

**2009 SEMI-ANNUAL REPORT TO SHAREHOLDERS**  
**iSHARES® MSCI SERIES**  
**FEBRUARY 28, 2009**

» *Would you prefer to receive materials like this electronically?  
See inside cover for details.*

iShares MSCI Emerging Markets Index Fund





Dear iShares Shareholder:

Electronic delivery is the easiest, most convenient way to receive reporting on your iShares holdings. In addition, it's a way we can all care for our environment. To that end, we are pleased to offer shareholder reports and prospectuses online.

To sign up for electronic delivery, please follow these simple steps:

1. Go to [www.icsdelivery.com](http://www.icsdelivery.com).
2. From the main page, select the first letter of your brokerage firm's name.
3. Select your brokerage institution from the list that follows. If your brokerage firm is not listed, electronic delivery may not be available. Please contact your brokerage firm or financial adviser.
4. Fill out the appropriate information and provide the e-mail address where you would like your information sent.

Your information and email address will be kept confidential and only used to deliver documents to you. If at any time you are not satisfied, you can cancel electronic delivery at [www.icsdelivery.com](http://www.icsdelivery.com) and once again receive physical delivery of your materials. If you have any questions, please contact your brokerage firm or financial adviser.

Once you have enrolled, you will no longer receive prospectuses and shareholder reports in the mail. Instead, you will receive e-mail notifications announcing that the shareholder report or prospectus has been posted on the iShares website at [www.iShares.com](http://www.iShares.com).

# Table of Contents

Fund Performance Overview .....	1
Shareholder Expenses .....	2
Schedule of Investments .....	3
Financial Statements .....	11
Financial Highlights .....	14
Notes to Financial Statements .....	15
iShares Family of Funds .....	25

THIS PAGE INTENTIONALLY LEFT BLANK.

# Fund Performance Overview

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

Performance as of February 28, 2009

The iShares MSCI Emerging Markets Index Fund (the “Fund”) seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Emerging Markets Index<sup>SM</sup> (the “Index”). The Index is designed to measure equity market performance in the global emerging markets. The Fund invests in a representative sample of securities included in the Index that collectively has an investment profile similar to the Index. Due to the use of representative sampling, the Fund may or may not hold all of the securities that are included in the Index. For the six-month period ended February 28, 2009, the total return for the Fund was (45.83)%, while the total return for the Index was (47.28)%.

### Average Annual Total Returns

Year Ended 2/28/09			Five Years Ended 2/28/09			Inception to 2/28/09		
NAV	MARKET	INDEX	NAV	MARKET	INDEX	NAV	MARKET	INDEX
(53.52)%	(53.20)%	(56.17)%	3.73%	3.41%	3.36%	13.05%	12.92%	12.49%

### Cumulative Total Returns

Year Ended 2/28/09			Five Years Ended 2/28/09			Inception to 2/28/09		
NAV	MARKET	INDEX	NAV	MARKET	INDEX	NAV	MARKET	INDEX
(53.52)%	(53.20)%	(56.17)%	20.11%	18.24%	17.96%	106.15%	104.73%	100.28%

Total returns for the period since inception are calculated from the inception date of the Fund (4/7/03). “Average Annual Total Returns” represent the average annual change in value of an investment over the period(s) indicated. “Cumulative Total Returns” represent the total change in value of an investment over the period(s) indicated.

The Fund’s per share net asset value or “NAV” is the value of one share of the Fund as calculated in accordance with the standard formula for valuing mutual fund shares. The NAV return is based on the NAV of the Fund and the market return is based on the market price per share of the Fund. The price used to calculate market return (“Market Price”) is determined by using the midpoint between the highest bid and the lowest offer on the primary stock exchange on which the shares of the Fund are listed for trading, as of the time that the Fund’s NAV is calculated. Since shares of the Fund did not trade in the secondary market until after the Fund’s inception, for the period from inception to the first day of secondary market trading in shares of the Fund (4/11/03), the NAV of the Fund is used as a proxy for the Market Price to calculate market returns. Market and NAV returns assume that dividends and capital gain distributions have been reinvested in the Fund at Market Price and NAV, respectively.

An index is a statistical composite that tracks a specified financial market or sector. Unlike the Fund, an index does not actually hold a portfolio of securities and therefore does not incur the expenses incurred by the Fund. These expenses negatively impact the performance of the Fund. Also, market returns do not include brokerage commissions that may be payable on secondary market transactions. If brokerage commissions were included, market returns would be lower. The returns shown in the table(s) above do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption or sale of fund shares. The investment return and principal value of shares of the Fund will vary with changes in market conditions. Shares of the Fund may be worth more or less than their original cost when they are redeemed or sold in the market. The Fund’s past performance is no guarantee of future results.

### PORTFOLIO ALLOCATION As of 2/28/09

Sector/Investment Type	Percentage of Net Assets
Financial	20.00%
Communications	16.61
Energy	15.15
Basic Materials	13.51
Technology	12.52
Consumer Non-Cyclical	6.36
Industrial	5.84
Utilities	4.65
Consumer Cyclical	3.06
Diversified	1.55
Exchange-Traded Funds	0.34
Short-Term and Other Net Assets	0.41
<b>TOTAL</b>	<b>100.00%</b>

### TEN LARGEST FUND HOLDINGS As of 2/28/09

Security	Percentage of Net Assets
Taiwan Semiconductor Manufacturing Co. Ltd. SP ADR (Taiwan)	3.90%
Samsung Electronics Co. Ltd. GDR Reg S (South Korea)	3.52
Chunghwa Telecom Co. Ltd. ADR (Taiwan)	3.34
China Mobile Ltd. (China)	3.10
Petroleo Brasileiro SA Preferred SP ADR (Brazil)	2.55
Petroleo Brasileiro SA ADR (Brazil)	2.39
Teva Pharmaceutical Industries Ltd. (Israel)	2.26
POSCO ADR (South Korea)	2.12
OAO Gazprom SP ADR (Russia)	1.97
Sociedad Quimica y Minera de Chile SA Series B SP ADR (Chile)	1.67
<b>TOTAL</b>	<b>26.82%</b>

# Shareholder Expenses (Unaudited)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, including brokerage commissions on purchases and sales of Fund shares and (2) ongoing costs, including management fees and other Fund expenses. The following Example is intended to help you understand your ongoing costs (in dollars and cents) of investing in the Fund and to compare these costs with the ongoing costs of investing in other Funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from September 1, 2008 to February 28, 2009.

### ACTUAL EXPENSES

The first line in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

### HYPOTHETICAL EXAMPLE FOR COMPARISON PURPOSES

The second line in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other Funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other Funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as brokerage commissions paid on purchases and sales of Fund shares. Therefore, the second line in the table is useful in comparing ongoing costs only and will not help you determine the relative total costs of owning different Funds. In addition, if these transactional costs were included, your costs would have been higher.

	<i>Beginning Account Value (9/1/08)</i>	<i>Ending Account Value (2/28/09)</i>	<i>Annualized Expense Ratio</i>	<i>Expenses Paid During Period<sup>a</sup> (9/1/08 to 2/28/09)</i>
Actual	\$1,000.00	\$ 541.70	0.73%	\$2.79
Hypothetical (5% return before expenses)	1,000.00	1,021.20	0.73	3.66

<sup>a</sup> Expenses are calculated using the Fund's annualized expense ratio (as disclosed in the table), multiplied by the average account value for the period, multiplied by the number of days in the period (181 days) and divided by the number of days in the year (365 days).

# Schedule of Investments (Unaudited)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>COMMON STOCKS – 89.94%</b>					
<b>ARGENTINA – 0.10%</b>					
Petrobras Energia					
Participaciones SA SP ADR	3,339,752	\$ 16,765,555			
		16,765,555			
<b>BRAZIL – 5.36%</b>					
Centrais Eletricas Brasileiras					
SA SP ADR	938,808	10,139,126			
Companhia de Saneamento					
Basico do Estado de Sao Paulo ADR	696,592	13,876,113			
Companhia Siderurgica					
Nacional SP ADR <sup>a</sup>	4,294,472	56,729,975			
Companhia Vale do Rio					
Doce ADR <sup>a</sup>	17,678,232	227,872,410			
CPFL Energia SA ADR <sup>a</sup>					
	353,600	13,861,120			
Empresa Brasileira de					
Aeronautica SA ADR	4,354,584	47,073,053			
Gafisa SA ADR <sup>a</sup>					
	1,469,451	12,137,665			
Perdigao SA ADR <sup>a</sup>					
	263,843	6,416,662			
Petroleo Brasileiro SA ADR					
	14,647,880	406,185,712			
TAM SA SP ADR <sup>a</sup>					
	1,883,622	12,544,923			
Tim Participacoes SA ADR <sup>a</sup>					
	168,175	2,383,040			
Unibanco - Uniao de Bancos					
Brasileiros SA SP ADR	1,703,592	89,148,969			
Vivo Participacoes SA ADR <sup>a</sup>	884,000	14,329,640			
		912,698,408			
<b>CHILE – 3.42%</b>					
Banco Santander Chile					
SA ADR <sup>a</sup>	3,364,504	117,522,125			
Empresa Nacional de					
Electricidad SA SP ADR	65,416	2,371,984			
Enersis SA SP ADR					
	9,833,616	141,800,743			
LAN Airlines SA SP ADR <sup>a</sup>					
	4,484,553	36,997,562			
Sociedad Quimica y Minera de					
Chile SA Series B SP ADR <sup>a</sup>	9,854,832	284,016,258			
		582,708,672			
<b>CHINA – 18.14%</b>					
Agile Property Holdings Ltd.					
	24,752,000	8,394,403			
Air China Ltd. Class H <sup>a</sup>					
	45,968,000	12,507,251			
Aluminum Corp. of China Ltd.					
Class H <sup>a</sup>	42,432,000	\$ 20,245,058			
Angang New Steel Co. Ltd.					
Class H <sup>a</sup>	24,753,320	20,971,168			
Anhui Conch Cement Co. Ltd.					
Class H <sup>a,b</sup>	3,536,000	14,955,809			
Bank of China Ltd. Class H					
	251,056,000	70,251,263			
Bank of Communications					
Co. Ltd. Class H <sup>a</sup>	83,202,000	50,533,394			
Beijing Capital International					
Airport Co. Ltd. Class H <sup>a</sup>	28,292,000	10,579,995			
Beijing Enterprises					
Holdings Ltd. <sup>a</sup>	7,072,000	27,768,559			
Belle International					
Holdings Ltd. <sup>a</sup>	26,534,000	11,325,425			
Chaoda Modern Agriculture					
(Holdings) Ltd. <sup>a</sup>	10,961,942	6,360,977			
China Agri-Industries					
Holdings Ltd. <sup>b</sup>	24,752,000	11,267,013			
China CITIC Bank Class H					
	24,752,000	8,968,926			
China Coal Energy Co.					
Class H <sup>a</sup>	22,984,000	14,255,895			
China Communications					
Construction Co. Ltd.					
Class H <sup>a</sup>	47,736,000	46,536,275			
China Construction Bank					
Class H <sup>a</sup>	341,616,000	174,003,948			
China COSCO Holdings					
Co. Ltd. Class H <sup>a</sup>	24,752,000	13,533,183			
China Everbright Ltd. <sup>a</sup>					
	39,124,000	43,892,094			
China High Speed					
Transmission Equipment					
Group Co. Ltd. <sup>a</sup>	3,536,000	4,614,414			
China Huiyuan Juice					
Group Ltd. <sup>a</sup>	4,420,000	5,129,660			
China Life Insurance Co. Ltd.					
Class H <sup>a</sup>	90,168,000	253,473,598			
China Mengniu Dairy					
Co. Ltd. <sup>a</sup>	12,376,000	15,480,174			
China Merchants Bank					
Co. Ltd. Class H <sup>a</sup>	28,288,000	41,949,219			

