DATE: September 26, 2012
TO: Permit Holders
FROM: Scott Speer

RE: **ProShares Short VIX Short Term Futures ("SVXY")**
2-for-1 ETF Split
Ex-Distribution Date: October 5, 2012

ProShares Short VIX Short Term Futures ("SVXY") has announced a 2-for-1 ETF split, with a payable date of October 4, 2012, to shareholders of record October 2, 2012. The ex-date for the ETF split is Friday, October 5, 2012.

Contract Adjustment

Pursuant to OCC rules (Article VI, Section 11 and 11A), all outstanding SVXY option series will be adjusted to reflect this 2-for-1 ETF split on Friday, October 5, 2012, at 8:30 A.M. Chicago time. The OCC will issue one additional contract for each open contract on the ex-date. Also on the ex-date, each SVXY series will have an adjusted exercise price equal to one-half of the exercise price rounded to the nearest 1/100th of a point for each SVXY series existing on the business day immediately prior to the ex-date. The option symbol will remain the same. Adjusted exercise prices are shown below. [Any FLEX series that may exist will be adjusted in a similar manner to the standardized option.]

The option adjustment will appear in the Daily Position Report of the clearing member firms on the ex-date. After 8:30 A.M. Friday, October 5, 2012, all trades, corrections, and exercises must be submitted to the CBOE and OCC on an adjusted basis.

Adjusted Exercise Prices

On Friday, October 5, 2012, the ex-distribution date, trading in SVXY series will be on an adjusted basis. At 8:30 A.M., Chicago time, an opening rotation will be effected with the following adjustments:

