

February 22, 2010



CBSX Trader News Update

CBSX to Add New Stocks for Trading

TO: Members

SUBJECT: ProShares Trust

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares ("Shares") of the two (2) exchange-traded funds ("Funds") listed below issued by ProShares. Please forward this Information Bulletin to other interested persons within your organization.

The following securities have been approved for trading on CBSX:

<u>Exchange-Traded Funds</u>	<u>Symbol</u>
ProShares UltraPro QQQ	TQQQ
ProShares UltraPro Short QQQ	SQQQ

Background Information on the Fund

The ProShares Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of multiple Funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the Funds listed above. The shares of the each Fund are referred to herein as "Shares." ProShare Advisors (the "Adviser") serves as the investment adviser for each Fund.

TQQQ seeks investment results, before fees and expenses, which correspond to three times (300%) the daily performance of the NASDAQ-100 Index (the "Index"). TQQQ's investment objective and the Index may be changed without shareholder approval. The Index is a modified market capitalization weighted

index designed to measure the performance of 100 of the largest domestic and international non-financial securities listed on The NASDAQ Stock Market.

SQQQ seeks investment results, before fees and expenses, which correspond to three times (300%) the inverse (opposite) of the daily performance of the Index. SQQQ's investment objective and the Index may be changed without shareholder approval. The Index is a market capitalization weighted index designed to measure the performance of 100 of the largest domestic and international non-financial securities listed on The NASDAQ Stock Market.

For more information regarding each Fund's investment strategy, please read the prospectus for Funds.

As described more fully in the Trust's prospectus and Statement of Additional Information ("SAI"), each Fund issues and redeems Shares at net asset value ("NAV") only in large blocks of shares, respectively, (each block of Shares called a "Creation Unit") or multiples thereof. Each Creation Unit consists of 50,000 shares. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with each Fund.

Dividends from net investment income, if any, are declared and paid at least annually by each Fund. Distributions of net realized securities gains, if any, generally are declared and paid once a year, but the Trust may make distributions on a more frequent basis for each Fund.

Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of each Fund and is recognized as the owner of all Shares for all purposes.

The NAV of each Fund is generally determined each business day at the close of regular trading of the NYSE (ordinarily 4:00 p.m. New York time). The NAV of each Fund is calculated by dividing the value of the net assets of each Fund (I.E., the value of its total assets less total liabilities) by the total number of outstanding shares of each Fund, generally rounded to the nearest cent.

The registration statement for the Funds describes the various fees and expenses for each Fund's Shares. For a more complete description of each Fund and the underlying indexes, visit the Funds' website at www.ProShares.com.

Dissemination of Fund Data

The Consolidated Tape Association will disseminate real time trade and quote information for the Funds to Tape C.

Purchases and Redemptions in Creation Unit Size

Exchange members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's prospectus and SAI, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Continuous Offering

The method by which Creation Unit Aggregations of shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of shares are issued and sold by the each Fund on an ongoing basis, at any point a "distribution," as such term is used in the Securities Act, may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with the Distributor, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in shares, whether or not participating in the distribution of shares, generally are required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. Firms that incur a prospectus delivery obligation with respect to shares of each Fund are reminded that, pursuant to Rule 153 under the Securities Act, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed

to an exchange member in connection with a sale on the Listing Exchange is satisfied by the fact that the prospectus is available at the Listing Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

Exchange Rules Applicable to Trading the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Principal Risks

Interested persons are referred to the discussion in the prospectus for each Fund of the principal risks of an investment in each Fund. These include: leverage risk, concentration risk, correlation and compounding risk, counterparty risk, early close/late close/trading halt risk, equity and market risk, inverse correlation risk, liquidity risk, market price variance risk, non-diversification risk, portfolio turnover risk and technology investment risk.

Trading Hours

The Shares will trade on the CBSX from 8:00 a.m. CT until 3:30 p.m. CT. The trading increment for the Fund's Shares will be \$0.01.

Extended Hours Trading

Members are reminded that trading in the Fund's Shares prior to 8:30 a.m. may result in additional trading risks which include: (1) that the current underlying index value may not be updated, (2) the intraday indicative value may not be updated, (3) lower liquidity may impact pricing, (4) higher volatility may impact pricing, (5) wider spreads may occur, and (6), since the intraday indicative value is not calculated or widely disseminated, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

Trading Halts

The Exchange will halt trading in the Shares based on Rule 52.3 and/or because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased.

Suitability

Members are reminded of their obligation under Rule 53.6 whereby the Member shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, Members are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). Members purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, the Exchange requires that Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

An Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members under this rule.

Upon request of a customer, Members shall also provide a copy of the Prospectus.

This Information Bulletin is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Inquiries regarding this Information Bulletin should be directed to David Reed, 866.458.2279.

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