

2008 PROSPECTUS TO SHAREHOLDERS

iSHARES[®] S&P TARGET DATE SERIES

NOVEMBER 3, 2008
(as revised December 8, 2008)

» *Would you prefer to receive materials like this electronically?
See inside cover for details.*

The Securities and Exchange Commission (“SEC”) has not approved or disapproved these securities or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.





Dear iShares Shareholder:

Electronic delivery is the easiest, most convenient way to receive reporting on your iShares holdings. In addition, it's a way we can all care for our environment. To that end, we are pleased to offer shareholder reports and prospectuses online.

Once you have enrolled, you will no longer receive shareholder reports and prospectuses in the mail. Instead, you will receive e-mail notifications announcing that the shareholder report or prospectus has been posted on the iShares website at www.iShares.com and is available to be viewed or downloaded.

To sign up for electronic delivery, please follow these simple steps:

1. Go to www.icsdelivery.com.
2. From the main page, select the first letter of your brokerage firm's name.
3. Select your brokerage institution from the list that follows. If your brokerage firm is not listed, electronic delivery may not be available. Please contact your brokerage firm or financial adviser.
4. Fill out the appropriate information and provide the e-mail address where you would like your notifications sent.

Your information and e-mail address will be kept confidential and only used to deliver documents to you. If at any time you are not satisfied, you can cancel electronic delivery at www.icsdelivery.com and once again receive physical delivery of your materials. If you have any questions, please contact your brokerage firm or financial adviser.

iShares®

iShares Trust
iShares, Inc.
(each, a “Company”)

**Supplement dated November 10, 2009
to the Prospectuses and Statements of Additional
Information (“SAI”) for all series of iShares Trust
and iShares, Inc.**

The information in this Supplement updates information in, and should be read in conjunction with, each Prospectus and SAI as supplemented.

Barclays Global Fund Advisors (the “Adviser”) serves as the investment adviser for each iShares fund (each, a “Fund”). On June 16, 2009, Barclays PLC (“Barclays”), the ultimate parent company of the Adviser, accepted a binding offer and entered into an agreement to sell its interests in the Adviser and certain affiliated companies to BlackRock, Inc. (the “Transaction”).

Under the Investment Company Act of 1940, as amended, completion of the Transaction will cause the automatic termination of each Fund’s current investment advisory agreement with the Adviser. In order for the management of each Fund to continue uninterrupted, each Fund’s Board of Trustees or Directors (the “Board”) approved a new investment advisory agreement. On November 4, 2009, special meetings of shareholders of the Funds were called and held to consider the approval of the new investment advisory agreement, to elect a Board of each Company and, for certain Funds, an additional proposal. The results of those special meetings of shareholders are described below.

- 1) At the first special meeting of shareholders, shareholders of record as of August 25, 2009 (the “Record Date”) of each Fund (except as noted below) approved a new investment advisory agreement between the respective Company, on behalf of each of the Funds, and the Adviser, which will take effect upon the consummation of the Transaction.
- 2) The first special meeting of shareholders of the Funds listed below has been adjourned until November 19, 2009, at 5:00 p.m. (Pacific Time).

iShares, Inc.

iShares MSCI Brazil Index Fund	iShares MSCI Mexico Investable Market Index Fund
iShares MSCI BRIC Index Fund	iShares MSCI Pacific ex-Japan Index Fund
iShares MSCI Canada Index Fund	iShares MSCI Singapore Index Fund
iShares MSCI Chile Investable Market Index Fund	iShares MSCI South Korea Index Fund
iShares MSCI EMU Index Fund	iShares MSCI Taiwan Index Fund
iShares MSCI Germany Index Fund	iShares MSCI United Kingdom Index Fund
iShares MSCI Hong Kong Index Fund	
iShares MSCI Malaysia Index Fund	

iShares Trust

iShares Nasdaq Biotechnology Index Fund	iShares S&P/TOPIX 150 Index Fund
iShares Russell 3000 Growth Index Fund	iShares Dow Jones Transportation Average Index Fund
iShares S&P 100 Index Fund	iShares Dow Jones U.S. Financial Sector Index Fund
iShares S&P 1500 Index Fund	iShares Dow Jones U.S. Home Construction Index Fund
iShares S&P 500 Index Fund	iShares Dow Jones U.S. Index Fund
iShares S&P Asia 50 Index Fund	iShares Dow Jones U.S. Insurance Index Fund
iShares S&P Europe 350 Index Fund	iShares Dow Jones U.S. Medical Devices Index Fund
iShares S&P Global 100 Index Fund	iShares Dow Jones U.S. Oil & Gas Exploration & Production Index Fund
iShares S&P Global Consumer Discretionary Sector Index Fund	iShares FTSE NAREIT Industrial/Office Capped Index Fund
iShares S&P Global Consumer Staples Sector Index Fund	iShares FTSE NAREIT Retail Capped Index Fund
iShares S&P Global Energy Sector Index Fund	iShares FTSE China (HK Listed) Index Fund
iShares S&P Global Financials Sector Index Fund	iShares FTSE/Xinhua China 25 Index Fund
iShares S&P Global Healthcare Sector Index Fund	iShares MSCI ACWI Index Fund
iShares S&P Global Industrials Sector Index Fund	iShares S&P Growth Allocation Fund
iShares S&P Global Materials Sector Index Fund	iShares S&P Aggressive Allocation Fund
iShares S&P Global Nuclear Energy Index Fund	iShares MSCI All Peru Capped Index Fund
iShares S&P Global Technology Sector Index Fund	iShares S&P Emerging Markets Infrastructure Index Fund
iShares S&P Global Timber & Forestry Index Fund	
iShares S&P Latin America 40 Index Fund	

- 3) At the first special meeting of shareholders, shareholders as of the Record Date of the Funds listed below approved a change in the classification of each Fund's investment objective from a fundamental investment policy to a non-fundamental investment policy. Accordingly, each Fund's investment objective may, in the future, be changed without shareholder approval. Any reference to the contrary in each such Fund's Prospectus or SAI is hereby deleted.

iShares Russell 1000 Index Fund	iShares S&P MidCap 400 Index Fund
iShares Russell Midcap Index Fund	iShares S&P North American
iShares S&P SmallCap 600 Growth	Technology-Multimedia Networking
Index Fund	Index Fund
iShares MSCI Australia Index Fund	iShares MSCI France Index Fund
iShares MSCI Japan Index Fund	iShares MSCI Spain Index Fund
iShares MSCI Switzerland Index Fund	iShares S&P North American Natural
iShares Russell Midcap Growth Index Fund	Resources Sector Index Fund

- 4) At the second special meeting of shareholders, shareholders as of the Record Date of each Company approved the election of each of the nominees to serve on the Board of Trustees and Directors. With the exception of Mr. Robert Kapito, each Trustee's/Director's term of office commenced immediately upon their election at the November 4, 2009 special meeting of shareholders. Mr. Kapito's term of office will commence only upon the consummation of the Transaction.
- 5) The Funds listed below commenced operations after the Record Date (the "New Funds"). As a result, shareholders were not entitled to notice of and to vote at the special meetings of shareholders meetings. Prior to the commencement of operations, the Board of Trustees or Directors and the sole shareholder of each New Fund approved a new investment advisory agreement between the respective Company, on behalf of each of the New Funds, and the Adviser. The new investment advisory agreement will take effect upon the consummation of the Transaction. Since the shareholders as of the Record Date of each Company approved the election of each of the nominees to serve on the Board of Trustees and Directors, the New Funds will also be overseen by the elected Trustees and Directors.

iShares 10+ Year Credit Bond Fund	iShares 10+ Year Government/Credit
iShares MSCI Emerging Markets Eastern	Bond Fund
Europe Index Fund	iShares Russell Top 200 Index Fund
iShares Russell Top 200 Growth	iShares Russell Top 200 Value
Index Fund	Index Fund

If you have any additional questions, please call 1-800-iShares (1-800-474-2737).

iShares® is a registered trademark of Barclays Global Investors, N.A. **BGI-A-ALL-4-1109**

PLEASE RETAIN THIS SUPPLEMENT
FOR FUTURE REFERENCE

iShares®

**iShares Trust
Supplement dated October 30, 2009
to the Prospectus (the “Prospectus”),
dated November 3, 2008 (as revised December 8, 2008),
for the iShares Target Date Retirement Income Index Fund,
iShares S&P Target Date 2010 Index Fund, iShares S&P Target Date 2015 Index Fund,
iShares S&P Target Date 2020 Index Fund, iShares S&P Target Date 2025 Index Fund,
iShares S&P Target Date 2030 Index Fund, iShares S&P Target Date 2035 Index Fund and
iShares S&P Target Date 2040 Index Fund (each a “Fund” and collectively, the “Funds”)**

The information in this Supplement updates information in, and should be read in conjunction with, the Prospectus.

The information in the *Fees and Expenses* section on page 19 is hereby deleted and replaced by the following:

Fund	Annual Fund Operating Expenses ²							
	Shareholder Fees ¹	Management Fees	Distribution and Service (12b-1) Fees	Other Expenses ³	Acquired Fund Fees and Expenses ⁴	Total Annual Fund Operating Expenses	Less Fee Waivers ⁵	Net Expenses ⁵
iShares S&P Target Date Retirement Income Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2010 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2015 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2020 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2025 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2030 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2035 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2040 Index Fund	None	0.25%	None	None	0.18%	0.43%	(0.14)%	0.29%

¹ Fees paid directly from your investment.

² Expenses that are deducted from a Fund’s assets, expressed as a percentage of average net assets.

³ The Trust’s Investment Advisory Agreement provides that BGFA will pay all operating expenses of the Funds, except interest expense and taxes (both expected to be *de minimis*), any brokerage expenses, future distribution fees or expenses, and extraordinary expenses.

⁴ “Acquired Fund Fees and Expenses” reflect fees and expenses incurred indirectly by each Fund as a result of investment in shares of Underlying Funds. These amounts are based on an estimate of each Fund’s allocation to Underlying Funds for the current fiscal year.

⁵ BGFA has contractually agreed to waive a portion of the advisory fees it is entitled to receive from each Fund, in an amount equal to 0.14%, through June 30, 2011.

EXAMPLE. This example is intended to help you compare the cost of owning shares of a Fund with the cost of investing in other funds. The example assumes that you invest \$10,000 in a Fund for the time periods indicated and then sell all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that a Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Fund	1 Year	3 Years
iShares S&P Target Date Retirement Income Index Fund	\$32	\$100
iShares S&P Target Date 2010 Index Fund	\$32	\$100
iShares S&P Target Date 2015 Index Fund	\$32	\$100
iShares S&P Target Date 2020 Index Fund	\$32	\$100
iShares S&P Target Date 2025 Index Fund	\$31	\$ 97
iShares S&P Target Date 2030 Index Fund	\$31	\$ 97
iShares S&P Target Date 2035 Index Fund	\$31	\$ 97
iShares S&P Target Date 2040 Index Fund	\$30	\$ 93

The following paragraph in the *Management* section on page 23 is hereby deleted and replaced by the following:

For its investment advisory services to each Fund, BGFA is entitled to receive a management fee from each Fund, based on a percentage of a Fund's average daily net assets, at the annual rate of 0.25%. BGFA has entered into a Fee Waiver Agreement with the Trust, under which BGFA agrees to waive a portion of the management fee that it is entitled to receive from each Fund in an amount equal to 0.14%. The Fee Waiver Agreement remains in effect until June 30, 2011. After giving effect to the fee waiver, BGFA will receive a management fee based on a percentage of each Fund's average daily net assets, at the annual rate of 0.11%. BGFA will also receive additional revenue from the Underlying Funds as a result of the Funds' investment in the Underlying Funds (the "Acquired Fund Fees and Expenses").

If you have any additional questions, please call 1-800-iShares (1-800-474-2737).

iShares®

iShares Trust
iShares, Inc.

**Supplement dated June 19, 2009
to the Prospectuses for all series of iShares Trust
and iShares, Inc. (collectively, the “Funds”)**

The information in this Supplement updates information in, and should be read in conjunction with, each Prospectus.

