a typical swap agreement entered into by an UltraShort Fund, the UltraShort Fund would be required to make payments to the swap counterparties in the event the benchmark increases and would be entitled to settlement payments in the event the benchmark decreases, adjusted for any transaction costs or trading spreads on the notional amount the Funds may pay.

The net amount of the excess, if any, of each Fund's obligations over its entitlements with respect to each swap agreement is accrued on a daily basis and an amount of cash or liquid assets having an aggregate NAV at least equal to such accrued excess is maintained in a segregated account by the Funds' Custodian. Until a swap agreement is settled in cash, the gain or loss on the notional amount less any transaction costs or trading spreads payable by each Fund on the notional amount are recorded as "unrealized appreciation or depreciation on swap agreements" and, when cash is exchanged, the gain or loss realized is recorded as "realized gains or losses on swap agreements." Swap agreements are generally valued at the last settled price of the benchmark referenced Index.

The Trust, on behalf of a Fund, may enter into agreements with certain counterparties for derivative transactions. These agreements contain various conditions, events of default, termination events, covenants and representations. The triggering of certain events or the default on certain terms of the agreement could allow a party to terminate a transaction under the agreement and request immediate payment in an amount equal to the net positions owed the party under the agreement. This could cause a Fund to have to enter into a new transaction with the same counterparty, enter into a transaction with a different counterparty or seek to achieve its investment objective through any number of different investments or investment techniques.

Swap agreements involve, to varying degrees, elements of market risk (commodity price risk) and exposure to loss in excess of the unrealized gain/loss reflected. The notional amounts reflect the extent of the total investment exposure each Fund has under the swap agreement, which may exceed the NAV of each Fund. Additional risks associated with the use of swap agreements are imperfect correlation between movements in the notional amount and the price of the underlying reference index and the inability of counterparties to perform. Each Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. A Fund will enter into swap agreements only with large, well-capitalized and well established financial institutions. The creditworthiness of each of the firms which is a party to a swap agreement is monitored by the Sponsor. The Sponsor may use various techniques to minimize credit risk including early termination and payment, using different counterparties and limiting the net amount due from any individual counterparty. All of the outstanding swap agreements at June 30, 2009 contractually terminate within one month but may be terminated without penalty by either party daily. Upon termination, the Fund is entitled to pay or receive the “unrealized appreciation or depreciation” amount.

The Funds collateralize swap agreements with cash as indicated on the Statements of Financial Condition and such collateral is held for the benefit of the counterparty in a segregated account at the Custodian to protect the counterparty against non-payment by the Funds. In the event of a default by the counterparty, the Funds will seek return of this collateral and may incur certain costs exercising its right with respect to the collateral.

The Funds remain subject to credit risk with respect to the amount they expect to receive from counterparties, as those amounts are not similarly collateralized by the counterparty. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Funds may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Funds may obtain only limited recovery or may obtain no recovery in such circumstances.

#### **Forward Contracts**

A forward contract is an agreement between two parties to purchase or sell a specified quantity of a commodity or currency at or before a specified date in the future at a specified price. Forward contracts are typically traded in the over-the-counter (“OTC”) markets and all details of the contract are negotiated between the counterparties to the agreement. Accordingly, the forward contracts are valued by reference to the contracts traded in the OTC markets.

The contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying commodity or currency, establishing an opposite position in the contract and recognizing the profit or loss on both positions simultaneously on the delivery date or, in some instances, paying a cash settlement before the designated date of delivery. The forward contracts are adjusted by the daily fluctuation of the underlying commodity or currency and any gains or losses are recorded for financial statement purposes as unrealized gains or losses until the contract settlement date.

Forward contracts are, in general, not cleared or guaranteed by a third party. The Funds may collateralize forward commodity contracts with cash and/or certain securities as indicated on their Statements of Financial Condition and such collateral is held for the benefit of the counterparty in a segregated account at the Custodian to protect the counterparty against non-payment by the Funds. In the event of a default by the counterparty, the Funds will seek return of this collateral and may incur certain costs exercising its right with respect to the collateral.

The Funds remain subject to credit risk with respect to the amount they expect to receive from counterparties, as those amounts are not similarly collateralized by the counterparty. If a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties, the Funds may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding. The Funds may obtain only limited recovery or may obtain no recovery in such circumstances.

Participants in trading foreign exchange forward contracts often do not require margin deposits, but rely upon internal credit limitations and their judgments regarding the creditworthiness of their counterparties.

A Fund will enter into forward contracts only with large, well-capitalized and well established financial institutions. The creditworthiness of each of the firms which is a party to a forward contract is monitored by the Sponsor.

**Fair Value of Derivative Instruments  
as of June 30, 2009**

Asset Derivatives				Liability Derivatives			
Derivatives not accounted for as hedging instruments under Statement No. 133	Statements of Financial Condition location	Fund	Unrealized Appreciation	Statements of Financial Condition location	Fund	Unrealized Depreciation	
Commodities Contracts	Receivables on open futures contracts, unrealized appreciation on swap and/or forward agreements	ProShares UltraShort DJ-UBS	\$ 45,958	Payable on open futures contracts, unrealized depreciation on swap and/or forward agreements	ProShares Ultra DJ-UBS Commodity	\$1,893,398	
		ProShares Ultra DJ-UBS	4,755,439		ProShares Ultra DJ-UBS Crude Oil	3,934,430*	
		ProShares UltraShort DJ-UBS	1,095,010*		ProShares UltraShort DJ-UBS Crude Oil	1,858,544	
		ProShares Ultra Gold	77,400*		ProShares Ultra Gold	342,722	
		ProShares UltraShort Gold	101,373		ProShares UltraShort Gold	13,940*	
		ProShares UltraShort Silver	1,454,709*		ProShares Ultra Silver	1,886,865*	
Foreign Exchange Contracts	Unrealized appreciation on foreign currency forward contracts	ProShares UltraShort Euro	61,538	Unrealized appreciation on foreign currency forward contracts	ProShares Ultra Euro	15,986	
		ProShares UltraShort Yen	870,818		ProShares Ultra Yen	100,790	

\* Includes cumulative appreciation/depreciation of futures contracts as reported in the Schedules of Investments. Only current day's variation margin is reported within the Statements of Financial Condition in receivable/payable on open futures contracts.

**Fair Value of Derivative Instruments  
as of December 31, 2008**

Asset Derivatives				Liability Derivatives			
Derivatives not accounted for as hedging instruments under Statement No. 133	Statements of Financial Condition location	Fund	Unrealized Appreciation	Statements of Financial Condition location	Fund	Unrealized Depreciation	
Commodities Contracts	Receivables on open futures contracts, unrealized appreciation on swap and/or forward agreements	ProShares Ultra DJ-AIG Commodity	\$ 184,583	Payable on open futures contracts, unrealized depreciation on swap and/or forward agreements	ProShares UltraShort DJ-AIG Commodity	\$ 426,201	
		ProShares Ultra DJ-AIG Crude Oil	12,678,400**		ProShares UltraShort DJ-AIG Crude Oil	3,550,590**	
		ProShares Ultra Gold	39,770**		ProShares Ultra Gold	586,254	
		ProShares UltraShort Gold	86,657		ProShares UltraShort Gold	22,690**	
		ProShares UltraShort Silver	47,484		ProShares Ultra Silver	264,872**	
					ProShares UltraShort Silver	650**	
Foreign Exchange Contracts	Unrealized appreciation on foreign currency forward agreements	ProShares UltraShort Euro	151,153	Unrealized depreciation on foreign currency forward agreements	ProShares Ultra Euro	140,545	
		ProShares UltraShort Yen	135,917		ProShares Ultra Yen	201,574	

\*\* Includes cumulative appreciation/depreciation of futures contracts as reported in the Trust's Annual Report on Form 10-K for the period ended December 31, 2008. Only current day's variation margin is reported within the Statements of Financial Condition in receivable/payable on open futures contracts.

**The Effect of Derivative Instruments on the Statements of Operations  
For the three months ended June 30, 2009**

Derivatives not accounted for as hedging instruments under Statement No. 133	Location of Gain or (Loss) on Derivatives Recognized in Income	Fund	Realized Gain or (Loss) on Derivatives Recognized in Income	Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income
Commodity Contracts	Net realized gain (loss) on transactions from futures, swaps, and/or forwards/changes in unrealized appreciation (depreciation) of futures, swaps, and/or forwards	ProShares Ultra DJ-UBS Commodity	\$ 3,718,222	\$ (1,093,594)
		ProShares UltraShort DJ- UBS Commodity	(1,068,161)	340,661
		ProShares Ultra DJ-UBS Crude Oil	161,788,196	(1,919,287)
		ProShares UltraShort DJ- UBS Crude Oil	(29,800,088)	(855,048)
		ProShares Ultra Gold	(730,507)	2,804,833
		ProShares UltraShort Gold	(2,360,525)	(1,080,374)
		ProShares Ultra Silver	5,398,849	(3,018,280)
		ProShares UltraShort Silver	(4,435,273)	2,073,461
		ProShares Ultra Euro	346,506	274,806
		ProShares UltraShort Euro	(2,655,513)	(1,771,263)
Foreign Exchange Contracts	Net realized gain (loss) on transactions from foreign currency transactions/changes in unrealized appreciation (depreciation) of foreign currency transactions	ProShares Ultra Yen	142,595	2,666
		ProShares UltraShort Yen	(4,105,677)	(665,624)

