Information Circular: iShares Diversified Alternatives Trust

To: Head Traders, Technical Contacts, Compliance Officers, Heads of ETF Trading, Structured Products Traders

From: NASDAQ Listing Qualifications Department
       BX Listing Qualifications Department

DATE: November 16, 2009

Exchange-Traded Fund                       Symbol  CUSIP #

iShares Diversified Alternatives Trust     ALT     464294107

Background Information on the Fund

The iShares Diversified Alternatives Trust (the “Trust” or the “Fund”) is a Delaware statutory trust that issues Shares representing fractional undivided beneficial interests in its net assets. The Trust seeks to maximize its absolute returns by investing in long and/or short positions in foreign-currency forward contracts and exchange-traded futures contracts selected by Barclays Global Fund Advisors, the Advisor, following investment strategies that utilize quantitative methodologies to identify potentially profitable discrepancies in the relative values or market prices of one or more assets.

The objective of the Trust is to maximize absolute returns from investments with historically low correlation to traditional asset classes while seeking to control the risks and volatility inherent in futures and forward contracts by taking long and short positions in historically correlated assets.

Barclays Global Investors, N.A. is the Trustee of the Trust. The Trust is a commodity pool, as defined in the Commodity Exchange Act and the applicable regulations of the Commodity Futures Trading Commission, and is operated by its Sponsor, iShares Delaware Trust Sponsor LLC, a commodity pool operator registered under the Commodity Exchange Act. The Trust is not an investment company registered under the Investment Company Act.

The Trust intends to continuously issue and redeem Shares in transactions with Authorized Participants. Each Share represents a unit of fractional undivided beneficial interest in the net assets of the Trust. The assets of the Trust, called the Portfolio, consist of cash and financial instruments that are used, as needed, to secure the Trust’s trading obligations in respect of foreign-currency forward contracts and exchange-traded futures contracts selected by Barclays Global Fund Advisors, the Trust’s Advisor, following investment strategies that utilize quantitative methodologies to identify potentially profitable discrepancies in the relative values or market prices of one or more assets and seek to control the risks and volatility.
inherent in these investments by taking long and short positions in historically correlated assets.

The Trust issues Shares only in one or more blocks of 100,000 Shares (each, a "Basket") in exchange for cash in an amount equal to the Basket Amount announced by the Trust on the first Business Day after the purchase order is received by the Trust. The Trust redeems Shares only in Baskets in exchange for cash in an amount equal to the Basket Amount announced by the Trust on the first Business Day after the redemption order is received by the Trust. The Trust does not redeem individual Shares or Baskets held by parties who are not Authorized Participants.

The Sponsor has been registered under the CEA as a commodity pool operator and has been a member of the National Futures Association (the “NFA”) since June 2009. The Sponsor has arranged for the creation of the Trust, the registration of the Shares for their public offering and the listing of the Shares on NYSE Arca. The Sponsor is obligated under the Trust Agreement to pay the following administrative, operational and marketing expenses: (1) the fees of the Trustee, the Advisor, the Delaware Trustee, the Trust Administrator and the Processing Agent, (2) NYSE Arca listing fees, (3) printing and mailing costs, (4) audit fees, (5) fees for registration of the Shares with the SEC, (6) tax reporting costs and (7) legal expenses up to $100,000 annually. In recognition of its paying these expenses, the Sponsor is entitled to an allocation that accrues daily at an annualized rate equal to 0.95% of the Adjusted Net Asset Value of the Trust and is payable by the Trust monthly in arrears. That allocation to the Sponsor is referred to in this prospectus as the “Sponsor’s Fee.”

The Advisor is the commodity trading advisor for the Trust and has discretionary authority to make all determinations with respect to the Portfolio, subject to specified limitations. The Advisor has been registered as a commodity trading advisor under the CEA since April 5, 1993 and is a member of the NFA.

