

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 52	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2017 - * 69	Amendment No. (req. for Amendments *)
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Filing by NYSE Arca, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to list and trade shares of the ProShares QuadPro ETFs under Commentary .02 to NYSE Arca Equities Rule 8.200

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Michael Last Name * Cavalier

Title * Counsel NYSE Group Inc

E-mail * Michael.Cavalier@theice.com

Telephone * (212) 656-2474 Fax (212) 656-8101

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title *)

Date 06/19/2017 Associate General Counsel

By Martha Redding

(Name *)

Martha Redding, mredding@nyx.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

- (a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² NYSE Arca, Inc. (“NYSE Arca” or the “Exchange”), through its wholly-owned subsidiary NYSE Arca Equities, Inc. (“NYSE Arca Equities” or the “Corporation”), proposes to list and trade shares of the following under Commentary .02 to NYSE Arca Equities Rule 8.200 (“Trust Issued Receipts”): ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1.

- (b) The Exchange does not believe that the proposed rule change will have any direct effect, or any significant indirect effect, on any other Exchange rule in effect at the time of this filing.
- (c) Not applicable.

2. Procedures of the Self-Regulatory Organization

Senior management has approved the proposed rule change pursuant to authority delegated to it by the board of the Exchange. No further action is required under the Exchange’s governing documents. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Michael Cavalier
Counsel
NYSE Group, Inc.
(212) 656-2474

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

- (a) Purpose

The Exchange proposes to list and trade shares (“Shares”) of the following under

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Commentary .02 to NYSE Arca Equities Rule 8.200, which governs the listing and trading of Trust Issued Receipts (“TIRs”)³: ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund (each a “Fund” and, collectively, the “Funds”).⁴

Each of the Funds is a commodity pool that is a series of the ProShares Trust II (“Trust”). The Funds’ sponsor and commodity pool operator is ProShare Capital Management LLC (the “Sponsor”). Brown Brothers Harriman & Co. is the Administrator, the Custodian and the Transfer Agent of each Fund and its Shares. SEI Investments Distribution Co. (“SEI”) is the distributor for the Funds’ Shares.

Principal Investment Strategies of the Funds

ProShares QuadPro U.S. Large Cap Futures Long Fund and ProShares QuadPro U.S. Large Cap Futures Short Fund (“Large Cap Futures Funds”).

According to the Registration Statement, the Large Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (i.e., 4X) or four times the inverse (i.e., -4X), respectively, of the return of Lead Month E-Mini S&P 500 Stock Price Index Futures (“Large Cap Benchmark” or “Benchmark”) for a single day.⁵ A “single day” is measured from the time a Fund calculates its net asset value (“NAV”) to the time of a Fund’s next NAV calculation.

³ Commentary .02 to NYSE Arca Equities Rule 8.200 applies to TIRs that invest in “Financial Instruments.” The term “Financial Instruments,” as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

⁴ The Trust is registered under the Securities Act of 1933. On May 8, 2017, the Trust filed with the Commission a registration statement on Form S-1 under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) relating to the Funds (File No. 333-217767) (the “Registration Statement”). The description of the operation of the Trust and the Funds herein is based, in part, on the Registration Statement.

⁵ The Large Cap Benchmark is the closing settlement price on the Chicago Mercantile Exchange (“CME”) of lead month (i.e., near-month or next-to-expire) E-Mini S&P 500 Stock Price Index Futures Contracts. The S&P 500 Index is a float-adjusted, market capitalization-weighted index of 500 U.S. operating companies and real estate investment trusts selected through a process that factors in criteria such as liquidity, price, market capitalization and financial viability.

Under normal market conditions,⁶ each Large Cap Futures Fund will attempt to gain leveraged or inverse exposure, as applicable, to the Large Cap Benchmark primarily through investments in Lead Month E-Mini S&P 500 Stock Price Index Futures.⁷ Each Large Cap Futures Fund also may take positions in standard futures contracts on the S&P 500 Index (together with e-mini futures, “Futures Contracts”). The ProShares QuadPro U.S. Large Cap Futures Long Fund will seek to achieve substantially all of this exposure by taking “long” positions in Futures Contracts. Conversely, the ProShares QuadPro U.S. Large Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking “short” positions in Futures Contracts.⁸

According to the Registration Statement, each Large Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Large Cap Benchmark is consistent with such Fund’s daily investment objective. The impact of the Large Cap Benchmark’s movements during the day will affect whether a particular Fund’s portfolio needs to be repositioned. For example, if the Large Cap Benchmark underlying the ProShares QuadPro U.S. Large Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such Fund’s inverse exposure will need to be decreased. Conversely, if the Large Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund’s inverse exposure will need to be increased. For the ProShares QuadPro U.S. Large Cap Futures Long Fund, such Fund’s long exposure will need to be increased on days when the Large Cap Benchmark rises and decreased on days when the Large Cap Benchmark falls. Daily rebalancing and the

⁶ The term “normal market conditions” includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

⁷ According to the Registration Statement, an e-mini futures contract is an electronically traded futures contract that provides similar exposure, but with a lower dollar value, than a standard futures contract. The dollar volume traded of e-mini futures contracts on the S&P500 Index and the Russell 2000 Index far exceeds the dollar volume traded of standard futures contracts on these indexes. In addition, because of their lower dollar value, e-mini futures contracts may permit the Funds to maintain exposure more precisely in line with their current asset levels.

⁸ In general terms, to be “long” means to hold or have long exposure to an asset in order to benefit from increases in the value of such asset; to be “short” means to sell or have short exposure to an asset in order to benefit from decreases in the value of such asset.

compounding of each day's return over time means that the return of each Fund for a period longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from four times (4x) or four times the inverse (-4x), as applicable, of the return of a Fund's Benchmark for the same period.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse, as applicable, of the Large Cap Benchmark for a single day, an adverse Large Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in the Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund's NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in the Large Cap Benchmark. Specifically, the ProShares QuadPro U.S. Large Cap Futures Long Fund will hold listed "put" options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to sell such contracts) and ProShares QuadPro U.S. Large Cap Futures Short Fund will hold listed "call" options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to buy futures contracts). Such put and call options are referred to herein as "Stop Options." If listed options are not readily available, a Fund may invest in over-the-counter ("OTC") options. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse movement in a Fund's Benchmark.⁹

In the event position, price or accountability limits are reached with respect to Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Large Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark ("Financial Instruments"). The Funds may also invest in Financial Instruments if the market for a specific Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Financial Instruments.

⁹ In the case of the ProShares QuadPro U.S. Large Cap Futures Long Fund, the exercise prices of such options will be at approximately 75 percent of the value of the Fund's leveraged long exposure to its Benchmark as of the end of the preceding business day. In the case of the ProShares QuadPro U.S. Large Cap Futures Short Fund, the exercise prices of such options will be at approximately 125 percent of the value of the Fund's leveraged inverse exposure to its Benchmark as of the end of the preceding business day.

Each Fund will invest the remainder of its un-invested assets in high-quality, short-term debt instruments that have terms-to-maturity of less than 397 days, such as U.S. government securities and repurchase agreements (“Money Market Instruments”).

In seeking to achieve each Fund’s investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund’s objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund’s investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Futures Contracts, Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Large Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

ProShares QuadPro U.S. Small Cap Futures Long Fund and ProShares QuadPro U.S. Small Cap Futures Short Fund (“Small Cap Futures Funds”)

According to the Registration Statement, the Small Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (i.e., 4X) or four times the inverse (i.e., -4X), respectively, of the return of Lead Month Russell 2000 Index Mini Futures (“Small Cap Benchmark” or “Benchmark”) for a single day.¹⁰ A “single day” is measured from the time a Fund calculates its NAV to the time of a Fund’s next NAV calculation.

