

# Ultra ProShares

## Ultra MarketCap

ULTRA **Russell3000**

## Ultra International

ULTRA **MSCI EAFE**

ULTRA **MSCI Emerging Markets**

ULTRA **FTSE/Xinhua China 25**

ULTRA **MSCI Japan**

# Short ProShares

## Short MarketCap

ULTRASHORT **Russell3000**

## Short International

ULTRASHORT **MSCI Europe**

ULTRASHORT **MSCI Pacific ex-Japan**

ULTRASHORT **MSCI Brazil**

ULTRASHORT **MSCI Mexico Investable Market**

# Prospectus

## ProShares Trust

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

JUNE 2, 2009



ProShares Trust (the "Trust") is a registered investment company organized as a Delaware statutory trust that consists of separate exchange-traded funds (each, a "Fund"). ProShare Advisors LLC ("ProShare Advisors") serves as the investment advisor to each Fund.

The shares of each Fund ("Shares") currently are listed on NYSE Arca (the "Exchange"). Shares of each Fund trade on the Exchange at market prices that may differ from the indicative intraday value of the Shares disseminated by the Exchange and may be above, below or equal to the Fund's end of day net asset value ("NAV"). Each Fund has its own CUSIP number and exchange trading symbol. Each Fund issues and redeems Shares on a continuous basis at NAV in large, specified numbers of Shares called "Creation Units." Creation Units of the Ultra ProShares are issued and redeemed either in-kind for securities included in the relevant underlying index and an amount of cash or only in cash. Creation Units of the Short ProShares are purchased and redeemed in cash.

Except when aggregated in Creation Units, Shares are not redeemable securities of the Funds. Retail investors, therefore, generally will not be able to purchase or redeem Shares directly from or with a Fund. Rather, most retail investors will purchase or sell Shares in the secondary market with the assistance of a broker. Thus, some of the information contained in this prospectus (the "Prospectus")—such as information about purchasing and redeeming Shares from or with a Fund and all references to the Transaction Fees imposed on purchases and redemptions—is not relevant to retail investors.

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# Overview of Investment Objectives, Principal Investment Strategies and Risks

## Investment Objectives

Each of the series of ProShares offered in this prospectus (each, a “Fund” and, collectively, the “Funds”) is designed to seek daily investment results that, before fees and expenses, correspond to the performance of a daily benchmark such as a multiple of the daily price performance or a multiple of the inverse (opposite) of the daily price performance, of an index. The Ultra ProShares are designed to correspond to twice (200%) of the daily performance of an underlying index. The Short ProShares are designed to correspond to twice (200%) the inverse of the daily performance of an underlying index. **The Funds do not seek to achieve their stated investment objective over a period of time greater than one day.** Each Fund’s investment objective is non-fundamental, meaning it may be changed by the Board of Trustees of ProShares Trust (the “Board”), without the approval of Fund shareholders. Each Fund reserves the right to substitute a different index or security for the index underlying its benchmark.

## Principal Investment Strategies

In seeking to achieve each Fund’s investment objective, ProShare Advisors uses a mathematical approach to investing. Using this approach, ProShare Advisors determines the type, quantity and mix of investment positions that a Fund should hold to approximate the performance of its benchmark. The Funds employ investment techniques that ProShare Advisors believes should simulate the movement of their respective benchmarks.

A Fund may hold a representative sample of the securities in the underlying index, which is intended to have aggregate characteristics similar to those of the underlying index. This “sampling” process typically involves selecting a representative sample of securities in an index principally to enhance liquidity and reduce transaction costs while seeking to maintain high correlation with, and similar aggregate characteristics (e.g., market capitalization and industry weightings) to, the underlying index. In addition, a Fund may obtain exposure to components not included in the underlying index, invest in securities that are not included in the underlying index or overweight or underweight certain components contained in the underlying index.

ProShare Advisors does not invest the assets of the Funds in securities or financial instruments based on ProShare Advisors’ view of the investment merit of a particular security, instrument, or company, nor does it conduct conventional stock research or analysis, or forecast stock market movement or trends, in managing the assets of the Funds. Each Fund seeks to remain fully invested at all times in securities and/or financial instruments that provide exposure to its underlying index without regard to market conditions, trends or direction. The Funds do not take temporary defensive positions.

## Strategies Specific to the Ultra ProShares

Each Ultra ProShares invests in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the underlying index.

- **Equity Securities** are securities that include common stock, preferred stock, depositary receipts, convertible securities and rights and warrants. Stocks represent an ownership interest in a corporation.
- **Financial Instruments** (including derivatives) are investment contracts whose value is derived from the value of an underlying asset, interest rate or index. Each Ultra ProShares may invest in financial instruments as a substitute for investing directly in stocks or bonds in order to gain exposure to the underlying index. Financial instruments may also be used to produce economically “leveraged” investment results. Use of financial instruments may involve costs, in addition to transaction costs, and suitable financial instruments may not be available in all circumstances. Financial instruments include:
  - **Futures Contracts and Options on Futures Contracts** Futures or futures contracts are contracts to pay a fixed price for an agreed-upon amount of commodities or securities, or the cash value of the commodities or securities on an agreed-upon date.
  - **Swap Agreements** Swap agreements are two-party contracts entered into primarily with institutional investors for a specified period ranging from a day to more than one year. In a standard “swap” transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or “swapped” between the parties are calculated with respect to a “notional amount,” e.g., the return on or change in value of a particular dollar amount invested in a “basket” of securities representing a particular index. The Funds are subject to credit or counterparty risk on the amount each Fund expects to receive from swap agreement counterparties. A swap counterparty default on its payment obligation to a Fund may cause the value of the Fund to decrease.
  - **Forward Contracts** Forward contracts are two-party contracts entered into with dealers or financial institutions where the purchase or sale of a specific quantity of a commodity, security, foreign currency or other financial instrument is agreed upon at a set price, with delivery and settlement at a specified future date. Forward contracts may also be structured for cash settlement, rather than physical delivery.
  - **Options on Securities and Stock Indices and Investments Covering Such Positions** Option contracts grant one party a right, for a price, either to buy or sell a security or futures contract at a fixed price during a specified period or on a specified day. A call option gives one the right to buy a security or futures contract at an agreed-upon price on or before a certain date. A put option gives one the right to sell a security or futures contract at an agreed-upon price on or before a certain date.

- **Investments in Other Investment Companies**

Each Fund may invest in the securities of other investment companies, including exchange traded funds, to the extent that such an investment would be consistent with the requirements of the Investment Company Act of 1940 or any exemptive order issued by the Securities and Exchange Commission. If a Fund invests in, and, thus, is a shareholder of, another investment company, the Fund's shareholders will indirectly bear the Fund's proportionate share of the fees and expenses paid by such other investment company, including advisory fees, in addition to both the management fees payable directly by the Fund to the Fund's own investment adviser and the other expenses that the Fund bears directly in connection with the Fund's own operations.

Because most exchange traded funds are investment companies, absent exemptive relief, investment in such funds generally would be limited under applicable federal statutory provisions. Those provisions restrict a fund's investment in the shares of another investment company to up to 5% of its assets (which may represent no more than 3% of the securities of such other investment company) and limit aggregate investments in all investment companies to 10% of assets. A Fund may invest in certain exchange traded funds in excess of the statutory limit in reliance on an exemptive order issued to those entities and pursuant to procedures approved by the Board provided that it complies with the conditions of the exemptive relief, as they may be amended, and any other applicable investment limitations.

For those Ultra ProShares subject to the SEC "names rule" (Rule 35d-1 under the Investment Company Act of 1940, as amended (the "1940 Act")), each such Fund commits to invest at least 80% of its assets (i.e., net assets plus borrowings for investment purposes), under normal circumstances, in equity securities contained in the underlying index and/or financial instruments that, in combination, should have similar economic characteristics.

In addition, each Ultra ProShares may use other securities, financial instruments and techniques in pursuit of its investment objective. Assets of the Ultra ProShares not invested in equity securities or financial instruments may be invested in debt instruments and/or money market instruments, including repurchase agreements.

### Strategies Specific to the Short ProShares

The Short ProShares invest in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as the inverse (opposite) or a multiple of the inverse of the underlying index. These instruments include:

- **Financial Instruments** (including derivatives) are investment contracts whose value is derived from the value of an underlying asset, interest rate or index and may be used to produce economically "leveraged" investment results. Use of financial instruments may involve costs, in addition to transaction costs, and suitable financial instruments may

not be available in all circumstances. Financial instruments include:

- **Futures Contracts and Options on Futures Contracts**

Futures or futures contracts are contracts to pay a fixed price for an agreed-upon amount of commodities or securities, or the cash value of the commodities or securities on an agreed-upon date.

- **Swap Agreements**

Swap agreements are two-party contracts entered into primarily with institutional investors for a specified period ranging from a day to more than one year. In a standard "swap" transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular pre-determined investments or instruments. The gross returns to be exchanged or "swapped" between the parties are calculated with respect to a "notional amount," e.g., the return on or change in value of a particular dollar amount invested in a "basket" of securities representing a particular index. The Funds are subject to credit or counterparty risk on the amount each Fund expects to receive from swap agreement counterparties. A swap counterparty default on its payment obligation to a Fund may cause the value of the Fund to decrease.

- **Forward Contracts**

Forward contracts are two-party contracts entered into with dealers or financial institutions where a purchase or sale of a specific quantity of a commodity, security, foreign currency or other financial instrument at a set price, with delivery and settlement at a specified future date. Forward contracts may also be structured for cash settlement, rather than physical delivery.

- **Options on Securities and Stock Indices and Investments Covering Such Positions**

Option contracts grant one party a right, for a price, either to buy or sell a security or futures contract at a fixed price during a specified period or on a specified day. A call option gives one the right to buy a security or futures contract at an agreed-upon price on or before a certain date. A put option gives one the right to sell a security or futures contract at an agreed-upon price on or before a certain date.

- **Short Sales** In seeking to achieve its investment objective and as part of its principal investment strategies, the Short ProShares also may engage in short sales transactions with respect to equity securities (including shares of exchange-traded funds) to the extent permitted by the Investment Company Act of 1940. A short sale is a transaction in which a Fund sells a security it does not own in anticipation that the market price of that security will decline. To complete such a transaction, a Fund must borrow the security to make delivery to the buyer. The Fund is then obligated to replace the security borrowed by borrowing the same security from another lender, purchasing it at the market price at the time of replacement or paying the lender an amount equal to the cost of purchasing the security. The price at such time may be more or less than the

price at which the security was sold by the Fund. Until the security is replaced, the Fund is required to repay the lender any dividends it receives or interest which accrues on the security during the period of the loan. To borrow the security, the Fund also may be required to pay a premium, which would increase the cost of the security sold. The net proceeds of the short sale will be retained by the broker, to the extent necessary to meet the margin requirements, until the short position is closed out. A Fund also will incur transaction costs in effecting short sales.

The Short ProShares also may make short sales “against the box,” i.e., when a security identical to or convertible or exchangeable into one owned by a Fund is borrowed and sold short. Whenever a Fund engages in short sales, it earmarks or segregates cash or liquid securities in an amount that, when combined with the amount of collateral deposited with the broker in connection with the short sale, equals the current market value of the security sold short. The earmarked or segregated assets are marked to market daily.

- **Investments in Other Investment Companies**

Each Fund may invest in the securities of other investment companies, including exchange traded funds, to the extent that such an investment would be consistent with the requirements of the Investment Company Act of 1940 or any exemptive order issued by the Securities and Exchange Commission. If a Fund invests in, and, thus, is a shareholder of, another investment company, the Fund’s shareholders will indirectly bear the Fund’s proportionate share of the fees and expenses paid by such other investment company, including advisory fees, in addition to both the management fees payable directly by the Fund to the Fund’s own investment adviser and the other expenses that the Fund bears directly in connection with the Fund’s own operations.

Because most exchange traded funds are investment companies, absent exemptive relief, investment in such funds generally would be limited under applicable federal statutory provisions. Those provisions restrict a fund’s investment in the shares of any particular investment company to up to 5% of its assets (which may represent no more than 3% of the securities of such other investment company) and limit aggregate investments in all investment companies to 10% of assets. A Fund may invest in certain exchange traded funds in excess of the statutory limit in reliance on an exemptive order issued to those entities and pursuant to procedures approved by the Board, subject to the conditions of the exemptive relief, as they may be amended, and any other applicable investment limitations.

In addition, each Short ProShares may use other financial instruments and techniques in pursuit of its investment objective. Assets of the Short ProShares not invested in financial instruments may be invested in debt instruments and/or money market instruments, including repurchase agreements. Short ProShares generally do not invest in equity securities such as common stock. For those Short ProShares subject to the

names rule discussed above, each such Fund commits to at least 80% of assets (i.e., net assets plus borrowings for investment purposes), under normal circumstances, to investments with economic characteristics inverse to those of the underlying index.

