

SERIES ADJUSTMENTS - 2004-109
ONN INFORMATION CIRCULAR # 817
December 27, 2004

iShares S&P -100 Index Fund (OEF)
Special Cash Distribution
Ex-Distribution Date: 12/27/2004

On July 20, 2004, Microsoft Corporation (MSFT), a component of the iShares S&P 100 Index Fund (OEF), announced a special cash dividend of \$3.00 per MSFT Common Share. As a result, the iShares S&P 100 Index Fund will distribute **.326081** cash per OEF share to OEF Fund Holders. The record date is December 29, 2004; payable date is December 31, 2004. The ex-distribution date is Monday, December 27, 2004

Contract Adjustments:

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all iShares S&P-100 Index Fund options will be adjusted as follows:

Adjustment Date:	Effective with exercises of Monday, December 27, 2004 and thereafter.
ISE Underlying Symbol(s):	Unchanged - OEF
OPRA Option Symbol(s):	Unchanged - IOE/OEG/OEK/OEF
LEAP Option Symbol (s):	Unchanged - OHW
No. of Contracts:	Unchanged
Strike Prices:	Strike prices will be reduced by 3/8.
Multiplier:	100 (e.g., Premium of 1.00 = \$100)
New Deliverable/Contract:	Unchanged - 100 iShares S&P 100 Index Fund (OEF) Shares

GTC Order Cancellation:

On Thursday, December 23, 2004, immediately after the ISE close, all resting orders in the OEF order book will be cancelled.

Position and Exercise Limits:

The ISE Surveillance Department has determined that position and exercise limits following this special cash dividend will remain unchanged.

Adjusted Exercise Prices:

On Monday, December 27, 2004, the ex-distribution date, trading in OEF series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional OEF series added prior to the ex-date will also be adjusted.

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.