**The Effect of Derivative Instruments on the Statements of Operations  
For the six months ended June 30, 2009**

Derivatives not accounted for as hedging instruments under Statement No. 133	Location of Gain or (Loss) on Derivatives Recognized in Income	Fund	Realized Gain or (Loss) on Derivatives Recognized in Income	Change in Unrealized Appreciation or (Depreciation) on Derivatives Recognized in Income
Commodity Contracts	Net realized gain (loss) on transactions from futures, swaps, and/or forwards/changes in unrealized appreciation (depreciation) of futures, swaps, and/or forwards	ProShares Ultra DJ-UBS Commodity	\$ 3,755,997	\$ (2,077,981)
		ProShares UltraShort DJ- UBS Commodity	(1,079,538)	472,159
		ProShares Ultra DJ-UBS Crude Oil	80,548,113	(11,857,391)
		ProShares UltraShort DJ- UBS Crude Oil	(26,308,149)	2,787,056
		ProShares Ultra Gold	(979,480)	281,162
		ProShares UltraShort Gold	(8,013,226)	23,466
		ProShares Ultra Silver	8,253,090	(1,621,993)
		ProShares UltraShort Silver	(5,309,183)	1,407,875
		ProShares Ultra Euro	161,220	124,559
		ProShares UltraShort Euro	(7,202,324)	(89,615)
Foreign Exchange Contracts	Net realized gain (loss) on transactions from foreign currency transactions/changes in unrealized appreciation (depreciation) of foreign currency transactions	ProShares Ultra Yen	(708,220)	100,784
		ProShares UltraShort Yen	(1,400,418)	734,901

**NOTE 4 – AGREEMENTS****Management Fee**

Each Fund pays the Sponsor a Management Fee, monthly in arrears, in an amount equal to 0.95% per annum of the average daily NAV of such Fund to the extent that such amounts cumulatively exceed the organization and offering costs incurred by the Fund. The Management Fee is paid in consideration of the Sponsor's services as commodity pool operator and commodity trading advisor, and for managing the business and affairs of the Fund. From the Management Fee, the Sponsor pays the fees and expenses of the Administrator, Custodian, Distributor, Transfer Agent and the licensors for the Commodity Index Funds (Dow Jones & Company, Inc. and UBS Securities LLC, together, "DJ-UBS"), the routine operational, administrative and other ordinary expenses of each Fund, and the normal and expected expenses incurred in connection with the continuous offering of Shares of each Fund after the commencement of its trading operations, including, but not limited to, expenses such as ongoing SEC registration fees not exceeding 0.021% per annum of the NAV of a Fund and Financial Industry Regulatory Authority ("FINRA") filing fees. Each Fund incurs and pays its non-recurring and unusual fees and expenses. No other management fee is paid by the Fund. The Management Fee is paid in consideration of the Sponsor's trading advisory services and other services provided to the Funds that the Sponsor pays directly.

**The Administrator**

The Sponsor and the Trust, for itself and on behalf of each Fund, has appointed Brown Brothers Harriman & Co. ("BBH&Co.") as the Administrator of the Funds, and the Sponsor, the Trust, on its own behalf and on behalf of each Fund, and BBH&Co. have entered into an Administrative Agency Agreement (the "Administration Agreement") in connection therewith. Pursuant to the terms of the Administration Agreement and under the supervision and direction of the Sponsor and the Trust, BBH&Co. prepares and files certain regulatory filings on behalf of the Funds. BBH&Co. may also perform other services for the Funds pursuant to the Administration Agreement as mutually agreed upon by the Sponsor, the Trust and BBH&Co. from time to time. Pursuant to the terms of the Administration Agreement, BBH&Co. also serves as the Transfer Agent of the Funds. The Administrator's fees are paid on behalf of the Funds by the Sponsor.

**The Custodian**

BBH&Co. serves as Custodian of the Funds, and the Trust, on its own behalf and on behalf of each Fund, and BBH&Co. have entered into a Custodian Agreement in connection therewith. Pursuant to the terms of the Custodian Agreement, BBH&Co. is responsible for the holding and safekeeping of assets delivered to it by the Funds, and performing various administrative duties in accordance with instructions delivered to BBH&Co. by the Funds. The Custodian's fees are paid on behalf of the Funds by the Sponsor.

**The Distributor**

SEI Investments Distribution Co. ("SEI"), serves as Distributor of the Shares and assists the Sponsor and the Administrator with certain functions and duties relating to distribution and marketing, including taking creation and redemption orders, consulting with the marketing staff of the Sponsor and its affiliates with respect to compliance with the requirements of FINRA and/or the NFA in

connection with marketing efforts, and reviewing and filing of marketing materials with FINRA and/or the NFA. SEI retains all marketing materials separately for each Fund, at c/o SEI, One Freedom Valley Drive, Oaks, PA 19456. The Sponsor, on behalf of each Fund, has entered into a Distribution Services Agreement with SEI.

### **Routine Operational, Administrative and Other Ordinary Expenses**

The Sponsor pays all of the routine operational, administrative and other ordinary expenses of each Fund generally, as determined by the Sponsor including, but not limited to, fees and expenses of the Administrator, Custodian, Distributor, Transfer Agent, DJ-UBS, accounting and auditing fees and expenses, tax preparation expenses, legal fees not in excess of \$100,000 per annum, ongoing SEC registration fees not exceeding 0.021% per annum of the NAV of a Fund, FINRA filing fees, individual K-1 preparation and mailing fees not exceeding 0.10% per annum of the NAV of a Fund, and report preparation and mailing expenses.

### **Non-Recurring Fees and Expenses**

Each Fund pays all non-recurring and unusual fees and expenses, if any, as determined by the Sponsor. Non-recurring fees and expenses are fees and expenses such as legal claims and liabilities, litigation costs or indemnification or other material expenses which are not currently anticipated obligations of the Funds. Such fees and expenses are those that are non-recurring, unexpected or unusual in nature.

### **NOTE 5 – ORGANIZATION AND OFFERING COSTS**

Organization costs are expensed as incurred and offering costs will be amortized by the Funds over a twelve month period on a straight-line basis. The Sponsor will not collect any fee in the first year of operation of each Fund in an amount equal to the organization and offering fees. The Sponsor has agreed to reimburse a Fund to the extent that its organization and offering costs exceed 0.95% of its average daily NAV of each Fund for the shorter of the twelve month period following the initial sale of Shares or the period from the initial sale of Shares to the date the Fund ceases investment operations.

### **NOTE 6 – CREATION AND REDEMPTION OF CREATION UNITS**

Each Fund issues and redeems Shares from time to time, but only in one or more Creation Units. A Creation Unit is a block of 50,000 Shares of a Fund. Creation Units may be created or redeemed only by Authorized Participants.

Except when aggregated in Creation Units, the Shares are not redeemable securities. Retail investors, therefore, generally will not be able to purchase or redeem Shares directly from or with a Fund. Rather, most retail investors will purchase or sell Shares in the secondary market with the assistance of a broker. Thus, some of the information contained in these Notes to Financial Statements—such as references to the Transaction Fees imposed on purchases and redemptions—is not relevant to retail investors.

### **Transaction Fees on Creation and Redemption Transactions**

Authorized Participants pay a fixed transaction fee of \$500 in connection with each order to create or redeem a Creation Unit in order to compensate BBH&Co. for services in processing the creation and redemption of Creation Units. Authorized Participants are required to pay a variable transaction fee of up to 0.10% of the value of the Creation Unit that is purchased or redeemed unless the transaction fee is waived or otherwise adjusted by the Sponsor. The Sponsor will provide the Authorized Participant with prompt notice in advance of any such waiver or adjustment of transaction fee. Authorized Participants may sell the Shares included in the Creation Units they purchase from the Funds to other investors in the secondary market.

Transaction fees for the following Funds for the three months ended June 30, 2009, which are included in the Sale and/or Redemption of Shares on the Statements of Changes in Shareholders' Equity, were as follows:

<b>Fund</b>	<b>Three Months Ended June 30, 2009</b>
Ultra DJ-UBS Commodity	\$ 3,351
UltraShort DJ-UBS Commodity	698
Ultra DJ-UBS Crude Oil	106,670
UltraShort DJ-UBS Crude Oil	52,377
Ultra Gold	10,130
UltraShort Gold	12,454
Ultra Silver	11,282
UltraShort Silver	14,577
Ultra Euro	—
UltraShort Euro	—
Ultra Yen	—
UltraShort Yen	—



**NOTE 7 – FINANCIAL HIGHLIGHTS**

Selected data for a Share outstanding throughout the six months ended June 30, 2009:

**Ultra ProShares****For the Six Month Period Ended June 30, 2009 (Unaudited)**

<u>Per Share Operating Performance</u>	<u>Ultra DJ-UBS Commodity</u>	<u>Ultra DJ-UBS Crude Oil</u>	<u>Ultra Gold</u>	<u>Ultra Silver</u>	<u>Ultra Euro</u>	<u>Ultra Yen</u>
Net asset value, at December 31, 2008	\$ 22.1647	\$ 14.7811	\$30.8181	\$28.6021	\$29.2400	\$28.4465
Net investment income (loss)	(0.0974)	(0.0468)	(0.1512)	(0.1894)	(0.1186)	(0.1131)
Net realized and unrealized gain (loss)	0.7769	(1.6707)	3.0299	14.1950	0.0428	(3.6029)
Change in net asset value from operations	0.6795	(1.7175)	2.8787	14.0056	(0.0758)	(3.7160)
Net asset value, at June 30, 2009	\$ 22.8442	\$ 13.0636	\$33.6968	\$42.6077	\$29.1642	\$24.7305
Market value per share, at December 31, 2008	\$ 22.15	\$ 13.69	\$ 31.60	\$ 31.50	\$ 29.49	\$ 28.66
Market value per share, at June 30, 2009	\$ 22.92	\$ 13.16	\$ 33.28	\$ 40.49	\$ 29.21	\$ 24.70
<b>Total Return, at net asset value<sup>^</sup></b>	3.07%	(11.62)%	9.34%	48.97%	(0.26)%	(13.06)%
<b>Total Return, at market value<sup>^</sup></b>	3.48%	(3.87)%	5.32%	28.54%	(0.95)%	(13.82)%
<b>Ratios to Average Net Assets<sup>**</sup></b>						
Expense ratio	(0.95)%	(1.07)%	(0.95)%	(0.96)%	(0.95)%	(0.95)%
Expense ratio, excluding brokerage commissions	(0.95)%	(0.95)%	(0.95)%	(0.95)%	(0.95)%	(0.95)%
Net investment income (loss)	(0.92)%	(1.03)%	(0.91)%	(0.92)%	(0.90)%	(0.90)%

<sup>^</sup> Percentages are not annualized for the period ended June 30, 2009.<sup>\*\*</sup> Percentages are annualized.

