

## EXCHANGE-TRADED PRODUCTS:

### EXCHANGE-TRADED FUNDS (ETFs)

iShares CDN SmallCap Index Fund

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

[www.indices.standardandpoors.com](http://www.indices.standardandpoors.com)

## About the Index

The S&P/TSX SmallCap Index was created to address the needs of investment managers requiring a portfolio index of the small cap market segment of the Canadian equity market. In March 2007, following extensive consultation with numerous small cap investment managers and the Canadian Index Advisory Panel<sup>1</sup>, the S&P/TSX SmallCap Index was redeveloped with new inclusion criteria designed to capture the appropriate investment opportunity set for small cap investment managers.

The S&P/TSX SmallCap Index serves the dual purpose of a benchmark as well as an investable index. The index offers the broad representation of benchmark indices while maintaining the liquidity characteristics of narrower indices. Since adequate liquidity is a prerequisite for all index constituents, this allows for efficient portfolio replication and minimal tracking error.

### Index Methodology

The float adjusted and market cap weighted S&P/TSX SmallCap Index is maintained by the S&P/TSX Index Committee which draws on the significant experience in index management of its members at a local and global level. Comprised of four members from Standard & Poor's and three from the Toronto Stock Exchange (TSX), the Committee follows a set of published guidelines for maintaining the index. Additional information and complete details of these guidelines are available on our Web site at [www.indices.standardandpoors.com](http://www.indices.standardandpoors.com).

### CRITERIA FOR INDEX ADDITIONS

- *Eligibility.* Only securities listed on the Toronto Stock Exchange for at least 12 full calendar months are eligible for inclusion.
- *Listing.* Securities must be listed on the Toronto Stock Exchange.

- *Domicile.* Only securities which are Canadian incorporated, established in the case of income trusts, or formed in the case of limited partnerships, under Canadian federal, provincial, or territorial jurisdictions are eligible.
- *Market Capitalization.* A company's float adjusted market capitalization is calculated by removing control blocks of 10% or more. Securities must be between C\$ 100 million and C\$ 1.5 billion in market capitalization and must have a minimum volume weighted average price of C\$ 1 over the last three trading days of the month-end prior to the Annual Review.
- *Liquidity.* Only stocks that are actively and regularly traded are considered for inclusion in any S&P/TSX index. A security's dollar value traded must be at least 0.10% of the sum of all eligible securities' dollar value traded for the 12 months preceding its consideration as an index candidate. In addition, a security must not have more than 25 non-trading days, and the float turnover ratio must be at least 0.20.

### CRITERIA FOR INDEX DELETIONS

Securities will be removed from the index if they:

- Substantially violate one or more of the requirements for continued inclusion.
- Are involved in mergers, acquisitions, or significant restructuring such that they no longer qualify for inclusion.

<sup>1</sup> Includes leading institutional investors, asset managers, and brokerage firms.

## S&P Global Indices

S&P/TSX Composite and S&P Global Equity Indices				
Equity Indices	Income Trust Indices	GICS® Indices	Market Cap Indices	Alternative Indices
<b>S&amp;P/TSX SmallCap Index</b>				

December 31, 2008

An investable index that provides investors with a broad and representative benchmark for small caps in Canada.

### Index Performance

<b>Returns</b>	1 Month	6.47%
	3 Month	-26.79%
	YTD	-45.49%
<b>Annualized Returns</b>	1 Year	-45.49%
	3 Year	-15.01%
	5 Year	-6.28%
<b>Annualized Risk</b>	3 Years Std Dev	23.49%
	5 Years Std Dev	20.27%
<b>Sharpe Ratio</b>	3 Years	-0.7207
	5 Years	-0.3633

### 5 Year Historical Performance



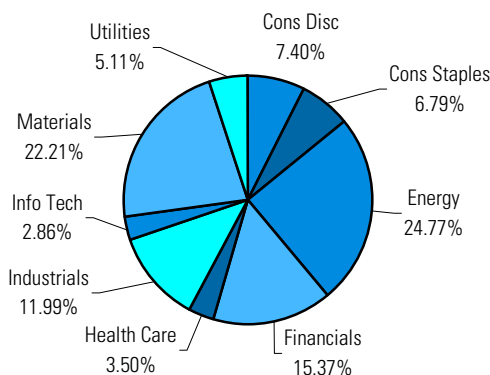
### Top 10 Companies By Weight

Country	Company	Float Adjusted Market Cap (CAN \$ Million)	Index Weight	Sector Weight	Investable Weight Factor	GICS® Sector
Canada	Red Back Mining Inc.	1,575.96	2.28%	10.27%	0.89	Materials
Canada	STANTEC INC.	1,370.08	1.98%	16.54%	1.00	Industrials
Canada	EMPIRE COMPANY LTD. CL 'A' NV	1,204.95	1.74%	25.67%	0.78	Consumer Staples
Canada	CML HEALTHCARE INCOME FUND TRUST UNITS	1,151.30	1.67%	47.63%	1.00	Health Care
Canada	KEYERA FACILITIES INCOME FUND TRUST UNITS	1,119.00	1.62%	6.54%	1.00	Energy
Canada	CDN APARTMENT PROP REAL EST INV TR UNITS	1,055.19	1.53%	9.93%	1.00	Financials
Canada	JEAN COUTU GROUP (PJC) INC. (THE) CL 'A' SV	998.40	1.45%	21.27%	1.00	Consumer Staples
Canada	FORT CHICAGO ENERGY PARTNERS L.P. CL 'A' UN	968.28	1.40%	5.66%	1.00	Energy
Canada	SUPERIOR PLUS INCOME FUND TRUST UNITS	966.86	1.40%	11.67%	1.00	Industrials
Canada	ENERGY SAVINGS INCOME FUND UNITS	927.75	1.34%	26.27%	1.00	Utilities

### Tickers

S&P/TSX SmallCap Index		
Bloomberg	SPTSXS	CAN
Reuters	.SPTSES	CAN
S&P/TSX Equity SmallCap Index		
Bloomberg	TXES	CAN
Reuters	.GSPTXES	CAN

### Sector Breakdown



### Index Portfolio Characteristics

Number of Companies	208
Total Market Cap (CAN \$ Billion)	69.09
Company Size By Market Cap (Total CAN \$ Billion):	
Average	0.33
Largest	1.58
Smallest	0.02
Median	0.24
% Weight Largest Company	2.28%
Top 10 Holdings (% Index Weight)	16.41%