

# REPORT (IN LIQUIDATION)

JUNE 1, 2019 THROUGH APRIL 3, 2020

|   |             |
|---|-------------|
| UltraPro Financial Select Sector                    | <b>FINU</b> |
| UltraPro Short Nasdaq Biotechnology                 | <b>ZBIO</b> |
| UltraPro Nasdaq Biotechnology                       | <b>UBIO</b> |
| UltraPro Communication Services Select Sector       | <b>UCOM</b> |
| UltraPro Short Communication Services Select Sector | <b>SCOM</b> |

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Pool Operator**

# STATEMENTS OF OPERATIONS

|   | UltraPro<br>Communication<br>Services Select<br>Sector | UltraPro<br>Financial<br>Select Sector | UltraPro<br>Nasdaq<br>Biotechnology | UltraPro Short<br>Communication<br>Services Select<br>Sector | UltraPro Short<br>Nasdaq<br>Biotechnology |
|---|--|--|-------------------------------------|--|---|
| <b>INVESTMENT INCOME:</b>   |  |  |                                     |  |   |
| Dividends   | \$ 6,039   | \$ 346,574                             | \$ 100,082                          | \$ —   | \$ —                                      |
| Interest  | 4,892  | 42,681                                 | 50,356                              | 8,517  | 33,059                                    |
| Securities lending income   | —  | —                                      | 12,910                              | —  | —   |
| Total Investment Income   | 10,931   | 389,255                                | 163,348                             | 8,517  | 33,059                                    |
| <b>EXPENSES:</b>  |  |  |                                     |  |   |
| Advisory fees (Note 4)  | 8,755  | 147,004                                | 153,285                             | 3,901  | 21,514                                    |
| Management Services fees (Note 4)                                   | 1,167  | 19,600                                 | 20,438                              | 520  | 2,868                                     |
| Professional fees   | 9,049  | 9,308                                  | 11,199                              | 9,031  | 8,735                                     |
| Administration fees (Note 5)  | 27,827   | 62,222                                 | 62,226                              | 15,852   | 32,042                                    |
| Custodian fees (Note 6)   | 7,288  | 3,603                                  | 21,124                              | —  | 270                                       |
| Printing and Shareholder reports                                    | 144  | 1,301                                  | 3,173                               | —  | 957                                       |
| Listing, Data and related fees (Note 7)                             | 7,775  | 28,792                                 | 23,004                              | 3,574  | 5,561                                     |
| Trustees fees (Note 8)  | 27   | 464                                    | 468                                 | 13   | 63  |
| Compliance services fees  | 29   | 274                                    | 340                                 | 16   | 52  |
| Other fees  | 3,525  | 4,180                                  | 4,695                               | 3,399  | 3,535                                     |
| Total Gross Expenses before fees waived<br>and/or reimbursed        | 65,586   | 276,748                                | 299,952                             | 36,306   | 75,597                                    |
| <b>LESS:</b>  |  |  |                                     |  |   |
| Expenses waived and/or<br>reimbursed by Advisor (Note 4)            | (54,539)   | (91,122)                               | (106,092)                           | (31,375)   | (48,447)                                  |
| Total Net Expenses  | 11,047   | 185,626                                | 193,860                             | 4,931  | 27,150                                    |
| Net Investment Income (Loss)  | (116)  | 203,629                                | (30,512)                            | 3,586  | 5,909                                     |
| <b>NET REALIZED GAIN (LOSS) FROM:</b>                               |  |  |                                     |  |   |
| Transactions in investment securities                               | (228,926)  | (6,200,501)                            | (6,920,039)                         | —  | —   |
| Expiration or closing of non-exchange traded<br>swap agreements     | (344,875)  | (10,898,348)                           | (3,187,521)                         | (621,776)  | (2,166,196)                               |
| In-kind redemptions of investments (Note 9)                         | —  | 841,472                                | 1,854,642                           | —  | —   |
| Net realized gain (loss)  | (573,801)  | (16,257,377)                           | (8,252,918)                         | (621,776)  | (2,166,196)                               |
| <b>CHANGE IN NET UNREALIZED<br/>APPRECIATION/DEPRECIATION FROM:</b> |  |  |                                     |  |   |
| Investments   | (100,190)  | 2,627,498                              | 5,434,638                           | —  | —   |
| Non-exchange traded swap agreements                                 | (365,234)  | 5,345,025                              | 5,242,217                           | 734,491  | 597,684                                   |
| Change in net unrealized appreciation/depreciation                  | (465,424)  | 7,972,523                              | 10,676,855                          | 734,491  | 597,684                                   |
| Net realized and unrealized gain (loss)                             | (1,039,225)  | (8,284,854)                            | 2,423,937                           | 112,715  | (1,568,512)                               |
| Change in Net Assets Resulting from Operations                      | \$ (1,039,341)   | \$ (8,081,225)                         | \$ 2,393,425                        | \$ 116,301   | \$ (1,562,603)                            |