The investment objective of the Trust is to maximize absolute returns from a portfolio of foreign currency forward contracts and exchange-traded futures contracts that may involve commodities, currencies, interest rates and certain eligible stock or bond indices while seeking to reduce the risks and volatility inherent in those investments by taking long and short positions in historically correlated assets. The Trust also expects to earn interest on the assets used to collateralize its trading positions. The return on assets in the Portfolio, if any, is not intended to track the performance of any index or other benchmark. There is no assurance that the Trust will achieve its investment objectives.

The Advisor selects for the Portfolio foreign currency forward contracts and exchange-traded futures contracts that may involve commodities, currencies, interest rates and certain eligible stock or bond indices with a view towards maximizing absolute returns while seeking to reduce the volatility inherent in these types of investments. While the Advisor may select investments for the Portfolio following a variety of strategies that utilize quantitative methodologies to identify potentially profitable discrepancies in the relative values or market prices of one or more assets, there are no mandatory holdings allocation requirements. Accordingly, at any given time, the Trust may be disproportionately exposed to one or more asset classes or contract counterparties, including over-the-counter counterparties and clearing organizations.
While the Advisor has the authority to trade on behalf of the Trust at any time in its discretion, it is generally expected that such discretionary trading will not occur more than once a week. The Trust, however, may need to trade more frequently in order to invest proceeds from the issuance of Baskets of Shares or raise funds to honor redemption requests. The Trust will post the composition of the Portfolio daily on its website at www.ishares.com.

The Trust is not expected to make any distributions or pay any dividends to its Shareholders except (1) in connection with redemptions of Baskets, (2) as determined by the Sponsor in its absolute discretion, and (3) in connection with the liquidation of the Trust.

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 Trust and is recognized as the owner of all Shares for all purposes.

On each Business Day, as soon as practicable after the close of regular trading of the Shares on NYSE Arca (normally 4:00 P.M., New York City time), the Trustee must determine the net asset value of the Trust, the net asset value per Share (the “NAV”) and the Basket Amount as of that date.

On each day on which the Trustee must determine the net asset value of the Trust, the NAV and the Basket Amount, the Trust Administrator values all futures and forward trading positions and other non-cash assets in the Portfolio and communicates that valuation to the Trustee for use by the Trustee in the determination of the Trust’s net asset value. The Trustee subtracts the Trust’s accrued fees (other than fees computed by reference to the value of the Trust or its assets), expenses and other liabilities on that day from the value of the Trust’s assets as of the close of trading on that day. The result is the Trust’s “Adjusted Net Asset Value.” Fees computed by reference to the value of the Trust or its assets (including the Sponsor’s Fee) are calculated on the Adjusted Net Asset Value. The Trustee subtracts the fees so calculated from the Adjusted Net Asset Value of the Trust to determine the Trust’s net asset value.

The Trustee determines the NAV by dividing the net asset value of the Trust on a given day by the number of Shares outstanding at the time the calculation is made. The Trustee then determines the Basket Amount corresponding to that date by multiplying the NAV by the number of Shares in a Basket (i.e., 100,000).

The NAV for each Business Day is expected to be distributed through major market data vendors and published online at www.ishares.com, or any successor thereto. It is expected that the Trust will update the NAV as soon as practicable after each subsequent NAV is calculated.

Investors should note that while the NAV is updated on each Business Day, the NAV is calculated by reference to assets that trade on futures exchanges or other markets, including in non-U.S. jurisdictions. Accordingly, the NAV may not always reflect the same-day valuation of assets that trade on markets in non-U.S. jurisdictions if one or more of those jurisdictions are not open for business on any given Business Day.
The registration statement for the Trust describes the various fees and expenses for the Fund’s Shares. For a more complete description of the Fund and the underlying Index, visit the Trust’s website at www.ishares.com.