Barclays Global Fund Advisors (the “Adviser”) serves as the investment adviser for each iShares fund (each, a “Fund”). On June 16, 2009, Barclays PLC (“Barclays”), the ultimate parent company of the Adviser, accepted a binding offer and entered into an agreement to sell its interests in the Adviser and certain affiliated companies to BlackRock, Inc. (the “BlackRock Transaction”). The BlackRock Transaction is subject to certain regulatory approvals, as well as other conditions to closing. The previously announced agreement, providing for the sale by Barclays of its interests in the Adviser and certain affiliated companies to a holding company of CVC Capital Partners Group SICAV-FIS S.A. was terminated in connection with the BlackRock Transaction.

Under the Investment Company Act of 1940, as amended, completion of the BlackRock Transaction will cause the automatic termination of each Fund’s current investment advisory agreement with the Adviser. In order for the management of each Fund to continue uninterrupted, each Fund’s Board of Directors or Trustees (the “Board”) will be asked to approve a new investment advisory agreement. If approved by the Board, the new investment advisory agreement will be submitted to the shareholders of each Fund for their approval.

If you have any additional questions, please call 1-800-iShares (1-800-474-2737).

iShares®

iShares Trust

Supplement dated March 5, 2009

to the Prospectus (the “Prospectus”) and Statement of Additional Information (“SAI”),
each dated November 3, 2008 (as revised December 8, 2008),
for the iShares S&P Target Date Retirement Income Index Fund, iShares S&P Target Date 2010 Index
Fund, iShares S&P Target Date 2015 Index Fund, iShares S&P Target Date 2020 Index Fund, iShares
S&P Target Date 2025 Index Fund, iShares S&P Target Date 2030 Index Fund, iShares S&P Target
Date 2035 Index Fund and iShares S&P Target Date 2040 Index Fund
(each a “Fund” and collectively, the “Funds”)

*The information in this Supplement updates information in, and should be read in conjunction
with, the Prospectus and the SAI.*

Change in Index Name

Effective immediately, all references in the Funds’ Prospectus and SAI to the name of the Underlying
Fund’s Underlying Index are changed as follows:

Former Name of Underlying Index

Barclays Capital U.S. Treasury TIPS Index

New Name of Underlying Index

Barclays Capital U.S. Treasury Inflation
Protected Securities (TIPS) Index (Series-L)

The name change is the result of changes in naming conventions by Barclays Capital Inc., the index
provider, and will not result in changes to the Underlying Fund’s investment objective or principal
investment strategies.

If you have any questions, please call 1-800-iShares (1-800-474-2737).

iShares®

iShares Trust (the “Trust”) is a registered investment company that consists of more than 130 separate investment portfolios called funds. This prospectus (“Prospectus”) relates to the following Funds (each, a “Fund” and collectively, the “Funds”):

iShares S&P Target Date Retirement Income Index Fund
iShares S&P Target Date 2010 Index Fund
iShares S&P Target Date 2015 Index Fund
iShares S&P Target Date 2020 Index Fund
iShares S&P Target Date 2025 Index Fund
iShares S&P Target Date 2030 Index Fund
iShares S&P Target Date 2035 Index Fund
iShares S&P Target Date 2040 Index Fund

Each Fund issues and redeems shares at their net asset value (“NAV”) only in blocks of 50,000 shares or multiples thereof (“Creation Units”). Only certain large institutional investors known as “Authorized Participants” may purchase or redeem Creation Units directly with a Fund at NAV. These transactions are usually in exchange for a basket of securities similar to a Fund’s portfolio and an amount of cash. *Except when aggregated in Creation Units, shares of each Fund are not redeemable securities. Shareholders who are not Authorized Participants may not redeem shares directly from a Fund at NAV.*

iShares® is a registered trademark of Barclays Global Investors, N.A. (“BGI”).

**Prospectus dated November 3, 2008
(as revised December 8, 2008)**

[THIS PAGE INTENTIONALLY LEFT BLANK]

Table of Contents

Introduction.....	1
Investment Objectives of the Funds	2
Summary of Principal Investment Strategies	4
Principal Risks	6
Portfolio Holdings Information.....	10
Description of the Funds.....	11
iShares S&P Target Date Retirement Income Index Fund	11
iShares S&P Target Date 2010 Index Fund	12
iShares S&P Target Date 2015 Index Fund	13
iShares S&P Target Date 2020 Index Fund	14
iShares S&P Target Date 2025 Index Fund	15
iShares S&P Target Date 2030 Index Fund	16
iShares S&P Target Date 2035 Index Fund	17
iShares S&P Target Date 2040 Index Fund	18
Performance Information.....	19
Fees and Expenses	19
A Further Discussion of Principal Investment Strategies.....	20
Management	23
Shareholder Information.....	24
Distribution.....	29
Financial Highlights.....	29
Index Provider	30
Disclaimer	30

“Standard & Poor’s®,” “S&P®,” “S&P Target Date Retirement Income Index,” “S&P Target Date 2010 Index,” “S&P Target Date 2015 Index,” “S&P Target Date 2020 Index,” “S&P Target Date 2025 Index,” “S&P Target Date 2030 Index,” “S&P Target Date 2035 Index” and “S&P Target Date 2040 Index” are trademarks of Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. and are marks that have been licensed for use for certain purposes by BGI.

[THIS PAGE INTENTIONALLY LEFT BLANK]

Introduction

This Prospectus contains important information about investing in the Funds. Please read this Prospectus carefully before you make any investment decisions. Additional information regarding the Funds is available at www.iShares.com.

Barclays Global Fund Advisors (“BGFA”) is the investment adviser to the Funds. Shares of each Fund are listed and trade at market prices on NYSE Arca, Inc. (“NYSE Arca”). The market price for a share of a Fund may be different from the Fund’s most recent NAV per share. Each Fund has its own CUSIP number and exchange trading symbol.

Each Fund is an exchange traded fund (commonly referred to as an “ETF”). ETFs are funds that trade like other publicly-traded securities and are designed to track an index. Similar to shares of an index mutual fund, each share of a Fund represents a partial ownership in an underlying portfolio of securities intended to track a market index. Unlike shares of a mutual fund, which can be bought and redeemed from the issuing fund by all shareholders at a price based on NAV, shares of the Funds may be purchased or redeemed directly from the Funds at NAV solely by Authorized Participants. Also unlike shares of a mutual fund, shares of each Fund are listed on a national securities exchange and trade in the secondary market at market prices that change throughout the day.

An investment in a Fund is not a bank deposit and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, BGFA or any of its affiliates.

Investment Objectives of the Funds

Each Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of an S&P Target Date Index (each, an “Underlying Index” and collectively, the “Underlying Indexes”). Each Underlying Index is comprised entirely of securities of iShares funds (each, an “Underlying Fund” and collectively, the “Underlying Funds”) that themselves seek investment results that correspond generally to the price and yield performance, before fees and expenses, of their own respective underlying indexes. Each Fund is an ETF fund of funds and seeks its investment objective by investing primarily in the Underlying Funds.

The Underlying Indexes are designed to provide exposure to a diversified array of financial assets, as well as to the investment opportunity generally available in target date funds. Each year, Standard & Poor’s (a division of The McGraw-Hill Companies, Inc.) (“S&P”) conducts a survey of target date funds and combines the raw survey data to derive an allocation strategy for each of the Underlying Indexes. The Underlying Indexes are designed to correspond to the asset class exposures identified in S&P’s survey process. Each Underlying Index is representative of the opportunity available to investors for a particular retirement time horizon.

The retirement time horizon, also referred to as a “target date,” is included in the name of an Underlying Index and a Fund that invests in the securities of such Underlying Index. A Fund whose name refers to a particular target date is designed for investors expecting to retire or to withdraw their money around such target date. Thus, for example, the iShares S&P Target Date 2010 Index Fund invests in securities represented in the S&P Target Date 2010 Index and is designed for investors who expect to retire in approximately the year 2010.

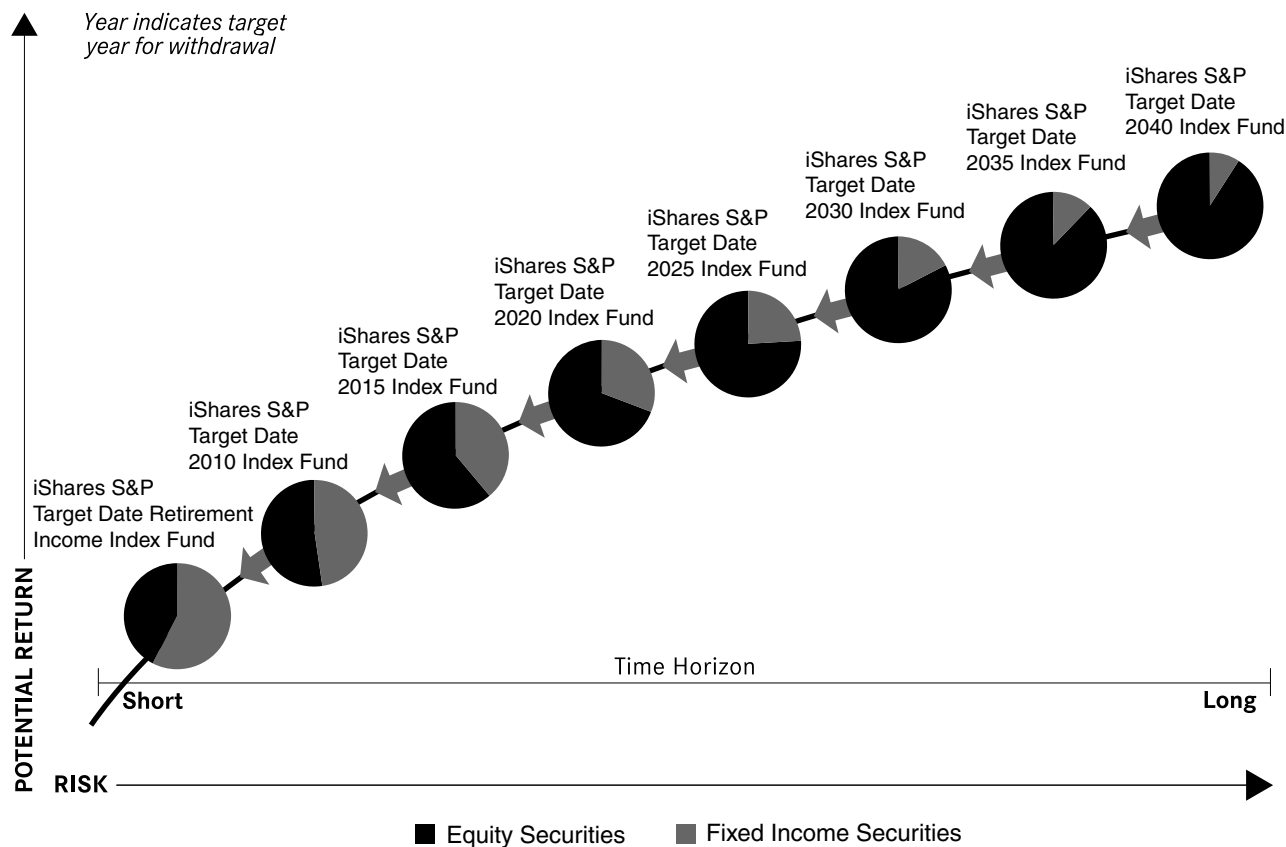
Each Fund is Designed to Match the Following Objectives:

- The iShares S&P Target Date Retirement Income Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date Retirement Income Index. The Underlying Index seeks to represent asset allocations which target an immediate retirement horizon.
- The iShares S&P Target Date 2010 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2010 Index. The Underlying Index seeks to represent asset allocations which target an approximate 2010 retirement horizon.
- The iShares S&P Target Date 2015 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2015 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2015 retirement horizon.
- The iShares S&P Target Date 2020 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2020 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2020 retirement horizon.
- The iShares S&P Target Date 2025 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2025 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2025 retirement horizon.
- The iShares S&P Target Date 2030 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2030 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2030 retirement horizon.
- The iShares S&P Target Date 2035 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2035 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2035 retirement horizon.

