

# BLDRS® Europe 100 ADR Index Fund

Second Quarter 2006



Make the world your benchmark

The BLDRS Europe 100 ADR Index Fund, a unit investment trust, seeks investment results that generally correspond to the price and yield performance, before fees and expenses, of The Bank of New York Europe 100 ADR Index, a capitalization-weighted index designed to track the performance of a basket of European market-based Depository Receipts.

The BLDRS Index Fund Family is made up of four Exchange-Traded Funds (ETFs) - including two market index funds and two regional index funds, shares of which you can purchase and sell like stocks. Each share of a BLDRS Index Fund represents an interest in a portfolio of Depository Receipts created to correspond generally, before fees and expenses, to the price and yield of a specific Bank of New York ADR Index. The BLDRS Index Funds are the first ETFs to be listed on the Nasdaq Stock Market.

## Ticker Symbol:

CUSIP:	09348R409
Intraday Portfolio Value:	ADRUI
Expense Ratio:	0.30%
Trading Increment:	\$0.01
Min. Trading Size:	1 Share
Marginable:	Yes
Short Selling:	Yes (Downtick Exempt)
Options Traded:	No
Distributor:	ALPS Distributors, Inc.
Sponsor:	Nasdaq Global Funds, Inc.
Trustee:	The Bank of New York
Listing Exchange:	The Nasdaq Stock Market, Inc.
Creation/Redemption Unit:	50,000 Shares
Creation/Redemption Fee:	\$1,000

To Create Shares, contact The Bank of New York at 1-718-315-4970

## ADRU

09348R409

## Index Capitalization and Concentration

Total Index Market Capitalization	USD	4,282,813,490,533
Number of Constituents		100
Percent of Ten Largest Constituents		33.67%

## Size Range of Companies in The Index

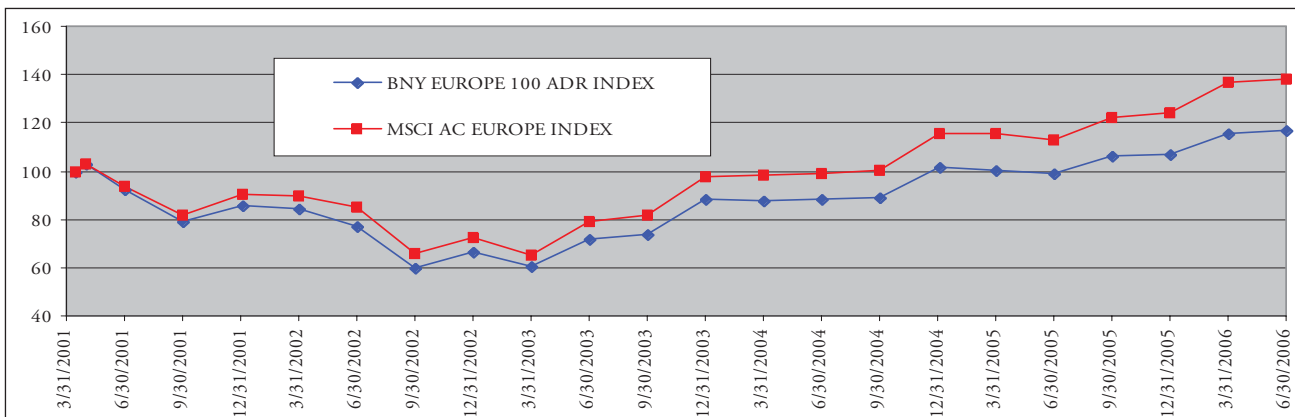
Market Cap- Arithmetic Average	USD	42,828,134,905
Market Cap- Smallest Stock Held	USD	7,224,020,586
Market Cap- Largest Stock Held	USD	232,691,170,225

## 12 Month Trailing Dividend Yield (Fund)

2.74%

For more trading information on creating BLDRS shares, including the latest NAV and cash per creation unit, see [www.nasdaqtrader.com](http://www.nasdaqtrader.com)

## Index Performance vs. Benchmarks



The performance shown is that of the Bank of New York Europe 100 ADR Index and does not represent the performance of the BLDRS Europe 100 ADR Index Fund. Fees and expenses will reduce the performance of the BLDRS Europe 100 ADR Index Fund as compared to the performance of the Bank of New York Europe 100 ADR Index. An investor cannot invest directly in the Index. Morgan Stanley, index licensor of the MSCI indexes, does not endorse the BLDRS Funds.

