

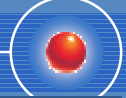
Own Your Share.

i | Shares

International ETFs: Advantages and Outlook

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Barclays Global Investors Services

Closed-end Country Funds and
Global ETF Conference
April 9, 2002



International ETF's provide diverse building blocks

Current International iShares Line-up

Broad-based	Developed Markets		Emerging Markets	Global Sectors	Regionals
EAFE	France	Japan	Mexico	Energy	Pacific ex-Japan
S&P Global 100	Germany	Hong Kong	Brazil	Financial	EMU
	Austria	Australia	Malaysia	Healthcare	Latin America 40
	Belgium	Canada	Taiwan	Technology	EUROPE 350
	Italy	Singapore	South Korea	Telecommunication	
	Netherlands	Topix150			
	Spain	TSE 60			
	Sweden				
	Switzerland				
	United Kingdom				
				MSCI Index Series	
				S&P Global Index Series	

ETFs may provide distinct advantages for international investing

Efficient investment vehicle:

- Index ETFs are designed to closely track a market index/segment

Efficient trading vehicle:

- Little premium/discount compared to closed-end funds*

Transparent:

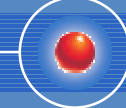
- You know what you're buying

*Redemption for underlying portfolio at NAV addresses premiums and discounts (unlike closed end funds). iShares may be sold throughout the day on the exchange through any brokerage account. However, iShares may only be redeemed directly from the fund by Authorized Participants, in very large creation/redemption units.

Efficient investment vehicle: Expense ratios are low

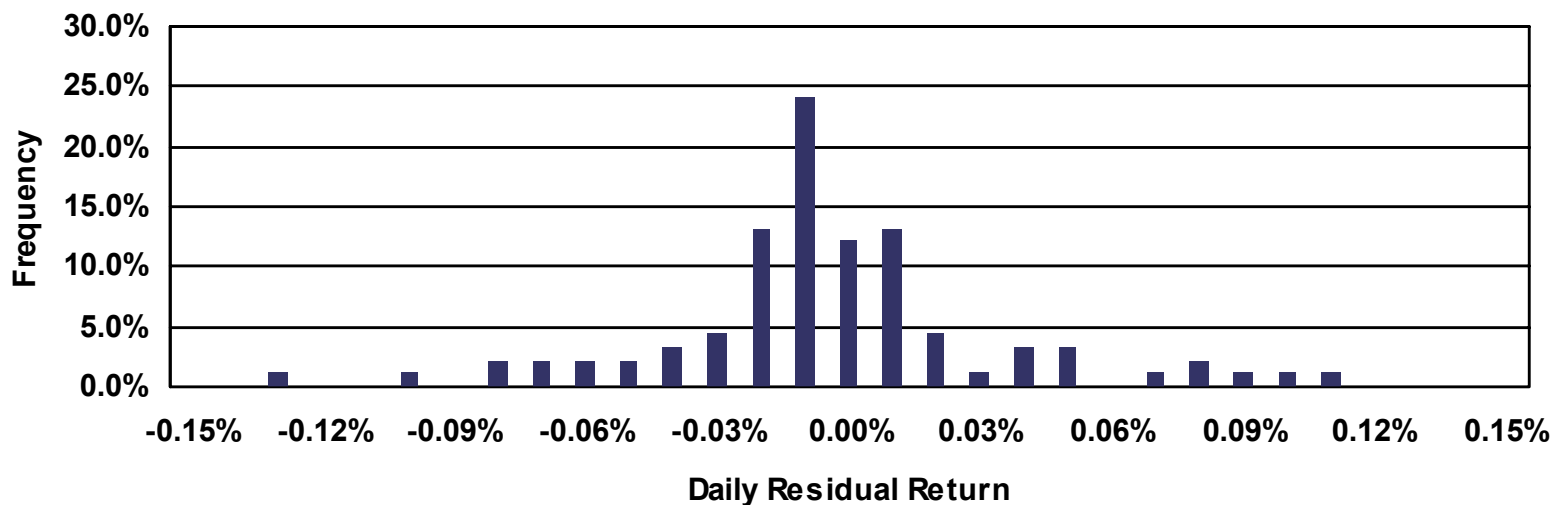
Fund category	Avg. active fund(bps)	Avg. index fund(bps)	ETF(bps)	
International	187	86	72	➤ International iShares excluding emerging markets
Emerging markets	231	58	93	➤ iShares MSCI emerging markets series