Under normal market conditions,¹¹ each Small Cap Futures Fund will attempt to gain leveraged or inverse exposure, as applicable, to the Small Cap Benchmark primarily through investments in Lead Month Russell 2000 Index Mini Futures. Each Small Cap Futures Fund also may take positions in standard futures contracts on the Russell 2000 Index (together with e-mini futures, “Futures Contracts”). The ProShares QuadPro U.S. Small Cap Futures Long Fund will seek to achieve substantially all of this exposure by taking “long” positions in Futures Contracts. Conversely, the ProShares QuadPro U.S. Small Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking “short” positions in Futures Contracts.

¹⁰ The Small Cap Benchmark is the closing settlement price on the Intercontinental Exchange (“ICE”) of lead month (i.e., near-month or next-to-expire) Russell 2000 Index Mini Futures Contracts. The Russell 2000 Index is a float-adjusted, market capitalization-weighted index containing approximately 2000 of the smallest companies in the Russell 3000 Index, or approximately 8% of the total market capitalization of the Russell 3000 Index, which in turn represents approximately 98% of the investable U.S. equity market.

¹¹ See note 6, supra.

According to the Registration Statement, each Small Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Small Cap Benchmark is consistent with such Fund's daily investment objective. The impact of the Small Cap Benchmark's movements during the day will affect whether a particular Fund's portfolio needs to be repositioned. For example, if the Small Cap Benchmark underlying the ProShares QuadPro U.S. Small Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such Fund's inverse exposure will need to be decreased. Conversely, if the Small Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund's inverse exposure will need to be increased. For the ProShares QuadPro U.S. Small Cap Futures Long Fund, such Fund's long exposure will need to be increased on days when the Small Cap Benchmark rises and decreased on days when the Small Cap Benchmark falls. Daily rebalancing and the compounding of each day's return over time means that the return of each Fund for a period longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from four times (4x) or four times the inverse (-4x), as applicable, of the return of the Small Cap Benchmark for the same period.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse of the Small Cap Benchmark for a single day, an adverse Small Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in a Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund's NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in its Benchmark. Specifically, the ProShares QuadPro U.S. Small Cap Futures Long Fund will hold listed "put" options on e-mini or standard Russell 2000 Index futures contracts (which give the Fund the right to sell Futures Contracts) and ProShares QuadPro U.S. Small Cap Futures Short Fund will hold listed "call" options on e-mini or standard Russell 2000 Index futures contracts (which give the Fund the right to buy Futures Contracts). Such put and call options are referred to herein as "Stop Options." If listed options are not readily available, a Fund may invest in OTC options. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse movement in a Fund's Benchmark.¹²

¹²

In the case of the ProShares QuadPro U.S. Small Cap Futures Long Fund, the exercise prices of such options will be at approximately 75 percent of the value of the Fund's leveraged long exposure to its Benchmark as of the end of the preceding business day. In the case of the ProShares QuadPro U.S. Small Cap Futures Short Fund, the exercise prices of such options will be at approximately 125 percent of the value of the Fund's leveraged inverse exposure to its Benchmark as of the end of the preceding business day.

In the event position, price or accountability limits are reached with respect to Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Small Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark (“Financial Instruments”). The Funds may also invest in Financial Instruments if the market for a specific Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Financial Instruments.

Each Fund will invest the remainder of its un-invested assets in Money Market Instruments.

In seeking to achieve a Fund’s investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund’s objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund’s investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Futures Contracts, Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Small Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

Characteristics of Futures Contracts

According to the Registration Statement, a key feature of Futures Contracts is that they specify a delivery date for the underlying reference asset or the payment of its cash equivalent. As a result, the composition of each Fund’s Benchmark will change from time to time as the delivery date for its component Futures Contracts is reached. Under the current rules applicable to each Benchmark, Futures Contracts that have reached their delivery date will be dropped from the Benchmark and replaced with the later-expiring contracts (sometimes referred to as the “deferred month” contracts). This process typically takes place over a number of days, during which period the Benchmark may consist of both the “lead month” contracts exiting the Benchmark and the “deferred month” contracts being added to the Benchmark (which then become the new “lead month” contracts). In such instances, each Fund’s portfolio investments will be changed accordingly. The Funds do not intend to take delivery of the reference assets underlying their respective Benchmarks. Instead, each Fund intends to “roll” its Futures Contracts as they approach their delivery dates. To “roll” a Futures Contract means to sell a Futures Contract as it nears its delivery date and replace it with a new Futures Contract that has a later delivery date. Each Fund will “roll”

its Futures Contracts in a manner designed to reflect the changes in its Benchmark while minimizing transaction costs and market impact. The anticipated “roll” date for each Fund’s Benchmark will be posted on the Funds’ website at www.proshares.com.

Net Asset Value

According to the Registration Statement, the NAV in respect of a Fund means the total assets of that Fund including, but not limited to, all cash and Money Market Instruments, less total liabilities of such Fund, consistently applied under the accrual method of accounting. In particular, the NAV will include any unrealized profit or loss on open Futures Contracts (and Financial Instruments, if any), and any other credit or debit accruing to a Fund but unpaid or not received by a Fund. The NAV per Share of a Fund will be 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 will be accrued daily and taken into account for purposes of determining the NAV. Each Fund’s NAV will be calculated on each day other than a day when the Exchange is closed for regular trading. The Funds will compute their NAV as of 4:00 p.m. (E.T.) (the “NAV Calculation Time”) or an earlier time as set forth on www.proshares.com, if necessitated by the New York Stock Exchange (“NYSE”), the Exchange or other exchange material to the valuation or operation of such Fund closing early. Each Fund’s NAV will be calculated only once each trading day.

Futures Contracts traded on a U.S. exchange are calculated at their then-current market value, which is based upon the settlement price or the last traded price before the NAV time on the applicable U.S. exchange on the date with respect to which the NAV is being determined. If a Futures Contract traded on a U.S. exchange could not be liquidated on such day, due to the operation of daily limits or other rules of the exchange upon which that position is traded or otherwise, the Sponsor may, in its sole discretion, choose to determine a fair value price as the basis for determining the market value of such position for such day. Such fair value prices would generally be determined based on available inputs about the current value of the underlying reference assets and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

In calculating the NAV of a Fund, the settlement value of a Fund’s non-exchange traded Financial Instruments will be determined by applying the then-current disseminated levels for the Fund’s Benchmark to the terms of such Fund’s non-exchange traded Financial Instruments based on the Benchmark. However, in the event that the Futures Contracts underlying a Benchmark are not trading due to the operation of daily limits or otherwise, the Sponsor may, in its sole discretion, choose to fair value a Fund’s non-exchange traded Financial Instruments for purposes of the NAV calculation. Such fair value prices would generally be determined based on available inputs about the current value of the futures

contracts underlying a Benchmark and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

Money Market Instruments generally will be valued using market prices or at amortized cost.

Indicative Optimized Portfolio Value (“IOPV”)

The IOPV will be an indicator of the value of a Fund’s net assets at the time the IOPV is disseminated. The IOPV will be calculated and disseminated every 15 seconds during the Exchange’s Core Trading Session (normally, 9:30 a.m. to 4:00 p.m., Eastern Time (“E.T.”)). The IOPV will generally be calculated using the prior day’s closing net assets of a Fund as a base and updating throughout the trading day changes in the value of the Futures Contracts and other investments, if any, held by a Fund.

Futures Contracts will be valued using their most recent quoted price during the trading day, for as long as the main pricing mechanism of the CME or ICE Futures U.S., as applicable, is open.

