



## REGULATORY INFORMATION BULLETIN

**RB-12-08**  
**January 19, 2012**

**TO: ETP Holders**

**SUBJECT: iShares MSCI Emerging Markets EMEA Index Fund; iShares MSCI Emerging Markets Latin America Index Fund**

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 and iShares, Inc. Please forward this Information Bulletin to other interested persons within your organization.

The following securities will commence trading pursuant to unlisted trading privileges (“UTP”) on NYSE Arca and commenced on January 19, 2012:

<b><u>Exchange-Traded Funds</u></b>	<b><u>Symbol</u></b>
iShares MSCI Emerging Markets EMEA Index Fund	EEME
iShares MSCI Emerging Markets Latin America Index Fund	EEML

### Background Information on the Funds

As more fully explained in the iShares Trust and iShares, Inc. Registration Statement (Nos. 811-09729 (for EEME) and 811-09102 (for EEML)), the Funds are registered under the Investment Company Act of 1940 (the “1940 Act”) as investment companies. The Funds are exchange-traded “index funds” (“ETFs”).

BlackRock Fund Advisors (“BFA”) serves as the investment advisor to 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.

### iShares MSCI Emerging Markets EMEA Index Fund

The iShares MSCI Emerging Markets EMEA Index Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets EMEA Index (the “Underlying Index”).

The Underlying Index is designed to measure the performance of equity securities in the emerging market countries of Europe, the Middle East and Africa. As of December 1, 2011, the Underlying Index consisted of issuers in the following eight emerging market countries: the Czech Republic, Egypt, Hungary, Morocco, Poland, Russia, South Africa and Turkey. Component companies include energy, financial and materials companies. The component companies may change over time.

BFA uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to beat the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

BFA uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the Underlying Index. The securities selected are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index. The Fund may or may not hold all of the securities in the Underlying Index.

The Fund will only issue or redeem shares that have been aggregated into blocks of 100,000 shares or multiples thereof (“Creation Units”) to authorized participants who have entered into agreements with the Fund’s distributor. The Fund generally will issue or redeem Creation Units in return for a designated portfolio of securities (and an amount of cash) that the Fund specifies each day.

#### iShares MSCI Emerging Markets Latin America Index Fund

The iShares MSCI Emerging Markets Latin America Index Fund (the “Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Latin America Index (the “Underlying Index”).

The Underlying Index is designed to measure the equity market performance of emerging markets in Latin America. As of December 1, 2011, the Underlying Index consisted of issuers in the following five emerging market countries: Brazil, Chile, Colombia, Mexico and Peru. Component companies include energy, financial and materials companies. The component companies may change over time.

BFA uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to beat the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

BFA uses a representative sampling indexing strategy to manage the Fund. “Representative sampling” is an indexing strategy that involves investing in a representative sample of securities that collectively has an investment profile similar to the Underlying Index. The securities selected

are expected to have, in the aggregate, investment characteristics (based on factors such as market capitalization and industry weightings), fundamental characteristics (such as return variability and yield) and liquidity measures similar to those of the Underlying Index. The Fund may or may not hold all of the securities in the Underlying Index.

The Fund will only issue or redeem shares that have been aggregated into Creation Units of 100,000 shares or multiples thereof to authorized participants who have entered into agreements with the Fund's distributor. The Fund generally will issue or redeem Creation Units in return for a designated portfolio of securities (and an amount of cash) that the Fund specifies each day.

Individual Fund shares may only be purchased and sold on a national securities exchange through a broker-dealer. The price of each Fund's shares is based on market price, and because ETF shares trade at market prices rather than the net asset value ("NAV"), shares may trade at a price greater than NAV (a premium) or less than NAV (a discount).

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

The Depository Trust Company ("DTC") will serve as securities depository for the Shares of each of the Funds, 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 each 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. The NAV of each of the Funds is calculated by dividing the value of the net assets of each Fund (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 Registration Statements describe the various fees and expenses for each of the Funds' Shares. For a more complete description of each of the Funds and the Underlying Indexes, visit [www.iShares.com](http://www.iShares.com).

### Principal Risks

Interested persons are referred to the Prospectuses for a description of risks associated with an investment in each of the Funds. These risks include asset class risk, commodity exposure risk, concentration risk, currency risk, custody risk, emerging markets risk, energy sector risk, equity securities risk, financial sector risk, geographic risk, issuer risk, management risk, market risk, market trading risk, materials sector risk, non-diversification risk, non-U.S. securities risk (in particular Latin American economic risk, African economic risk, and Eastern European economic

risk), passive investment risk, privatization risk, reliance on trade partners risk (specifically, Asian economic risk, European economic risk, Latin American economic risk, and U.S. economic risk), risk of investing in Brazil, risk of investing in Mexico, risk of investing in Russia, risk of investing in South Africa, securities lending risk, security risk, tracking error risk, and valuation risk. In addition, as noted in the Prospectuses, the Shares may trade at a price greater than net asset value (premium) or less than net asset value (discount). The NAV of the Shares will fluctuate with changes in the market value of each of the Funds' 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' Prospectuses describing correlation and other risks are available at [www.iShares.com](http://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 Underlying Indexes 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).

#### 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 Securities and Exchange Commission (the “Commission”).

### Trading Halts

The Exchange will halt trading in the Shares if the primary market stops trading the Shares because of a regulatory halt similar to a halt based on the NYSE Arca Equities Rule 7.12 and/or a halt because of dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased. In addition, the Exchange will halt trading in the Shares in accordance with NYSE Arca Equities Rule 7.12 (“Trading Halts Due to Extraordinary Market Volatility”) and NYSE Arca Rule 7.34(a)(4) (“Trading Halts for UTP Trading of Derivative Securities Products”).

### 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 the Fund for resale to investors will deliver a Prospectus to such investors.

A Prospectus for each Fund may be obtained through the Funds’ website. The Prospectus for each Fund 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 iShares Trust and/or iShares, Inc., 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 Fund 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 Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund.”

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 for each Fund.

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

The Commission has issued letters dated 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 [www.sec.gov](http://www.sec.gov), 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 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 Fund’s securities during the restricted period of Rule 101. The Commission has issued a No-Action Letter relating to paragraph (e) of Rule 102 under Regulation M to 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 iShares Trust or iShares, Inc. to the redeeming holder (“Redemption Securities”). The composition of the securities required to be tendered to a 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 a 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.

**This Information Bulletin is not a statutory Prospectus. ETP Holders should consult the iShares Trust and iShares, Inc. Registration Statements, SAI, Prospectuses and the Funds' website for relevant information.**

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Senior Director, Global Index and Exchange Traded Funds, at (312) 442-7886.