The annual management fees of iShares may be substantially less than those of most mutual funds. iShares transactions will result in brokerage commissions, but the savings from lower annual fees can help offset these costs. Source: Morningstar, BGI Analysis. As of 12/01.



Efficient investment vehicle: EFA tightly tracks benchmark

Distribution of Daily Residual Return
Since Inception



Analysis period: August 15, 2001 through Feb 14, 2002

Daily residual return defined as (fund return – MSCI Provisional EAFE index return)

Efficient trading vehicle: Tight trading spreads, low settlement cost

Average Spread (bp)

Broad-based international/global iShares 38

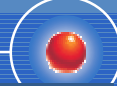
iShares MSCI EAFE Index Fund	EFA	30
iShares S&P Global 100	IOO	36
iShares S&P Global Energy Sector	IXC	31
iShares S&P Global Financial Sector	IXG	32
iShares S&P Global Healthcare Sector	IXJ	51
iShares S&P Global Information Technology Sector	IXN	41
iShares S&P Global Telecommunications Sector	IXP	45

Regional iShares 55

iShares MSCI-EMU	EZU	62
iShares S&P Europe 350 Index	IEV	56
iShares S&P Latin America 40 Index Fund	ILF	57
iShares MSCI Pacific ex-Japan Index Fund	EPP	44

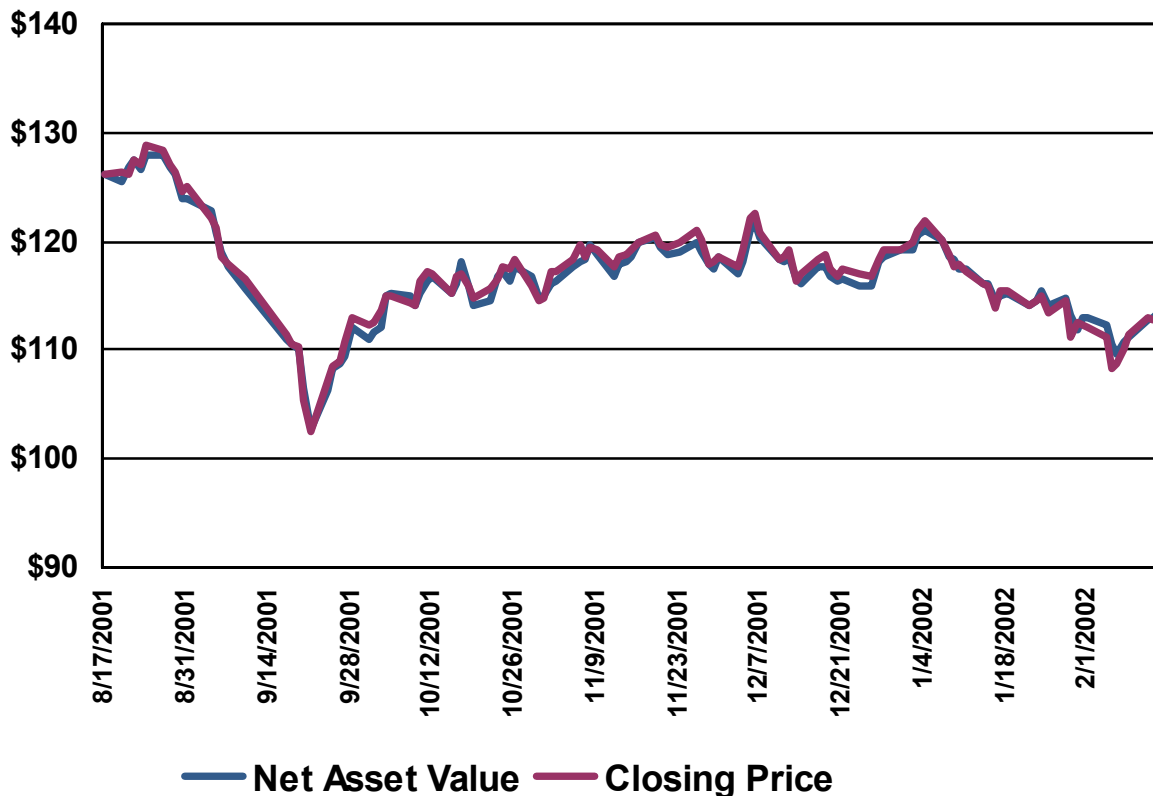
Spread & Quoted Size are taken from the selection of six trading days (every third day) over the month of January 2002. The listed Spread and Trading Size are a collective average of these six time periods. The Spread in Basis Points is determined by dividing the average Spread by the last reported trade price for the month and then multiplying by 10,000.