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
China Merchants Holdings (International) Co. Ltd. <sup>a</sup>	14,144,000	\$ 23,455,085	Dongfang Electric Corp. Ltd. Class H	7,072,000	\$ 12,949,542
China Mobile Ltd. <sup>a</sup>	60,112,000	527,101,059	Dongfeng Motor Group Co. Ltd. Class H	28,288,000	10,505,544
China National Building Material Co. Ltd. Class H <sup>a</sup>	17,680,000	20,518,640	Fosun International Ltd.	7,072,000	2,079,222
China Overseas Land & Investment Ltd. <sup>a</sup>	51,444,960	68,594,164	GOME Electrical Appliances Holdings Ltd. <sup>a</sup>	67,776,000	9,788,536
China Petroleum & Chemical Corp. Class H	219,232,000	114,494,011	Guangdong Investment Ltd.	24,756,110	10,406,958
China Railway Construction Corp. Class H <sup>a,b</sup>	16,796,000	20,575,636	Guangshen Railway Co. Ltd. Class H <sup>a</sup>	113,222,363	33,580,244
China Railway Group Ltd. Class H <sup>a,b</sup>	35,360,000	19,606,700	Guangzhou R&F Properties Co. Ltd. <sup>a</sup>	1,414,400	1,076,089
China Resources Enterprise Ltd. <sup>a</sup>	24,766,000	35,193,403	Harbin Power Equipment Co. Ltd. Class H <sup>a</sup>	10,608,000	6,237,666
China Resources Land Ltd. <sup>a</sup>	53,040,000	57,794,169	Hengan International Group Co. Ltd.	3,536,000	12,858,348
China Resources Power Holdings Co. Ltd. <sup>a</sup>	17,680,000	33,285,794	Huaneng Power International Inc. Class H <sup>a</sup>	38,896,000	25,730,374
China Shenhua Energy Co. Ltd. Class H	18,564,000	36,865,156	Industrial and Commercial Bank of China Ltd. Class H <sup>a</sup>	461,448,000	189,222,894
China Shipping Container Lines Co. Ltd. Class H <sup>a</sup>	83,096,000	11,679,666	Jiangsu Expressway Co. Ltd. Class H	10,614,000	7,103,465
China Shipping Development Co. Ltd. Class H <sup>a</sup>	31,842,000	25,129,020	Jiangxi Copper Co. Ltd. Class H <sup>a</sup>	35,378,000	26,003,508
China Telecom Corp. Ltd. Class H <sup>a</sup>	49,504,000	16,916,479	Lenovo Group Ltd. <sup>a</sup>	74,256,000	13,788,526
China Travel International Investment Hong Kong Ltd. <sup>a</sup>	159,120,951	22,570,638	Li Ning Co. Ltd. <sup>a</sup>	7,072,000	8,845,814
China Unicom (Hong Kong) Ltd.	42,432,000	38,465,610	Maanshan Iron & Steel Co. Ltd. Class H <sup>a</sup>	49,504,000	14,682,226
China Yurun Food Group Ltd. <sup>a</sup>	3,536,000	4,185,803	Parkson Retail Group Ltd. <sup>a</sup>	4,420,000	3,602,161
CITIC Pacific Ltd. <sup>a</sup>	19,888,000	20,798,679	PetroChina Co. Ltd. Class H <sup>a</sup>	215,696,000	153,812,285
CNOOC Ltd. <sup>a</sup>	203,320,000	178,284,182	PICC Property and Casualty Co. Ltd. Class H <sup>a,b</sup>	21,216,000	9,630,082
COSCO Pacific Ltd. <sup>a</sup>	10,608,000	7,797,083	Ping An Insurance (Group) Co. of China Ltd. Class H <sup>a</sup>	19,451,500	93,559,033
Datang International Power Generation Co. Ltd. Class H <sup>a</sup>	28,304,000	11,971,414	Shanghai Industrial Holdings Ltd.	7,076,000	16,241,705
Denway Motors Ltd. <sup>a</sup>	67,184,000	20,185,782	Shimao Property Holdings Ltd.	10,608,000	5,512,675
			Shui On Land Ltd.	26,520,000	6,121,394
			Sinofert Holdings Ltd. <sup>a</sup>	58,070,000	26,582,999

# Schedule of Investments (Unaudited) (Continued)

## *ISHARES® MSCI EMERGING MARKETS INDEX FUND*

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
Sino-Ocean Land Holdings Ltd. <sup>a</sup>	46,852,000	\$ 22,837,246	<b>INDIA – 5.78%</b>		
Sinopec Shanghai Petrochemical Co. Ltd. Class H <sup>a</sup>	42,456,000	9,635,528	HDFC Bank Ltd. ADR <sup>a</sup>	4,481,880	\$ 228,575,880
Tencent Holdings Ltd. <sup>a</sup>	8,840,000	51,239,603	ICICI Bank Ltd. SP ADR <sup>a</sup>	10,178,376	126,822,565
Tingyi (Cayman Islands) Holding Corp. <sup>a</sup>	3,536,000	3,921,340	Infosys Technologies Ltd. SP ADR <sup>a</sup>	8,414,373	203,627,827
Yanzhou Coal Mining Co. Ltd. Class H <sup>a</sup>	38,896,800	22,470,652	Mahanagar Telephone Nigam Ltd. ADR <sup>a</sup>	6,872,700	19,243,560
Zhejiang Expressway Co. Ltd. Class H <sup>a</sup>	38,896,000	25,529,748	Reliance Industries Ltd. GDR <sup>d</sup>	3,802,968	185,394,690
Zijin Mining Group Co. Ltd. Class H <sup>a</sup>	95,472,000	51,337,637	Satyam Computer Services Ltd. ADR <sup>a</sup>	7,257,844	9,435,197
		3,089,358,918	Tata Communications Ltd. ADR <sup>a</sup>	9,614,384	152,484,130
<b>COLOMBIA – 0.31%</b>			Wipro Ltd. ADR <sup>a</sup>	10,220,808	58,156,398
Bancolombia SA SP ADR	3,139,968	52,123,469			983,740,247
		52,123,469	<b>INDONESIA – 1.43%</b>		
<b>CZECH REPUBLIC – 1.56%</b>			PT Aneka Tambang Tbk	193,596,000	19,391,919
Central European Media Enterprises Ltd. Class A <sup>b</sup>	32,660	192,530	PT Astra Agro Lestari Tbk	4,420,000	4,740,985
CEZ AS	6,152,993	186,516,263	PT Astra International Tbk	27,411,000	25,855,117
Komerčni Banka AS <sup>a</sup>	493,991	37,190,435	PT Bank Central Asia Tbk	159,190,000	31,226,753
Unipetrol AS	8,125,838	41,714,181	PT Bank Danamon Indonesia Tbk	31,824,487	6,973,228
		265,613,409	PT Bank Mandiri Tbk	79,560,000	11,555,459
<b>EGYPT – 0.48%</b>			PT Bank Rakyat Indonesia Tbk	71,049,061	22,091,632
Orascom Construction Industries Co. GDR <sup>a</sup>	1,264,425	51,095,414	PT Bumi Resources Tbk	209,218,500	13,447,266
Orascom Telecom Holding SAE GDR <sup>a,c</sup>	1,798,198	30,569,366	PT Indofood Sukses Makmur Tbk	22,100,000	1,623,372
		81,664,780	PT Indosat Tbk	1,158,560	406,173
<b>HUNGARY – 0.93%</b>			PT International Nickel Indonesia Tbk	5,331,000	967,857
Magyar Telekom Telecommunications PLC	4,398,784	10,193,167	PT Perusahaan Gas Negara Tbk	167,962,500	26,638,459
MOL Hungarian Oil and Gas PLC <sup>a</sup>	1,037,816	39,129,073	PT Semen Gresik (Persero) Tbk	12,376,000	3,615,693
OTP Bank Rt <sup>a,b</sup>	4,604,472	31,307,188	PT Telekomunikasi Indonesia Tbk	109,616,500	57,644,737
Richter Gedeon Rt <sup>a</sup>	744,328	77,269,527	PT Unilever Indonesia Tbk	884,000	594,007
		157,898,955	PT United Tractors Tbk	38,183,150	17,051,741
					243,824,398

