

May 5, 2000

Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: Exemptive Applications Nos. 812-11600 & 812-11598

Dear Mr. Katz:

I am writing on behalf of the Consumer Federation of America to request a hearing on the applications filed May 2, 2000 by Barclays Global Fund Advisers, iShares Trust, future series of the Trust, and SEI Investments Distribution Company (SEC File Nos. 812-11600 and 812-11598).

Reason for the Request

The applicants request relief under Section 6(c) of the Investment Company Act of 1940 from Sections 5(a)(1) and 2(a)(32) of the Act and from Rule 22c-1 under the Act to permit the sale of exchange-traded funds (ETFs). Applicants' request is not necessary or appropriate in the public interest, consistent with the protection of investors, or consistent with the purposes fairly intended by the policy and provisions of the Act. (CFA hereby incorporates by reference, in support of its request for a hearing, the Memorandum in Support of Hearing Request submitted by Fund Democracy, LLC dated May 4, 2000.)

If the applicants are permitted to sell exchange-traded funds under the terms outlined in the above referenced applications, there is a substantial risk that investors will be misled about the nature of the funds and, in particular, their ability to redeem shares in those funds at net asset value. The likelihood of confusion exists because exchange-traded funds have been widely portrayed -- by the American Stock Exchange, the financial media, and financial data providers -- as equivalent to mutual funds and as presenting minimal or no risk that they will fail to trade at or very near NAV. This characteristic -- the likelihood that the funds will trade at or near NAV -- is also cited by the applicants as a primary reason for granting the application.

Issues Contested

CFA requests a hearing on these applications to determine whether additional measures are needed to ensure that investors are fully informed about the nature of exchange-traded funds

and the risk that retail shares in these funds will trade at discounts or premiums to their net asset values. Specifically, the hearing should determine whether investors should have ready access to both current pricing information (e.g., intraday ETF per-share net asset values and premiums and discounts) and historical data (e.g., the largest discrepancy between market prices and per-share net asset value for each quarter for the preceeding five years). The hearing should also determine whether exchange traded funds should be required to include in their annual reports, prospectuses, and financial statements the same type of performance and financial information as is required of closed-end funds.

Statement of Interest

The Consumer Federation of America is a non-profit association founded in 1968 to advance the interests of consumers through advocacy and education. CFA's current membership is comprised of more than 260 national, state, and local pro-consumer organizations, which in turn represent more than 50 million consumers.

Recognizing the growing participation of American consumers in our nation's financial markets, CFA has made protecting the interests of individual investors an organization priority. The guiding principle behind CFA's work on these issues is that investors deserve effective protection from fraud, fair dealing from financial professionals, and full and timely disclosure of information relevant to their interests.

In keeping with these concerns, CFA has supported federal and state legislative and regulatory initiatives on a broad array of investor protection issues, including regulation of broker-dealers, financial planners, and investment advisers, as well as penny stock fraud, abuses associated with limited partnership rollups, rights to redress for victims of securities fraud (both in court and through arbitration), industry compensation practices, and plain English disclosure. As a result, CFA is considered the leading consumer organization in the nation on matters concerning investor protection.

I have enclosed proof of service upon applicants in the form of an affidavit.

Respectfully submitted,

Barbara Roper
Director of Investor Protection

cc: The Honorable Arthur Levitt
The Honorable Iassac C. Hunt, Jr.
The Honorable Norman S. Johnson
The Honorable Paul R. Carey
The Honorable Laura S. Unger
Paul F. Roye, Esq.