- The iShares S&P Target Date 2040 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2040 Index. The Underlying Index seeks to represent the market consensus for asset allocations which target an approximate 2040 retirement horizon.

Each Fund's investment objective may be changed without shareholder approval.

The Underlying Indexes are sponsored by S&P (the "Index Provider"). The Index Provider is an organization that is independent of the Funds and BGFA. The Index Provider determines the relative weightings of the securities in the Underlying Indexes and publishes information regarding the market value of the Underlying Indexes. Additional information regarding the Index Provider is provided in the *Index Provider* section of this Prospectus.



Note: The above chart is for illustrative purposes only and does not represent the actual allocation percentages of the iShares S&P Target Date Index Funds. The chart is intended to show that, over time, the investment mix of a Target Date Index Fund gradually shifts from a greater concentration in higher-risk investments (i.e., equities) to a greater concentration in lower-risk investments (i.e., fixed-income securities).

Summary of Principal Investment Strategies

Each Underlying Index corresponds to a particular retirement time horizon. S&P develops the allocation strategy for each Underlying Index using a two-tiered process. The first tier of S&P's process is to identify and establish exposure levels for asset classes represented by the universe of target date funds. The second tier of S&P's process is to determine ETF allocation weights for each Underlying Index that broadly correspond to the asset class exposures identified in its survey process. Each Underlying Index is designed to represent the investment opportunities available to investors in a particular target date fund universe. Each Underlying Index is fully investable with varying levels of exposure to equities and fixed-income securities through allocations in Underlying Funds.

- The iShares S&P Target Date Retirement Income Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date Retirement Income Index. As of May 30, 2008, the Underlying Index was comprised of approximately 42% Underlying Funds that invest primarily in equity securities and 58% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2010 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2010 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 52% Underlying Funds that invest primarily in equity securities and 48% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2015 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2015 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 61% Underlying Funds that invest primarily in equity securities and 39% Underlying Funds that invest primarily in fixed-income securities.

- The iShares S&P Target Date 2020 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2020 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 69% Underlying Funds that invest primarily in equity securities and 31% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2025 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2025 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 76% Underlying Funds that invest primarily in equity securities and 24% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2030 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2030 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 83% Underlying Funds that invest primarily in equity securities and 17% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2035 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2035 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 87% Underlying Funds that invest primarily in equity securities and 13% Underlying Funds that invest primarily in fixed-income securities.
- The iShares S&P Target Date 2040 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2040 Index. As of May 30, 2008, the Underlying Index was comprised of approximately 91% Underlying Funds that invest primarily in equity securities and 9% Underlying Funds that invest primarily in fixed-income securities.

BGFA uses a “passive” or indexing approach to try to achieve each Fund’s investment objective. Unlike many investment companies, the Funds do not try to “beat” the indexes they track and do not seek temporary defensive positions when markets decline or appear overvalued.

Indexing may eliminate the chance that a Fund will substantially outperform its Underlying Index but also may reduce some of the risks of active management, such as poor security selection. Indexing seeks to achieve lower costs and better after-tax performance by keeping portfolio turnover low in comparison to actively managed investment companies.

Each Fund has a distinct level of targeted risk, but all of the Funds are subject to the risk of loss of principal.

Each Fund generally invests at least 90% of its assets in securities of its Underlying Index. Each Fund may invest the remainder of its assets in securities not included in its Underlying Index but which BGFA believes will help each Fund track its Underlying Index, including shares of ETFs that are not included in the Underlying Index and in futures contracts, options on futures contracts and options as well as cash and cash equivalents, including shares of money market funds advised by BGFA.

BGFA uses a representative sampling indexing strategy to manage the Funds as described below.

Representative Sampling. “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 relevant Underlying Index. A Fund may or may not hold all of the securities in the relevant Underlying Index.

Tracking Error. An index is a theoretical financial calculation while each Fund is an actual investment portfolio. The performance of a Fund and its Underlying Index may vary somewhat due to transaction costs, foreign currency valuation, asset valuations, corporate actions (such as mergers and spin-offs), timing variances, and differences between the Fund’s portfolio and the Underlying Index resulting from legal restrictions (such as diversification requirements) that apply to the Fund but not to the Underlying Index or the use of representative sampling. “Tracking error” is the difference between the performance (return) of a Fund’s portfolio and that of its Underlying Index. BGFA expects that, over time, each Fund’s tracking error will not exceed 5%. Because each Fund uses a representative sampling indexing strategy, it can be expected to have a larger tracking error than if it used a replication indexing strategy. “Replication”

is an indexing strategy in which a fund invests in substantially all of the securities in its underlying index in approximately the same proportions as in the underlying index.

Principal Risks

Each Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the principal risks noted below, which may adversely affect a Fund's NAV, trading price, yield, total return and ability to meet its investment objective. Although each Fund has a distinct level of targeted risk which changes as the Fund approaches its target date, all Funds are subject to risk of loss of principal.

Asset Class Risk. The securities in an Underlying Index or a Fund's portfolio may underperform the returns of other securities or indexes that track other industries, groups of industries, markets, asset classes or sectors. Various types of securities or indexes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

Credit Risk. Credit risk is the risk that issuers or guarantors of debt instruments or the counterparty to a derivatives contract, repurchase agreement or loan of portfolio securities is unable or unwilling to make timely interest and/or principal payments or to otherwise honor its obligations.

Debt instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings. There is the chance that any of an Underlying Fund's portfolio holdings will have its credit ratings downgraded or will default (fail to make scheduled interest or principal payments), potentially reducing such Underlying Fund's income level and share price, which can adversely affect the value of Funds that invest in such Underlying Fund.

Emerging Markets Risk. Investments in emerging markets are subject to a greater risk of loss than investments in developed markets. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, greater risk of a market shutdown and more governmental limitations on foreign investments than typically found in developed markets.

Local securities markets in emerging market countries may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Settlement procedures in emerging market countries are frequently less developed and reliable than those in the United States (and other developed countries). In addition, significant delays may occur in certain markets in registering the transfer of securities. Settlement or registration problems may make it more difficult for an Underlying Fund to value its portfolio securities and could cause an Underlying Fund to miss attractive investment opportunities.

Investing in emerging market countries involves a great risk of loss due to expropriation, nationalization, confiscation of assets and property or the imposition of restrictions on foreign investments and on repatriation of capital invested by certain emerging market countries.

Foreign Securities Risks. Investments in the securities of non-U.S. issuers are subject to all the risks of investing in the market of such issuers, including market fluctuations caused by economic and political developments. As a result of investing in foreign securities, the Underlying Funds that invest in foreign securities may be subject to increased risk of loss caused by any of the factors listed below:

- Lower levels of liquidity and market efficiency;
- Greater securities price volatility;
- Exchange rate fluctuations and exchange controls;
- Less availability of public information about issuers;
- Limitations on foreign ownership of securities;
- Imposition of withholding or other taxes;
- Imposition of restrictions on the expatriation of the funds or other assets of an Underlying Fund;
- Higher transaction and custody costs and delays in settlement procedures;
- Difficulties in enforcing contractual obligations;
- Lower levels of regulation of the securities market; and

- Weaker accounting, disclosure and reporting requirements.

Interest Rate Risk. As interest rates rise, the value of fixed-income securities held by an Underlying Fund are likely to decrease. Securities with longer durations tend to be more sensitive to interest rate changes, usually making them more volatile than securities with shorter durations. To the extent an Underlying Fund invests a substantial portion of its assets in fixed-income securities with longer-term maturities, rising interest rates may cause the value of such Underlying Fund's investments to decline significantly, which can adversely affect the value of Funds that invest in such Underlying Fund. Prices of bonds may fall because of a rise in interest rates.

Issuer Risk. The performance of the Underlying Funds depends on the performance of individual companies in which they invest. Any issuer may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures or other factors. Issuers may, in times of distress or on their own discretion, decide to reduce or eliminate dividends which would also cause their stock prices to decline. Poor performance of the Underlying Funds can adversely affect the performance of the Funds that invest in those Underlying Funds.

Management Risk. Each Fund does not fully replicate its Underlying Index and may hold securities not included in its Underlying Index. As a result, a Fund is subject to the risk that BGFA's investment management strategy, the implementation of which is subject to a number of constraints, may not produce the intended results.

Market Risk. Each Fund's NAV reacts to securities market movements. You could lose money over short periods due to fluctuation in the Fund's NAV in response to short-term market movements and over longer periods during market downturns. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the markets. The value of a security may decline due to general market conditions, economic trends or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general economic downturn in the securities markets, multiple asset classes may be negatively affected.

Market Trading Risks

Absence of Active Market. Although shares of the Funds are listed for trading on one or more stock exchanges, there can be no assurance that an active trading market for such shares will develop or be maintained.

Risks of Secondary Listings. The Funds' shares may be listed or traded on U.S. and non-U.S. stock exchanges other than the U.S. stock exchange where the Fund's primary listing is maintained. There can be no assurance that the Funds' shares will continue to trade on any such stock exchange or in any market or that the Funds' shares will continue to meet the requirements for listing or trading on any exchange or in any market. The Funds' shares may be less actively traded in certain markets than others, and investors are subject to the execution and settlement risks and market standards of the market where they or their broker direct their trades for execution. Certain information available to investors who trade Fund shares on a U.S. stock exchange during regular U.S. market hours may not be available to investors who trade in other markets, which may result in secondary market prices in such markets being less efficient.

Secondary Market Trading Risks. Shares of a Fund may trade in the secondary market on days when the Funds do not accept orders to purchase or redeem shares. On such days, shares may trade in the secondary market with more significant premiums or discounts than might be experienced on days when the Funds accept purchase and redemption orders.

Secondary market trading in Fund shares may be halted by a stock exchange because of market conditions or other reasons. In addition, trading in Fund shares on a stock exchange or in any market may be subject to trading halts caused by extraordinary market volatility pursuant to "circuit breaker" rules on the exchange or market. There can be no assurance that the requirements necessary to maintain the listing or trading of Fund shares will continue to be met or will remain unchanged.

Shares of each Fund May Trade at Prices Other Than NAV. Shares of each Fund trade on exchanges at prices at, above or below their most recent NAV. The per share NAV of each Fund is calculated at the end of each business day and fluctuates with changes in the market value of such Fund's holdings since the most recent calculation. The trading prices of a Fund's shares fluctuate continuously throughout trading hours based on market supply and demand rather than NAV. The trading prices of a Fund's shares may deviate significantly from NAV during periods of market volatility. **ANY OF THESE FACTORS MAY LEAD TO A FUND'S SHARES TRADING AT A PREMIUM OR DISCOUNT TO NAV.** However, because shares can be created and redeemed in Creation Units at NAV (unlike shares of many closed-end funds, which frequently trade at appreciable discounts from, and sometimes at premiums to, their NAVs), BGFA believes that large discounts or premiums to the NAV of a Fund are not likely to be sustained over the long-term. While the creation/redemption feature is designed to make it likely that a Fund's shares normally will trade on exchanges at prices close to the Fund's next calculated NAV, exchange prices are not expected to correlate exactly with a Fund's NAV due to timing reasons as well as market supply and demand factors. In addition, disruptions to creations and redemptions or the existence of extreme market volatility may result in trading prices that differ significantly from NAV. If a shareholder purchases at a time when the market price is at a premium to the NAV or sells at a time when the market price is at a discount to the NAV, the shareholder may sustain losses.

Costs of Buying or Selling Fund Shares. Buying or selling Fund shares involves two types of costs that apply to all securities transactions. When buying or selling shares of a Fund through a broker, you will incur a brokerage commission or other charges imposed by brokers as determined by that broker. In addition, you will also incur the cost of the "spread" – that is, the difference between what professional investors are willing to pay for Fund shares (the "bid" price) and the price at which they are willing to sell Fund shares (the "ask" price). Because of the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment results and an investment in Fund shares may not be advisable for investors who anticipate regularly making small investments.

