

**RB-06-51
December 15, 2006**

TO: ETP Holders and Sponsored Participants

FROM: Equity Securities Qualification

SUBJECT: Listing of Four iShares[®] Exchange Traded Funds

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

The following securities have been approved for listing on NYSE Arca and will commence trading on December 18, 2006:

<u>Exchange-Traded Fund</u>	<u>Symbol</u>	<u>Cusip Number</u>
iShares Russell Midcap [®] Index Fund	IWR	464287 49 9
iShares Russell Midcap [®] Growth Index Fund	IWP	464287 48 1
iShares Russell Midcap [®] Value Index Fund	IWS	464287 47 3
iShares Cohen & Steers Realty Majors Index Fund	ICF	464287 56 4

The Funds were previously listed on the American Stock Exchange. This Information Memo reviews the various rules and policies applicable to trading in iShares Funds.

Background Information on the Funds

Barclays Global Fund Advisors (the “Advisor”) is the investment advisor for the Funds and is registered under the Investment Advisers Act of 1940. The Advisor is a wholly owned subsidiary of Barclays Global Investors, N.A., which is in turn a wholly owned indirect subsidiary of Barclays Bank PLC of the United Kingdom. SEI Investments Distribution Co. (the “Distributor”), a Pennsylvania corporation and broker-dealer registered under the Securities Exchange Act of 1934, is the principal underwriter and distributor of Creation Unit Aggregations (as defined below) of iShares Funds. Investors Bank Trust Company (“IBT”) is the administrator, custodian and transfer agent for each Fund.

The investment objective of the Funds will be to provide investment results that correspond generally to the price and yield performance of a specified underlying index. The Funds use a

“representative sampling” strategy to track the applicable Underlying Index. A Fund utilizing a representative sampling strategy generally will hold a basket of the Component Securities of its Underlying Index, but it may not hold all of the Component Securities of its Underlying Index.

Shares of the Funds will be issued on a continuous offering basis in groups of Shares, or multiples thereof. These “groups” of shares are called “Creation Unit Aggregations.” The Funds will issue and redeem Shares only in Creation Unit Aggregations of 50,000 Shares.

All orders to purchase Shares in Creation Unit Aggregations must be placed through an Authorized Participant. An Authorized Participant must be either a “Participating Party”, *i.e.*, a broker-dealer or other participant in the clearing process through the National Securities Clearing Corporation Continuous Net Settlement System (the “Clearing Process”), a clearing agency that is registered with the SEC, or a Depository Trust Company participant, and in each case, must enter into a Participant Agreement. As detailed in the Funds prospectus, the Funds impose a transaction fee in connection with the issuance and redemption of Shares to offset transfer and other transaction costs.

The NAV for the Funds will be calculated and disseminated daily. The Funds’ NAV will be calculated by IBT. IBT will disseminate the information to BGI, SEI and others, including the NYSE. The Funds’ NAV will be published in a number of places, including, www.ishares.com and on the Consolidated Tape.

For a more complete description of the Funds and the underlying indexes, visit www.ishares.com. Fund fact sheets providing information regarding the Funds’ top holdings may be requested by calling 1-800-iShares. The Trust’s registration statement describes the various fees and expenses for the Fund’s shares.

Purchases and Redemptions in Creation Unit Size

ETP Holders are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trusts’ 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

Interested persons are referred to discussion in the iShares prospectus of principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund’s performance to not match the performance of the underlying index), market trading risk (for example, trading halts, trading above or below net asset value), stock market risk, investment style risk, interest rate risk, investment approach risk, concentration risk, non-diversification risk, issuer-specific risk, management risk, lack of market liquidity, lack of governmental insurance or guarantee, and fiscal policy risk.

Exchange Rules Applicable to Trading in the Shares

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

The Shares will be deemed "Eligible Listed Securities," as defined in NYSE Arca Rule 7.55, for purposes of the Intermarket Trading System ("ITS") Plan and therefore will be subject to the trade through provisions of NYSE Arca Rule 7.56, which require that ETP Holders avoid initiating trade-throughs for ITS securities.