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>ISRAEL – 4.54%</b>			<b>MEXICO – 4.81%</b>		
Africa Israel Investments Ltd. <sup>a</sup>	432,065	\$ 3,345,383	Alfa SAB de CV Series A <sup>a</sup>	7,276,900	\$ 10,050,814
Bank Hapoalim Ltd. <sup>b</sup>	18,908,760	33,796,592	America Movil SAB de CV Series L	174,678,400	225,860,017
Bank Leumi le-Israel <sup>a</sup>	25,079,080	44,643,642	Cemex SAB de CV Series CPO <sup>b</sup>	83,681,003	45,610,437
Check Point Software Technologies Ltd. <sup>b</sup>	1,727,336	37,949,572	Desarrolladora Homex SAB de CV <sup>b</sup>	1,800,300	3,798,487
Discount Investment Corp. Ltd.	104,312	918,372	Empresas ICA SAB de CV <sup>b</sup>	12,199,200	18,159,891
Elbit Systems Ltd. <sup>a</sup>	1,260,584	56,008,388	Fomento Economico Mexicano SAB de CV BD Units	32,000,800	74,669,913
Israel Chemicals Ltd. <sup>a</sup>	10,728,224	84,101,327	Grupo Bimbo SAB de CV Series A	530,400	1,513,354
Israel Corp. Ltd. (The) <sup>a</sup>	30,056	8,692,446	Grupo Carso SA de CV Series A1	1,592,841	3,087,214
Israel Discount Bank Ltd. Class A <sup>a</sup>	29,433,664	19,807,980	Grupo Financiero Banorte SAB de CV Series O	18,752,056	20,006,470
Koor Industries Ltd. <sup>b</sup>	560,669	6,338,597	Grupo Mexico SA de CV Series B	56,743,206	32,545,843
Makhteshim-Agan Industries Ltd. <sup>a</sup>	5,169,632	17,457,390	Grupo Modelo SAB de CV Series C	21,746,498	56,568,306
Mizrahi Tefahot Bank Ltd.	9,474,712	42,507,994	Grupo Televisa SA Series CPO	34,476,000	85,291,875
NICE Systems Ltd. <sup>b</sup>	274,040	5,584,842	Industrias Penoles SAB de CV	1,768,088	15,738,066
Teva Pharmaceutical Industries Ltd.	8,405,072	384,389,418	Kimberly-Clark de Mexico SAB de CV Series A <sup>a</sup>	12,562,500	39,317,294
Teva Pharmaceutical Industries Ltd. SPADR	618,800	27,586,104	Telefonos de Mexico SAB de CV Series L	75,847,200	53,109,108
		<u>773,128,047</u>	Telmex Internacional SAB de CV Series L	80,992,800	31,202,407
<b>MALAYSIA – 0.40%</b>			Urbi Desarrollos Urbanos SA de CV <sup>a,b</sup>	6,056,600	5,148,521
AMMB Holdings Bhd	9,752,175	6,523,370	Wal-Mart de Mexico SAB de CV Series V <sup>a</sup>	51,802,400	97,517,108
Bumiputra-Commerce Holdings Bhd	2,034,000	3,785,462			<u>819,195,125</u>
Bursa Malaysia Bhd	2,930,800	3,952,529	<b>PERU – 0.87%</b>		
Gamuda Bhd	12,166,000	6,497,284	Compania de Minas Buenaventura SA ADR	5,657,600	108,965,376
Genting Bhd	3,359,400	3,135,138	Southern Copper Corp. <sup>a</sup>	2,885,376	39,558,505
IGB Corp. Bhd	4,577,800	1,691,594			<u>148,523,881</u>
IJM Corp. Bhd	3,701,200	3,693,713	<b>PHILIPPINE ISLANDS – 1.58%</b>		
IOI Corp. Bhd	5,265,000	5,254,349	Ayala Corp.	7,710,113	30,341,088
MMC Corp. Bhd	3,896,000	1,481,688	Ayala Land Inc.	60,524,200	6,946,824
Resorts World Bhd	19,905,500	11,865,450			
Sime Darby Bhd	1,501,673	2,288,456			
SP Setia Bhd	4,821,300	4,239,363			
Tenaga Nasional Bhd	3,152,700	5,484,805			
YTL Corp. Bhd	4,480,400	8,398,862			
YTL Power International Bhd	306,160	160,202			
		<u>68,452,265</u>			

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
Bank of the Philippine Islands	49,374,840 \$	34,913,547	Barloworld Ltd.	3,589,174 \$	10,787,711
Globe Telecom Inc.	813,280	13,085,157	Bidvest Group Ltd.	3,921,442	32,403,772
Jollibee Foods Corp. <sup>e</sup>	63,848,900	53,000,214	Exxaro Resources Ltd.	2,570,672	17,275,162
Manila Electric Co.	18,848,202	34,768,153	FirstRand Ltd.	46,155,862	55,371,411
Metropolitan Bank & Trust Co.	707,240	300,784	Foschini Ltd.	8,666,792	35,790,585
Philippine Long Distance Telephone Co.	1,013,090	44,954,701	Gold Fields Ltd.	7,310,680	76,058,147
SM Investments Corp.	3,395,851	13,363,464	Harmony Gold Mining Co. Ltd. <sup>a,b</sup>	3,990,376	48,764,862
SM Prime Holdings Inc.	244,440,820	36,573,436	Impala Platinum Holdings Ltd.	6,366,568	75,166,638
		268,247,368	Imperial Holdings Ltd.	4,922,112	21,708,354
<b>RUSSIA – 5.50%</b>			Investec Ltd.	6,002,837	18,048,253
Comstar United			Kumba Iron Ore Ltd.	657,696	10,541,994
Telesystems GDR	397,840	1,074,168	Liberty Holdings Ltd.	1,265,254	8,060,491
JSC MMC Norilsk Nickel ADR	8,508,881	39,991,741	Massmart Holdings Ltd.	747,864	5,390,547
LUKOIL SP ADR	5,105,984	163,595,727	MTN Group Ltd.	16,155,106	138,318,395
Mechel OAO ADR <sup>a</sup>	1,702,584	5,959,044	Murray & Roberts Holdings Ltd.	3,337,984	12,315,764
Mobile TeleSystems SP ADR	2,121,600	50,260,704	Naspers Ltd. Class N	5,684,120	87,147,641
Novolipetsk Steel GDR <sup>c</sup>	857,480	8,454,753	Nedbank Group Ltd.	5,053,279	37,857,459
OAO Gazprom SP ADR	25,858,768	335,905,395	Netcare Ltd. <sup>b</sup>	27,978,610	23,955,005
OAO NOVATEK SP GDR <sup>c</sup>	850,408	19,984,588	Northam Platinum Ltd.	452,789	984,059
OAO Rosneft Oil Co. GDR <sup>a</sup>	10,889,250	38,330,160	Pick'n Pay Stores Ltd.	8,004,236	24,703,202
OAO Tatneft SP ADR <sup>c</sup>	594,048	21,148,109	Pretoria Portland Cement Co. Ltd.	5,955,110	17,608,320
PIK Group GDR <sup>b,c</sup>	2,231,216	1,160,232	Reinet Investments SCA <sup>b</sup>	1	1
Polyus Gold SP ADR	2,124,166	39,615,696	Remgro Ltd.	1,446,397	9,547,127
Rostelecom SP ADR <sup>a</sup>	1,265,891	60,914,675	Reunert Ltd.	2,497,014	9,257,684
Sberbank GDR <sup>a,c</sup>	693,202	42,259,258	Sanlam Ltd.	28,233,631	42,949,861
Surgutneftegaz SP ADR <sup>a</sup>	6,020,040	34,434,629	Sappi Ltd.	1,606,123	3,038,114
Uralkali SP GDR <sup>c</sup>	1,637,168	10,477,875	Sasol Ltd.	7,115,117	178,506,594
Vimpel-Communications SP ADR	7,818,096	40,966,823	Shoprite Holdings Ltd.	18,063,656	89,702,341
VTB Bank OJSC GDR <sup>a,c</sup>	7,867,600	8,418,332	Standard Bank Group Ltd.	14,027,324	90,773,663
Wimm-Bill-Dann Foods OJSC ADR <sup>a,b</sup>	447,837	13,269,410	Steinhoff International Holdings Ltd. <sup>a</sup>	2,972,008	3,319,820
		936,221,319	Telkom South Africa Ltd.	2,141,199	21,118,880
<b>SOUTH AFRICA – 8.85%</b>			Tiger Brands Ltd.	3,009,136	37,896,929
Absa Group Ltd.	579,904	5,138,280	Truworths International Ltd.	14,727,531	45,658,352
African Bank Investments Ltd.	18,337,707	38,429,860	Woolworths Holdings Ltd.	19,915,247	23,594,150
African Rainbow Minerals Ltd.	440,232	4,952,582			1,506,542,696
Anglo Platinum Ltd.	746,831	28,690,296	<b>SOUTH KOREA – 11.12%</b>		
AngloGold Ashanti Ltd. <sup>a</sup>	2,304,415	68,252,622	Daelim Industrial Co. Ltd.	199,100	5,245,282
ArcelorMittal South Africa Ltd.	5,558,679	40,924,318	Doosan Heavy Industries & Construction Co. Ltd. <sup>b</sup>	231,790	9,038,828
Aveng Ltd.	2,548,553	6,533,450			

