

**FOR IMMEDIATE RELEASE**

**Barclays Global Investors Announces Launch of Nine iShares® Morningstar Index Exchange Traded Funds**

SAN FRANCISCO, July 2 , 2004 — Barclays Global Investors, N.A. today announced that nine iShares Morningstar Index exchange traded funds (ETFs) would begin trading today on the New York Stock Exchange. The Morningstar Indexes track the U. S. market by capitalization and investment style and are based on the proprietary methodology of the Morningstar Style Box™. With expense ratios ranging from 0.20%-0.30%, the ETFs are:

iShares Morningstar Large Value Index Fund (ticker: JKF)  
iShares Morningstar Large Growth Index Fund (ticker: JKE)  
iShares Morningstar Large Core Index Fund (ticker: JKD)  
iShares Morningstar Mid Value Index Fund (ticker: JKI)  
iShares Morningstar Mid Growth Index Fund (ticker: JKH)  
iShares Morningstar Mid Core Index Fund (ticker: JKG)  
iShares Morningstar Small Value Index Fund (ticker: JKL)  
iShares Morningstar Small Growth Index Fund (ticker: JKK)  
iShares Morningstar Small Core Index Fund (ticker: JKJ)

“Barclays Global Investors and Morningstar are working together to help investors and advisors build better portfolios,” said Lee Kranefuss, CEO of BGI’s Intermediary Business. “Many use Morningstar’s research and determine a target portfolio asset allocation based on the Morningstar Style Box™. Now they can implement that allocation using the iShares Morningstar Index ETFs.”

The Morningstar Indexes were constructed as a complete, integrated system with each index representing a unique opportunity to invest in distinct and non-overlapping areas of the market. Morningstar determines the investment style of each underlying security using a 10-factor methodology that separately evaluates value and growth characteristics based on historical and forward-looking financial measures. The Morningstar US Market Index achieves a very broad total market representation — approximately 97% of the total investable universe of the U.S. equity market (Source: Morningstar, Inc., 6/18/04).

The iShares Funds are index funds that are bought and sold like common stocks on securities exchanges. The iShares Funds are attractive to many individual and institutional investors and financial intermediaries because of their relatively low cost, tax efficiency and trading flexibility. Investors can purchase and sell shares through any brokerage firm, financial advisor, or online broker, and hold the funds in any type of brokerage account. **To determine if the fund(s) are an appropriate investment for you, carefully consider the funds' investment objectives, risk factors and charges and expenses before investing. This and other information can be found in the funds' prospectuses, which may be obtained by calling 1-800-iShares or by visiting [www.ishares.com](http://www.ishares.com). Read the prospectus carefully before investing.**

Barclays Global Investors is one of the world's largest asset managers<sup>1</sup> providing structured investment strategies such as risk-controlled active strategies and indexing. In the US, BGI is one of the largest active managers,<sup>2</sup> set apart by its risk-controlled approach. BGI managed over \$1.1 trillion in assets as of 3/31/03, and over 2,300 funds for more than 2,500 clients in 47 countries around the world. BGI is an innovator in investment management, applying science and technology to the investment process. BGI has over 2,000 employees worldwide and is owned by Barclays PLC, one of the UK's largest companies, and one of the world's leading global financial services providers.

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The iShares Funds are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as the investment advisor to the iShares Funds. Barclays Global Investor Services (BGIS) assists in the marketing of the iShares Funds. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI

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<sup>1</sup> Source: "P&I/Watson Wyatt Mega Managers," Pensions & Investments, September 01, 2003.

<sup>2</sup> Source: "Special Report: Money Manager Directory," Pensions & Investments, May 26, 2003.

**Investing involves risk, including possible loss of principal.** iShares transactions will result in brokerage commissions and will generate tax consequences. Mutual funds and the iShares Funds are obliged to distribute portfolio gains to shareholders. Shares of each iShares Fund may be sold throughout the day on the exchange through any brokerage account. However, shares of each iShares Fund may only be redeemed directly from the fund by Authorized Participants, in very large creation/redemption units.

The iShares Funds are not sponsored, endorsed, sold or promoted by Morningstar, and Morningstar makes no representation regarding the advisability of investing in iShares.

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