

S&P Global Timber & Forestry Index

EXCHANGE-TRADED PRODUCTS:

EXCHANGE-TRADED FUNDS (ETFs)

iShares S&P Global Timber & Forestry Index Fund

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Contact Us:

index_services@standardandpoors.com

New York	+1.212.438.2046
Toronto	+1.416.507.3200
London	+44.20.7176.8888
Tokyo	+813.4550.8463
Beijing	+86.10.6569.2919
Sydney	+61.2.9255.9870

For more information, including current data and index performance, visit our Web site:

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About the Index

The S&P Global Timber & Forestry Index is comprised of 25 of the largest publicly traded companies engaged in the ownership, management or the upstream supply chain of forests and timberlands.

These companies may be forest products companies, timber REITs, paper products companies, paper packaging companies, or agricultural product companies that are engaged in the ownership, management or the upstream supply chain of forests and timberlands.

The index is part of the S&P Global Thematic Indices, which is designed to provide liquid exposure to emerging investment themes that cut across traditional industry definitions and geographical boundaries. The series incorporates a unique selection and weighting scheme that provides diversified and tradable exposure for these themes.

Index Methodology

The S&P Index Committee follows a set of published guidelines for maintaining the index. Complete details of these guidelines are available on the Web site at www.indices.standardandpoors.com. The index is rebalanced semi-annually after the closing of the last trading dates of March and September of each year, when membership and initial constituent weights are set. There are no intra-year index additions, and intra-year deletions occur only because of delistings.

Index Membership

- *Universe*. All publicly listed companies in Standard & Poor's CapitalIQ (CIQ) database that have the following terms in their business description: Timber, Forest, Lumber, Wood, and/or Plantation. Their primary industry classification based on the Global Industry Classification Standard (GICS®) is considered in assigning exposure scores.
 - Companies that have a GICS classification of Specialized REITs or Forest Products and are primarily engaged in

the ownership or management of forests, timberlands or plantations are given an exposure score of 1.0.

- Companies are given an exposure score of 0.5 if they have a GICS classification of Paper Products or Paper Packaging and own or manage timberlands or pulp mills as a captive raw material source or have a GICS classification of Forest Products or Agricultural Products, with timber and forestry being an important but not the principal business.

Companies with exposure scores of 1.0 or 0.5 from the universe.

- *Investable Universe*. Stocks from the universe must have a developed market listing or an advance emerging market listing, a market capitalization of at least US\$ 250 million, and a 3-month daily value traded of more than US\$ 2 million, as of the reference date of the year.
- *Index Constituents*. The largest 25 stocks from the investable universe with an exposure score of 1.0 are selected as index members. If the count of stocks with an exposure score of 1.0 is less than 25, the largest stocks with an exposure score of 0.5 are selected until the count reaches 25.

Index Weightings

Constituent weights are driven by size, with no single stock having a weight of more than 8% in the index at each rebalancing. The index follows a modified market capitalization weighted scheme that caps single stock concentration at a predefined percentage, while maintaining greater weight to companies more purely exposed to the timber and forestry theme.

S&P Global Timber & Forestry Index

S&P Global Indices

S&P Global Indices
S&P Global Thematic Indices
S&P Global Timber & Forestry Index

December 31, 2008

Measures the performance of 25 of the largest publicly traded forest and timber companies.

Index Portfolio Characteristics

Number of Companies	25
Number of Countries	10
Adjusted Market Cap (\$ Billion)	51.87
Company Size By Market Cap (Adjusted \$ Billion):	
Average	2.07
Largest	6.51
Smallest	0.03
Median	1.03
% Weight Largest Company	8.99%
Top 10 Holdings (% Index Weight)	65.74%

Index Performance

	S&P Global Timber & Forestry Index	S&P Global 1200 Paper & Forest Products	S&P BMI Global Paper & Forest Products
Returns			
3 Month	-34.40%	-31.64%	-32.59%
YTD	-48.81%	-46.25%	-53.24%
Annualized Returns			
1 Year	-48.81%	-46.25%	-53.24%
3 Years	-11.81%	-14.90%	-18.62%
Annualized Risk			
3 Years Std Dev	23.93%	20.89%	22.35%
Sharpe Ratio			
3 Years	-0.5450	-0.8322	-0.9613

Top 10 Companies By Weight

Country	Company	Sedol	Index Weight
United States	Plum Creek Timber Co.	2692397	8.99%
United States	Rayonier Inc.	2473138	8.91%
Japan	Oji Paper Co.	6657701	7.78%
United States	Potlatch Corp.	B0XXJN1	6.75%
United States	Weyerhaeuser Corp.	2958936	6.49%
Canada	Sino-Forest Corporation	2810702	6.48%
Canada	West Fraser Timber	2951098	6.01%
Finland	UPM-Kymmene Oyj	5051252	4.92%
Canada	Canfor Corporation	B18P4F6	4.78%
Sweden	SCA - Svenska Cellulosa AB - B Shares	B1VVGZ5	4.64%

Country Weights & Number of Companies

Country	Country Weight	No. of Companies
Australia	3.32%	3
Brazil	4.19%	2
Canada	18.49%	4
Finland	9.51%	2
Japan	7.78%	1
Spain	1.66%	1
United States	40.83%	8
Hong Kong	1.27%	1
Sweden	8.78%	2
South Africa	4.17%	1

Tickers

S&P Global Timber & Forestry Index			
Price Return			
Bloomberg	SPGTTT	USD	
	SPGTTT	EUR	
Reuters	.SPGTTT	USD	
	.SPGTTT	EUR	
Total Return			
Bloomberg	SPGTTT	USD	
	SPGTTT	EUR	
Reuters	.SPGTTT	USD	
	.SPGTTT	EUR	

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