## TOP TEN INDEX CONSTITUENTS

Company Name	Index Weight	Cumulative Index Weight
BP Plc	5.43%	5.43%
HSBC Holdings Plc	4.74%	10.17%
GlaxoSmithKline plc	3.90%	14.07%
Total S.A.	3.55%	17.62%
Royal Dutch Shell PLC "A"	3.00%	20.62%
Vodafone Group Plc	2.99%	23.61%
Novartis AG	2.94%	26.55%
UBS AG	2.52%	29.07%
Sanofi-Aventis	2.35%	31.42%
Royal Dutch Shell PLC "B"	2.25%	33.67%
<b>Total</b>		<b>33.67%</b>

## TOP TEN INDEX SECTORS

Sector	Index Weight	Cumulative Index Weight
Banks	19.88%	19.88%
Oil & Gas Producers	18.10%	37.98%
Pharmaceuticals & Biotechnology	12.10%	50.08%
Fixed Line Telecommunications	6.22%	56.30%
Gas, Water & Multiutilities	4.31%	60.61%
Technology Hardware & Equipment	3.97%	64.58%
Mining	3.90%	68.48%
Mobile Telecommunications	3.21%	71.69%
Life Insurance	3.00%	74.69%
Nonlife Insurance	2.86%	77.55%
<b>Total</b>		<b>77.55%</b>