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
Hyundai Development Co.	212,800 \$	3,968,751	MiTAC International Corp.	7,403,728 \$	2,712,959
Hyundai Engineering & Construction Co. Inc.	325,410	10,928,344	Siliconware Precision Industries Co. SP ADR <sup>a</sup>	58,914,352	260,990,579
Hyundai Heavy Industries Co. Ltd.	375,500	43,463,482	Synnex Technology International Corp.	4,474,800	5,149,706
KB Financial Group Inc. SP ADR <sup>a,b</sup>	10,208,432	192,122,690	Taiwan Cement Corp.	7,190,190	5,392,925
Korea Electric Power Corp. SP ADR <sup>b</sup>	23,625,784	180,264,732	Taiwan Semiconductor Manufacturing Co. Ltd. SP ADR <sup>a</sup>	88,092,368	664,216,455
KT Corp. SP ADR <sup>a,b</sup>	13,421,072	161,321,285	Tatung Co. Ltd. <sup>b</sup>	14,763,000	2,239,924
LG Display Co. Ltd. ADR <sup>a,b</sup>	11,606,920	96,685,644	U-Ming Marine Transport Corp.	2,034,000	2,617,360
NHN Corp. <sup>b</sup>	187,575	16,268,324	Uni-President Enterprises Co.	6,407,100	4,787,235
POSCO ADR <sup>a</sup>	7,199,296	361,188,680	United Microelectronics Corp. SP ADR <sup>a</sup>	130,382,928	230,777,783
Samsung Electronics Co. Ltd. GDR <sup>a,c,d</sup>	3,933,800	599,904,500	Yang Ming Marine Transport Corp.	16,238,978	4,169,979
Samsung Engineering Co. Ltd.	187,990	5,504,239	Yuanta Financial Holding Co. Ltd.	38,829,000	14,172,588
Samsung Heavy Industries Co. Ltd.	2,036,070	28,811,685			<u>2,056,941,946</u>
Shinhan Financial Group Co. Ltd. ADR <sup>b</sup>	529,152	15,689,357	<b>THAILAND – 1.67%</b>		
SK Telecom Co. Ltd. ADR <sup>a</sup>	12,220,416	163,631,370	Bangkok Bank PCL	7,972,800	16,417,181
		<u>1,894,037,193</u>	Banpu PCL	2,511,000	14,574,627
<b>TAIWAN – 12.08%</b>			IRPC PCL	128,003,200	6,615,975
Asia Cement Corp.	3,234,060	2,416,414	Kasikornbank PCL	16,172,200	19,891,180
AU Optronics Corp. SP ADR <sup>a</sup>	23,857,392	171,534,649	Krung Thai Bank PCL	55,515,200	6,352,485
Catcher Technology Co. Ltd.	3,521,100	5,977,448	PTT Aromatics & Refining PCL	27,765,286	7,674,208
Cheng Shin Rubber Industry Co. Ltd.	3,508,650	2,932,957	PTT Chemical PCL	10,675,968	8,704,839
Chunghwa Telecom Co. Ltd. ADR <sup>a</sup>	37,046,660	568,666,231	PTT Exploration and Production PCL	27,103,400	66,672,266
CMC Magnetics Corp. <sup>b</sup>	8,136,000	1,197,173	PTT PCL	15,752,800	67,922,521
Compal Communications Inc.	2,598,750	1,696,220	Ratchaburi Electricity Generating Holding PCL	57,479,900	60,371,371
Epistar Corp.	2,314,345	2,895,292	Siam Cement PCL	2,544,600	6,962,836
Evergreen Marine Corp. Ltd.	10,170,000	3,872,178	Thai Oil PCL NVDR	2,475,200	1,641,924
Far Eastern Textile Ltd.	5,186,700	3,103,274	TMB Bank PCL NVDR <sup>b</sup>	15,558,400	210,713
Foxconn Technology Co. Ltd.	1,174,800	2,724,154			<u>284,012,126</u>
HannStar Display Corp.	11,767,963	1,391,343	<b>TURKEY – 1.01%</b>		
Hon Hai Precision Industry Co. Ltd.	5,847,750	11,668,213	Akbank TAS <sup>a</sup>	8,172,129	18,827,909
HTC Corp.	4,063,800	44,789,459	Anadolu Efes Biracilik ve Malt Sanayii AS	373,048	2,367,932
Macronix International Co. Ltd.	22,176,448	7,205,608	Arcelik AS <sup>a</sup>	3,521,856	3,601,651
MediaTek Inc.	3,176,450	27,643,840	Asya Katilim Bankasi AS <sup>a,b</sup>	12,577,552	7,392,255

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>	<i>Security</i>	<i>Shares</i>	<i>Value</i>
BIM Birlesik Magazalar AS	137,904	\$ 2,715,204	Companhia Vale do Rio		
Enka Insaat ve Sanayi AS <sup>a</sup>	176,800	644,251	Doce SP ADR <sup>a</sup>	24,721,944	\$ 275,649,676
Eregli Demir ve Celik			Gerdau SA SP ADR	7,639,610	39,955,160
Fabrikalari TAS <sup>a</sup>	7,079,937	14,314,251	Net Servicos de		
Migros Turk TAS	1	5	Comunicacao SA ADR <sup>a</sup>	2,652,084	16,522,483
Petkim Petrokimya			Petroleo Brasileiro		
Holding AS <sup>a,b</sup>	4,538,456	10,669,619	SA SP ADR <sup>a</sup>	19,370,208	433,505,255
Tupras-Turkiye Petrol			Tele Norte Leste Participacoes		
Rafinerileri AS <sup>a</sup>	1,369,372	12,474,810	SA ADR	3,324,072	40,287,753
Turk Sise ve Cam			Votorantim Celulose e Papel		
Fabrikalari AS <sup>a,b</sup>	22,554,376	12,593,175	SA SP ADR <sup>b</sup>	1,983,696	9,482,067
Turkcell Iletisim					<u>1,583,968,003</u>
Hizmetleri AS <sup>a</sup>	1,615,657	8,023,922	<b>TOTAL PREFERRED STOCKS</b>		
Turkiye Garanti			<b>(Cost: \$2,777,456,415)</b>		1,583,968,003
Bankasi AS <sup>a,b</sup>	26,507,624	32,249,423	<b>EXCHANGE-TRADED FUNDS – 0.34%</b>		
Turkiye Is Bankasi AS <sup>a</sup>	5,304,000	10,224,879	iShares MSCI Malaysia		
Turkiye Vakiflar Bankasi TAO	28,042,248	17,799,893	Index Fund <sup>a,e</sup>	984,557	6,872,208
Yapi ve Kredi Bankasi AS <sup>a,b</sup>	18,208,689	17,658,078	iShares MSCI South Korea		
		<u>171,557,257</u>	Index Fund <sup>a,e</sup>	1,154,371	25,165,288
<b>TOTAL COMMON STOCKS</b>			iShares MSCI Taiwan		
<b>(Cost: \$28,263,488,854)</b>		15,313,256,034	Index Fund <sup>a,e</sup>	3,848,936	26,249,743
<b>PREFERRED STOCKS – 9.31%</b>			<b>TOTAL EXCHANGE-TRADED FUNDS</b>		
<b>BRAZIL – 9.31%</b>			<b>(Cost: \$114,254,169)</b>		58,287,239
Aracruz Celulose SA SP ADR <sup>a</sup>	1,630,096	11,622,585			
Banco Bradesco SA SP ADR	28,454,192	248,120,554			
Banco Itau Holding					
Financiera SA ADR <sup>a</sup>	28,514,304	261,761,311			
Brasil Telecom					
Participacoes SA ADR	987,918	30,981,108			
Centrais Eletricas					
Brasileiras SA ADR	224,536	2,240,869			
Companhia Brasileira de					
Distribuicao Grupo Pao de					
Acucar SP ADR <sup>a</sup>	1,911,208	46,308,570			
Companhia de Bebidas das					
Americas ADR <sup>a</sup>	3,019,744	122,178,842			
Companhia Energetica de					
Minas Gerais SP ADR	2,963,206	40,477,394			
Companhia Paranaense de					
Energia SP ADR <sup>a</sup>	530,400	4,874,376			

# Schedule of Investments (Unaudited) (Continued)

## iSHARES® MSCI EMERGING MARKETS INDEX FUND

February 28, 2009

<i>Security</i>	<i>Shares</i>	<i>Value</i>
<b>SHORT-TERM INVESTMENTS – 10.49%</b>		
<b>MONEY MARKET FUNDS – 10.49%</b>		
Barclays Global Investors Funds Institutional Money Market Fund, SL Agency Shares		
0.83% <sup>e,f,g</sup>	1,514,643,911	\$ 1,514,643,911
Barclays Global Investors Funds Prime Money Market Fund, SL Agency Shares		
0.53% <sup>e,f,g</sup>	253,204,075	253,204,075
Barclays Global Investors Funds Treasury Money Market Fund, SL Agency Shares		
0.14% <sup>e,f</sup>	18,450,911	18,450,911
		<u>1,786,298,897</u>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>(Cost: \$1,786,298,897)</b>		<u>1,786,298,897</u>
<b>TOTAL INVESTMENTS</b>		
<b>IN SECURITIES – 110.08%</b>		
<b>(Cost: \$32,941,498,335)</b>		18,741,810,173
<b>Other Assets, Less Liabilities – (10.08)%</b>		<u>(1,715,861,028)</u>
<b>NET ASSETS – 100.00%</b>		<u>\$17,025,949,145</u>

ADR - American Depositary Receipts

GDR - Global Depositary Receipts

NVDR - Non-Voting Depositary Receipts

SP ADR - Sponsored American Depositary Receipts

SP GDR - Sponsored Global Depositary Receipts

<sup>a</sup> All or a portion of this security represents a security on loan. See Note 5.

<sup>b</sup> Non-income earning security.

<sup>c</sup> This security may be resold to qualified foreign investors and foreign institutional buyers under Regulation S of the Securities Act of 1933.

<sup>d</sup> This security may be resold to qualified institutional buyers under Rule 144A of the Securities Act of 1933.

<sup>e</sup> Affiliated issuer. See Note 2.

<sup>f</sup> The rate quoted is the annualized seven-day yield of the fund at period end.

<sup>g</sup> All or a portion of this security represents an investment of securities lending collateral. See Note 5.

See notes to financial statements.

# Statement of Assets and Liabilities (Unaudited)

iSHARES<sup>®</sup>, INC.

