

SECTOR INDEX OVERVIEW

As of JUNE 30, 2005

This data aggregates important fundamental characteristics of the individual components of the Dow Jones U.S. Total Market Index (DJTM). It can assist in making intra-sector decisions in numerous portfolio management strategies, including:

- Overweight or underweight sectors versus the DJTM
—Express a market bias relative to the broad market
- Tactical, relative-value investments
—Various metrics allow for current and historical valuation comparisons
- Determine where active risk budget may be most opportunistically spent
—High large-cap weight may suggest indexing versus individual stock selection

Index Name	iShares Ticker	DJTM (%)	# Issues	Market Cap (\$B)	Large-Cap (%)	Mid-Cap (%)	Small-Cap (%)	Dividend Yield (%)	Trailing P/E 1 Year Ago	Trailing* P/E	Projected* P/E	P/B	P/CF	Beta ^f	St. Dev
Dow Jones U.S. Basic Materials Index	IYM	2.74	74	352.18	59.54	24.68	15.78	2.20	24.08	17.45	15.29	2.54	9.07	1.07	21.92
Dow Jones U.S. Consumer Goods Index	IYK	9.20	155	1,182.31	71.65	21.05	7.30	2.23	19.61	17.52	15.86	3.73	12.62	0.64	13.70
Dow Jones U.S. Consumer Services Index	IYC	13.46	254	1,730.36	71.11	20.51	8.38	0.73	20.86	20.90	17.64	2.96	12.49	1.05	19.79
Dow Jones U.S. Financials Index	IYF	20.76	297	2,667.55	73.15	19.52	7.33	2.73	14.26	13.83	12.11	2.12	8.62	1.03	19.32
Dow Jones U.S. Health Care Index	IYH	12.91	177	1,658.83	79.95	13.43	6.62	1.34	20.25	19.11	17.37	4.00	14.69	0.85	17.88
Dow Jones U.S. Industrials Index	IYJ	11.94	246	1,534.88	68.86	20.48	10.66	1.65	22.58	19.43	16.03	2.90	11.77	1.04	19.18
Dow Jones U.S. Oil & Gas Index	IYE	8.50	82	1,092.95	77.70	17.06	5.24	1.54	15.50	14.85	12.87	2.87	8.97	0.84	21.54
Dow Jones U.S. Technology Index	IYW	13.96	254	1,793.55	78.50	14.56	6.94	0.58	27.38	21.42	18.37	3.62	14.43	1.40	28.24
Dow Jones U.S. Telecommunications Index	IYZ	2.90	24	372.25	87.10	12.17	0.73	3.54	14.86	16.23	14.87	2.31	6.84	1.03	24.90
Dow Jones U.S. Utilities Index	IDU	3.63	73	467.02	54.37	35.38	10.25	3.33	14.64	17.62	15.63	2.05	7.53	0.73	19.39
Dow Jones U.S. Total Market Index	IYY	100	1,636	12,851.88	73.59	18.73	7.69	1.74	18.80	17.47	15.24	2.84	10.88	1.00	17.60

The DJTM is designed to represent 95% of the investable US equity market. Stocks that trade on all major US exchanges are eligible for inclusion. The DJTM is comprised of ten economic sectors and historically has held approximately 1,600 securities. The Index construction methodology offers the following benefits:

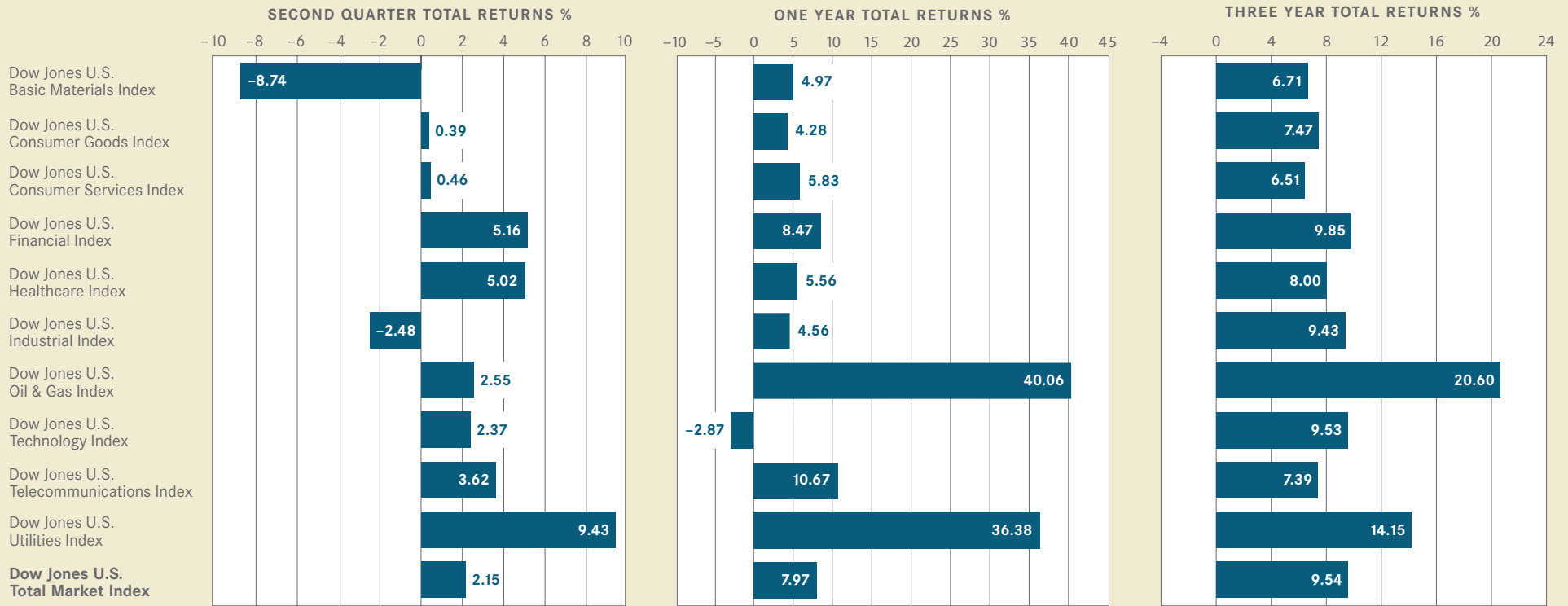
- Complete asset class representation
—Provides consistent coverage of large-cap, mid-cap and small-cap stocks
- Float-adjusted market capitalization
—Accurately represents the “investable” shares available for public purchase
- Quarterly component review
—Clearly stated rule-based regular review provides transparency and ensures investability of the Index.

Source: Dow Jones. Index dividend yield does not represent iShares dividend yield.

* Trailing and projected P/E data includes negative earnings figures. All earnings data obtained from International Brokers Estimate System (I/B/E/S). ^f Beta calculated using daily DJTM total-return values from 6/30/02 to 6/30/05.

SECTOR INDEX PERFORMANCE

As of JUNE 30, 2005



Index returns are provided for illustration only and are not indicative of iShares Funds performance. For actual iShares Funds performance, please call 1 800 iShares or visit www.iShares.com.

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In addition to the normal risks associated with equity investing, narrowly focused investments typically exhibit higher volatility.

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