



Investors Exchange Product Information Circular 2016 - 0992

Date: September 15, 2016

Re: iShares MSCI Emerging Markets Index Funds

This Information Circular is being issued to advise you that the following securities have been approved for trading pursuant to unlisted trading privileges (“UTP”) on the Investors Exchange (“IEX” or the “Exchange”) as UTP Derivative Securities pursuant to IEX Rule 16.160. 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 exchange-traded funds. Please forward this Information Circular to interested persons within your organization.

Exchange-Traded Fund	Symbol
iShares MSCI Emerging Markets Asia Index Fund	EEMA
iShares MSCI Emerging Markets Consumer Discretionary Sector Index Fund	EMDI
iShares MSCI Emerging Markets Energy Sector Capped Index Fund	EMEY
iShares MSCI Emerging Markets Growth Index Fund	EGRW
iShares MSCI Emerging Markets Value Index Fund	EVAL

The purpose of this information circular is to outline various rules and policies that will be applicable to trading in these new products pursuant to the Exchange’s unlisted trading privileges, as well as to provide certain characteristics and features of the products. For a more complete description of the Issuer, the securities 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 or review the most current information bulletin issued by the Primary Listing Exchange.

Background Information on the Funds

iShares, Inc. (the “Trust”) is a management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust consists of separate exchange-traded funds (each, a “Fund” and collectively, the “Funds”). This circular refers only to the Funds listed above. The shares of the Funds are referred to herein as “Shares.” Blackrock Fund Advisors (the “Adviser”) serves as the investment adviser for the Funds.

EEMA seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Asia Index (the “EEMA Index”). EEMA’s investment objective and the EEMA Index may be changed without shareholder approval. The EEMA Index uses a free-float adjusted market capitalization weighting methodology and is designed to measure the equity market performance in the emerging market country of Asia.

EMDI seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Consumer Discretionary Sector Index (the “EMDI Index”). EMDI’s investment objective and the EMDI Index may be changed without shareholder approval. The EMDI Index uses a free-float adjusted market capitalization weighting methodology and is designed to



measure the combined equity market performance of the consumer discretionary sector of emerging market countries.

EMEY seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Energy 25/50 Index (the “EMEY Index”). EMEY’s investment objective and the EMEY Index may be changed without shareholder approval. The EMEY Index uses a free-float adjusted market capitalization weighting methodology and is designed to measure the performance of energy-related companies in emerging market countries. A capped methodology is applied, which limits the weight of any single component to a maximum of 25% of the EMEY Index. In addition, the sum of components that individually constitute more than 5% in weight of the EMEY Index cannot exceed a maximum of 50% in the aggregate.

EGRW seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Growth Index (the “EGRW Index”). EGRW’s investment objective and the EGRW Index may be changed without shareholder approval. The EGRW Index is a subset of the MSCI Emerging Markets Index and uses a free-float adjusted market capitalization weighting methodology. The EGRW Index consists of securities classified by MSCI as most representing growth style.

EVAL seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Value Index (the “EVAL Index”). EVAL’s investment objective and the Index may be changed without shareholder approval. The EVAL Index is a subset of the MSCI Emerging Markets Index and uses a free-float adjusted market capitalization weighting methodology. The EVAL Index consists of securities classified by MSCI as most representing the value style.

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

As described more fully in the Trust’s prospectus and Statement of Additional Information (“SAI”), the Funds issue and redeems Shares at net asset value (“NAV”) only in large blocks of shares, respectively, (each block of Shares called a “Creation Unit”) or multiples thereof. Each Creation Unit consists of 200,000 shares. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Dividends from net investment income, if any, are declared and paid at least semi-annually by the Funds. Distributions of net realized securities gains, if any, generally are declared and paid annually.

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 of the Funds are generally determined as of the close of trading (normally 4:00 p.m., Eastern time) on each day the New York Stock Exchange is open for business. The NAV of the Funds are calculated by dividing the value of the net assets of the Funds (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.

The registration statement for each Fund describes the various fees and expenses for each Fund’s Shares. For a more complete description of the Funds and the underlying indexes, visit the Funds’ website at www.ishares.com.



Purchases and Redemptions in Creation Unit Size

IEX 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.

Continuous Offering

The method by which Creation Unit Aggregations of shares are created and traded may raise certain issues under applicable securities laws. Because new Creation Unit Aggregations of shares are issued and sold by the Funds on an ongoing basis, at any point a "distribution," as such term is used in the Securities Act, may occur. Broker-dealers and other persons are cautioned that some activities on their part may, depending on the circumstances, result in their being deemed participants in a distribution in a manner which could render them statutory underwriters and subject them to the prospectus delivery requirement and liability provisions of the Securities Act.

For example, a broker-dealer firm or its client may be deemed a statutory underwriter if it takes Creation Unit Aggregations after placing an order with the Distributor, breaks them down into constituent shares, and sells such shares directly to customers, or if it chooses to couple the creation of a supply of new shares with an active selling effort involving solicitation of secondary market demand for shares. A determination of whether one is an underwriter for purposes of the Securities Act must take into account all the facts and circumstances pertaining to the activities of the broker-dealer or its client in the particular case, and the examples mentioned above should not be considered a complete description of all the activities that could lead to a categorization as an underwriter.