### Principal Risks

Like all investments, investing in the Funds entails risks. Many factors affect the value of an investment in a Fund. A Fund’s NAV will change daily based on variations in market conditions, interest rates and other economic, political or financial developments. The impact of these developments on a Fund will depend upon the types of securities in which the Fund invests, the Fund’s level of investment in particular issuers and other factors, including the financial condition, industry, economic sector and location of such issuers.

The factors most likely to have a significant impact on a Fund’s portfolio are called “principal risks.” The principal risks for each Fund are noted in each Fund description and described below. Some risks apply to all Funds, while others are specific to the investment strategies of certain Funds, as indicated below. The Statement of Additional Information (“SAI”) contains additional information about the Funds, their investment strategies and related risks. Each Fund may be subject to risks in addition to those identified as principal risks.

- **Aggressive Investment Technique Risk** (*All Funds*) The Funds use investment techniques that may be considered aggressive, including the use of futures contracts, options on futures contracts, securities and indexes, forward contracts, swap agreements and similar instruments. The Funds’ investment in financial instruments may involve a small investment relative to the amount of investment exposure assumed and may result in losses exceeding the amounts invested. Such instruments, particularly when used to create leverage, may expose the Funds to potentially dramatic changes (losses or gains) in the value of the instruments and imperfect correlation between the value of the instruments and the security or index. The use of aggressive investment techniques also exposes the Funds to risks different from, or possibly greater than, the risks associated with investing directly in securities contained in an index underlying a Fund’s benchmark, including: 1) the risk that an instrument is mispriced; 2) credit or counterparty risk on the amount the Fund expects to receive from a counterparty; 3) the risk that securities prices, interest rates and currency markets will move adversely and the Fund will incur significant losses; 4) the risk that there may be imperfect correlation between the price of financial instruments and movements in the prices of the underlying securities; 5) the risk that the cost of holding a financial instrument might exceed its total return; and 6) the possible absence of a liquid secondary market for any particular instrument and/or possible exchange-imposed price fluctuation limits, which may make it difficult or impossible to adjust a Fund’s position in a particular financial instrument when desired.
- **Concentration Risk** (*All Funds*) A Fund will typically concentrate its investments in issuers of one or

more particular industries to the same extent that its underlying index is so concentrated and to the extent permitted by applicable regulatory guidance. There is a risk that those issuers (or industry sector) will perform poorly and negatively impact a Fund. Concentration risk results from maintaining exposure (long or short) to issuers conducting business in a specific industry. The risk of concentrating investments in a limited number of issuers in a particular industry is that a Fund will be more susceptible to the risks associated with that industry than a Fund that does not concentrate its investments.

- Correlation Risk** (*All Funds*) A number of factors may affect a Fund's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that a Fund will achieve a high degree of correlation. A failure to achieve a high degree of correlation may prevent a Fund from achieving its investment objective. A number of factors may adversely affect a Fund's correlation with its benchmark, including fees, expenses, transaction costs, costs associated with the use of leveraged investment techniques, income items, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which a Fund invests. A Fund may not have investment exposure to all securities in its underlying benchmark index, or its weighting of investment exposure to such stocks or industries may be different from that of the index. In addition, a Fund may invest in securities or financial instruments not included in the index underlying its benchmark. A Fund may be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being over- or under-exposed to its benchmark. Activities surrounding annual index reconstitutions and other index rebalancing or reconstitution events may hinder a Fund's ability to meet its daily investment objective on that day. Each Fund seeks to rebalance its portfolio daily to keep leverage consistent with its daily investment objective.

The Funds are "leveraged" funds in the sense that they have investment objectives to match a multiple or a multiple of the inverse of the performance of an index on a given day. These Funds are subject to all of the correlation risks described above. In addition, there is a special form of correlation risk that derives from these Funds' use of leverage, which is that for periods greater than one day, the use of leverage tends to cause the performance of a Fund to be either greater than or less than the index performance (or the inverse of the index performance) times the stated multiple in the Fund objective, before accounting for fees and fund expenses.

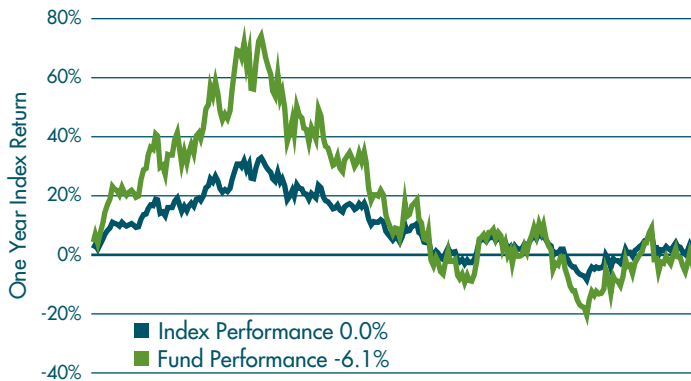
The three graphs that follow illustrate this point. Each of the three graphs shows a simulated hypothetical one year performance of an index compared with the performance of a fund that perfectly achieves its investment objective of twice (200%) the daily index returns. The graphs demonstrate that, for periods greater than one day, a leveraged Fund is likely to underperform or over-perform (but not

match) the index performance (or the inverse of the index performance) times the stated multiple in the Fund objective.

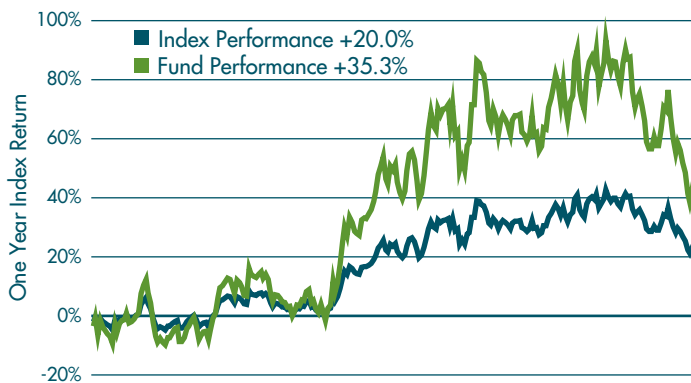
To isolate the impact of leverage, these graphs assume a) no dividends paid by the companies included on the index; b) no fund expenses; and c) borrowing/lending rates (to obtain required leverage) of zero percent. If these costs and expenses were included, the fund's performance would be lower than that shown. Each of the graphs also assumes a volatility rate of 25%, which is an approximate average of the five-year historical volatility rate of the S&P500® Index, S&P MidCap 400™ Index, Russell 2000® Index, NASDAQ-100® Index and Dow Jones Industrial Average™. An index's volatility rate is a statistical measure of the magnitude of fluctuations in the returns of an index. The indexes to which the Funds are benchmarked have different historical volatility rates as shown below:

Index	Historical Five-Year Average Volatility Rate
Russell 3000 Index	21.57%
MSCI EAFE Index	19.73%
MSCI Emerging Markets Index	23.41%
FTSE/Xinhua China 25 Index	35.85%
MSCI Japan Index	24.06%
MSCI Europe Index	22.68%
MSCI Pacific ex-Japan Index	24.95%
MSCI Brazil Index	41.74%
MSCI Mexico Investable Market Index	49.70%

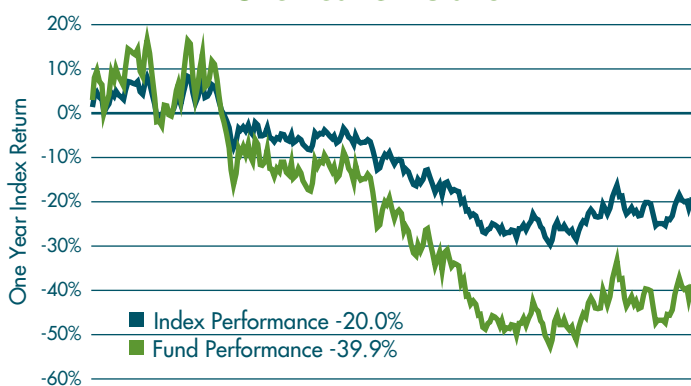
## Flat (Trendless) Market One Year Simulation



## Upward Trending Market One Year Simulation



## Downward Trending Market One Year Simulation



Please see the SAI for a further discussion of how both index volatility and index performance can impact Fund performance, including tables relating to the Short ProShares.

- **Counterparty Risk** (*All Funds*) A Fund will be subject to credit risk (described below) with respect to the amount it expects to receive from counterparties to financial instruments and repurchase agreements entered into by the Fund or held by special purpose or structured vehicles. If a counterparty becomes

bankrupt or otherwise fails to perform its obligations due to financial difficulties, the value of your investment in a Fund may decline. A Fund may experience significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding and a Fund may obtain only limited recovery or may obtain no recovery in such circumstances. The Funds typically enter into transactions with counterparties whose credit rating, at the time of the transaction, is investment grade, as determined by a nationally recognized statistical rating organization, or, if unrated, judged by ProShare Advisors to be of comparable quality.

- **Credit Risk** (*All Funds*) An issuer or guarantor of debt instruments or counterparty to financial instruments may be unable or unwilling to make interest payments and/or repay principal. Changes in an issuer's financial strength or in an issuer's or instrument's credit rating may affect an instrument's value and, thus, have an impact on Fund performance. As described under "Counterparty Risk" above, each Fund will also be subject to credit risk with respect to the amount a Fund expects to receive from counterparties in financial instruments transactions. If a counterparty defaults on its payment obligations to a Fund, the value of your investment in a Fund may decline.
- **Early Close/Trading Halt Risk** (*All Funds*) An exchange or market may close early or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may result in a Fund being unable to buy or sell certain securities or financial instruments. In such circumstances, a Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.
- **Equity Risk** (*All Funds*) The equity markets are volatile, and the value of securities, futures, options contracts and other instruments correlated with the equity markets may fluctuate dramatically from day-to-day. This volatility may cause the value of an investment in a Fund to decrease. The Short ProShares respond differently to these risks than funds that are positively correlated to the equity markets, such as the Ultra ProShares.

- **Exposure to Foreign Investments Risk** (*ProShares Ultra MSCI Emerging Markets, Ultra MSCI EAFE, Ultra MSCI Japan, Ultra FTSE/Xinhua China 25, UltraShort MSCI Brazil, UltraShort MSCI Pacific ex-Japan, UltraShort MSCI Europe and UltraShort MSCI Mexico Investable Market*) Certain of the Funds may invest in securities of foreign issuers or other investments that provide a Fund with exposure to foreign issuers (collectively, "foreign investments"). Certain factors related to foreign investments may prevent a Fund from achieving its goals. These factors include the effect of (i) fluctuations in the value of the local currency versus the U.S. dollar and the uncertainty associated with the cost of converting between various currencies, particularly when currency hedging techniques are unavailable; (ii) differences in settlement practices, as compared to U.S. invest-

ments, or delayed settlements in some foreign markets; (iii) the uncertainty associated with evidence of ownership of investments in many foreign countries, which may lack the centralized custodial services and rigorous proofs of ownership required by many U.S. investments; (iv) possible regulation of, or other limitations on, investments by U.S. investors in foreign investments; (v) brokerage commissions and fees and other investment related costs that may be higher than those applicable to U.S. investments; (vi) the possibility that a foreign government may withhold portions of interest and dividends at the source; (vii) taxation of income earned in foreign nations or other taxes imposed with respect to investments in foreign nations; and (viii) foreign exchange controls, which may include suspension of the ability to transfer currency from a given country. In addition, markets for foreign investments are usually less liquid, more volatile and significantly smaller than markets for U.S. securities, which may affect, among other things, a Fund's ability to purchase or sell foreign investments at appropriate times.

A Fund's ability to achieve its investment objectives also may be affected by factors related to its ability to obtain information about foreign investments. In many foreign countries, there is less publicly available information about issuers than is available in reports about U.S. issuers. Markets for foreign investments are usually not subject to the degree of government supervision and regulation that exists for U.S. investments. Foreign issuers are not generally subject to uniform accounting, auditing and financial reporting standards, and auditing practices and requirements may not be comparable to those applicable to U.S. issuers. Furthermore, the issuers of foreign investments may be closely controlled by a small number of families, institutional investors or foreign governments whose investment decisions might be difficult to predict. To the extent a Fund's assets are exposed to contractual and other legal obligations in a foreign country, e.g., swap agreements with foreign counterparties, these factors may affect the Fund's ability to achieve its investment objectives. A Fund may encounter difficulties or be unable to pursue legal remedies and obtain judgments in foreign courts. In some countries, information about decisions of the judiciary, other government branches, regulatory agencies and tax authorities may be less transparent than decisions by comparable institutions in the U.S., particularly in countries that are politically dominated by a single party or individual. Moreover, enforcement of such decisions may be inconsistent or uncertain.