- Futures Contracts may be valued intraday using the main pricing mechanism of the CME or ICE Futures U.S., as applicable, or through another proxy as determined to be appropriate by the third party market data provider.
- Swaps and forward contracts may be valued intraday using the underlying asset or index price, or another proxy as determined to be appropriate by the third party market data provider.
- Exchange-listed options may be valued intraday using the relevant exchange data, or another proxy as determined to be appropriate by the third party market data provider.
- Over-the-counter options may be valued intraday through option valuation models (e.g., Black-Scholes) or using exchange-traded options as a proxy, or another proxy as determined to be appropriate by the third party market data provider.

The IOPV will be disseminated on a per Share basis every 15 seconds during the Exchange’s Core Trading Session.¹³

¹³ Several major market data vendors display and/or make widely available IOPVs taken from the Consolidated Tape Association (“CTA”) or other data feeds. In addition, circumstances may arise in which the NYSE Arca Core Trading Session is in progress, but trading in Futures Contracts is not occurring. Such circumstances may result from reasons including, but not limited to, a futures

The Exchange will disseminate the IOPV through the facilities of the CTA high speed line. In addition, IOPV will be published on the Exchange's website and will be available through on-line information services such as Bloomberg and Reuters.

Creation and Redemption of Shares

According to the Registration Statement, each Fund will create and redeem Shares from time to time in one or more "Creation Units." A Creation Unit is a block of 50,000 Shares of a Fund. The size of a Creation Unit is subject to change.

On any "Business Day", an "Authorized Participant" may place an order with the Distributor to create one or more Creation Units.¹⁴ For purposes of processing both purchase and redemption orders, a "Business Day" for each Fund means any day on which the NAV of such Fund is determined.

By placing a purchase order, an Authorized Participant agrees to deposit cash with the Custodian of the Funds (unless as provided otherwise in the Registration Statement). Purchase orders, once accepted, are not revocable by an Authorized Participant. If permitted by the Sponsor in its sole discretion with respect to a Fund, an Authorized Participant may also agree to enter into or arrange for an exchange of a futures contract for related position ("EFCRP") or block trade with the relevant Fund whereby the Authorized Participant would also transfer to such Fund a number and type of Futures Contracts at or near the closing settlement price for such contracts on the purchase order date. Similarly, the Sponsor in its sole discretion may agree with an Authorized Participant to use an EFCRP to effect an order to redeem Creation Units.

Redemption Procedures

According to the Registration Statement, the procedures by which an Authorized Participant can redeem one or more Creation Units will mirror the procedures for the creation of Creation Units. On any Business Day, an Authorized Participant

exchange having a separate holiday schedule than the NYSE Arca, a futures exchange closing prior to the close of the NYSE Arca, price fluctuation limits being reached in a Futures Contract, or a futures exchange, imposing any other suspension or limitation on trading in a Futures Contract. In such instances, for IOPV calculation purposes, the price of the applicable Futures Contracts, as well as Financial Instruments whose price is derived from the Futures Contracts, would be static or priced by the Fund at the applicable early cut-off time of the exchange trading the applicable Futures Contract.

¹⁴ "Authorized Participants" will be the only persons that may place orders to create and redeem Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Trust and Sponsor.

may place an order with the Distributor to redeem one or more Creation Units. If a redemption order is received prior to the applicable cut-off time, or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before the cut-off time, the day on which SEI receives a valid redemption order is the redemption order date. If the redemption order is received after the applicable cut-off time, the redemption order date will be the next day.

Redemption orders, once accepted, are not revocable by an Authorized Participant. The redemption procedures allow Authorized Participants to redeem Creation Units. Individual shareholders may not redeem directly from a Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Creation Units to be redeemed through the Depository Trust Company's ("DTC") book-entry system to the applicable Fund not later than noon (E.T.), on the first Business Day immediately following the redemption order date (T+1). The Sponsor reserves the right to extend the deadline for a Fund to receive the Creation Units required for settlement up to the third Business Day following the redemption order date (T+3).

Upon request of an Authorized Participant made at the time of a redemption order, the Sponsor at its sole discretion may determine, in addition to delivering redemption proceeds, to transfer futures contracts to the Authorized Participant pursuant to an EFCRP or to a block trade sale of futures contracts to the Authorized Participant.

The redemption proceeds from a Fund will consist of the cash redemption amount and, if permitted by the Sponsor in its sole discretion with respect to a Fund, an EFCRP or block trade with the relevant Fund as described in "Creation and Redemption of Shares" above. The cash redemption amount is equal to the NAV of the number of Creation Unit(s) of such Fund requested in the Authorized Participant's redemption order as of the time of the calculation of such Fund's NAV on the redemption order date, less transaction fees and any amounts attributable to any applicable EFCRP or block trade.

Creation and redemption transactions must be placed each day with SEI by 3:30 p.m., E.T., or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before such cut-off time, to receive that day's NAV. The NAV calculation time for each Fund typically will be 4:00 p.m. E.T.

The redemption proceeds due from a Fund will be delivered to the Authorized Participant at noon (E.T.), on the third Business Day immediately following the redemption order date if, by such time on such Business Day immediately following the redemption order date, a Fund's DTC account has been credited with the Creation Units to be redeemed.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in

exercising its discretion to halt or suspend trading in the Shares of a Fund.¹⁵ Trading in Shares of a Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of a Benchmark occurs. If the interruption to the dissemination of the IOPV or the value of a Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares of the Funds to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. in accordance with NYSE Arca Equities Rule 7.34 (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.200. The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit ("ETP") Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance. The Exchange represents that, for initial and continued listing, each Fund will be in compliance with Rule 10A-3¹⁶ under the Act, as provided by NYSE Arca Equities Rule 5.3. A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange.

Availability of Information

The NAV for the Funds' Shares will be disseminated daily to all market participants at the same time. The intraday, closing prices, and settlement prices

¹⁵ See NYSE Arca Equities Rule 7.12.

¹⁶ 17 CFR 240.10A-3.

of the Futures Contracts will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors.

Complete real-time data for the Futures Contracts is available by subscription through on-line information services. ICE Futures U.S. and CME also provide delayed futures and options on futures information on current and past trading sessions and market news free of charge on their respective websites. The specific contract specifications for Futures Contracts are also available on such websites, as well as other financial informational sources. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. Quotation information for Money Market Instruments, swaps and forward contracts may be obtained from brokers and dealers who make markets in such instruments. Intra-day price and closing price level information for the Benchmark will be available from major market data vendors. The IOPV will be available through on-line information services.

In addition, the Funds' website, www.proshares.com, will display the applicable end of day closing NAV. The daily holdings of each Fund will be available on the Funds' website before 9:30 a.m. E.T. Each Fund's total portfolio composition will be disclosed each Business Day that the NYSE Arca is open for trading, on the Funds' website. The Funds' website will also include a form of the prospectus for the Funds that may be downloaded.

The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, percentage weighting, and value of the Futures Contracts and Financial Interests, (iii) the name and value of each Treasury security and cash equivalent, and (iv) the amount of cash held in each Fund's portfolio. The Funds' website will be publicly accessible at no charge. In addition, the IOPV will be published on the Exchange's website and will be available through on-line information services such as Bloomberg and Reuters.

The website will include the Shares' ticker and CUSIP information along with additional quantitative information updated on a daily basis, including, for each Fund: (1) daily trading volume, the prior Business Day's reported NAV and closing price, and a calculation of the premium and discount of the closing price or mid-point of the bid/ask spread at the time of NAV calculation (the "Bid/Ask Price") against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for at least each of the four previous calendar quarters. The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the name, quantity, value, expiration and strike price of Futures Contracts and Stop Options, (ii) the counterparty to and value of swap agreements and forward contracts, and (ii) the aggregate net value of other assets (i.e., Money Market Instruments and cash) held in each Fund's portfolio, if applicable.