Trading spreads shown are for broad-based and regional iShares only and are not indicative of the trading spreads for the single-country international iShares.



Effective trading vehicle: EFA has traded close to NAV

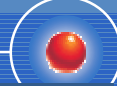
Analysis period: Aug 15, 2001 through Feb 14, 2002



Source: BGI; Analysis period: Aug 15, 2001 through Feb 14, 2002.

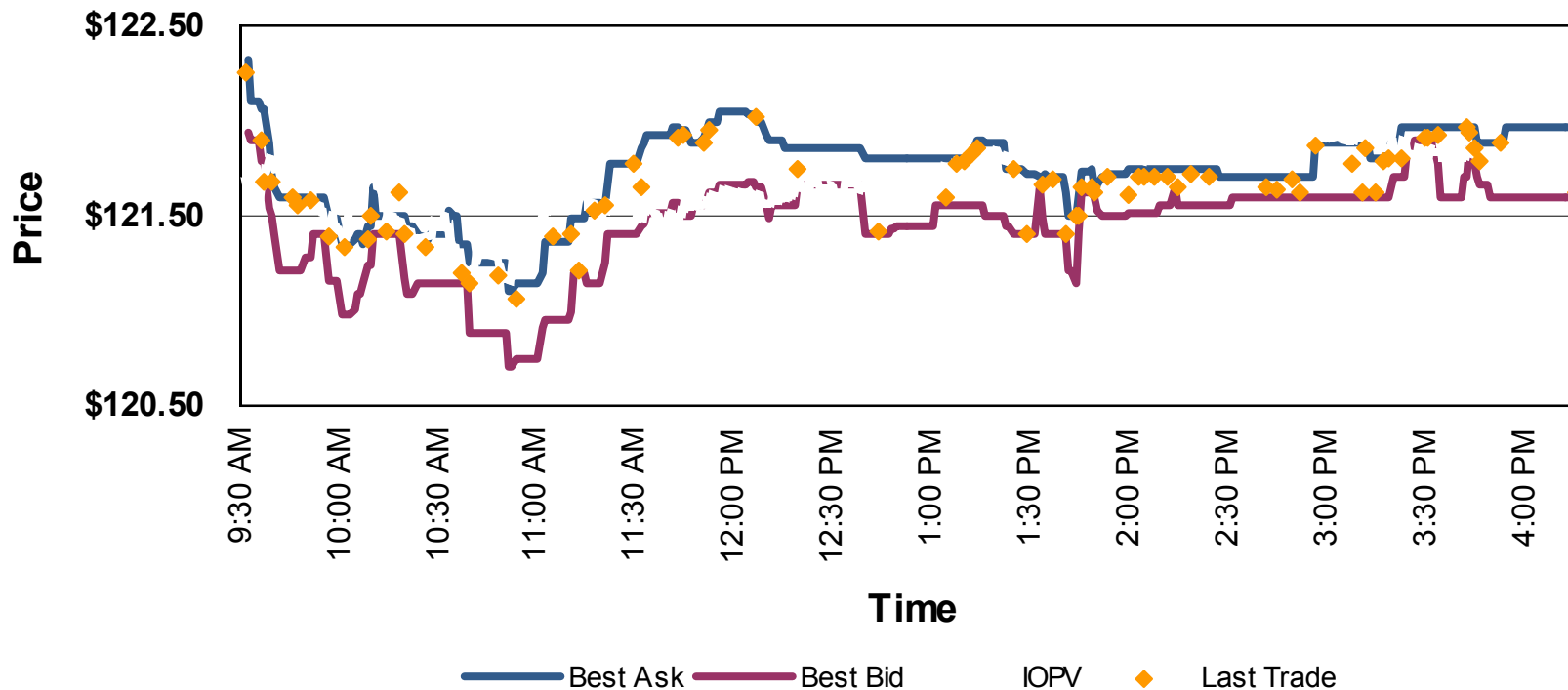
Fund return since inception through Mar 31, 2002 is -5.36%.