Foreign investments also may be more susceptible to political, social, economic and regional factors than might be the case for U.S. securities. These factors include the effect of (i) expropriation, nationalization or confiscatory taxation of foreign investments; (ii) changes in credit conditions related to foreign counterparties, including foreign governments and foreign financial institutions; (iii) trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures; and (iv) increased correlation between

the value of foreign investments and changes in the commodities markets. To the extent a Fund focuses its investments on a particular country or region, the Fund's ability to meet its investment objectives may be especially subject to factors and developments related to such country or region.

In addition, a Fund's investments in foreign investments that are related to developing (or "emerging market") countries may be particularly volatile due to the aforementioned factors.

- **Foreign Currency Risk** (*ProShares Ultra MSCI Emerging Markets, Ultra MSCI EAFE, Ultra MSCI Japan, Ultra FTSE/Xinhua China 25, UltraShort MSCI Brazil, UltraShort MSCI Pacific ex-Japan, UltraShort MSCI Europe and UltraShort MSCI Mexico Investable Market*) Investments denominated in foreign currencies are exposed to risk factors in addition to investments denominated in U.S. dollars. The value of an investment denominated in a foreign currency could change significantly as foreign currencies strengthen or weaken relative to the U.S. dollar. Generally, when the U.S. dollar falls in value against a foreign currency, an investment in that country gains value (i.e., a loss to the Short International ProShares) because that currency is worth fewer U.S. dollars. Risks related to foreign currencies also include those related to economic or political developments, market inefficiencies or a higher risk that essential investment information may be incomplete, unavailable or inaccurate. A U.S. dollar investment in Depositary Receipts or Ordinary Shares of foreign issuers traded on U.S. exchanges are subject to foreign currency risk.
- **Geographic Concentration Risk** (*ProShares Ultra MSCI Japan, Ultra FTSE/Xinhua China 25, UltraShort MSCI Brazil and UltraShort MSCI Mexico Investable Market*) Certain Funds that focus their investments in companies economically tied to particular countries or geographic regions may be particularly susceptible to economic, political or regulatory events affecting those countries or regions. In addition, currency devaluations could occur in countries that have not yet experienced currency devaluation to date, or could continue to occur in countries that have already experienced such devaluations. As a result, Funds that focus their investments in companies economically tied to a particular geographic region or country may be more volatile than a more geographically diversified Fund.
- **Inverse Correlation Risk** (*Short ProShares*) Shareholders should lose money when the index underlying a Fund's benchmark rises—a result that is the opposite from traditional equity or bond funds.
- **Liquidity Risk** (*All Funds*) In certain circumstances, such as the disruption of the orderly markets for the securities or financial instruments in which a Fund invests, a Fund might not be able to dispose of certain holdings quickly or at prices that represent true market value in the judgment of ProShare Advisors. Such a situation may prevent a Fund from limiting losses, realizing gains or achieving a high correlation or inverse correlation with its underlying index.

- **Market Price Variance Risk** (*All Funds*) Individual Shares of a Fund will be listed for trading on the Exchange and can be bought and sold in the secondary market at market prices. The market prices of Shares will fluctuate in response to changes in NAV and supply and demand for Shares. ProShare Advisors cannot predict whether Shares will trade above, below or at their NAV. Differences between secondary market prices and NAV for Shares may be due largely to supply and demand forces in the secondary market, which may not be the same forces as those influencing prices for securities or instruments held by a Fund at a particular time. Given the fact that Shares can be created and redeemed in Creation Units, ProShare Advisors believes that large discounts or premiums to the NAV of Shares should not be sustained. There may, however, be times when the market price and the NAV vary significantly and you may pay more than NAV when buying Shares on the secondary market, and you may receive less than NAV when you sell those Shares. The market price of Shares, like the price of any exchange-traded security, includes a “bid-ask spread” charged by the exchange specialist, market makers or other participants that trade the particular security. In times of severe market disruption, the bid-ask spread often increases significantly. This means that Shares may trade at a discount to NAV, and the discount is likely to be greatest when the price of Shares is falling fastest, which may be the time that you most want to sell your Shares. A Fund’s investment results are measured based upon the daily NAV of the Fund. Investors purchasing and selling shares in the secondary market may not experience investment results consistent with those experienced by those creating and redeeming directly with a Fund.
- **Market Risk** (*All Funds*) The Funds are subject to market risks that will affect the value of their Shares, including adverse issuer, political, regulatory, market or economic developments, as well as developments that impact specific economic sectors, industries or segments of the market. Investors in Ultra ProShares should normally lose value on days when the underlying index of such a Fund declines. Investors in Short ProShares should normally lose value on days when the underlying index of such a Fund increases. Each of the Funds seeks to remain fully invested regardless of market conditions.
- **Non-Diversification Risk** (*All Funds*) The Funds are classified as “non-diversified” under the 1940 Act, and each Fund has the ability to invest a relatively high percentage of its investments in the securities of a small number of issuers if there is a small number of issuers in the underlying index or if ProShare Advisors determines that doing so is the most efficient means of meeting the Fund’s objective. This makes the performance of the Funds more susceptible to a single economic, political or regulatory event than a diversified fund might be. This risk may be particularly acute with respect to a Fund whose underlying index comprises a small number of stocks or other securities.
- **Portfolio Turnover Risk** (*All Funds*) Active market trading of Shares may cause more frequent creation or redemption activities that could, in certain circumstances, increase the rate of portfolio turnover. Higher turnover rates may increase brokerage costs and may result in increased taxable capital gains.
- **Short Sale Risk** (*Short ProShares*) Selling short is a technique that may be employed by the Short ProShares to achieve investment exposure consistent with its investment objective. Short selling involves borrowing a security and then selling it. If a Fund buys back the security at a price lower than the price at which it sold the security plus accrued interest, the Fund will earn a positive return (profit) on the difference. If the current market price is greater when the time comes to buy back the security plus accrued interest, the Fund will incur a negative return (loss) on the transaction. The use of short sales may involve additional transaction costs and other expenses. As a result, the cost of maintaining a short position may exceed the return on the position, which may cause a Fund to lose money. Under certain market conditions, short sales can increase the volatility and decrease the liquidity of certain securities or positions and may lower a Fund’s return or result in a loss. Entering into short positions through financial instruments such as futures, options and swap agreements may also cause a Fund to be exposed to short sale risk. Selling short may be considered an aggressive investment technique. See Aggressive Investment Technique Risk.
- **Small- and Mid-Cap Company Investment Risk** (*ProShares Ultra and UltraShort Russell3000, ProShares Ultra MSCI EAFE, ProShares Ultra MSCI Japan, ProShares UltraShort MSCI Europe, ProShares UltraShort MSCI Pacific ex-Japan, ProShares UltraShort MSCI Brazil, ProShares UltraShort MSCI Mexico Investable Market and Ultra MSCI Emerging Markets*) Small- and mid-cap companies may have limited product lines or resources, may be dependant upon a particular market niche and may have greater fluctuations in price than the stocks of larger companies. Further, stocks of small- and mid-sized companies could be more difficult to liquidate during market downturns compared to larger, more widely traded companies. In addition, small- and mid-cap companies may lack the financial and personnel resources to handle economic or industry-wide setbacks and, as a result, such setbacks could have a greater effect on small-cap security prices.
- **Valuation Time Risk** (*ProShares Ultra MSCI Emerging Markets, Ultra MSCI EAFE, Ultra MSCI Japan, Ultra FTSE/Xinhua China 25, UltraShort MSCI Brazil, UltraShort MSCI Pacific ex-Japan, UltraShort MSCI Europe and UltraShort MSCI Mexico Investable Market*) The Funds value their portfolios at 4:00 p.m. (Eastern time). In some cases, foreign securities markets close before such time or may not be open for business on the same calendar days as the Funds. As a result, the daily performance of a Fund that tracks a foreign market index may vary from the performance of that index.

## Additional Securities, Instruments and Strategies

This section describes additional securities, instruments and strategies that may be utilized by a Fund.

- **Depository Receipts (DRs)** include American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and New York Shares (NYSs).
  - ADRs represent the right to receive securities of foreign issuers deposited in a bank or trust company. ADRs are an alternative to purchasing the underlying securities in their national markets and currencies. Investment in ADRs has certain advantages over direct investment in the underlying foreign securities because: (i) ADRs are U.S. dollar-denominated investments that are easily transferable and for which market quotations are readily available, and (ii) issuers whose securities are represented by ADRs are generally subject to auditing, accounting and financial reporting standards similar to those applied to domestic issuers.
  - GDRs are receipts for shares in a foreign-based corporation traded in capital markets around the world. While ADRs permit foreign corporations to offer shares to American citizens, GDRs allow companies in Europe, Asia, the United States and Latin America to offer shares in many markets around the world.
  - A NYS is a share of New York registry, representing equity ownership in a non-U.S. company, allowing for a part of the capital of the company to be outstanding in the U.S. and part in the home market. It is issued by a U.S. transfer agent and registrar on behalf of the company and created against the cancellation of the local share by the local registrar. One NYS is always equal to one ordinary share. NYS programs are typically managed by the same banks that manage ADRs, as the mechanics of the instrument are very similar. NYSs are used primarily by Dutch companies.
- **Leveraged Investment Techniques** include investing in swap agreements, reverse repurchase agreements, futures contracts and options on securities indexes and forward contracts and engaging in borrowing, which may be used to create leverage. Use of leveraged investment techniques may involve additional costs and risks to a Fund.

A Fund may also use particular leveraged investment techniques as part of a strategy designed to reduce, or “hedge,” exposure to other risks. For example, a Fund may use various strategies designed to limit the risk of price fluctuations of its portfolio and to preserve capital, which may include purchasing securities with respect to which the Fund has taken a short position. See Short Sales and Short Sale Risk. Additional leveraged investment techniques may include the use by the Short ProShares of direct investment in equity securities or the use by a Fund of a customized basket of securities that do not necessarily include any of the securities contained in the underlying index. Note, however, that use of hedging techniques may involve additional costs and risks to a Fund. For example, the successful use of hedging techniques

may be adversely affected by imperfect correlation between movements in the price of the securities purchased to hedge and the securities being sold short.

- **Money Market Instruments** are short-term debt instruments that have terms-to-maturity of less than 397 days and exhibit high quality credit profiles. Money market instruments include U.S. government securities, securities issued by governments of other developed countries and repurchase agreements.
- **Repurchase Agreements** are contracts in which a seller of securities, usually U.S. government securities or other money market instruments, agrees to buy them back at a specified time and price. Repurchase agreements are primarily used by the Funds as a short-term investment vehicle for cash positions.
- **Reverse Repurchase Agreements** involve the sale of a security by a Fund to another party (generally a bank or dealer) in return for cash and an agreement by the Fund to buy the security back at a specified price and time. Reverse repurchase agreements may be considered a form of borrowing for some purposes and may create leverage.
- **Structured Notes** are debt obligations that may include components such as swaps, forwards, options, caps or floors, which change their return patterns. Structured notes may be used to alter the risks to a portfolio, or alternatively may be used to indirectly expose a portfolio to asset classes or markets in which one does not desire to invest directly.
- **U.S. Government Securities** are issued by the U.S. government or one of its agencies or instrumentalities. Some, but not all, U.S. government securities are backed by the full faith and credit of the federal government. Other U.S. government securities are backed by the issuer’s right to borrow from the U.S. Treasury and some are backed only by the credit of the issuing organization.

## Special Risks of Exchange-Traded Funds

**Not Individually Redeemable** Shares may be redeemed by a Fund at NAV only in large blocks known as Creation Units. You may incur brokerage costs purchasing enough Shares to constitute a Creation Unit.

**Trading Issues** Trading in Shares on the Exchange may be halted due to market conditions or for reasons that, in the view of the Exchange, make trading in Shares inadvisable. In addition, trading in Shares on the Exchange may be halted due to extraordinary market volatility or other reasons. There can be no assurance that Shares will continue to meet the listing requirements of the Exchange, and the listing requirements may be amended from time to time.

## Precautionary Notes

**A Precautionary Note to Retail Investors** The Depository Trust Company (“DTC”), a limited trust company and securities depository that serves as a national clearinghouse for the settlement of trades for its participating banks and broker-dealers, or its nominee will be the registered owner of all outstanding Shares of each Fund.

Your ownership of Shares will be shown on the records of DTC and the DTC Participant broker through whom you hold the Shares. PROSHARES TRUST WILL NOT HAVE ANY RECORD OF YOUR OWNERSHIP. Your account information will be maintained by your broker, who will provide you with account statements, confirmations of your purchases and sales of Shares, and tax information. Your broker also will be responsible for ensuring that you receive shareholder reports and other communications from the Fund whose Shares you own. Typically, you will receive other services (e.g., average cost information) only if your broker offers these services.

