

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 27975; 812-13382]

ProShares Trust, et al.; Notice of Application

September 21, 2007

Agency: Securities and Exchange Commission (“Commission”).

Action: Notice of an application to amend a prior order under section 6(c) of the Investment Company Act of 1940 (“Act”) granting an exemption from sections 2(a)(32), 5(a)(1), 22(d) and 24(d) of the Act and rule 22c-1 under the Act, and under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (a)(2) of the Act.

Applicants: ProShares Trust (“Trust”), ProShare Advisors LLC (“Adviser”), and SEI Investments Distribution Company (“Distributor”).

Summary of Application: Applicants request an order to amend a prior order that permits: (a) series of an open-end management investment company (“Initial Funds”) to issue shares of limited redeemability; (b) secondary market transactions in the shares to occur at negotiated prices; (c) dealers to sell the shares to purchasers in the secondary market unaccompanied by a prospectus, when prospectus delivery is not required by the Securities Act of 1933; and (d) certain affiliated persons of the Initial Funds to deposit securities into, and receive securities from, the Initial Funds in connection with the purchase and redemption of aggregations of the shares (“Prior Order”).<sup>1</sup> Applicants seek to amend the Prior Order to permit certain new series (“Additional Funds” and, together with the Initial Funds, the “Funds”) to be offered using domestic equity securities indices different than those permitted under the Prior Order and

---

<sup>1</sup> ProShares Trust, et al., Investment Company Act Release Nos. 27323 (May 18, 2006) (notice) and 27394 (June 13, 2006) (order), as subsequently amended by ProShares Trust, et al., Investment Company Act Release Nos. 27609 (Dec. 22, 2006) (notice) and 27666 (Jan. 18, 2007) (order).

certain international equity securities indices and debt securities indices (collectively, “New Underlying Indices”).

Filing Dates: The application was filed on May 11, 2007, and amended on May 30, 2007, September 7, 2007 and September 20, 2007.

Hearing or Notification of Hearing: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission’s Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on October 16, 2007, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer’s interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission’s Secretary.

Addresses: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090. Applicants: ProShares Trust and ProShare Advisors LLC, 7501 Wisconsin Avenue, Suite 1000, Bethesda, MD 20814; SEI Investments Distribution Company, One Freedom Valley Drive, Oaks, PA 19456.

For Further Information Contact: Shannon Conaty, Senior Counsel, at (202) 551-6827, or Julia Kim Gilmer, Branch Chief, at (202) 551-6821 (Division of Investment Management, Office of Investment Company Regulation).

Supplementary Information: The following is a summary of the application. The complete application may be obtained for a fee at the Commission’s Public Reference Desk, 100 F Street, NE, Washington, DC 20549-0102 (tel. 202-551-5850).

Applicants' Representations:

1. The Trust is an open-end management investment company registered under the Act and organized as a Delaware statutory trust. The Trust is authorized to offer an unlimited number of series. The Adviser is registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and will advise each Fund. The Adviser may enter into subadvisory agreements with additional investment advisers to act as subadviser to the Trust and any Fund. Any subadviser to the Trust or a Fund will be registered under the Advisers Act. The Distributor is registered as a broker-dealer under the Securities Exchange Act of 1934 and will act as the distributor and principal underwriter for each Fund's shares.

2. The Prior Order permits the Initial Funds to seek daily investment results, before fees and expenses, that (a) correspond to the return of certain domestic equity securities indices; (b) provide 125%, 150% or 200% of the return of certain domestic equity securities indices; or (c) move in the opposite direction of the performance of certain domestic equity securities indices in multiples of 100%, 125%, 150% or 200% ("Inverse Funds"). Applicants seek to amend the Prior Order to permit the Additional Funds to be offered using New Underlying Indices. Applicants seek to amend the Prior Order to permit the Trust to offer Funds that seek daily investment results, before fees and expenses, that correspond to twice (200%) the return of, the inverse return of, and twice the inverse (double the opposite) return of the: NASDAQ Biotechnology Index, Dow Jones Select Biotechnology Index and Dow Jones Select Telecommunications Index. Applicants also intend to offer Funds that seek daily investment results, before fees and expenses, that correspond to the inverse return of and twice the inverse (double the opposite) return of the: MSCI Emerging Markets Index, MSCI Japan Index, MSCI EAFE Index, FTSE/Xinhua China 25 Index, Lehman Brothers 7-10 Year U.S. Treasury Index,

Lehman Brothers 20+ Year U.S. Treasury Index, iBoxx \$ Liquid Investment Grade Index, and iBoxx \$ Liquid High Yield Index (collectively, the “New Inverse Funds”). Consistent with the operations of the Inverse Funds that were the subject of the Prior Order, the New Inverse Funds will not hold any equity securities. All Additional Funds will operate in a manner identical to the Initial Funds. No creator, provider or compiler of a New Underlying Index is or will be an affiliated person, as defined in section 2(a)(3) of the Act, or an affiliated person of an affiliated person, of the Trust, a promoter, the Adviser, any subadviser to any Fund, or the Distributor.

3. Applicants state that the Additional Funds will be offered pursuant to the same terms and provisions contained in the application for the Prior Order, except as expressly modified by this application. Applicants agree that the amended order will be subject to the same conditions as those imposed by the Prior Order. Applicants believe that the requested relief continues to meet the necessary exemptive standards.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Florence E. Harmon  
Deputy Secretary