



Information Circular 09-047

Date: February 24, 2009

Re: MacroMarkets LLC ETFs

Pursuant to Rule 14.1(c)(2) of the Rules of BATS Exchange, Inc. ("BATS" or the "Exchange"), this Information Circular is being issued to advise you that the following security has been approved for trading on the Exchange as a UTP Derivative Security pursuant to Chapter XIV of the Exchange's Rules.

<u>Security ("Shares" or "Funds")</u>	<u>Symbol</u>
MacroShares \$100 Oil Up Shares	UOY
MacroShares \$100 Oil Down Shares	DOY

Commencement of Trading: February 25, 2009

Issuer/Trust: MacroShares Trust

Issuer Website: www.macromarkets.com

Primary Listing Exchange: NYSE Arca

Primary Exchange Circular: RB-08-139 (November 13, 2008)

Issuer Registration Statement: Nos. 333-150282 and 333-150283

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange's unlisted trading privileges, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website, examine the Issuer Registration Statement or review the most current information bulletin issued by the Primary Listing Exchange. The Issuer Website, the Prospectus, the Issuer Registration Statement and the Primary Exchange Circular are hereafter collectively referred to as the "Issuer Disclosure Materials."

Background Information on the Funds

The MacroShares Trusts (or "paired trusts") are formed under the laws of the State of New York. The MacroShares \$100 Oil Up Shares will be referred to as the "Up Trust" or "Up MacroShares" and the MacroShares \$100 Oil Down Shares will be referred to as the "Down Trust" or "Down MacroShares." The assets of each Trust will include an income distribution agreement and settlement contracts entered into with the other Trust. Under the income distribution agreement the Up Trust will, on each distribution date, either (1) be required to pay a portion of its available income to the Down Trust or (2) be entitled to receive a portion of the Down Trust's available income, based, in each case, on the level of the Applicable Reference Price of Crude Oil during the preceding calculation period. On each distribution date, a quarterly distribution of all available income, if any, on deposit in the Up Trust will be made on the Up MacroShares after the Up Trust has made or received a payment under the income distribution agreement. Or conversely, the Down Trust will, on each distribution date, either (1) be required to pay a portion of its available income to the Up Trust or (2) be entitled to receive a portion of the Up Trust's available income, based, in each case, on the level of the Applicable Reference Price of Crude Oil during

the preceding calculation period. On each distribution date, a quarterly distribution of all available income, if any, on deposit in the Down Trust will be made on the Down MacroShares after the Down Trust has made or received a payment under the income distribution agreement.

The assets of the Up Trust will consist of:

- U.S. treasury securities and what we refer to as “income” on those securities, consisting of stated interest on treasury notes and bonds and the discount that is realized when the par amount received on a treasury bill, note or bond at maturity exceeds the purchase price at which the Up Trust acquired that treasury security;
- Treasury repurchase agreements and what we refer to as “income” on those agreements consisting of the difference between the purchase price and the repurchase price for the treasuries borrowed under those agreements;
- The Up Trust’s rights under the income distribution agreement;
- The Up Trust’s rights under the settlement contracts;
- The Up Trust’s rights under the licensing agreement with MacroMarkets LLC to use the patented MacroShares structure;
- The Up Trust’s rights under the NYMEX sublicensing agreement entered into with MacroMarkets LLC pursuant to which the trust is permitted to use the settlement prices of a light sweet crude oil futures contract of the designated maturity and the NYMEX name;
- The Up Trust’s rights under its trust agreement to rely on the services provided by the administrative agent, the marketing agents and the trustee;
- A securities account created under the Up Trust agreement into which all of the treasuries will be deposited for the benefit of the holders of the Up MacroShares;
- A distribution account created under the Up Trust agreement into which all income realized on the treasuries and all amounts received under the income distribution agreement and the settlement contracts will be deposited and then used, first, to make a deposit to the fee payment account, second, to make payments to the Down Trust under the income distribution agreement and the settlement contracts, if applicable, and, third, to make quarterly and final distributions to the holders of the Up MacroShares;
- A fee payment account created under the Up Trust agreement into which funds will be deposited on each distribution date for the purpose of paying the fees and expenses of the Up Trust; and
- A netting account created under the Up Trust agreement to which the trustee will credit (1) Up MacroShares being redeemed in paired optional redemptions and net such shares against any shares being created in paired issuances on the same date, and (2) cash delivered by authorized participants in connection with paired issuances and net such cash against the final distributions to be made in connection with paired optional redemptions being effected on the same date.

The treasuries purchased on behalf of the Up Trust on each distribution date or in connection with each paired issuance of Up MacroShares may consist of bills, notes and bonds of varying maturities and repurchase agreements of varying terms that are fully collateralized by treasuries and entered into with counterparties that meet specified capital requirements or are deemed creditworthy by the administrative agent. Each treasury and treasury repurchase agreement must mature or terminate prior to the next scheduled distribution date. On each distribution date, except for the final scheduled termination date or

an early termination date, the administrative agent will direct the trustee to reinvest the proceeds of the maturity of the paired trusts' treasuries in new treasuries. The administrative agent will also direct the trustee to invest in treasuries all funds delivered to it in connection with each issuance of paired shares. The obligations of the paired trusts to each other under the income distribution agreement and the settlement contracts will be secured by the treasuries and any cash on deposit in each of those trusts.