# STATEMENTS OF CHANGES IN NET ASSETS

|   | UltraPro Communication<br>Services Select Sector                        |   | UltraPro Financial Select Sector  |                            | UltraPro Nasdaq Biotechnology   |                            |
|---|---|---|---|----------------------------|---|----------------------------|
|   | June 1, 2019 –<br>April 3, 2020<br>(Liquidation<br>Date)<br>(Unaudited) | January 15,<br>2019*<br>through<br>May 31, 2019 | June 1, 2019 –<br>April 3, 2020<br>(Liquidation<br>Date)<br>(Unaudited) | Year Ended<br>May 31, 2019 | June 1, 2019 –<br>April 3, 2020<br>(Liquidation<br>Date)<br>(Unaudited) | Year Ended<br>May 31, 2019 |
| <b>FROM INVESTMENT ACTIVITIES:</b>                          |   |   |   |                            |   |                            |
| <b>OPERATIONS:</b>  |   |   |   |                            |   |                            |
| Net investment income (loss)                                | \$ (116)  | \$ (5,648)                                      | \$ 203,629  | \$ 397,666                 | \$ (30,512)   | \$ (92,811)                |
| Net realized gain (loss)                                    | (573,801)   | 5,194   | (16,257,377)  | (4,528,435)                | (8,252,918)   | (660,348)                  |
| Change in net unrealized<br>appreciation/depreciation       | (465,424)   | 465,424   | 7,972,523   | (3,688,764)                | 10,676,855  | (7,234,206)                |
| Change in net assets resulting<br>from operations           | (1,039,341)   | 464,970   | (8,081,225)   | (7,819,533)                | 2,393,425   | (7,987,365)                |
| <b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>                  |   |   |   |                            |   |                            |
| Distributable earnings                                      | —   | —   | (225,983)   | (281,459)                  | —   | —                          |
| Total distributions   | —   | —   | (225,983)   | (281,459)                  | —   | —                          |
| <b>CAPITAL TRANSACTIONS (a):</b>                            |   |   |   |                            |   |                            |
| Proceeds from shares issued                                 | 877,344   | 4,000,040                                       | 7,182,067   | 6,737,565                  | 3,259,011   | 23,213,968                 |
| Cost of shares redeemed                                     | (4,303,013)   | —   | (23,805,646)  | (30,324,548)               | (30,835,521)  | (27,092,823)               |
| Change in net assets resulting<br>from capital transactions | (3,425,669)   | 4,000,040                                       | (16,623,579)  | (23,586,983)               | (27,576,510)  | (3,878,855)                |
| Change in net assets  | (4,465,010)   | 4,465,010                                       | (24,930,787)  | (31,687,975)               | (25,183,085)  | (11,866,220)               |
| <b>NET ASSETS:</b>  |   |   |   |                            |   |                            |
| Beginning of period   | \$ 4,465,010  | \$ —  | \$ 24,930,787   | \$ 56,618,762              | \$ 25,183,085   | \$ 37,049,305              |
| End of period   | \$ —  | \$ 4,465,010                                    | \$ —  | \$ 24,930,787              | \$ —  | \$ 25,183,085              |
| <b>SHARE TRANSACTIONS:</b>                                  |   |   |   |                            |   |                            |
| Beginning of period   | 100,001   | —   | 350,004   | 625,004                    | 1,249,915   | 1,149,915                  |
| Issued  | —   | 100,001   | 100,000   | —                          | 100,000   | 550,000                    |
| Issued in-kind  | 25,000  | —   | 100,000   | 75,000                     | 100,000   | 300,000                    |
| Redeemed  | (50,001)  | —   | (400,004)   | —                          | (849,915)   | (100,000)                  |
| Redemption in-kind  | (75,000)  | —   | (150,000)   | (350,000)                  | (600,000)   | (650,000)                  |
| Shares outstanding, end of period                           | —   | 100,001   | —   | 350,004                    | —   | 1,249,915                  |

\* Commencement of investment operations.