## UltraShort ProShares

## For the Six Month Period Ended June 30, 2009 (Unaudited)

<u>Per Share Operating Performance</u>	<u>UltraShort DJ- UBS Commodity</u>	<u>UltraShort DJ- UBS Crude Oil</u>	<u>UltraShort Gold</u>	<u>UltraShort Silver</u>	<u>UltraShort Euro</u>	<u>UltraShort Yen</u>
Net asset value, at December 31, 2008	\$ 26.7951	\$ 29.0040	\$19.3741	\$ 19.5980	\$20.9453	\$21.6631
Net investment income (loss)	(0.1181)	(0.1287)	(0.0733)	(0.0463)	(0.0960)	(0.1047)
Net realized and unrealized gain (loss)	(5.7754)	(11.9334)	(4.2312)	(10.6527)	(1.0427)	1.9569
Change in net asset value from operations	(5.8935)	(12.0621)	(4.3045)	(10.6990)	(1.1387)	1.8522
Net asset value, at June 30, 2009	\$ 20.9016	\$ 16.9419	\$15.0696	\$ 8.8990	\$19.8066	\$23.5153
Market value per share, at December 31, 2008	\$ 27.58	\$ 31.66	\$ 19.10	\$ 17.51	\$ 21.26	\$ 21.85
Market value per share, at June 30, 2009	\$ 20.95	\$ 16.80	\$ 15.26	\$ 9.35	\$ 19.83	\$ 23.46
<b>Total Return, at net asset value<sup>^</sup></b>	(21.99)%	(41.59)%	(22.22)%	(54.59)%	(5.44)%	8.55%
<b>Total Return, at market value<sup>^</sup></b>	(24.04)%	(46.94)%	(20.10)%	(46.60)%	(6.73)%	7.37%
<b>Ratios to Average Net Assets<sup>**</sup></b>						
Expense ratio	(0.95)%	(1.18)%	(0.96)%	(0.97)%	(0.95)%	(0.95)%
Expense ratio, excluding brokerage commissions	(0.95)%	(0.95)%	(0.95)%	(0.95)%	(0.95)%	(0.95)%
Net investment income (loss)	(0.92)%	(1.14)%	(0.92)%	(0.92)%	(0.87)%	(0.87)%

<sup>^</sup> Percentages are not annualized for the period ended June 30, 2009.

<sup>\*\*</sup> Percentages are annualized.

**NOTE 8 – RISK**

See “Item 1A. Risk Factors” in the Trust’s Annual Report on Form 10-K for the period ended December 31, 2008, filed with the SEC on March 31, 2009, for additional disclosure regarding the risks associated with the Funds, including graphs which illustrate the impact of leverage and index volatility on Fund performance.

**Correlation Risk**

A number of factors may affect a Fund’s ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that a Fund will achieve a high degree of correlation. A failure to achieve a high degree of correlation may prevent a Fund from achieving its investment objective. A number of factors may adversely affect a Fund’s correlation with its benchmark, including fees, expenses, transaction costs, costs associated with the use of leveraged investment techniques, income items, accounting standards and disruptions or illiquidity in the markets for the commodities or Financial Instruments (i.e., commodity-based or currency-based instruments whose value is derived from the value of an underlying asset, rate or index) in which the Fund invests. A Fund may be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being over- or under-exposed to its benchmark. In addition, there is a special form of correlation risk that derives from these Funds’ use of leverage, which is that for periods greater than one day, the use of leverage tends to cause the performance of a Fund to be either greater than or less than the target return for the same period stated in the fund objective, before accounting for fees and fund expenses. In general, given a particular index return, increased volatility of the index will cause a decrease in the performance relative to the target return for the same period.

**Counterparty Risk**

A Fund will be subject to credit risk with respect to the amount it expects to receive from counterparties to Financial Instruments and repurchase agreements entered into by the Fund. A Fund may be negatively impacted if a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties. The Funds structure swap agreements such that either party can terminate the contract without penalty prior to the termination date. A Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding and a Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Funds typically enter into transactions with counterparties whose credit ratings are investment grade, as determined by a nationally recognized statistical rating organization, or, if unrated, judged by the Sponsor to be of comparable quality.

**Leverage Risk**

Leverage offers a means of magnifying market movements into larger changes in an investment’s value and provides greater investment exposure than an unleveraged investment. Swap agreements, borrowing, futures contracts and forward contracts, all may be used to create leverage. Each Fund employs leveraged investment techniques to achieve its investment objective.

**Liquidity Risk**

In certain circumstances, such as the disruption of the orderly markets for the commodities or Financial Instruments in which a Fund invests, a Fund might not be able to dispose of certain holdings quickly or at prices that represent true market value in the judgment of the Sponsor. Such a situation may prevent a Fund from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

**NOTE 9 – OTHER MATTERS**

On May 6, 2009, UBS Securities LLC acquired the commodity business of AIG Financial Products Corp. Effective May 7, 2009, the Dow Jones-AIG Commodity Indexes have been re-branded as the Dow Jones-UBS Commodity Indexes. The Dow Jones-UBS Commodity Indexes have an identical methodology to the Dow Jones-AIG Commodity Indexes and take the identical form and format of the Dow Jones-AIG Commodity Indexes. In connection therewith:

The following Indexes have been renamed:

<u>Former Index Name</u>	<u>New Index Name</u>
Dow Jones-AIG Commodity Index	Dow Jones-UBS Commodity Index
Dow Jones-AIG Crude Oil Sub-Index	Dow Jones-UBS Crude Oil Sub-Index

The following Funds have been renamed:

<u>Former Fund Name</u>	<u>New Fund Name</u>
ProShares Ultra DJ-AIG Commodity	ProShares Ultra DJ-UBS Commodity
ProShares UltraShort DJ-AIG Commodity	ProShares UltraShort DJ-UBS Commodity
ProShares Ultra DJ-AIG Crude Oil	ProShares Ultra DJ-UBS Crude Oil
ProShares UltraShort DJ-AIG Crude Oil	ProShares UltraShort DJ-UBS Crude Oil

**NOTE 10 – SUBSEQUENT EVENTS**

In accordance with the provisions set forth in FASB Statement of Financial Accounting Standards No. 165 “Subsequent Events”, adopted by the Funds as of June 30, 2009, management has evaluated the possibility of subsequent events existing in the Funds’ financial statements through August 14, 2009. Management has determined that there are no material events that would require disclosure in its Funds’ financial statements through this date.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

*This information should be read in conjunction with the financial statements and notes to the financial statements included with this Quarterly Report on Form 10-Q. The discussion and analysis that follows may contain statements that relate to future events or future performance. In some cases, such forward-looking statements can be identified by terminology such as “will,” “may,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or the negative of these terms or other comparable terminology. None of the Trust, the Sponsor or the Trustee (as each term is defined below) assumes responsibility for the accuracy or completeness of any forward-looking statements. Except as expressly required by federal securities laws, none of the Trust, the Sponsor or the Trustee is under a duty to update any of the forward-looking statements to conform such statements to actual results or to a change in expectations or predictions.*

### Introduction

ProShares Trust II (formerly known as the Commodities and Currencies Trust) (the “Trust”) is a Delaware statutory trust formed on October 9, 2007 and currently organized into separate series. The following twelve series of the Trust, ProShares Ultra DJ-UBS Commodity (formerly ProShares Ultra DJ-AIG Commodity), ProShares UltraShort DJ-UBS Commodity (formerly ProShares UltraShort DJ-AIG Commodity), ProShares Ultra DJ-UBS Crude Oil (formerly ProShares Ultra DJ-AIG Crude Oil), ProShares UltraShort DJ-UBS Crude Oil (formerly ProShares UltraShort DJ-AIG Crude Oil), ProShares Ultra Gold, ProShares UltraShort Gold, ProShares Ultra Silver, ProShares UltraShort Silver, ProShares Ultra Euro, ProShares UltraShort Euro, ProShares Ultra Yen and ProShares UltraShort Yen (each, a “Fund” and collectively, the “Funds”) issue common units of beneficial interest (“Shares”), which represent units of fractional undivided beneficial interest in and ownership of only that Fund. The Shares of each Fund are listed on the NYSE Arca exchange (“NYSE Arca”).

ProShare Capital Management LLC serves as the Trust’s Sponsor (the “Sponsor”), commodity pool operator and commodity trading advisor. Wilmington Trust Company serves as the Trustee of the Trust (the “Trustee”). The Funds are commodity pools, as defined under the Commodity Exchange Act and the applicable regulations of the Commodity Futures Trading Commission (the “CFTC”) and are operated by the Sponsor, a commodity pool operator registered with the CFTC. The Trust is not an investment company registered under the Investment Company Act of 1940, as amended.

Groups of Funds are collectively referred to in this Quarterly Report on Form 10-Q in two different ways. References to “Ultra ProShares” or “UltraShort ProShares” refer to the different Funds based upon their investment objectives, but without distinguishing among the Funds’ benchmarks. References to “Commodity Index Funds”, “Commodity Funds” and “Currency Funds” refer to the different Funds according to their general benchmark categories without distinguishing among the Funds’ investment objectives or Fund-specific benchmarks.

Each “Ultra” Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the daily performance of its corresponding benchmark. Each “UltraShort” Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the inverse (opposite) of the daily performance of its corresponding benchmark. Each Fund generally invests in Financial Instruments (i.e., commodity-based or currency-based instruments whose value is derived from the value of an underlying asset, rate or index) as a substitute for investing directly in a commodity or currency in order to gain exposure to the commodity index, commodity or currency. Financial Instruments also are used to produce economically “leveraged” or “inverse” investment results and may include futures contracts and options on futures contracts, swap agreements, forward contracts and other commodity-based or currency-based options contracts.

The Funds do not seek to achieve their stated investment objective over a period of time greater than one day because mathematical compounding prevents the Funds from achieving such results. Accordingly, results over periods of time greater than one day should not be expected to be a simple multiple (+200 or -200%) of the period return of the corresponding benchmark and will likely differ significantly.