The Funds' website will be publicly available at the time of the public offering of Shares and accessible at no charge.

Impact on Arbitrage Mechanism

The Sponsor believes there will be minimal, if any, impact to the arbitrage mechanism as a result of the use of derivatives. Each Fund intends to achieve substantially all of its geared or inverse exposure to its Benchmark through positions in listed Futures Contracts. The intraday, closing prices, and settlement prices of the Futures Contracts will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors. Market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Sponsor believes that the price at which Shares of the Funds trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Shares of the Funds at their NAV, which should ensure that Shares of the Funds will not trade at a material discount or premium in relation to its NAV.

The Sponsor does not believe there will be any significant impacts to the settlement or operational aspects of the Funds' arbitrage mechanism due to the use of derivatives.

Surveillance

The Exchange represents that trading in the Shares of each Fund will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁷ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

¹⁷ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, certain Futures Contracts and certain Stop Options with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”), and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares, certain Futures Contracts and certain Stop Options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, certain Futures Contracts and certain Stop Options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement (“CSSA”).¹⁸ The Exchange is also able to obtain information regarding trading in the Shares, Futures Contracts and certain Stop Options through ETP Holders, in connection with such ETP Holders' proprietary or customer trades which they effect through ETP Holders on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions (including transactions in Futures Contracts and certain Stop Options) occurring on U.S. futures and securities exchanges that are members of the ISG.

Not more than 10% of the net assets of a Fund in the aggregate invested in Futures Contracts or exchange-traded Stop Options shall consist of Futures Contracts or exchange-traded Stop Options whose principal market is not a member of the ISG or is a market with which the Exchange does not have a CSSA.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolios of the Funds or Benchmarks, (b) limitations on portfolio of the Funds or Benchmarks, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).

¹⁸ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of a Fund may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated IOPV will not be calculated or publicly disseminated; (2) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (4) how information regarding the IOPV is disseminated; (5) how information regarding portfolio holdings is disseminated; (6) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (7) trading information.

Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2(a) in an Information Bulletin. Specifically, ETP Holders will be reminded in the Information Bulletin that, in recommending transactions in the Shares, they must have a reasonable basis to believe that (1) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such ETP Holder, and (2) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Shares. In connection with the suitability obligation, the Information Bulletin will also provide that ETP Holders must make reasonable efforts to obtain the following information: (1) the customer's financial status; (2) the customer's tax status; (3) the customer's investment objectives; and (4) such other information used or considered to be reasonable by such ETP Holder or registered representative in making recommendations to the customer.

Further, the Exchange states that FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged and inverse leveraged securities (which include the Shares) and options on such securities, as described in FINRA Regulatory Notices 09-31 (June 2009), 09-53 (August 2009), and 09-65 (November 2009) (collectively, "FINRA Regulatory Notices"). ETP Holders that carry customer accounts will be required to follow the FINRA guidance set forth in these notices. As noted above, each Fund will seek, on a daily basis, investment results that correspond (before fees and expenses) to 4x, or -4x, respectively, the performance of a Benchmark. Over a period of time in excess of one day, the cumulative percentage increase or decrease in the NAV of the Shares of a Fund may diverge significantly from a multiple or inverse multiple of the cumulative percentage decrease or increase in the relevant Benchmark due to a compounding effect.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to a Fund. The Information Bulletin will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. In addition, the Information Bulletin will reference that a Fund is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the trading of Futures Contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares and that the NAV for the Shares will be calculated after 2:30 p.m. E.T. each trading day. The Information Bulletin will disclose that information about the Shares will be publicly available on the Funds' website.

(b) Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)¹⁹ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. Not more than 10% of the net assets of a Fund in Futures Contracts or exchange-traded Stop Options contracts shall consist of Futures Contracts or exchange-traded Stop Options contracts whose principal market is not a member of ISG or is a market with which the Exchange does not have a CSSA.

Futures Contract closing price and settlement prices of are readily available from the CME and ICE U.S., as applicable. In addition, such prices are available from automated quotation systems, published or other public sources, or on-line information services. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IOPV will be disseminated on a per Share basis by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session. The

¹⁹

15 U.S.C. 78f(b)(5).

Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of the underlying Futures Contracts occurs. If the interruption to the dissemination of the IOPV or the value of the underlying Futures Contracts persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information will be publicly available regarding the Funds and the Shares, thereby promoting market transparency. Quotation and last sale information for the Futures Contracts are widely disseminated through a variety of major market data vendors worldwide. Complete real-time data for such contracts is available by subscription from Reuters and Bloomberg. The ICE U.S. and CME also provide delayed futures information on current and past trading sessions and market news free of charge on their websites. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. The NAV per Share will be calculated daily and made available to all market participants at the same time. NYSE Arca will calculate and disseminate every 15 seconds throughout the NYSE Arca Core Trading Session an updated IOPV.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has in place a CSSA.

4. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

The Exchange has neither solicited nor received written comments on the

proposed rule change.

6. Extension of Time Period for Commission Action

The Exchange does not consent at this time to an extension of any time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1 - Form of Notice of Proposed Rule Change for Federal Register

SECURITIES AND EXCHANGE COMMISSION
 (Release No. 34- ; File No. SR-NYSEARCA-2017-69)

[Date]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change to List and Trade Shares of the ProShares QuadPro ETFs under Commentary .02 to NYSE Arca Equities Rule 8.200

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on June 19, 2017, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to list and trade shares of the following under Commentary .02 to NYSE Arca Equities Rule 8.200 (“Trust Issued Receipts”): ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund. The proposed change is

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to list and trade shares (“Shares”) of the following under Commentary .02 to NYSE Arca Equities Rule 8.200, which governs the listing and trading of Trust Issued Receipts (“TIRs”)⁴: ProShares QuadPro U.S. Large Cap Futures Long Fund; ProShares QuadPro U.S. Large Cap Futures Short Fund; ProShares QuadPro U.S. Small Cap Futures Long Fund; and ProShares QuadPro U.S. Small Cap Futures Short Fund (each a “Fund” and, collectively, the “Funds”).⁵

⁴ Commentary .02 to NYSE Arca Equities Rule 8.200 applies to TIRs that invest in “Financial Instruments.” The term “Financial Instruments,” as defined in Commentary .02(b)(4) to NYSE Arca Equities Rule 8.200, means any combination of investments, including cash; securities; options on securities and indices; futures contracts; options on futures contracts; forward contracts; equity caps, collars and floors; and swap agreements.

⁵ The Trust is registered under the Securities Act of 1933. On May 8, 2017, the Trust filed with the Commission a registration statement on Form S-1 under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) relating to the Funds

Each of the Funds is a commodity pool that is a series of the ProShares Trust II (“Trust”). The Funds’ sponsor and commodity pool operator is ProShare Capital Management LLC (the “Sponsor”). Brown Brothers Harriman & Co. is the Administrator, the Custodian and the Transfer Agent of each Fund and its Shares. SEI Investments Distribution Co. (“SEI”) is the distributor for the Funds’ Shares.

Principal Investment Strategies of the Funds

ProShares QuadPro U.S. Large Cap Futures Long Fund and ProShares QuadPro U.S. Large Cap Futures Short Fund (“Large Cap Futures Funds”)

According to the Registration Statement, the Large Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (i.e., 4X) or four times the inverse (i.e., -4X), respectively, of the return of Lead Month E-Mini S&P 500 Stock Price Index Futures (“Large Cap Benchmark” or “Benchmark”) for a single day.⁶ A “single day” is measured from the time a Fund calculates its net asset value (“NAV”) to the time of a Fund’s next NAV calculation.

