

**Uniform Application for Investment Adviser Registration**

**Investment Advisor:**

ProShare Advisors LLC  
7501 Wisconsin Avenue Suite 1000E  
Bethesda, Maryland 20814-6527

**Contact:**

Victor M. Frye  
(240) 497-6400  
www.proshares.com.

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This brochure provides information about the qualifications and business practices of ProShare Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (240) 497-6400 and/or [info@proshares.com](mailto:info@proshares.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ProShare Advisors LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2            Material Changes**

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There have been no material changes to the operations of ProShare Advisors LLC since the last annual update of this form.

**Item 3      Table of Contents**

**Table of Contents**

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**Item 4            Advisory Business**

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ProShare Advisors LLC ("PSA") is organized in the State of Maryland as a limited liability company and provides investment advisory and management services to ProShares Trust (the "Trust" or "ProShares"), an open end series management investment company registered under the Investment Company Act of 1940. As of December 31, 2011, ProShares had 108 individual portfolios, each of which is structured as an exchange traded fund. The owners of PSA are Michael L. Sapir, the Sapir Family Trust, Louis M. Mayberg, and Dorot, a domestic trust and William E. Seale. PSA began operations in 2006.

PSA also serves as sub-advisor to JovInvestment Management, Inc., a wholly owned subsidiary of Jovian Capital Corporation, a Toronto Canada based financial services company offering 51 exchange traded funds that trade primarily on the TSX Canadian exchange.

PSA provides investment advisory services to exchange traded funds, shares of which are traded in the secondary market. PSA is paid separately for management services, which include, but are not limited to, providing various administrative functions and oversight of service providers. PSA primarily uses mathematical models to simulate the performance of specified indexes, multiples of such indexes, or the inverse thereof. PSA does not make judgments about the investment merit of a particular security or instrument, nor does it attempt to apply any economic, financial or market analysis to its management of ProShares.

Advisory services consist of managing each fund's portfolio in accordance with each fund's respective investment objective and strategies, applicable regulatory guidelines and subject to oversight by ProShares Board of Trustees.

As of December 31, 2011, PSA managed approximately \$19.8 billion for ProShares on a discretionary basis and \$1.6 billion for JovInvestment Management, Inc.

**Item 5            Fees and Compensation**

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Fees for providing advisory services, and fees for providing management services, will be charged to each fund as approved by the ProShares Board of Trustees. PSA's fee is calculated at an annualized rate of the average daily assets of each fund. PSA's fees are paid by a third party administrator; PSA does not have the ability to deduct assets from fund accounts. Each fund may terminate its investment advisory agreement or management services agreement at any time with 60 days prior notice. PSA does not charge a performance fee nor does it collect a commission on the sale of portfolio assets. PSA's sub-advisory fees are determined on a negotiated basis.

**Item 6**      ***Performance-Based Fees and Side-By-Side Management***

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Not applicable

**Item 7**      **Types of *Clients***

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PSA provides services exclusively to investment companies.

**Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

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The funds managed by PSA seek returns that either match, are multiples of or are inverse multiples (e.g., 2X, -2X) of the return of an index or other benchmark (target) **for a single day**. Due to the compounding of daily returns, leveraged and inverse returns over periods other than one day will likely differ in amount and possibly direction from the target return for the same period.

Investing involves multiple risks, including the possible loss of principal. PSA may employ investment strategies that entail specialized risks, including risks associated with the use of derivatives (swap agreements, futures contracts, forwards and similar instruments). These risks include imperfect benchmark correlation, leverage and market price variance, all of which can increase volatility and decrease performance. The primary types of risks investors will be exposed to will largely depend upon which portfolio is chosen for investment. These risks and additional risks are described in more detail in each fund's prospectus.

PSA seeks to keep the portfolios fully invested at all times in securities and financial instruments that provide exposure to the portfolios' benchmark without regard to market conditions. PSA does not generally make judgments about the merits of any particular security, nor does it attempt to apply economic, financial or market analysis to take temporary or defensive positions. Holding uninvested cash may adversely affect PSA's ability to achieve a portfolio's investment objective. In an effort to mitigate this effect, PSA may execute market transactions at or near the end of the trading day, based on estimates of the net cash available from the portfolio's net purchase and redemption activity as well as other adjustments.