Each Fund continuously offers and redeems its Shares in blocks of 50,000 Shares (“Creation Units”). Only Authorized Participants may purchase and redeem Shares from a Fund and then only in Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with one or more of the Funds. Shares of the Funds are offered to Authorized Participants in Creation Units at each Fund’s respective net asset value per Share (“NAV”). Authorized Participants may then offer to the public,

from time to time, Shares from any Creation Unit they create at a per-Share market price that varies depending on, among other factors, the trading price of the Shares of each Fund on NYSE Arca, the NAV and the supply of and demand for the Shares at the time of the offer. Shares from the same Creation Unit may be offered at different times and may have different offering prices based upon the above factors. The form of Authorized Participant Agreement and related Authorized Participant Handbook set forth the terms and conditions under which an Authorized Participant may purchase or redeem a Creation Unit. Authorized Participants do not receive from any Fund, the Sponsor, or any of their affiliates, any underwriting fees or compensation in connection with their sale of Shares to the public.

### Liquidity and Capital Resources

In order to collateralize derivatives positions in commodities or currencies, a significant portion of the NAV of each Fund is held in cash and/or U.S. Treasury Securities, agency securities, or other high credit quality short-term fixed-income or similar securities (such as shares of money market funds, bank deposits, bank money market accounts, certain variable rate-demand notes and repurchase agreements collateralized by government securities, whether denominated in U.S. dollars or the applicable foreign currency with respect to a Currency Fund). A portion of these investments may be posted as collateral in connection with swap agreements and/or used as margin for each Fund's trading in futures and forward contracts. The percentage that U.S. Treasury bills and other short-term fixed-income securities bear to the shareholders' equity of each Fund varies from period to period as the market values of the underlying swaps, futures contracts and forward contracts change. During the three-month and six-month periods ended June 30, 2009, each of the Funds earned interest income as follows:

Fund	Interest Income Three Months Ended June 30, 2009	Interest Income Six Months Ended June 30, 2009
ProShares Ultra DJ-UBS Commodity	\$ 1,791	\$ 2,274
ProShares UltraShort DJ-UBS Commodity	154	390
ProShares Ultra DJ-UBS Crude Oil	36,106	69,821
ProShares UltraShort DJ-UBS Crude Oil	7,498	9,389
ProShares Ultra Gold	16,032	25,506
ProShares UltraShort Gold	5,627	9,039
ProShares Ultra Silver	7,765	10,714
ProShares UltraShort Silver	3,994	5,161
ProShares Ultra Euro	819	1,509
ProShares UltraShort Euro	7,923	13,109
ProShares Ultra Yen	439	947
ProShares UltraShort Yen	11,195	16,577

Each Fund's underlying swaps, futures and forward contracts, as the case may be, are subject to periods of illiquidity because of market conditions, regulatory considerations and other reasons. For example, swaps and forward contracts are not traded on an exchange, do not have uniform terms and conditions, and in general are not transferable without the consent of the counterparty. In the case of futures contracts, commodity exchanges may limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily limits." During a single day, no futures trades may be executed at prices beyond the daily limit. Once the price of a futures contract has increased or decreased by an amount equal to the daily limit, positions in such futures contracts can neither be taken nor liquidated unless the traders are willing to effect trades at or within the limit. Futures contract prices have occasionally moved the daily limit for several consecutive days with little or no trading. Such market conditions could prevent a Fund from promptly liquidating its futures positions.

Entry into swap agreements or forward contracts may further impact liquidity because these contractual agreements are executed "off-exchange" between private parties and, therefore, the time required to offset or "unwind" these positions may be greater than that for exchange-traded instruments. This potential delay could be exacerbated to the extent a counterparty is not a United States person.

The Trust is unaware of any other trends, demands, conditions or events that are reasonably likely to result in material changes to the Trust's liquidity needs.

Because each Fund enters into swaps and may trade futures and forward contracts, its capital is at risk due to changes in the value of these contracts (market risk) or the inability of counterparties to perform under the terms of the contracts (credit risk).

### **Results of Operations for the Three-Month Period Ended June 30, 2009**

#### *NAV of ProShares Ultra DJ-UBS Commodity*

The Fund's NAV increased from \$13,170,908 at March 31, 2009 to \$30,839,963 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 700,014 Shares at March 31, 2009 to 1,350,014 Shares at June 30, 2009 due to 650,000 Shares (13 Creation Units) being created and no Shares being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the Dow Jones-UBS Commodity Index. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 21.41%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 11.61% and had an annualized volatility of 25.32%.

#### *NAV of ProShares UltraShort DJ-UBS Commodity*

The Fund's NAV increased from \$2,793,409 at March 31, 2009 to \$5,225,688 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 100,014 Shares at March 31, 2009 to 250,014 Shares at June 30, 2009 due to 150,000 Shares (3 Creation Units) being created and no Shares being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the Dow Jones-UBS Commodity Index. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 25.16%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 11.61% and had an annualized volatility of 25.32%.

#### *NAV of ProShares Ultra DJ-UBS Crude Oil*

The Fund's NAV decreased from \$304,110,416 at March 31, 2009 to \$209,670,516 at June 30, 2009. The decrease in the Fund's NAV resulted from a decrease in outstanding Shares, which decreased from 35,400,014 Shares at March 31, 2009 to 16,050,014 Shares at June 30, 2009 due to 15,800,000 Shares (316 Creation Units) being created and 35,150,000 Shares (703 Creation Units) being redeemed during the period. The decrease in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the Dow Jones-UBS Crude Oil Sub-Index. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 52.06%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 26.27% and had an annualized volatility of 42.59%.

#### *NAV of ProShares UltraShort DJ-UBS Crude Oil*

The Fund's NAV increased from \$43,600,089 at March 31, 2009 to \$128,758,820 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 1,400,014 Shares at March 31, 2009 to 7,600,014 Shares at June 30, 2009 due to 8,350,000 Shares (167 Creation Units) being created and 2,150,000 Shares (43 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the Dow Jones-UBS Crude Oil Sub-Index. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 45.60%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 26.27% and had an annualized volatility of 42.59%.

*NAV of ProShares Ultra Gold*

The Fund's NAV increased from \$125,774,217 at March 31, 2009 to \$156,690,604 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 3,800,014 Shares at March 31, 2009 to 4,650,014 Shares at June 30, 2009 due to 1,100,000 Shares (22 Creation Units) being created and 250,000 Shares (5 Creation Units) being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of gold bullion as measured by the U.S. Dollar p.m. fixing price for delivery in London. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 1.81%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 1.96% and had an annualized volatility of 18.62%.

*NAV of ProShares UltraShort Gold*

The Fund's NAV increased from \$50,995,214 at March 31, 2009 to \$51,236,834 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 3,150,014 Shares at March 31, 2009 to 3,400,014 Shares at June 30, 2009 due to 1,900,000 Shares (38 Creation Units) being created and 1,650,000 Shares (33 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of gold bullion as measured by the U.S. Dollar p.m. fixing price for delivery in London. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 6.91%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 1.96% and had an annualized volatility of 18.62%.

*NAV of ProShares Ultra Silver*

The Fund's NAV increased from \$53,762,075 at March 31, 2009 to \$78,824,836 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 1,350,014 Shares at March 31, 2009 to 1,850,014 Shares at June 30, 2009 due to 850,000 Shares (17 Creation Units) being created and 350,000 Shares (7 Creation Units) being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of silver bullion as measured by the U.S. Dollar fixing price for delivery in London. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 6.99%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 6.33% and had an annualized volatility of 39.33%.

*NAV of ProShares UltraShort Silver*

The Fund's NAV increased from \$28,707,227 at March 31, 2009 to \$68,967,304 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 2,500,014 Shares at March 31, 2009 to 7,750,014 Shares at June 30, 2009 due to 6,450,000 Shares (129 Creation Units) being created and 1,200,000 Shares (24 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of silver bullion as measured by the U.S. Dollar fixing price for delivery in London. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 22.50%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 6.33% and had an annualized volatility of 39.33%.

*NAV of ProShares Ultra Euro*

The Fund's NAV increased from \$6,571,280 at March 31, 2009 to \$7,291,462 at June 30, 2009. The Fund had no creation or redemption activity during the quarter. The increase in the Fund's NAV resulted from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the spot price of the Euro versus the U.S. Dollar. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 10.96%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 5.59% and had an annualized volatility of 13.30%.

*NAV of ProShares UltraShort Euro*

The Fund's NAV decreased from \$47,220,268 at March 31, 2009 to \$39,613,566 at June 30, 2009. The decrease in the Fund's NAV resulted primarily from a decrease in outstanding Shares, which decreased from 2,100,014 Shares at March 31, 2009 to 2,000,014 Shares at June 30, 2009 due to 500,000 Shares (10 Creation Units) being created and 600,000 Shares (12 Creation Units) being redeemed during the period. The decrease in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the spot price of the Euro versus the U.S. Dollar. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 11.92%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 5.59% and had an annualized volatility of 13.30%.

*NAV of ProShares Ultra Yen*

The Fund's NAV increased from \$3,544,412 at March 31, 2009 to \$4,946,446 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 150,014 Shares at March 31, 2009 to 200,014 Shares at June 30, 2009 due to 50,000 Shares (1 Creation Unit) being created and no Shares being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the spot price of the Japanese Yen versus the U.S. Dollar. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 4.67%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 2.80% and had an annualized volatility of 14.20%.

*NAV of ProShares UltraShort Yen*

The Fund's NAV decreased from \$59,302,780 at March 31, 2009 to \$41,152,049 at June 30, 2009. The decrease in the Fund's NAV resulted primarily from a decrease in outstanding Shares, which decreased from 2,350,014 Shares at March 31, 2009 to 1,750,014 Shares at June 30, 2009 due to 500,000 Shares (10 Creation Units) being created and 1,100,000 Shares (22 Creation Units) being redeemed during the period. The decrease in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the spot price of the Japanese Yen versus the U.S. Dollar. For the three-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 6.81%. During the three-month period ended June 30, 2009, the benchmark index rose by a cumulative 2.80% and had an annualized volatility of 14.20%.