Under normal market conditions,⁷ each Large Cap Futures Fund will attempt to

(File No. 333-217767) (the “Registration Statement”). The description of the operation of the Trust and the Funds herein is based, in part, on the Registration Statement.

⁶ The Large Cap Benchmark is the closing settlement price on the Chicago Mercantile Exchange (“CME”) of lead month (i.e., near-month or next-to-expire) E-Mini S&P 500 Stock Price Index Futures Contracts. The S&P 500 Index is a float-adjusted, market capitalization-weighted index of 500 U.S. operating companies and real estate investment trusts selected through a process that factors in criteria such as liquidity, price, market capitalization and financial viability.

⁷ The term “normal market conditions” includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed

gain leveraged or inverse exposure, as applicable, to the Large Cap Benchmark primarily through investments in Lead Month E-Mini S&P 500 Stock Price Index Futures.⁸ Each Large Cap Futures Fund also may take positions in standard futures contracts on the S&P 500 Index (together with e-mini futures, “Futures Contracts”). The ProShares QuadPro U.S. Large Cap Futures Long Fund will seek to achieve substantially all of this exposure by taking “long” positions in Futures Contracts. Conversely, the ProShares QuadPro U.S. Large Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking “short” positions in Futures Contracts.⁹

According to the Registration Statement, each Large Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Large Cap Benchmark is consistent with such Fund’s daily investment objective. The impact of the Large Cap Benchmark’s movements during the day will affect whether a particular Fund’s portfolio needs to be repositioned. For example, if the Large Cap Benchmark underlying the ProShares QuadPro U.S. Large Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such

conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

⁸ According to the Registration Statement, an e-mini futures contract is an electronically traded futures contract that provides similar exposure, but with a lower dollar value, than a standard futures contract. The dollar volume traded of e-mini futures contracts on the S&P500 Index and the Russell 2000 Index far exceeds the dollar volume traded of standard futures contracts on these indexes. In addition, because of their lower dollar value, e-mini futures contracts may permit the Funds to maintain exposure more precisely in line with their current asset levels.

⁹ In general terms, to be “long” means to hold or have long exposure to an asset in order to benefit from increases in the value of such asset; to be “short” means to sell or have short exposure to an asset in order to benefit from decreases in the value of such asset.

Fund's inverse exposure will need to be decreased. Conversely, if the Large Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund's inverse exposure will need to be increased. For the ProShares QuadPro U.S. Large Cap Futures Long Fund, such Fund's long exposure will need to be increased on days when the Large Cap Benchmark rises and decreased on days when the Large Cap Benchmark falls. Daily rebalancing and the compounding of each day's return over time means that the return of each Fund for a period longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from four times (4x) or four times the inverse (-4x), as applicable, of the return of a Fund's Benchmark for the same period.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse, as applicable, of the Large Cap Benchmark for a single day, an adverse Large Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in the Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund's NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in the Large Cap Benchmark. Specifically, the ProShares QuadPro U.S. Large Cap Futures Long Fund will hold listed "put" options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to sell such contracts) and ProShares QuadPro U.S. Large Cap Futures Short Fund will hold listed "call" options on e-mini or standard S&P 500 Index futures contracts (which give the Fund the right to buy

futures contracts). Such put and call options are referred to herein as “Stop Options.” If listed options are not readily available, a Fund may invest in over-the-counter (“OTC”) options. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse movement in a Fund’s Benchmark.¹⁰

In the event position, price or accountability limits are reached with respect to Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Large Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark (“Financial Instruments”). The Funds may also invest in Financial Instruments if the market for a specific Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Financial Instruments.

Each Fund will invest the remainder of its un-invested assets in high-quality, short-term debt instruments that have terms-to-maturity of less than 397 days, such as U.S. government securities and repurchase agreements (“Money Market Instruments”).

¹⁰ In the case of the ProShares QuadPro U.S. Large Cap Futures Long Fund, the exercise prices of such options will be at approximately 75 percent of the value of the Fund’s leveraged long exposure to its Benchmark as of the end of the preceding business day. In the case of the ProShares QuadPro U.S. Large Cap Futures Short Fund, the exercise prices of such options will be at approximately 125 percent of the value of the Fund’s leveraged inverse exposure to its Benchmark as of the end of the preceding business day.

In seeking to achieve each Fund's investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund's objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund's investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Futures Contracts, Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Large Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

ProShares QuadPro U.S. Small Cap Futures Long Fund and ProShares QuadPro U.S. Small Cap Futures Short Fund ("Small Cap Futures Funds")

According to the Registration Statement, the Small Cap Futures Funds will seek results that correspond (before fees and expenses) to four times (i.e., 4X) or four times the inverse (i.e., -4X), respectively, of the return of Lead Month Russell 2000 Index Mini Futures ("Small Cap Benchmark" or "Benchmark") for a single day.¹¹ A "single day" is measured from the time a Fund calculates its NAV to the time of a Fund's next NAV calculation.

¹¹ The Small Cap Benchmark is the closing settlement price on the Intercontinental Exchange ("ICE") of lead month (i.e., near-month or next-to-expire) Russell 2000 Index Mini Futures Contracts. The Russell 2000 Index is a float-adjusted, market capitalization-weighted index containing approximately 2000 of the smallest companies in the Russell 3000 Index, or approximately 8% of the total market capitalization of the Russell 3000 Index, which in turn represents approximately 98% of the investable U.S. equity market.

Under normal market conditions,¹² each Small Cap Futures Fund will attempt to gain leveraged or inverse exposure, as applicable, to the Small Cap Benchmark primarily through investments in Lead Month Russell 2000 Index Mini Futures. Each Small Cap Futures Fund also may take positions in standard futures contracts on the Russell 2000 Index (together with e-mini futures, “Futures Contracts”). The ProShares QuadPro U.S. Small Cap Futures Long Fund will seek to achieve substantially all of this exposure by taking “long” positions in Futures Contracts. Conversely, the ProShares QuadPro U.S. Small Cap Futures Short Fund will seek to achieve substantially all of this exposure by taking “short” positions in Futures Contracts.

According to the Registration Statement, each Small Cap Futures Fund will seek to engage in daily rebalancing to position its portfolio so that its leveraged or inverse exposure to the Small Cap Benchmark is consistent with such Fund’s daily investment objective. The impact of the Small Cap Benchmark’s movements during the day will affect whether a particular Fund’s portfolio needs to be repositioned. For example, if the Small Cap Benchmark underlying the ProShares QuadPro U.S. Small Cap Futures Short Fund has risen on a given day, net assets of such Fund should fall. As a result, such Fund’s inverse exposure will need to be decreased. Conversely, if the Small Cap Benchmark underlying such Fund has fallen on a given day, net assets of such Fund should rise. As a result, the Fund’s inverse exposure will need to be increased. For the ProShares QuadPro U.S. Small Cap Futures Long Fund, such Fund’s long exposure will need to be increased on days when the Small Cap Benchmark rises and decreased on days when the Small Cap Benchmark falls. Daily rebalancing and the compounding of each

¹² See note 7, *supra*.

day's return over time means that the return of each Fund for a period longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from four times (4x) or four times the inverse (-4x), as applicable, of the return of the Small Cap Benchmark for the same period.

