## **8937**

(December 2011) Department of the Treasury Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

➤ See separate instructions.

OMB No. 1545-2224

Part I	Reporting	Issuer				A PROPERTY OF THE PROPERTY OF		
1 Issuer's					***************************************	2 Issuer's employer identification number (EIN)		
ProShares UltraShort Basic Materials								
Name of contact for additional information						20-5974903 5 Email address of contact		
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Ed Karpow	ńcz		30000000000000000000000000000000000000	240-497-6487		ekarpowicz@proshares.com		
		7.0. box if mail is not	delivered to	street address) of contact	ooditer on the second conference	7 City, town, or post office, state, and Zip code of contact		
						The second of th		
7501 Wisco	onsin Avenue, S	Suite 1000E				Bethesda, MD 20814		
8 Date of	action		9 Class	sification and description	***************************************	The second of th		
			-					
10/5/2012			Reverse	share split and cusip cha	ange			
10 CUSIP	number	11 Serial number	s)	12 Ticker symbol		13 Account number(s)		
						Section 1. The sectio		
	347X617	N/A		SMN		N/A		
Partill	Organizatio	onal Action Atta	ch additiona	I statements if needed. S	See bac	ck of form for additional questions.		
14 Desc	ribe the organiza	tional action and, if a	applicable, the	e date of the action or the d	late agai	inst which shareholders" ownership is measured for		
the a	ction ➤ <u>Effective</u>	re as of the close o	business or	October 2, 2012, shares o	of ProS	hares UltraShort Basic Materials underwent a		
1:4 reverse	share split and	f cusip change. The	reverse spli	t increased the fund's pric	ce per s	hare by a factor of 4 with a proportionate decrease		
in the num	ber of shares or	utstanding. As a res	sult, shareho	lders received 1 post-split	t share	for every 4 pre-split shares held. Post-split shares		
were price	d 4 times higher	r than the net asset	value ("NAV	") of a pre-split share. Sha	ares bec	gan trading at post-split prices on October 5, 2012.		
The ticker	symbol for the s	shares did not char	ige. The CUS	IP number for post-split s	shares is	s 74347X138.		
For shareh	olders who held	d pre-split quantitie	s of shares t	hat were not an exact mult	ltiple of	4, the reverse split resulted in the creation of a		
fractional s	share. Post-reve	erse split fractional	shares were	redeemed for cash and se	ent to st	hareholders' broker of record.		
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15 Desc	ribe the quantital	live effect of the orga	anizational ac	tion on the basis of the secu	urity in t	he hands of a U.S. taxpayer as an adjustment per		
share	or as a percenta	age of old basis 🟲 E	ach post-spli	t share has a tax basis eq	jual to 4	times the tax basis of a pre-split		
share (400	% of old basis).	For shareholders v	tho held pre-	split quantities of shares t	that we	re not an exact multiple of 4, the reverse split		
resulted in	the creation of	a fractional share.	Post-reverse	split fractional shares we	re rede	emed for cash and sent to shareholders' broker		
of record.	This fractional s	ihare redemption m	ay cause sor	ne shareholders to realize	e gains :	or losses, which could be a taxable		
	nose sharehold							
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16 Desc	ribe the calculation	on of the change in t	pasis and the	data that supports the calcu	ulation, :	such as the market values of securities and the		
valua	tion dates > Pos	it-split (new) basis	per share = p	re-split (old) basis per sha	are time	95 4		
For examp	le, a shareholde	er with 100 pre-split	shares with	a basis of \$10.00 per shar	re at clo	se of business on October 2, 2012, would		
receive 25	post-split share	s with a basis of \$4	0.00 per sha	re. While the basis per sha	are is in	npacted, the basis of the shareholder's total		
investment	t remains uncha	inged (assuming no	fractional s	hares result from the appli	lication	of the split factor). Further, because the NAV		
per share i	ncreases by a fa	actor of 4, the value	of a shareho	older's investment is not in	mpacte	d by the reverse share split.		
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Part II	Organizational Action (contin	ued)		
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		ction(s) and subsection(s) upon which t		
		ately prior to the reverse share split	should be allocated in prop	portion to the reduced
number or	shares under IRC sections 358, 368 a	ING 354.	inganismi di sintanan mangani mangani Mangani mangani mangan	
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18 Can a	inv resulting loss be recognized? ► Fr	or shareholders who held pre-split qu	cartifies of charac that was	a rest on accept middling of a sta-
reverse sm	it resulted in the creation of a fraction	nal share. Post-reverse split fraction	al charac ware redeemed f	e not an exact manaple of 4, the
		al share redemption may cause some		
		of shares that were an exact multiple		
	as a result of this action.	or smars that were an exact manager	OF 4. NO GAIN OF 1035 WOOD	C PC
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19 Provi	de any other information pagessan; to i	mplement the adjustment, such as the	managed or for large second by The	and the state of t
10 11048	od dny varo: inormation necessary to i	inprement the adjustment, sources the r	icharana raz Aca 🛌 i lie të	portable tax year is 2012.
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be	lief it is true, correct and complete. Declara	tion of preparer (ether the officer) is based to	on all information of which prepa	and to the best of my knowledge, and renhas any knowledge.
Sign		//////		
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54	inature*		Date >	
30 mm-	_			
I Pri	nt your name <a> Charles S. Todd</a>	The second secon	Title • Treasurer	
Paid	Print/Type preparer's name	Preparer's signature	Date	Check T of PTIN
Prepare				self-employed
Use Onl			**************************************	Firm's EIN ►
***************************************	Firm's address 🛰			Phone no
Send Form	8937 (including accompanying stateme	ents) to: Department of the Treasury, Int	ternal Revenue Service, Ogd	en, UT 84201-0054