**Results of Operations for the Six-Month Period Ended June 30, 2009***NAV of ProShares Ultra DJ-UBS Commodity*

The Fund's NAV increased from \$3,325,011 at December 31, 2008 to \$30,839,963 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 150,014 Shares at December 31, 2008 to 1,350,014 Shares at June 30, 2009 due to 1,200,000 Shares (24 Creation Units) being created and no Shares being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the Dow Jones-UBS Commodity Index. For the six-month

period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 3.07%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 4.51% and had an annualized volatility of 28.03%.

*NAV of ProShares UltraShort DJ-UBS Commodity*

The Fund's NAV increased from \$2,679,883 at December 31, 2008 to \$5,225,688 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 100,014 Shares at December 31, 2008 to 250,014 Shares at June 30, 2009 due to 150,000 Shares (3 Creation Units) being created and no Shares being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the Dow Jones-UBS Commodity Index. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 21.99%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 4.51% and had an annualized volatility of 28.03%.

*NAV of ProShares Ultra DJ-UBS Crude Oil*

The Fund's NAV increased from \$99,772,943 at December 31, 2008 to \$209,670,516 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 6,750,014 Shares at December 31, 2008 to 16,050,014 Shares at June 30, 2009 due to 81,000,000 Shares (1,620 Creation Units) being created and 71,700,000 Shares (1,434 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the Dow Jones-UBS Crude Oil Sub-Index. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV decreased by 11.62%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 2.62% and had an annualized volatility of 57.64%.

*NAV of ProShares UltraShort DJ-UBS Crude Oil*

The Fund's NAV increased from \$14,502,399 at December 31, 2008 to \$128,758,820 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 500,014 Shares at December 31, 2008 to 7,600,014 Shares at June 30, 2009 due to 12,600,000 Shares (252 Creation Units) being created and 5,500,000 Shares (110 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the Dow Jones-UBS Crude Oil Sub-Index. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 41.72%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 2.62% and had an annualized volatility of 57.64%.

*NAV of ProShares Ultra Gold*

The Fund's NAV increased from \$27,736,722 at December 31, 2008 to \$156,690,604 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 900,014 Shares at December 31, 2008 to 4,650,014 Shares at June 30, 2009 due to 4,250,000 Shares (85 Creation Units) being created and 500,000 Shares (10 Creation Units) being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of gold bullion as measured by the U.S. Dollar p.m. fixing price for delivery in London. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 9.32%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 7.44% and had an annualized volatility of 25.20%.

*NAV of ProShares UltraShort Gold*

The Fund's NAV increased from \$3,875,093 at December 31, 2008 to \$51,236,834 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 200,014 Shares at December 31, 2008 to 3,400,014 Shares at June 30, 2009 due to 5,250,000 Shares (105 Creation Units) being created and 2,050,000 Shares (41 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of gold bullion as measured by the U.S. Dollar p.m. fixing price for delivery in London. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 22.25%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 7.44% and had an annualized volatility of 25.20%.

*NAV of ProShares Ultra Silver*

The Fund's NAV increased from \$10,011,149 at December 31, 2008 to \$78,824,836 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 350,014 Shares at December 31, 2008 to 1,850,014 Shares at June 30, 2009 due to 2,050,000 Shares (41 Creation Units) being created and 550,000 Shares (11 Creation Units) being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of silver bullion as measured by the U.S. Dollar fixing price for delivery in London. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV increased by 48.95%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 29.19% and had an annualized volatility of 40.25%.

*NAV of ProShares UltraShort Silver*

The Fund's NAV increased from \$1,960,071 at December 31, 2008 to \$68,967,304 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 100,014 Shares at December 31, 2008 to 7,750,014 Shares at June 30, 2009 due to 9,150,000 Shares (183 Creation Units) being created and 1,500,000 Shares (30 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of silver bullion as measured by the U.S. Dollar fixing price for delivery in London. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 54.60%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 29.19% and had an annualized volatility of 40.25%.

*NAV of ProShares Ultra Euro*

The Fund's NAV increased from \$4,386,411 at December 31, 2008 to \$7,291,462 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 150,014 Shares at December 31, 2008 to 250,014 Shares at June 30, 2009 due to 150,000 Shares (3 Creation Units) being created and 50,000 Shares (1 Creation Unit) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the spot price of the Euro versus the U.S. Dollar. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV decreased by 0.26%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 0.43% and had an annualized volatility of 15.70%.

*NAV of ProShares UltraShort Euro*

The Fund's NAV increased from \$7,331,163 at December 31, 2008 to \$39,613,566 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 350,014 Shares at December 31, 2008 to 2,000,014 Shares at

June 30, 2009 due to 2,450,000 Shares (49 Creation Units) being created and 800,000 Shares (16 Creation Units) being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the spot price of the Euro versus the U.S. Dollar. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV decreased by 5.44%. During the six-month period ended June 30, 2009, the benchmark index rose by a cumulative 0.43% and had an annualized volatility of 15.70%.

#### *NAV of ProShares Ultra Yen*

The Fund's NAV increased from \$2,845,053 at December 31, 2008 to \$4,946,446 at June 30, 2009. The increase in the Fund's NAV resulted from an increase in outstanding Shares, which increased from 100,014 Shares at December 31, 2008 to 200,014 Shares at June 30, 2009 due to 100,000 Shares (2 Creation Units) being created and no Shares being redeemed during the period. The increase in the Fund's NAV was offset by the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the daily performance of the spot price of the Japanese Yen versus the U.S. Dollar. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the daily performance of its benchmark, the Fund's per Share NAV decreased by 13.06%. During the six-month period ended June 30, 2009, the benchmark index declined by a cumulative 5.78% and had an annualized volatility of 15.20%.

#### *NAV of ProShares UltraShort Yen*

The Fund's NAV increased from \$2,166,617 at December 31, 2008 to \$41,152,049 at June 30, 2009. The increase in the Fund's NAV resulted primarily from an increase in outstanding Shares, which increased from 100,014 Shares at December 31, 2008 to 1,750,014 Shares at June 30, 2009 due to 2,850,000 Shares (57 Creation Units) being created and 1,200,000 Shares (24 Creation Units) being redeemed during the period. The increase in the Fund's NAV also resulted in part from the cumulative effect of the Fund seeking daily investment results (before fees and expenses) that correspond to 200% of the inverse of the daily performance of the spot price of the Japanese Yen versus the U.S. Dollar. For the six-month period ended June 30, 2009, over which the Fund's daily performance had a statistical correlation over 0.99 to 200% of the inverse of the daily performance of its benchmark, the Fund's per Share NAV increased by 8.55%. During the six-month period ended June 30, 2009, the benchmark index declined by a cumulative 5.78% and had an annualized volatility of 15.20%.

### **Off-Balance Sheet Arrangements and Contractual Obligations**

As of August 14, 2009, the Funds have not used, nor do they expect to use in the future, special purpose entities to facilitate off-balance sheet financing arrangements and have no loan guarantee arrangements or off-balance sheet arrangements of any kind other than agreements entered into in the normal course of business, which may include indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Funds. While each Fund's exposure under such indemnification provisions cannot be estimated, these general business indemnifications are not expected to have a material impact on a Fund's financial position.

Management fee payments made to the Sponsor are calculated as a fixed percentage of each Fund's NAV. As such, the Sponsor cannot anticipate the amount of payments that will be required under these arrangements for future periods as NAVs are not known until a future date. The agreement with the Sponsor may be terminated by either party upon 30 days written notice to the other party. One officer of the Trust also serves as an officer and owner of the Sponsor.

### **Market Risk**

Trading in futures contracts involves each Fund entering into contractual commitments to purchase or sell a commodity underlying the Fund's benchmark at a specified date and price, should it hold such futures contract into the deliverable period. Should a Fund enter into a contractual commitment to sell a physical commodity, it would be required to make delivery of that commodity at the contract price and then repurchase the contract at prevailing market prices or settle in cash. Since the repurchase price to which the value of a commodity can rise is unlimited, entering into commitments to sell commodities would expose a Fund to theoretically unlimited risk.

Each Fund's exposure to market risk is influenced by a number of factors, including the liquidity of the markets in which the contracts are traded and the relationships among the contracts held. The inherent uncertainty of each Fund's trading as well as the development of drastic market occurrences could ultimately lead to a loss of all or substantially all of investors' capital.

### **Credit Risk**

When a Fund enters into swap agreements, futures contracts or forward contracts, the Fund is exposed to credit risk that the counterparty to the contract will not meet its obligations.

The counterparty for futures contracts traded on United States and most foreign futures exchanges is the clearing house associated with the particular exchange. In general, clearing houses are backed by their corporate members who may be required to share in the financial burden resulting from the nonperformance by one of their members and, as such, should significantly reduce this credit risk. In cases where the clearing house is not backed by the clearing members (i.e., some foreign exchanges, which may become applicable in the future), it may be backed by a consortium of banks or other financial institutions.

Swap and forward agreements are contracted for directly with counterparties. There can be no assurance that any counterparty, clearing member or clearing house will meet its obligations to a Fund.

Swap agreements do not generally involve the delivery of securities or other underlying assets either at the outset of a transaction or upon settlement. Accordingly, if the counterparty to a swap agreement defaults, the Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive, if any. Swap counterparty risk is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

Forward agreements do not involve the delivery of securities at the onset of a transaction, but may be settled physically in the underlying asset if such contracts are held to expiration, particularly in the case of currency forwards. Thus, prior to settlement, if the counterparty to a forward contract defaults, a Fund's risk of loss consists of the net amount of payments that the Fund is contractually entitled to receive, if any. However, if physically settled forwards are held until expiration (presently, there is no plan to do this), at the time of settlement, a Fund may be at risk for the full notional value of the forward contracts depending on the type of settlement procedures used.

