REPORT (IN LIQUIDATION)

JANUARY 1, 2016 THROUGH SEPTEMBER 1, 2016

UCD Ultra Bloomberg Commodity

PROSHARES TRUST II

Distributor: SEI Investments Distribution Co.

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Report of Independent Auditors

To the Sponsor of ProShares Ultra Bloomberg Commodity

We have audited the accompanying financial statements of ProShares Ultra Bloomberg Commodity (the "Fund"), which comprise the statement of financial condition in liquidation as of September 1, 2016, the related statement of changes in net assets in liquidation for the period from August 26, 2016 through September 1, 2016, and the statements of operations, of changes in shareholders' equity and of cash flows for the period from January 1, 2016 through August 25, 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition in liquidation of ProShares Ultra Bloomberg Commodity as of September 1, 2016, the changes in its net assets in liquidation for the period from August 26, 2016 through September 1, 2016, and the results of its operations, changes in its shareholders' equity, and its cash flows for the period January 1, 2016 to August 25, 2016, in accordance with accounting principles generally accepted in the United States of America applied on the bases described in Note 2.

Basis of Accounting

As discussed in Note 1 to the financial statements, management of ProShares Ultra Bloomberg Commodity announced plans to liquidate the Fund subsequent to the close of regular trading on the NYSE Arca on August 25, 2016, and determined liquidation is imminent. As a result, the Fund changed its basis of accounting on August 26, 2016 from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

November 18, 2016

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PROSHARES ULTRA BLOOMBERG COMMODITY

STATEMENT OF FINANCIAL CONDITION
(IN LIQUIDATION)

	September 1, 2016
Assets	
Cash	$—
Total assets	—
Liabilities and shareholders' equity	
Liabilities	
Payable for capital shares redeemed	—
Total liabilities	—
Commitments and Contingencies (Note 2)	
Shareholders' equity	
Shareholders' equity	—
Total liabilities and shareholders' equity	$—
Shares outstanding	—
Net asset value per share	$—
Market value per share	$—

See accompanying notes to financial statements.

PROSHARES ULTRA BLOOMBERG COMMODITY

STATEMENT OF OPERATIONS
FOR THE PERIOD FROM JANUARY 1, 2016 THROUGH AUGUST 25, 2016

	January 1, 2016 through August 25, 2016
Investment Income	
Interest	$ 9,568
Expenses	
Management fee	53,675
Total expenses	53,675
Net investment loss	(44,107)
Realized and unrealized gain (loss) on investment activity	
Net realized gain (loss) on	
Swap agreements	798,016
Short-term U.S. government and agency obligations	(351)
Net realized gain	797,665
Change in net unrealized appreciation/depreciation on	
Swap agreements	183,916
Short-term U.S. government and agency obligations	689
Change in net unrealized appreciation/depreciation	184,605
Net realized and unrealized gain	982,270
Net income	$938,163

See accompanying notes to financial statements.

PROSHARES ULTRA BLOOMBERG COMMODITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM JANUARY 1, 2016 THROUGH AUGUST 25, 2016

	January 1, 2016 through August 25, 2016
Shareholders' equity, beginning of period	$ 7,105,984
Net investment loss	(44,107)
Net realized gain	797,665
Change in net unrealized appreciation/depreciation	184,605
Net income	938,163
Addition of 200,000 shares	6,046,620
Redemption of (100,004) shares	(2,725,251)
Net addition (redemption) of (99,996) shares	3,321,369
Shareholders' equity, end of period	$11,365,516

See accompanying notes to financial statements.

PROSHARES ULTRA BLOOMBERG COMMODITY

STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM AUGUST 26, 2016 THROUGH SEPTEMBER 1, 2016
(IN LIQUIDATION)

	August 26, 2016 through September 1, 2016
Shareholders' equity, beginning of period	$ 11,365,516
Redemption of 349,961 shares	(11,365,516)
Net Assets, at end of period	$ —

See accompanying notes to financial statements.