(a) Capital share transactions may include transaction fees associated with Creation and Redemption transactions which occurred during the period. See Note 10 to the Financial Statements.

|   | UltraPro Short Communication<br>Services Select Sector                  |   | UltraPro Short Nasdaq<br>Biotechnology                                  |                            |
|---|---|---|---|----------------------------|
|   | June 1, 2019 –<br>April 3, 2020<br>(Liquidation<br>Date)<br>(Unaudited) | January 15,<br>2019*<br>through<br>May 31, 2019 | June 1, 2019 –<br>April 3, 2020<br>(Liquidation<br>Date)<br>(Unaudited) | Year Ended<br>May 31, 2019 |
| <b>FROM INVESTMENT ACTIVITIES:</b>                          |   |   |   |                            |
| <b>OPERATIONS:</b>  |   |   |   |                            |
| Net investment income (loss)                                | \$ 3,586  | \$ 8,523  | \$ 5,909  | \$ 14,286                  |
| Net realized gain (loss)                                    | (621,776)   | —   | (2,166,196)   | —                          |
| Change in net unrealized<br>appreciation/depreciation       | 734,491   | (734,491)                                       | 597,684   | 186,364                    |
| Change in net assets resulting<br>from operations           | 116,301   | (725,968)                                       | (1,562,603)   | 200,650                    |
| <b>DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>                  |   |   |   |                            |
| Distributable earnings                                      | (6,249)   | (3,369)   | (9,598)   | (5,910)                    |
| Total distributions   | (6,249)   | (3,369)   | (9,598)   | (5,910)                    |
| <b>CAPITAL TRANSACTIONS (a):</b>                            |   |   |   |                            |
| Proceeds from shares issued                                 | —   | 4,000,040                                       | 2,440,700   | 5,895,310                  |
| Cost of shares redeemed                                     | (3,380,755)   | —   | (6,194,822)   | (4,576,027)                |
| Change in net assets resulting<br>from capital transactions | (3,380,755)   | 4,000,040                                       | (3,754,122)   | 1,319,283                  |
| Change in net assets  | (3,270,703)   | 3,270,703                                       | (5,326,323)   | 1,514,023                  |
| <b>NET ASSETS:</b>  |   |   |   |                            |
| Beginning of period   | \$ 3,270,703  | \$ —  | \$ 5,326,323  | \$ 3,812,300               |
| End of period   | \$ —  | \$ 3,270,703                                    | \$ —  | \$ 5,326,323               |
| <b>SHARE TRANSACTIONS:</b>                                  |   |   |   |                            |
| Beginning of period   | 100,001   | —   | 299,967   | 199,967                    |
| Issued  | —   | 100,001   | 200,000   | 350,000                    |
| Issued in-kind  | —   | —   | —   | —                          |
| Redeemed  | (100,001)   | —   | (499,967)   | (250,000)                  |
| Redemption in-kind  | —   | —   | —   | —                          |
| Shares outstanding, end of period                           | —   | 100,001   | —   | 299,967                    |

\* Commencement of investment operations.

(a) Capital share transactions may include transaction fees associated with Creation and Redemption transactions which occurred during the period. See Note 10 to the Financial Statements.

# NOTES TO FINANCIAL STATEMENTS



## 1. Organization

ProShares Trust (the “Trust”) is registered as an open-end management investment company under the Investment Company Act of 1940 (“1940 Act”). The Trust was formed as a Delaware statutory trust on May 29, 2002, has authorized capital of an unlimited number of shares at no par value. On March 15, 2020, The Board of Trustees approved and ProShares Advisors announced the plan to liquidate and close UltraPro Communication Services Select Sector, UltraPro Short Communication Services Select Sector, UltraPro Nasdaq Biotechnology, UltraPro Short Nasdaq Biotechnology and UltraPro Financial Select Sector (“the “funds”). Trading in the funds was halted prior to market open on March 30, 2020. Any shareholders remaining in the funds had their shares redeemed at net asset value on April 3, 2020. On April 3 and April 6, 2020, NASDAQ and NYSE Arca, respectively, filed Form 25 with the U.S. Securities and Exchange Commission (“SEC”) removing the listing of the Funds on their respective exchanges. These Financial Statements and accompanying notes relate only to the liquidated portfolios identified.

| ProShares Trust  | Ticker | Exchange  |
|--|--------|-----------|
| UltraPro Communication Services<br>Select Sector . . . . .       | UCOM   | NYSE Arca |
| UltraPro Short Communication Services<br>Select Sector . . . . . | SCOM   | NYSE Arca |
| UltraPro Nasdaq Biotechnology . . . . .                          | UBIO   | NASDAQ    |
| UltraPro Short Nasdaq Biotechnology . . . . .                    | ZBIO   | NASDAQ    |
| UltraPro Financial Select Sector . . . . .                       | FINU   | NYSE Arca |