The Sponsor attempts to minimize certain of these market and credit risks by normally:

- executing and clearing trades with creditworthy counterparties, as determined by the Sponsor;
- limiting the outstanding amounts due from counterparties to the Funds;
- not posting margin directly with a counterparty;
- limiting the amount of margin or premium posted at a futures commission merchant ("FCM"); and
- ensuring that deliverable contracts are not held to such a date when delivery of the underlying asset could be called for.

The FCM for each Fund, in accepting orders for the purchase or sale of domestic futures contracts, is required by CFTC regulations to separately account for and segregate as belonging to the Fund, all assets of the Fund relating to domestic futures trading, and the FCM is not allowed to commingle such assets with other assets of the FCM. In addition, CFTC regulations also require the FCM to hold in a secure account assets of each Fund related to foreign futures trading.

## Critical Accounting Policies

The Funds' critical accounting policies are as follows:

Preparation of the financial statements and related disclosures in compliance with accounting principles generally accepted in the United States of America requires the application of appropriate accounting rules and guidance, as well as the use of estimates. The Sponsor's application of these policies involves judgments and actual results may differ from the estimates used.

Each Fund has significant exposure to Financial Instruments. The Funds hold a significant portion of their assets in swaps, futures or forward contracts, all of which are recorded on a trade date basis and at fair value in the financial statements, with changes in fair value reported in the Statements of Operations.

The use of fair value to measure Financial Instruments, with related unrealized gains or losses recognized in earnings in each period, is fundamental to the Funds' financial statements. The fair value of a Financial Instrument is the amount 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 exit price).

Derivatives (e.g., futures, swaps and forward agreements) are generally valued using independent sources and/or agreements with counterparties or other procedures as determined by the Sponsor. Futures contracts, except for those entered into by the Gold and Silver Funds, are generally valued at the last settled price on the applicable exchange on which that future trades. Futures contracts entered into by the Gold and Silver Funds are valued at the last sales price prior to the time at which the NAV per Share of a Fund is determined. If there was no sale on that day, and for non-exchange-traded derivatives, the Sponsor may in its sole discretion choose to determine a fair value price as the basis for determining the market value of such position for such day. Such fair value prices would be generally determined based on available inputs about the current value of the underlying financial instrument or commodity and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

Fair value pricing may require subjective determinations about the value of an investment. While each Fund's policy is intended to result in a calculation of the Fund's NAV that fairly reflects investment values as of the time of pricing, the Fund cannot ensure that fair values determined by the Sponsor or persons acting at their direction would accurately reflect the price that the Fund could obtain for an investment if it were to dispose of that investment as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realized if the investments were sold and the differences could be material to the financial statements.

Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("SFAS 157") which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The objective of a fair value measurement is to determine 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 (an exit price). The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements). Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. See Note 2 in Item 1 of this Quarterly Report on Form 10-Q for further information regarding SFAS 157.

Realized gains (losses) and changes in unrealized gain (loss) on open positions are determined on a specific identification basis and recognized in the Statements of Operations in the period in which the contract is closed or the changes occur, respectively.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.****Quantitative Disclosure***Commodity Price Sensitivity*

Each of the Commodity Funds and the Commodity Index Funds is exposed to commodity price risk through its holdings of Financial Instruments. The following tables provide information about each of the Commodity Funds' and the Commodity Index Funds' Financial Instruments, which are sensitive to commodity price risk. As of June 30, 2009, each of the Commodity Funds and the Commodity Index Funds' positions were as follows:

ProShares Ultra DJ-UBS Commodity:

As of June 30, 2009, the ProShares Ultra DJ-UBS Commodity Fund was exposed to commodity price risk through its holding of swap agreements linked to the Dow Jones-UBS Commodity Index. The following table provides information about the Fund's swap positions as of June 30, 2009, which are sensitive to commodity price risk.

**Swap Agreements**

<u>Reference Index</u>	<u>Long or Short</u>	<u>Termination Date</u>	<u>Units</u>	<u>Index Close</u>	<u>Notional Amount at Value</u>
Dow Jones-UBS Commodity Index	Long	07/06/09	502,085	122.529	\$ 61,519,921

The June 30, 2009 swap notional amount is calculated by multiplying units times the closing level of the Index. The notional amount will increase (decrease) proportionally with increases (decreases) in the level of the Index. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or financing costs associated with the swaps. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Trust's Annual Report on Form 10-K for the year ended December 31, 2008, filed with the U.S. Securities and Exchange Commission on March 31, 2009 (the "Form 10-K") for additional information regarding performance for periods longer than one day. Swap counterparty risk is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares UltraShort DJ-UBS Commodity:

As of June 30, 2009, the ProShares UltraShort DJ-UBS Commodity Fund was exposed to inverse commodity price risk through its holding of swap agreements linked to the Dow Jones-UBS Commodity Index. The following table provides information about the Fund's short swap positions as of June 30, 2009, which are sensitive to commodity price risk.

**Swap Agreements**

<u>Reference Index</u>	<u>Long or Short</u>	<u>Termination Date</u>	<u>Units</u>	<u>Index Close</u>	<u>Notional Amount at Value</u>
Dow Jones-UBS Commodity Index	Short	07/06/09	(85,958)	122.529	\$ (10,532,313)

The June 30, 2009 short swap notional amount is calculated by multiplying units times the closing level of the Index. The short notional amount will increase (decrease) proportionally with increases (decreases) in the level of the Index. Additional losses (gains) associated with these contracts will be equal to any such subsequent increases (decreases) in short notional amount, before accounting for any spreads or financing costs associated with the swaps. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information

properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by minus two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Swap counterparty risk is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares Ultra DJ-UBS Crude Oil:

As of June 30, 2009, the ProShares Ultra DJ-UBS Crude Oil Fund was exposed to commodity price risk through its holding of Crude Oil futures contracts and its holding of swap agreements linked to the Dow Jones-UBS Crude Oil Sub-Index. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

**Futures Positions**

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Crude Oil (NYMEX)	Long	September 2009	2,554	\$ 70.84	1,000	\$180,925,360

**Swap Agreements**

<u>Reference Index</u>	<u>Long or Short</u>	<u>Termination Date</u>	<u>Units</u>	<u>Index Close</u>	<u>Notional Amount at Value</u>
Dow Jones-UBS Crude Oil Sub-Index	Long	07/06/09	930,569	256.184	\$238,396,978

The June 30, 2009 futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 swap notional amount is calculated by multiplying the number of units times the closing level of the Index. These notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or the level of the Index, as applicable. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day.

ProShares UltraShort DJ-UBS Crude Oil:

As of June 30, 2009, the ProShares UltraShort DJ-UBS Crude Oil Fund was exposed to inverse commodity price risk through its holding of Crude Oil futures contracts and its holding of swap agreements linked to the Dow Jones-UBS Crude Oil Sub-Index. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

**Futures Positions**

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Crude Oil (NYMEX)	Short	September 2009	1,209	\$ 70.84	1,000	\$ 85,645,560

## Swap Agreements

<u>Reference Index</u>	<u>Long or Short</u>	<u>Termination Date</u>	<u>Units</u>	<u>Index Close</u>	<u>Notional Amount at Value</u>
Dow Jones-UBS Crude Oil Sub-Index	Short	07/06/09	(670,912)	256.184	\$(171,876,791)

The June 30, 2009 short futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 short swap notional amount is calculated by multiplying the number of units times the closing level of the Index. These short notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or the level of the Index, as applicable. Additional losses (gains) associated with these contracts will be equal to any such subsequent increases (decreases) in short notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day.

### ProShares Ultra Gold:

As of June 30, 2009, the ProShares Ultra Gold Fund was exposed to inverse commodity price risk through its holding of Gold futures contracts and Gold forward agreements. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

## Futures Positions

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>6/30/09 Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Gold Futures (COMEX)	Long	August 2009	90	\$936.50	100	\$ 8,428,500

## Forward Agreements

<u>Reference Commodity</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Units</u>	<u>6/30/09 Forward Price</u>	<u>Notional Amount at Value</u>
0.995 Fine Troy Ounce Gold	Long	07/06/09	326,720	\$934.53	\$305,329,642

The June 30, 2009 futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 forward notional amount equals units multiplied by the forward price. These notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or forward price, as applicable. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments each day to have \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future period returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to the forward agreements is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares UltraShort Gold:

As of June 30, 2009, the ProShares UltraShort Gold Fund was exposed to inverse commodity price risk through its holding of Gold futures contracts and Gold forward agreements. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

**Futures Positions**

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>6/30/09 Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Gold Futures (COMEX)	Short	August 2009	49	\$936.50	100	\$ 4,588,850

**Forward Agreements**

<u>Reference Commodity</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Units</u>	<u>6/30/09 Forward Price</u>	<u>Notional Amount at Value</u>
0.995 Fine Troy Ounce Gold	Short	07/06/09	(104,398)	\$934.53	\$ (97,563,063)

The June 30, 2009 short futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 short forward notional amount equals units multiplied by the forward price. These short notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or forward price, as applicable. Additional losses (gains) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of short exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to the forward agreements is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares Ultra Silver:

As of June 30, 2009, the ProShares Ultra Silver Fund was exposed to commodity price risk through its holding of Silver futures contracts and Silver forward agreements. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

**Futures Positions**

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>6/30/09 Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Silver Futures (COMEX)	Long	September 2009	66	\$13.965	5,000	\$ 4,608,450

**Forward Agreements**

<u>Reference Commodity</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Units</u>	<u>6/30/09 Forward Price</u>	<u>Notional Amount at Value</u>
0.999 Fine Troy Ounce Silver	Long	07/06/09	10,977,800	\$ 13.9411	\$153,042,608

The June 30, 2009 futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 forward notional amount equals units multiplied by the forward price. These notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or forward price, as applicable. Additional gains (losses) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have \$2.00 of exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to the forward agreements is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

#### ProShares UltraShort Silver:

As of June 30, 2009, the ProShares UltraShort Silver Fund was exposed to inverse commodity price risk through its holding of Silver futures contracts and Silver forward agreements. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to commodity price risk.