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 100 Shares			
SVXY	55.00	2012-10-20	C/P	=>	SVXY	27.50	2012-10-20	C/P
SVXY	60.00	2012-10-20	C/P	=>	SVXY	30.00	2012-10-20	C/P
SVXY	65.00	2012-10-20	C/P	=>	SVXY	32.50	2012-10-20	C/P
SVXY	70.00	2012-10-20	C/P	=>	SVXY	35.00	2012-10-20	C/P
SVXY	75.00	2012-10-20	C/P	=>	SVXY	37.50	2012-10-20	C/P
SVXY	80.00	2012-10-20	C/P	=>	SVXY	40.00	2012-10-20	C/P
SVXY	85.00	2012-10-20	C/P	=>	SVXY	42.50	2012-10-20	C/P
SVXY	90.00	2012-10-20	C/P	=>	SVXY	45.00	2012-10-20	C/P
SVXY	95.00	2012-10-20	C/P	=>	SVXY	47.50	2012-10-20	C/P
SVXY	100.00	2012-10-20	C/P	=>	SVXY	50.00	2012-10-20	C/P
SVXY	101.00	2012-10-20	C/P	=>	SVXY	50.50	2012-10-20	C/P
SVXY	102.00	2012-10-20	C/P	=>	SVXY	51.00	2012-10-20	C/P
SVXY	103.00	2012-10-20	C/P	=>	SVXY	51.50	2012-10-20	C/P
SVXY	104.00	2012-10-20	C/P	=>	SVXY	52.00	2012-10-20	C/P
SVXY	105.00	2012-10-20	C/P	=>	SVXY	52.50	2012-10-20	C/P
SVXY	106.00	2012-10-20	C/P	=>	SVXY	53.00	2012-10-20	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 100 Shares			
SVXY	107.00	2012-10-20	C/P	=>	SVXY	53.50	2012-10-20	C/P
SVXY	108.00	2012-10-20	C/P	=>	SVXY	54.00	2012-10-20	C/P
SVXY	109.00	2012-10-20	C/P	=>	SVXY	54.50	2012-10-20	C/P
SVXY	110.00	2012-10-20	C/P	=>	SVXY	55.00	2012-10-20	C/P
SVXY	111.00	2012-10-20	C/P	=>	SVXY	55.50	2012-10-20	C/P
SVXY	112.00	2012-10-20	C/P	=>	SVXY	56.00	2012-10-20	C/P
SVXY	113.00	2012-10-20	C/P	=>	SVXY	56.50	2012-10-20	C/P
SVXY	114.00	2012-10-20	C/P	=>	SVXY	57.00	2012-10-20	C/P
SVXY	115.00	2012-10-20	C/P	=>	SVXY	57.50	2012-10-20	C/P
SVXY	116.00	2012-10-20	C/P	=>	SVXY	58.00	2012-10-20	C/P
SVXY	117.00	2012-10-20	C/P	=>	SVXY	58.50	2012-10-20	C/P
SVXY	118.00	2012-10-20	C/P	=>	SVXY	59.00	2012-10-20	C/P
SVXY	119.00	2012-10-20	C/P	=>	SVXY	59.50	2012-10-20	C/P
SVXY	120.00	2012-10-20	C/P	=>	SVXY	60.00	2012-10-20	C/P
SVXY	121.00	2012-10-20	C/P	=>	SVXY	60.50	2012-10-20	C/P
SVXY	125.00	2012-10-20	C/P	=>	SVXY	62.50	2012-10-20	C/P
SVXY	130.00	2012-10-20	C/P	=>	SVXY	65.00	2012-10-20	C/P
SVXY	135.00	2012-10-20	C/P	=>	SVXY	67.50	2012-10-20	C/P
SVXY	140.00	2012-10-20	C/P	=>	SVXY	70.00	2012-10-20	C/P
SVXY	145.00	2012-10-20	C/P	=>	SVXY	72.50	2012-10-20	C/P
SVXY	150.00	2012-10-20	C/P	=>	SVXY	75.00	2012-10-20	C/P
SVXY	155.00	2012-10-20	C/P	=>	SVXY	77.50	2012-10-20	C/P
SVXY	160.00	2012-10-20	C/P	=>	SVXY	80.00	2012-10-20	C/P
SVXY	165.00	2012-10-20	C/P	=>	SVXY	82.50	2012-10-20	C/P
SVXY	70.00	2012-11-17	C/P	=>	SVXY	35.00	2012-11-17	C/P
SVXY	75.00	2012-11-17	C/P	=>	SVXY	37.50	2012-11-17	C/P
SVXY	80.00	2012-11-17	C/P	=>	SVXY	40.00	2012-11-17	C/P
SVXY	85.00	2012-11-17	C/P	=>	SVXY	42.50	2012-11-17	C/P
SVXY	90.00	2012-11-17	C/P	=>	SVXY	45.00	2012-11-17	C/P
SVXY	95.00	2012-11-17	C/P	=>	SVXY	47.50	2012-11-17	C/P
SVXY	100.00	2012-11-17	C/P	=>	SVXY	50.00	2012-11-17	C/P
SVXY	105.00	2012-11-17	C/P	=>	SVXY	52.50	2012-11-17	C/P
SVXY	110.00	2012-11-17	C/P	=>	SVXY	55.00	2012-11-17	C/P
SVXY	115.00	2012-11-17	C/P	=>	SVXY	57.50	2012-11-17	C/P
SVXY	120.00	2012-11-17	C/P	=>	SVXY	60.00	2012-11-17	C/P
SVXY	125.00	2012-11-17	C/P	=>	SVXY	62.50	2012-11-17	C/P
SVXY	128.00	2012-11-17	C/P	=>	SVXY	64.00	2012-11-17	C/P
SVXY	129.00	2012-11-17	C/P	=>	SVXY	64.50	2012-11-17	C/P
SVXY	130.00	2012-11-17	C/P	=>	SVXY	65.00	2012-11-17	C/P
SVXY	131.00	2012-11-17	C/P	=>	SVXY	65.50	2012-11-17	C/P
SVXY	132.00	2012-11-17	C/P	=>	SVXY	66.00	2012-11-17	C/P
SVXY	133.00	2012-11-17	C/P	=>	SVXY	66.50	2012-11-17	C/P
SVXY	134.00	2012-11-17	C/P	=>	SVXY	67.00	2012-11-17	C/P
SVXY	135.00	2012-11-17	C/P	=>	SVXY	67.50	2012-11-17	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 100 Shares			
SVXY	136.00	2012-11-17	C/P	=>	SVXY	68.00	2012-11-17	C/P
SVXY	137.00	2012-11-17	C/P	=>	SVXY	68.50	2012-11-17	C/P
SVXY	138.00	2012-11-17	C/P	=>	SVXY	69.00	2012-11-17	C/P
SVXY	139.00	2012-11-17	C/P	=>	SVXY	69.50	2012-11-17	C/P
SVXY	140.00	2012-11-17	C/P	=>	SVXY	70.00	2012-11-17	C/P
SVXY	141.00	2012-11-17	C/P	=>	SVXY	70.50	2012-11-17	C/P
SVXY	142.00	2012-11-17	C/P	=>	SVXY	71.00	2012-11-17	C/P
SVXY	143.00	2012-11-17	C/P	=>	SVXY	71.50	2012-11-17	C/P
SVXY	144.00	2012-11-17	C/P	=>	SVXY	72.00	2012-11-17	C/P
SVXY	145.00	2012-11-17	C/P	=>	SVXY	72.50	2012-11-17	C/P
SVXY	146.00	2012-11-17	C/P	=>	SVXY	73.00	2012-11-17	C/P
SVXY	147.00	2012-11-17	C/P	=>	SVXY	73.50	2012-11-17	C/P
SVXY	148.00	2012-11-17	C/P	=>	SVXY	74.00	2012-11-17	C/P
