



NASDAQ FINANCIAL PRODUCTS



Profile

NASDAQ's fastest growing business line, NASDAQ Financial Products is responsible for introducing products that extend and enhance the NASDAQ® brand. This department oversees the development of new NASDAQ indexes, financial products and associated derivatives; the marketing of NASDAQ indexes and NASDAQ-sponsored exchange traded funds (ETFs); the administration of NASDAQ indexes; the licensing of third-party structured products; and the listing of third-party sponsored ETFs.

The NASDAQ-100 Index

First introduced in 1985, the NASDAQ-100 Index® was created to track the performance of the largest non-financial companies listed on The NASDAQ Stock Market®.

While the companies in the NASDAQ-100 Index may differ by industry, they collectively reflect market capitalization performance that is driven by investor confidence. For the ten-year period ended June 30, 2005, the NASDAQ-100 Index outperformed several major U.S. and international indices on a cumulative price-return basis, although past performance is not indicative of future performance.¹

To date, approximately 150 licensees have contracted with NASDAQ to use the NASDAQ-100 and other indices as benchmarks for the issuing and trading of their global financial products. As of June 30, 2005 these third-party underwritten products, such as equity-linked notes, index warrants, certificates of deposits (CDs), leveraged products, and basket securities, have been sold in 32 countries and amounted to \$108.8 billion in underlying notional value.

The NASDAQ-100 Index Tracking Stock (Symbol: QQQQ)

The NASDAQ-100 Index Tracking Stock®, known as QQQ®, is an ETF designed to generally correspond to the price and yield performance of the NASDAQ-100 Index, one of the most closely followed indexes in the U.S. ETFs are financial products that trade like shares of stock. They can be bought and sold throughout the trading day and through any broker.

Launched in March 1999, QQQ is the most actively traded ETF and the most actively traded listed-equity security in the U.S., in terms of average daily share trading volume.² As of the end of the second quarter 2005, QQQ traded an average of 98.6 million shares per day.³ QQQ has grown significantly since its inception: from \$14.5 million in assets at the start, to nearly \$19.8 billion in assets, and from 300,000 total shares outstanding, to 538.8 million at the end of the second quarter of 2005.⁴ Today, nearly one million investors own QQQ.⁵

NASDAQ-100 European Tracker

Since its launch in 2002, a European version of QQQ became available to investors in Belgium, Germany, Italy, Ireland, Switzerland and the UK. European investors can buy the NASDAQ-100 European Tracker® in their time zones and currencies. This product is not available to be bought or sold in the U.S.

1 The NASDAQ-100 Index cumulative price return was 177.59% for the ten-year period ended June 30, 2005, and was compared with returns of the NASDAQ Composite, S&P 500, Dow Jones Industrial Average, NYSE Composite, CAC-40, DAX, and FTSE 100 indices. For the most recent one- and five-year periods, the NASDAQ-100 Index returned -1.52% and -60.32% respectively. Source: FactSet Research Systems Inc.

2 Source: FactSet Research Systems Inc. and Bloomberg

3 Source: FactSet Research Systems Inc.

4 Source: The Bank of New York

5 Source: ADP Brokerage Services

NASDAQ Composite Index

Established in 1971, the NASDAQ Composite Index[®] is a worldwide major market index that tracks the performance of the NASDAQ National Market[®] (NNM) and NASDAQ SmallCap MarketSM companies listed on The NASDAQ Stock Market.

The Composite Index is an unmanaged market capitalization-weighted index and includes approximately 3,200 domestic and international-based common-type stocks. Component securities in the index include common and ordinary shares, ADRs, shares of beneficial interest, REITS, and tracking stocks as well as limited partnerships. The index excludes closed-end funds and ETFs, structured products, convertible debentures, rights, units, warrants and preferred issues. The Composite is one of the market indices most widely followed by professional and individual investors and quoted by the media worldwide. During the ten-year period that ended June 30, 2005, the Composite rose 120% on a cumulative price-return basis, although past performance is not indicative of future performance.⁶

The Fidelity[®] NASDAQ Composite Index[®] Tracking Stock (Symbol: ONEQ)

The Fidelity NASDAQ Composite Index Tracking Stock, listed on NASDAQ under the symbol ONEQ, covers a broad spectrum of NASDAQ listings, including small-to-mid cap, IPOs and financial companies. Managed by Fidelity Management and Research Co., ONEQ is an ETF that seeks to provide investment returns that closely correspond to the price-and-yield performance of the NASDAQ Composite Index.

ONEQ represents a wide range of industries from transportation and health care to finance and technology. With one single transaction, you have exposure to a broad growth index.

Shares are not individually redeemable from the ETF.

ETFs are subject to the market fluctuations of their underlying investments.