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## INDEX CONSTITUENTS

Free Float Mkt					Free Float Mkt						
Rk	Ticker	Company	Country	Cap in US \$	Weight	Rk	Ticker	Company	Country	Cap in US \$	Weight
1	BP	BP Plc	U.K.	232,691,170,225	5.4331%	80	PT	Portugal Telecom SGPS SA	Portugal	11,121,584,542	0.2597%
2	HBC	HSBC Holdings Plc	U.K.	202,815,212,964	4.7356%	81	PSO	Pearson Plc	U.K.	10,955,221,423	0.2558%
3	GSK	GlaxoSmithKline plc	U.K.	166,911,885,148	3.8972%	82	STM	STMicrolabelectronics NV	Italy	10,498,622,824	0.2451%
4	TOT	Total S.A.	France	152,181,936,860	3.5533%	83	VOLV	Volvo AB	Sweden	10,409,716,256	0.2431%
5	RDS.A	Royal Dutch Shell PLC "A"	U.K.	128,526,247,500	3.0010%	84	UU	United Utilities Plc	U.K.	10,341,601,298	0.2415%
6	VOD	Vodafone Group Plc	U.K.	128,127,818,822	2.9917%	85	GLH	Gallagher Group PLC	U.K.	10,247,635,104	0.2393%
7	NVS	Novartis AG	Switzerland	125,955,234,364	2.9409%	86	ENL	Reed Elsevier NV	Netherlands	9,832,684,320	0.2296%
8	UBS	UBS AG	Switzerland	108,005,993,512	2.5218%	87	ASML	ASML Holding NV	Netherlands	9,785,872,470	0.2285%
9	SNY	Sanofi-Aventis	France	100,532,053,668	2.3473%	88	TELN	Telenor ASA	Norway	9,548,478,787	0.2229%
10	RDS.B	Royal Dutch Shell PLC "B"	U.K.	96,398,241,600	2.2508%	89	RTRSY	Reuters Group PLC	U.K.	9,366,493,477	0.2187%
11	AZN	AstraZeneca PLC	U.K.	93,758,592,317	2.1892%	90	EDP	EDP - Energias de Portugal SA	Portugal	9,270,616,065	0.2165%
12	STD	Santander Central Hispano SA	Spain	91,437,815,985	2.1350%	91	SHR	Schering Aktiengesellschaft	Germany	9,023,858,784	0.2107%
13	NOK	Nokia Corporation	Finland	82,912,519,195	1.9359%	92	HAN	Hanson plc	U.K.	8,737,189,216	0.2040%
14	EON	E ON Ag	Germany	79,614,600,000	1.8589%	93	FIA	Fiat SPA	Italy	8,543,463,302	0.1995%
15	ING	ING Group	Netherlands	76,155,520,700	1.7782%	94	SEO	Stora Enso OYJ	Finland	7,989,660,227	0.1866%
16	BCS	Barclays Plc	U.K.	74,285,465,719	1.7345%	95	IPR	Intl Power plc	U.K.	7,927,217,591	0.1851%
17	E	ENI SPA	Italy	73,218,210,573	1.7096%	96	TKA	Telekom Austria AG	Austria	7,818,366,750	0.1826%
18	SI	Siemens AG	Germany	72,644,833,311	1.6962%	97	AVZ	Amvescap Plc	U.K.	7,596,910,750	0.1774%
19	TEF	Telefonica SA	Spain	72,617,111,738	1.6955%	98	SHPGY	Shire Plc	U.K.	7,313,287,858	0.1708%
20	BBV	Banco Bilbao Vizcaya Argentaria S.A.	Spain	69,851,552,086	1.6310%	99	SNN	Smith & Nephew Group	U.K.	7,234,688,518	0.1689%
21	AZ	Allianz Aktiengesellschaft	Germany	64,154,320,000	1.4979%	100	ADO	Adecco SA	Switzerland	7,224,020,586	0.1687%
22	AAUK	Anglo American Plc	U.K.	62,467,325,366	1.4586%	<b>Total</b>				<b>4,282,813,490,533</b>	<b>100.0000%</b>
23	CSR	Credit Suisse Group	Switzerland	61,918,374,893	1.4457%	<b>GEOGRAPHICAL WEIGHTING</b>					
24	AXA	AXA	France	58,419,987,455	1.3641%						
25	DB	Deutsche Bank AG	Germany	58,232,766,825	1.3597%						
26	RTP	Rio Tinto PLC	U.K.	56,214,026,277	1.3125%						
27	LYG	Lloyds TSB Group PLC	U.K.	55,283,789,698	1.2908%						
28	ABN	ABN AMRO Holding N.V.	Netherlands	52,250,443,363	1.2200%						
29	SZE	Suez	France	49,198,870,547	1.1488%						
30	ERICY	Ericsson LM Telephone Co	Sweden	48,976,773,823	1.1436%						
31	BBL	BHP Billiton PLC	U.K.	48,326,326,405	1.1284%						
32	DEO	Diageo Plc	U.K.	47,370,561,667	1.1061%						
33	BRG	BG Group plc	U.K.	46,776,998,794	1.0922%						
34	DCX	DaimlerChrysler AG	Germany	46,660,648,347	1.0895%						
35	SAP	SAP AG	Germany	46,273,313,006	1.0804%						