Mid-Capitalization Issuers Risk. Stock prices of mid-capitalization companies may be more volatile than those of large-capitalization companies and therefore the share price of an Underlying Fund that invests mostly in mid-capitalization companies may increase or decrease by a greater percentage than those of funds that invest solely in stocks issued by large-capitalization companies. Stock prices of mid-capitalization companies are also more vulnerable than large-capitalization stocks to adverse business or economic developments and the stocks of mid-capitalization companies may be thinly traded, making it difficult for the Underlying Fund to buy and sell them. In addition, mid-capitalization companies generally have less diverse product lines than large-capitalization companies and are more susceptible to adverse developments related to their products.

Model Risk. Neither the Funds nor BGFA can offer any assurance that the allocation model used to calculate the Underlying Indexes will either maximize returns or minimize risks in accordance with the targeted time horizon for each Underlying Index, nor can the Funds or BGFA offer assurance that a particular allocation will be the appropriate allocation in all circumstances for every investor seeking a particular risk profile or time horizon.

Passive Investment Risk. The Funds are not actively managed and may be affected by a general decline in market segments relating to their Underlying Indexes. Each Fund invests in securities included in, or representative of, its Underlying Index regardless of their investment merits. BGFA does not attempt to take defensive positions in declining markets.

Reinvestment Risk. An Underlying Fund that invests mostly in short-term fixed-income instruments may be adversely affected when interest rates fall because it may invest in lower yielding bonds as bonds in its portfolio mature. This may cause the Underlying Fund's income to decline which may adversely affect the value of the Funds that invest in such Underlying Fund.

Real Estate Company Risk. An Underlying Fund that invests in companies that invest in real estate, such as real estate investment trusts ("REITs") or real estate holding companies (collectively, "Real Estate Companies") is exposed to unique risks that relate specifically to the way in which Real Estate Companies

are organized and operated. Real estate is a cyclical business, highly sensitive to general and local economic conditions and developments, and characterized by intense competition and periodic overbuilding.

Interest Rate Risk. Rising interest rates could result in higher costs of capital for Real Estate Companies, which could negatively impact a Real Estate Company's ability to meet its payment obligations.

Leverage Risk. Real Estate Companies may use leverage (and some may be highly leveraged), which increases investment risk and could adversely affect a Real Estate Company's operations and market value in periods of rising interest rates as well as risks normally associated with debt financing. Financial covenants related to a Real Estate Company's leveraging may affect the ability of the Real Estate Company to operate effectively. In addition, real property may be subject to the quality of credit extended and defaults by borrowers and tenants. If the properties do not generate sufficient income to meet operating expenses, including, where applicable, debt service, ground lease payments, tenant improvements, third-party leasing commissions and other capital expenditures, the income and ability of a Real Estate Company to make payments of any interest and principal on its debt securities will be adversely affected.

Property Risk. Real Estate Companies may be subject to risks relating to functional obsolescence or reduced desirability of properties; extended vacancies due to economic conditions and tenant bankruptcies; catastrophic events such as earthquakes, hurricanes and terrorist acts; and casualty or condemnation losses. Real estate income and values also may be greatly affected by demographic trends, such as population shifts or changing tastes and values, or increasing vacancies or declining rents resulting from legal, cultural, technological, global or local economic developments.

Management Risk. Real Estate Companies are dependent upon management skills and may have limited financial resources. Real Estate Companies are generally not diversified and may be subject to heavy cash flow dependency, default by borrowers and self-liquidation. In addition, transactions between Real Estate Companies and their affiliates may be subject to conflicts of interest, which may adversely affect a Real Estate Company's shareholders. A Real Estate Company may also have joint venture investments in certain of its properties and, consequently, its ability to control decisions relating to such properties may be limited.

Liquidity Risk. Investing in Real Estate Companies may involve risks similar to those associated with investing in small-capitalization companies. Real Estate Company securities, like the securities of other smaller companies, may be more volatile than, and perform differently from, shares of large capitalization companies. There may be less trading in Real Estate Company shares, which means that buy and sell transactions in those shares could have a magnified impact on share price, resulting in abrupt or erratic price fluctuations. In addition, real estate is relatively illiquid and, therefore, a Real Estate Company may have a limited ability to vary or liquidate properties in response to changes in economic or other conditions.

Concentration Risk. Real Estate Companies may lack diversification, due to ownership of a limited number of properties and concentration in a particular geographic region or property type.

U.S. Tax Risk. Certain U.S. Real Estate Companies are subject to special U.S. federal tax requirements. A REIT that fails to comply with such tax requirements may be subject to U.S. federal income taxation, which may affect the value of the REIT and the characterization of the REIT's distributions. The U.S. federal tax requirement that a REIT distribute substantially all of its net income to its shareholders may result in a REIT having insufficient capital for future expenditures.

Regulatory Risk. Real estate income and values may be adversely affected by such factors as applicable domestic and foreign laws (including tax laws). Government actions, such as tax increases, zoning law changes or environmental regulations, also may have a major impact on real estate.

Small-Capitalization Issuers Risk. Stock prices of small-capitalization companies may be more volatile than those of larger companies and therefore the share price of an Underlying Fund that invests mostly in small-capitalization companies may increase or decrease by a greater percentage than those of funds that invest solely in stocks issued by larger-capitalization companies. Stock prices of small-capitalization companies are also more vulnerable than those of large-capitalization companies to adverse business and

economic developments, and the stocks of small-capitalization companies may be thinly traded, making it difficult for the Underlying Fund to buy and sell them. In addition, small-capitalization companies are typically less stable financially than large-capitalization companies and may depend on a small number of key personnel, making them more vulnerable to loss of personnel. Small-capitalization companies also generally have less diverse product lines than large-capitalization companies and are more susceptible to adverse developments related to their products.

Tracking Error Risk. Imperfect correlation between a Fund's portfolio securities and those in its Underlying Index, rounding of prices, changes to the Underlying Index and regulatory requirements may cause tracking error, the divergence of a Fund's performance from that of its Underlying Index. Tracking error also may result because a Fund incurs fees and expenses while its Underlying Index does not.

Valuation Risk. Because foreign exchanges may be open on days when an Underlying Fund does not price its shares, the value of the securities in an Underlying Fund's portfolio may change on days when the Funds will not be able to purchase or sell an Underlying Fund's shares.

Portfolio Holdings Information

A description of the Trust's policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Funds' combined Statement of Additional Information ("SAI"). The top holdings of each Fund can be found at www.iShares.com. Fund fact sheets provide information regarding each Fund's top holdings and may be requested by calling 1-800-iShares (1-800-474-2737).

Description of the Funds

iShares S&P Target Date Retirement Income Index Fund

CUSIP: 464289107

Trading Symbol: TGR

Underlying Index: S&P Target Date Retirement Income Index

Investment Objective

The iShares S&P Target Date Retirement Income Index Fund (the “Retirement Income Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date Retirement Income Index (the “Retirement Income Underlying Index”).

Principal Investment Strategy

The Retirement Income Underlying Index seeks to represent asset allocations which target an immediate retirement horizon.

The Retirement Income Fund is designed to broadly meet the investment objectives of investors nearing or currently in retirement. As of commencement of operations, the Retirement Income Fund is expected to invest approximately 42% of its assets in Underlying Funds that invest primarily in equity securities and 58% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The Retirement Income Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2010 Index Fund

CUSIP: 464289206

Trading Symbol: TZD

Underlying Index: S&P Target Date 2010 Index

Investment Objective

The iShares S&P Target Date 2010 Index Fund (the “2010 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2010 Index (the “2010 Underlying Index”).

Principal Investment Strategy

The 2010 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2010.

The 2010 Fund is designed to broadly meet the investment objectives of investors with an approximate 2010 target retirement horizon. As of commencement of operations, the 2010 Fund is expected to invest approximately 52% of its assets in Underlying Funds that invest primarily in equity securities and 48% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2010 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2015 Index Fund

CUSIP: 464289305

Trading Symbol: TZE

Underlying Index: S&P Target Date 2015 Index

Investment Objective

The iShares S&P Target Date 2015 Index Fund (the “2015 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2015 Index (the “2015 Underlying Index”).

Principal Investment Strategy

The 2015 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2015.

The 2015 Fund is designed to broadly meet the investment objectives of investors with an approximate 2015 target retirement horizon. As of commencement of operations, the 2015 Fund is expected to invest approximately 61% of its assets in Underlying Funds that invest primarily in equity securities and 39% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2015 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2020 Index Fund

CUSIP: 464289404

Trading Symbol: TZG

Underlying Index: S&P Target Date 2020 Index

Investment Objective

The iShares S&P Target Date 2020 Index Fund (the “2020 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2020 Index (the “2020 Underlying Index”).

Principal Investment Strategy

The 2020 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2020.

The 2020 Fund is designed to broadly meet the investment objectives of investors with an approximate 2020 target retirement horizon. As of commencement of operations, the 2020 Fund is expected to invest approximately 69% of its assets in Underlying Funds that invest primarily in equity securities and 31% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2020 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2025 Index Fund

CUSIP: 464289503

Trading Symbol: TZI

Underlying Index: S&P Target Date 2025 Index

Investment Objective

The iShares S&P Target Date 2025 Index Fund (the “2025 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2025 Index (the “2025 Underlying Index”).

Principal Investment Strategy

The 2025 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2025.

The 2025 Fund is designed to broadly meet the investment objectives of investors with an approximate 2025 target retirement horizon. As of commencement of operations, the 2025 Fund is expected to invest approximately 76% of its assets in Underlying Funds that invest primarily in equity securities and 24% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2025 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2030 Index Fund

CUSIP: 464289602

Trading Symbol: TZL

Underlying Index: S&P Target Date 2030 Index

Investment Objective

The iShares S&P Target Date 2030 Index Fund (the “2030 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2030 Index (the “2030 Underlying Index”).

Principal Investment Strategy

The 2030 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2030.

The 2030 Fund is designed to broadly meet the investment objectives of investors with an approximate 2030 target retirement horizon. As of commencement of operations, the 2030 Fund is expected to invest approximately 83% of its assets in Underlying Funds that invest primarily in equity securities and 17% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2030 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2035 Index Fund

CUSIP: 464289701

Trading Symbol: TZO

Underlying Index: S&P Target Date 2035 Index

Investment Objective

The iShares S&P Target Date 2035 Index Fund (the “2035 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2035 Index (the “2035 Underlying Index”).

Principal Investment Strategy

The 2035 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2035.

The 2035 Fund is designed to broadly meet the investment objectives of investors with an approximate 2035 target retirement horizon. As of commencement of operations, the 2035 Fund is expected to invest approximately 87% of its assets in Underlying Funds that invest primarily in equity securities and 13% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2035 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

iShares S&P Target Date 2040 Index Fund

CUSIP: 464289800

Trading Symbol: TZV

Underlying Index: S&P Target Date 2040 Index

Investment Objective

The iShares S&P Target Date 2040 Index Fund (the “2040 Fund”) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P Target Date 2040 Index (the “2040 Underlying Index”).

Principal Investment Strategy

The 2040 Underlying Index seeks to represent asset allocations for investors with a target retirement horizon on or around 2040.

The 2040 Fund is designed to broadly meet the investment objectives of investors with an approximate 2040 target retirement horizon. As of commencement of operations, the 2040 Fund is expected to invest approximately 91% of its assets in Underlying Funds that invest primarily in equity securities and 9% of its assets in Underlying Funds that invest primarily in bonds.

Principal Risks

The 2040 Fund may be subject directly or indirectly, through its investments in Underlying Funds, to the risks identified in the *Principal Risks* section.

Performance Information

As of the date of this Prospectus, the Funds have been in operation for less than one full calendar year and therefore do not report their performance information.

Fees and Expenses

The following table describes the fees and expenses that you will incur if you own shares of a Fund. You will also incur usual and customary brokerage commissions when buying or selling shares of a Fund:

Fund	Shareholder Fees ¹	Annual Fund Operating Expenses ²						
		Management Fees	Distribution and Service (12b-1) Fees	Other Expenses ³	Acquired Fund Fees and Expenses ⁴	Total Annual Fund Operating Expenses	Less Fee Waivers ⁵	Net Expenses ⁵
iShares S&P Target Date Retirement Income Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2010 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2015 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2020 Index Fund	None	0.25%	None	None	0.20%	0.45%	(0.14)%	0.31%
iShares S&P Target Date 2025 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2030 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2035 Index Fund	None	0.25%	None	None	0.19%	0.44%	(0.14)%	0.30%
iShares S&P Target Date 2040 Index Fund	None	0.25%	None	None	0.18%	0.43%	(0.14)%	0.29%

¹ Fees paid directly from your investment.