Past performance is no guarantee of future results. For additional EFA intraday market data, please see www.ishares.com.



Effective trading vehicle: EFA has traded close to NAV

EFA intraday market on March 7, 2002



Source: BGI

Past performance is no guarantee of future results. For additional EFA intraday market data, please see www.ishares.com.

Effective trading vehicle: EFA offers alternative to futures basket

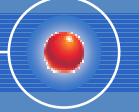
(Basis points)	iShares EAFE	Futures Basket*
Commissions**	5	13
Market impact**	30	16
Residual risk***	18	164
Futures mistracking (rich/cheapness, roll risk)**		14

* *Futures basket uses the following contracts: Eurostoxx 50, FTSE 100, Topix, SPI 200 and is weighted according to market cap.*

** *Analysis assuming round trip costs and one-year holding period.*

*** *Source: BARRA Global Equity Model 2002*

Source: BGI as of March 2002.



Outlook of International ETFs

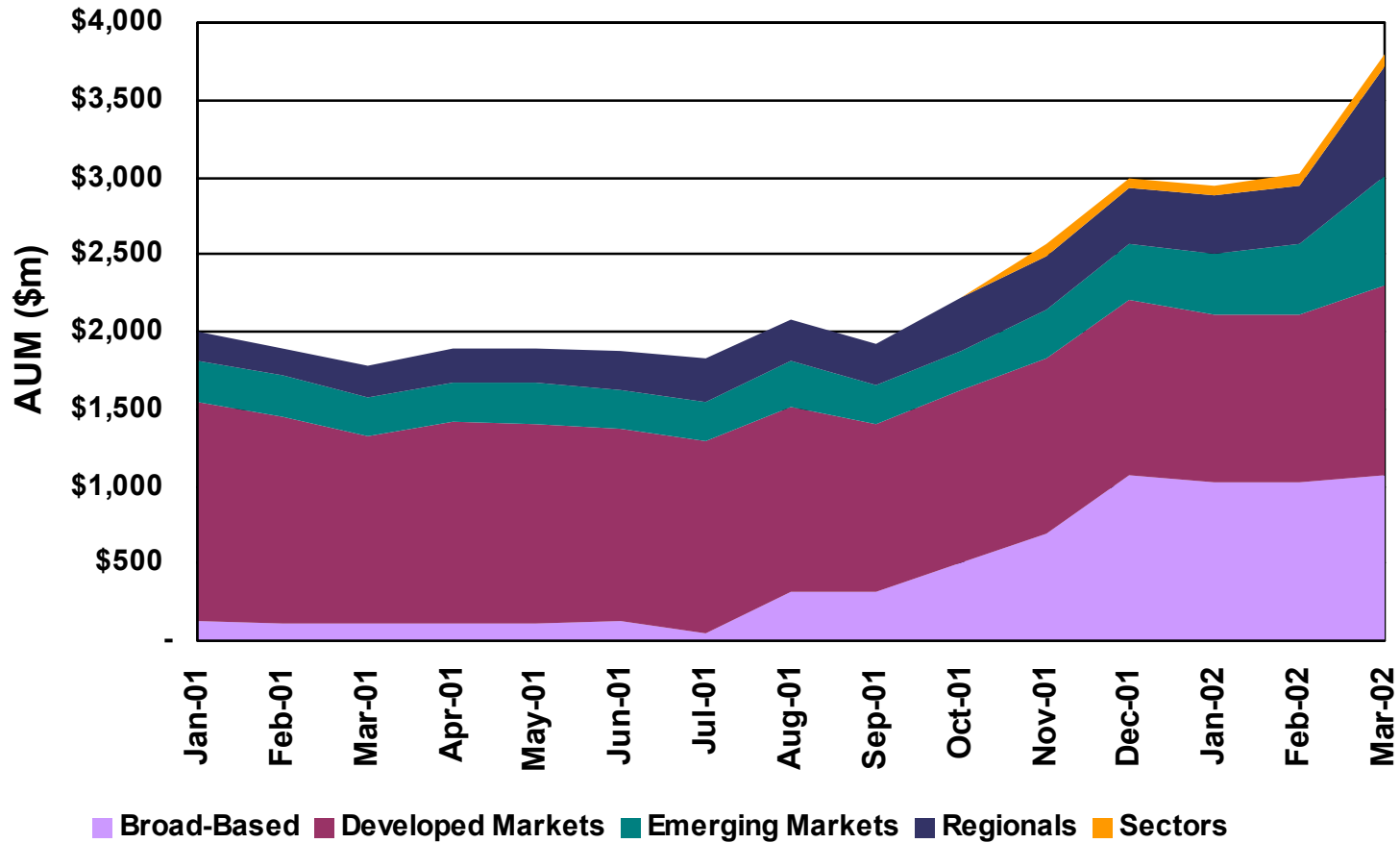
Asset growth fueled by broad-based and regional/emerging market funds