PSA relies primarily on quotations received from one or more commercial quotation services or information from the Internet for current information regarding the level of specified securities indices and the prices of securities and other financial instruments. When PSA determines that the price of a security is not readily available, it may in good faith, establish a fair value for that security in accordance with procedures established by, and under the general supervision or direction of, clients. The use of a fair valuation method may be appropriate if, for example, market quotations do not accurately reflect fair value for an investment, an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (for example, a foreign exchange or market), a trading halt closes an exchange or market early, or other events result in an exchange or market delaying its normal close.



**Item 9**      **Disciplinary Information**

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No information to disclose.

**Item 10 Other Financial Industry Activities and Affiliations**

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Principals of the firm, Michael Sapir and Louis Mayberg are also principals of ProShare Capital Management LLC ("PCM"), a commodity trading adviser and commodity pool operator registered with the CFTC. PCM is under common control with PSA. These principals also own ProFund Advisors LLC, an SEC registered investment adviser that is under common control with ProShare Advisors LLC. ProFund Advisors serves as investment adviser to ProFunds Trust, and Access One Trust, and as sub-adviser to Transamerica Asset Management, Inc. ProFund Advisors wholly owns ProFunds Distributors, Inc. ("PDI") a broker dealer and member of FINRA. PDI is the underwriter for ProFunds and Access One Trusts and its associated persons promote the sale of ProFunds, Access One Trust and ProShares. PSA shares officers and employees with each of its affiliates.

PSA provides investment advice, including the selection and execution of portfolio transactions for numerous funds, some of which are based on the same index or benchmark. In certain instances, PSA may need to obtain similar exposure on behalf of more than one fund, raising potential conflict of interest and the need to allocate investment opportunities. PSA has adopted policies and procedures designed to detect and monitor for such conflicts of interest and, when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law.

In the course of providing advisory services, PSA may simultaneously recommend the sale of a particular security for one client while recommending the purchase of the same security for another client if such recommendations are consistent with each client's investment strategies. PSA may recommend the purchase or sale of securities that may also be recommended by ProFund Advisors LLC. Some clients may be competing for similar positions in the market. When providing services to multiple clients, price volatility, liquidity, as well as differences in order execution may make it impossible to obtain identical trade executions for all clients.

**Item 11      Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading**

PSA principals, officers and employees (and members of their households) of PSA and its related persons and affiliates may invest in funds advised by PSA or its affiliates. PSA may give advice and take actions in the performance of its duties to funds that differ among funds based upon the perceived needs or objectives for each fund as well as market conditions and other investment factors.

In addition, PSA, its related persons, affiliates and principals may trade for their own accounts, and, consequently, non-customer and proprietary trades may be executed and cleared through any prime broker or other broker utilized by clients. It is possible that officers or employees of PSA may buy or sell securities or other instruments that PSA transacted on behalf of clients or may engage in transactions for their own accounts in a manner that is inconsistent with PSA's transactions for a client. Personal securities transactions by employees may raise potential conflicts of interest when such employees trade in a security that is owned by, or considered for purchase or sale for, a client. PSA has adopted policies and procedures designed to detect and mitigate such conflicts of interest and to ensure that PSA effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law.

PSA employees may engage in securities transactions subject to the terms of PSA's Code of Ethics, which is consistent with the requirements of Rule 17j-1 under the Investment Company Act of 1940 and the requirements of Rule 204A-1 under the Investment Advisers Act of 1940. Upon request, PSA will provide a client or prospective client a copy of its Code of Ethics. A copy is also on file with the U.S. Securities and Exchange Commission as part of a joint Code of Ethics with ProShares, ProFunds, Access One Trust, ProFund Advisors LLC, and ProFunds Distributors, Inc.