**Purchases and Redemptions in Creation Unit Size**

NASDAQ members and BX members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust’s prospectus and SAI, 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 the discussion in the prospectus for the Fund of the principal risks of an investment in the Fund. These include tracking error risk (factors causing the 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), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, commodities risk, liquidity risk, volatility risk and currency risk.

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

Trading in the Shares on NASDAQ is on a UTP basis and is subject to NASDAQ equity trading rules. Trading of the Shares on BX is on a UTP basis and is subject to BX equity trading rules.

**Trading Hours**

The values of the index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on NASDAQ between 7:00 a.m. and 8:00 p.m. ET. The Shares will trade on BX between 8:00 a.m. and 7:00 p.m. ET. For trading during Nasdaq’s and BX’s Pre-Market and Post-Market Sessions, market participants should note that additional risks may exist with respect to trading the Fund during these sessions, when the underlying index’s values, intraday indicative value, or similar value may not be disseminated or calculated.

**Dissemination of Fund Data**

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

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Listing Market</th>
<th>Trading Symbol</th>
<th>IOPV Symbol</th>
<th>NAV Symbol</th>
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</thead>
<tbody>
<tr>
<td>iShares Diversified Alternatives Trust</td>
<td>NYSE Arca</td>
<td>ALT</td>
<td>ALT.IV</td>
<td>ALT.NV</td>
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</tbody>
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Suitability

Trading in the Shares on NASDAQ will be subject to the provisions of NASDAQ Rule 2310. Trading in the Shares on BX will be subject to the provisions of BX Equity Rule 2310. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the “know your customer” obligation that is embedded in both the NASDAQ Conduct Rules and the BX Conduct Rules.

NASDAQ and BX members also should review NASD Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Trading Halts

NASDAQ will halt trading in the Shares of a Fund in accordance with NASDAQ Rule 4120. BX will halt trading in the Shares of a Fund in accordance with BX Equity Rule 4120. The grounds for a halt under these rules include a halt by the primary market because the intraday indicative value of the Fund, the value of its underlying index, or a similar value are not being disseminated as required, or a halt for other regulatory reasons. In addition, NASDAQ and BX will also stop trading the Shares of a Fund if the primary market de-lists the Fund.

Delivery of a Prospectus

NASDAQ and BX members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Fund.

Prospectuses may be obtained through the Fund’s website. The prospectus for the Funds does not contain all of the information set forth in the Funds’ registration statement (including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). For further information about the Fund, please refer to the registration statement.

In the event that the 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, NASDAQ Rules 4420 and 4421, and BX Equity Rules 4420 and 4421, require that NASDAQ members and BX members, respectively, provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust for the Fund, no later than the time a confirmation of the first transaction in the Shares is delivered to such purchaser. In addition, NASDAQ members and BX 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 NASDAQ member or a BX 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 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."

A NASDAQ member or a BX 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 NASDAQ members and BX members
under this rule.

Upon request of a customer, NASDAQ members and BX members also shall provide a
copy of the prospectus.

**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 SEC has granted an exemption from Rule 101 under Regulation M to permit
persons participating in a distribution of shares of the above-mentioned Fund 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 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 SEC 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 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 for the Fund 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 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 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:

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 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 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 the Fund to persons outside the fund complex, other than non-cash compensation permitted under NASD Rule 2830(l)(5)(A), (B) or (C). (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.) The SEC also has taken a no-action position under Section 11(d)(1) of the Act that broker-dealers may treat Shares of the 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. (See letter from Catherine McGuire, Chief Counsel, SEC Division of Market Regulation, to Securities Industry Association, Derivative Products Committee, dated November 21, 2005.)

**This Information Circular is not a statutory prospectus. NASDAQ members and BX members should consult the Fund’s prospectus and/or the Fund’s website for relevant information.**

Inquiries regarding this Information Circular should be directed to:

- Will Slattery, NASDAQ Listing Qualifications / BX Listing Qualifications, at 301.978.8088
- NASDAQ Market Sales / BX Market Sales at 800.846.0477