**ProShares UltraShort Consumer Services** underwent a 1:2 reverse share split and CUSIP change. The reverse split increased the fund’s price per share by a factor of 2 with a proportionate decrease in the number of shares outstanding. As a result, shareholders received 1 post-split share for every 2 pre-split shares held. Post-split shares were priced 2 times higher than the net asset value (“NAV”) of a pre-split share. Shares began trading at post-split prices on May 27, 2022. The ticker symbol for the shares did not change. The CUSIP number for post-split shares is 74347G275. For shareholders who held pre-split quantities of shares that were not an exact multiple of 2, the reverse split resulted in the creation of a fractional share. Post-reverse split fractional shares were redeemed for cash and sent to shareholders’ broker of record.

Each post-split share has a tax basis equal to 2 times the tax basis of a pre-split share (200% of old basis). For shareholders who held pre-split quantities of shares that were not an exact multiple of 2, the reverse split resulted in the creation of a fractional share. Post-reverse split fractional shares were redeemed for cash and sent to shareholders’ broker of record. This fractional share redemption may cause some shareholders to realize gains or losses, which could be a taxable event for those shareholders.

For example, a shareholder with 100 pre-split shares with a basis of $10.00 per share at the close of business on May 26, 2022, would receive 50 post-split shares with a basis of $20 per share. While the basis per share is impacted, the basis of the shareholder’s total investment remains unchanged (assuming no fractional shares result from the application of the split factor). Further, because the NAV per share increases by a factor of 2, the value of a shareholder’s investment is not impacted by the reverse share split.
Part II  Organizational Action (continued)

17  List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based. In general, a shareholder’s aggregate tax basis in his or her shares immediately prior to the reverse share split should be allocated in proportion to the reduced number of shares under IRC sections 358, 368 and 354.

18  Can any resulting loss be recognized? For shareholders who held pre-split quantities of shares that were not an exact multiple of 2, the reverse split resulted in the creation of a fractional share. Post-reverse split fractional shares were redeemed for cash and sent for the shareholders’ broker of record. This fractional share redemption may cause some shareholders to realize gains or losses. For shareholders who held pre-split quantities of shares that were an exact multiple of 2, no gain or loss would be recognized as a result of this action.

19  Provide any other information necessary to implement the adjustment, such as the reportable tax year. The reportable tax year is 2022.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature  
Date  6/15/22

Print your name  Maria Petronella Clementia Sell
Title  Treasurer

Paid Preparer Use Only

Print/Type preparer’s name  
Preparer’s signature  
Date  
Check if self-employed  
PTIN  
Firm’s name  
Firm’s address  
Firm’s EIN  
Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054