SVXY	150.00	2012-11-17	C/P	=>	SVXY	75.00	2012-11-17	C/P
SVXY	155.00	2012-11-17	C/P	=>	SVXY	77.50	2012-11-17	C/P
SVXY	160.00	2012-11-17	C/P	=>	SVXY	80.00	2012-11-17	C/P
SVXY	165.00	2012-11-17	C/P	=>	SVXY	82.50	2012-11-17	C/P
SVXY	170.00	2012-11-17	C/P	=>	SVXY	85.00	2012-11-17	C/P
SVXY	45.00	2012-12-22	C/P	=>	SVXY	22.50	2012-12-22	C/P
SVXY	50.00	2012-12-22	C/P	=>	SVXY	25.00	2012-12-22	C/P
SVXY	55.00	2012-12-22	C/P	=>	SVXY	27.50	2012-12-22	C/P
SVXY	60.00	2012-12-22	C/P	=>	SVXY	30.00	2012-12-22	C/P
SVXY	65.00	2012-12-22	C/P	=>	SVXY	32.50	2012-12-22	C/P
SVXY	70.00	2012-12-22	C/P	=>	SVXY	35.00	2012-12-22	C/P
SVXY	75.00	2012-12-22	C/P	=>	SVXY	37.50	2012-12-22	C/P
SVXY	78.00	2012-12-22	C/P	=>	SVXY	39.00	2012-12-22	C/P
SVXY	79.00	2012-12-22	C/P	=>	SVXY	39.50	2012-12-22	C/P
SVXY	80.00	2012-12-22	C/P	=>	SVXY	40.00	2012-12-22	C/P
SVXY	81.00	2012-12-22	C/P	=>	SVXY	40.50	2012-12-22	C/P
SVXY	82.00	2012-12-22	C/P	=>	SVXY	41.00	2012-12-22	C/P
SVXY	83.00	2012-12-22	C/P	=>	SVXY	41.50	2012-12-22	C/P
SVXY	84.00	2012-12-22	C/P	=>	SVXY	42.00	2012-12-22	C/P
SVXY	85.00	2012-12-22	C/P	=>	SVXY	42.50	2012-12-22	C/P
SVXY	86.00	2012-12-22	C/P	=>	SVXY	43.00	2012-12-22	C/P
SVXY	87.00	2012-12-22	C/P	=>	SVXY	43.50	2012-12-22	C/P
SVXY	88.00	2012-12-22	C/P	=>	SVXY	44.00	2012-12-22	C/P
SVXY	89.00	2012-12-22	C/P	=>	SVXY	44.50	2012-12-22	C/P
SVXY	90.00	2012-12-22	C/P	=>	SVXY	45.00	2012-12-22	C/P
SVXY	91.00	2012-12-22	C/P	=>	SVXY	45.50	2012-12-22	C/P
SVXY	92.00	2012-12-22	C/P	=>	SVXY	46.00	2012-12-22	C/P
SVXY	93.00	2012-12-22	C/P	=>	SVXY	46.50	2012-12-22	C/P
SVXY	94.00	2012-12-22	C/P	=>	SVXY	47.00	2012-12-22	C/P
SVXY	95.00	2012-12-22	C/P	=>	SVXY	47.50	2012-12-22	C/P
SVXY	100.00	2012-12-22	C/P	=>	SVXY	50.00	2012-12-22	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 100 Shares			
SVXY	105.00	2012-12-22	C/P	=>	SVXY	52.50	2012-12-22	C/P
SVXY	110.00	2012-12-22	C/P	=>	SVXY	55.00	2012-12-22	C/P
SVXY	115.00	2012-12-22	C/P	=>	SVXY	57.50	2012-12-22	C/P
SVXY	120.00	2012-12-22	C/P	=>	SVXY	60.00	2012-12-22	C/P
SVXY	125.00	2012-12-22	C/P	=>	SVXY	62.50	2012-12-22	C/P
SVXY	130.00	2012-12-22	C/P	=>	SVXY	65.00	2012-12-22	C/P
SVXY	135.00	2012-12-22	C/P	=>	SVXY	67.50	2012-12-22	C/P
SVXY	140.00	2012-12-22	C/P	=>	SVXY	70.00	2012-12-22	C/P
SVXY	145.00	2012-12-22	C/P	=>	SVXY	72.50	2012-12-22	C/P
SVXY	150.00	2012-12-22	C/P	=>	SVXY	75.00	2012-12-22	C/P
SVXY	155.00	2012-12-22	C/P	=>	SVXY	77.50	2012-12-22	C/P
SVXY	160.00	2012-12-22	C/P	=>	SVXY	80.00	2012-12-22	C/P
SVXY	165.00	2012-12-22	C/P	=>	SVXY	82.50	2012-12-22	C/P
SVXY	170.00	2012-12-22	C/P	=>	SVXY	85.00	2012-12-22	C/P
SVXY	175.00	2012-12-22	C/P	=>	SVXY	87.50	2012-12-22	C/P
SVXY	180.00	2012-12-22	C/P	=>	SVXY	90.00	2012-12-22	C/P
SVXY	190.00	2012-12-22	C/P	=>	SVXY	95.00	2012-12-22	C/P
SVXY	60.00	2013-03-16	C/P	=>	SVXY	30.00	2013-03-16	C/P
SVXY	65.00	2013-03-16	C/P	=>	SVXY	32.50	2013-03-16	C/P
SVXY	70.00	2013-03-16	C/P	=>	SVXY	35.00	2013-03-16	C/P
SVXY	75.00	2013-03-16	C/P	=>	SVXY	37.50	2013-03-16	C/P
SVXY	80.00	2013-03-16	C/P	=>	SVXY	40.00	2013-03-16	C/P
SVXY	85.00	2013-03-16	C/P	=>	SVXY	42.50	2013-03-16	C/P
SVXY	90.00	2013-03-16	C/P	=>	SVXY	45.00	2013-03-16	C/P
SVXY	94.00	2013-03-16	C/P	=>	SVXY	47.00	2013-03-16	C/P
SVXY	95.00	2013-03-16	C/P	=>	SVXY	47.50	2013-03-16	C/P
SVXY	96.00	2013-03-16	C/P	=>	SVXY	48.00	2013-03-16	C/P
SVXY	97.00	2013-03-16	C/P	=>	SVXY	48.50	2013-03-16	C/P
SVXY	98.00	2013-03-16	C/P	=>	SVXY	49.00	2013-03-16	C/P
SVXY	99.00	2013-03-16	C/P	=>	SVXY	49.50	2013-03-16	C/P
SVXY	100.00	2013-03-16	C/P	=>	SVXY	50.00	2013-03-16	C/P
SVXY	101.00	2013-03-16	C/P	=>	SVXY	50.50	2013-03-16	C/P
SVXY	102.00	2013-03-16	C/P	=>	SVXY	51.00	2013-03-16	C/P
SVXY	103.00	2013-03-16	C/P	=>	SVXY	51.50	2013-03-16	C/P
SVXY	104.00	2013-03-16	C/P	=>	SVXY	52.00	2013-03-16	C/P
SVXY	105.00	2013-03-16	C/P	=>	SVXY	52.50	2013-03-16	C/P
SVXY	106.00	2013-03-16	C/P	=>	SVXY	53.00	2013-03-16	C/P
SVXY	107.00	2013-03-16	C/P	=>	SVXY	53.50	2013-03-16	C/P
SVXY	108.00	2013-03-16	C/P	=>	SVXY	54.00	2013-03-16	C/P
SVXY	109.00	2013-03-16	C/P	=>	SVXY	54.50	2013-03-16	C/P
SVXY	110.00	2013-03-16	C/P	=>	SVXY	55.00	2013-03-16	C/P
SVXY	111.00	2013-03-16	C/P	=>	SVXY	55.50	2013-03-16	C/P
SVXY	112.00	2013-03-16	C/P	=>	SVXY	56.00	2013-03-16	C/P
SVXY	113.00	2013-03-16	C/P	=>	SVXY	56.50	2013-03-16	C/P

