



<b>EDGA &amp; EDGX STOCK EXCHANGES</b>			
Regulatory Information Circular			
Circular Number:	2010-405	Contact:	Jeff Rosenstock
Date:	July 16, 2010	Telephone:	(201) 942-8295

**Subject:**     **iShares Barclays Agency Bond Fund**  
                  **iShares S&P Conservative Allocation Fund**  
                  **iShares S&P Short Term National Municipal Bond Fund**  
                  **iShares S&P Target Date Retirement Income Fund**  
                  **iShares S&P Target Date 2010 Index Fund**  
                  **iShares S&P Target Date 2015 Index Fund**  
                  **iShares S&P Target Date 2020 Index Fund**  
                  **iShares S&P Target Date 2025 Index Fund**  
                  **iShares S&P Target Date 2030 Index Fund**  
                  **iShares S&P Target Date 2035 Index Fund**  
                  **iShares S&P Target Date 2040 Index Fund**

#### **Background Information on the Fund**

As more fully explained in the Registration Statement (Nos. 811-09729 and 333-92935) for iShares Trust, the Trust is an open-end management investment company registered under the Investment Company Act of 1940, as amended ("1940 Act"), and consists of separate investment portfolios, including the Funds.

iShares S&P Short Term National Municipal Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P National 0-5 Year Municipal Bond Index. The S&P National 0-5 Year Municipal Bond Index measures the performance of the short-term investment-grade segment of the U.S. municipal bond market.

iShares Barclays Agency Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the agency sector of the U.S. government bond market as defined by the Barclays Capital U.S. Agency Index. The Barclays Capital U.S. Agency Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade native-currency U.S. dollar-denominated debentures issued by government and government-related agencies, including the Federal National Mortgage Association.

iShares S&P Target Date Retirement Income Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date Retirement Income Index (the "Retirement Income Underlying Index"). The Retirement Income Underlying Index seeks to represent asset allocations which target an immediate retirement horizon.

iShares S&P Target Date 2010 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2010 Index (the "2010 Underlying Index"). The 2010 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2010.

iShares S&P Target Date 2015 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2015 Index (the "2015 Underlying Index"). The 2015 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2015.

iShares S&P Target Date 2020 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2020 Index (the "2020 Underlying Index"). The 2020 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2020.

iShares S&P Target Date 2025 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2025 Index (the "2025 Underlying Index"). The 2025 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2025.

iShares S&P Target Date 2030 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2030 Index (the "2030 Underlying Index"). The 2030 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2030.

iShares S&P Target Date 2035 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2035 Index (the "2035 Underlying Index"). The 2035 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2035.

iShares S&P Target Date 2040 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2040 Index (the "2040 Underlying Index"). The 2040 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2040.

iShares S&P Conservative Allocation Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Risk Conservative Index (the "Conservative Allocation Underlying Index"). The Conservative Allocation Underlying Index measures the performance of S&P's proprietary allocation model, which is intended to represent a conservative target risk allocation strategy.

BlackRock Fund Advisors is the investment adviser to the Funds. SEI Investments Distribution Co. is the distributor for the Funds. State Street Bank and Trust Company is the custodian, administrator, and transfer agent for the Funds.

As described more fully in the Trust's prospectus ("Prospectus") and Statement of Additional Information's ("SAI"), the Fund will issue and redeem shares on a continuous basis, at their net asset value ("NAV"), only in large blocks of Shares (each, a "Creation Unit"). Creation Units will be issued and redeemed principally in-kind for securities which constitutes a substantial replication, or a portfolio sampling representation, of the securities involved in the

Index. Except when aggregated in Creation Units, the Shares are not redeemable securities of the Fund.

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

The NAV of the Fund will be determined once daily at the close of trading (normally, 4:00 p.m. Eastern Standard Time ("ET")) on each day that the Exchange is open for business (a "Business Day"). NAV is calculated by dividing the current market value of the net assets of the Fund (i.e., the total value of its assets less all liabilities) by the total number of Shares outstanding, generally rounded to the nearest cent. NAV will be available from the Distributor and will also be 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 Fund's Shares. For a more complete description of the Fund and the Index, visit [www.iShares.com](http://www.iShares.com).

### **Purchases and Redemptions in Creation Unit Size**

Equity Electronic Access Members ("Equity EAMs") are hereby informed that procedures for purchases and redemptions of Shares in Creation Units are described in the Trust's Prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit aggregations or multiples thereof.

### **Principal Risks**

Interested persons are referred to the Prospectuses for a description of risks associated with an investment in the Shares. These risks include the risk that the Fund's return may not match the return of the Index for a number of reasons including the incursion by the Fund of operating expenses and costs not applicable to the 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 Share.

### **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**

Trading in the shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The shares will trade from 8:00 a.m. until 5:00 p.m. Eastern Time. Equity EAMs trading the shares during the Extended Market Sessions are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is

unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

### **Trading Halts**

ISE will halt trading in the Shares of a Trust in accordance with ISE Rule 2101(a)(2)(iii). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, ISE will stop trading the Shares of a Trust if the primary market de-lists the Shares.

### **Delivery of a Prospectus**

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on 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 SEC. For further information about the Fund, please refer to the Trust's registration statement.

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

The Commission has issued 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.

### **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 a fund (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 Fund 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 Fund 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:

1. 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
2. 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
3. such bids or purchases are not affected 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.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>Cusip</b>
AGZ	iShares Barclays Agency Bond Fund	464288166
AOK	iShares S&P Conservative Allocation Fund	464289883
SUB	iShares S&P Short Term National Municipal Bond Fund	464288158
TGR	iShares S&P Target Date Retirement Income Index Fund	464289107
TZD	iShares S&P Target Date 2010 Index Fund	464289206
TZE	iShares S&P Target Date 2015 Index Fund	464289305
TZG	iShares S&P Target Date 2020 Index Fund	464289404
TZI	iShares S&P Target Date 2025 Index Fund	464289503
TZL	iShares S&P Target Date 2030 Index Fund	464289602
TZO	iShares S&P Target Date 2035 Index Fund	464289701
TZV	iShares S&P Target Date 2040 Index Fund	464289800