

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

| | | | |
|--|-----------------------------------|---|-----------------------------|
| 1 Issuer's name | | 2 Issuer's employer identification number (EIN) | |
| Proshares Ultra Telecommunications | | 26-2126869 | |
| 3 Name of contact for additional information | 4 Telephone No. of contact | 5 Email address of contact | |
| Ed Karpowicz | 240-497-6487 | ekarpowicz@proshares.com | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact | | 7 City, town, or post office, state, and Zip code of contact | |
| 7501 Wisconsin Avenue, Suite 1000E | | Bethesda, MD 20814 | |
| 8 Date of action | | 9 Classification and description | |
| 12/31/15 | | Common Stock - Regulated Investment Company | |
| 10 CUSIP number | 11 Serial number(s) | 12 Ticker symbol | 13 Account number(s) |
| 74347R263 | N/A | LTL | N/A |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Proshares Ultra Telecommunications paid quarterly distributions to common shareholders during the calendar year 2015. A portion of four of these distributions constitutes a non-taxable return of capital.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The portion of these distributions that constitutes a non-taxable return of capital will decrease a U.S. taxpayer's basis in the shares of Proshares Ultra Telecommunications. The non-taxable return of capital is as follows:

| Distribution on Ex-Date: | Per Share Reduction of Basis in Common Stock |
|--------------------------|--|
| March 25, 2015 | \$0.093115 |
| June 24, 2015 | \$0.034411 |
| September 23, 2015 | \$0.057812 |
| December 22, 2015 | \$0.053079 |

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Proshares Ultra Telecommunications's current and accumulated earnings were compared to distributions paid during the calendar year 2015. The non-taxable return of capital represents the amount of distributions paid during the calendar year in excess of Proshares Ultra Telecommunications's current and accumulated earnings and profits under IRC Section 316.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
Internal Revenue Code Sections 301, 316, 852.

18 Can any resulting loss be recognized? ▶ **No.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
See Part II, Item 15 of this form for the per share amounts and dates of distributions impacted by this organizational action.
This organizational action is reportable with respect to calendar year 2015.

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.

Sign Here Signature ▶  Date ▶ 10/11/16

| | | | | | | |
|-------------------------------|--|----------------------|--------|--------------------------|---|------|
| Paid Preparer Use Only | Print your name ▶ Charles S. Todd | Preparer's signature | Date ▶ | Title ▶ Treasurer | Check <input type="checkbox"/> if self-employed | PTIN |
| | Firm's name ▶ | | | | Firm's EIN ▶ | |
| | Firm's address ▶ | | | | Phone no. | |