Trading Hours

The values of the index underlying the Shares are disseminated to data vendors every 15 seconds. The Core Trading Session for the Shares will be 9:30 a.m. Eastern Time until 4:15p.m. Eastern Time. The Shares will trade on NYSE Arca in the Opening, Core and Late Trading Sessions or until 8:00 p.m. Eastern Time in accordance with NYSE Arca Rule 7.34(a).

The trading increment for the Fund's Shares will be \$0.01.

Suitability

ETP Holders are reminded of their obligations under NYSE Arca 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 there is a halt or disruption in the dissemination of the Indicative Fund Value and/or the underlying Index value. Further, the Exchange will halt trading in the Shares in accordance with NYSE Arca Rule 7.12. The Shares will be traded following a trading halt in accordance with NYSE Arca 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, anyone purchasing Shares directly from the Fund (by delivery of the Cash Deposit Amount) must receive a prospectus. ETP Holders purchasing shares from the Fund for resale to investors will deliver a

prospectus to such investors. In this regard, NYSEArca Equities Rule 5.2(j)(3) provides for delivery of written descriptions to customers of the Funds that have received exemptions from Section 24(d) of the Investment Company Act of 1940 prepared by the open-end management investment company issuing the Shares, if available.

Prospectuses may be obtained through the Fund's website at www.ishares.com. 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 registration statement.

In the event that the Funds rely upon an order by the Securities and Exchange Commission ("SEC") exempting the Shares from certain prospectus delivery requirements under Section 24(d) of the 1940 Act and in the future makes available a written product description, NYSE Arca 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 an ETP Holder to customers or the public making specific reference to the ETF Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of ETF 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.

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

The SEC has issued letters dated August 17, 2001 and January 3, 2005 ("No-Action Letters") granting exemptive or no-action relief from certain rules under the Securities Exchange Act of 1934 for all exchange-traded funds trading on any registered national securities exchange and meeting certain criteria. The Funds qualify for the relief granted in the No-Action Letters.

Short Sale Rules

Transactions in ETFs will not be subject to "tick" requirements of the short sale rule of the Commission (Rule 10a-1) or the Exchange (Rule 440B). Short orders must be marked SHORT or SHORT EXEMPT. (See paragraph below regarding Rule 200(g) of Regulation SHO.)

Rule 200(g) of Regulation SHO

The SEC Division of Market Regulation has stated that the Division will not recommend enforcement action under Rule 200(g) of Regulation SHO if a broker-dealer marks "short" rather than "short exempt" a short sale effected in the Funds pursuant to the exemptions from the price test of Rule 10a-1 that have been granted, subject to specified conditions, including that a broker-dealer executing exempt short sales will mark such sales as "short" and in no event will such sales be marked "long". (See letter from James A. Brigagliano, Assistant Director, Division of Market Regulation, SEC, to Ira Hammerman, Senior Vice President and General Counsel, Securities Industry Association, dated January 3, 2005.)

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 SEC has granted an exemption from Rule 101 under Regulation M to permit persons participating in a distribution of shares of the above-mentioned Funds to engage in secondary market transactions in such shares during their participation in such a distribution. In addition, the SEC has granted relief under Regulation M to permit persons who may be deemed to be participating in the distribution of shares of the above-mentioned Funds (i) to purchase securities for the purpose of purchasing Creation Unit Aggregations of Fund shares and to (ii) tender securities for redemption in Creation Unit Aggregations. Further, the SEC has clarified that the tender of Fund shares to the Funds for redemption does not constitute a bid for or purchase of any of the Funds' securities during the restricted period of Rule 101. The SEC has also granted an exemption pursuant 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 Unit size 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

An exemption from Rule 14e-5 has been granted to permit any person acting as a dealer-manager of a tender offer for a component security of the Funds to (1) 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 position has been taken under Rule 14e-5 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, if 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 SEC 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 the Funds 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 the ETF 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 21, 2005 from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee. The Commission has also taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat shares of the Funds, 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 Information Bulletin is not a statutory prospectus. ETP Holders should consult the iShares Trust prospectuses and the Funds website at www.ishares.com for relevant information.

Inquiries regarding this Information Bulletin should be directed to Timothy J. Malinowski, Director, ETF's and Indexes, at (312) 442-7886.