According to the Registration Statement, because each Fund will seek results that correspond to four times the performance or four times the inverse of the Small Cap Benchmark for a single day, an adverse Small Cap Benchmark move of 25 percent or more could cause the NAV of a Fund to decline to zero and investors in a Fund to lose the full value of their investment. Therefore, each Fund will invest a limited portion of its assets (typically less than 5% of its net assets at the time of purchase) in listed option contracts designed to prevent a Fund's NAV from going to zero and allow a Fund to recoup a small portion of the substantial losses that may result from significant movements in its Benchmark. Specifically, the ProShares QuadPro U.S. Small Cap Futures Long Fund will hold listed "put" options on e-mini or standard Russell 2000 Index futures contracts (which give the Fund the right to sell Futures Contracts) and ProShares QuadPro U.S. Small Cap Futures Short Fund will hold listed "call" options on e-mini or standard Russell 2000 Index futures contracts (which give the Fund the right to buy Futures Contracts). Such put and call options are referred to herein as "Stop Options." If listed options are not readily available, a Fund may invest in OTC options. This strategy will not prevent a Fund from losing money, but is designed to permit a Fund to recover a small percentage of its losses in the event of significant adverse

movement in a Fund's Benchmark.¹³

In the event position, price or accountability limits are reached with respect to Futures Contracts, the Sponsor, in its commercially reasonable judgment, may cause each Fund to obtain exposure to the Small Cap Benchmark through investment in swap transactions and forward contracts referencing such Benchmark ("Financial Instruments"). The Funds may also invest in Financial Instruments if the market for a specific Futures Contract experiences emergencies (e.g., natural disaster, terrorist attack or an act of God) or disruptions (e.g., a trading halt or a flash crash) that prevent or make it impractical for a Fund from obtaining the appropriate amount of investment exposure using Futures Contracts (i.e., conditions other than normal market conditions). The Funds do not intend to invest more than 25% of their respective net assets in Financial Instruments.

Each Fund will invest the remainder of its un-invested assets in Money Market Instruments.

In seeking to achieve a Fund's investment objective, the Sponsor will use a mathematical approach to investing. Using this approach, the Sponsor will determine the type, quantity and mix of investment positions that the Sponsor believes, in combination, should produce daily returns consistent with each Fund's objective. The Sponsor will rely upon a pre-determined model to generate orders that result in repositioning each Fund's

¹³ In the case of the ProShares QuadPro U.S. Small Cap Futures Long Fund, the exercise prices of such options will be at approximately 75 percent of the value of the Fund's leveraged long exposure to its Benchmark as of the end of the preceding business day. In the case of the ProShares QuadPro U.S. Small Cap Futures Short Fund, the exercise prices of such options will be at approximately 125 percent of the value of the Fund's leveraged inverse exposure to its Benchmark as of the end of the preceding business day.

investments in accordance with its respective investment objective.

Each Fund generally will seek to remain fully invested at all times in Futures Contracts, Stop Options (as applicable), and Money Market Instruments that, in combination, provide exposure to the Small Cap Benchmark consistent with its investment objective without regard to market conditions, trends or direction.

Characteristics of Futures Contracts

According to the Registration Statement, a key feature of Futures Contracts is that they specify a delivery date for the underlying reference asset or the payment of its cash equivalent. As a result, the composition of each Fund's Benchmark will change from time to time as the delivery date for its component Futures Contracts is reached. Under the current rules applicable to each Benchmark, Futures Contracts that have reached their delivery date will be dropped from the Benchmark and replaced with the later-expiring contracts (sometimes referred to as the "deferred month" contracts). This process typically takes place over a number of days, during which period the Benchmark may consist of both the "lead month" contracts exiting the Benchmark and the "deferred month" contracts being added to the Benchmark (which then become the new "lead month" contracts). In such instances, each Fund's portfolio investments will be changed accordingly. The Funds do not intend to take delivery of the reference assets underlying their respective Benchmarks. Instead, each Fund intends to "roll" its Futures Contracts as they approach their delivery dates. To "roll" a Futures Contract means to sell a Futures Contract as it nears its delivery date and replace it with a new Futures Contract that has a later delivery date. Each Fund will "roll" its Futures Contracts in a manner designed to reflect the changes in its Benchmark while minimizing transaction costs and market

impact. The anticipated “roll” date for each Fund’s Benchmark will be posted on the Funds’ website at www.proshares.com.

Net Asset Value

According to the Registration Statement, the NAV in respect of a Fund means the total assets of that Fund including, but not limited to, all cash and Money Market Instruments, less total liabilities of such Fund, consistently applied under the accrual method of accounting. In particular, the NAV will include any unrealized profit or loss on open Futures Contracts (and Financial Instruments, if any), and any other credit or debit accruing to a Fund but unpaid or not received by a Fund. The NAV per Share of a Fund will be 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 will be accrued daily and taken into account for purposes of determining the NAV. Each Fund’s NAV will be calculated on each day other than a day when the Exchange is closed for regular trading. The Funds will compute their NAV as of 4:00 p.m. (E.T.) (the “NAV Calculation Time”) or an earlier time as set forth on www.proshares.com, if necessitated by the New York Stock Exchange (“NYSE”), the Exchange or other exchange material to the valuation or operation of such Fund closing early. Each Fund’s NAV will be calculated only once each trading day.

Futures Contracts traded on a U.S. exchange are calculated at their then-current market value, which is based upon the settlement price or the last traded price before the NAV time on the applicable U.S. exchange on the date with respect to which the NAV is being determined. If a Futures Contract traded on a U.S. exchange could not be liquidated on such day, due to the operation of daily limits or other rules of the exchange upon

which that position is traded or otherwise, the Sponsor may, in its sole discretion, choose to determine a fair value price as the basis for determining the market value of such position for such day. Such fair value prices would generally be determined based on available inputs about the current value of the underlying reference assets and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

In calculating the NAV of a Fund, the settlement value of a Fund's non-exchange traded Financial Instruments will be determined by applying the then-current disseminated levels for the Fund's Benchmark to the terms of such Fund's non-exchange traded Financial Instruments based on the Benchmark. However, in the event that the Futures Contracts underlying a Benchmark are not trading due to the operation of daily limits or otherwise, the Sponsor may, in its sole discretion, choose to fair value a Fund's non-exchange traded Financial Instruments for purposes of the NAV calculation. Such fair value prices would generally be determined based on available inputs about the current value of the futures contracts underlying a Benchmark and would be based on principles that the Sponsor deems fair and equitable so long as such principles are consistent with normal industry standards.

Money Market Instruments generally will be valued using market prices or at amortized cost.

Indicative Optimized Portfolio Value ("IOPV")

The IOPV will be an indicator of the value of a Fund's net assets at the time the IOPV is disseminated. The IOPV will be calculated and disseminated every 15 seconds during the Exchange's Core Trading Session (normally, 9:30 a.m. to 4:00 p.m., Eastern

Time (“E.T.”). The IOPV will generally be calculated using the prior day’s closing net assets of a Fund as a base and updating throughout the trading day changes in the value of the Futures Contracts and other investments, if any, held by a Fund.

Futures Contracts will be valued using their most recent quoted price during the trading day, for as long as the main pricing mechanism of the CME or ICE Futures U.S., as applicable, is open.

- Futures Contracts may be valued intraday using the main pricing mechanism of the CME or ICE Futures U.S., as applicable, or through another proxy as determined to be appropriate by the third party market data provider.
- Swaps and forward contracts may be valued intraday using the underlying asset or index price, or another proxy as determined to be appropriate by the third party market data provider.
- Exchange-listed options may be valued intraday using the relevant exchange data, or another proxy as determined to be appropriate by the third party market data provider.
- Over-the-counter options may be valued intraday through option valuation models (e.g., Black-Scholes) or using exchange-traded options as a proxy, or another proxy as determined to be appropriate by the third party market data provider.