PSA and its affiliated persons may from time to time come into possession of material nonpublic and other confidential information about companies, which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, PSA and its affiliated persons would be prohibited from improperly disclosing or using this information for their personal benefit or for the benefit of any person, regardless of whether the person is a client of PSA. Accordingly, should PSA or any affiliated person come into possession of material nonpublic or other confidential information with respect to any company, PSA and its affiliated persons will have no responsibility or liability for failing to disclose the information to clients as a result of following its policies and procedures designed to comply with applicable law.

**Item 12      Brokerage Practices**

In selecting broker-dealers for clients that have given PSA authority to do so, PSA allocates portfolio transactions to brokers it selects principally based on PSA's evaluation of their execution capability and price. However, in selecting a broker for any transaction or series of transactions, PSA considers a variety of factors, including but not limited to:

1. execution price
2. commission cost
3. the reputation and financial strength of the broker/counterparty
4. the ability of the broker/counterparty to handle complex orders
5. the ability of the broker/counterparty to give the best price in the market
6. the ability of the broker /counterparty to give prompt and full execution
7. the accuracy of reports and confirmations provided by the broker/counterparty
8. the type and quality of research that the broker can provide
9. the financing costs, if applicable, and other associated costs related to a derivative transaction
10. whether the client's total cost or proceeds in each transaction is the most favorable under the circumstances.

As an additional factor relating only to swap counterparties, PSA may take into account whether the counterparty has agreed to post collateral for any monies owed to a fund under a swap agreement.

Consistent with best execution and applicable regulations, PSA may give consideration to placing portfolio transactions with those brokers that also furnish research and other execution related services to the Funds or to PSA. Such services may include, but are not limited to information as to the availability of securities for purchase or sale; statistical or factual information; information about market conditions generally; equipment that facilitates and improves trade execution; and assistance with fair valuations of portfolio securities. Research and services may be useful in servicing some or all clients, and not all of such research may be useful for the client account for which a particular transaction was effected. Thus, some research and services may not necessarily be used by PSA in servicing the client whose commission dollars provided for the research or services.

PSA may seek to obtain trading or pricing efficiencies through aggregation and allocation of multiple client orders for securities and other instruments. PSA will allocate securities or instruments so purchased or sold, as well as the expense incurred in the transaction, in a manner that it considers equitable and consistent with its fiduciary obligations to its clients, which may include effecting cross transactions between accounts or the individual portfolios of a fund pursuant to board approved procedures. The main factors considered by PSA in making such allocations among fund portfolios and other client accounts of PSA are the respective investment objectives, and the availability of cash for investment. Advice given to, and the timing and actions taken with respect to a client's account may differ from advice given to, or the timing and nature of action taken with respect to other clients' accounts. Transactions in a specific security may not be effected for all clients at the same time or price or through the same broker or dealer.

The trading practices employed with respect to some clients may be different from those of other clients. For example, PSA may direct buy and sell transactions intra-day or prior to close for certain client transactions and at the market close price for certain other client transactions. Accordingly, transaction prices for securities in client accounts may vary depending upon time of execution and price movements, particularly in volatile markets.

In placing brokerage trades, PSA does not consider the promotion or sale of a fund's shares nor does it enter into any agreement or other understanding, written or oral, under which brokerage transactions or remuneration are directed to a broker to pay for distribution of a fund's or any other fund's shares.

**Item 12      Brokerage Practices (continued)**

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In order to best meet each fund's investment objective, PSA may enter into guaranteed close agreements with certain brokers. In all such cases, the agreement calls for the execution price at least to match the closing price of the security. In some cases, depending on circumstances, the agreement calls for the execution price to be better than the closing price or calls for reduced commissions. In allocating any such benefits, PSA will generally distribute such benefits pro rata to applicable client trades. In addition, certain transaction and custodial fees may be waived in some transactions largely due to economies of scale.

**Item 13      Review of Accounts**

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PSA reviews client accounts for accuracy and consistency with the fund objectives, and provides holdings and transaction information to each investment company's administrator every business day.

**Item 14**      *Client Referrals and Other Compensation*

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Not Applicable.

**Item 15**      **Custody**

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PSA does not maintain custody of client assets.