The assets of the Down Trust will consist of:

- U.S. treasury securities and what we refer to as "income" on those securities, consisting of stated interest on treasury notes and bonds and the discount that is realized when the par amount received on a treasury bill, note or bond at maturity exceeds the purchase price at which the Down Trust acquired that treasury security;
- Treasury repurchase agreements and what we refer to as "income" on those agreements consisting of the difference between the purchase price and the repurchase price for the treasuries borrowed under those agreements;
- The Down Trust's rights under the income distribution agreement;
- The Down Trust's rights under the settlement contracts;
- The Down Trust's rights under the licensing agreement with MacroMarkets LLC to use the patented MacroShares structure;
- The Down Trust's rights under the NYMEX sublicensing agreement entered into with MacroMarkets LLC pursuant to which the trust is permitted to use the settlement prices of a light sweet crude oil futures contract of the designated maturity and the NYMEX name;
- The Down Trust's rights under its trust agreement to rely on the services provided by the administrative agent, the marketing agent and the trustee;
- A securities account created under the Down Trust agreement into which all of the treasuries will be deposited for the benefit of the holders of the Down MacroShares;
- A distribution account created under the Down Trust agreement into which all income realized on the treasuries and all amounts received under the income distribution agreement and the settlement contracts will be deposited and then used, first, to make a deposit to the fee payment account, second, to make payments to the Up Trust under the income distribution agreement and the settlement contracts, if applicable, and, third, to make quarterly and final distributions to the holders of the Down MacroShares;
- A fee payment account created under the Down Trust agreement into which funds will be deposited on each distribution date for the purpose of paying the fees and expenses of the Down Trust; and
- A netting account created under the Down Trust agreement to which the trustee will credit (1) Down MacroShares being redeemed in paired optional redemptions and net such shares against any shares being created in paired issuances on the same date, and (2) cash delivered by authorized participants in connection with paired issuances and net such cash against the final distributions to be made in connection with paired optional redemptions being effected on the same date.

The treasuries purchased on behalf of the Down Trust on each distribution date or in connection with each paired issuance of Down MacroShares may consist of bills, notes and bonds of varying maturities and repurchase agreements of varying terms that are fully collateralized by treasuries and entered into with counterparties that meet specified capital requirements or are deemed creditworthy by the

administrative agent. Each treasury and treasury repurchase agreement must mature or terminate prior to the next scheduled distribution date. On each distribution date, except for the final scheduled termination date or an early termination date, the administrative agent will direct the trustee to reinvest the proceeds of the maturity of the paired trusts' treasuries in new treasuries. The administrative agent will also direct the trustee to invest in treasuries all funds delivered to it in connection with each issuance of paired shares. The obligations of the paired trusts to each other under the income distribution agreement and the settlement contracts will be secured by the treasuries and any cash on deposit in each of those trusts.

With respect to the Up Trust, if the level of the Applicable Reference Price of Crude Oil on any price determination day exceeds its starting level on the closing date (the date on which the Trust entered into the income distribution agreement), the underlying value of the Up Trust will increase to include all assets plus a portion of the assets of the paired Down Trust.

Conversely, if the level of the Applicable Reference Price of Crude Oil on any price determination day falls below its starting level, the Up Trust's underlying value will decrease because a portion of its assets will be included in the underlying value of the paired Down Trust. The underlying value of the Up Trust on each price determination day represents the aggregate amount of the assets in the paired trusts to which the Up Trust would be entitled if the settlement contracts were settled on that day.

With respect to the Down Trust, if the level of the Applicable Reference Price of Crude Oil on any price determination day exceeds its starting level on the closing date (the date on which the Trust entered into the income distribution agreement), the underlying value of the Down Trust will decrease because a portion of its assets will be included in the underlying value of the paired Up Trust.

Conversely, if the level of the Applicable Reference Price of Crude Oil on any price determination day falls below its starting level, the Up Trust's underlying value will increase to include all assets plus a portion of the assets of the paired Down Trust. The underlying value of the Down Trust on each price determination day represents the aggregate amount of the assets in the paired trusts to which the Down Trust would be entitled if the settlement contracts were settled on that day.

For more information regarding the MacroShares investment strategy, please read the prospectus for the Funds.

On each price determination day, State Street Bank and Trust Company, the trustee for the Up Trust and the Down Trust, will calculate the underlying value of the paired trusts and the per share underlying value of one Up MacroShare and one Down MacroShare, based on the Applicable Reference Price of Crude Oil established and reported by NYMEX. These values will be made publicly available at the Issuer Website.