The IOPV will be disseminated on a per Share basis every 15 seconds during the

Exchange's Core Trading Session.¹⁴

The Exchange will disseminate the IOPV through the facilities of the CTA high speed line. In addition, IOPV will be published on the Exchange's website and will be available through on-line information services such as Bloomberg and Reuters.

Creation and Redemption of Shares

According to the Registration Statement, each Fund will create and redeem Shares from time to time in one or more "Creation Units." A Creation Unit is a block of 50,000 Shares of a Fund. The size of a Creation Unit is subject to change.

On any "Business Day", an "Authorized Participant" may place an order with the Distributor to create one or more Creation Units.¹⁵ For purposes of processing both purchase and redemption orders, a "Business Day" for each Fund means any day on which the NAV of such Fund is determined.

By placing a purchase order, an Authorized Participant agrees to deposit cash with the Custodian of the Funds (unless as provided otherwise in the Registration

¹⁴ Several major market data vendors display and/or make widely available IOPVs taken from the Consolidated Tape Association ("CTA") or other data feeds. In addition, circumstances may arise in which the NYSE Arca Core Trading Session is in progress, but trading in Futures Contracts is not occurring. Such circumstances may result from reasons including, but not limited to, a futures exchange having a separate holiday schedule than the NYSE Arca, a futures exchange closing prior to the close of the NYSE Arca, price fluctuation limits being reached in a Futures Contract, or a futures exchange, imposing any other suspension or limitation on trading in a Futures Contract. In such instances, for IOPV calculation purposes, the price of the applicable Futures Contracts, as well as Financial Instruments whose price is derived from the Futures Contracts, would be static or priced by the Fund at the applicable early cut-off time of the exchange trading the applicable Futures Contract.

¹⁵ "Authorized Participants" will be the only persons that may place orders to create and redeem Creation Units. An Authorized Participant is an entity that has entered into an Authorized Participant Agreement with the Trust and Sponsor.

Statement). Purchase orders, once accepted, are not revocable by an Authorized Participant. If permitted by the Sponsor in its sole discretion with respect to a Fund, an Authorized Participant may also agree to enter into or arrange for an exchange of a futures contract for related position (“EFCRP”) or block trade with the relevant Fund whereby the Authorized Participant would also transfer to such Fund a number and type of Futures Contracts at or near the closing settlement price for such contracts on the purchase order date. Similarly, the Sponsor in its sole discretion may agree with an Authorized Participant to use an EFCRP to effect an order to redeem Creation Units.

Redemption Procedures

According to the Registration Statement, the procedures by which an Authorized Participant can redeem one or more Creation Units will mirror the procedures for the creation of Creation Units. On any Business Day, an Authorized Participant may place an order with the Distributor to redeem one or more Creation Units. If a redemption order is received prior to the applicable cut-off time, or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before the cut-off time, the day on which SEI receives a valid redemption order is the redemption order date. If the redemption order is received after the applicable cut-off time, the redemption order date will be the next day. Redemption orders, once accepted, are not revocable by an Authorized Participant. The redemption procedures allow Authorized Participants to redeem Creation Units. Individual shareholders may not redeem directly from a Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Creation Units to be redeemed through the Depository Trust Company’s (“DTC”) book-entry system to the applicable Fund not later than noon (E.T.), on the first Business Day

immediately following the redemption order date (T+1). The Sponsor reserves the right to extend the deadline for a Fund to receive the Creation Units required for settlement up to the third Business Day following the redemption order date (T+3).

Upon request of an Authorized Participant made at the time of a redemption order, the Sponsor at its sole discretion may determine, in addition to delivering redemption proceeds, to transfer futures contracts to the Authorized Participant pursuant to an EFCRP or to a block trade sale of futures contracts to the Authorized Participant.

The redemption proceeds from a Fund will consist of the cash redemption amount and, if permitted by the Sponsor in its sole discretion with respect to a Fund, an EFCRP or block trade with the relevant Fund as described in “Creation and Redemption of Shares” above. The cash redemption amount is equal to the NAV of the number of Creation Unit(s) of such Fund requested in the Authorized Participant’s redemption order as of the time of the calculation of such Fund’s NAV on the redemption order date, less transaction fees and any amounts attributable to any applicable EFCRP or block trade.

Creation and redemption transactions must be placed each day with SEI by 3:30 p.m., E.T., or earlier if the Exchange or other exchange material to the valuation or operation of such Fund closes before such cut-off time, to receive that day’s NAV. The NAV calculation time for each Fund typically will be 4:00 p.m. E.T.

The redemption proceeds due from a Fund will be delivered to the Authorized Participant at noon (E.T.), on the third Business Day immediately following the redemption order date if, by such time on such Business Day immediately following the redemption order date, a Fund’s DTC account has been credited with the Creation Units to be redeemed.

Trading Halts

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of a Fund.¹⁶ Trading in Shares of a Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.

The Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of a Benchmark occurs. If the interruption to the dissemination of the IOPV or the value of a Benchmark persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

Trading Rules

The Exchange deems the Shares of the Funds to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m. E.T. in accordance with NYSE Arca Equities Rule 7.34 (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, the minimum price variation ("MPV") for quoting and entry of orders in equity securities

¹⁶ See NYSE Arca Equities Rule 7.12.

traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

The Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rule 8.200. The trading of the Shares will be subject to NYSE Arca Equities Rule 8.200, Commentary .02(e), which sets forth certain restrictions on Equity Trading Permit (“ETP”) Holders acting as registered Market Makers in Trust Issued Receipts to facilitate surveillance. The Exchange represents that, for initial and continued listing, each Fund will be in compliance with Rule 10A-3¹⁷ under the Act, as provided by NYSE Arca Equities Rule 5.3. A minimum of 100,000 Shares of each Fund will be outstanding at the commencement of trading on the Exchange.

Availability of Information

The NAV for the Funds’ Shares will be disseminated daily to all market participants at the same time. The intraday, closing prices, and settlement prices of the Futures Contracts will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors.

Complete real-time data for the Futures Contracts is available by subscription through on-line information services. ICE Futures U.S. and CME also provide delayed futures and options on futures information on current and past trading sessions and market news free of charge on their respective websites. The specific contract specifications for Futures Contracts are also available on such websites, as well as other financial informational sources. Quotation and last-sale information regarding the Shares

¹⁷ 17 CFR 240.10A-3.

will be disseminated through the facilities of the CTA. Quotation information for Money Market Instruments, swaps and forward contracts may be obtained from brokers and dealers who make markets in such instruments. Intra-day price and closing price level information for the Benchmark will be available from major market data vendors. The IOPV will be available through on-line information services.

In addition, the Funds' website, www.proshares.com, will display the applicable end of day closing NAV. The daily holdings of each Fund will be available on the Funds' website before 9:30 a.m. E.T. Each Fund's total portfolio composition will be disclosed each Business Day that the NYSE Arca is open for trading, on the Funds' website. The Funds' website will also include a form of the prospectus for the Funds that may be downloaded.

The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the composite value of the total portfolio, (ii) the name, percentage weighting, and value of the Futures Contracts and Financial Interests, (iii) the name and value of each Treasury security and cash equivalent, and (iv) the amount of cash held in each Fund's portfolio. The Funds' website will be publicly accessible at no charge. In addition, the IOPV will be published on the Exchange's website and will be available through on-line information services such as Bloomberg and Reuters.