NASDAQ Biotechnology Index

The NASDAQ Biotechnology Index[®] contains companies that are classified according to the FTSE Global Classification System as either biotechnology or pharmaceutical which also meet other eligibility criteria. The NASDAQ Biotechnology Index is calculated under a modified capitalization-weighted methodology.

iShares NASDAQ Biotechnology Index Fund (Symbol: IBB)

Sponsored by Barclays Global Investors, N.A., IBB seeks investment results that correspond to the price-and-yield performance of the NASDAQ Biotechnology Index.[®] The NASDAQ Biotechnology Index contains companies that are classified according to the FTSE[™] Global Classification System as either biotechnology or pharmaceutical, which also meet other eligibility criteria.

Baskets of Listed Depository Receipts (BLDRS)

Sponsored by NASDAQ Financial Products, The BLDRS Index Funds TrustSM consists of four separate ETFs that are designed to correspond to the price-and-yield performance of four of The Bank of New York American Depository Receipt Indices. The BLDRSSM fund family includes two international market index funds and two international regional index funds.

⁶ Source: FactSet Research Systems Inc. Data as of June 30, 2005.

Other NASDAQ Indexes

The NASDAQ Financial-100 Index: The NASDAQ Financial-100 Index® (symbol: IXFIN) includes 100 of the largest domestic and international financial companies listed on The NASDAQ Stock Market, based on market capitalization. They include companies classified by the FTSE™ Global Classification System as Financials, which are included within the NASDAQ Bank, Insurance and Other Finance Indexes.

NASDAQ Bank Index: The NASDAQ Bank Index® (symbol: IXBK) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as banks. They include banks providing a broad range of financial services, with significant retail banking and money transmission.

NASDAQ Computer Index: The NASDAQ Computer Index® (symbol: IXCO) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as Computer Hardware, Semiconductors and Software & Computer Services. They include firms that manufacture and distribute computers and associated electronic data processing equipment and accessories, semiconductor capital equipment, manufacturers and distributors of wafers and chips, providers of computer services and IT consultants, Internet access providers, Internet software and online service providers, and producers and distributors of computer software.

NASDAQ Health Care Index: The Nasdaq Health Care IndexSM (symbol: IXHC) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as Health or Pharmaceutical & Biotechnology. They include health maintenance organizations, hospital management & long-term care, medical equipment & supplies, other health care, biotechnology, and pharmaceutical.

NASDAQ Industrial Index: The NASDAQ Industrial Index® (symbol: IXID) contains NASDAQ-listed companies not classified in one of the NASDAQ sector Indexes. These include firms that are involved in mining, oil and gas, chemicals, construction and building materials, forestry and paper, steel and other metals, aerospace and defense, diversified industrials, electronic and electrical equipment, engineering and machinery, automobiles and parts, household goods and textiles, beverages, food producers and processors, personal care and household products, tobacco, general retailers, leisure and hotels, media agencies, photography, publishing and printing, support services, food and drug retailers, electricity and utilities.

NASDAQ Insurance Index: The NASDAQ Insurance Index® (symbol: IXIS) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as Insurance or Life Assurance. They include insurance brokers, non-life insurance, re-insurance, other insurance and life assurance.

NASDAQ Other Finance Index: The NASDAQ Other Finance IndexSM (symbol: IXFN) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as Investment Companies, Real Estate, Specialty and Other Finance or Investment Entities. They include real estate holding and development companies, property agencies, asset managers, consumer finance, investment banks, mortgage finance, other finance including financial holding companies, security and commodity exchanges and other financial companies.

NASDAQ Telecommunications Index: The NASDAQ Telecommunications Index® (symbol: IXTC) contains NASDAQ-listed companies classified according to the FTSE Global Classification system as Television, Radio & Film Entertainment, Subscription Entertainment Networks, and Telecommunications Services and Equipment. They include independent radio and television contractors, film production, providers of television, media services and programming facilities including those driven by subscription, operators of wireless and fixed-line telecommunication services, and manufacturers and distributors of digital equipment used in telecommunication.

NASDAQ Transportation Index: The NASDAQ Transportation Index® (symbol: IXTR) contains NASDAQ-listed companies classified according to the FTSE Global Classification System as Transport. They include firms that provide air, rail, road, freight, water transport and their related facilities and services.

Disclaimers

To determine if the iShares NASDAQ Biotechnology Fund is 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. Read the prospectus carefully before investing.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. For this and other information about QQQ and BLDRS, unit investment trusts, obtain a prospectus from your broker or call 888.627.3837. Read them carefully before investing.

ETFs are subject to risk similar to those of stocks including those regarding short-selling and margin account maintenance. For the most recent month-end performance data, please visit www.NASDAQ.com/qqq or www.bldrsfunds.com.

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The ETF is managed by Fidelity Management and Research Co. NASDAQ is the listing market; licensor of the index and provides marketing services for the ETF. Consistent with its investment objectives, the fund may hire or terminate money managers at any time without prior notification. See the prospectus for details.

Please carefully consider ONEQ's investment objectives, risks, charges and expenses before investing. For this and other information, call or write to Fidelity or visit fidelity.com for a free prospectus. Read it carefully before you invest or send money.