**A Precautionary Note to Purchasers of Creation Units** You should be aware of certain legal risks unique to investors purchasing Creation Units directly from the issuing Fund. Because new Shares may be issued on an ongoing basis, a “distribution” of Shares could be occurring at any time. As a dealer, certain activities on your part could, depending on the circumstances, result in your being deemed a participant in the distribution, in a manner that could render you a statutory underwriter and subject you to the prospectus delivery and liability provisions of the Securities Act of 1933, as amended (the “Securities Act”). For example, you could be deemed a statutory underwriter if you purchase Creation Units from an issuing Fund, break them down into the constituent Shares, and sell those Shares directly to customers, or if you choose to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for Shares. Whether a person is an underwriter depends upon all of the facts and circumstances pertaining to that person’s activities, and the examples mentioned here should not be considered a complete description of all the activities that could cause you to be deemed an underwriter. Dealers who are not “underwriters,” but are participating in a distribution (as opposed to engaging in ordinary secondary market transactions), and thus dealing with Shares as part of an “unsold allotment” within the meaning of Section 4(3)(C) of the Securities Act, will be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act.

**A Precautionary Note to Investment Companies** For purposes of the 1940 Act, each Fund is a registered investment company, and the acquisition of Shares by other investment companies is subject to the restrictions of Section 12(d)(1) thereof.

The Trust and the Funds have obtained an exemptive order from the SEC allowing a registered investment company to invest in a Fund beyond the limits of Section 12(d)(1) subject to certain conditions, including that a registered investment company enters into a Participation Agreement with ProShares Trust regarding the terms of the investment. Any investment company considering purchasing shares of a Fund in amounts that would cause it to exceed the restrictions of Section 12(d)(1) should contact the Trust.

**A Precautionary Note Regarding Unusual Circumstances** ProShares Trust can postpone payment of redemption proceeds for any period during which (1) the New York Stock Exchange (the “NYSE”) is closed other than customary weekend and holiday closings, (2) trading on the NYSE is restricted, (3) any emergency circumstances exist, as determined by the SEC, (4) the SEC by order

permits for the protection of shareholders of a Fund and (5) for up to 14 calendar days for any of *ProShares Ultra MSCI Emerging Markets*, *Ultra MSCI EAFE*, *Ultra MSCI Japan*, *Ultra FTSE/Xinhua China 25*, *UltraShort MSCI Brazil*, *UltraShort MSCI Pacific ex-Japan*, *UltraShort MSCI Europe* and *UltraShort MSCI Mexico Investable Market* during a period of an international local holiday, as further described in the SAI.

## Underlying Indexes

The Funds have entered into licensing agreements for the use of the indexes underlying their benchmarks (each, an “Index”). A description of the Indexes currently underlying the Funds’ benchmarks follows:

### **ProShares Ultra and UltraShort Russell3000:**

The **Russell 3000 Index** offers investors access to the broad U.S. equity universe representing approximately 98% of the U.S. market. The Index is designed to be a comprehensive representation of the investable U.S. equity market and its segments. It is a free float-adjusted market capitalization-weighted index, and includes only common stocks belonging to corporations incorporated in the U.S. and its territories. The Index provides exhaustive coverage of the U.S. equity market by targeting around 98% of free float-adjusted market capitalization in the U.S. As of March 31, 2009, the Index was concentrated in the Consumer, Non-Cyclical industry group, which comprised 26% of the market capitalization of the Index, and included companies with capitalizations between \$3 million and \$337 billion. The average capitalization of the companies comprising the Index was approximately \$3 billion.

### **ProShares Ultra MSCI EAFE:**

The **MSCI EAFE Index** (Europe, Australasia, Far East) adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group in developed market countries, excluding the US & Canada. The Index consists of the following 21 developed market country indexes: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. As of March 31, 2009, the Index included companies with capitalizations between \$224 million and \$130 billion. The average capitalization of the companies comprising the Index was approximately \$7 billion.

### **ProShares Ultra MSCI Emerging Markets:**

The **MSCI Emerging Markets Index** adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group in global emerging markets countries. The Index consists of the following 25 emerging market country indexes: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. As of March 31, 2009, the Index included companies with capitalizations between \$120 million and \$52 billion. The average capitalization of the companies comprising the Index was approximately \$2 billion.

#### **ProShares Ultra FTSE/Xinhua China 25:**

The **FTSE/Xinhua China 25 Index** comprises 25 of the largest and most liquid Chinese stocks listed at the Hong Kong Stock Exchange (HKEX). This free float-adjusted index caps the weight of any of constituent stock at 10% to ensure broad representation of the Chinese economy. As of March 31, 2009, the Index was concentrated in the Financial Services industry group, which comprised 50% of the market capitalization of the Index, and included companies with capitalizations between \$1 billion and \$11 billion. The average capitalization of the companies comprising the Index was approximately \$5 billion.

#### **ProShares Ultra MSCI Japan:**

The **MSCI Japan Index** adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group in Japan. As of March 31, 2009, the Index included companies with capitalizations between \$224 million and \$87 billion. The average capitalization of the companies comprising the Index was approximately \$5 billion.

#### **ProShares UltraShort MSCI Europe:**

The **MSCI Europe Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in Europe. The Index is divided into large- and mid-cap segments and provides exhaustive coverage of these size segments by targeting around 85% of free float-adjusted market capitalization in the region. The Index consists of the following 16 developed market countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. As of March 31, 2009, the Index included companies with capitalizations between \$383 million and \$130 billion. The average capitalization of the companies comprising the Index was approximately \$9 billion.

#### **ProShares UltraShort MSCI Pacific ex-Japan:**

The **MSCI Pacific ex-Japan Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region, excluding Japan. The Index is divided into large- and midcap segments and provides exhaustive coverage of these size segments by targeting around 85% of free float-adjusted market capitalization in the region. The Index consists of the following four developed market countries/cities: Australia, Hong Kong, New Zealand and Singapore. As of March 31, 2009, the Index was concentrated in the Financial Services industry group, which comprised 45% of the market capitalization of the Index, and included companies with capitalizations between \$400 million and \$74 billion. The average capitalization of the companies comprising the Index was approximately \$5 billion.

#### **ProShares UltraShort MSCI Brazil:**

The **MSCI Brazil Index** is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of the Brazilian market. To construct the Index, every listed security in the market is identified. Securities are free float-adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size, liquidity and

minimum free float. The Index is divided into large- and mid-cap segments and provide exhaustive coverage of these size segments by targeting around 85% of free float-adjusted market capitalization in the Brazilian market. As of March 31, 2009, the Index was concentrated in the Energy and Materials industry groups, which comprised 31% and 25% of the market capitalization of the Index, respectively, and included companies with capitalizations between \$312 million and \$39 billion. The average capitalization of the companies comprising the Index was approximately \$4 billion.

#### **ProShares UltraShort MSCI Mexico Investable Market:**

The **MSCI Mexico Investable Market Index** measures the performance of the Mexican equity market. It is a capitalization-weighted index that aims to capture 99% of the (publicly available) total market capitalization. Component companies are adjusted for available float and must meet objective criteria for inclusion to the Index, taking into consideration unavailable strategic shareholdings and limitations to foreign ownership. As of March 31, 2009, the Index was concentrated in the Telecommunications industry group, which comprised 43% of the market capitalization of the Index, and included companies with capitalizations between \$13 million and \$26 billion. The average capitalization of the companies comprising the Index was approximately \$1.7 billion.

#### **Information About the Index Licensors**

The Russell 3000® Index, is a trademark of Russell Investment Group (“Russell”) and has been licensed for use by the Trust. The Funds are not sponsored, endorsed, sold or promoted by Russell. Russell makes no representation or warranty, express or implied, to the shareholders of the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly or the ability of the Indexes to track general stock market performance or a segment of the same. Russell’s publication of the Indexes in no way suggests or implies an opinion by Russell as to the advisability of investment in any or all of the securities upon which the Indexes are based. Russell’s only relationship to the Trust is the licensing of certain trademarks and trade names of Russell and of the Indexes which are determined, composed and calculated by Russell without regard to the Trust or the Funds. Russell is not responsible for any associated literature or publications and Russell makes no representation or warranty express or implied as to their accuracy or completeness, or otherwise. Russell reserves the right, at any time and without notice, to alter, amend, terminate or in any way change the Indexes. Russell has no obligation or liability in connection with the administration, marketing or trading of the Funds.

The Ultra and Short International ProShares are not sponsored, endorsed, sold or promoted by Morgan Stanley Capital International Inc. (“MSCI”), any of its affiliates, any of its information providers or any other third party involved in, or related to, compiling, computing or creating any MSCI Index (collectively, the “MSCI Parties”). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service marks of MSCI or its affiliates and have been licensed for use for

certain purposes by the Trust. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or shareholders of these Funds or any other person or entity regarding the advisability of investing in Funds generally or in these Funds particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks, service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to the Funds or the issuer or shareholders of the Funds or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of these Funds to be issued or in the determination or calculation of the equation by or the consideration into which these Funds are redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of these Funds or any other person or entity in connection with the administration, marketing or offering of these Funds.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the Funds, shareholders of the Funds, or any other person or entity, from the use of any MSCI Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

The Funds are not in any way sponsored, endorsed, sold or promoted by FTSE/Xinhua Index Limited ("FXI"), FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "London Exchange"), The Financial Times Limited ("FT") or Xinhua Finance Limited ("Xinhua") (collectively, the "FTSE Licensor Parties") and none of the FTSE Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE/Xinhua China 25 Index and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The FTSE/Xinhua China 25 Index

is compiled and calculated by FTSE on behalf of FXI. None of the FTSE Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the FTSE/Xinhua China 25 Index and none of the FTSE Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of the Exchange and the FT and is used by FXI under license. "Xinhua®" is a trade mark of Xinhua and is used by FXI under license.

(Please see the SAI, which sets forth certain additional disclaimers and limitations of liabilities.)

# Ultra ProShares

Ultra ProShares seek to provide daily investment results, before fees and expenses, that double (200%) the daily performance of their applicable indexes.

Fund Name	Index	Benchmark
ULTRA MARKETCAP		
ULTRA <b>Russell3000</b>	Russell3000®	Double (200%)
ULTRA INTERNATIONAL		
ULTRA <b>MSCI EAFE</b>	MSCI EAFE	Double (200%)
ULTRA <b>MSCI Emerging Markets</b>	MSCI Emerging Markets	Double (200%)
ULTRA <b>FTSE/Xinhua China 25</b>	FTSE/Xinhua China 25	Double (200%)
ULTRA <b>MSCI Japan</b>	MSCI Japan	Double (200%)

An investment in a Fund is not a deposit of a bank, and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Funds are not guaranteed to achieve their investment objectives, and an investment in a Fund could lose money. No single Fund is a complete investment program.

# ProShares Ultra Russell3000

Ticker: UWC

CUSIP: 74347X 104

## Investment Objective

**ProShares Ultra Russell3000** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the Russell 3000 Index.

If **ProShares Ultra Russell3000** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as the Russell 3000 Index (Index) when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as the Index when the Index declines on a given day.

## Principal Investment Strategies

**ProShares Ultra Russell3000's** principal investment strategies include:

- Investing in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the Russell 3000 Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, under normal circumstances, to equity securities contained in the Index and/or financial instruments that, in combination, should have similar economic characteristics.
- Employing leveraged investment techniques and/or sampling techniques in seeking its investment objective.
- Investing assets not invested in equity securities or financial instruments in debt securities and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Consumer, Non-Cyclical industry group, which comprised 26% of the Index's market capitalization.

## Principal Risks

**ProShares Ultra Russell3000** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Small- and Mid-Cap Company Investment Risk and Technology Investment Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks,

including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 30, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on July 2, 2009. Performance history will be available for the **ProShares Ultra Russell3000** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares Ultra Russell3000**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.80%
<b>Total Annual Fund Operating Expenses</b>	<b>1.55%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.60%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares Ultra Russell3000** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units principally on an in-kind basis for portfolio securities included in the Index and cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares Ultra Russell3000** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$431

# ProShares Ultra MSCI EAFE

Ticker: EFO

CUSIP: 74347X 500

## Investment Objective

**ProShares Ultra MSCI EAFE** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the MSCI EAFE Index.

If **ProShares Ultra MSCI EAFE** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as the MSCI EAFE Index when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as the Index when the Index declines on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares Ultra MSCI EAFE's** principal investment strategies include:

- Investing in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the MSCI EAFE Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, under normal circumstances, to equity securities contained in the Index and/or financial instruments that, in combination, should have similar economic characteristics.
- Employing leveraged investment techniques and/or sampling techniques in seeking its investment objective.
- Investing assets not invested in equity securities or financial instruments in debt securities and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated.