February 28, 2009

*iShares MSCI  
Emerging Markets  
Index Fund*

## ASSETS

Investments, at cost:	
Unaffiliated issuers	\$ 30,973,082,536
Affiliated issuers (Note 2)	<u>1,968,415,799</u>
Total cost of investments	<u>\$ 32,941,498,335</u>
Investments in securities, at fair value (including securities on loan <sup>a</sup> ) (Note 1):	
Unaffiliated issuers	\$ 16,844,223,823
Affiliated issuers (Note 2)	<u>1,897,586,350</u>
Total fair value of investments	18,741,810,173
Foreign currencies, at value <sup>b</sup>	11,964,119
Receivables:	
Investment securities sold	8,328,286
Due from custodian (Note 4)	3,413,150
Dividends and interest	<u>42,070,698</u>
Total Assets	<u>18,807,586,426</u>

## LIABILITIES

Payables:	
Investment securities purchased	3,413,150
Securities related to in-kind transactions (Note 4)	54,126
Collateral for securities on loan (Note 5)	1,767,847,986
Investment advisory fees (Note 2)	<u>10,322,019</u>
Total Liabilities	<u>1,781,637,281</u>

NET ASSETS \$ 17,025,949,145

## Net assets consist of:

Paid-in capital	\$ 32,444,575,210
Undistributed net investment income	20,184,029
Accumulated net realized loss	(1,238,666,857)
Net unrealized depreciation on investments and translation of assets and liabilities in foreign currencies	<u>(14,200,143,237)</u>

NET ASSETS \$ 17,025,949,145

Shares outstanding<sup>c</sup> 795,600,000

Net asset value per share \$ 21.40

<sup>a</sup> Securities on loan with a market value of \$1,675,699,832. See Note 5.

<sup>b</sup> Cost of foreign currencies: \$11,950,324.

<sup>c</sup> \$0.001 par value, number of shares authorized: 1,500,000,000.

See notes to financial statements.

# Statement of Operations (Unaudited)

**iSHARES<sup>®</sup>, INC.**

Six months ended February 28, 2009

*iShares MSCI  
Emerging Markets  
Index Fund*

## NET INVESTMENT INCOME

Dividends from unaffiliated issuers <sup>a</sup>	\$ 167,382,133
Dividends from affiliated issuers (Note 2)	3,860,948
Interest from affiliated issuers (Note 2)	63,604
Securities lending income from affiliated issuers (Note 2)	10,069,278
Total investment income	<u>181,375,963</u>

## EXPENSES

Investment advisory fees (Note 2)	63,747,931
Foreign taxes (Note 1)	66,396
Total expenses	<u>63,814,327</u>
Less investment advisory fees waived (Note 2)	<u>(211,386)</u>
Net expenses	<u>63,602,941</u>
Net investment income	<u>117,773,022</u>

## NET REALIZED AND UNREALIZED GAIN (LOSS)

Net realized loss from:	
Investments in unaffiliated issuers	(678,629,482)
Investments in affiliated issuers (Note 2)	(12,322,864)
In-kind redemptions	(76,859,631)
Foreign currency transactions	(6,130,703)
Net realized loss	<u>(773,942,680)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments	(10,868,882,795)
Translation of assets and liabilities in foreign currencies	380,396
Net change in unrealized appreciation (depreciation)	<u>(10,868,502,399)</u>
Net realized and unrealized loss	<u>(11,642,445,079)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u><u>\$(11,524,672,057)</u></u>

<sup>a</sup> Net of foreign withholding tax of \$24,818,717.

See notes to financial statements.

# Statements of Changes in Net Assets

iSHARES®, INC.

*iShares MSCI  
Emerging Markets  
Index Fund*

Six months ended February 28, 2009 (Unaudited)	Year ended August 31, 2008
--	-------------------------------

*INCREASE (DECREASE) IN NET ASSETS*

**OPERATIONS:**

Net investment income	\$ 117,773,022	\$ 564,087,379
Net realized gain (loss)	(773,942,680)	4,192,101,297
Net change in unrealized appreciation (depreciation)	<u>(10,868,502,399)</u>	<u>(7,412,430,109)</u>
Net decrease in net assets resulting from operations	<u>(11,524,672,057)</u>	<u>(2,656,241,433)</u>

**DISTRIBUTIONS TO SHAREHOLDERS:**

From net investment income	<u>(265,478,877)</u>	<u>(602,951,708)</u>
Total distributions to shareholders	<u>(265,478,877)</u>	<u>(602,951,708)</u>

**CAPITAL SHARE TRANSACTIONS:**

Proceeds from shares sold	13,319,942,990	19,099,692,233
Cost of shares redeemed	<u>(4,806,599,354)</u>	<u>(13,736,113,781)</u>
Net increase in net assets from capital share transactions	<u>8,513,343,636</u>	<u>5,363,578,452</u>
INCREASE (DECREASE) IN NET ASSETS	<u>(3,276,807,298)</u>	<u>2,104,385,311</u>

*NET ASSETS*

Beginning of period	<u>20,302,756,443</u>	<u>18,198,371,132</u>
End of period	<u>\$ 17,025,949,145</u>	<u>\$ 20,302,756,443</u>
Undistributed net investment income included in net assets at end of period	<u>\$ 20,184,029</u>	<u>\$ 167,889,884</u>

*SHARES ISSUED AND REDEEMED*

Shares sold	493,200,000	393,300,000
Shares redeemed	<u>(204,300,000)</u>	<u>(292,950,000)</u>
Net increase in shares outstanding	<u>288,900,000</u>	<u>100,350,000</u>

*See notes to financial statements.*

# Financial Highlights

## iSHARES<sup>®</sup>, INC.

(For a share outstanding throughout each period)

### iShares MSCI Emerging Markets Index Fund

	Six months ended Feb. 28, 2009 (Unaudited)	Year ended Aug. 31, 2008 <sup>a</sup>	Year ended Aug. 31, 2007 <sup>a</sup>	Year ended Aug. 31, 2006 <sup>a</sup>	Year ended Aug. 31, 2005 <sup>a</sup>	Year ended Aug. 31, 2004 <sup>a</sup>
<b>Net asset value, beginning of period</b>	\$ 40.07	\$ 44.78	\$ 32.48	\$ 25.97	\$ 17.99	\$ 15.04
<b>Income from investment operations:</b>						
Net investment income <sup>b</sup>	0.17	1.10	0.63	0.55	0.55	0.38
Net realized and unrealized gain (loss) <sup>c</sup>	(18.50)	(4.64)	12.19	6.29	8.23	2.66
Total from investment operations	(18.33)	(3.54)	12.82	6.84	8.78	3.04
<b>Less distributions from:</b>						
Net investment income	(0.34)	(1.17)	(0.52)	(0.33)	(0.80)	(0.09)
Total distributions	(0.34)	(1.17)	(0.52)	(0.33)	(0.80)	(0.09)
<b>Net asset value, end of period</b>	\$ 21.40	\$ 40.07	\$ 44.78	\$ 32.48	\$ 25.97	\$ 17.99
<b>Total return</b>	(45.83)% <sup>d</sup>	(8.36)%	39.86%	26.44%	46.17%	20.21%
<b>Ratios/Supplemental data:</b>						
Net assets, end of period (000s)	\$17,025,949	\$20,302,756	\$18,198,371	\$11,969,380	\$7,000,858	\$1,958,596
Ratio of expenses to average net assets prior to waived fees <sup>e</sup>	0.74%	0.72%	0.74%	0.77%	0.78%	0.77%
Ratio of expenses to average net assets after waived fees <sup>e</sup>	0.73%	0.72%	0.74%	0.77%	0.77%	0.76%
Ratio of expenses to average net assets after waived fees and exclusive of foreign taxes <sup>e</sup>	0.73%	0.72%	0.74%	0.75%	0.74%	0.74%
Ratio of net investment income to average net assets <sup>e</sup>	1.36%	2.32%	1.63%	1.77%	2.40%	2.10%
Portfolio turnover rate <sup>f</sup>	2%	11%	5%	12%	9%	8%

<sup>a</sup> Per share amounts were adjusted to reflect a three-for-one stock split effective July 24, 2008.

<sup>b</sup> Based on average shares outstanding throughout each period.

<sup>c</sup> The amounts reported may not accord with the change in aggregate gains and losses in securities due to the timing of capital share transactions.

<sup>d</sup> Not annualized.

<sup>e</sup> Annualized for periods of less than one year.

<sup>f</sup> Portfolio turnover rates exclude portfolio securities received or delivered as a result of processing capital share transactions in Creation Units.

See notes to financial statements.

# Notes to Financial Statements (Unaudited)

## *iSHARES*<sup>®</sup>, *INC.*

iShares, Inc. (the “Company”) is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company. The Company was incorporated under the laws of the State of Maryland on September 1, 1994 pursuant to amended and restated Articles of Incorporation.

These financial statements relate only to the iShares MSCI Emerging Markets Index Fund (the “Fund”).

The Fund’s investment objective is to seek investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded equity securities in the aggregate in global emerging markets, as measured by the MSCI Emerging Markets Index compiled by MSCI Inc. (“MSCI”). The investment adviser uses a “passive” or index approach to achieve the Fund’s investment objective. The Fund is classified as a non-diversified fund under the 1940 Act. Non-diversified funds generally hold securities of fewer companies than diversified funds and may be more susceptible to the risks associated with these particular companies, or to a single economic, political or regulatory occurrence affecting these companies.

The Fund invests in the securities of foreign issuers of certain emerging markets, which may involve certain considerations and risks not typically associated with securities of U.S. issuers. Such risks include, but are not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange controls; imposition of restrictions on the expatriation of funds or other assets of the Fund; less publicly available information about issuers; the imposition of withholding or other taxes; higher transaction and custody costs; settlement delays and risk of loss attendant in settlement procedures; difficulties in enforcing contractual obligations; less regulation of securities markets; different accounting, disclosure and reporting requirements; more substantial governmental involvement in the economy; higher inflation rates; greater social, economic and political uncertainties; the risk of nationalization or expropriation of assets and the risk of war.