² Expenses that are deducted from a Fund's assets, expressed as a percentage of average net assets.

³ The Trust's Investment Advisory Agreement provides that BGFA will pay all operating expenses of the Funds, except interest expense and taxes (both expected to be *de minimis*), any brokerage expenses, future distribution fees or expenses, and extraordinary expenses.

⁴ "Acquired Fund Fees and Expenses" reflect fees and expenses incurred indirectly by each Fund as a result of investment in shares of Underlying Funds. As the Funds have not commenced investment operations prior to the date of this Prospectus, these amounts are based on an estimate of each Fund's allocation to Underlying Funds for the current fiscal year.

⁵ BGFA has contractually agreed to waive a portion of the advisory fees it is entitled to receive from each Fund, in an amount equal to 0.14%, through October 31, 2009.

Example. This example is intended to help you compare the cost of owning shares of a Fund with the cost of investing in other funds. The example assumes that you invest \$10,000 in a Fund for the time periods indicated and then sell all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that a Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Fund	1 Year	3 Years
iShares S&P Target Date Retirement Income Index Fund	\$32	\$130
iShares S&P Target Date 2010 Index Fund	\$32	\$130
iShares S&P Target Date 2015 Index Fund	\$32	\$130
iShares S&P Target Date 2020 Index Fund	\$32	\$130
iShares S&P Target Date 2025 Index Fund	\$31	\$127
iShares S&P Target Date 2030 Index Fund	\$31	\$127
iShares S&P Target Date 2035 Index Fund	\$31	\$127
iShares S&P Target Date 2040 Index Fund	\$30	\$124

A Further Discussion of Principal Investment Strategies

Introduction

Each Fund pursues a common strategy of allocating and reallocating its assets among the Underlying Funds consistent with the allocation and reallocation among the Underlying Funds in the Underlying Index, as determined by S&P. The Funds with longer time horizons invest a greater portion of their assets in Underlying Funds that invest in equity securities, which provide a greater potential to achieve higher returns over the long-term but have a greater risk of short-term loss. In addition to investing in Underlying Funds, each Fund may borrow, lend its portfolio securities to brokers, dealers and financial institutions, and may invest the collateral in certain short-term instruments either directly or through one or more money market funds, as described in greater detail in the Funds' SAI.

The Funds with shorter time horizons invest a greater portion of their assets in Underlying Funds that invest in bonds and short-term instruments, which typically offer reduced risk and price volatility but forego some potential returns. Accordingly, under normal circumstances, the Funds with shorter time horizons have lower expected returns than the Funds with longer time horizons. As each Fund approaches its designated time horizon, it systematically seeks to reduce the level of risk by allocating assets more conservatively among the Underlying Funds. This systematic shift toward more conservative investments is designed to reduce the risk of significant reductions in the value of an investment in a Fund as it approaches its time horizon.

For example, a Fund that has reached target date has entered its "retirement phase" and seeks to maximize returns consistent with the risk that an average investor in retirement may be willing to accept as determined by S&P's methodology. This does not mean that it invests exclusively, or primarily, in Underlying Funds that invest in money market instruments. Rather, a portion of the Fund's assets will continue to be allocated to Underlying Funds that are equity and bond funds, in addition to Underlying Funds that invest in money market instruments. Certain Underlying Funds invest in Real Estate Companies, foreign securities, emerging markets and debt instruments, which are subject to additional risks, as described in the Prospectus and the SAI.

The following table lists the Underlying Funds and the asset allocation for each Fund as of the commencement of operations. BGFA allocates each Fund's assets among the Underlying Funds based on the Fund's investment objective and policies. The asset allocation for each Fund will vary over time, and BGFA is not required to invest any Fund's assets in each of the Underlying Funds or in any particular percentage in any given Underlying Fund:

Underlying Fund Allocation Weights
(estimated as of the commencement of operations)

Underlying Funds	iShares S&P Target Date Retirement Income Index Fund	iShares S&P Target Date 2010 Index Fund	iShares S&P Target Date 2015 Index Fund	iShares S&P Target Date 2020 Index Fund	iShares S&P Target Date 2025 Index Fund	iShares S&P Target Date 2030 Index Fund	iShares S&P Target Date 2035 Index Fund	iShares S&P Target Date 2040 Index Fund
iShares S&P 500 Index Fund	28.4%	33.5%	38.3%	42.7%	46.7%	51.0%	54.3%	57.4%
iShares S&P MidCap 400 Index Fund	2.8%	3.5%	4.1%	4.7%	5.2%	5.6%	5.9%	6.2%
iShares S&P SmallCap 600 Index Fund	1.6%	2.1%	2.5%	2.8%	3.1%	3.4%	3.6%	3.7%
iShares Cohen & Steers Realty Majors Index Fund	1.6%	1.6%	1.5%	1.5%	1.4%	1.2%	1.1%	0.0%
iShares MSCI EAFE Index Fund	6.9%	9.8%	12.3%	14.4%	16.2%	17.6%	18.6%	19.3%
iShares MSCI Emerging Markets Index Fund	1.2%	1.9%	2.6%	3.1%	3.5%	3.8%	4.0%	4.1%
iShares Barclays Aggregate Bond Fund	39.8%	34.3%	29.2%	24.4%	20.1%	16.1%	12.5%	9.2%
iShares Barclays Short Treasury Bond Fund	12.2%	9.2%	6.6%	4.4%	2.6%	1.3%	0.0%	0.0%
iShares Barclays TIPS Bond Fund	5.7%	4.3%	3.0%	2.0%	1.2%	0.0%	0.0%	0.0%

Note: The allocation percentages may not add to, or may appear to exceed, 100% due to rounding.

“Standard & Poor’s®,” “S&P®,” “S&P 500®,” “Standard & Poor’s 500,” “S&P 500 Index,” “S&P MidCap 400 Index” and “S&P SmallCap 600 Index” are trademarks of S&P, a division of The McGraw-Hill Companies, Inc., and have been licensed for use for certain purposes by BGI. The iShares S&P 500 Index Fund, iShares S&P MidCap 400 Index Fund and iShares S&P SmallCap 600 Index Fund that are based on S&P Indexes are not sponsored, endorsed, sold or promoted by S&P, and S&P makes no representation regarding the advisability of investing in iShares.

“Cohen & Steers” is a trademark and “Cohen & Steers Realty Majors Index®” is a registered trademark of Cohen & Steers Capital Management, Inc. (“Cohen & Steers”), and both such trademarks have been licensed for use for certain purposes by BGI. The iShares Cohen & Steers Realty Majors Index Fund is not sponsored, endorsed, sold or promoted by Cohen & Steers, and Cohen & Steers makes no representation regarding the advisability of investing in iShares.

The “Barclays Capital U.S. Aggregate Index,” “Barclays Capital Short U.S. Treasury Index,” and “Barclays Capital U.S. Treasury TIPS Index” (the “Barclays Indexes”) are trademarks of and are maintained by Barclays Capital Inc. (“Barclays Capital”) and have been licensed for use for certain purposes by BGI. Barclays Capital makes no representation or warranty, expressed or implied, regarding the advisability of investing in the iShares Barclays Aggregate Bond Fund, iShares Barclays Short Treasury Bond Fund, or iShares Barclays TIPS Bond Fund (the “iShares Barclays Funds”). Barclays Capital is an affiliate of BGFA, investment adviser of the Funds and the iShares Barclays Funds. Barclays Capital and BGFA are separate legal entities, and BGFA will not have any role in maintaining the Barclays Indexes.

Prior to November 3, 2008, the “Barclays Capital U.S. Aggregate Index,” “Barclays Capital Short U.S. Treasury Index,” and “Barclays Capital U.S. Treasury TIPS Index” were named the “Lehman Brothers U.S. Aggregate Index,” “Lehman Brothers Short U.S. Treasury Index,” and “Lehman Brothers U.S. Treasury TIPS Index,” respectively. Prior to December 8, 2008, the “iShares Barclays Aggregate Bond Fund,” “iShares Barclays Short Treasury Bond Fund,” and “iShares Barclays TIPS Bond Fund” were named the “iShares Lehman Aggregate Bond Fund,” “iShares Lehman Short Treasury Bond Fund,” and “iShares Lehman TIPS Bond Fund,” respectively.

“MSCI EAFE Index” and the “MSCI Emerging Markets Index” are servicemarks of MSCI, Inc. (“MSCI”) and have been licensed for use for certain purposes by BGI. The iShares MSCI EAFE Index Fund and iShares MSCI Emerging Markets Index Fund are not sponsored, endorsed, sold or promoted by MSCI, and MSCI makes no representation regarding the advisability of investing in iShares.

In managing each of the Underlying Funds, BGFA uses a representative sampling index strategy. Representative sampling is an indexing strategy that involves investing in a representative sample of securities that collectively have an investment profile similar to a specified benchmark index. Securities selected for the Underlying Funds 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 applicable underlying index. The Underlying Funds may or may not hold all of the securities that are included in their respective underlying index and may hold certain securities that are not included in their respective underlying indexes. Additional information regarding the Underlying Funds and their investment objectives is provided below.

The iShares S&P 500 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Index. The S&P 500 Index measures the performance of the large-capitalization sector of the U.S. equity market.

The iShares S&P MidCap 400 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P MidCap 400 Index. The S&P MidCap 400 Index measures the performance of the mid-capitalization sector of the U.S. equity market. The stocks in the S&P MidCap 400 Index have a market capitalization between \$1.5 billion and \$5.5 billion (which may fluctuate depending on the overall level of the equity markets) and are selected for liquidity and industry group representation.

The iShares S&P SmallCap 600 Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P SmallCap 600 Index. The S&P SmallCap 600 Index measures the performance of the small-capitalization sector of the U.S. equity market. The stocks in the S&P SmallCap 600 Index have a market capitalization between \$300 million and \$2 billion (which may fluctuate depending on the overall level of the equity markets) and are selected for liquidity and industry group representation.

The iShares Cohen & Steers Realty Majors Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the Cohen & Steers Realty Majors Index (the “Cohen & Steers Index”). The Cohen & Steers Index consists of selected U.S. REITs. The objective of the Cohen & Steers Index is to represent relatively large and liquid REITs that may benefit from future consolidation and securitization of the U.S. real estate industry. REITs are selected for inclusion in the Cohen & Steers Index based on a rigorous review of several factors, including management, portfolio quality, and sector and geographic diversification. The REITs selected for inclusion in the Cohen & Steers Index must meet minimum market capitalization and liquidity requirements. The Cohen & Steers Index is weighted according to the total market value of each REIT’s outstanding shares and is adjusted quarterly so that no REIT represents more than 8% of the Cohen & Steers Index.

The iShares MSCI EAFE Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI EAFE Index. The MSCI EAFE Index has been developed by MSCI as an equity benchmark for international stock performance. The MSCI EAFE Index includes stocks from Europe, Australasia and the Far East.

The iShares MSCI Emerging Markets Index Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Index. The MSCI Emerging Markets Index was developed by MSCI as an equity benchmark for international stock performance. The MSCI Emerging Markets Index is designed to measure equity market performance in the global emerging markets. As of March 31, 2008, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indexes: Argentina, Brazil, Chile, China, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. Emerging market country indexes may be added to or deleted from the MSCI Emerging Markets Index from time to time. In order to improve its portfolio liquidity and its ability to track the MSCI Emerging Markets Index, the iShares MSCI Emerging Markets Index Fund may invest up to 10% of its assets in shares of other iShares funds that seek to track the performance of equity securities in constituent countries of the MSCI Emerging Markets Index. BGFA will waive portfolio management fees in an amount equal to the portfolio management fees of such other iShares funds for any portion of the iShares MSCI Emerging Markets Index Fund’s assets invested in shares of such other iShares funds.