## Principal Risks

**ProShares Ultra MSCI EAFE** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investments Risk, Foreign Currency Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 2, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 4, 2009. Performance history will be available for the **ProShares Ultra MSCI EAFE** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares Ultra MSCI EAFE**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.53%
<b>Total Annual Fund Operating Expenses</b>	<b>1.28%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.33%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares Ultra MSCI EAFE** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units principally on an in-kind basis for portfolio securities included in the Index and cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the

brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares Ultra MSCI EAFE** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$373

# ProShares Ultra MSCI Emerging Markets

Ticker: EET

CUSIP: 74347X 302

## Investment Objective

**ProShares Ultra MSCI Emerging Markets** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the MSCI Emerging Markets Index.

If **ProShares Ultra MSCI Emerging Markets** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as the MSCI Emerging Markets Index (Index) when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as the Index when the Index declines on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares Ultra MSCI Emerging Markets'** principal investment strategies include:

- Investing in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the MSCI Emerging Markets Index. Information about the MSCI Emerging Markets Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, under normal circumstances, to equity securities contained in the Index and/or financial instruments that, in combination, should have similar economic characteristics.
- Employing leveraged investment techniques and/or sampling techniques in seeking its investment objective.
- Investing assets not invested in equity securities or financial instruments in debt securities and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated.

## Principal Risks

**ProShares Ultra MSCI Emerging Markets** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investments Risk, Foreign Currency Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 2, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 4, 2009. Performance history will be available for the **ProShares Ultra MSCI Emerging Markets** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold or sell Creation Units of **ProShares Ultra MSCI Emerging Markets**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.53%
<b>Total Annual Fund Operating Expenses</b>	<b>1.28%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.33%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares Ultra MSCI Emerging Markets** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units principally

on an in-kind basis for portfolio securities included in the Index and cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares Ultra MSCI Emerging Markets** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$373

# ProShares Ultra FTSE/Xinhua China 25

Ticker: XPP

CUSIP: 74347X 880

## Investment Objective

**ProShares Ultra FTSE/Xinhua China 25** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the FTSE/Xinhua China 25 Index.

If **ProShares Ultra FTSE/Xinhua China 25** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as the FTSE/Xinhua China 25 Index when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as the Index when the Index declines on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange-traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares Ultra FTSE/Xinhua China 25's** principal investment strategies include:

- Investing in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the FTSE/Xinhua China 25 Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, under normal circumstances, to equity securities contained in the Index and/or financial instruments that, in combination, should have similar economic characteristics.
- Employing leveraged investment techniques and/or sampling techniques in seeking its investment objective.
- Investing assets not invested in equity securities or financial instruments in debt securities and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Financial Services industry group, which comprised 50% of the Index's market capitalization.

## Principal Risks

**ProShares Ultra FTSE/Xinhua China 25** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investment Risk, Foreign Currency Risk, Geographic Concentration Risk,

Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk and Valuation Time Risk.

The performance of ProShares Ultra FTSE/Xinhua China 25 will be affected by the political, social and economic conditions in China and subject to the related risks.

**Political and Social**—The Chinese government is authoritarian and has periodically used force to suppress civil dissent. Disparities of wealth and the pace of economic liberalization may lead to social turmoil, violence and labor unrest. In addition, China continues to experience disagreements related to integration with Hong Kong and religious and nationalist disputes with Tibet. Unanticipated political or social developments may result in sudden and significant investment losses. China has strained international relations with Taiwan, India, Russia and other neighbors due to territorial disputes, historical animosities and other defense concerns. Relations between China and Tibet are also strained and have been marked by protests and violence. These situations may cause uncertainty in the Chinese market and may adversely affect performance of the Chinese economy.

**Economic**—The Chinese government has implemented significant economic reforms in order to liberalize trade policy, promote foreign investment in the economy, reduce government control of the economy and develop market mechanisms. But there can be no assurance these reforms will continue or that they will be effective. Despite recent reform and privatizations, heavy regulation of investment and industry is still pervasive and the Chinese government may restrict foreign ownership of Chinese corporations and repatriation of assets. The Chinese economy has grown rapidly during the past several years and there is no assurance that this growth rate will be maintained. China may experience substantial rates of inflation or economic recessions, causing a negative effect on the economy and securities market. Delays in enterprise restructuring, slow development of well-functioning financial markets and widespread corruption have also hindered performance of the Chinese economy and China continues to receive substantial pressure from trading partners to liberalize official currency exchange rates. The Chinese government continues to maintain a major role in economic policy making and investing in China involves risk of loss due to expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested.

Export growth continues to be a major driver of China's rapid economic growth. To increase exports, China has pursued policies such as liberalizing trading rights and encouraging foreign companies to conduct manufacturing and assembly operations in China. Reduction in spending on Chinese products and services, institution of tariffs or other trade barriers or a downturn in any of the economies of China's key trading partners may have an adverse impact on the companies in which the Fund invests.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted

above, please refer to the sections entitled “Principal Investment Strategies” and “Principal Risks”. The section titled “Special Risks of Exchange-Traded Funds” in this Prospectus and the SAI contain additional information about the Fund and related risks.

### Fund Performance

An initial investment in the Fund by the Fund’s initial Authorized Participant is expected to be made on June 2, 2009. The Fund’s Shares are expected to be listed on the Exchange and offered to the public on June 4, 2009. Performance history will be available for **ProShares Ultra FTSE/Xinhua China 25** after it has been in operation for a full calendar year.

### Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares Ultra FTSE/Xinhua China 25**.

#### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.52%
<b>Total Annual Fund Operating Expenses</b>	<b>1.27%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.32%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund’s shares are offered publicly.

<sup>B</sup> “Other Expenses” include fees paid for management (non-advisory) services (as described under “Management of ProShares Trust” later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund’s shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund’s expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares Ultra FTSE/Xinhua China 25** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units principally on an in-kind basis for portfolio securities included in the Index and cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares Ultra FTSE/Xinhua China 25** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund’s annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

1 Year	3 Years
\$97	\$371

# ProShares Ultra MSCI Japan

Ticker: EZJ

CUSIP: 74347X 708

## Investment Objective

**ProShares Ultra MSCI Japan** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the daily performance of the MSCI Japan Index.

If **ProShares Ultra MSCI Japan** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as the MSCI Japan Index when the Index rises on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as the Index when the Index declines on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange-traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares Ultra MSCI Japan's** principal investment strategies include:

- Investing in equity securities and/or financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the daily return of the MSCI Japan Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, under normal circumstances, to equity securities contained in the Index and/or financial instruments that, in combination, should have similar economic characteristics.
- Employing leveraged investment techniques and/or sampling techniques in seeking its investment objective.
- Investing assets not invested in equity securities or financial instruments in debt securities and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated.

## Principal Risks

**ProShares Ultra MSCI Japan** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investment Risk, Foreign Currency Risk, Geographic Concentration Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The performance of ProShares Ultra MSCI Japan will be affected by the political, social and economic conditions in Japan and subject to the related risks.

**Political and Social**—Japan's relations with its neighbors, particularly China, North Korea, South Korea and Russia have at times been strained due to territorial disputes, historical animosities and defense concerns. Most recently, the Japanese Government has shown concern over the increased nuclear and military activity by North Korea. These strained relations may cause uncertainty in the Japanese markets and adversely affect the overall Japanese economy in times of crises. Historically, Japan has been subject to unpredictable national politics and may experience frequent political turnover. Future political developments may lead to changes in policy that might adversely affect the Fund's investments.

**Economic**—The Japanese economy is heavily dependent on international trade and has been adversely affected by trade tariffs, other protectionist measures and rising commodity prices. Japanese economic growth has been dependent on the U.S. and Chinese economies, with trade increasing with China. The Japanese economy faces several concerns, including a financial system with large levels of nonperforming loans, over-leveraged corporate balance sheets, extensive cross-ownership by major corporations, a changing corporate governance structure and large government deficits. The Japanese Yen has fluctuated widely at times and any increase in its value may cause a decline in exports that could weaken the economy. Japan also has an aging workforce that is undergoing fundamental structural changes, as traditional lifetime employment clashes with the need for increased labor mobility and flexibility.

Economic events in the Southeast Asian area also can have significant economic effects on the entire Asian region including Japan. Certain Asian economies have experienced over-extension of credit, currency devaluations and restrictions, high unemployment, high inflation, decreased exports and economic recessions.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 2, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 4, 2009. Performance history will be available for the **ProShares Ultra MSCI Japan** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares Ultra MSCI Japan**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.63%
<b>Total Annual Fund Operating Expenses</b>	<b>1.38%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.43%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares Ultra MSCI Japan** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units principally on an in-kind basis for portfolio securities included in the Index and cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares Ultra MSCI Japan** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$395

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# Short ProShares

Short ProShares seek to provide daily investment results, before fees and expenses, that double (200%) the inverse (opposite) of the daily performance of their applicable indexes.

Fund Name	Index	Benchmark
SHORT MARKETCAP		
ULTRASHORT <b>Russell3000</b>	Russell3000®	200% of the inverse
SHORT INTERNATIONAL		
ULTRASHORT <b>MSCI Europe</b>	MSCI Europe	200% of the inverse
ULTRASHORT <b>MSCI Pacific ex-Japan</b>	MSCI Pacific ex-Japan	200% of the inverse
ULTRASHORT <b>MSCI Brazil</b>	MSCI Brazil	200% of the inverse
ULTRASHORT <b>MSCI Mexico Investable Market</b>	MSCI Mexico Investable Market	200% of the inverse

# ProShares UltraShort Russell3000

Ticker: TWQ

CUSIP: 74347X 203

## Investment Objective

**ProShares UltraShort Russell3000** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the inverse (opposite) of the daily performance of the Russell 3000 Index.

If **ProShares UltraShort Russell3000** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as any decrease in the Russell 3000 Index when the Index declines on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as any increase in the Index when the Index rises on a given day.

## Principal Investment Strategies

**ProShares UltraShort Russell3000's** principal investment strategies include:

- Taking positions in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the inverse of the Russell 3000 Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, to investments that, in combination, have economic characteristics that are inverse to those of the Index.
- Employing leveraged investment techniques in seeking its investment objective.
- Investing assets not invested in financial instruments in debt instruments and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Consumer, Non-Cyclical industry group, which comprised 26% of the Index's market capitalization.

## Principal Risks

**ProShares UltraShort Russell3000** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Inverse Correlation Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Short Sale Risk and Small- and Mid-Cap Company Investment Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 30, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on July 2, 2009. Performance history will be available for **ProShares UltraShort Russell3000** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares UltraShort Russell3000**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.21%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.26%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares UltraShort Russell3000** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units for cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares UltraShort Russell3000** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although

your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

**1 Year**

\$97

**3 Years**

\$358

# ProShares UltraShort MSCI Europe

Ticker: EPV

CUSIP: 74347X 807

## Investment Objective

**ProShares UltraShort MSCI Europe** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the inverse (opposite) of the daily performance of the MSCI Europe Index.

If **ProShares UltraShort MSCI Europe** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as any decrease in the MSCI Europe Index when the Index declines on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as any increase in the Index when the Index rises on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares UltraShort MSCI Europe's** principal investment strategies include:

- Taking positions in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the inverse of the MSCI Europe Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, to investments that, in combination, have economic characteristics that are inverse to those of the Index.
- Employing leveraged investment techniques in seeking its investment objective.
- Investing assets not invested in financial instruments in debt instruments and/or money market instruments.

## Principal Risks

**ProShares UltraShort MSCI Europe** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Correlation Risk, Counterparty Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investment Risk, Foreign Currency Risk, Inverse Correlation Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Short Sale Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 9, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 11, 2009. Performance history will be available for **ProShares UltraShort MSCI Europe** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares UltraShort MSCI Europe**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.21%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.26%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" are based on estimates for the current fiscal year. Other Expenses include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares UltraShort MSCI Europe** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units for cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares UltraShort MSCI Europe** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$358

# ProShares UltraShort MSCI Pacific ex-Japan

Ticker: JPX

CUSIP: 74347X 609

## Investment Objective

**ProShares UltraShort MSCI Pacific ex-Japan** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the inverse (opposite) of the daily performance of the MSCI Pacific ex-Japan Index.

If **ProShares UltraShort MSCI Pacific ex-Japan** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as any decrease in the MSCI Pacific ex-Japan Index when the Index declines on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as any increase in the Index when the Index rises on a given day.

Because the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares UltraShort MSCI Pacific ex-Japan's** principal investment strategies include:

- Taking positions in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the inverse of the MSCI Pacific ex-Japan Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, to investments that, in combination, have economic characteristics that are inverse to those of the Index.
- Employing leveraged investment techniques in seeking its investment objective.
- Investing assets not invested in financial instruments in debt instruments and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Financial Services industry group, which comprised 45% of the Index's market capitalization.

