



REGULATORY INFORMATION BULLETIN

RB-10-03
January 8, 2010

TO: ETP Holders

SUBJECT: iShares S&P AMT-Free Municipal Series ETFs

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares ("Shares") of these exchange-traded funds ("Funds") issued by iShares Trust ("Trust"). Please forward this Information Bulletin to other interested persons within your organization.

The following securities has been approved for listing on NYSE Arca and will commence trading on January 8, 2010:

Exchange-Traded Funds

Symbol

iShares 2012 S&P AMT-Free Municipal Series	MUAA
iShares 2013 S&P AMT-Free Municipal Series	MUAB
iShares 2014 S&P AMT-Free Municipal Series	MUAC
iShares 2015 S&P AMT-Free Municipal Series	MUAD
iShares 2016 S&P AMT-Free Municipal Series	MUAE
iShares 2017 S&P AMT-Free Municipal Series	MUAF

Background Information on the Fund

As more fully explained in the Registration Statement (No. 811-09729), the Trust is registered under the Investment Company Act of 1940 (the "1940 Act") as an open-end management investment company that consists of multiple investment series or portfolios. The Funds are exchange-traded "index funds" ("ETFs").

Each of the Underlying Indexes for the Funds as described below include municipal bonds from issuers that are primarily state or local governments or agencies (including the Commonwealth of Puerto Rico and U.S. territories such as the U.S. Virgin Islands and Guam) such that the interest on the bonds is exempt from U.S. federal income taxes and the federal alternative minimum tax ("AMT") as determined by the Index Provider in accordance with its methodology. Each bond must have a rating of at least BBB- by Standard & Poor's, Baa3 by Moody's Investors Service, Inc., or BBB- by Fitch Inc. Each bond must have a minimum maturity par amount of \$2 million to be eligible for inclusion.

The iShares 2012 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2012 Index (the "2012 Underlying Index"). The 2012 Underlying Index measures the performance of investment-grade U.S. municipal bonds maturing in 2012. As of October 8, 2009, there were 2,692 issues in the Underlying Index.

The iShares 2013 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2013 Index. The S&P AMT-Free Municipal Series 2013 Index measures the performance of investment-grade U.S. municipal bonds maturing in 2013. As of October 8, 2009, there were 3,039 issues in the Index.

The iShares 2014 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2014 Index. The S&P AMT-Free Municipal Series 2014 Index measures the performance of investment-grade U.S. municipal bonds maturing in 2014. As of October 8, 2009, there were 2,269 issues in the Index.

The iShares 2015 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2015 Index. The S&P AMT-Free Municipal Series 2015 Index measures the performance of investment-grade U.S. municipal bonds maturing in 2015. As of October 8, 2009, there were 1,748 issues in the Index.

The iShares 2016 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2016 Index. The S&P AMT-Free Municipal Series 2016 Index measures the performance of investment-grade U.S. municipal bonds maturing in 2016. As of October 8, 2009, there were 1,323 issues in the Index.

The iShares 2017 S&P AMT-Free Municipal's investment objective is to provide investment results, before fees and expenses, that correspond generally to the price and yield performance of the S&P AMT-Free Municipal Series 2017 Index. The S&P AMT-Free Municipal Series 2017 Index measures the performance of investment-grade U.S. municipal bonds maturing in 2017. As of October 8, 2009, there were 983 issues in the Index.

Barclays Global Fund Advisors serves as the investment advisor for the Funds. SEI Investments Distribution Co. is the distributor for the Funds. State Street Bank and Trust Company is the administrator, custodian and transfer agent for the Funds.

As described more fully in each of the Funds' prospectus ("Prospectus") and Statement of Additional Information ("SAI"), the Funds will issue and redeem shares on a continuous basis at their net asset value ("NAV") only in large blocks of 100,000 shares (each, a "Creation Unit").

Only certain large institutional investors known as "Authorized Participants" may purchase or redeem Creation Units directly with the Funds at NAV. These transactions are usually in exchange for a basket of securities similar to the Fund's portfolio and an amount of cash. Except when aggregated in Creation Units, Shares of the Funds are not redeemable securities. Shareholders who are not Authorized Participants may not redeem shares directly from the Funds at NAV.

Dividends from net investment income, if any, are generally declared and paid monthly by the Funds. Distributions of net realized securities gains, if any, generally are declared and paid once a year, but the Trust may make distributions on a more frequent basis for the Funds.

