



STOCK EXCHANGE			
Regulatory Information Circular			
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<b>Date:</b>	November 17, 2009	<b>Telephone:</b>	(646) 805-1857

**Subject: iShares Diversified Alternatives Trust**

**Background Information on the Fund**

As more fully explained in the Registration Statement (No. 333-153099) for the Trust, iShares Delaware Trust Sponsor LLC (the “Sponsor”) is the sponsor of the Trust, Barclays Global Investors, N.A. is the trustee of the Trust (“Trustee”) , and Barclays Global Fund Advisors is the Advisor of the Trust (“Advisor”). The Trust is not an investment company registered under the Investment Company Act of 1940. According to the Registration Statement, the Trust is a commodity pool for purposes of the Commodity Exchange Act (“CEA”), as administered by the Commodity Futures Trading Commission. The Sponsor and Trustee are subject to regulation as a commodity pool operator or a commodity trading adviser.

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.

**Creation and Redemption Process**

As described more fully in the prospectus and the Registration Statement for the Trust, issuances of Shares will be made only in baskets of 100,000 shares or multiples thereof (“Baskets”). The Trust will issue and redeem Baskets daily, by or through registered broker-dealers that have entered into participant agreements (each, an “Authorized Participant”) with the Trustee. The Trust’s prospectus and Registration Statement describe additional procedures and requirements that apply to creation and redemptions of Shares.

As set forth in the Registration Statement, in recognition of its paying specified expenses, the Sponsor is entitled to receive as the Sponsor’s Fee 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. The Trust is subject to various other fees and expenses described in the Registration Statement.

The Shares will not be individually redeemable but will only be redeemable in Basket size. To redeem, an Authorized Participant will be required to accumulate enough Shares to constitute a Basket (i.e., 100,000 Shares).

The NAV for the Shares will be calculated after 4:00 p.m. ET each trading day.

There is no regulated source of last sale information regarding physical commodities and many of the asset classes that the Trust may hold, and the SEC has no jurisdiction over the trading of certain futures contracts.

The Depository Trust Company (“DTC”) serves as securities depository for the Shares, 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 of the Trust.

### **Dissemination of Indicative Trust Value**

In order to provide updated information relating to the Trust for use by investors, professionals, and Authorized Persons wishing to create or redeem Shares, the Exchange will disseminate through the facilities of CTA an updated Indicative Trust Value (“ITV”). The ITV will be disseminated on a per Share basis at least every 15 seconds during the Exchange’s Core Trading Session (9:30 a.m. to 4:00 p.m. ET). The ITV on a per Share basis disseminated during the Exchange’s Core Trading Session should not be viewed as a real time update of the NAV, which is calculated only once a day.

The Trust’s portfolio holdings will be disclosed on the Trust’s Web site daily at [www.ishares.com](http://www.ishares.com). Web site disclosure of portfolio holdings will include, as applicable, the name identifier and number of each futures contract, the amount and currency type of each forward contract and amount of cash held in the portfolio of the Trust.

### **Principal Risks**

Electronic Access Members (“ Equity EAMs”) are referred to the Trust’s prospectus and Registration Statement for a description of risks associated with an investment in the Shares of the Trust. Among the risks described in the Registration Statement are the following:

- Changes to the regulatory regime applicable to futures contracts may have an adverse effect on the ability of the Trust to pursue its strategies and, therefore, result in a decreasing value of the Shares.
- Regulatory and exchange position limits may restrict the creation of Baskets and the operation of the Trust.
- Changes in the margin requirements set by the relevant futures exchanges and over-the-counter market participants may limit the Trust’s ability to meet its investment objectives.