## Principal Risks

**ProShares UltraShort MSCI Pacific ex-Japan** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Counterparty Risk, Correlation Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investment Risk, Foreign Currency Risk, Inverse Correlation Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Short Sale Risk, Small- and Mid-Cap Company Risk and Valuation Time Risk.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 9, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 11, 2009. Performance history will be available for **ProShares UltraShort MSCI Pacific ex-Japan** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares UltraShort MSCI Pacific ex-Japan**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.21%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.26%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" are based on estimates for the current fiscal year. Other Expenses include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares UltraShort MSCI Pacific ex-Japan** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units for cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the

brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares UltraShort MSCI Pacific ex-Japan** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$358

# ProShares UltraShort MSCI Brazil

Ticker: BZQ

CUSIP: 74347X 401

## Investment Objective

**ProShares UltraShort MSCI Brazil** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the inverse (opposite) of the daily performance of the MSCI Brazil Index.

If **ProShares UltraShort MSCI Brazil** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as any decrease in the MSCI Brazil Index when the Index declines on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as any increase in the Index when the Index rises on a given day.

When the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares UltraShort MSCI Brazil's** principal investment strategies include:

- Taking positions in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the inverse of the MSCI Brazil Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, to investments that, in combination, have economic characteristics that are inverse to those of the Index.
- Employing leveraged investment techniques in seeking its investment objective.
- Investing assets not invested in financial instruments in debt instruments and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Energy and Materials industry groups, which comprised 31% and 25%, respectively, of the Index's market capitalization.

## Principal Risks

**ProShares UltraShort MSCI Brazil** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Counterparty Risk, Concentration Risk, Correlation Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investment Risk, Foreign Currency Risk, Geographic Concentration Risk, Inverse Correlation Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk,

Short Sale Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The performance of **ProShares UltraShort MSCI Brazil** will be affected by the political, social and economic conditions in Brazil and subject to the related risks.

**Political and Social**—The Brazilian government has begun a program of privatization, notably in the telecommunications and energy sectors. Historically, investors in some newly privatized entities have suffered losses due to inability of the newly privatized company to adjust quickly to a competitive environment or to changed regulatory and legal standards. There is no assurance that similar losses will not recur. Disparities of wealth, the pace and success of democratization and capital market development and ethnic and religious and racial disaffection have led to social unrest, violence and labor unrest. Unanticipated political or social developments may result in sudden and significant investment losses.

**Economic**—Brazil is heavily dependent upon commodity prices and international trade and suffers from high inflation rates. Brazil, like some emerging market countries, is likely to experience currency devaluations and economic recessions causing a negative effect on its economy and securities market. Brazil is highly dependent on trade with other countries. The Brazilian economy is affected by the economies of other Central and South American countries, some of which have experienced high interest rates, economic volatility, inflation, currency devaluations and high unemployment rates. Any adverse economic event in one country can have a significant effect on other countries of this region. In addition, commodities (such as oil, gas and minerals) represent a significant percentage of the region's exports and many economies in this region, including Brazil's, are particularly sensitive to fluctuations in commodity prices. Brazil continues to suffer from chronic structural public sector deficits. Brazil's outstanding government debt has in recent times been as high as 51% of gross domestic product. Total foreign debt is still large in relation to Brazil's export base.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

## Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 9, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 11, 2009. Performance history will be available for **ProShares UltraShort MSCI Brazil** after it has been in operation for a full calendar year.

## Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares UltraShort MSCI Brazil**.

### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.21%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.26%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" are based on estimates for the current fiscal year. Other Expenses include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares UltraShort MSCI Brazil** with the cost of investing in other funds. Investors should note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units for cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares UltraShort MSCI Brazil** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

<b>1 Year</b>	<b>3 Years</b>
\$97	\$358

# ProShares UltraShort MSCI Mexico Investable Market

Ticker: SMK

CUSIP: 74347X 872

## Investment Objective

**ProShares UltraShort MSCI Mexico Investable Market** seeks daily investment results, before fees and expenses, that correspond to twice (200%) the inverse (opposite) of the daily performance of the MSCI Mexico Investable Market Index.

If **ProShares UltraShort MSCI Mexico Investable Market** is successful in meeting its objective, its net asset value should gain approximately twice as much, on a percentage basis, before fees and expenses, as any decrease in the MSCI Mexico Investable Market Index when the Index declines on a given day. Conversely, its net asset value should lose approximately twice as much, on a percentage basis, before fees and expenses, as any increase in the Index when the Index rises on a given day.

When the value of the Index is not computed as of the close of the U.S. securities markets due to differences in trading hours between U.S. and foreign markets, correlation to the Index will be measured by comparing the daily change in the Fund's net asset value per share to the performance of one or more U.S. exchange traded securities or instruments that reflect the values of the securities underlying the Index as of the close of the U.S. securities markets.

## Principal Investment Strategies

**ProShares UltraShort MSCI Mexico Investable Market's** principal investment strategies include:

- Taking positions in financial instruments (including derivatives) that ProShare Advisors believes, in combination, should have similar daily return characteristics as twice (200%) the inverse of the MSCI Mexico Investable Market Index. Information about the Index can be found in the section entitled "Underlying Indexes."
- Committing at least 80% of its net assets, including any borrowings for investment purposes, to investments that, in combination, have economic characteristics that are inverse to those of the Index.
- Employing leveraged investment techniques in seeking its investment objective.
- Investing assets not invested in financial instruments in debt instruments and/or money market instruments.
- The Fund will concentrate its investments in a particular industry or group of industries to approximately the same extent as the Index is so concentrated. As of March 31, 2009, the Index was concentrated in the Telecommunications industry group, which comprised approximately 43% of the Index's market capitalization.

## Principal Risks

**ProShares UltraShort MSCI Mexico Investable Market** is subject to the following principal risks:

- Aggressive Investment Technique Risk, Concentration Risk, Counterparty Risk, Correlation Risk, Credit Risk, Early Close/Trading Halt Risk, Equity Risk, Exposure to Foreign Investments Risk, Foreign Currency Risk, Geographic Concentration Risk,

Inverse Correlation Risk, Liquidity Risk, Market Price Variance Risk, Market Risk, Non-Diversification Risk, Portfolio Turnover Risk, Short Sale Risk, Small- and Mid-Cap Company Investment Risk and Valuation Time Risk.

The performance of ProShares UltraShort MSCI Mexico Investable Markets will be affected by the political, social and economic conditions in Mexico and subject to the related risks.

Political and Social—Mexico has begun a process of privatization of certain entities and industries. Historically, investors in some newly privatized entities have suffered losses due to the inability of the newly privatized company to adjust quickly to a competitive environment or to changing regulatory and legal standards. There is no assurance that such losses will not recur. Mexico has been destabilized by local insurrections and social upheavals in certain regions, particularly the State of Chiapas. Recurrence of these conditions may adversely impact the Mexican economy. In addition, Mexico has had one political party dominating government until the elections of 2000. Recently, Mexican elections have been contentious and have been very closely decided. Changes in political parties or other Mexican political events may affect the economy and cause instability. Mexico also has historically experienced acts of terrorism, significant criminal activity and strained international relations related to border disputes, historical animosities, the drug trade and other defense concerns. These situations may cause uncertainty in the Mexican market and adversely affect the performance of the Mexican economy.

Economic—Mexico has, in recent history, experienced substantial economic instability resulting from, among other things, periods of very high inflation and significant devaluations of the Mexican currency, the peso. The Mexican economy is dependent on the economies of the Americas as key trading partners. Reduction in spending by these economies on Mexican products and services or negative changes in any of these economies may cause an adverse impact on the Mexican economy. The Mexican economy may be significantly affected by the economies of other Central and South American countries. High interest, inflation, and unemployment rates characterize the economies in some Central and South American countries. Currency devaluations in any Central and South American country can have a significant effect on the entire region. Because commodities such as oil and gas, minerals, and metals represent a significant percentage of the region's exports, the economies of Central and South American countries are particularly sensitive to fluctuations in commodity prices. As a result, the economies in many Central and South American countries can experience significant volatility. The United States is Mexico's largest trade and investment partner and the Mexican economy is significantly affected by developments in the U.S. economy. Since the implementation of the North American Free Trade Agreement ("NAFTA") in 1994 among Canada, the U.S. and Mexico, total two-way merchandise trade between the United States and Mexico has increased. To further this relationship, the three NAFTA countries entered into The Security and Prosperity Partnership of North America in March 2005, which

may further affect Mexico's dependency on the U.S. economy. Any downturn in U.S. or Canadian economic activity is likely to have an adverse impact on the Mexican economy.

The Fund may be subject to risks in addition to those identified as principal risks. For more information on the Fund's principal investment strategies and risks, including a description of the principal risks noted above, please refer to the sections entitled "Principal Investment Strategies" and "Principal Risks". The section titled "Special Risks of Exchange-Traded Funds" in this Prospectus and the SAI contain additional information about the Fund and related risks.

### Fund Performance

An initial investment in the Fund by the Fund's initial Authorized Participant is expected to be made on June 9, 2009. The Fund's Shares are expected to be listed on the Exchange and offered to the public on June 11, 2009. Performance history will be available for **ProShares UltraShort MSCI Mexico Investable Market** after it has been in operation for a full calendar year.

### Fees and Expenses

The following table describes the estimated fees and expenses you may pay when you buy, hold, or sell Creation Units of **ProShares UltraShort MSCI Mexico Investable Market**.

#### Annual Fund Operating Expenses

(as a percentage of average daily net assets)

Investment Advisory Fee	0.75%
Distribution and Service (12b-1) fees <sup>A</sup>	0.00%
Other Expenses <sup>B</sup>	0.46%
<b>Total Annual Fund Operating Expenses</b>	<b>1.21%</b>
Fee Waivers/Reimbursements <sup>C</sup>	0.26%
<b>Total Net Annual Fund Operating Expenses</b>	<b>0.95%</b>

<sup>A</sup> The Fund has adopted a Distribution (12b-1) Plan pursuant to which the Fund may be subject to an annual 12b-1 fee of up to 0.25%. However, no such fee is currently charged to the Fund and no such fees will be charged prior to the one year anniversary of the date that the Fund's shares are offered publicly.

<sup>B</sup> "Other Expenses" are based on estimates for the current fiscal year. Other Expenses include fees paid for management (non-advisory) services (as described under "Management of ProShares Trust" later in this Prospectus), legal and audit fees, printing costs, registration fees, custodial, fund accounting, administration and index receipt agent fees and costs associated with independent trustees and certain miscellaneous expenses.

<sup>C</sup> ProShare Advisors has contractually agreed to waive Investment Advisory and Management Services Fees and to reimburse Other Expenses to the extent Total Annual Fund Operating Expenses, as a percentage of average daily net assets, exceed 0.95% through the one year anniversary of the date that the Fund's shares are offered publicly. After such date, the expense limitation may be terminated or revised. Amounts waived or reimbursed in a particular fiscal year may be recouped by ProShare Advisors within five years of the waiver or reimbursement to the extent that recoupment will not cause the Fund's expenses to exceed any expense limitation in place at that time.

**Example:** The following example is intended to help you compare the cost of investing in shares of **ProShares UltraShort MSCI Mexico Investable Market** with the cost of investing in other funds. Investors should

note that the following examples are for illustration purposes only and are not meant to suggest actual or expected fees and expenses or returns, all of which may vary. The Fund issues and redeems shares in Creation Units for cash. Shares are not redeemable in less than Creation Unit aggregations. The example does not include the brokerage commissions that secondary market investors may incur to buy and sell shares.

The following example assumes that you invest \$10,000 in **ProShares UltraShort MSCI Mexico Investable Market** for the time periods indicated and sell all of your shares at the end of those periods, but does not include transaction fees on purchases and redemptions of shares. The example also assumes that your investment has a 5% annual return each year and that the Fund's annual operating expenses remain exactly as described in the fee table. Although your actual costs may be higher or lower, based on the assumptions, your approximate costs would be:

1 Year	3 Years
\$97	\$358

# Creation and Redemption of Creation Units

## Creation and Redemption of Creation Units

Each Fund issues and redeems Shares only in bundles of a specified number of Shares. These bundles are known as “Creation Units.” To purchase or redeem a Creation Unit, you must be an Authorized Participant or you must do so through a broker that is an Authorized Participant. An Authorized Participant is a participant in the DTC that has executed a Participant Agreement with the Funds’ distributor (the “Distributor”). Because Creation Units likely will cost millions of dollars, it is expected that only institutional investors will purchase and redeem Shares directly with an issuing Fund.

Retail investors may acquire Shares on the secondary market (i.e., not from the issuing Fund) through a broker. Shares of each Fund are listed on the Exchange and are publicly traded. For information about acquiring Shares through a secondary market purchase, please contact your broker. If you want to sell Shares of a Fund on the secondary market, you must do so through your broker.

When you buy or sell Shares on the secondary market, your broker may charge you a commission or other transaction charges and you may pay some or all of the spread between the bid and the offered price for each purchase or sale transaction. Unless imposed by your broker, there is no minimum dollar amount you must invest and no minimum number of Shares you must buy in the secondary market. In addition, because secondary market transactions occur at market prices, you may pay more than NAV when you buy Shares, and receive less than NAV when you sell those Shares.