Pursuant to the Company’s organizational documents, the Fund’s officers and directors are indemnified against certain liabilities that may arise out of the performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts with service providers that contain general indemnification clauses. The Fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

## **1. SIGNIFICANT ACCOUNTING POLICIES**

The following significant accounting policies are consistently followed by the Company in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## **SECURITY VALUATION**

The securities and other assets of the Fund are valued pursuant to the pricing policy and procedures approved by the Board of Directors of the Company (the “Board”). Effective September 1, 2008, the Fund adopted Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards No. 157 (“FAS 157”), “Fair Value Measurements.” This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Inputs may be based on independent market data (“observable inputs”) or they may be internally developed (“unobservable inputs”). The hierarchy gives the highest priority to

# Notes to Financial Statements (Unaudited) (Continued)

## *iSHARES*<sup>®</sup>, *INC.*

unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date (a “Level 1 Price”);
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not considered to be active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means (a “Level 2 Price”);
- Level 3 – Inputs that are unobservable for the asset or liability (a “Level 3 Price”).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. The level of a value determined for a financial instrument within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement in its entirety. However, the determination of what constitutes an “observable” input may require significant judgment by the Fund. The Fund considers observable inputs to be market data that is readily available, regularly distributed or updated, reliable and verifiable, and provided by independent sources that are actively involved in the relevant market. The categorization of a value determined for a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Fund’s perceived risk of that instrument.

Investments whose values are based on quoted market prices in active markets, and whose values are therefore classified as Level 1 Prices, include active listed equities and certain U.S. government securities. The Fund does not adjust the quoted price for such instruments, even in situations where the Fund holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but whose values are based on quoted market prices, dealer quotations or valuations provided by alternative pricing sources supported by observable inputs are classified as Level 2 Prices. These generally include certain U.S. government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, less liquid listed equities, and state, municipal and provincial obligations. As investments whose values are classified as Level 2 Prices include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments whose values are classified as Level 3 Prices have significant unobservable inputs, as they may trade infrequently or not at all. Investments whose values are classified as Level 3 Prices may include unlisted securities related to corporate actions, securities whose trading have been suspended or which have been de-listed from their primary trading exchange, less liquid corporate debt securities (including distressed debt instruments), collateralized debt obligations, and less liquid mortgage securities (backed by either commercial or residential real estate). When observable prices are not available for these securities, the Fund uses one or more valuation techniques (e.g., the market approach or the income approach) for which sufficient and reliable data is available. Within Level 3 of the fair value hierarchy, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

The inputs used by the Fund in estimating the value of Level 3 Prices may include the original transaction price, quoted prices for similar securities or assets in active markets, completed or pending third-party transactions in the underlying investment or comparable issuers, and changes in financial ratios or cash flows. Level 3 Prices may also be adjusted to reflect illiquidity and/or non-transferability, with the

# Notes to Financial Statements (Unaudited) (Continued)

## iSHARES®, INC.

amount of such discount estimated by the Fund in the absence of market information. The fair value measurement of Level 3 Prices does not include transaction costs that may have been capitalized as part of the security's cost basis. Assumptions used by the Fund due to the lack of observable inputs may significantly impact the resulting fair value and therefore the Fund's results of operations.

Fair value pricing could result in a difference between the prices used to calculate the Fund's net asset value and the prices used by the Fund's underlying index, which in turn could result in a difference between the Fund's performance and the performance of the Fund's underlying index.

As of February 28, 2009, the value of each of the Fund's investments was classified as a Level 1 Price.

The following table provides the reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value for the six months ended February 28, 2009:

<i>Balance at</i>	<i>(Amortized</i>	<i>Realized</i>	<i>Net</i>	<i>Net</i>	<i>Balance at</i>	<i>Net Change in</i>
<i>Beginning of</i>	<i>Premiums)</i>	<i>Gain (Loss) and</i>	<i>Purchases</i>	<i>Transfers</i>	<i>End of</i>	<i>Unrealized</i>
<i>Period</i>	<i>Accreted</i>	<i>Change in</i>	<i>(Sales)</i>	<i>in or out</i>	<i>Period</i>	<i>Appreciation</i>
	<i>Discounts</i>	<i>Unrealized</i>				<i>(Depreciation)</i>
		<i>Appreciation</i>				<i>from</i>
		<i>(Depreciation)</i>				<i>Investments</i>
						<i>Still Held at</i>
						<i>End of Period</i>
\$4,060,613	\$ -	\$(2,947,940)	\$(26,908)	\$(1,085,765)	\$ -	\$ -

## SECURITY TRANSACTIONS AND INCOME RECOGNITION

Security transactions are accounted for on trade date. Dividend income is recognized on the ex-dividend date, net of any foreign taxes withheld at source, and interest income is accrued daily. Realized gains and losses on investment transactions are determined using the specific identification method.

## FOREIGN CURRENCY TRANSLATION

The accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, as well as investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars using exchange rates deemed appropriate by the investment adviser. Any use of a rate different from the rates used by MSCI may adversely affect the Fund's ability to track its underlying index. Purchases and sales of securities, income receipts and expense payments are translated into U.S. dollars on the respective dates of such transactions.

The Fund does not isolate the effect of fluctuations in foreign exchange rates from the effect of fluctuations in the market prices of securities. Such fluctuations are reflected by the Fund as a component of realized and unrealized gains and losses from investments for financial reporting purposes.

## FOREIGN TAXES

The Fund may be subject to foreign taxes (a portion of which may be reclaimable) on income, corporate events, capital gains on investments or currency repatriation. All foreign taxes are recorded in accordance with the applicable foreign tax regulations and rates that exist in

# Notes to Financial Statements (Unaudited) (Continued)

## *iSHARES*<sup>®</sup>, *INC.*

the foreign markets in which the Fund invests. These foreign taxes, if any, are paid by the Fund and are disclosed in the Statement of Operations. Foreign taxes payable as of February 28, 2009, if any, are reflected in the Fund's Statement of Assets and Liabilities.

### **DISTRIBUTIONS TO SHAREHOLDERS**

Distributions to shareholders from net investment income, if any, including any net foreign currency gains, are declared and distributed at least annually by the Fund. Distributions of net realized capital gains, if any, generally are declared and distributed once a year. Distributions are determined on a tax basis and may differ from net investment income and net realized capital gains for financial reporting purposes. Dividends and distributions are paid in U.S. dollars and cannot be automatically reinvested in additional shares of the Fund.

The tax character of current year distributions will be determined at the end of the current fiscal year.

### **FEDERAL INCOME TAXES**

The Fund is treated as a separate entity for federal income tax purposes. It is the policy of the Fund to qualify as a regulated investment company by complying with the provisions applicable to regulated investment companies, as defined under Subchapter M of the Internal Revenue Code of 1986, as amended, and to annually distribute substantially all of its ordinary income and any net capital gains (taking into account any capital loss carryforwards) sufficient to relieve it from all, or substantially all, federal income and excise taxes. Accordingly, no provision for federal income taxes was required for the six months ended February 28, 2009.

As of August 31, 2008, the tax year-end of the Fund, the Fund had tax basis net capital loss carryforwards of \$840,778, \$20,296,564, \$11,239,258, \$29,973,301 and \$13,844,901 expiring in 2012, 2013, 2014, 2015 and 2016, respectively. Such losses may be applied against any net realized taxable gains in each succeeding year or until their respective expiration dates, whichever occurs first.

The Fund may own shares in certain foreign investment entities, referred to, under U.S. tax law, as "passive foreign investment companies." The Fund may elect to mark-to-market annually the shares of each passive foreign investment company and would be required to distribute to shareholders any such marked-to-market gains.

The Fund reclassifies at the end of its tax year certain amounts to paid-in-capital from accumulated net realized gain (loss) on investments and foreign currency transactions and accumulated net investment income (loss), respectively, as a result of permanent book and tax differences primarily attributed to net investment loss, return of capital, passive foreign investment companies, realized foreign currency gains and losses and gains and losses on in-kind redemptions. These reclassifications have no effect on net assets or net asset value per share.

As of February 28, 2009, the cost of investments for federal income tax purposes was \$33,200,001,990. Net unrealized depreciation was \$14,458,191,817, of which \$14,458,191,817 represented gross unrealized depreciation on securities and \$0 represented gross unrealized appreciation on securities.

Management has reviewed the tax positions as of February 28, 2009, inclusive of the prior three open tax return years, and has determined that no provision for income tax is required in the Fund's financial statements.

## **2. AGREEMENTS AND OTHER TRANSACTIONS WITH AFFILIATES**

Pursuant to an Investment Advisory Agreement with the Company, Barclays Global Fund Advisors ("BGFA") manages the investment of the Fund's assets. BGFA is a California corporation indirectly owned by Barclays Bank PLC. Under the Investment Advisory Agreement,

# Notes to Financial Statements (Unaudited) (Continued)

## iSHARES<sup>®</sup>, INC.

BGFA is responsible for all expenses (“Covered Expenses”) of the Company, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except interest, taxes, brokerage commissions and other expenses connected with the execution of portfolio transactions, distribution fees and extraordinary expenses.

For its investment advisory services to the Fund, BGFA is entitled to an annual investment advisory fee based on the Fund’s allocable portion of the aggregate of the average daily net assets of the Fund and iShares MSCI All Country Asia ex Japan and iShares MSCI BRIC Index Funds as follows:

<i>Investment Advisory Fee</i>	<i>Aggregate Average Daily Net Assets</i>
0.75%	First \$14 billion
0.68	Over \$14 billion, up to and including \$28 billion
0.61	Over \$28 billion

Effective August 11, 2008, BGFA has contractually agreed to waive a portion of its advisory fees for the Fund through December 31, 2009 in an amount equal to the investment advisory fees payable on the amount of the Fund’s investment in other iShares Funds. Prior to August 11, 2008, the advisory fee waiver was voluntary.

State Street Bank and Trust Company (“State Street”) serves as administrator, custodian and transfer agent for the Company. As compensation for its services, State Street receives certain out-of-pocket costs, transaction fees and asset-based fees which are accrued daily and paid monthly. These fees and expenses are Covered Expenses as defined above.

SEI Investments Distribution Co. (“SEI”) serves as the Fund’s underwriter and distributor of the shares of the Fund, pursuant to a Distribution Agreement with the Company. SEI does not receive a fee from the Fund for its distribution services.

Pursuant to an exemptive order issued by the U.S. Securities and Exchange Commission (“SEC”), the Fund is permitted to lend portfolio securities to Barclays Capital Inc. (“BarCap”). Pursuant to the same exemptive order, Barclays Global Investors, N.A. (“BGI”) serves as securities lending agent for the Fund. BarCap and BGI are affiliates of BGFA, the Fund’s investment adviser. As securities lending agent, BGI receives, as fees, a share of the income earned on investment of the cash collateral received for the loan of securities. For the six months ended February 28, 2009, BGI earned securities lending agent fees of \$10,069,278.

