



**Cboe BZX Exchange, Inc. Information Circular      20-114**

**Date:** September 2, 2020

**Re:** iShares MSCI Kuwait ETF

Pursuant to the Rules of Cboe BZX Exchange, Inc., (referred to hereafter as the “Exchange”), this Information Circular is being issued to advise you that the following securities have been approved for trading on the Exchange pursuant to Chapter XIV of the Exchange’s Rules.

**Securities (the “Fund”)**

**Symbol**

iShares MSCI Kuwait ETF

KWT

**Commencement of Trading on the Exchange:** September 3, 2020

**Issuer/Trust:** iShares Trust

**Issuer Website:** [www.iShares.com](http://www.iShares.com)

**Primary Listing Exchange:** Cboe BZX Exchange, Inc.

Compliance and supervisory personnel should note that, among other things, this Information Circular discusses the need to deliver a prospectus to customers purchasing shares of the Funds issued by iShares Trust (Trust”). Please forward this Information Circular to other interested persons within your organization.

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products on the Exchange, as well as to provide certain characteristics and features of the Shares. For a more complete description of the Issuer, the Shares and the underlying market instruments or indexes, visit the Issuer Website, consult the Prospectus available on the Issuer Website or examine the Issuer Registration Statement. The Issuer Website, the Prospectus and the Issuer Registration Statement are hereafter collectively referred to as the “Issuer Disclosure Materials.”

**Background Information on the Funds**

iShares Trust (the “Trust”) is a management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”), consisting of several investment portfolios. This circular relates only to the Funds listed above (each, a “Fund” and together, the “Funds”). The shares of the Fund are referred to herein as “Shares”.



The iShares MSCI Kuwait ETF (the “Fund”) seeks to track the investment results of a broad-based equity index with exposure to Kuwait, as defined by the index provider.

The Fund seeks to track the investment results of the MSCI All Kuwait Select Size Liquidity Capped Index (the “Underlying Index”), which is designed to measure the performance of the Kuwait equity universe. The Underlying Index is a free float-adjusted market capitalization weighted index with a capping methodology applied to avoid concentration. The Underlying Index targets to include at least 30 securities and 25 issuers. MSCI Inc. (the “Index Provider” or “MSCI”) begins with the MSCI All Kuwait 30 Index (the “Parent Index”), which consists of equity securities of companies that (i) are classified in Kuwait according to the MSCI Global Investable Market Index Methodology, together with equity securities of companies that (ii) are either headquartered or listed in Kuwait and have a significant linkage to Kuwait (based on the geographic distribution of any of the following criteria: the company’s shareholder base, revenues, assets, management, employee base, history and country of incorporation), as defined and measured by MSCI, or (iii) have an economic exposure (based on the geographic distribution of a company’s revenues) greater than 10% to Kuwait, as defined and measured by MSCI, where the criteria outlined in (i) and (ii) do not result in the target number of securities and issuers.

The MSCI Global Investable Market Index Methodology generally classifies a company as being in Kuwait if it is incorporated in Kuwait and its securities have a primary listing in Kuwait. In the event that a company is incorporated outside of Kuwait but its securities have a primary listing in Kuwait, the Index Provider will consider additional factors, including but not limited to the geographic distribution of the company’s shareholder’s base or operations, the location of its headquarters and the company’s history. In considering a company’s history, MSCI reviews where the company originated from when the company started its operations, as well as who the founders were and their nationality.

The Fund generally will invest at least 90% of its assets in the component securities of the Underlying Index and in investments that have economic characteristics that are substantially identical to the component securities of the Underlying Index (i.e., depositary receipts representing securities of the Underlying Index) and may invest up to 10% of its assets in certain futures, options and swap contracts, cash and cash equivalents, including shares of money market funds advised by BFA or its affiliates, as well as in securities not included in the Underlying Index, but which BFA believes will help the Fund track the Underlying Index. The Fund seeks to track the investment results of the Underlying Index before fees and expenses of the Fund.

For more information regarding the Fund’s investment strategy, please read the prospectus for the Fund.

As described more fully in the Prospectus and Statement of Additional Information, the Fund will issue and redeem Shares on a continuous basis at their net asset value (“NAV”) only in large blocks of 50,000 Shares (each, a “Creation Unit”). Creation Units will be issued and redeemed principally in-kind for securities included in the underlying index. Except when aggregated in Creation Units, the Shares may



not be redeemed with the Fund.

Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or "ET") of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The registration statement for the Fund describes the various fees and expenses for the Fund's Shares. For a more complete description of the Fund visit the Issuer Website.

### **Principal Risks**

As with any investment, you could lose all or part of your investment in the Funds, and the Funds' performance could trail that of other investments. These Funds are subject to the principal risks noted below, any of which may adversely affect the Funds' net asset value per share ("NAV"), trading price, yield, total return and ability to meet its investment objective. Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include but are not limited to asset class risk, cash transactions risk, commodity risk, concentration risk, custody risk, equity securities risk, and financials sector risk.

### **Exchange Rules Applicable to Trading in the Shares**

Trading in the Shares on the Exchange is subject to Exchange equity trading rules.