The iShares Barclays Aggregate Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the total United States investment grade bond market as defined by the Barclays Capital U.S. Aggregate Index (the “Barclays Capital Index”). The Barclays Capital Index measures the performance of the U.S. investment grade bond market, which includes investment grade U.S. Treasury bonds, government-related bonds, investment grade corporate bonds, mortgage pass-through securities, commercial mortgage-backed securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Barclays Capital

Index must have \$250 million or more of outstanding face value and must have at least one year remaining to maturity. In addition, the securities must be denominated in U.S. dollars and non-convertible. Certain types of securities, such as state and local government series bonds, structured notes with embedded swaps or other special features, private placements, floating-rate securities and Eurobonds are excluded from the Barclays Capital Index.

The iShares Barclays Short Treasury Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the short-term sector of the United States Treasury market as defined by the Barclays Capital Short U.S. Treasury Index. The Barclays Capital Short U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury that have a remaining maturity of between one and 12 months.

The iShares Barclays TIPS Bond Fund seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the inflation-protected sector of the United States Treasury market as defined by the Barclays Capital U.S. Treasury TIPS Index. The Barclays Capital U.S. Treasury TIPS Index measures the performance of the inflation-protected public obligations of the U.S. Treasury, commonly known as “TIPS.”

Management

Investment Adviser. As investment adviser, BGFA has overall responsibility for the general management and administration of the Trust. BGFA provides an investment program for each Fund and manages the investment of each Fund’s assets. In seeking to achieve a Fund’s investment objective, BGFA uses teams of portfolio managers, investment strategists and other investment specialists. This team approach brings together many disciplines and leverages BGFA’s extensive resources.

Pursuant to the Investment Advisory Agreement between BGFA and the Trust (entered into on behalf of the Funds) BGFA is responsible for substantially all expenses of the Funds, including the cost of transfer agency, custody, fund administration, legal, audit and other services except interest expense and taxes (both expected to be *de minimis*), brokerage expenses, future distribution fees or expenses and extraordinary expenses.

For its investment advisory services to each Fund, BGFA is entitled to receive a management fee from each Fund, based on a percentage of a Fund’s average daily net assets, at the annual rate of 0.25%. BGFA has entered into a Fee Waiver Agreement with the Trust, under which BGFA agrees to waive a portion of the management fee that it is entitled to receive from each Fund in an amount equal to 0.14%. The Fee Waiver Agreement remains in effect until October 31, 2009. After giving effect to the fee waiver, BGFA will receive a management fee based on a percentage of each Fund’s average daily net assets, at the annual rate of 0.11%; because the Funds have been in operation for less than one full fiscal year, this percentage reflects the rate at which BGFA will be paid. BGFA will also receive additional revenue from the Underlying Funds as a result of the Funds’ investment in the Underlying Funds (the “Acquired Fund Fees and Expenses”).

BGFA is located at 400 Howard Street, San Francisco, CA 94105. It is a wholly-owned subsidiary of BGI, which in turn is a majority-owned subsidiary of Barclays Bank PLC. As of July 31, 2008, BGI and its affiliates, including BGFA, provided investment advisory services for assets in excess of \$1.91 trillion. BGI, BGFA, Barclays Global Investors Services, Barclays Bank PLC and their affiliates deal, trade and invest for their own accounts in the types of securities in which the Funds may also invest.

A discussion regarding the basis for the Board of Trustees’ approval of the Investment Advisory Agreement with BGFA will be available in each Fund’s annual report for the period ending July 31.

Portfolio Managers. Diane Hsiung and Greg Savage (the “Portfolio Managers”) are primarily responsible for the day-to-day management of the Funds. Each Portfolio Manager is responsible for various functions related to portfolio management, including, but not limited to, investing cash inflows, coordinating with members of his or her team to focus on certain asset classes, implementing investment strategy, researching and reviewing investment strategy and overseeing members of his or her portfolio management team with more limited responsibilities.

Diane Hsiung is an employee of BGFA and BGI and, together with the other Portfolio Manager, is primarily responsible for the day-to-day management of the Funds. Ms. Hsiung has been a senior portfolio manager for BGFA and BGI since 2007 and a portfolio manager for BGFA and BGI from 2002 to 2006. Ms. Hsiung has been a Portfolio Manager of the Funds since their inception.

Greg Savage is an employee of BGFA and BGI and, together with the other Portfolio Manager, is primarily responsible for the day-to-day management of the Funds. Mr. Savage has been a senior portfolio manager for BGFA and BGI since 2006 and a portfolio manager for BGFA and BGI from 2001 to 2006. Mr. Savage has been a Portfolio Manager of the Funds since their inception.

The Funds' SAI provides additional information about the Portfolio Managers' compensation, other accounts managed by the Portfolio Managers and the Portfolio Managers' ownership (if any) of shares in the Funds.

Administrator, Custodian and Transfer Agent. State Street Bank and Trust Company ("State Street") is the administrator, custodian and transfer agent for each Fund.

Shareholder Information

Additional shareholder information, including how to buy and sell shares of the Funds, is available free of charge by calling toll-free: 1-800-iShares (1-800-474-2737) or visiting our website at www.iShares.com.

Buying and Selling Shares. Shares of each Fund trade on a national securities exchange during the trading day. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. The Trust does not impose any minimum investment for shares of a Fund purchased on an exchange. Buying or selling Fund shares involves two types of costs that apply to all securities transactions. When buying or selling shares of the Funds through a broker, you will incur a brokerage commission or other charges determined by your broker. In addition, you will incur the cost of the "spread" – that is, the difference between the bid price and the ask price. The commission is frequently a fixed amount and may be a significant proportional cost for investors seeking to buy or sell small amounts of shares. The spread varies over time for shares of each Fund based on their trading volume and market liquidity, and is generally lower if a Fund has a lot of trading volume and market liquidity and higher if a Fund has little trading volume and market liquidity. The Funds' shares trade under the trading symbols listed in the *Description of the Funds* section of this Prospectus.

Shares of the Funds may be acquired or redeemed directly from a Fund only in Creation Units or multiples thereof, as discussed in the *Creations and Redemptions* section of this Prospectus. Once created, shares of the Funds generally trade in the secondary market in amounts less than a Creation Unit.

The Trust's Board of Trustees (the "Board") has adopted a policy of not monitoring for frequent purchases and redemptions of Fund shares ("frequent trading") that appear to attempt to take advantage of a potential arbitrage opportunity presented by a lag between a change in the value of a Fund's portfolio securities after the close of the primary markets for a Fund's portfolio securities and the reflection of that change in the Fund's NAV ("market timing"), because each Fund sells and redeems its shares directly through transactions that are in-kind and/or for cash with a deadline for placing cash-related transactions no later than the close of the primary markets for the Funds. The Board has not adopted a policy of monitoring for other frequent trading activity because shares of the Funds are listed and trade on national securities exchanges.

The national securities exchange on which each Fund's shares are listed is open for trading Monday through Friday and is closed on weekends and the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Each Fund's primary listing exchange is NYSE Arca.

Section 12(d)(1) of the Investment Company Act of 1940, as amended, restricts investments by registered investment companies in the securities of other investment companies. Registered investment companies are permitted to invest in each Fund beyond the limits set forth in Section 12(d)(1), subject to certain terms and conditions set forth in an SEC exemptive order issued to the Trust, including that such investment companies enter into an agreement with the Trust.

Book Entry. Shares of the Funds are held in book-entry form, which means that no stock certificates are issued. The Depository Trust Company (“DTC”) or its nominee is the record owner of all outstanding shares of each Fund and is recognized as the owner of all shares for all purposes.

Investors owning shares of the Funds are beneficial owners as shown on the records of DTC or its participants. DTC serves as the securities depository for shares of the Funds. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. As a beneficial owner of shares, you are not entitled to receive physical delivery of stock certificates or to have shares registered in your name, and you are not considered a registered owner of shares. Therefore, to exercise any right as an owner of shares, you must rely upon the procedures of DTC and its participants. These procedures are the same as those that apply to any other securities that you hold in book-entry or “street name” form.

Share Prices. The trading prices of a Fund’s shares in the secondary market generally differ from the Fund’s daily NAV per share and are affected by market forces such as supply and demand, economic conditions and other factors. Information regarding the intraday value of shares of each Fund, also known as the “indicative optimized portfolio value” (“IOPV”), is disseminated every 15 seconds throughout the trading day by the national securities exchange on which the Fund’s shares are listed or by market data vendors or other information providers. The IOPV is based on the current market value of the securities and/or cash required to be deposited in exchange for a Creation Unit. The IOPV does not necessarily reflect the precise composition of the current portfolio of securities held by a Fund at a particular point in time nor the best possible valuation of the current portfolio. Therefore, the IOPV should not be viewed as a “real-time” update of the NAV, which is computed only once a day. The IOPV is generally determined by using both current market quotations and/or price quotations obtained from broker-dealers that may trade in the portfolio securities held by the Funds. The quotations of certain Fund holdings may not be updated during U.S. trading hours if such holdings do not trade in the U.S. The Funds are not involved in, or responsible for, the calculation or dissemination of the IOPV and make no representation or warranty as to its accuracy.

Determination of Net Asset Value. The NAV for each Fund is generally determined once daily Monday through Friday generally as of the regularly scheduled close of business of the New York Stock Exchange (“NYSE”) (normally 4:00 p.m., Eastern time) on each day that the NYSE is open for trading, based on prices at the time of closing, provided that (a) any assets or liabilities denominated in currencies other than the U.S. dollar shall be translated into U.S. dollars at the prevailing market rates on the date of valuation as quoted by one or more major banks or dealers that makes a two-way market in such currencies (or a data service provider based on quotations received from such banks or dealers) and (b) U.S. fixed-income assets may be valued as of the announced closing time for trading in fixed-income instruments on any day that the Securities Industry and Financial Markets Association announces an early closing time. The NAV of each Fund is calculated by dividing the value of the net assets of a Fund (i.e., the value of its total assets, which includes the net asset values of the Underlying Fund shares in which a Fund invests, less total liabilities) by the total number of outstanding shares of the Fund, generally rounded to the nearest cent.

Investments held by a Fund are valued pursuant to the pricing policy and procedures approved by the Board of Trustees. In calculating a Fund’s NAV, a Fund’s investments are generally valued using market valuations. A market valuation generally means a valuation (i) obtained from an exchange, a pricing service, or a major market maker (or dealer), (ii) based on a price quotation or other equivalent indication of value supplied by an exchange, a pricing service or a major market maker (or dealer) or (iii) based on amortized cost. In the case of shares of funds that are not traded on an exchange, a market valuation means such fund’s published net asset value per share. BGFA may use various pricing services or discontinue the use of any pricing service. A price obtained from a pricing service based on such pricing service’s valuation matrix may be considered a market valuation.

In the event that current market valuations are not readily available or such valuations do not reflect current market values, the affected investments will be valued using fair value pricing. The frequency with which a Fund’s investments are valued using fair value pricing is primarily a function of the types of securities and other assets in which each Fund invests pursuant to its investment objective, strategies and

limitations. The prospectuses for the Underlying Funds explain the circumstances under which the Underlying Funds will use fair value pricing and the effect of fair value pricing.

Investments that may be valued using fair value pricing include, but are not limited to: (i) an unlisted security related to corporate actions; (ii) a restricted security (*i.e.*, one that may not be publicly sold without registration under the Securities Act of 1933, as amended (the “1933 Act”)); (iii) a security whose trading has been suspended or which has been de-listed from its primary trading exchange; (iv) a security that is thinly traded; (v) a security in default or bankruptcy proceedings for which there is no current market quotation; (vi) a security affected by currency controls or restrictions; and (vii) a security affected by a significant event (*i.e.*, an event that occurs after the close of the markets on which the security is traded but before the time as of which a Fund’s NAV is computed and that may materially affect the value of such Fund’s investments). Examples of events that may be significant events are government actions, natural disasters, armed conflict, acts of terrorism and significant market fluctuations.