36	DT	Deutsche Telekom AG	Germany	45,169,989,878	1.0547%						
37	BF	BASF Aktiengesellschaft	Germany	41,354,087,110	0.9656%						
38	V	Vivendi	France	40,267,893,276	0.9402%						
39	UN	Unilever NV	Netherlands	38,667,109,635	0.9028%						
40	FTE	France Telecom	France	38,409,448,835	0.8968%						
41	BT	BT Group PLC	U.K.	38,246,511,157	0.8930%						
42	BTI	British American Tobacco PLC	U.K.	38,162,977,895	0.8911%						
43	PHG	Koninklijke Philips Electronics NV	Netherlands	37,191,557,054	0.8684%						
44	EN	Enel SpA	Italy	35,964,984,444	0.8398%						
45	BAY	Bayer AG	Germany	33,529,997,547	0.7829%						
46	DA	Groupe Danone	France	32,670,735,332	0.7628%						
47	TI	Telecom Italia SPA	Italy	30,634,304,419	0.7153%						
48	UL	Unilever PLC	U.K.	29,530,938,780	0.6895%						
49	NGG	National Grid Plc	U.K.	29,330,165,585	0.6848%						
50	ELE	Endesa SA	Spain	28,807,429,646	0.6726%						
51	PUK	Prudential Public Ltd Co	U.K.	27,772,502,822	0.6485%						
52	REP	Repsol YPF SA	Spain	27,334,002,413	0.6382%						
53	ABB	ABB Ltd	Switzerland	26,016,538,094	0.6075%						
54	AEG	Aegon NV	Netherlands	24,357,640,203	0.5687%						
55	ITY	Imperial Tobacco Group PLC	U.K.	22,510,432,462	0.5256%						
56	KPN	Royal KPN N.V.	Netherlands	22,364,354,830	0.5222%						
57	AIB	Allied Irish Banks PLC	Ireland	22,207,772,083	0.5185%						
58	CSG	Cadbury Schweppes PLC	U.K.	20,204,430,454	0.4718%						
59	LR	Lafarge	France	19,798,890,742	0.4623%						
60	NHY	Norsk Hydro ASA	Norway	19,428,933,809	0.4536%						
61	IMI	Sanpaolo IMI S.p.A.	Italy	19,268,567,777	0.4499%						
62	NBG	National Bank of Greece	Greece	18,568,228,600	0.4336%						
63	STO	Statoil ASA	Norway	18,172,071,573	0.4243%						
64	ALA	Alcatel	France	18,013,910,080	0.4206%						
65	CRH	CRH Public Limited Co	Ireland	17,919,278,948	0.4184%						
66	IRE	Bank of Ireland	Ireland	17,474,541,503	0.4080%						
67	VE	Veolia Environnement	France	15,996,330,312	0.3735%						
68	SPI	Scottish Power Plc	U.K.	15,970,408,112	0.3729%						
69	BOX	The BOC Group Plc	U.K.	15,041,643,611	0.3512%						
70	WPPGY	WPP Group PLC	U.K.	14,923,379,196	0.3484%						
71	TP	TNT NV	Netherlands	14,807,007,806	0.3457%						
72	NVO	Novo Nordisk A/S	Denmark	14,785,590,887	0.3452%						
73	AKZOY	Akzo Nobel NV	Netherlands	14,586,058,960	0.3406%						
74	AHO	Koninklijke Ahold NV	Netherlands	13,451,842,261	0.3141%						
75	WOS	Wolseley plc	U.K.	13,256,889,144	0.3095%						
76	SYT	Syngenta	Switzerland	12,868,515,614	0.3005%						
77	RUK	Reed Elsevier PLC	U.K.	12,706,475,508	0.2967%						
78	BSY	British Sky Broadcasting Group PLC	U.K.	11,870,632,193	0.2772%						
79	UPM	UPM Kymmene Corp	Finland	11,244,757,042	0.2626%						

For more information including potential risks pertaining to BLDRS Europe 100 ADR Index Fund, and to obtain a prospectus, call 1-888-627-3837. Otherwise, visit [www.bldrsfunds.com](http://www.bldrsfunds.com) and download a prospectus. Read the prospectus carefully before you invest. BLDRS Europe 100 ADR Index Fund is subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Past performance is no guarantee of future results. International investing is subject to special risks, both economic and political. The Dow Jones Indexes<sup>SM</sup> are calculation agents for The Bank of New York ADR Indexes<sup>SM</sup>. The Bank of New York utilizes Dow Jones Indexes' free float methodology and industry classifications.

