

To,

ProFunds, P.O. Box 182800 Columbus, OH 43218-2800

Subject: How does ProFunds communicate the "Specification" used in "Specific Share Identification"?

**Account# New Account Application**

Hello,

With regards to the new account application I've attached herewith, I have inquiry/request. In this account, I have selected the default cost basis method of LIFO, and when it will be time for me to redeem, I intend to use "Specific Share Identification" method.

Please let me know the details of how ProFunds will communicate to me, **in writing, in a reasonable time** of the "specification" I intend to use for the particular shares sold?

Do you send a separate letter?

Or do you print the specification of shares sold in the trade confirmation itself?

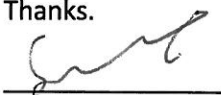
Or do you do something else?

I've seen different types of communications used by different brokers, so want to inquire how ProFunds does it?

BTW, the above inquiry has reference in IRS Publication 550 – Page 46 – Point #2 which is **"Receive confirmation in writing from your broker or other agent within a reasonable time of your specification of the particular shares sold or transferred"**. The URL link to the Publication 550 presently is: <http://www.irs.gov/pub/irs-pdf/p550.pdf>

Furthermore, I also request you to make the "customer-service-representatives" (CSRs) who will take my redemption orders aware that I will be using "Specific Share Identification" method at the time of redemption. In my experience with other brokers, the CSRs often times are unfamiliar with "Specific Share Identification". Absent the knowledge, the process of placing the redemption orders with such CSRs over the telephone becomes slow. When faced with "Specific Share Identification", the CSR calls up someone senior, and while s/he is doing this, I'm placed on **extended** hold. Therefore, I'm making this request to be proactive. However, if your phone representatives are knowledgeable about how the "Specific Share Identification" works and **what exactly their responsibility is, when a client is making "Specific Share Identification" redemption**, then please dis-consider this request.

Thanks.



February 6, 2014

SALIL V GANGAL