PROSHARES ULTRA BLOOMBERG COMMODITY

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM JANUARY 1, 2016 THROUGH AUGUST 25, 2016

	January 1, 2016 through August 25, 2016
Cash flow from operating activities	
Net income	$ 938,163
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Increase in segregated cash balances with brokers for swap agreements	(179,000)
Purchases of short-term U.S. government and agency obligations	(21,308,335)
Proceeds from sales or maturities of short-term U.S government and agency obligations	28,402,306
Net amortization and accretion on short-term U.S government and agency obligations	(9,568)
Net realized loss	351
Change in unrealized appreciation/depreciation on investments	(184,605)
Increase in receivable from counterparty	(24,417,323)
Increase in receivable for investments sold	(7,110,657)
Increase in management fee payable	1,515
Increase in payable to counterparty	24,232,689
Net cash provided by operating activities	365,536
Cash flow from financing activities	
Proceeds from addition of shares	6,046,620
Payment on shares redeemed	(2,725,251)
Net cash used in financing activities	3,321,369
Net decrease in cash	3,686,905
Cash, beginning of period	211,629
Cash, end of period	$ 3,898,534

See accompanying notes to financial statements.

PROSHARES ULTRA BLOOMBERG COMMODITY

NOTES TO FINANCIAL STATEMENTS
As of September 1, 2016 (In Liquidation)

NOTE 1 – ORGANIZATION

ProShares Trust II (formerly known as the Commodities and Currencies Trust) (the “Trust”) is a Delaware statutory trust formed on October 9, 2007 and is currently organized into separate series. As of September 1, 2016, eighteen series of the Trust had commenced investment operations. Each of the series issues common units of beneficial interest (“Shares”), which represent units of fractional undivided beneficial interest in and ownership of only that series. The Shares of each series are listed on the New York Stock Exchange Archipelago (“NYSE Arca”). 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 at an aggregate purchase price of $350 in twelve of its series.

On July 25, 2016, the Trust announced plans to liquidate ProShares Ultra Bloomberg Commodity (ticker symbol: UCD) (the “Fund”). The Fund was closed to purchases and redemptions as of the close of regular trading on the NYSE Arca on August 25, 2016. Beginning August 26, 2016, no secondary market for the Fund’s Shares remained. Any shareholders remaining in the Fund on September 1, 2016 automatically had their shares redeemed for cash at the Fund’s net asset value per Share as of August 26, 2016. On September 2, 2016, the NYSE Arca filed Form 25 with the U.S. Securities and Exchange Commission (“SEC”) removing the listing of the Fund on the NYSE Arca. On September 27, 2016, Form 15 was filed with the SEC suspending the SEC reporting obligations of the Fund.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Fund is 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”).

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.

Basis of Presentation

Since August 25, 2016 is the date at which the liquidation of the Fund became imminent, the Fund changed its basis of accounting from a going concern basis to a liquidation basis. The liquidation basis requires that assets are recorded at estimated net realizable values, liabilities at estimated net settlement amounts, and expenses expected to be incurred through the final date of liquidation are accrued. The change in accounting basis did not have a material effect on the Fund’s carrying value of assets and liabilities.

Statement of Cash Flows

The cash amount shown in the Statement of Cash Flows is the amount reported as cash on August 25, 2016, and represents non-segregated cash with the custodian.

Investment Valuation

Short-term investments are valued at amortized cost which approximates fair value for daily NAV purposes. For financial reporting purposes, short-term investments are valued at their market price using information provided by a third-party pricing service or market quotations.

Derivatives (e.g., swap agreements) are generally valued using independent sources and/or agreements with counterparties or other procedures as determined by the Sponsor. 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 generally be 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 industry standards. When market closing prices are not available, the Sponsor may fair value an asset of the Fund pursuant to the policies the Sponsor has adopted, which are consistent with normal industry standards.

Fair value pricing may require subjective determinations about the value of an investment. While the Fund's policies are intended to result in a calculation of its 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.

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 Statement of Financial Condition and changes in the unrealized appreciation/depreciation between periods are reflected in the Statement of Operations.

Federal Income Tax

The 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, the Fund does not expect to incur U.S. federal income tax liability; rather, each beneficial owner of the Fund's Shares during the period ended September 1, 2016 is required to take into account its allocable share of the Fund's income, gain, loss, deductions and other items for the Fund's taxable year ending with or within the beneficial owner's taxable year.

Management of the Fund has reviewed all open tax years and major jurisdictions (*i.e.,* the last two tax year ends and the interim tax period since then, as applicable) and concluded that 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 Fund is 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.

NOTE 3 – INVESTMENTS

Short-Term Investments

Prior to its liquidation, the Fund could 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 could be used as collateral for the Fund's trading in swap contracts.