### **Trading Hours**

The Shares will trade on Cboe BZX Exchange, Inc. between 8:00 a.m. and 5:00 p.m. ET. Please note that trading in the Shares during the Exchanges' Pre-Opening and After Hours/Post-Closing Trading Sessions ("Extended Market Sessions") may result in additional trading risks which include: (1) lower liquidity in the Extended Market Sessions may impact pricing, (2) higher volatility in the Extended Market Sessions may impact pricing, (3) wider spreads may occur in the Extended Markets Sessions, and (4) to the extent that the underlying indicative value is disseminated, such current underlying indicative value may not be updated during the Extended Market Sessions and an investor who is unable to calculate an implied value for the Shares in those sessions may be at a disadvantage to market professionals.



### **Dissemination of Data**

The Consolidated Tape Association will disseminate real time trade and quote information for the Shares to Tape B.

<i><b>Name</b></i>	<i><b>Trading Symbol</b></i>	<i><b>NAV Symbol</b></i>
iShares MSCI Kuwait ETF	KWT	KWT.NV

### **Delivery of a Prospectus**

Exchange Members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in each Fund. Prospectuses may be obtained through a Fund's website. The prospectus for each Fund does not contain all of the information set forth in the Fund's 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 each Fund, please refer to its Registration Statement.

In the event that a Fund relies upon an order by the SEC exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future make available a written product description, Exchange Rules require that Exchange Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Issuer of the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, Exchange Members 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 Bats member 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 [the series of Exchange-Traded Fund Shares] has been prepared by the [open-ended management investment company name] and is available from your broker. It is recommended that you obtain and review such circular before purchasing [the series of Exchange-Traded Fund Shares]."

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

Upon request of a customer, Exchange Members also shall provide a copy of the Prospectus.



### **Suitability**

Trading in the securities on the Exchange will be subject to the provisions of Exchange Rule 3.7. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

### **Trading Halts**

The Exchange will halt trading in the Shares of a security in accordance with Exchange Rules and it may consider all relevant factors in exercising its discretion to halt or suspend trading. Trading may be halted if the circuit breaker parameters in Rule 11.18 have been reached, because of other market conditions, or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) the extent to which certain information about the Shares that is required to be disclosed under Rule 6c-11 of the 1940 Act (“Rule 6c-11”) is not being made available, including specifically where the Exchange becomes aware that the net asset value with respect to a series of Shares is not disseminated to all market participants at the same time, it will halt trading in such series until such time as the net asset value is available to all market participants; (2) if an interruption to the dissemination to the value of the index or reference asset on which a series of Shares is based persists past the trading day in which it occurred or is no longer calculated or available; (3) trading in the securities comprising the underlying index or portfolio has been halted in the primary market(s); or (4) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

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

The Securities and Exchange Commission (the “SEC”) has issued letters granting exemptive, interpretive and no-action relief from certain provisions of rules under the Securities Exchange Act of 1934 for exchange-traded securities listed and traded on a registered national securities exchange that meet certain criteria.

**AS WHAT FOLLOWS IS ONLY A SUMMARY OF THE RELIEF OUTLINED IN THE NO-ACTION LETTERS REFERENCED ABOVE, THE EXCHANGE ADVISES INTERESTED PARTIES TO CONSULT THE NO-ACTION LETTERS FOR MORE COMPLETE INFORMATION REGARDING THE MATTERS COVERED THEREIN AND THE APPLICABILITY OF THE RELIEF GRANTED IN RESPECT OF TRADING IN SECURITIES. INTERESTED PARTIES SHOULD ALSO CONSULT THEIR PROFESSIONAL ADVISORS.**

### **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.

In the release adopting Rule 6c-11, the SEC deemed that all ETFs are eligible for the redeemable securities exceptions in Rules 101(c)(4) and 102(d)(4) of Regulation M and Rule 10b-17(c) under the Exchange Act in connection with secondary market transactions in ETF shares and the creation or redemption of creation units and the exemption in rule 11d1-2 under the Exchange Act for a registered open-end investment company.

**Section 11(d)(1); Rules 11d1-1 and 11d1-2; Rules 10b-10, 14e-5, 15c1-5, and 15c1-6**

Securities Exchange Act Release No. 87110 conditionally exempts broker-dealers that engage in certain transactions in securities of ETFs that can rely on Rule 6c-11 from the requirements of section 11(d)(1) of the Exchange Act and Exchange Act rules 10b-10, 15c1-5, 15c1-6, and 14e-5. Such exemptive relief is conditional and does not exempt persons relying on the exemption from anti-fraud and anti-manipulation provisions of the federal securities laws, particularly section 10(b) of the Exchange Act and Rule 10b-5 thereunder. For additional detail, see Securities Exchange Act Release No. 87110 (September 25, 2019), 84 FR 57089 (October 24, 2019).

**This Information Circular is not a statutory prospectus. Members should consult the prospectus for a security and the security's website for relevant information.**

Please contact Listings Services at 913.815.7024 with any inquiries regarding this Information Circular.