Valuing a Fund’s investments using fair value pricing will result in using prices for those investments that may differ from current market valuations. Use of fair value prices and certain current market valuations could result in a difference between the prices used to calculate a Fund’s NAV and the prices used by the Fund’s Underlying Index, which, in turn, could result in a difference between the Fund’s performance and the performance of the Fund’s Underlying Index.

The value of assets denominated in foreign currencies is converted into U.S. dollars using exchange rates deemed appropriate by BGFA as investment adviser. Use of a rate different from the rate used by the Index Provider may adversely affect the Fund’s ability to track the Underlying Index.

Dividends and Distributions

General Policies. Dividends from net investment income, if any, are generally declared and paid at least annually by each Fund. Each Fund generally distributes its net capital gains, if any, to shareholders annually. Distributions of net realized securities gains, if any, generally are declared and paid once a year, but the Trust may make distributions on a more frequent basis for the Fund. The Trust reserves the right to declare special distributions if, in its reasonable discretion, such action is necessary or advisable to preserve its status as a regulated investment company (“RIC”) or to avoid imposition of income or excise taxes on undistributed income or realized gains.

Dividends and other distributions on shares of the Fund are distributed on a *pro rata* basis to beneficial owners of such shares. Dividend payments are made through DTC participants and indirect participants to beneficial owners then of record with proceeds received from a Fund.

Dividend Reinvestment Service. No dividend reinvestment service is provided by the Trust. Broker-dealers may make available the DTC book-entry Dividend Reinvestment Service for use by beneficial owners of a Fund for reinvestment of their dividend distributions. Beneficial owners should contact their broker to determine the availability and costs of the service and the details of participation therein. Brokers may require beneficial owners to adhere to specific procedures and timetables. If this service is available and used, dividend distributions of both income and realized gains will be automatically reinvested in additional whole shares of a Fund purchased in the secondary market.

Taxes. As with any investment, you should consider how your investment in shares of the Funds will be taxed. The tax information in this Prospectus is provided as general information. You should consult your own tax professional about the tax consequences of an investment in shares of the Funds.

Unless your investment in Fund shares is made through a tax-exempt entity or tax-deferred retirement account, such as an individual retirement account, you need to be aware of the possible tax consequences when a Fund makes distributions or you sell Fund shares.

Taxes on Distributions. Distributions from a Fund’s net investment income (other than qualified dividend income), including distributions of income from securities lending and distributions out of the Fund’s net short-term capital gains, if any, are taxable to you as ordinary income. Distributions by a Fund of net long-term capital gains in excess of net short-term capital losses (capital gain dividends) are taxable to you as long-term capital gains, generally at a 15% tax rate (0% at certain income levels), regardless of how long you have held a Fund’s shares. Distributions by a Fund that qualify as qualified dividend income are

taxable to you at long-term capital gain rates. The 15% and 0% tax rates expire for taxable years beginning after December 31, 2010.

Dividends will be qualified dividend income to you if they are attributable to qualified dividend income received by a Fund which, in general, includes dividend income from taxable U.S. corporations and qualified foreign corporations, provided that a Fund satisfies certain holding period requirements in respect of the stock of such corporations and has not hedged its position in the stock in certain ways. For this purpose, a qualified foreign corporation means any foreign corporation (i) that is incorporated in a possession of the United States, (ii) that is eligible for benefits under a comprehensive income tax treaty with the United States which includes an exchange of information program or (iii) if the stock with respect to which the dividend was paid is readily tradable on an established United States security market. The term excludes a corporation that is a passive foreign investment company. Under current Internal Revenue Service guidance, the United States has an appropriate comprehensive income tax treaty with each of the following countries: Australia, Austria, Bangladesh, Barbados, Belgium, Canada, China, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Indonesia, Ireland, Israel, Italy, Jamaica, Japan, Kazakhstan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Morocco, Netherlands, New Zealand, Norway, Pakistan, Philippines, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Thailand, Trinidad and Tobago, Tunisia, Turkey, Ukraine, United Kingdom and Venezuela.

Dividends received by a Fund from a REIT or another RIC generally are qualified dividend income only to the extent the dividend distributions are made out of qualified dividend income received by such REIT or RIC. It is expected that dividends received by a Fund from a REIT and distributed to a shareholder generally will be taxable to the shareholder as ordinary income.

Under current law, the taxation of qualified dividend income at long-term capital gain rates will no longer apply for taxable years beginning after December 31, 2010.

A dividend will not be treated as qualified dividend income if the dividend is received with respect to any share of stock held without being hedged by an Underlying Fund, a share of an Underlying Fund held by a Fund without being hedged by a Fund, or to any share of a Fund held without being hedged by you, for fewer than 61 days during the 121-day period beginning at the date which is 60 days before the date on which such share becomes ex-dividend with respect to such dividend or in the case of certain preferred stock 91 days during the 181-day period beginning 90 days before such date. In general, your distributions are subject to U.S. federal income tax for the year when they are paid. Certain distributions paid in January, however, may be treated as paid on December 31 of the prior year.

Short-term capital gain earned by an Underlying Fund will be ordinary income when distributed to a Fund and will not be offset by the Fund's capital losses.

If a Fund's distributions exceed current and accumulated earnings and profits, all or a portion of the distributions made in the taxable year may be recharacterized as a return of capital to shareholders. A return of capital distribution generally will not be taxable but will reduce the shareholder's cost basis and result in a higher capital gain or lower capital loss when those shares on which the distribution was received are sold.

If you are neither a resident nor a citizen of the United States or if you are a foreign entity, a Fund's ordinary income dividends (which include distributions of net short-term capital gains) will generally be subject to a 30% U.S. withholding tax, unless a lower treaty rate applies, provided that withholding tax will generally not apply to any gain or income realized by a non-U.S. shareholder in respect of any distributions of long-term capital gains or upon the sale or other disposition of shares of a Fund.

Dividends and interest received by the Underlying Funds with respect to foreign securities may give rise to withholding and other taxes imposed by foreign countries which may reduce returns. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. If not more than 50% of the total assets of the Fund at the close of a year consist of foreign stocks or securities, the Fund may not "pass through" to you certain foreign income taxes (including withholding taxes) paid by the Fund.

As the Funds invest in only a limited number of positions, the Funds may be required to defer for tax purposes significant amounts of realized losses on the sale of shares in Underlying Funds indefinitely.

If you are a resident or a citizen of the United States, by law, back-up withholding will apply to your distributions and proceeds if you have not provided a taxpayer identification number or social security number and made other required certifications.

Taxes When Shares are Sold. Currently, any capital gain or loss realized upon a sale of Fund shares is generally treated as a long-term gain or loss if the shares have been held for more than one year. Any capital gain or loss realized upon a sale of Fund shares held for one year or less is generally treated as short-term gain or loss, except that any capital loss on the sale of shares held for six months or less is treated as long-term capital loss to the extent that capital gain dividends were paid with respect to such shares.

The foregoing discussion summarizes some of the consequences under current U.S. federal tax law of an investment in a Fund. It is not a substitute for personal tax advice. You may also be subject to state and local taxation on Fund distributions and sales of shares. Consult your personal tax adviser about the potential tax consequences of an investment in shares of a Fund under all applicable tax laws.

Creations and Redemptions. Shares of a Fund that trade in the secondary market are “created” at NAV by market makers, large investors and institutions only in block-size Creation Units of 50,000 shares or multiples thereof. Each “creator” or Authorized Participant enters into an authorized participant agreement with the Funds’ distributor, SEI Investments Distribution Co. (the “Distributor”). A creation transaction, which is subject to acceptance by the transfer agent, takes place when an Authorized Participant deposits into the applicable Fund a portfolio of securities approximating the holdings of the Fund and a specified amount of cash in exchange for a specified number of Creation Units. To the extent practicable, the composition of such portfolio generally corresponds *pro rata* to the holdings of the Fund.

Similarly, shares can be redeemed only in Creation Units, generally in-kind for a portfolio of securities held by the Funds and a specified amount of cash. *Except when aggregated in Creation Units, shares are not redeemable by the Funds. The prices at which creations and redemptions occur are based on the next calculation of NAV after an order is received in a form described in the authorized participant agreement.*

Each Fund intends to comply with the U.S. federal securities laws in accepting securities for deposits and satisfying redemptions with redemption securities, including that the securities accepted for deposits and the securities used to satisfy redemption requests will be sold in transactions that would be exempt from registration under the 1933 Act. Further, an Authorized Participant that is not a “qualified institutional buyer,” as such term is defined under Rule 144A of the 1933 Act, will not be able to receive Fund securities that are restricted securities eligible for resale under Rule 144A.

Creations and redemptions must be made through a firm that is either a member of the Continuous Net Settlement System of the National Securities Clearing Corporation or a DTC participant and has executed an agreement with the Distributor with respect to creations and redemptions of Creation Unit aggregations. Information about the procedures regarding creation and redemption of Creation Units (including the cut-off times for receipt of creation and redemption orders) is included in the SAI.

Because new shares may be created and issued on an ongoing basis, at any point during the life of a Fund a “distribution,” as such term is used in the 1933 Act, may be occurring. 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 that could render them statutory underwriters and subject to the prospectus delivery and liability provisions of the 1933 Act. Any determination of whether one is an underwriter must take into account all the relevant facts and circumstances of each particular case.

Broker-dealers should also note that dealers who are not “underwriters” but are participating in a distribution (as contrasted to ordinary secondary transactions), and thus dealing with shares that are part of an “unsold allotment” within the meaning of Section 4(3)(C) of the 1933 Act, would be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the 1933 Act. For delivery of

prospectuses to exchange members, the prospectus delivery mechanism of Rule 153 under the 1933 Act is available only with respect to transactions on a national securities exchange.

Transaction Fees. Investors are charged standard creation and redemption transaction fees to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units. Purchasers and redeemers of Creation Units for cash are required to pay an additional variable charge (up to the maximum amount shown below) to compensate for brokerage and market impact expenses. The standard creation and redemption transaction fees are set forth below. The standard creation transaction fee is charged to each purchaser on the day such purchaser creates a Creation Unit. The fee is a single charge regardless of the number of Creation Units purchased by an investor on the same day. BGFA may, from time to time, at its own expense, compensate purchasers of Creation Units who have purchased substantial amounts of Creation Units and other financial institutions for administrative or marketing services. Similarly, the standard redemption transaction fee is a single charge regardless of the number of Creation Units redeemed on the same day. Creations and redemptions through DTC for cash (when cash creations and redemptions are available or specified) are also subject to an additional variable charge up to the maximum amount shown in the table below. In addition, purchasers of shares in Creation Units are responsible for payment of the costs of transferring securities to the Funds and redeemers of shares in Creation Units are responsible for the costs of transferring securities from the Fund. Investors who use the services of a broker or other such intermediary may pay fees for such services. The following table also shows, as of November 3, 2008, the approximate value of one Creation Unit, including any applicable standard and maximum additional creation and redemption transaction fees:

Fund	Approximate Value of a Creation Unit	Creation Unit Size	Standard Creation/Redemption Transaction Fee	Maximum Additional Variable Charge for Creations*	Maximum Additional Variable Charge for Redemptions*
iShares S&P Target Date Retirement Income Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2010 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2015 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2020 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2025 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2030 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2035 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%
iShares S&P Target Date 2040 Index Fund	\$1,250,000	50,000	\$100.00	3.0%	2.0%

* As a percentage of the amount invested.

Householding. Householding is an option available to certain Fund investors. Householding is a method of delivery, based on the preference of the individual investor, in which a single copy of certain shareholder documents can be delivered to investors who share the same address, even if their accounts are registered under different names. Please contact your broker-dealer if you are interested in enrolling in householding and receiving a single copy of prospectuses and other shareholder documents, or if you are currently enrolled in householding and wish to change your householding status.

Distribution

The Distributor distributes Creation Units for each Fund on an agency basis. The Distributor does not maintain a secondary market in shares of the Funds. The Distributor has no role in determining the policies of any Fund or the securities that are purchased or sold by any Fund. The Distributor's principal address is One Freedom Valley Drive, Oaks, PA 19456.