The Funds impose no restrictions on the frequency of purchases and redemptions directly with the Funds. In establishing this policy, the Board noted that the Funds are expected to be attractive to arbitrageurs (where trading activity is critical to ensuring that Shares trade at or close to net asset value per Share) as well as active institutional and retail investors interested in buying and selling equity market basket index securities on a short-term basis. In addition, the Board considered that, unlike traditional mutual funds, each Fund issues and redeems its Shares at net asset value per Share in Creation Units plus applicable transaction fees and each Fund’s Shares may be purchased and sold on the Exchange at prevailing market prices. Given this structure, the Board determined that the risks of frequent trading were less than in the case of a traditional mutual fund. Nevertheless, to the extent that purchases and redemptions directly with the Funds are effected in cash rather than through a contribution or redemption of portfolio securities, frequent purchases and redemptions could increase the rate of portfolio turnover. A high ratio of portfolio turnover may negatively impact a Fund’s performance by increasing transaction costs. In addition, large movements of cash into or out of the Funds may negatively impact a Fund’s ability to achieve its investment objective or maintain a consistent level of operating expenses.

### Purchasing Shares Directly From a Fund

You can purchase Shares directly from a Fund only if you meet the following criteria and comply with purchase transaction procedures specified by the Trust.

**Eligible Investors** To purchase Shares directly from a Fund, you must be an Authorized Participant or you

must purchase through a broker that is an Authorized Participant. Investors should contact the Distributor for the names of Authorized Participants.

**Creation Units** You must purchase Shares in large blocks, known as “Creation Units.” For each Fund, a Creation Unit is comprised of 50,000 shares.

For any particular Fund, the number of Shares in a Creation Unit will not change, except in the event of a share split, reverse split or similar revaluation. The Funds will not issue fractional Creation Units. The Funds reserve the right to reject purchase orders in certain circumstances, as described in the SAI.

### Procedures Applicable to Purchase of Ultra ProShares

**In-kind Deposits** To purchase Shares directly from an Ultra ProShares, you must deposit with the Fund a basket of securities and cash. Each business day, prior to the opening of trading on the Exchange, an agent of the Fund (“Index Receipt Agent”) will make available through the National Securities Clearing Corporation (“NSCC”) a list of the names and number of shares of each security to be included in that day’s creation basket (“Deposit Securities”). The identity and number of shares of the Deposit Securities required for a Creation Unit changes as rebalancing adjustments and corporate action events are reflected from time to time by ProShare Advisors with a view to the investment objectives of the Ultra ProShares. The composition of the Deposit Securities may also change in response to adjustments to the weighting or composition of the securities constituting the relevant securities index. Each Fund reserves the right to permit or require the substitution of an amount of cash—i.e., a “cash in lieu” amount—to be added to the Balancing Amount (defined below) to replace any Deposit Security that may not be available in sufficient quantity for delivery or that may not be eligible for transfer through the Clearing Process (discussed below), or that may not be eligible for trading by an Authorized Participant or the investor for which it is acting.

**Balancing Amount** In addition to the in-kind deposit of securities, Authorized Participants will either pay to, or receive from, an Ultra ProShares an amount of cash referred to as the “Balancing Amount.” The Balancing Amount is the amount equal to the differential, if any, between the market value of the Deposit Securities and the NAV of a Creation Unit. The Fund will publish, on a daily basis, information about the previous day’s Balancing Amount. The Balancing Amount may, at times, represent a significant portion of the aggregate purchase price (or in the case of redemptions, the redemption proceeds). This is because the mark-to-market value of the Financial Instruments held by the Funds may be included in the Balancing Amount (not in the Deposit Basket or Redemption Basket). The Balancing Amount may fluctuate significantly due to the leveraged nature of the Ultra ProShares. You also must pay a Transaction Fee, described below, in cash. For custom orders, “cash in lieu” may be added to the Balancing Amount to replace any Deposit Security that may not be available in sufficient quantity for delivery or that may not be eligible for transfer through the Clearing Process (discussed below), or that may not be

eligible for trading by an Authorized Participant or the investor for which it is acting. The Balancing Amount must be paid to the Trust on the third Business Day following the Transmittal Date.

**Placement of Purchase Orders** All purchase orders for Shares must be placed by or through an Authorized Participant. Purchase orders will be processed either through a manual clearing process run at the DTC (“Manual Clearing Process”) or through an enhanced clearing process (“Enhanced Clearing Process”) that is available only to those DTC participants that also are participants in the Continuous Net Settlement System of the NSCC. Authorized Participants that do not use the Enhanced Clearing Process may be charged a higher Transaction Fee (discussed below). A purchase order must be received by the Distributor by 4:00 p.m. Eastern time if transmitted by mail or by 3:00 p.m. Eastern time if transmitted by telephone, facsimile or other electronic means permitted under the Participant Agreement, in order to receive that day’s closing NAV per Share. A custom order may be placed for one or more whole Creation Units of Shares of a Fund and must be received by the Distributor in proper form no later than 3:00 p.m. Eastern time in order to receive that day’s NAV per Share. All other procedures set forth in the Participant Agreement must be followed in order for you to receive the NAV determined on that day.

Shares may be issued in advance of receipt of Deposit Securities subject to various conditions including a requirement to maintain on deposit with the Trust cash in an amount up to 115% of the market value of the missing Deposit Securities. Any such transaction effected with the Trust must be effected using the Manual Clearing Process consistent with the terms of the Participant Agreement. See the “Summary of Transaction Fees and Charges” below for more information.

An Authorized Participant may request to effect purchases in cash, which the Fund may, in its sole discretion, permit. An Authorized Participant that purchases using cash in lieu of one or more securities in the creation basket are subject to an additional charge. Purchases of Creation Units for cash (when available) and/or outside of the Continuous Net Settlement System of the NSCC may also require the payment of an additional charge. See the “Summary of Transaction Fees and Charges” below for more information.

For those Funds that invest in local international equities, an AP will be required also to pay stamp duties associated with foreign baskets of securities.

### **Procedures Applicable to Purchase of Short ProShares**

The Short ProShares only accept cash to purchase Creation Units. The purchaser must transfer cash in an amount equal to the value of Creation Unit(s) purchased and the applicable Transaction Fee. All purchase orders will be processed through the Manual Clearing Process described above. The Trust will deliver shares of the Short ProShares upon payment of cash to the Trust on the third Business Day following the Transmittal Date consistent with the terms of the Participant Agreement.

### **Redeeming Shares Directly From a Fund**

The redemption process is essentially the reverse of the purchase process described above. To redeem Shares, you must be an Authorized Participant or you must redeem through a broker that is an Authorized Participant, and you must tender Shares in Creation Units.

### **Redemption Procedures Applicable to Ultra ProShares**

**Redemption Proceeds** Redemption proceeds will be paid in-kind with a basket of securities. In most cases, the basket of securities you receive will be the same as that required of investors purchasing Creation Units on the same day. There will be times, however, when the creation and redemption baskets differ. The composition of the redemption basket will be available through the NSCC. Each Fund reserves the right to honor a redemption request with a non-conforming redemption basket.

**Balancing Amount** If the NAV of a Creation Unit is higher than the value of the redemption securities, you will receive from the issuing Fund a Balancing Amount in cash. If the NAV of a Creation Unit is lower than the value of the redemption securities, you will be required to pay to the issuing Fund a Balancing Amount in cash. If you are receiving a Balancing Amount, the amount due will be reduced by the amount of the applicable Transaction Fee.

**Placement of Redemption Orders** As with purchases, redemptions may be processed either through the Manual Clearing Process or the Enhanced Clearing Process. A redemption order must be received by the Distributor prior to 4:00 p.m. Eastern time if transmitted by mail or by 3:00 p.m. Eastern time if transmitted by telephone, facsimile or other electronic means permitted under the Participant Agreement in order to receive that day’s closing NAV per Share. All other procedures set forth in the Participant Agreement must be followed in order for you to receive the NAV determined on that day.

An Authorized Participant may request a redemption in cash which the Fund may, in its sole discretion, permit. An Authorized Participant that elects to receive cash in lieu of one or more securities in the redemption basket is subject to an additional charge. Redemptions of Creation Units for cash (when available) and/or outside of the Continuous Net Settlement System of the NSCC may also require the payment of an additional charge. See the “Summary of Transaction Fees and Charges” below for more information.

### **Redemption Procedures Applicable to Short ProShares**

**Redemption Proceeds** Redemption proceeds will be paid in cash and generally settle on a T + 3 basis.

**Placement of Redemption Orders** All redemption orders will be processed through the Manual Clearing Process. A redemption order must be received by the Distributor prior to 4:00 p.m. Eastern time if transmitted by mail or by 3:00 p.m. Eastern time if transmitted by telephone, facsimile or other electronic means permitted under the Participation Agreement in order to receive that day’s closing NAV per Share. All other procedures set

forth in the Participant Agreement must be followed in order for you to receive the NAV determined on that day.

### **Transaction Fees on Creation and Redemption Transactions**

Each Fund will impose Transaction Fees to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. There is a fixed and a variable component to the total Transaction Fee on transactions in Creation Units. A Fixed Transaction Fee is applicable to each creation and redemption transaction, regardless of the number of Creation Units transacted. A Variable Transaction Fee of up to 0.10% of the value of each Creation Unit also may be applicable to each creation and redemption transaction. In-Kind purchase or redemption of Creation Units of Ultra ProShares effected through the Manual Clearing Process may be required to pay an additional charge to compensate for brokerage and other expenses. In addition, purchasers of Creation Units are responsible for payment of the costs of transferring the Deposit Securities to the Trust. Redeemers of Creation Units are responsible for the costs of transferring securities from the Trust to their accounts or on their order. Investors who use the services of a broker or other intermediary may pay additional fees for such services. Additionally, investors purchasing shares in the secondary market will not pay the fees shown below directly, but may be subject to costs (including customary brokerage commissions) charged by their broker. The following table summarizes the components of the Transaction Fees.

ProShares	Fixed Transaction Fee		Variable Transaction Fee
	In-Kind	Cash	
	NSCC***		
<b>Ultra Russell3000</b>	\$ 500* \$3,500**	\$ 500* \$3,500**	Up to 10 bps
<b>Ultra MSCI Emerging Markets</b>	\$ 500* \$1,250**	\$ 500* \$1,250**	Up to 10 bps
<b>Ultra MSCI EAFE</b>	\$ 500* \$1,250**	\$ 500* \$1,250**	Up to 10 bps
<b>Ultra FTSE/Xinhua China 25</b>	\$ 500* \$ 875**	\$ 500* \$ 875**	Up to 10 bps
<b>Ultra MSCI Japan</b>	\$ 500* \$5,000**	\$ 500* \$5,000**	Up to 10 bps
<b>UltraShort Russell3000</b>	N/A	\$ 500	N/A
<b>UltraShort MSCI Brazil</b>	N/A	\$ 500	N/A
<b>UltraShort MSCI Pacific ex-Japan</b>	N/A	\$ 500	N/A
<b>UltraShort MSCI Europe</b>	N/A	\$ 500	N/A
<b>UltraShort MSCI Mexico Investable Market</b>	N/A	\$ 500	N/A

\* For any creation unit purchases or redemptions made when the Fund is invested in financial instruments and cash only.

\*\* For any creation unit purchases or redemptions made when the Fund is invested in local international equities or American Depositary Receipts, in addition to any financial instruments and cash.

\*\*\* In-Kind Creation Units purchased or redeemed outside of the NSCC through the Manual Clearing Process may be required to pay up to 3 times the NSCC Fixed Transaction Fee.

## Distributions

As a shareholder, you are entitled to your share of a Fund's income from interest and dividends, and gains from the sale of investments. You may receive such earnings as either an income dividend or a capital gains distribution. Income dividends primarily come from the dividends that the Fund earns from its holdings and the interest it receives from its money market and bond investments. Capital gains may be realized when the fund sells securities. Capital gains may be either short-term or long-term, depending on whether the Fund held the securities for one year or less, or more than one year.

Each Fund intends to declare and distribute to its shareholders at least annually virtually all of its net income (interest and dividends, less expenses), if any, as well as net capital gains, if any, realized from the sale of its holdings. Subject to Board approval, some or all of any net capital gains distribution may be declared payable in either additional Shares of the respective Fund or in cash. If such a distribution is declared payable in that fashion, holders of Shares will receive additional Shares of the respective Fund unless they elect to receive cash. Dividends may be declared and paid more frequently to comply with the distribution requirements of the Internal Revenue Code or for other reasons.

