

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 27930 / August 20, 2007

In the Matter of

HEALTHSHARES, INC.
XSHARES ADVISORS LLC (FORMERLY, X-SHARES ADVISORS, LLC)
XSHARES GROUP LLC (FORMERLY, FERGHANA-WELLSPRING, LLC)
TDAX FUNDS, INC.
420 Lexington Avenue, Suite 2550
New York, NY 10170

(812-13358)

ORDER UNDER SECTIONS 6(c) AND 17(b) OF THE INVESTMENT COMPANY ACT OF
1940

HealthShares, Inc., XShares Advisors LLC (formerly, X-Shares Advisors, LLC), XShares Group LLC (formerly, Ferghana-Wellspring LLC) and TDAX Funds, Inc., filed an application on January 19, 2007 and amendments to the application on June 4, 2007, July 20, 2007 and August 3, 2007, requesting an order to amend a prior order under section 6(c) of the Investment Company Act of 1940 (“Act”) for 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 (“Prior Order”).¹

The Prior Order permits: (a) open-end management investment companies, whose series are based on certain equity securities indices created by an affiliate of the investment adviser, to issue shares redeemable only in large aggregations; (b) secondary market transactions in the shares of the series to occur at negotiated prices; (c) dealers to sell shares to purchasers in the secondary market unaccompanied by a prospectus when prospectus delivery is not required by the Securities Act of 1933 (“Securities Act”); and (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of aggregations of the series’ shares. The amended order permits the applicants to offer additional series that would hold equity and fixed income securities and provides that certain representations and undertakings contained in the Prior Order shall not apply to a series where an entity that creates, compiles, sponsors, or maintains an underlying index is not an affiliated person, or an affiliated person of an affiliated person, of the series, its investment

¹ HealthShares, Inc., et al., Investment Company Act Release Nos. 27553 (November 16, 2006) (notice) and 27594 (December 7, 2006) (order).

adviser, distributor, promoter, or any sub-adviser to the series. In addition, the amended order deletes a condition relating to future relief in the Prior Order.

On July 27, 2007, a notice of the filing of the application was issued (Investment Company Act Release No. 27916). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, as amended, that granting the requested exemptions is appropriate in the public interest, and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

In addition, it is found that the terms of the proposed transactions, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that the proposed transactions are consistent with the policy of each registered investment company concerned and with the general purposes of the Act.

Accordingly, in the matter of HealthShares, Inc., et al. (File No. 812-13358),

IT IS ORDERED, under section 6(c) of the Act, that the requested exemption from sections 2(a)(32), 5(a)(1), 22(d) and 24(d) of the Act and rule 22c-1 under the Act are granted, effective immediately, subject to the conditions contained in the application, as amended.

IT IS FURTHER ORDERED, under sections 6(c) and 17(b) of the Act, that the requested exemption from sections 17(a)(1) and (a)(2) of the Act is granted, effective immediately, subject to the conditions contained in the application, as amended.

The exemption from section 24(d) of the Act does not affect a purchaser's rights under the civil liability and anti-fraud provisions of the Securities Act. Thus, rights under section 11 and section 12(a)(2) of the Securities Act extend to all purchasers who can trace their securities to a registration statement filed with the Commission, whether or not they were delivered a prospectus in connection with their purchase.

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

Florence E. Harmon
Deputy Secretary