**Item 16 Investment Discretion**

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PSA provides discretionary investment advisory services to registered investment company clients. With respect to such clients, PSA places orders for the purchase and sale of portfolio securities, determines the total amount of the securities to be purchased or sold, selects the qualified broker-dealers with whom orders for the purchase or sale of securities are placed for execution, and negotiates the price per share and the commission rates at which securities transactions are affected.

For other discretionary clients, such as funds for which PSA acts as sub-adviser, the client may limit discretion or direct transactions as specified in the agreement with PSA.

**Item 17      Voting *Client* Securities**

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PSA has adopted policies and procedures with respect to voting proxies relating to portfolio securities of clients.

The PSA's proxy voting policies and procedures (the "Guidelines") are designed to maximize shareholder value and protect shareholder interests when voting proxies. PSA's Brokerage Allocation and Proxy Voting Committee (the "Committee") exercises and documents PSA's responsibility with regard to voting of client proxies. The Committee is composed of representatives of PSA's Compliance and Portfolio Management Departments. The Committee reviews and monitors the effectiveness of the Guidelines.

To assist PSA in its responsibility for voting proxies and the overall proxy voting process, PSA has retained Institutional Shareholder Services ("ISS") as an expert in the proxy voting and corporate governance area. ISS is a subsidiary of RiskMetrics which in turn is owned by MSCI, Inc., an independent company that specializes in, among other things, providing a variety of proxy-related services to institutional investment managers, plan sponsors, custodians, consultants and other institutional investors. The services provided by ISS include in-depth research, global issuer analysis and voting recommendations as well as vote execution, reporting and record keeping. ISS issues quarterly reports for PSA to review to assure proxies are being voted consistent with the Guidelines. The PSA Senior Portfolio Managers and ISS also perform spot checks to match the voting activity with available shareholder meeting information. The Committee reviews and, as necessary, may amend periodically the Guidelines to address ISS's new or revised proxy voting policies or procedures.

Generally, proxies are voted in accordance with the voting recommendations contained in the Guidelines. If necessary, the Advisor will be consulted by ISS on non-routine issues, which rarely occur and have primarily been due to potential conflicts with ISS's ability to independently vote the shares.

A full description of each guideline and voting policy is maintained by PSA and a complete copy of the Guidelines is available upon request or may view them on ISS's' web site at [www.issgovernance.com/policy](http://www.issgovernance.com/policy).

**Item 18      Financial Information**

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PSA has not attached a balance sheet for its most recent fiscal year because it does not have custody of client funds or securities and does not require prepayment of fees.

**Uniform Application for Investment Adviser Registration**

**Investment Advisor:**

ProShare Advisors LLC  
7501 Wisconsin Avenue Suite 1000E  
Bethesda, Maryland 20814-6527

**Supervised Person:**

Howard Rubin  
(240) 497-6400  
www.proshares.com

This brochure supplement provides information about Howard Rubin that supplements the ProShare Advisors LLC Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Client Services at (240) 497-6400 and/or info@proshares.com if you did not receive the ProShare Advisors LLC brochure or if you have any questions about the contents of this supplement.

**Item 2 Educational Background and Business Experience**

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Mr. Rubin joined the Advisor in April 2000. Prior to joining the Advisor, Mr. Rubin was employed with JHM Capital Management, an asset management firm specializing in the management of mortgage-backed securities and other fixed income portfolios. He developed and maintained JHM's mortgage prepayment-forecasting model, used in evaluating the value of mortgage-backed securities. In addition, Mr. Rubin has seven years experience in institutional pension consulting, including employment with three major consulting firms, Wilshire Associates, Foster Higgins, and Towers Perrin. He is a member of the Association for Investment Management and Research (AIMR) and a member of the Washington Society of Investment Analysts (WSIA). He holds an MS in Finance from the George Washington University and a BS in Economics from the Wharton School of Finance at the University of Pennsylvania.

**Item 3            Disciplinary Information**

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The Advisor is unaware of any disciplinary events that may require disclosure.