- The price of the Shares fluctuates as a result of fluctuations in the prices of any commodities underlying the futures contracts owned by the Trust. Commodity prices may be volatile.
- Commodity futures trading may be illiquid. In addition, suspensions or disruptions of market trading in the commodities markets and related derivatives markets may adversely affect the value of Shares.
- During a period when commodity prices are fairly stationary, “backwardation” (a situation where the prices of futures contracts are higher for contracts with shorter-term expirations than for contracts with longer-term expirations) or “contango” (a situation where the prices of futures contracts with longer-term expirations are higher than the prices of futures contracts with shorter-term expirations) in the prices of the commodity-linked futures contracts held by the Trust may cause the price of Shares to decrease.
- The price of the Shares fluctuates as a result of fluctuations in the exchange rates of currencies underlying any currency-linked futures or forward contracts owned by the Trust. Exchange rates may be volatile.
- Substantial transactions in a currency by any official sector market participant (such as central banks, other governmental agencies and/or other multi-lateral institutions that buy, sell or hold currencies) could adversely affect an investment in the Shares.
- Investing in interest rate futures contracts creates exposure to interest rate fluctuations in one country as well as relative interest rate movements between countries.
- Investing in security index futures contracts creates exposure to the performance of the underlying index.
- The Trust’s use of leverage and/or short positions involves certain risks, including potentially high volatility and magnified losses in the underlying assets, and should be considered to be speculative.
- The Trust is subject to credit risks and other risks associated with U.S. exchange-traded futures contracts.
- Trading on futures exchanges outside the United States is not subject to U.S. regulation.
- When entering into foreign currency forward contracts, the Trust assumes the risk that its counterparties may become unable or unwilling to pay any amounts owed to the Trust.
- The Advisor, on behalf of the Trust, trades in forward contracts that are not traded on regulated exchanges and, therefore, offer different or lower levels of protections to investors.
- Failure of the Clearing FCM to segregate assets or the insolvency of the Trust’s prime broker may increase losses.

See the Registration Statement for more detail regarding these risks factors and for additional risk factors.

### **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**

Trading in the Shares on ISE is on a UTP basis and is subject to ISE equity trading rules. The Shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Equity EAMs trading the Shares during the Extended Market 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**

ISE will halt trading in the Shares in accordance with ISE Rule 2101(a)(2)(iii). 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, ISE will stop trading the Shares if the primary market de-lists the Shares.

## **Suitability**

Trading in the Shares on ISE will be subject to the provisions of ISE Rule 2123(l). 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 ISE Rule 2123(l).

Equity EAMs also should review FINRA 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.

## **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.

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

The SEC's Division of Trading and Markets ("Division") issued a letter dated November 12, 2009 ("November 12, 2009 Letter") granting exemptive and no-action relief from certain provisions of and rules under the Securities Exchange Act of 1934 regarding trading in shares of the Trust as discussed below. Equity EAMs are referred to the text of the entire November 12, 2009 letter for additional information regarding the relief granted.

### **Regulation M Exemptions**

Generally, Rules 101 and 102 of Regulation M is an anti-manipulation regulation that, subject to certain exemptions, prohibits a "distribution participant" and the issuer or selling security holder, in connection with a distribution of securities, 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, and affiliated purchasers of such persons.

The November 12, 2009 Letter states, based on the facts and representations in the issuer's letter requesting relief, that the Division will not recommend enforcement action under Rule 101 of Regulation M with respect to the Trust, thus permitting persons who may be deemed to be participating in a distribution of Shares to bid for or purchase Shares during their participation in such distribution.

Rule 102 of Regulation M prohibits issuers, selling security holders, or any affiliated purchaser of such person from bidding for, purchasing, or attempting to induce any person to bid for or purchase a covered security during the applicable restricted period in connection with a distribution of securities effected by or on behalf of an issuer or selling security holder. Rule 100 of Regulation M defines "distribution" to mean any offering of securities that is distinguished from ordinary trading transactions by the magnitude of the offering and the presence of special selling efforts and selling methods. The November 12, 2009 Letter states that the Division will not recommend to the Commission enforcement action under Rule 102 of Regulation M with respect to the Trust, thus permitting the Trust to redeem Shares during the continuous offering of such Shares.

### **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.

**This Regulatory Information Circular is not a statutory Prospectus. Equity EAMs should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.**

## Appendix A

<b>Ticker</b>	<b>Fund Name</b>	<b>Cusip</b>
ALT	iShares Diversified Alternatives Trust	464294107