Financial Highlights

Financial highlights for the Funds are not available because, as of the effective date of this Prospectus, the Funds have no financial highlights to report.

Index Provider

S&P is the Index Provider for the Underlying Indexes. S&P is not affiliated with the Trust, BGI, BGFA, State Street, the Distributor or any of their respective affiliates.

S&P provides financial, economic and investment information and analytical services to the financial community. S&P calculates and maintains indexes including the S&P Global 1200 Index, which includes the S&P 500 for the U.S., the S&P Europe 350 for Continental Europe and the U.K., the S&P/TOPIX 150 for Japan, the S&P Asia 50, the S&P/TSX 60 for Canada, the S&P/ASX All Australian 50, and the S&P Latin America 40. Sector indexes in the S&P Global 1200 Index include the S&P Global Energy Sector Index, the S&P Global Financials Sector Index, the S&P Global Healthcare Sector Index, the S&P Global Information Technology Sector Index, and the S&P Global Telecommunications Sector Index. S&P also publishes the S&P MidCap 400, S&P SmallCap 600, S&P Composite 1500 and S&P REIT Composite for the U.S. S&P calculates and maintains the S&P/Citigroup Global Equity Index Series, a set of comprehensive rules-based benchmarks covering developed and emerging countries around the world. Company additions to and deletions from an S&P equity index do not in any way reflect an opinion on the investment merits of the company.

BGI has entered into a license agreement with the Index Provider to use the Underlying Indexes. BGI is sub-licensing rights in the Underlying Indexes to the Trust at no charge.

Disclaimer

The iShares S&P Target Date Retirement Income Index Fund, iShares S&P Target Date 2010 Index Fund, iShares S&P Target Date 2015 Index Fund, iShares S&P Target Date 2020 Index Fund, iShares S&P Target Date 2025 Index Fund, iShares S&P Target Date 2030 Index Fund, iShares S&P Target Date 2035 Index Fund, iShares S&P Target Date 2040 Index Fund, iShares S&P 500 Index Fund, iShares S&P MidCap 400 Index Fund and iShares S&P SmallCap 600 Index Fund are not sponsored, endorsed, sold or promoted by S&P. S&P makes no representation or warranty, express or implied, to the owners of shares of the iShares Trust (as used in these Disclaimers, the "Trust") or to any member of the public regarding the advisability of owning or trading in shares of the Trust (as used in these Disclaimers, "shares"). S&P's only relationship to the Trust, BGI or BGFA is the licensing of certain trademarks, trade names and service marks of S&P and of the S&P Indexes, which are determined, composed, and calculated by S&P without regard to the Trust, BGI or BGFA. S&P has no obligation to take the needs of BGI, BGFA or the owners of shares into consideration in determining, composing or calculating the S&P Indexes. S&P is not responsible for and has not participated in the determination or timing of, the prices, or quantities of shares to be listed for sale or in the determination or calculation of the equation by which shares are to be converted into cash. S&P has no obligation or liability in connection with the administration of the Trust, or the marketing or trading of shares. S&P does not guarantee the accuracy and/or the completeness of the S&P Indexes or any data included therein and S&P shall have no liability for any errors, omissions, or interruptions therein. S&P makes no warranty, express or implied, as to results to be obtained by BGI, BGFA, owners of shares, or any other person or entity from the use of the S&P Indexes or any data included therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the S&P Indexes or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any lost profit or indirect, punitive, special or consequential damages, even if notified of the possibility of such damages. There are no third party beneficiaries of any agreements between S&P and BGI and BGFA.

The iShares Cohen & Steers Realty Majors Index Fund is not sponsored, endorsed, sold or promoted by Cohen & Steers. Cohen & Steers makes no representation or warranty, express or implied, to the owners of shares or any member of the public regarding the advisability of investing in securities generally or in the iShares Cohen & Steers Realty Majors Index Fund particularly or the ability of the Cohen & Steers Realty Majors Index to track general stock market performance. Cohen & Steers' only relationship to the Trust, BGI and BGFA is the licensing of certain trademarks and trade names of Cohen & Steers and of the Cohen & Steers Realty Majors Index, which is determined, composed and calculated by Cohen & Steers without regard to the Trust, BGI, BGFA or the iShares Cohen & Steers

Realty Majors Index Fund. Cohen & Steers has no obligation to take the needs of BGFA, BGI or the owners of shares into consideration in determining, composing or calculating the Cohen & Steers Realty Majors Index. Cohen & Steers is not responsible for and has not participated in the determination of the prices and amount of the iShares Cohen & Steers Realty Majors Index Fund or the timing of the issuance or sale of the iShares Cohen & Steers Realty Majors Index Fund or in the determination or calculation of the equation by which shares of the iShares Cohen & Steers Realty Majors Index Fund are to be converted into cash. Cohen & Steers has no obligation or liability in connection with the administration, marketing, or trading of the iShares Cohen & Steers Realty Majors Index Fund. Cohen & Steers does not guarantee the accuracy and/or the completeness of the Cohen & Steers Realty Majors Index or any data included therein and Cohen & Steers shall have no liability for any errors, omissions, or interruptions therein. Cohen & Steers makes no warranty, express or implied, as to results to be obtained by BGI, owners of shares of the iShares Cohen & Steers Realty Majors Index Fund, or any other person or entity from the use of the Cohen & Steers Realty Majors Index or any data included therein. Cohen & Steers makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Cohen & Steers Realty Majors Index or any data included therein. Without limiting any of the foregoing, in no event shall Cohen & Steers have any liability for any special, punitive, indirect, or consequential damages (including lost profits) resulting from the use of the Cohen & Steers Realty Majors Index or any data included therein, even if notified of the possibility of such damages.

The iShares MSCI EAFE Index Fund and iShares MSCI Emerging Markets Index Fund (the “iShares MSCI Underlying Funds”) are not sponsored, endorsed, sold or promoted by MSCI or any affiliate of MSCI. Neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes makes any representation or warranty, express or implied, to the owners of shares of the iShares MSCI Underlying Funds or any member of the public regarding the advisability of investing in securities generally or in the iShares MSCI Underlying Funds particularly or the ability of the MSCI Indexes to track general stock market performance. MSCI is the licensor of certain trademarks, service marks and trade names of MSCI and of the MSCI Indexes, which are determined, composed and calculated by MSCI without regard to BGI, BGFA or the iShares MSCI Index Funds. MSCI has no obligation to take the needs of BGI, BGFA or the owners of shares of the iShares MSCI Underlying Funds into consideration in determining, composing or calculating the MSCI Indexes. MSCI is not responsible for and has not participated in the determination of the prices and amount of shares of the iShares MSCI Underlying Funds or the timing of the issuance or sale of such shares. Neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes has any obligation or liability to owners of shares of the iShares MSCI Underlying Funds in connection with the administration of the iShares MSCI Underlying Funds, or the marketing or trading of shares of the iShares MSCI Underlying Funds. Although MSCI obtains information for inclusion in or for use in the calculation of the MSCI Indexes from sources which MSCI considers reliable, neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes guarantees the accuracy and or the completeness of the MSCI Indexes or any data included therein. Neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes makes any warranty, express or implied, as to results to be obtained by BGI, BGFA, the owners of shares of the iShares MSCI Underlying Funds, or any other person or entity from the use of the MSCI Indexes or any data included therein in connection with the rights licensed hereunder or for any other use. Neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes shall have any liability for any errors, omissions or interruptions of or in connection with the MSCI Indexes or any data included therein. Neither MSCI, any of its affiliates nor any other party involved in making or compiling the MSCI Indexes makes any express or implied warranties, and MSCI hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the MSCI Indexes or any data included therein. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any other party involved in making or compiling the MSCI Indexes have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of the iShares MSCI Underlying Funds, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or

promote iShares without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

The Funds are not sponsored, endorsed or promoted by Barclays Capital. Barclays Capital makes no representation or warranty, express or implied, to the owners of shares of the Funds or any member of the public regarding the advisability of owning or trading in the Fund. The Underlying Indexes are determined, composed and calculated by Barclays Capital without regard to the Trust or the owners of shares of the Funds. Barclays Capital has no obligation to take the needs of BGFA or the owners of shares of the Funds into consideration in determining, composing or calculating the Underlying Indexes. Barclays Capital is not responsible for and has not participated in the determination or the timing of prices, or quantities of shares to be listed or in the determination or calculation of the equation by which shares are to be converted into cash. Barclays Capital has no obligation or liability in connection with the administration of the Trust or the marketing or trading of shares of the Funds. Barclays Capital does not guarantee the accuracy and/or the completeness of the Underlying Indexes or any data included therein. Barclays Capital shall have no liability for any errors, omissions or interruptions therein.

Barclays Capital makes no warranty, express or implied, as to the results to be obtained by BGI and BGFA or owners of shares of the Funds, or any other person or entity, from the use of the Underlying Indexes or any data included therein. Barclays Capital makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the Underlying Indexes or any data included therein. Without limiting any of the foregoing, in no event shall Barclays Capital have any liability for any lost profits or special, punitive, direct, indirect, or consequential damages even if notified thereof.

Shares of the Funds are not sponsored, endorsed or promoted by NYSE Arca. NYSE Arca makes no representation or warranty, express or implied, to the owners of the shares of the Funds or any member of the public regarding the ability of the Funds to track the total return performance of the Underlying Indexes or the ability of the Underlying Indexes to track stock market performance. NYSE Arca is not responsible for, nor has it participated in, the determination of the compilation or the calculation of the Underlying Indexes, nor in the determination of the timing of, prices of, or quantities of shares of the Funds to be issued, nor in the determination or calculation of the equation by which the shares are redeemable. NYSE Arca has no obligation or liability to owners of the shares of the Funds in connection with the administration, marketing or trading of the shares of the Funds.

NYSE Arca does not guarantee the accuracy and/or the completeness of the Underlying Indexes or any data included therein. NYSE Arca makes no warranty, express or implied, as to results to be obtained by the Trust on behalf of the Funds as licensee, licensee's customers and counterparties, owners of the shares of the Funds, or any other person or entity from the use of the subject index or any data included therein in connection with the rights licensed as described herein or for any other use. NYSE Arca makes no express or implied warranties and hereby expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to any Underlying Indexes or any data included therein. Without limiting any of the foregoing, in no event shall NYSE Arca have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

BGFA does not guarantee the accuracy and/or the completeness of any underlying index or any data included therein and BGFA shall have no liability for any errors, omissions, or interruptions therein.

BGFA makes no warranty, express or implied, as to results to be obtained by the series of the Trust, to the owners of shares, or to any other person or entity, from the use of any underlying index or any data included therein. BGFA makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any underlying index or any data included therein. Without limiting any of the foregoing, in no event shall BGFA have any liability for any special, punitive, direct, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

[THIS PAGE INTENTIONALLY LEFT BLANK]

For more information:
WWW.ISHARES.COM
1-800-iShares (1-800-474-2737)

Copies of the Prospectus, SAI and other information can be found on our website at www.iShares.com. For more information about the Fund, you may request a copy of the SAI. The SAI provides detailed information about the Fund and is incorporated by reference into this Prospectus. This means that the SAI, for legal purposes, is a part of this Prospectus.

If you have any questions about the Trust or shares of the Fund or you wish to obtain the SAI free of charge, please:

Call: 1-800-iShares
(toll free) 1-800-474-2737
Monday through Friday
8:30 a.m. to 6:30 p.m. (Eastern Time)

E-mail: iSharesETFs@barclaysglobal.com

Write: c/o SEI Investments Distribution Co.
One Freedom Valley Drive
Oaks, PA 19456

Information about the Fund (including the SAI) can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., and information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-202-551-8090. Reports and other information about the Fund are available on the EDGAR Database on the SEC's website at www.sec.gov, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing to the SEC's Public Reference Section, Washington, D.C. 20549-0102.

No person is authorized to give any information or to make any representations about the Fund and its shares not contained in this Prospectus and you should not rely on any other information. Read and keep the Prospectus for future reference.

Investment Company Act File No.: 811-09729

BCI-F-DATE-1208



LET'S BUILD A BETTER INVESTMENT WORLD.SM