Integrated benchmarks easily achieved

Utilization of country/region/sector products to manage customized exposure



Asset growth fueled by broad-based and regional/emerging market funds



Source: BGI as of Mar 28, 2002

Asset growth fueled by broad-based and regional/emerging market funds

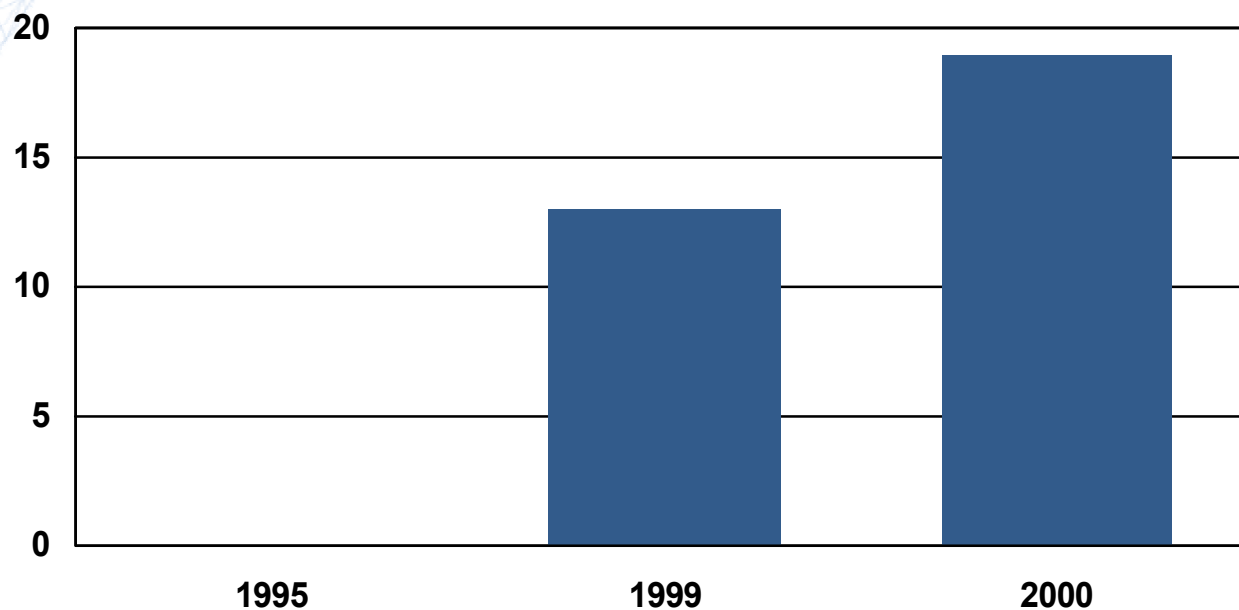
Top 10 international ETFs by AUM

iShares MSCI-EAFE	EFA	\$1,044,556,000
iShares MSCI-Japan	EWJ	\$494,516,410
iShares S&P Europe 350	IEV	\$274,815,000
iShares MSCI-Mexico	EWW	\$175,235,000
iShares MSCI-Taiwan	EWT	\$167,923,000
iShares MSCI-Brazil	EWZ	\$129,010,000
iShares MSCI-U.K.	EWU	\$123,074,650
iShares MSCI-Germany	EWG	\$120,915,500
iShares MSCI-Singapore	EWS	\$106,590,000
iShares MSCI-South Korea	EWY	\$100,924,000

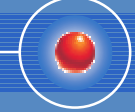
Source: BGI as of March 15, 2002

Investors increasingly adopt integrated benchmarks

% of ACWI ex-US in active international institutional mandates



Source: InterSec.



iShares can be used to achieve integrated exposure

Targeted benchmark:

S&P 1200

iShares S&P 500	62.36%
iShares S&P Europe 350	26.63%
iShares S&P/TOPIX 150	5.75%
iShares MSCI Pacific ex-Japan Index Fund	2.08%
iShares S&P/TSE 60	1.53%
iShares MSCI South Korea	0.58%
iShares S&P Latin 40	0.54%
iShares MSCI Taiwan	0.53%

Residual risk 0.20%

ACWI

iShares S&P 500	59.21%
iShares MSCI EAFE	35.53%
iShares MSCI Canada	2.46%
iShares S&P Latin 40	1.12%
iShares MSCI South Korea	0.88%
iShares MSCI Taiwan	0.79%

Residual risk 0.45%

Fund weightings based on optimization of country indexes. Indexes do not incur management costs, fees or expenses.

One cannot invest directly in an index.

As of 2/02.

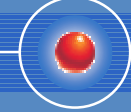
Source: BARRA Global Equity model.



International ETFs

ETF mechanism brings efficiency and transparency to international investing

Product set has broad appeal to both institutional and retail investors



Disclosure

iShares are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as an advisor to iShares. Barclays Global Investors Services (BGIS) assists in the marketing of iShares. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI. This information must be preceded or accompanied by a current prospectus. Investors should read it carefully before investing or sending money.

This presentation is not an offer to sell or a solicitation of an offer to buy shares of any of the other funds described herein or an offer to purchase or sell futures contracts.

Although BGI believes that market makers will take advantage of differences between the NAV and the trading price of iShares through arbitrage opportunities, BGI cannot guarantee that they will do so.

iShares may be sold throughout the day on the exchange through any brokerage account. However, iShares may only be redeemed directly from the fund by Authorized Participants, in very large creation/redemption units.

Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Past performance does not guarantee future results. iShares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Performance is calculated at NAV. Brokerage commissions will reduce returns.

**For complete information
(800) iShares / www.iShares.com**

There are risks involved with investing, including possible loss of principal. In addition to the normal risks associated with equity investing, narrowly focused investments, investments in smaller companies and investments in single countries typically exhibit higher volatility. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity.

iShares transactions will result in brokerage commissions and will generate tax consequences. Mutual funds and iShares are obliged to distribute portfolio gains to shareholders.

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