#### **Futures Positions**

<u>Contract</u>	<u>Long or Short</u>	<u>Expiration</u>	<u>Contracts</u>	<u>6/30/09 Valuation Price</u>	<u>Contract Multiplier</u>	<u>Notional Amount at Value</u>
Silver Futures (COMEX)	Short	September 2009	70	\$13.965	5,000	\$ 4,887,750

#### **Forward Agreements**

<u>Reference Commodity</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Units</u>	<u>6/30/09 Forward Price</u>	<u>Notional Amount at Value</u>
0.999 Fine Troy Ounce Silver	Short	07/06/09	(9,545,500)	\$ 13.9411	\$(133,074,770)

The June 30, 2009 short futures notional amount is calculated by multiplying the number of contracts held times the valuation price times the contract multiplier. The June 30, 2009 short forward notional amount equals units multiplied by the forward price. These short notional amounts will increase (decrease) proportionally with increases (decreases) in the price of the futures contract or forward price, as applicable. Additional losses (gains) associated with these contracts will be equal to any such subsequent increases (decreases) in notional amount, before accounting for spreads or transaction or financing costs. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of short exposure to the Index for every \$1.00 of net assets. While the above information properly represents the then current commodity price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the return of the Index and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to the forward agreements is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

Exchange Rate Sensitivity

Each of the Currency Funds is exposed to exchange rate risk through its holdings of Financial Instruments. The following tables provide information about each of the Currency Funds' Financial Instruments, which are sensitive to changes in exchange rates. As of June 30, 2009, each of the Currency Funds' positions were as follows:

ProShares Ultra Euro:

As of June 30, 2009, the ProShares Ultra Euro Fund was exposed to exchange rate price risk through its holdings of Euro/USD foreign currency forward contracts. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to exchange rate price risk.

**Foreign Currency Forward Contracts**

<u>Reference Currency</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Euro</u>	<u>6/30/09 Forward Rate</u>	<u>6/30/09 Market Value USD</u>
Euro	Long	07/10/09	10,539,475	1.4027	\$14,784,236
Euro	Short	07/10/09	(143,600)	1.4027	\$ (201,435)

The June 30, 2009 USD market value equals the number of Euros multiplied by the forward rate. These notional amounts will increase (decrease) proportionally with increases (decreases) in the forward price. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have \$2.00 of exposure to the Euro for every \$1.00 of net assets. While the above information properly represents the then current exchange rate price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the appreciation or depreciation of the Euro and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to foreign currency forward contracts is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares UltraShort Euro:

As of June 30, 2009, the ProShares UltraShort Euro Fund was exposed to exchange rate price risk through its holdings of Euro/USD foreign currency forward contracts. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to exchange rate price risk.

**Foreign Currency Forward Contracts**

<u>Reference Currency</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Euro</u>	<u>6/30/09 Forward Rate</u>	<u>6/30/09 Market Value USD</u>
Euro	Long	07/10/09	1,639,300	1.4027	\$ 2,299,526
Euro	Short	07/10/09	(58,078,775)	1.4027	\$(81,469,933)

The June 30, 2009 USD market value equals the number of Euros multiplied by the forward rate. These notional amounts will increase (decrease) proportionally with increases (decreases) in the forward price. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of short exposure to the Euro for every \$1.00 of net assets. While the above information properly represents the then current exchange rate price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the appreciation or depreciation of the Euro and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to foreign currency forward contracts is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares Ultra Yen:

As of June 30, 2009, the ProShares Ultra Yen Fund was exposed to exchange rate price risk through its holdings of Yen/USD foreign currency forward contracts. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to exchange rate price risk.

**Foreign Currency Forward Contracts**

<u>Reference Currency</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Yen</u>	<u>6/30/09 Forward Rate</u>	<u>6/30/09 Market Value USD</u>
Yen	Long	07/10/09	971,090,000	0.010381	\$10,080,518
Yen	Short	07/10/09	(18,080,000)	0.010381	\$ (187,682)

The June 30, 2009 USD market value equals the number of Yen multiplied by the forward rate. These notional amounts will increase (decrease) proportionally with increases (decreases) in the forward price. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have \$2.00 of exposure to the Yen for every \$1.00 of net assets. While the above information properly represents the then current exchange rate price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the appreciation or depreciation of the Yen and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to foreign currency forward contracts is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

ProShares UltraShort Yen:

As of June 30, 2009, the ProShares UltraShort Yen Fund was exposed to exchange rate price risk through its holdings of Yen/USD foreign currency forward contracts. The following table provides information about the Fund's positions in these Financial Instruments as of June 30, 2009, which are sensitive to exchange rate price risk.

**Foreign Currency Forward Contracts**

<u>Reference Currency</u>	<u>Long or Short</u>	<u>Settlement Date</u>	<u>Yen</u>	<u>6/30/09 Forward Rate</u>	<u>6/30/09 Market Value USD</u>
Yen	Long	07/10/09	784,020,000	0.010381	\$ 8,138,615
Yen	Short	07/10/09	(8,706,920,000)	0.010381	\$(90,383,245)

The June 30, 2009 USD market value equals the number of Yen multiplied by the forward rate. These notional amounts will increase (decrease) proportionally with increases (decreases) in the forward price. The Fund will generally attempt to adjust its positions in Financial Instruments *each day* to have negative \$2.00 of short exposure to the Yen for every \$1.00 of net assets. While the above information properly represents the then current exchange rate price risk and is adequate for estimating the following day's gains or losses, estimates of future values over longer periods should take the Fund's daily rebalancing efforts into account. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the appreciation or depreciation of the Yen and multiplying by two. See "Item 1A. Risk Factors" in the Form 10-K for additional information regarding performance for periods longer than one day. Counterparty risk related to foreign currency forward contracts is generally limited to the amount of any unrealized gains, although in the event of a counterparty bankruptcy, there could be delays and costs associated with recovering collateral posted in segregated tri-party accounts at the Fund's custodian bank.

## Qualitative Disclosure

As described above in Item 2 of this Quarterly Report on Form 10-Q, it is the investment objective of each Fund to seek daily investment results, before fees and expenses, which correspond to twice (200%) the daily performance, whether positive or negative, of its corresponding benchmark. Each Ultra ProShares Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the daily performance of its corresponding benchmark. Each UltraShort ProShares Fund seeks daily investment results (before fees and expenses) that correspond to twice (200%) the inverse (opposite) of the daily performance of its corresponding benchmark. The Funds do not seek to achieve these stated investment objectives over a period of time greater than one day because mathematical compounding prevents the Funds from achieving such results. Performance over longer periods of time will be influenced not only by the cumulative period performance of the corresponding benchmark but equally by the intervening volatility of the benchmark as well as fees and expenses, including costs associated with the use of Financial Instruments such as financing costs and trading spreads. Future *period* returns, before fees and expenses, cannot be estimated simply by estimating the percent change in the corresponding benchmark and multiplying by two or negative two. See “Item 1A. Risk Factors” in the Form 10-K for additional information regarding performance for periods longer than one day.

### *Primary Market Risk Exposure*

Each Fund’s investment objective and corresponding benchmark defines the primary market risks that the Funds are exposed to. For example, the primary market risk that the ProShares Ultra DJ-UBS Crude Oil and the ProShares UltraShort DJ-UBS Crude Oil Funds are exposed to are direct and inverse exposure, respectively, to the price of crude oil as measured by the return of holding and periodically rolling crude oil futures contracts (the Dow Jones-UBS Commodity Index and its sub-indexes are based on the price of rolling futures positions, rather than on the cash price for immediate delivery of the corresponding commodity).

Each Fund’s exposure to market risk is further influenced by a number of factors, including the liquidity of the markets in which the contracts are traded and the relationships among the contracts held. The inherent uncertainty of each Fund’s trading as well as the development of drastic market occurrences could ultimately lead to a loss of all or substantially all of investors’ capital.

As described above in Item 2 of this Quarterly Report on Form 10-Q, trading in certain futures contracts or forward agreements involves each Fund entering into contractual commitments to purchase or sell a commodity underlying a Fund’s benchmark at a specified date and price, should it hold such futures contract or forward agreement into the deliverable period. Should a Fund enter into a contractual commitment to sell a physical commodity, it is required to make delivery of that commodity at the contract price and then repurchase the contract at prevailing market prices or settle in cash. Since the repurchase price to which the value of a commodity can rise is unlimited, entering into commitments to sell commodities would expose a Fund to theoretically unlimited risk.

### *Commodity Price Sensitivity*

As further described in “Item 1A. Risk Factors” in the Form 10-K, the value of the Shares of each Fund relates directly to the value of, and realized profit or loss from, the Financial Instruments and other assets held by the Fund and fluctuations in the price of these assets could materially adversely affect an investment in the Shares. With regard to the Commodity Index Funds or the Commodity Funds, several factors may affect the price of a commodity underlying a Commodity Index Fund or a Commodity Fund, and in turn, the Financial Instruments and other assets, if any, owned by such a Fund. The impact of changes in the price of a physical commodity or of a commodity index (comprised of commodity futures contracts) will affect investors differently depending upon the Fund in which investors invest. Daily increases in the price of an underlying commodity or commodity index will negatively impact the daily performance of Shares of an UltraShort Fund and daily decreases in the price of an underlying commodity or commodity index will negatively impact the daily performance of Shares of an Ultra Fund. Performance over time is a cumulative effect of geometrically linking each day’s leveraged or inverse leveraged returns. For instance, if a corresponding benchmark was up 10% and then down 10%, which would result in a  $(1.1 * 0.9) - 1 = -1\%$  period benchmark return, the two-day period return for a theoretical two-times fund would be equal to a  $(1.2 * 0.8) - 1 = -4\%$  period Fund return (rather than simply two times the period return of the benchmark).

