

EXCHANGE-TRADED PRODUCTS:

EXCHANGE-TRADED FUNDS (ETFs)

iShares S&P Latin America 40

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

www.indices.standardandpoors.com

About the Index

The S&P Latin America 40 is an equity index drawn from four major Latin American markets – Argentina, Brazil, Chile, and Mexico. It is designed for investors seeking broad market exposure through an index that is efficient to replicate.

The index constituents are leading, large, liquid, blue chip companies from the Latin American markets, capturing 70% of their total market capitalization. Because size, liquidity, and sector representation play a role in constituent eligibility, the index is highly investable. Investors can use the index to passively manage assets or benchmark an active portfolio.

Like the S&P 500 and five other regional indices, the S&P Latin America 40 is the Latin American component of the S&P Global 1200.

Index Methodology

The S&P Index Committee follows a set of published guidelines for maintaining the index. Complete details of these guidelines, including the criteria for index additions and removals, policy statements, and research papers are available on the Web site at www.indices.standardandpoors.com. These guidelines provide the transparency required and fairness needed to enable investors to replicate the index and achieve the same performance as the S&P Latin American 40.

CRITERIA FOR INDEX ADDITIONS

- **Market Capitalization.** Companies with market cap that falls in the top percentile of each local Latin American exchange.
- **Public Float.** An "Investable Weight Factor" (IWF) is applied to each company's share outstanding. Each company's IWF is adjusted for holdings by governments, corporations, strategic partners, and other private individuals.
- **Liquidity.** Index constituents are ranked according to liquidity, measured by dollar value traded. Generally, a minimum float turnover of 0.30 is necessary for inclusion.

- **Domicile.** A stock's domicile is determined based on a number of criteria that include headquarters of the company, registration, listing of stock, place of operations, and residence of the senior officers.
- **Eligible Securities.** All common and preferred shares (which are of an equity and not of a fixed income nature) are eligible. Convertible stock, bonds, warrants, rights, and preferred stock that provide a guaranteed fixed return are not eligible.
- **Share Changes.** All share changes of 5% and over are done at the effective date, or as soon as reliable information is available. Changes of less than 5% are applied on the third Friday of the last month of each calendar quarter.
- **Rebalancing.** Annual review in December.
- **Sector Classification.** Stocks are classified by the Global Industry Classification Standard (GICS®). Standard & Poor's global indices provide geographic and economic balance across the 10 GICS Sectors.

Continued index membership is not necessarily subject to these guidelines. The Index Committee strives to minimize unnecessary turnover in index membership and each removal is determined on a case-by-case basis.

CRITERIA FOR INDEX REMOVALS

- Companies that substantially violate one or more of the criteria for index inclusion.
- Companies involved in merger, acquisition, or significant restructuring such that they no longer meet the inclusion criteria.

S&P Global Indices

S&P Global 1200		
S&P 500 (U.S.)	S&P Europe 350	S&P/TOPIX 150 (Japan)
S&P/TSX 60 (Canada)	S&P Latin America 40	S&P Asia 50
S&P/ASX All Australian 50		