The Depository Trust Company ("DTC") will serve as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

The NAV per Share of the Funds will be determined as of the close of trading (normally, 4:00 p.m. Eastern Time ("ET")) on each day that the New York Stock Exchange ("NYSE") and NYSE Arca are open for business (a "Business Day"). The NAV of each of the Funds is calculated by dividing the value of the net assets of the Funds (i.e., the value of its total assets less total liabilities) by the total number of outstanding shares of the Funds, generally rounded to the nearest cent. NAV will be available from the Distributor and is also available to National Securities Clearing Corporation ("NSCC") participants through data made available from NSCC.

The Trust's registration statement describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds' and the Underlying Indexes, visit www.ishares.com.

Principal Risks

Interested persons are referred to the Prospectus for a description of risks associated with an investment in the Funds. These risks include fixed income risk, and the risk that the Fund's return may not match the return of its index for a number of reasons including the incursion by the Funds of operating expenses and costs not applicable to its index. In addition, as noted in the Prospectus, the Shares may trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings. The market prices of the Shares will fluctuate in accordance with changes in NAV as well as the supply and demand for the Shares.

The Funds' prospectus describing correlation, leverage and other risks is available at www.ishares.com.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds during the Exchange's Core Trading Session or from 9:30 a.m. ET until 4:00 p.m. ET. The Shares will trade on NYSE Arca in the Opening, Core and Late Trading Sessions or from 4:00 a.m. ET until 8:00 p.m. ET in accordance with NYSE Arca Equities Rule 7.34(a). The trading increment for the Fund's Shares will be \$0.01.

Extended Hours Trading

ETP Holders are reminded of NYSE Arca Equities Rule 7.34(e) regarding Customer Disclosure and that trading in the Funds' Shares during the Exchange's Opening and Late Trading Sessions may result in additional trading risks which include: (1) that the current underlying index value may not be updated during the Opening and Late Sessions, (2) the intraday indicative value may not be updated during the Opening and Late Trading Sessions, (3) lower liquidity in the Opening or Late Trading Sessions may impact pricing, (5) higher volatility in the Opening or Late Trading Sessions may impact pricing, (6) wider spreads may occur in the Opening or Late Trading Sessions, and (7) since the intraday indicative value is not calculated or widely disseminated during the Opening and Late Trading Sessions, an investor who is unable to calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

Suitability

ETP Holders are reminded of their obligations under NYSE Arca Equities Rule 9.2(a)-(b) whereby the ETP holder shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. ETP Holders should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Trading Halts

The Exchange will halt trading in the Shares for a regulatory halt similar to a halt based on NYSE Arca Equities Rule 7.12 and/or a halt because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased. Further, the Exchange will halt trading in the Shares in accordance with NYSE Arca Equities Rule 7.12 ("Trading Halts Due to Extraordinary Market Volatility"). The Shares will be traded following a trading halt in accordance with NYSE Arca Equities Rule 7.35(f) ("Re-Opening After Trading Halts").

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, ETP Holders are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e., during the initial

public offering). ETP Holders purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, NYSE Arca Equities Rule 5.2(j)(3) Commentary .01(h) requires that ETP Holders provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders 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 ETP Holder 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 Shares of the Funds has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Funds. In addition, upon request you may obtain from your broker a prospectus for Shares of the Funds."

An ETP Holder carrying an omnibus account for a non-ETP Holder is required to inform such non-ETP Holder that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-ETP Holder to make such written description available to its customers on the same terms as are directly applicable to ETP Holders under this rule.

Upon request of a customer, ETP Holders shall also provide a copy of the Prospectus.

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

The Commission has issued letters dated April 9, 2007, October 24, 2006, November 21, 2005 and August 17, 2001 (together, the "No- Action Letters") granting exemptive, interpretive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 for exchange-traded funds listed and traded on a registered national securities exchange that meet certain criteria. ETP Holders are referred to the text of the No-Action Letters, available at [\[redacted\]](#), for additional information.

Regulation M Exemptions

Generally, Rules 101 and 102 of Regulation M prohibit any "distribution participant" and its "affiliated purchasers" from bidding for, purchasing, or attempting to induce any person to bid for

or purchase any security which is the subject of a distribution until after the applicable restricted period, except as specifically permitted in Regulation M. The provisions of the Rules apply to underwriters, prospective underwriters, brokers, dealers, and other persons who have agreed to participate or are participating in a distribution of securities.