**Item 4      Other Business Activities**

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The named supervised person is an associated person of ProShares Capital Management LLC, a Commodity Pool Operator and Commodity Trading Adviser, an affiliate of the Registrant. He also serves as Director, Portfolio Management for ProFund Advisors LLC.

**Item 5      Additional Compensation**

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Mr. Rubin has no additional compensation that requires disclosure.



**Item 6          Supervision**

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Mr. Rubin is supervised by Mr. Todd Johnson, Chief Investment Officer, (240) 497-6400. Mr. Rubin acts as Director, Portfolio Management for the Portfolio Department and is not engaged in providing advice for the clients of the Advisor.

**Uniform Application for Investment Adviser Registration**

**Investment Advisor:**

ProShare Advisors LLC  
7501 Wisconsin Avenue Suite 1000E  
Bethesda, Maryland 20814-6527

**Supervised Person:**

Ryan Dofflemeyer  
(240) 497-6400  
www.proshares.com

**This brochure supplement provides information about Ryan Dofflemeyer that supplements the ProShare Advisors LLC Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Client Services at (240) 497-6400 and/or info@proshares.com if you did not receive the ProShare Advisors LLC brochure or if you have any questions about the contents of this supplement.**

**Item 2      Educational Background and Business Experience**

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Mr. Dofflemeyer joined the Advisor in October 2003. Prior to ProFunds, Mr. Dofflemeyer served as a Research Assistant at the Investment Company Institute where he was responsible for Quarterly Reporting. He hold a BA in Economics and Sociology from the University of Virginia.

**Item 3            Disciplinary Information**

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The Advisor is unaware of any disciplinary events that may require disclosure.

**Item 4      Other Business Activities**

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The named supervised person is an associated person of ProShares Capital Management LLC, a Commodity Pool Operator and Commodity Trading Adviser, an affiliate of the Registrant.

**Item 5      Additional Compensation**

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Mr. Dofflemeyer has no additional compensation that requires disclosure.

**Item 6      Supervision**

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Mr. Dofflemeyer is supervised by Mr. Howard Rubin, Director, Portfolio Management, (240) 497-6400. Mr. Dofflemeyer handles day to day portfolio management services for the Advisor.

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**Investment Advisor:**

ProShare Advisors LLC  
7501 Wisconsin Avenue Suite 1000E  
Bethesda, Maryland 20814-6527

**Supervised Person:**

Todd Johnson  
(240) 497-6400  
www.proshares.com

**This brochure supplement provides information about Todd Johnson that supplements the ProShare Advisors LLC Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Client Services at (240) 497-6400 and/or info@proshares.com if you did not receive the ProShare Advisors LLC brochure or if you have any questions about the contents of this supplement.**



**Item 2      Educational Background and Business Experience**

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Mr. Johnson joined the Advisor in December 2008. He is an investment professional and came with more than twenty years of experience in the area of indexed and quantitative investments. Prior to the Advisor, Mr. Johnson was President and Chief Investment Officer for World Asset Management and held a seat on the Board of World Asset Management, Inc. World Asset Management has about 100 portfolios, and is a sub advisor to Comerica, Munder, E\*TRADE, and Calvert funds. Mr. Johnson holds an MBA from Wayne State University and has an BA in Finance from Michigan State University.

**Item 3      Disciplinary Information**

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The Advisor is unaware of any disciplinary events that may require disclosure.

**Item 4      Other Business Activities**

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The named supervised person is an associated person and principal of ProShares Capital Management LLC, a Commodity Pool Operator and Commodity Trading Adviser, an affiliate of the Advisor. He is the Chief Investment Officer for the ProFund Advisors LLC, investment adviser to the ProFunds and Access One Funds and serves on the management team of the ProFunds.

**Item 5      Additional Compensation**

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Mr. Johnson has no additional compensation that requires disclosure.

**Item 6      Supervision**

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Mr. Johnson, is a member of the ProFund Advisors (the Advisor's) management team. He is supervised by Michael L. Sapir, (240) 497-6400. Mr. Johnson acts as Chief Investment Officer and is not engaged in providing advice for the clients of the Advisor.