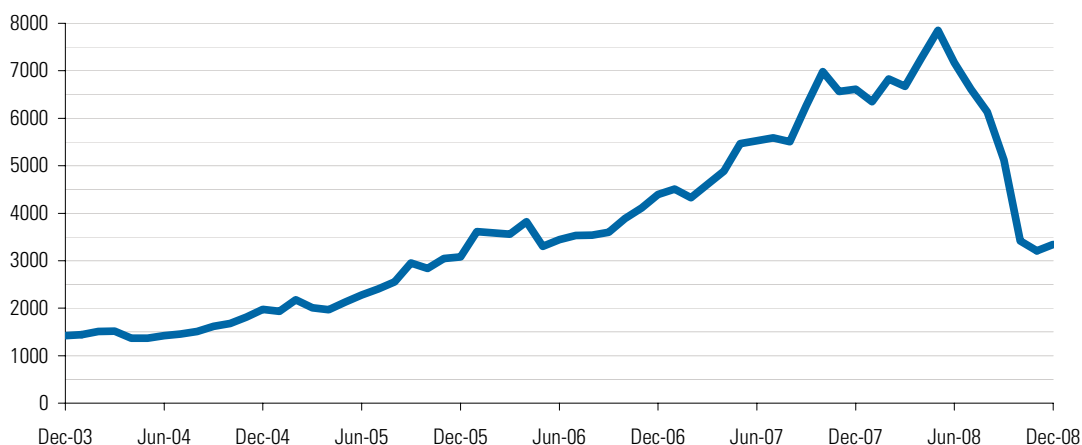
December 31, 2008

Includes highly liquid securities from major economic sectors of Mexican and South American equity markets.

Index Performance

Returns	1 Month	4.13%
	3 Month	-34.70%
	YTD	-49.44%
Annualized Returns	1 Year	-49.44%
	3 Years	2.75%
	5 Years	18.62%
Annualized	7 Years	16.91%
	3 Years Std Dev	32.81%
Risk	5 Years Std Dev	28.73%
Sharpe Ratio	3 Years	0.1492
	5 Years	0.6472

5 Year Historical Performance



Top 10 Companies By Weight

Country	Company	Float Adjusted Market Cap (\$ Million)	Index Weight	Sector Weight	Investable Weight Factor	GICS® Sector
Mexico	America Movil, S.A. de C.V. - Series L	34,054.6	13.86%	75.32%	0.66	Telecommunication Services
Brazil	Petrobras -PN (Petroleo Brasileiro SA) (ADR)	31,912.2	12.98%	85.39%	0.85	Energy
Brazil	Vale R Doce-PNA (Companhia Vale do Rio Doce SA-CVRL)	22,456.4	9.14%	35.33%	1.00	Materials
Brazil	Vale R Doce - ON (Companhia Vale do Rio Doce SA-CVRL)	18,816.3	7.66%	29.61%	0.48	Materials
Brazil	Bradesco-PN (ADR)	15,149.8	6.16%	37.82%	1.00	Financials
Brazil	Itaubanco-PN (Bco Itau Hldg Financeira) (ADR)	15,089.2	6.14%	37.66%	0.88	Financials
Brazil	Unibanco -UNIT (Uniao de Bancos Brasileiros SA) (ADR)	7,610.1	3.10%	19.00%	1.00	Financials
Mexico	Cemex S.A. de C.V. -CPO	7,429.5	3.02%	11.69%	1.00	Materials
Mexico	Wal-Mart de Mexico, S.A. de C.V. -Serie V	7,193.0	2.93%	27.81%	0.32	Consumer Staples
Brazil	AmBev -PN (ADR)	6,915.9	2.81%	26.74%	0.58	Consumer Staples

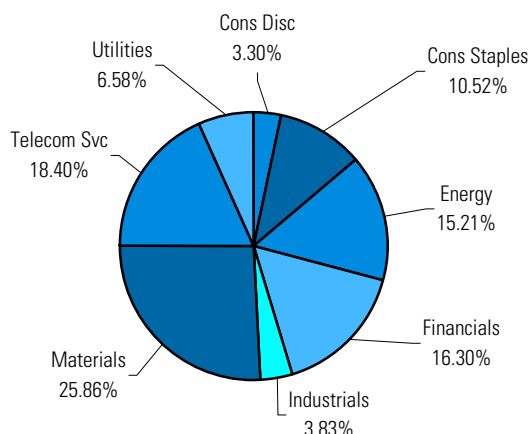
Country Coverage

Country	Weight	No. of Co.'s
Argentina	2.22%	2
Brazil	59.57%	18
Chile	8.93%	10
Mexico	29.28%	10

Tickers

S&P Latin America 40	
BLOOMBERG SM	SPLAC
Reuters	.SPLAC

Sector Breakdown



Index Portfolio Characteristics

Number of Companies	40
Number of Countries	4
Adjusted Market Cap (\$ Billion)	245.77
Company Size By Market Cap (Adjusted \$ Billion):	
Average	6.14
Largest	34.05
Smallest	0.55
Median	3.48
% Weight Largest Company	13.86%
Top 10 Holdings (% Market Cap Share)	67.80%