EXISTING SERIES 100 Shares					ADJUSTED SERIES* 100 Shares			
SVXY	114.00	2013-03-16	C/P	=>	SVXY	57.00	2013-03-16	C/P
SVXY	115.00	2013-03-16	C/P	=>	SVXY	57.50	2013-03-16	C/P
SVXY	120.00	2013-03-16	C/P	=>	SVXY	60.00	2013-03-16	C/P
SVXY	125.00	2013-03-16	C/P	=>	SVXY	62.50	2013-03-16	C/P
SVXY	130.00	2013-03-16	C/P	=>	SVXY	65.00	2013-03-16	C/P
SVXY	135.00	2013-03-16	C/P	=>	SVXY	67.50	2013-03-16	C/P
SVXY	140.00	2013-03-16	C/P	=>	SVXY	70.00	2013-03-16	C/P
SVXY	145.00	2013-03-16	C/P	=>	SVXY	72.50	2013-03-16	C/P
SVXY	150.00	2013-03-16	C/P	=>	SVXY	75.00	2013-03-16	C/P
SVXY	155.00	2013-03-16	C/P	=>	SVXY	77.50	2013-03-16	C/P
SVXY	160.00	2013-03-16	C/P	=>	SVXY	80.00	2013-03-16	C/P
SVXY	165.00	2013-03-16	C/P	=>	SVXY	82.50	2013-03-16	C/P
SVXY	170.00	2013-03-16	C/P	=>	SVXY	85.00	2013-03-16	C/P
SVXY	175.00	2013-03-16	C/P	=>	SVXY	87.50	2013-03-16	C/P
SVXY	180.00	2013-03-16	C/P	=>	SVXY	90.00	2013-03-16	C/P
SVXY	190.00	2013-03-16	C/P	=>	SVXY	95.00	2013-03-16	C/P