The Commission issued a No-Action Letter by which persons participating in a distribution of shares of a fund may engage in secondary market transactions in such shares during their participation in such a distribution, despite the requirements of from Rule 101 under Regulation M. In addition, the SEC has permitted persons who may be deemed to be participating in the distribution of shares of the funds (i) to purchase securities for the purpose of purchasing creation unit aggregations of fund shares and (ii) to tender securities for redemption in Creation Unit Aggregations. Further, the Commission has clarified that the tender of fund shares to the Fund for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter to paragraph (e) of Rule 102 under Regulation M which allow the redemption of fund shares in creation unit aggregations during the continuous offering of shares.

Customer Confirmations for Creation or Redemption of Fund Shares (SEC Rule 10b-10)

Broker-dealers who handle purchases or redemptions of Fund shares in Creation Units for customers will be permitted to provide such customers with a statement of the number of Creation Unit Aggregations created or redeemed without providing a statement of the identity, number and price of shares of the individual securities tendered to the Funds for purposes of purchasing creation unit aggregations ("Deposit Securities") or the identity, number and price of shares to be delivered by the Trust to the redeeming holder ("Redemption Securities"). The composition of the securities required to be tendered to the Funds for creation purposes and of the securities to be delivered on redemption will be disseminated each business day and will be applicable to requests for creations or redemption, as the case may be, on that day. This exemptive relief under Rule 10b-10 with respect to creations and redemptions is subject to the following conditions:

- (1) Confirmations to customers engaging in creations or redemptions must state that all information required by Rule 10b-10 will be provided upon request;
- (2) Any such request by a customer for information required by Rule 10b-10 will be filed in a timely manner, in accordance with Rule 10b-10(c);
- (3) Except for the identity, number and price of shares of the component securities of the Deposit Securities and Redemption Securities, as described above, confirmations to customers must disclose all other information required by Rule 10b-10(a).

SEC Rule 14e-5

The Commission has permitted any person acting as a dealer-manager of a tender offer for a component security of fund (1) to redeem fund shares in creation unit aggregations from the issuer that may include a security subject to such tender offer and (2) to purchase fund shares during such

tender offer. In addition, a No-Action has been issued under Rule 14e-5 states that if a broker-dealer acting as a dealer-manager of a tender offer for a security of the Fund purchases or arranges to purchase such securities in the secondary market for the purpose of tendering such securities to purchase one or more creation unit aggregations of shares, it must be made in conformance with the following:

- (i) such bids or purchases are effected in the ordinary course of business, in connection with a basket of 20 or more securities in which any security that is the subject of a distribution, or any reference security, does not comprise more than 5% of the value of the basket purchased; or
- (ii) purchases are effected as adjustments to such basket in the ordinary course of business as a result of a change in the composition of the underlying index; and
- (iii) such bids or purchases are not effected for the purpose of facilitating such tender offer.

Section 11(d)(1); SEC Rules 11d1-1 and 11d1-2

Section 11(d)(1) of the Act generally prohibits a person who is both a broker and a dealer from effecting any transaction in which the broker-dealer extends credit to a customer on any security which was part of a new issue in the distribution of which he participated as a member of a selling syndicate or group within thirty days prior to such transaction. The Commission has clarified that Section 11(d)(1) does not apply to broker-dealers that are not authorized participants (and, therefore, do not create creation unit aggregations) that engage in both proprietary and customer transactions in shares of a fund in the secondary market, and for broker-dealer authorized participants that engage in creations of creation unit aggregations. This relief is subject to specific conditions, including the condition that such broker-dealer (whether or not an authorized participant) does not, directly or indirectly, receive from the fund complex any payment, compensation or other economic incentive to promote or sell the shares of a fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830 (I)(5)(A), (B) or (C). See letter dated November 22, 2005 from Brian A Bussey, Assistant Chief Counsel, SEC Division of Market Regulation, to Barclays Global Investors, N.A., dated November 22, 2005. The Commission has issued a No-Action Letter under Section 11(d)(1) of the Act states that broker-dealers may treat shares of a fund, for purposes of Rule 11d1-2, as "securities issued by a registered open-end investment company as defined in the Investment Company Act" and thereby extend credit or maintain or arrange for the extension or maintenance of credit on shares that have been owned by the persons to whom credit is provided for more than 30 days, in reliance on the exemption contained in the rule.

SEC Rule 15c1-5 and 15c1-6

The Commission has issued a No-Action letter with respect to Rule 15c1-5 and Rule 15c1-6 as to the required disclosure of control by a broker or dealer with respect to creations and redemptions of fund shares and secondary market transactions therein.

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This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.