Accounting for Derivative Instruments

In seeking to achieve the Fund's investment objective, the Sponsor used a mathematical approach to investing. Using this approach, the Sponsor determined the type, quantity and mix of investment positions, including derivative positions, which the Sponsor believed in combination, should produce returns consistent with the Fund's objective.

The Fund utilized a varying level of derivative instruments in conjunction with investment securities in seeking to meet its investment objective during the period. The volume of open positions may vary on a daily basis as the Fund transacts derivatives contracts in order to achieve the appropriate exposure to meet its investment objective. Following is a description of the derivative instruments used by the Fund during the reporting period, including the primary underlying risk exposures related to each instrument type.

Swap Agreements

The Fund entered into swap agreements for purposes of pursuing its investment objectives or as a substitute for investing directly in (or shorting) an underlying index, currency or commodity, or to create an economic hedge against a position. Swap agreements are two-party contracts that have traditionally been entered into primarily with institutional investors in over-the-counter ("OTC") markets for a specified period, ranging from a day to more than one year. However, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") provides for significant reforms of the OTC derivative markets, including a requirement to execute certain swap transactions on a CFTC-regulated market and/or to clear such transactions through a CFTC-regulated central clearing organization. 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. Transaction or commission costs are reflected in the benchmark level at which the transaction is entered into. 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 underlying instruments.

Generally, swap agreements entered into by the Fund calculated and settled the obligations of the parties to the agreement on a "net basis" with a single payment. Consequently, the Fund's current obligations (or rights) under a swap agreement were generally 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 the Fund, the Fund would have been entitled to settlement payments in the event the level of the benchmark increased and would have been required to make payments to the swap counterparties in the event the level of the benchmark decreased, adjusted for any transaction costs or trading spreads on the notional amount the Fund might have paid.

The net amount of the excess, if any, of the Fund's obligations over its entitlements with respect to each uncleared swap agreement was accrued on a daily basis and an amount of cash and/or securities having an aggregate value at least equal to such accrued excess was maintained for the benefit of the counterparty in a segregated account by the Fund's Custodian. The net amount of the excess, if any, of the Fund's entitlements over its obligations with respect to each uncleared swap agreement was accrued on a daily basis and an amount of cash and/or securities having an aggregate value at least equal to such accrued excess was maintained for the benefit of the Fund in a segregated account by the Fund's Custodian. Until a swap agreement was settled in cash, the gain or loss on the notional amount less any transaction costs or trading spreads payable by the Fund on the notional amount were recorded as “unrealized appreciation or depreciation on swap agreements” and, when cash was exchanged, the gain or loss realized was recorded as “realized gains or losses on swap agreements.” Swap agreements are generally valued at the last settled price of the benchmark referenced asset.

The Trust, on behalf of the Fund, might have entered into agreements with certain counterparties for derivative transactions. These agreements contained 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 have allowed 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 have caused the 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 and exposure to loss in excess of the unrealized gain/loss reflected. The notional amounts reflected the extent of the total investment exposure the Fund had under the swap agreement, which might have exceeded the NAV of the Fund. Additional risks associated with the use of swap agreements are imperfect correlations between movements in the notional amount and the price of the underlying reference index and the inability of counterparties to perform. The Fund bore 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. The Fund would have typically entered into swap agreements only with major global financial institutions. The creditworthiness of each of the firms that 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, limiting the net amount due from any individual counterparty and generally requiring collateral to be posted by the counterparty in an amount approximately equal to that owed to the Funds.

The Fund remained subject to credit risk with respect to the amount they expected to receive from counterparties. However, the Fund has sought to mitigate these risks in connection with uncleared swaps by generally requiring that the counterparties for the Fund agreed to post collateral for the benefit of the Fund, marked to market daily, in an amount approximately equal to what the counterparty owed the Fund, subject to certain minimum thresholds. In the event of the bankruptcy of a counterparty, the Fund would have had direct access to the collateral received from the counterparty, generally as of the day prior to the bankruptcy, because there was a one day time lag between the Fund’s request for collateral and the delivery of such collateral. To the extent any such collateral was insufficient, the Fund would have been exposed to counterparty risk as described above, including the possible delays in recovering amounts as a result of bankruptcy proceedings.

The counterparty/credit risk for cleared derivative transactions is generally lower than for uncleared OTC derivatives since generally a clearing organization becomes substituted for each counterparty to a cleared derivative contract and, in effect, guarantees the parties’ performance under the contract as each party to a trade looks only to the clearing organization for performance of financial obligations. In addition, cleared derivative transactions benefit from daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries.