## Dividend Reinvestment Services

As noted above under "Distributions", a Fund may declare a net capital gain distribution to be payable in additional Shares or cash. Even if the Fund does not declare a dividend to be payable in Shares, brokers may make available to their customers who own Shares the DTC book-entry dividend reinvestment service. If this service is available and used, dividend distributions of both income and capital gains will automatically be reinvested in additional whole Shares of the same Fund. Without this service, investors would have to take their distributions in cash. To determine whether the dividend reinvestment service is available and whether there is a commission or other charge for using this service, please consult your broker.

## Determination of NAV

The NAV per Share of each Fund is computed by dividing the value of the net assets of such Fund (i.e., the value of its total assets less total liabilities) by its total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is calculated by the J.P. Morgan Investor Services Co. and determined each business day at the close of regular trading of the NYSE (ordinarily 4:00 p.m. New York time).

Securities and other assets are generally valued at their market value using information provided by a pricing service or market quotations. Certain short-term securities are valued on the basis of amortized cost. When a market price is not readily available, securities and other assets are valued at fair value in good faith under procedures established by, and under the general supervision and responsibility of the Board. The use of a fair valuation method may be appropriate if, for example: (i) market quotations do not accurately reflect fair value of an investment; (ii) an investment's value has been materially affected by events occurring after the close of

the exchange or market on which the investment is principally traded (for example, a foreign exchange or market); (iii) a trading halt closes an exchange or market early; or (iv) other events result in an exchange or market delaying its normal close. This procedure incurs the unavoidable risk that the valuation may be higher or lower than the securities might actually command if the Funds sold them. See the SAI for more details.

The NYSE is open every week, Monday through Friday, except when the following holidays are celebrated: New Year's Day, Martin Luther King, Jr. Day (the third Monday in January), Presidents' Day (the third Monday in February), Good Friday, Memorial Day (the last Monday in May), July 4th, Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November) and Christmas Day. The NYSE may close early on the business day before each of these holidays and on the day after Thanksgiving Day. Exchange holiday schedules are subject to change without notice. If the exchange or market on which a Fund's investments are primarily traded closes early, the net asset value may be calculated prior to its normal calculation time. Creation/redemption transaction order time cutoffs would also be accelerated.

## Taxes

The following is certain general information about taxation of the Funds:

- Each Fund intends to qualify for treatment as a "regulated investment company" for U.S. federal income tax purposes. In order to so qualify, each fund must meet certain tests with respect to the sources and types of its income, the nature and diversification of its assets, and the timing and amount of its distributions.
- If a fund qualifies for treatment as a regulated investment company, a Fund is not subject to federal income tax on net investment income and capital gains that the Fund timely distributes to its shareholders.
- Investments by a Fund in options, futures, forward contracts, swaps and other derivative financial instruments are subject to numerous special and complex tax rules. These rules could affect the amount, timing or character of the income distributed to shareholders by a Fund. In addition, because the application of these rules may be uncertain under current law, an adverse determination or future Internal Revenue Service guidance with respect to these rules may affect whether a Fund has made sufficient distributions, and otherwise satisfied the relevant requirements, to maintain its qualification as a regulated investment company and avoid a Fund-level tax.

Taxable investors should be aware of the following basic tax points:

- Distributions are taxable to you for federal income tax purposes whether or not you reinvest these amounts in additional Shares.
- Distributions declared in October, November or December—if paid to you by the end of the following January—are taxable for federal income tax purposes as if received in December.

- Any dividends and short-term capital gain distributions that you receive are generally taxable to you as ordinary income for federal income tax purposes. Dividends you receive that are properly designated as being derived from “qualified dividend income” received by a Fund may, however, be eligible to be taxed at the same rates as long term capital gains, although such dividends will not be considered long-term capital gains for other Federal income tax purposes, including the calculation of net capital losses.
- Distributions of net long-term capital gains that are properly designated as capital gain dividends are treated and taxable to you as long-term capital gains for federal income tax purposes, no matter how long you have owned your Shares.
- Capital gains distributions may vary considerably from year to year as a result of the Funds’ normal investment activities and cash flows.
- A sale or exchange of Shares is a taxable event. This means that you may have a capital gain to report as income, or a capital loss to report as a deduction, when you complete your federal income tax return.
- Dividend and capital gains distributions that you receive, as well as your gains or losses from any sale or exchange of Shares, may be subject to foreign, state and local income taxes.
- If you are not a citizen or a permanent resident of the United States, or if you are a foreign entity, any dividends and short term capital gains that you receive will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies.
- Dividends and interest received by a Fund may give rise to withholding and other taxes imposed by foreign countries, which would reduce returns from an investment in Fund Shares. Tax conventions between certain countries and the United States may reduce or eliminate such taxes.
- By law, a Fund must withhold a percentage of your distributions and proceeds if you have not provided a correct taxpayer identification number or social security number and made certain certifications. The backup withholding rate is currently 28%. Under current law, the backup withholding rate will increase to 31% for the taxable year 2011 and thereafter.

In addition, taxable investors who purchase or redeem Creation Units should be aware of the following additional basic tax points:

- A person who exchanges equity securities for Creation Units generally will recognize a gain or loss equal to the difference between the market value of the Creation Units at the time and the exchanger’s aggregate basis in the securities surrendered and the Balancing Amount paid. However, all or a portion of any loss a person realizes on an exchange of securities for Creation Units will be disallowed under the rules governing “wash sales” if such person purchases or receives in redemption other substantially identical securities within 30 days before or after the exchange. In such case, the basis of the newly purchased or received securities will be

adjusted to reflect the disallowed loss. In addition, the Internal Revenue Service may assert that a loss realized upon an exchange of securities for Creation Units cannot be deducted currently under the wash sales rules or on the basis that there has been no significant change in economic position.

- A person who exchanges Creation Units for equity securities generally will recognize a gain or loss equal to the difference between the exchanger’s basis in the Creation Units and the aggregate market value of the securities received and any cash received. However, all or a portion of any loss a person realizes upon any disposition of Creation Units will be disallowed under the rules governing “wash sales” if such person purchases other substantially identical Shares of a Fund within 30 days before or after the disposition. In such case, the basis of the newly purchased Shares will be adjusted to reflect the disallowed loss. In addition, the Internal Revenue Service may assert that a loss realized upon a redemption in which Creation Units are exchanged for equity securities cannot be deducted currently under the wash sales rules or on the basis that there has been no significant change in economic position.

Note: This Prospectus provides general U.S. federal tax information only. If you are investing through a tax-deferred retirement account, such as an IRA, special tax rules apply. Please consult your tax advisor for detailed information about a fund’s tax consequences for you. See “Taxation” in the SAI for more information.

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# Management of ProShares Trust

## Board of Trustees and Officers

The Board is responsible for the general supervision of all of the Funds. The officers of the Trust are responsible for the day-to-day operations of the Funds.

## Investment Advisor

ProShare Advisors LLC, located at 7501 Wisconsin Avenue, Suite 1000, Bethesda, Maryland 20814, serves as the investment advisor to all of the Funds and provides investment advice and management services to the Funds. ProShare Advisors oversees the investment and reinvestment of the assets in each Fund. For its investment advisory services, ProShare Advisors is entitled to receive fees equal to 0.75% of the average daily net assets of each Fund. A discussion regarding the basis for the Board approving the investment advisory agreement is available in the Trust's semi annual report to shareholders for the period ended November 30, 2008.

ProShare Advisors is owned by Michael L. Sapir, Louis M. Mayberg and William E. Seale.

**Michael L. Sapir**, Chairman and Chief Executive Officer of ProShare Advisors LLC since inception and ProFund Advisors LLC since April 1997. Mr. Sapir formerly practiced law, primarily representing financial institutions for over 13 years, most recently as a partner in a Washington, D.C. based law firm. He holds degrees from Georgetown University Law Center (J.D.) and University of Miami (M.B.A. and B.A.)

**Louis M. Mayberg**, President of ProShare Advisors LLC since inception and ProFund Advisors LLC since April 1997, co-founded National Capital Companies, L.L.C., an investment bank specializing in financial service companies mergers and acquisitions and equity underwritings in 1986, and managed its financial services hedge fund. He holds a Bachelor of Business Administration degree with a major in Finance from George Washington University.

**William E. Seale, Ph.D.**, Chief Economist of ProFund Advisors since 2005, Chief Investment Officer from 2003-2004 and from October 2006-June 2008 and Director of Portfolio from 1997-2003. Dr. Seale has more than 30 years of experience in the financial markets. His background includes a five-year presidential appointment as a commissioner of the U.S. Commodity Futures Trading Commission and an appointment as Chairman of the Finance Department at The George Washington University. He earned his degrees at the University of Kentucky.

## Portfolio Management

Each Fund is managed by an investment team overseen by Todd Johnson and Howard S. Rubin.

**Todd Johnson**, ProShare Advisors—Chief Investment Officer since December 2008. ProFund Advisors—Chief Investment Officer since December 2008. World Asset Management—Managing Director and Chief Investment Officer from 1994 to November 2008.

**Howard S. Rubin CFA**, ProShare Advisors—Senior Portfolio Manager since December 2007. ProFund Advisors—Senior Portfolio Manager since November 2004 and Portfolio Manager from April 2000 through November 2004. Mr. Rubin earned a B.S. in Economics from the Wharton School, University of Pennsylvania

and an M.S. in Finance from The George Washington University. Mr. Rubin holds the Chartered Financial Analyst (CFA) designation.

The following members of the investment team have joint responsibility for the day-to-day management of the Funds:

**Michael Neches**, ProShare Advisors—Associate Portfolio Manager since January 2007; Portfolio Analyst from December 2006 to January 2007. ProFund Advisors—Portfolio Analyst November 2004 to December 2006, Junior Analyst May 2001 to November 2004 and Portfolio Intern March 2000 to May 2001.

**Robert Parker CFA**, ProShare Advisors—Associate Portfolio Manager since March 2007. H. Beck, Inc.—Due Diligence Analyst from May 2005 through March 2007. Wachovia Securities—Investment Analyst from April 2004 through January 2005. Ameritas Investment Corp.—Compliance Analyst from May 2002 through October 2003. Mr. Parker holds the Chartered Financial Analyst (CFA) designation.

The SAI provides additional information about the Portfolio Managers' compensation, accounts managed by each Portfolio Manager and their ownership of the Funds.

## Distribution (12b-1) Plan

Under a Rule 12b-1 Distribution Plan (the "Plan") adopted by the Board, each Fund may pay the Funds' distributor, financial intermediaries, such as broker-dealers and investment advisors, up to 0.25% on an annualized basis of the average daily net assets of a Fund as reimbursement or compensation for distribution related activities with respect to the Funds. For the prior fiscal year, no payments were made by any Fund under the Plan.

## Portfolio Holdings Information

A description of the Trust's policies and procedures with respect to the disclosure of the Funds' portfolio holdings is available in the Funds' SAI. The top ten holdings of each Fund will be posted on a daily basis to the Trust's website at [www.proshares.com](http://www.proshares.com).

## Other Service Providers

SEI Investments Distribution Co., located at 1 Freedom Valley Drive, Oaks, PA 19456, serves as the Funds' distributor. JP Morgan Chase Bank, N.A., located at 4 MetroTech Center, Brooklyn, NY 11245, serves as the Funds' administrator, custodian and index receipt agent.

ProShare Advisors also performs certain administrative services for the Funds under a Management Services Agreement. ProShare Advisors is entitled to receive annual fees equal to 0.10% of the average daily net assets of each Fund for such services.

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# ProShares®

## **ProShares Trust**

7501 Wisconsin Avenue  
Suite 1000  
Bethesda, MD 20814

**866.PRO.5125**

866.776.5125

**[www.proshares.com](http://www.proshares.com)**

### FOR MORE INFORMATION

If you would like more information about ProShares Trust or any of its funds, the following documents are available free upon request:

#### ANNUAL/SEMIANNUAL REPORTS TO SHAREHOLDERS

Additional information about the issuing funds' investments will be available in the funds' annual and semiannual reports to shareholders, when available. In the funds' annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the funds' performance during its last fiscal year.

#### STATEMENT OF ADDITIONAL INFORMATION (SAI)

The SAI for the Funds provides additional information about ProShares Trust, the funds and their shares. The SAI is incorporated by reference into (and thus legally is a part of) this prospectus.

To receive a free copy of the latest annual or semiannual report or the SAI, or to request additional information about ProShares Trust, the funds and shares or to make shareholder inquiries, please use the contact information above.

#### INFORMATION PROVIDED BY THE SECURITIES AND EXCHANGE COMMISSION (SEC)

You can review and copy information about the issuing funds (including the SAI) at the SEC's Public Reference Room in Washington, DC. To find out more about this public service, call the SEC at 202.551.8090. Reports and other information about the funds are also available on the SEC's website ([www.sec.gov](http://www.sec.gov)), or you can receive copies of this information, for a fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the Public Reference Section, Securities and Exchange Commission, Washington, DC 20549-0102.

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Investment Company Act file number: 811-21114

