

Dear ProShares Shareholder,

I am writing to let you know about an unprecedented proposal from the Securities and Exchange Commission (“SEC”) that would **make it more burdensome to buy, or even prevent you from buying, leveraged and inverse funds**, such as the ones offered by ProShares. You have the right to offer your view on these proposed regulations, which you can do by submitting comments to the SEC through www.fundcomments.com.

The Proposed Regulations

Under the proposed regulations, you would be required to provide extensive personal financial and other information to your broker or advisor and be evaluated to determine if you will be allowed to buy leveraged and inverse funds. This would be the case even if you make your own investment decisions or you have engaged a financial professional to make those decisions for you.

We strongly believe the proposed regulations are:

- 1. Bad for Investors.** If the proposal is adopted, some investors who could benefit from the enhanced return and portfolio protection potential of leveraged and inverse funds could be prevented from buying them by an overly burdensome qualification process. Brokerage firms could even stop offering these funds altogether due to the difficulty of implementing the regulations.
- 2. Unnecessary.** The SEC has not shown there is a problem that needs to be solved with respect to leveraged and inverse funds. They fail to show why these funds should be treated differently than tens of thousands of other public securities, each with their own characteristics and risks.
- 3. A Dangerous Precedent.** Requiring you to qualify to purchase a security in the public markets would be an unjustified break with how the SEC’s regulation of the sale of securities in the public markets has worked for nearly 90 years. The proposal would be at odds with our long-standing system that gives investors and their advisors the freedom to make their own investment decisions.

What You Can Do

You have the right to voice your view by submitting comments on this proposal. The SEC is required to take your comments into consideration in deciding whether to go forward with the rule as proposed.

If you would like to let your views be known, you can submit comments to the SEC through www.fundcomments.com. The deadline to make comments is **March 24, 2020**, so consider acting now.

(continued on reverse)

We encourage you to submit your views on the proposed regulations, including, if you agree, that:

- *Leveraged and inverse funds are important to you, and they allow you to seek enhanced returns or help you protect your portfolio.*
- *You are capable of understanding leveraged and inverse funds and their performance characteristics, and you don't want a third party evaluating your capability to do so and potentially preventing you from buying them.*
- *You want to preserve the long-standing free public markets where investors and their advisors have the freedom to buy public securities without additional government-imposed limitations on investor choice.*

It is very important that you express your views in your own words so that your comments are more likely to be considered by the SEC.

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Having spoken with ProShares shareholders over the last 13 years, I believe it is likely you value leveraged and inverse funds. I hope you will join me in telling the SEC you want to maintain your current access to these funds.

For more information about the proposal, visit www.sec.gov/rules/proposed.shtml and go to Release No. 34-87607, dated November 25, 2019. If you have questions for us regarding this matter or how to submit comments, please contact our investor line at 888-776-3898, or email us at secproposal@proshares.com.

As always, thank you for having made the decision to be a ProShares shareholder. We look forward to continuing to provide exchange-traded funds that empower you to pursue your financial objectives.

Sincerely,



Michael L. Sapir
Chairman