The Fund may invest in certain money market funds managed by BGFA, the Fund’s investment adviser, including the Government Money Market Fund (“GMMF”), Institutional Money Market Fund (“IMMF”), Prime Money Market Fund (“PMMF”) and Treasury Money Market Fund (“TMMF”) of Barclays Global Investors Funds. These money market funds seek to achieve their investment objectives by investing in high-quality, short-term money market instruments that, at the time of investment, have remaining maturities of 397 calendar days or less from the date of acquisition. The GMMF, IMMF, PMMF and TMMF are feeder funds in a master/feeder fund structure that invest substantially all of their assets in the Government Money Market Master Portfolio, Money Market Master Portfolio, Prime Money Market Master Portfolio and Treasury Money Market Master Portfolio (collectively, the “Money Market Master Portfolios”), respectively, which are also managed by BGFA. While the GMMF, IMMF, PMMF and TMMF do not directly charge an investment advisory fee, the Money Market Master Portfolios in which they invest do charge an investment advisory fee. Income distributions from the GMMF, IMMF, PMMF and TMMF are declared daily and paid monthly from net investment income. Income distributions earned by the Fund from temporary cash investments are recorded as interest from affiliated issuers in the accompanying Statement of Operations. Income distributions earned by the Fund from the investment of securities lending collateral, if any, are included in securities lending income in the accompanying Statement of Operations.

# Notes to Financial Statements (Unaudited) (Continued)

## iSHARES®, INC.

The Fund, in order to improve its portfolio liquidity and its ability to track the MSCI Emerging Markets Index, may invest in shares of other iShares Funds that invest in securities in the Fund's underlying index. As of February 28, 2009, the Fund held shares of the iShares MSCI Malaysia, iShares MSCI South Korea and iShares MSCI Taiwan Index Funds.

For the six months ended February 28, 2009, the Fund had direct investment (exclusive of short-term investments) in issuers of which BGFA is an affiliate or issuers of which the Fund owns 5% or more of the outstanding voting securities as follows:

Name of Affiliated Issuer	Number of Shares Held			Number of Shares Held End of Period (in 000s)	Value at End of Period	Dividend Income	Net Realized Loss
	Beginning of Period (in 000s)	Gross Additions (in 000s)	Gross Reductions (in 000s)				
iShares MSCI Malaysia Index Fund	1,209	8	232	985	\$ 6,872,208	\$ 174,797	\$ (846,836)
iShares MSCI South Korea Index Fund	750	646	242	1,154	25,165,288	218,340	(473,000)
iShares MSCI Taiwan Index Fund	3,464	2,590	2,205	3,849	26,249,743	2,970,339	(10,785,501)
Jollibee Foods Corp.	40,673	39,565	16,389	63,849	53,000,214	497,472	(217,527)
					<u>\$111,287,453</u>	<u>\$3,860,948</u>	<u>\$(12,322,864)</u>

Certain directors and officers of the Company are also officers of BGI and/or BGFA.

### 3. INVESTMENT PORTFOLIO TRANSACTIONS

Purchases and sales of investments (excluding in-kind transactions and short-term investments) for the six months ended February 28, 2009, aggregated \$720,351,035 and \$448,187,043, respectively.

In-kind purchases and sales (see Note 4) for the six months ended February 28, 2009, aggregated \$12,768,336,380 and \$4,610,497,468, respectively.

### 4. CAPITAL SHARE TRANSACTIONS

The Company issues and redeems capital shares of the Fund only in aggregations of a specified number of shares (each, a "Creation Unit") at net asset value. Except when aggregated in Creation Units, shares of the Fund are not redeemable. Transactions in capital shares for the Fund are disclosed in detail in the Statements of Changes in Net Assets.

The consideration for the purchase of Creation Units of the Fund generally consists of the in-kind deposit of a designated portfolio of equity securities, which constitutes a substantial replication, or a portfolio sampling representation of the securities involved in the MSCI Emerging Markets Index and an amount of cash. Investors purchasing and redeeming Creation Units pay a purchase transaction fee and a redemption transaction fee directly to State Street, the administrator, to offset transfer and other transaction costs associated with the issuance and redemption of Creation Units.

# Notes to Financial Statements (Unaudited) (Continued)

## *iSHARES®*, INC.

From time to time, settlement of securities related to in-kind contributions or in-kind redemptions may be delayed. In such cases, securities related to in-kind contributions are reflected as “Due from custodian” and securities related to in-kind redemptions are reflected as “Securities related to in-kind transactions” in the Statement of Assets and Liabilities.

### **5. LOANS OF PORTFOLIO SECURITIES**

The Fund may lend its investment securities to approved borrowers, such as brokers, dealers and other financial institutions. The borrower pledges and maintains with the Fund collateral consisting of cash, an irrevocable letter of credit issued by a bank, or securities issued or guaranteed by the U.S. government. The initial collateral received by the Fund is required to have a value of at least 102% of the market value of the loaned securities for securities traded on U.S. exchanges and a value of at least 105% for all other securities. The collateral is maintained thereafter, at a value equal to at least 100% of the current market value of the securities on loan. The risks to the Fund of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. Any securities lending cash collateral may be reinvested in certain short-term instruments either directly on behalf of the Fund or through one or more joint accounts or money market funds, including those managed by BGFA; such reinvestments are subject to investment risk.

As of February 28, 2009, the Fund had loaned securities which were collateralized by cash. The cash collateral received was invested in money market funds managed by BGFA. The market value of the securities on loan as of February 28, 2009 and the value of the related collateral are disclosed in the Statement of Assets and Liabilities. Securities lending income, as disclosed in the Fund’s Statement of Operations, represents the income earned from the investment of the cash collateral, net of rebates paid to, or fees paid by, borrowers and less the fees paid to BGI as securities lending agent.

### **6. SUBSEQUENT EVENT**

On April 9, 2009, Barclays Global Investors UK Holdings Limited (“Barclays”), the parent company of BGI and BGFA, entered into an agreement to sell its interest in BGFA and certain affiliated companies to Blue Sparkle, L.P., a Cayman Islands limited partnership (the “Transaction”). Blue Sparkle, L.P. is an investment vehicle for private equity funds affiliated with CVC Capital Partners Group SICAV-FIS S.A., a private equity and investment advisory firm. The Transaction is subject to certain regulatory approvals, as well as other conditions to closing.

Under the 1940 Act, completion of the Transaction will cause the automatic termination of the Fund’s current investment advisory agreement with BGFA. In order for the management of the Fund to continue uninterrupted, the Board will be asked to approve a new investment advisory agreement with BGFA. If approved by the Board, the new investment advisory agreement will be submitted to the Fund’s shareholders for their approval.

## Notes:

Notes:

## Notes:

# The iShares® Family of Funds

The following is a list of iShares Funds being offered, along with their respective exchange trading symbols. **Please call 1-800-iShares (1-800-474-2737) to obtain a prospectus for any iShares Fund. The prospectus contains more complete information, including charges, expenses, investment objectives and risk factors that should be carefully considered to determine if the Fund(s) are an appropriate investment for you. Read the prospectus(es) carefully before investing. Investing involves risk, including possible loss of principal.**

## iShares S&P Domestic Index Funds

iShares S&P 1500 (ISI)  
iShares S&P 100 (OEF)  
iShares S&P 500 (IVV)  
iShares S&P 500 Growth (IVW)  
iShares S&P 500 Value (IVE)  
iShares S&P MidCap 400 (IJH)  
iShares S&P MidCap 400 Growth (IJK)  
iShares S&P MidCap 400 Value (IJJ)  
iShares S&P SmallCap 600 (IJR)  
iShares S&P SmallCap 600 Growth (IJT)  
iShares S&P SmallCap 600 Value (IJS)  
iShares S&P North American Natural Resources Sector (IGE)  
iShares S&P North American Technology-Multimedia Networking (IGN)  
iShares S&P North American Technology-Semiconductors (IGW)  
iShares S&P North American Technology-Software (IGV)  
iShares S&P North American Technology Sector (IGM)

## iShares Domestic Sector Index Funds

iShares Cohen & Steers Realty Majors (ICF)  
iShares Dow Jones U.S. Basic Materials Sector (IYM)  
iShares Dow Jones U.S. Consumer Services Sector (IYC)  
iShares Dow Jones U.S. Consumer Goods Sector (IYK)  
iShares Dow Jones U.S. Energy Sector (IYE)  
iShares Dow Jones U.S. Financial Sector (IYF)  
iShares Dow Jones U.S. Financial Services (IYG)  
iShares Dow Jones U.S. Healthcare Sector (IYH)  
iShares Dow Jones U.S. Industrial Sector (IYJ)  
iShares Dow Jones U.S. Real Estate (IYR)  
iShares Dow Jones U.S. Technology Sector (IYW)  
iShares Dow Jones U.S. Telecommunications Sector (IYZ)  
iShares Dow Jones Transportation Average (IYT)  
iShares Dow Jones U.S. Utilities Sector (IDU)  
iShares Dow Jones U.S. (IYY)  
iShares Nasdaq Biotechnology (IBB)

## iShares Domestic Subsector Index Funds

iShares Dow Jones U.S. Aerospace & Defense (ITA)  
iShares Dow Jones U.S. Broker-Dealers (IAI)  
iShares Dow Jones U.S. Healthcare Providers (IHF)  
iShares Dow Jones U.S. Home Construction (ITB)  
iShares Dow Jones U.S. Insurance (IAK)  
iShares Dow Jones U.S. Medical Devices (IHI)  
iShares Dow Jones U.S. Oil & Gas Exploration & Production (IEO)  
iShares Dow Jones U.S. Oil Equipment & Services (IEZ)  
iShares Dow Jones U.S. Pharmaceuticals (IHE)  
iShares Dow Jones U.S. Regional Banks (IAT)  
iShares FTSE NAREIT Industrial/Office Capped (FIO)  
iShares FTSE NAREIT Mortgage Plus Capped (REM)  
iShares FTSE NAREIT Real Estate 50 (FTY)  
iShares FTSE NAREIT Residential Plus Capped (REZ)  
iShares FTSE NAREIT Retail Capped (RTL)