The following table indicates the location of derivative related items as well as the effect of derivative instruments on the Statement of Operations during the reporting period.

The Effect of Derivative Instruments on the Statement of Operations
For the period from January 1, 2016 through August 25, 2016

Derivatives not accounted for as hedging instruments	Location of Gain or (Loss) on Derivatives Recognized in Income	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 swap agreements/changes in unrealized appreciation/depreciation on swap agreements	$798,016	$183,916

NOTE 4 – AGREEMENTS

Management Fee

Prior to its liquidation, the Fund paid the Sponsor a Management Fee, monthly in arrears, in an amount equal to 0.95% per annum of its average daily NAV of the Fund.

The Management Fee is paid in consideration of the Sponsor's services as commodity pool operator, and for managing the business and affairs of the Fund. From the Management Fee, the Sponsor pays all of the routine operational, administrative and other ordinary expenses of the Fund, generally as determined by the Sponsor, including but not limited to the Administrator, Custodian, Distributor, ProFunds Distributors, Inc., an affiliated broker-dealer of the Sponsor, Transfer Agent, accounting and auditing fees and expenses, any index licensors for the Fund, and the normal and expected expenses incurred in connection with the continuous offering of Shares of the Fund after the commencement of its trading operations, including, but not limited to, expenses such as 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 the Fund and Financial Industry Regulatory Authority ("FINRA") filing fees, individual Schedule K-1 preparation and mailing fees not exceeding 0.10% per annum of the net assets of the Fund, and report preparation and mailing expenses.

Non-Recurring Fees and Expenses

The Fund paid all its non-recurring and unusual fees and expenses, if any, as determined by the Sponsor. Non-recurring and unusual fees and expenses are fees and expenses which are unexpected or unusual in nature, such as legal claims and liabilities, litigation costs or indemnification or other material expenses which were not currently anticipated obligations of the Fund.

The Administrator

The Sponsor and the Trust, for itself and on behalf of the Fund, appointed Brown Brothers Harriman & Co. ("BBH&Co.") as the Administrator of the Fund, and the Sponsor, and the Trust, and BBH&Co. 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 Fund. BBH&Co. may have also performed other services for the Fund 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 served as the Transfer Agent of the Fund. The Administrator's fees were paid on behalf of the Fund by the Sponsor.

The Custodian

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

The Distributor

SEI Investments Distribution Co. ("SEI"), served as Distributor of the Fund and assisted 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 the reviewing and filing of marketing materials with FINRA and/or the NFA. SEI retained all marketing materials separately for the Fund, at c/o SEI, One Freedom Valley Drive, Oaks, PA 19456. The Sponsor, on behalf of the Fund, entered into a Distribution Services Agreement with SEI. The Sponsor paid SEI for performing its duties on behalf of the Fund.

NOTE 5 – FINANCIAL HIGHLIGHTS

Selected data for a Share outstanding for the period from January 1, 2016 through August 25, 2016

Per Share Operating Performance	
Net asset value, at January 1, 2016	$28.4279
Net investment loss	(0.1581)
Net realized and unrealized gain	4.2067
Change in net asset value from operations	4.0486
Net asset value, at August 25, 2016	$32.4765
Market value per share, at January 1, 2016†	$ 28.07
Market value per share, at August 25, 2016†	$ 32.38
Total Return, at net asset value*	14.2%
Total Return, at market value*	15.4%
Ratios to Average Net Assets	
Expense ratio*	0.62%
Expense ratio, excluding brokerage commissions*	0.62%
Net investment loss*	(0.51)%

† Market values are determined at the close of the New York Stock Exchange, which may be later than when the Fund's net asset value is calculated.

* Percentage is not annualized for the period ended August 25, 2016.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated the possibility of subsequent events existing in the Fund's financial statements through the date the financial statements were issued. Management has determined that there are no material events that would require disclosure in the Fund's financial statements through this date.

AFFIRMATION OF THE COMMODITY POOL OPERATOR

To the Shareholders of ProShares Ultra Bloomberg Commodity:

Pursuant to Rule 4.22(h) under the Commodity Exchange Act, the undersigned represents that, to the best of his knowledge and belief, the information contained in this final Annual Report for ProShares Ultra Bloomberg Commodity is accurate and complete:

By:

Todd Johnson
Principal
ProShare Capital Management LLC, Commodity Pool Operator

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