Any additional SVXY series that are added prior to the ex-date will also be adjusted in the manner described above.

IMPORTANT –Order Entry After Adjustment

Please note that at the time of the adjustment, the strike prices of all SVXY options will be reduced by one-half, and OCC will issue one additional contract for each open contract on the ex-date. **At 8:30 A.M., Chicago time, on Friday, October 5, 2012, all outstanding SVXY 45 options will become 22 1/2 options, and SVXY 90 options will become 45 options. Any SVXY 45 positions opened prior to the ex-date that are closed out on or after the ex-date must be closed out as 22 1/2 options. Negligence in this matter could lead customers to establish new positions in the 45 options rather than closing out then-existing positions in the 22 1/2 options.**

Strikes that will be affected by the adjustment in the manner described above are included in the table below. Permit Holders should be aware of the potential for confusion respecting any of the related pairs of strikes shown below, and should be cautious in this regard.

Existing	->	Adjusted	&	Existing	->	Adjusted
45.00	->	22.50		90.00	->	45.00
50.00	->	25.00		100.00	->	50.00
55.00	->	27.50		110.00	->	55.00
60.00	->	30.00		120.00	->	60.00
65.00	->	32.50		130.00	->	65.00
70.00	->	35.00		140.00	->	70.00
75.00	->	37.50		150.00	->	75.00
80.00	->	40.00		160.00	->	80.00
85.00	->	42.50		170.00	->	85.00
90.00	->	45.00		180.00	->	90.00
95.00	->	47.50		190.00	->	95.00

GTC Order Conversion

On Thursday, October 4, 2012, immediately after the CBOE close, the system will convert or cancel all resting orders in the SVXY order book. If your firm has requested, all booked orders (phone, wire, and electronic) and all ORS orders residing outside the book (booth or crowd routed) will be converted reflecting the adjustments. If your firm has requested, all booked orders and ORS orders residing outside of the book will be canceled. If your firm receives CXL drops, the CXL confirms will print at your booth at 3:15 p.m. ORS CXLs will also be transmitted electronically to your branches.

A report will be available at the Help Desk listing the orders that are converted or canceled. If converted, this list will also show how the new orders will be adjusted. This report will be available on request anytime during the day prior to the night of the adjustment.

Position and Exercise Limits

The CBOE Department of Market Regulation has determined that: "The position and exercise limits following this ETF split will be any combination of SVXY option contracts on the same side of the market not to exceed 100,000 contracts (10,000,000 shares) through March 16, 2013. Following the March 2012 expiration the position and exercise limits will decrease to the standard limit of 50,000 contracts (5,000,000 shares) of SVXY."

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

http://www.cboe.com/ContractAdjustments