The website will include the Shares' ticker and CUSIP information along with additional quantitative information updated on a daily basis, including, for each Fund: (1) daily trading volume, the prior Business Day's reported NAV and closing price, and a calculation of the premium and discount of the closing price or mid-point of the bid/ask spread at the time of NAV calculation (the "Bid/Ask Price") against the NAV; and (2)

data in chart format displaying the frequency distribution of discounts and premiums of the daily closing price or Bid/Ask Price against the NAV, within appropriate ranges, for at least each of the four previous calendar quarters. The website disclosure of portfolio holdings will be made daily and will include, as applicable, (i) the name, quantity, value, expiration and strike price of Futures Contracts and Stop Options, (ii) the counterparty to and value of swap agreements and forward contracts, and (iii) the aggregate net value of other assets (i.e., Money Market Instruments and cash) held in each Fund's portfolio, if applicable.

The Funds' website will be publicly available at the time of the public offering of Shares and accessible at no charge.

Impact on Arbitrage Mechanism

The Sponsor believes there will be minimal, if any, impact to the arbitrage mechanism as a result of the use of derivatives. Each Fund intends to achieve substantially all of its geared or inverse exposure to its Benchmark through positions in listed Futures Contracts. The intraday, closing prices, and settlement prices of the Futures Contracts will be readily available from the applicable futures exchange websites, automated quotation systems, published or other public sources, or major market data vendors. Market makers and participants should be able to value derivatives as long as the positions are disclosed with relevant information. The Sponsor believes that the price at which Shares of the Funds trade will continue to be disciplined by arbitrage opportunities created by the ability to purchase or redeem Shares of the Funds at their NAV, which should ensure that Shares of the Funds will not trade at a material discount or premium in relation to its NAV.

The Sponsor does not believe there will be any significant impacts to the settlement or operational aspects of the Funds' arbitrage mechanism due to the use of derivatives.

Surveillance

The Exchange represents that trading in the Shares of each Fund will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.¹⁸ The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, certain Futures Contracts and certain Stop Options with other markets and other entities that are members of the Intermarket Surveillance Group ("ISG"), and the Exchange or FINRA, on behalf of the Exchange, or

¹⁸ FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

both, may obtain trading information regarding trading in the Shares, certain Futures Contracts and certain Stop Options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, certain Futures Contracts and certain Stop Options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement (“CSSA”).¹⁹ The Exchange is also able to obtain information regarding trading in the Shares, Futures Contracts and certain Stop Options through ETP Holders, in connection with such ETP Holders' proprietary or customer trades which they effect through ETP Holders on any relevant market. The Exchange can obtain market surveillance information, including customer identity information, with respect to transactions (including transactions in Futures Contracts and certain Stop Options) occurring on U.S. futures and securities exchanges that are members of the ISG.

Not more than 10% of the net assets of a Fund in the aggregate invested in Futures Contracts or exchange-traded Stop Options shall consist of Futures Contracts or exchange-traded Stop Options whose principal market is not a member of the ISG or is a market with which the Exchange does not have a CSSA.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolios of the Funds or Benchmarks, (b) limitations on portfolio of the Funds or

¹⁹ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of a Fund may trade on markets that are members of ISG or with which the Exchange has in place a CSSA.

Benchmarks, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated IOPV will not be calculated or publicly disseminated; (2) the procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (3) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Shares; (4) how information regarding the IOPV is disseminated; (5) how information regarding portfolio holdings is disseminated; (6) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (7) trading information.

Prior to the commencement of trading, the Exchange will inform its ETP Holders of the suitability requirements of NYSE Arca Equities Rule 9.2(a) in an Information

Bulletin. Specifically, ETP Holders will be reminded in the Information Bulletin that, in recommending transactions in the Shares, they must have a reasonable basis to believe that (1) the recommendation is suitable for a customer given reasonable inquiry concerning the customer's investment objectives, financial situation, needs, and any other information known by such ETP Holder, and (2) the customer can evaluate the special characteristics, and is able to bear the financial risks, of an investment in the Shares. In connection with the suitability obligation, the Information Bulletin will also provide that ETP Holders must make reasonable efforts to obtain the following information: (1) the customer's financial status; (2) the customer's tax status; (3) the customer's investment objectives; and (4) such other information used or considered to be reasonable by such ETP Holder or registered representative in making recommendations to the customer.

Further, the Exchange states that FINRA has implemented increased sales practice and customer margin requirements for FINRA members applicable to inverse, leveraged and inverse leveraged securities (which include the Shares) and options on such securities, as described in FINRA Regulatory Notices 09-31 (June 2009), 09-53 (August 2009), and 09-65 (November 2009) (collectively, "FINRA Regulatory Notices"). ETP Holders that carry customer accounts will be required to follow the FINRA guidance set forth in these notices. As noted above, each Fund will seek, on a daily basis, investment results that correspond (before fees and expenses) to 4x, or -4x, respectively, the performance of a Benchmark. Over a period of time in excess of one day, the cumulative percentage increase or decrease in the NAV of the Shares of a Fund may diverge significantly from a multiple or inverse multiple of the cumulative percentage decrease or increase in the relevant Benchmark due to a compounding effect.

In addition, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to a Fund. The Information Bulletin will also discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. In addition, the Information Bulletin will reference that a Fund is subject to various fees and expenses described in the Registration Statement. The Information Bulletin will also reference that the CFTC has regulatory jurisdiction over the trading of Futures Contracts traded on U.S. markets.

The Information Bulletin will also disclose the trading hours of the Shares and that the NAV for the Shares will be calculated after 2:30 p.m. E.T. each trading day. The Information Bulletin will disclose that information about the Shares will be publicly available on the Funds' website.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)²⁰ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.200 and Commentary .02 thereto. The Exchange has in place surveillance

²⁰ 15 U.S.C. 78f(b)(5).

procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. Not more than 10% of the net assets of a Fund in Futures Contracts or exchange-traded Stop Options contracts shall consist of Futures Contracts or exchange-traded Stop Options contracts whose principal market is not a member of ISG or is a market with which the Exchange does not have a CSSA.

Futures Contract closing price and settlement prices of are readily available from the CME and ICE U.S., as applicable. In addition, such prices are available from automated quotation systems, published or other public sources, or on-line information services. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. Quotation and last-sale information regarding the Shares will be disseminated through the facilities of the CTA. The IOPV will be disseminated on a per Share basis by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session. The Exchange may halt trading during the day in which an interruption to the dissemination of the IOPV or the value of the underlying Futures Contracts occurs. If the interruption to the dissemination of the IOPV or the value of the underlying Futures Contracts persists past the trading day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption. In addition, if the Exchange becomes aware that the NAV with respect to the Shares is not disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The proposed rule change is designed to promote just and equitable principles of

trade and to protect investors and the public interest in that a large amount of information will be publicly available regarding the Funds and the Shares, thereby promoting market transparency. Quotation and last sale information for the Futures Contracts are widely disseminated through a variety of major market data vendors worldwide. Complete real-time data for such contracts is available by subscription from Reuters and Bloomberg. The ICE U.S. and CME also provide delayed futures information on current and past trading sessions and market news free of charge on their websites. Each Benchmark will be disseminated by one or more major market data vendors every 15 seconds during the NYSE Arca Core Trading Session of 9:30 a.m. to 4:00 p.m. E.T. The NAV per Share will be calculated daily and made available to all market participants at the same time. NYSE Arca will calculate and disseminate every 15 seconds throughout the NYSE Arca Core Trading Session an updated IOPV.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has in place a CSSA.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose

of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of additional types of exchange-traded products that are principally exposed to futures contracts and that will enhance competition among market participants, to the benefit of investors and the marketplace.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-

NYSEARCA-2017-69 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEARCA-2017-69. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEARCA-2017-69 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to

delegated authority.²¹

Robert W. Errett
Deputy Secretary

²¹ 17 CFR 200.30-3(a)(12).