Broker-dealer firms should also note that dealers who are not "underwriters" but are effecting transactions in shares, whether or not participating in the distribution of shares, generally are required to deliver a prospectus. This is because the prospectus delivery exemption in Section 4(3) of the Securities Act is not available in respect of such transactions as a result of Section 24(d) of the 1940 Act. Firms that incur a prospectus delivery obligation with respect to shares of the Funds are reminded that, pursuant to Rule 153 under the Securities Act, a prospectus delivery obligation under Section 5(b)(2) of the Securities Act owed to an exchange member in connection with a sale on the Listing Exchange is satisfied by the fact that the prospectus is available at the Listing Exchange upon request. The prospectus delivery mechanism provided in Rule 153 is only available with respect to transactions on an exchange.

Principal Risks

Interested persons are referred to the discussion in the prospectus for each Fund of the principal risks of an investment in the Fund. These include: Asian economic risk, asset class risk, automotive sector risk, Central and South American economic risk, commodity exposure risk, concentration risk, consumer discretionary risk, consumer durables and apparel sector risk, consumer staples sector risk, currency risk, custody risk, emerging markets risk, energy sector risk, equity securities risk, European economic risk, financial sector risk, geographic risk, growth securities risk, information technology risk, issuer risk, lack of natural gas risk, management risk, market risk, market trading risk, materials sector risk, mid-capitalization companies risk, non-diversification risk, non-U.S. securities risk, oil and gas sector risk, passive investment risk, privatization risk, reliance on trading partners risk, retail sector risk, risk of investing in Brazil, risk of investing in China, risk of investing in India, risk of investing in South Korea, risk of investing in Russia, securities lending risk, securities market risk, security risk, structural risk, tracking error risk, treaty/tax risk, U.S. economic risk, valuation risk and value securities risk

Trading Halts



The Exchange will halt trading in the Shares of a security in accordance with the Exchange's Rules. The grounds for a halt include a halt because the intraday indicative value of the security and/or the value of its underlying index are not being disseminated as required, a halt for other regulatory reasons or due to other conditions or circumstances deemed to be detrimental to the maintenance of a free and orderly market.

Dissemination of Fund Data

Quotation and trade data for NASDAQ-listed ETFs are disseminated via UTP Level 1, NASDAQ Basic, NASDAQ Level 2 and NASDAQ TotalView[®] using the trading symbol listed above.

Daily valuations will be posted on the NASDAQ OMX Trader website as well as disseminated through the NASDAQ OMX proprietary index data services with the following data elements and identifiers:

Issue Name for ETF	NASDAQ-listed Trading Symbol	Intraday Portfolio Value	Estimated Cash Amount Per Creation Unit	Total Cash Amount Per Creation Unit	Net Accrued Dividend	Net Asset Value	Total Shares Outstanding
iShares MSCI Emerging Markets Asia Index Fund	EEMA	EEMA.IV	EEMA.EU	EEMA.TC	EEMA.DV	EEMA.NV	EEMA.SO
iShares MSCI Emerging Markets	EMDI	EMDI.IV	EMDI.EU	EMDI.TC	EMDI.DV	EMDI.NV	EMDI.SO
Consumer Discretionary Sector Index Fund							
iShares MSCI Emerging Markets Energy Sector Capped Index Fund	EMEY	EMEY.IV	EMEY.EU	EMEY.TC	EMEY.DV	EMEY.NV	EMEY.SO
iShares MSCI Emerging Markets Growth Index Fund	EGRW	EGRW.IV	EGRW.EU	EGRW.TC	EGRW.DV	EGRW.NV	EGRW.SO
iShares MSCI Emerging Markets Value Index Fund	EVAL	EVAL.IV	EVAL.EU	EVAL.TC	EVAL.DV	EVAL.NV	EVAL.SO

Expressed as a dollar amount per share, the IPV for each Fund will be disseminated at least every 15 seconds from 9:15:00 a.m. to 5:16:00 p.m., ET.



Suitability

Trading in the securities on the Exchange will be subject to the provisions of IEX Rule 3.170 and other applicable suitability rules. Members recommending transactions in the securities to customers should make a determination that the recommendation is suitable for the customer.

Delivery of a Prospectus

IEX members should be mindful of applicable prospectus delivery requirements under the federal securities laws with respect to transactions in the Funds.

Prospectuses may be obtained through the Fund's website. The prospectus for each Fund does not contain all of the information set forth in each 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 Securities and Exchange Commission ("SEC"). For further information about the Funds, 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, 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 an IEX 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 UTP Derivative Securities] 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 UTP Derivative Securities]."

An IEX 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 IEX member under this rule.

Upon request of a customer, IEX 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 funds.

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 (ii) to 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 a 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 Funds 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 a 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 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, 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 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(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 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 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. IEX members should consult the Funds' prospectus and/or the [Funds' website](#) for relevant information.

Please contact IEX Regulation at 646-343-2000 with any inquiries regarding this Information Circular.