The listing exchange, NYSE Arca, will calculate and disseminate to the consolidated tape an indicative per share value for the MacroShares every 15 seconds, following each transmission from NYMEX of the current price of the light sweet crude oil futures contract of the designated maturity.

On any price determination day prior to the final scheduled termination date, or an early termination date, an authorized participant may effect a "paired issuance" by directing the MacroShares Trust to issue additional shares in a minimum number of Down MacroShares and Up MacroShares constituting at least one MacroShares Unit. A MacroShares Unit consists of a minimum of 50,000 Down MacroShares and 50,000 Up MacroShares. The paired shares will be issued by each of the trusts at the per share underlying value of the shares on the date on which an order is made by an authorized participant.

Please see the registration statement for more information regarding the offering and purchase of the Up and Down MacroShares.

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

Investors should note that the Securities and Exchange Commission has no jurisdiction over the trading of oil futures.

The registration statement for the Funds describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the underlying indexes, visit the Issuer Website.

Purchases and Redemptions in Creation Unit Size

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

Principal Risks

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, derivatives risk, illiquid securities risk and oil futures risk.

Exemptive, Interpretive and No-Action Relief Under Federal Securities Regulations

The Securities and Exchange Commission (the "SEC") has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.

Regulation M Exemptions

Generally, the Fund is exempted from Rule 101 pursuant to paragraph (c)(4) of Rule 101, permitting persons who may be deemed to be participating in a distribution of the Shares to bid for or purchase Shares during their participation in such distribution. The Fund is exempted under Rule 102(d)(4), permitting a Fund to redeem Shares during the continuous offering of Shares.

Rule 10b-17 (Untimely Announcement of Record Dates)

The SEC has granted an exemption from the requirements of Rule 10b-17 that will cover transactions in the Shares.

Section 11(d)(1); Rule 11d1-2 (Customer Margin)

The SEC has taken a no-action position under Section 11(d)(1) that will permit broker-dealers that do not create Shares but engage in both proprietary and customer transactions in such Shares exclusively in the secondary market to extend or maintain or arrange for the extension or maintenance of credit on the Shares, in connection with such secondary market transactions. For broker-dealers that engage in the creation of Shares, the SEC has also taken a no-action position under Rule 11d1-2 that will cover the

extension or maintenance or the arrangement for the extension or maintenance of credit on the Shares that have been owned by the persons to whom credit is provided for more than 30 days.

SEC Rule 15c1-5 and 15c1-6 (Disclosure of Control and interest in Distributions)

The SEC has taken a no-action position under Rule 15c1-5 that will permit a broker-dealer to execute transactions in Shares without disclosing any control relationship with an issuer of a component security. In addition, the SEC has taken a no-action position under Rule 15c1-6 that will permit a broker dealer to execute transactions in the Shares without disclosing its participation or interest in a primary or secondary distribution of a component security.

Exchange Rules Applicable to Trading in the Shares

Trading in the Shares on BATS is subject to BATS equity trading rules.

Trading Hours

The value of the Indexes underlying the Shares will be disseminated to data vendors every 15 seconds during Regular Trading Hours.

The Shares will trade on BATS between 8:00 a.m. and 4:00 p.m. ET. Please note that trading in the Shares during the Exchange's pre-opening session may result in additional trading risks which include: (1) that the current underlying indicative value may not be updated during the pre-opening session, (2) the indicative value may not be updated during the pre-opening session, (3) lower liquidity in the pre-opening session may impact pricing, (5) higher volatility in the pre-opening session may impact pricing, (6) wider spreads may occur in the pre-opening session, and (7) because the indicative value is not calculated or widely disseminated during the pre-opening session, an investor who is unable to calculate an implied value for the Shares in that session may be at a disadvantage to market professionals.

Delivery of a Prospectus

BATS Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund. Prospectuses may be obtained through the Fund's website. The prospectus for a Fund does not contain all of the information set forth in the Fund's Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to its Registration Statement.

In the event that the Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the Investment Company Act of 1940 and in the future make available a written product description, BATS Rule 14.1(c)(3) requires that BATS Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, BATS Members shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a BATS member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of [*the UTP Derivative Securities*] has been prepared by the [*open-ended management investment company name*] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [*the UTP Derivative Securities*]."

A BATS member carrying an omnibus account for a non-member broker-dealer is required to inform such non-member that execution of an order to purchase Shares for such omnibus account will be deemed to

constitute agreement by the non-member to make such written description available to its customers on the same terms as are directly applicable to BATS member under this rule.

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

Suitability

Trading in the securities on BATS will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Trading Halts

BATS will halt trading in the Shares of a security in accordance with BATS Rule 14.1(c)(4). The grounds for a halt under BATS Rule 14.1(c)(4) include a halt by the primary market because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, or a halt for other regulatory reasons. In addition, BATS will stop trading the Shares of a security if the primary market de-lists the security.

This Information Circular is not a statutory prospectus. BATS Members should consult the prospectus for a security and the security's website for relevant information.

Please contact Eric Swanson, 212.378.8523, eswanson@batstrading.com, with any inquiries regarding this Information Circular.