### *Exchange Rate Sensitivity*

As further described in “Item 1A. Risk Factors” in the Form 10-K, the value of the Shares of each Fund relates directly to the value of, and realized profit or loss from, the Financial Instruments and other assets held by the Fund and fluctuations in the price of these assets could materially adversely affect an investment in the Shares. With regard to the Currency Funds, several factors may affect the value of the foreign currencies or the U.S. Dollar, and, in turn, the swap agreements, futures contracts, forward contracts thereof and other assets, if any, owned by a Fund. The impact of changes in the price of a currency will affect investors differently depending upon the Fund in which investors invest. Daily increases in the price of a currency will negatively impact the daily performance of Shares of an UltraShort Fund and daily decreases in the price of a currency will negatively impact the daily performance of Shares of an Ultra Fund. Performance over time is a cumulative effect of geometrically linking each day’s leveraged or inverse leveraged returns. For instance, if a corresponding benchmark was up 10% and then down 10%, which would result in a  $(1.1 \times 0.9) - 1 = -1\%$  period benchmark return, the two-day period return for a theoretical two-times fund would be equal to a  $(1.2 \times 0.8) - 1 = -4\%$  period Fund return (rather than simply two times the period return of the benchmark).

### *Managing Market Risks*

Each Fund seeks to remain fully exposed to the corresponding benchmark at the levels implied by the relevant investment objective (200% or -200%), regardless of market direction or sentiment. As described above in Item 2 of this Quarterly Report on Form 10-Q, this is done through the use of various Financial Instruments. No attempt is made to adjust market exposure in order to avoid changes to the benchmark that would cause the Funds to lose value.

The use of certain Financial Instruments introduces counterparty risk. A Fund will be subject to credit risk with respect to the amount it expects to receive from counterparties to Financial Instruments and repurchase agreements entered into by the Fund. A Fund may be negatively impacted if a counterparty becomes bankrupt or otherwise fails to perform its obligations due to financial difficulties. Each Fund intends to enter into swap and forward agreements only with large, established and well capitalized financial institutions that meet certain credit quality standards and monitoring policies. Each Fund may use various techniques to minimize credit risk including early termination or reset and payment, and limiting the net amount due from any individual counterparty.

Most Financial Instruments held by the Funds are “unfunded” meaning that the Fund will obtain exposure to the corresponding benchmark while still being in possession of its original cash assets. The cash positions that result from use of such Financial Instruments are held in a manner to minimize both interest rate and credit risk. During the reporting period, cash positions were maintained in a non-interest bearing demand deposit account. In the future, it is expected that a portion of this cash will be invested in cash equivalents (such as shares of money market funds, bank deposits, bank money market accounts, certain variable rate-demand notes and repurchase agreements collateralized by government securities).

## **Item 4. Controls and Procedures.**

### **Disclosure Controls and Procedures**

The principal executive officer and principal financial officer of the Trust have evaluated the effectiveness of the Trust’s disclosure controls and procedures, and have concluded that the disclosure controls and procedures of the Trust were effective, as of June 30, 2009, to provide reasonable assurance that information required to be disclosed in the reports that the Trust files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the duly authorized officers of the Trust as appropriate to allow timely decisions regarding required disclosure.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures.

**Changes in Internal Control over Financial Reporting**

There were no changes in the Trust's internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

**Part II. OTHER INFORMATION****Item 1. Legal Proceedings.**

None.

**Item 1A. Risk Factors.**

There have been no changes to Risk Factors since last reported in Part I, Item 1A in the Trust's Annual Report on Form 10-K for the period ended December 31, 2008.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

(a) None.

(b) As described in the Trust's Registration Statement on Form S-1 (No. 333-146801), which was declared effective on November 21, 2008, and its Registration Statement on Form S-1 (No. 333-156888), which was declared effective on February 13, 2009, substantially all of the proceeds received by each Fund from the issuance and sale of Shares to Authorized Participants are used by each Fund to enter into Financial Instruments relating to that Fund's benchmark in combination with cash or cash equivalents and/or U.S. Treasury Securities or other high credit quality short-term fixed-income or similar securities (such as shares of money market funds, bank deposits, bank money market accounts, certain variable rate-demand notes and repurchase agreements collateralized by government securities, whether denominated in U.S. or the applicable foreign currency with respect to a Currency Fund) that may be used to collateralize swap agreements or forward contracts or deposited with FCMs as margin in connection with any futures transactions. Each Fund continuously offers and redeems its Shares in blocks of 50,000 Shares.

<u>Title of Securities Registered</u>	<u>Amount Registered</u>	<u>Shares Sold through June 30, 2009</u>	<u>Sale Price of Shares Sold through June 30, 2009</u>
ProShares Ultra DJ-UBS Commodity Common Units of Beneficial Interest	1,000,000,000	650,000	\$ 15,092,407
ProShares UltraShort DJ-UBS Commodity Common Units of Beneficial Interest	2,000,000,000	150,000	3,165,714
ProShares Ultra DJ-UBS Crude Oil Common Units of Beneficial Interest	4,000,000,000	15,800,000	119,133,915
ProShares UltraShort DJ-UBS Crude Oil Common Units of Beneficial Interest	3,000,000,000	8,350,000	175,466,894
ProShares Ultra Gold Common Units of Beneficial Interest	2,000,000,000	1,100,000	37,653,632
ProShares UltraShort Gold Common Units of Beneficial Interest	2,000,000,000	1,900,000	30,139,517
ProShares Ultra Silver Common Units of Beneficial Interest	1,000,000,000	850,000	37,261,522
ProShares UltraShort Silver Common Units of Beneficial Interest	1,000,000,000	6,450,000	54,554,289
ProShares Ultra Euro Common Units of Beneficial Interest	1,000,000,000	50,000	1,450,776
ProShares UltraShort Euro Common Units of Beneficial Interest	1,000,000,000	500,000	9,865,430
ProShares Ultra Yen Common Units of Beneficial Interest	1,000,000,000	50,000	1,265,195
ProShares UltraShort Yen Common Units of Beneficial Interest	1,000,000,000	500,000	12,729,267
<b>Total:</b>	<b>20,000,000,000</b>	<b>36,350,000</b>	<b>\$ 497,778,558</b>

- (c) From March 31, 2009 through June 30, 2009, the number of Shares redeemed and average price per Share of each Fund was as follows:

<u>Fund</u>	<u>Total Number of Shares Redeemed</u>	<u>Average Price Per Share</u>
<b>ProShares Ultra DJ-UBS Commodity</b>		
04/01/09 to 04/30/09	—	\$ —
05/01/09 to 05/31/09	—	—
06/01/09 to 06/30/09	—	—
<b>ProShares UltraShort DJ-UBS Commodity</b>		
04/01/09 to 04/30/09	—	—
05/01/09 to 05/31/09	—	—
06/01/09 to 06/30/09	—	—
<b>ProShares Ultra DJ-UBS Crude Oil</b>		
04/01/09 to 04/30/09	2,400,000	9.33
05/01/09 to 05/31/09	23,200,000	9.69
06/01/09 to 06/30/09	9,550,000	13.13
<b>ProShares UltraShort DJ-UBS Crude Oil</b>		
04/01/09 to 04/30/09	850,000	32.37
05/01/09 to 05/31/09	1,300,000	24.59
06/01/09 to 06/30/09	—	—
<b>ProShares Ultra Gold</b>		
04/01/09 to 04/30/09	100,000	31.12
05/01/09 to 05/31/09	—	—
06/01/09 to 06/30/09	150,000	35.86
<b>ProShares UltraShort Gold</b>		
04/01/09 to 04/30/09	550,000	17.18
05/01/09 to 05/31/09	1,100,000	15.36
06/01/09 to 06/30/09	—	—
<b>ProShares Ultra Silver</b>		
04/01/09 to 04/30/09	100,000	35.97
05/01/09 to 05/31/09	150,000	43.16
06/01/09 to 06/30/09	100,000	43.47
<b>ProShares UltraShort Silver</b>		
04/01/09 to 04/30/09	150,000	12.10
05/01/09 to 05/31/09	850,000	9.71
06/01/09 to 06/30/09	200,000	8.90
<b>ProShares Ultra Euro</b>		
04/01/09 to 04/30/09	50,000	26.76
05/01/09 to 05/31/09	—	—
06/01/09 to 06/30/09	—	—
<b>ProShares UltraShort Euro</b>		
04/01/09 to 04/30/09	150,000	22.88
05/01/09 to 05/31/09	450,000	21.17
06/01/09 to 06/30/09	—	—
<b>ProShares Ultra Yen</b>		
04/01/09 to 04/30/09	—	—
05/01/09 to 05/31/09	—	—
06/01/09 to 06/30/09	—	—
<b>ProShares UltraShort Yen</b>		
04/01/09 to 04/30/09	100,000	24.94
05/01/09 to 05/31/09	800,000	23.51
06/01/09 to 06/30/09	200,000	23.44
<b>Total:</b>	<b>42,500,000</b>	<b>\$ 11.94</b>

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Submission of Matters to a Vote of Security Holders.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

<u>Exhibit No.</u>	<u>Description of Document</u>
31.1	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(1)
31.2	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002(1)
32.1	Certification by Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(2)
32.2	Certification by Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002(2)

(1) Filed herewith

(2) Furnished herewith

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**PROSHARES TRUST II**

/s/ Louis Mayberg

By: Louis Mayberg  
Principal Executive Officer

Date: August 14, 2009

/s/ Edward Karpowicz

By: Edward Karpowicz  
Principal Financial Officer

Date: August 14, 2009

**Certification of Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Louis Mayberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ProShares Trust II;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions).
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2009

By: /s/ Louis Mayberg  
Name: Louis Mayberg  
Title: Principal Executive Officer  
ProShares Trust II

**Certification of Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Edward Karpowicz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ProShares Trust II;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2009

By: /s/ Edward Karpowicz  
Name: Edward Karpowicz  
Title: Principal Financial Officer  
ProShares Trust II

**Certification of Principal Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 (the "Report") of ProShares Trust II (the "Registrant"), as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Louis Mayberg, the Principal Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended;  
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 14, 2009

By: /s/ Louis Mayberg

Name: Louis Mayberg

Title: Principal Executive Officer  
ProShares Trust II

**Certification of Principal Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 (the "Report") of ProShares Trust II (the "Registrant"), as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Edward Karpowicz, the Principal Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended;  
and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: August 14, 2009

By: /s/ Edward Karpowicz

Name: Edward Karpowicz

Title: Principal Financial Officer  
ProShares Trust II