



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
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Subject: iShares S&P 100 Index Fund

Background Information on the Fund

The iShares S&P 100 Index Fund (the "Fund") is an exchange-traded fund managed by BlackRock Fund Advisors that represents ownership in an open-end management company established to hold a portfolio of stocks replicating the S&P 100 Index (OEX). The Fund holds substantially all of the securities of the S&P 100 in approximately the same proportions as reflected in the Index. The Fund operates as an index fund and will not be actively managed.

The iShares S&P 100 Index Fund has been classified as a "non-diversified" fund, meaning that the Fund is not limited by the 1940 Act with regard to the percentage of their assets that may be invested in the securities of a single issuer. The iShares S&P 100 Index Fund, however, intends to maintain the required level of diversification and otherwise conduct its operations so as to qualify as a "regulated investment company."

The iShares S&P 100 Index Fund issues and redeems shares at Net Asset Value (NAV), but only in large blocks of 50,000 shares ("Creation Units"). In addition, these Creation Unit transactions are usually in exchange for a basket of stocks and an amount of cash. Only Participating Dealers can create and redeem Fund shares. As a practical matter, only institutions or large investors will purchase or redeem S&P 100 iShares directly with the Fund.

Most investors will not purchase and redeem Fund shares directly with the Fund. The iShares S&P 100 Index Fund will generally trade in "round lots" of 100 shares at market prices throughout the trading day, which ends at 4:00 PM Eastern time. Last sale and quote information will be disseminated over the Consolidated Tape Authority "Tape B," and trades will clear through the facilities of NSCC and DTC.

The iShares S&P 100 Index Fund is an exchange-traded security that represents ownership in an open-end management company established to hold a portfolio of stocks replicating the S&P 100 Index (OEX). The Fund is open-ended, meaning that new shares can be created, and outstanding shares redeemed, at NAV on any business day. This feature ensures that the market price for Fund shares trades very close to the NAV.

BlackRock Fund Advisors is the advisor to the Fund. Investors Bank & Trust Company (IBT) is the administrator, custodian, transfer agent and securities lending agent. SEI Investments Distribution Company is the distributor for each fund.

The price of this security will be very close to 1/10th the value of the S&P 100 Index. Shares of the fund can be purchased or sold, in round lots of 100 shares or "odd lots" of less than 100 shares, at any time during regular Exchange hours.

All iShares S&P 100 Index Fund trades will settle through the facilities of NSCC subject to 3-day settlement. Fund shares are held in book-entry form only at The Depository Trust Company (DTC).

iShares S&P 100 pays out dividends to investors on a quarterly basis. The amount of the distribution is equal to the accrued dividends received by the trust for a given quarter less fund expenses for that quarter. iShares S&P 100 Index Fund distributes its net capital gains, if any, to investors annually.

iShares S&P 100 Index Fund shares can be created at NAV in “creation unit” block sizes (50,000 shares) by the deposit of a specified portfolio of stock closely approximating the composition of the relevant index and a specified amount of cash. Conversely, a creation unit (50,000 shares) can be redeemed at NAV for a specific portfolio of stocks and a specified cash amount. The shares of component stocks in a “creation unit” are determined by BGFA prior to the opening of trading each business day. The required cash amount is determined on the same day following the close of trading. Members are reminded to make sure that their clearing firm is registered as a Participating Dealer before undertaking to create or redeem iShares S&P 100 Fund shares.

Purchases and Redemptions in Creation Unit Size

Exchange members and member organizations are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Funds’ prospectus and Statement of Additional Information, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

Principal Risks

iShares S&P 100 Index Fund shares involve risk and are not for everyone. It is important that investors be afforded an explanation of the special characteristics and risks of the iShares S&P 100 Index Fund.

- The Fund is not actively managed. The Fund may be affected by a general decline in the market segments relating to the S&P 100. The Fund invests in the securities included in the S&P 100 Index regardless of their investment merit. BGFA does not attempt to individually select stocks or to take defensive positions in declining markets.
- Factors such as the fees and expenses of the Fund, imperfect correlation between the Fund’s stocks and those in the S&P 100, rounding of share prices, changes to the S&P 100 and regulatory policies may affect BGFA’s ability to achieve close correlation with the S&P 100. The Fund’s returns may therefore deviate from those of the S&P 100.
- iShares may trade below, at, or above their NAV. The NAV of iShares will fluctuate with changes in the market value of the Fund’s holdings. The trading prices of iShares will fluctuate in accordance with changes in the Fund’s NAV as well as market supply and demand. However, given that iShares can be created and redeemed only in Creation Units at NAV (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at

premiums to, their NAVs), discounts or premiums to the NAVs of iShares should not be sustained.

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.

Trading Hours

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges' equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing 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

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). 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, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Exchange Rules Applicable to Trading in the Shares

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

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

The SEC has issued exemptive, interpretive or no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 (the "Act") regarding trading in the above mentioned exchange-traded Fund.

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 Commission 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:

- 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, 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 SEC has taken a no-action position 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. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Appendix A

Ticker	Fund Name	Cusip
OEF	iShares S&P 100 Index Fund	464287101