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VIA EMAIL

May 10, 2004

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0506

Dear Mr. Katz:

I am writing on behalf of ProFund Advisors LLC ("PFA"), investment adviser to the ProFunds family of mutual funds ("ProFunds"). As of April 30, 2004, ProFunds comprised over 80 mutual funds with approximately $6 billion in assets. Since inception, ProFunds' shareholders have been provided flexibility, free of charge, and without limitation of frequency or maximum amount, to exchange shares of a ProFund for shares of any other ProFund in the same family. Accordingly, proposed Rule 22c-2 under the Investment Company Act of 1940 ("Proposed Rule") is of critical interest to ProFunds and PFA.

If the Commission ultimately adopts the Proposed Rule, ProFunds and PFA fully support the exception for funds designed for short-term trading provided by paragraph (e)(2)(iii) of the Proposed Rule (the "Exception").[1] The Exception appropriately allows funds, which disclose that they permit short-term trading in fund shares and that such trading may result in additional costs, to accommodate that significant portion of the investing public that require the freedom to move money in and out of specific markets or market segments.

We do, however, wish to make one recommendation regarding the Exception. As proposed, the Exception would require funds to adopt a fundamental policy to permit short-term trading of their securities. Adopting or changing a fundamental policy requires shareholder approval, which can be costly and burdensome for a fund and its shareholders.

[1] Paragraph (e)(2)(iii) of the Proposed Rule provides that the requirements of the paragraphs (a) through (c) of the Proposed Rule do not apply to:

> Any fund that has adopted a fundamental policy to affirmatively permit short-term trading of its securities, if its prospectus clearly and prominently discloses that the fund permits short-term trading of its securities and that such trading may result in additional costs for the fund.

Accordingly, we recommend that the Commission adopt the approach employed with respect to Rule 35d-1 under the Investment Company Act of 1940 (the "fund name" rule).[2] The approach employed by the Commission in the fund name rule appears to address similar shareholder protection concerns as those presented by the Proposed Rule.[3] Under this approach, a fund desiring to avail itself of the Exception could either adopt a fundamental policy respecting share transactions or adopt a non-fundamental policy and commit to provide at least sixty days' notice to investors of a change in its share transaction policy. In either case, shareholders would be given ample notice of a change in policy and would have the ability to redeem in advance of a policy change.

We appreciate the opportunity to comment on the Proposed Rule.

Sincerely,

Marc Bryant
Chief Legal Counsel
ProFund Advisors LLC

[2] Rule 35d-1 provides generally that a fund that has a name suggesting a focus in a particular type of investment must implement an investment policy requiring investment consistent with its name either as a fundamental policy or a policy that requires the fund to provide notice to shareholders at least sixty days in advance of any change in such policy.

[3] See SEC Release No. IC-24828 (March 31, 2001). Indeed, in adopting Rule 35d-1, the Commission noted that sixty days' prior notice "will ensure that when shareholders purchase shares in an investment company based on its name, and with the expectation that it will follow the investment policy suggested by that name, they will have sufficient time to decide whether to redeem their shares in the event that the investment company decides to pursue a different investment policy."