## iShares Global Index Funds

iShares S&P Global 100 (IOO)  
iShares S&P Global Clean Energy (ICLN)  
iShares S&P Global Consumer Discretionary Sector (RXI)  
iShares S&P Global Consumer Staples Sector (KXI)  
iShares S&P Global Energy Sector (IXC)  
iShares S&P Global Financials Sector (IXG)  
iShares S&P Global Healthcare Sector (IXJ)  
iShares S&P Global Industrials Sector (EXI)  
iShares S&P Global Infrastructure (IGF)  
iShares S&P Global Materials Sector (MXI)  
iShares S&P Global Nuclear Energy (NUCL)  
iShares S&P Global Technology Sector (IXN)  
iShares S&P Global Telecommunications Sector (IXP)  
iShares S&P Global Timber & Forestry (WOOD)  
iShares S&P Global Utilities Sector (JXI)

## iShares Russell Index Funds

iShares Russell 3000 (IWR)  
iShares Russell 3000 Growth (IWZ)  
iShares Russell 3000 Value (IWW)  
iShares Russell 1000 (IWB)  
iShares Russell 1000 Growth (IWF)  
iShares Russell 1000 Value (IWD)  
iShares Russell Midcap (IWR)  
iShares Russell Midcap Growth (IWP)  
iShares Russell Midcap Value (IWS)  
iShares Russell 2000 (IWM)  
iShares Russell 2000 Growth (IWO)  
iShares Russell 2000 Value (IWN)  
iShares Russell Microcap (IWC)

## iShares International Country Index Funds

iShares FTSE China (HK Listed) (FCHI)  
iShares FTSE/Xinhua China 25 (FXI)  
iShares MSCI Australia (EWA)  
iShares MSCI Austria Investable Market (EWO)  
iShares MSCI Belgium Investable Market (EWK)  
iShares MSCI Brazil (EWZ)  
iShares MSCI Canada (EWC)  
iShares MSCI Chile Investable Market (ECH)  
iShares MSCI France (EWO)  
iShares MSCI Germany (EWG)  
iShares MSCI Hong Kong (EWH)  
iShares MSCI Israel Capped Investable Market (EIS)  
iShares MSCI Italy (EWI)  
iShares MSCI Japan (EWJ)  
iShares MSCI Japan Small Cap (SCJ)  
iShares MSCI Malaysia (EWM)  
iShares MSCI Mexico Investable Market (EWW)

iShares MSCI Netherlands Investable Market (EWN)  
iShares MSCI Singapore (EWS)  
iShares MSCI South Africa (EZA)  
iShares MSCI South Korea (EWY)  
iShares MSCI Spain (EWP)  
iShares MSCI Sweden (EWD)  
iShares MSCI Switzerland (EWL)  
iShares MSCI Taiwan (EWT)  
iShares MSCI Thailand Investable Market (THD)  
iShares MSCI Turkey Investable Market (TUR)  
iShares MSCI United Kingdom (EWU)  
iShares S&P/TOPIX 150 (ITF)

## iShares Bond Funds

iShares Barclays Aggregate (AGG)  
iShares Barclays MBS (MBB)  
iShares Barclays Short Treasury (SHV)  
iShares Barclays 1-3 Year Treasury (SHY)  
iShares Barclays 3-7 Year Treasury (IEI)  
iShares Barclays 7-10 Year Treasury (IEF)  
iShares Barclays 10-20 Year Treasury (TLH)  
iShares Barclays 20+ Year Treasury (TLT)  
iShares Barclays TIPS (TIP)  
iShares Barclays Agency (AGZ)  
iShares Barclays Credit (CFT)  
iShares Barclays 1-3 Year Credit (CSJ)  
iShares Barclays Intermediate Credit (CIU)  
iShares iBoxx \$ Investment Grade Corporate (LQD)  
iShares iBoxx \$ High Yield Corporate (HYG)  
iShares Barclays Government/Credit (GBF)  
iShares Barclays Intermediate Government/Credit (GVI)  
iShares S&P National Municipal (MUB)  
iShares S&P Short Term National Municipal (SUB)  
iShares S&P California Municipal (CMF)  
iShares S&P New York Municipal (NYF)  
iShares JPMorgan USD Emerging Markets (EMB)  
iShares S&P/Citigroup International Treasury (IGOV)  
iShares S&P/Citigroup 1-3 Year International Treasury (ISHG)

## iShares Specialty Index Funds

iShares KLD 400 Social (DSI)  
iShares KLD Select Social<sup>SM</sup> (KLD)  
iShares Dow Jones Select Dividend (DVY)  
iShares Dow Jones EPAC Select Dividend (IDV)  
iShares S&P U.S. Preferred Stock (PFF)

# The iShares<sup>®</sup> Family of Funds (Continued)

## iShares International Index Funds

iShares FTSE Developed Small Cap ex-North America (IFSM)  
iShares FTSE EPRA/NAREIT Developed Asia (IFAS)  
iShares FTSE EPRA/NAREIT Developed Europe (IFEU)  
iShares FTSE EPRA/NAREIT Developed Real Estate ex-U.S. (IFGL)  
iShares FTSE EPRA/NAREIT North America (IFNA)  
iShares MSCI ACWI (ACWI)  
iShares MSCI ACWI ex US (ACWX)  
iShares MSCI All Country Asia ex Japan (AAXJ)  
iShares MSCI BRIC (BKF)  
iShares MSCI EAFE (EFA)  
iShares MSCI EAFE Growth (EFG)  
iShares MSCI EAFE Value (EFV)  
iShares MSCI EAFE Small Cap (SCZ)  
iShares MSCI Emerging Markets (EEM)  
iShares MSCI EMU (EZU)  
iShares MSCI Kokusai (TOK)  
iShares MSCI Pacific ex-Japan (EPP)  
iShares S&P Asia 50 (AIA)  
iShares S&P Developed ex-U.S. Property (WPS)  
iShares S&P Europe 350 (IEV)  
iShares S&P Latin America 40 (ILF)

## iShares Morningstar Index Funds

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

## iShares NYSE Index Funds

iShares NYSE Composite (NYC)  
iShares NYSE 100 (NY)

## iShares S&P Allocation Funds

iShares S&P Conservative (AOK)  
iShares S&P Moderate (AOM)  
iShares S&P Growth (AOR)  
iShares S&P Aggressive (AOA)

## iShares S&P Target Date Index Funds

iShares S&P Target Date Retirement Income (TGR)  
iShares S&P Target Date 2010 (TZD)  
iShares S&P Target Date 2015 (TZE)  
iShares S&P Target Date 2020 (TZG)  
iShares S&P Target Date 2025 (TZI)  
iShares S&P Target Date 2030 (TZL)  
iShares S&P Target Date 2035 (TZO)  
iShares S&P Target Date 2040 (TZV)

iShares<sup>®</sup> is a registered trademark of Barclays Global Investors, N.A. ("BGI"). The iShares Funds are not sponsored, endorsed, issued, sold or promoted by Cohen & Steers Capital Management, Inc., Dow Jones & Company, Inc., European Public Real Estate Association ("EPRA<sup>®</sup>"), FTSE International Limited ("FTSE"), FTSE/Xinhua Index Limited ("FXI"), iBoxx<sup>®</sup>, J.P. Morgan Securities Inc., KLD Research & Analytics, Inc., MSCI Inc., Morningstar Inc., The NASDAQ Stock Market, Inc., National Association of Real Estate Investment Trusts ("NAREIT"), New York Stock Exchange, Inc., Frank Russell Company, or Standard & Poor's, nor are they sponsored or endorsed by Barclays Capital. None of these companies make any representation regarding the advisability of investing in the iShares Funds. Neither SEI nor BGI, nor any of their affiliates, are affiliated with the companies listed above except Barclays Capital, which is an affiliate of BGI. FXI does not make any warranty regarding the FTSE/Xinhua Index. All rights in the FTSE/Xinhua Index vest in FXI. Neither FTSE nor NAREIT makes any warranty regarding the FTSE NAREIT Real Estate 50/Residential/Retail/Mortgage REITs or Industrial/Office Index; all rights vest in NAREIT. Neither FTSE nor NAREIT makes any warranty regarding the FTSE EPRA/NAREIT Global Real Estate ex-US/North America/Europe/Asia Index; all rights vest in FTSE, NAREIT, and EPRA. All rights in the FTSE Developed Small Cap ex-North America Index vest in FTSE. "FTSE" is a trade- and servicemark of London Stock Exchange and The Financial Times Limited; "Xinhua" is a trade- and servicemark of Xinhua Financial Network Limited. "NAREIT<sup>®</sup>" is a trademark of NAREIT; "EPRA<sup>®</sup>" is a trademark of EPRA.

An investment in the Fund(s) is not a deposit of a bank and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

This advertising section does not constitute part of the 2009 Semi-Annual Report.

iS-0569-0409



*For more information:*

**WWW.ISHARES.COM**

**1-800-iShares (1-800-474-2737)**

The iShares Funds are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as an advisor to the iShares Funds. BGFA is a subsidiary of Barclays Global Investors, N.A. (BGI), neither of which is affiliated with SEI.

The iShares Funds are not sponsored, endorsed, issued, sold or promoted by MSCI Inc., nor does this company make any representation regarding the advisability of investing in the iShares Funds. Neither SEI nor BGI, nor any of their affiliates, are affiliated with the company listed above.

©2009 Barclays Global Investors. All rights reserved. iShares® is a registered trademark of Barclays Global Investors, N.A. All other trademarks, servicemarks or registered trademarks are the property of their respective owners.

**Investing involves risk, including possible loss of principal.**

A description of the policies that the Fund uses to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 is available without charge, upon request, by calling toll-free 1-800-474-2737; on the Fund's website at [www.iShares.com](http://www.iShares.com); and on the U.S. Securities and Exchange Commission (SEC) website at [www.sec.gov](http://www.sec.gov).

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website or may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund also discloses its complete schedule of portfolio holdings on a monthly basis on the Fund's website.

This report is intended for the Fund's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current prospectus.