## 2. Significant Accounting Policies

### General

The funds are an investment company, as defined by Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 “Financial Services – Investment Companies.” As such, the Fund follows the investment company accounting and reporting guidance. The following is a summary of significant accounting policies followed by the Fund, as applicable, in preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

### Investment Valuation

The Funds record their investments at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## 3. Investment Transactions, Income and Expense Allocations

Interest income is recognized on an accrual basis and includes, where applicable, the amortization of premium or discount. Dividend income is recorded on the ex-dividend date. Gains or losses realized on sales of securities are determined using the specific identification method by comparing the identified cost of the security lot sold with the net sales proceeds. Expenses directly attributable to a Fund are charged

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

## 4. Advisory and Management Service Fees and Transactions with Affiliates

The Advisor serves as the investment adviser to each Fund pursuant to an Investment Advisory Agreement. For its investment advisory services, each Fund pays the Advisor a monthly fee, accrued daily at an annualized rate based on its average daily net assets. Pursuant to a separate Management Services Agreement, the Advisor performs certain administrative services on behalf of the Funds, such as negotiating, coordinating and implementing the Trust’s contractual obligations with the Funds’ service providers; monitoring, overseeing and reviewing the performance of such service providers to ensure adherence to applicable contractual obligations; and preparing or coordinating reports and presentations to the Board of Trustees with respect to such service providers. For these and other services, each Fund pays the Advisor monthly management services fees, accrued daily at an annualized rate based on its average daily net assets.

The Advisor has contractually agreed to waive advisory and management services fees, and if necessary, reimburse certain other expenses, in order to limit the annual operating expenses of each Fund to 0.95% of net assets.

## 5. Administration Fees

JPMorgan Chase Bank, N.A. acts as the Trust’s administrator (the “Administrator”). The Administrator provides certain administrative services to the Funds, including fund accounting, fund administration and certain compliance services, pursuant to a Fund Services Agreement. For these services, each Fund shall pay the Administrator monthly, a fee accrued daily and based on average net assets. Each Fund may also reimburse the Administrator for such out-of-pocket expenses as incurred by the Administrator in the performance of its duties. Such fees are reflected on the Statements of Operations as “Administration Fees”. Certain employees of the Administrator are also officers of the Trust.

## 6. Custodian Fees

JPMorgan Chase Bank, N.A. acts as custodian for the Funds in accordance with a Custody Agreement. The custodian holds cash, securities and other assets of the Funds as required by the 1940 Act. Custodian fees are payable monthly based on assets held in custody, investment purchases and sales activity and account maintenance fees, plus reimbursement for certain out-of-pocket expenses. Such fees are reflected on the Statements of Operations as “Custodian Fees”.

## 7. Listing, Data and Related Fees

The Funds may incur costs relating to their initial and ongoing listing on an exchange and for the calculation and dissemination of Indicative Optimized Portfolio Values (IOPVs). Additionally, a Fund may enter into a license agreement for the right to use an Index and the related Trade Mark(s) and to receive data related to the index from the index provider.

The portion of such costs attributed to each Fund is reflected on the Statements of Operations as “Listing, Data and related fees”.

## 8. Trustees Fees

The Trust, together with other affiliated trusts, pay each Independent Trustee an aggregate fee consisting of a \$185,000 annual retainer (paid in quarterly increments) for services provided as a Board member, plus a quarterly in-person meeting fee of \$10,000, an in-person special meeting fee of \$3,000 and a telephonic meeting fee of \$3,000. Such fees are allocated between the Funds and other affiliated funds. Each Fund’s share of these fees, together with reimbursable expenses of the Trustees, is reflected on the Statements of Operations as “Trustees Fees”.

## 9. In-Kind Redemption Transactions

During the period presented in this report, certain Funds delivered portfolio securities in exchange for the redemption of shares (redemption in-kind). Securities were transferred for redemptions at fair value. For financial reporting purposes, the Funds recorded net realized gains and losses in connection with each transaction.

## 10. Indemnifications

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

**Affirmation of the Commodity Pool Operator**

I affirm that, to the best of his knowledge and belief, the information contained in the attached liquidation financial statements of the UltraPro Communication Services Select Sector, UltraPro Short Communication Services Select Sector, UltraPro Nasdaq Biotechnology, UltraPro Short Nasdaq Biotechnology, and UltraPro Financial Select Sector is accurate and complete.

By: /s/ Todd B. Johnson\_\_\_\_\_

Todd B. Johnson  
Principal for ProShare Advisors, Commodity Pool Operator



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