

NASDAQ FINANCIAL PRODUCTS FACT SHEET 2004



Profile

NASDAQ Financial Products is NASDAQ's fastest growing business line. The department oversees the development and marketing of new financial products and associated derivatives, licenses and lists third-party structured products, and lists exchange traded funds (ETFs). Financial Products also administers NASDAQ® indices and calculates their values, and maintains and disseminates index data upon which hundreds of financial products are based.

The NASDAQ-100 Index

The NASDAQ-100 Index® is composed of 100 of the largest non-financial companies listed on The NASDAQ Stock Market® based on market capitalization. The Index was first published in January 1985 and has achieved wide acceptance by both investors and market professionals. It reflects NASDAQ's largest non-financial companies across major industry groups, including computer and office equipment, computer software/services, telecommunications, retail/wholesale trade, and biotechnology. The NASDAQ-100 Index is the benchmark for over 400 NASDAQ-branded products that trade in 27 countries.

The NASDAQ-100 Index Tracking StockSM (Symbol: QQQ*)

QQQSM is an exchange traded fund (ETF) designed to generally correspond to the price and yield performance of the NASDAQ-100 Index, which consists of NASDAQ's largest 100 non-financial companies. ETFs are financial products that trade like shares of stock. ETFs can be bought and sold throughout the trading day and through any broker.

In 2003, QQQ was the most actively traded ETF in the world and the most heavily traded listed security of any type in the U.S. QQQ's volume has increased from an average of 6.9 million shares traded daily in 1999 to 77.5 million shares traded on average in 2003.

QQQ has grown significantly since its inception: from \$14.5 million at the start of the NASDAQ-100 Trust on March 4, 1999 to \$23.1 billion in assets, as of March 4, 2004; and from 300 thousand total shares outstanding to 626.2 million on March 4, 2004.

The NASDAQ Composite Index

The NASDAQ Composite Index® measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market. Today the NASDAQ Composite includes approximately 3,300 companies, more than most other stock market indices. Because it is so broad-based, the Composite is one of the most widely followed and quoted major market indices. On February 5, 1971, the NASDAQ Composite Index began with a base of 100.00.

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

ONEQSM is a new ETF sponsored by Fidelity Investments based on the NASDAQ Composite Index. The ETF seeks to provide investment returns that generally correspond to the price and yield performance of the NASDAQ Composite Index, an index of approximately 3,300 NASDAQ-listed stocks representing a broad range of companies and industry sectors. The top five industry groups and their weights, as of March 31, 2004 include Computer Software & Hardware, 52%; Healthcare, 14%; Financials, 11%; Consumer Discretionary, 9%; and Telecommunications & Media, 5%; with the other groups making up 9%.

In addition to the ONEQ ETF, Fidelity Investments has created a mutual fund based on the NASDAQ Composite Index.

Additional Products

iShares NASDAQ Biotechnology Index Fund (Symbol: IBB) – Sponsored by Barclays Global Investors, N.A., this ETF seeks investment results that correspond to the price and yield performance of the NASDAQ Biotechnology Index. The NASDAQ Biotechnology Index includes companies that are primarily engaged in using biomedical research for the discovery or development of novel treatments or cures for human disease, which also meet certain financial criteria.

Baskets of Listed Depository Receipts (BLDRS^{SM*}) – Sponsored by NASDAQ Financial Products, The BLDRS Index Funds Trust consists of four separate ETFs that are designed to correspond with the price and yield performance of four Bank of New York American Depository Receipt Indices. The BLDRS fund family includes two market index funds and two regional index funds.

The NASDAQ-100 European TrackerSM - The European version of QQQ. This ETF is also based on the NASDAQ-100 Index, composed of the 100 largest non-financial companies listed on NASDAQ, and is designed for European investors.

Other NASDAQ Indexes

The NASDAQ Financial-100 Index® - Includes 100 of the largest financial companies listed on The NASDAQ Stock Market based on market capitalization. The Index contains securities of banks and savings institutions and related holding companies, insurance companies, broker dealers, investment companies and financial services companies.

NASDAQ Bank Index - The NASDAQ Bank Index contains all types of banks and savings institutions and related holding companies, establishments performing functions closely related to banking, such as check cashing agencies, currency exchanges, safe deposit companies and corporations for banking abroad.

NASDAQ Biotechnology Index - The NASDAQ Biotechnology Index contains companies that are classified according to the FTSETM 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. On November 1, 1993, the NASDAQ Biotechnology Index began with a base of 200.00.

NASDAQ Computer Index - The NASDAQ Computer Index contains computer hardware and software companies that furnish computer programming and data processing services, and firms that produce computers, office equipment, and electronic components/accessories.

NASDAQ Insurance Index - The NASDAQ Insurance Index contains all types of insurance companies including life, health, property, casualty, and brokers, agents, and related services.

NASDAQ Other Finance Index - The NASDAQ Other Finance Index includes credit agencies (except banks and savings institutions and related holding companies), security and commodity brokers, exchanges and dealers, real estate, and holding investments companies.

NASDAQ Telecommunications Index - The NASDAQ Telecommunications Index contains all types of telecommunications companies, including point-to-point communication services and radio and television broadcast, and companies that manufacture communication equipment and accessories.

NASDAQ Transportation Index - The NASDAQ Transportation Index contains all types of transportation companies, including railroads, trucking companies, airlines, pipelines, (except natural gas), and services incidental to transportation, such as warehousing, travel arrangements, and packing.

NASDAQ Industrial Index - The NASDAQ Industrial Index contains companies not classified in one of the other sub-indices, including agricultural, mining, construction, manufacturing, retail/wholesale trade, services, public administration enterprises, health maintenance organizations and companies that do not meet the NASDAQ Biotechnology Index criteria.

** - An investor should consider investment objectives, risks, charges and expenses carefully before investing. For this and more complete information about QQQ and BLDRS, both unit investment trusts, obtain a prospectus from your broker or call 888-627-3837. Read carefully before investing.*

ALPS Distributors, Inc. is distributor of QQQ and BLDRS.

It is not possible to invest directly in an index. The NASDAQ Composite Index is a market capitalization weighted, unmanaged index that is designed to closely correspond to the price and yield performance of the NASDAQ Composite Index.

ETFs are subject to market fluctuations of their underlying investments. Diversification does not ensure a profit or guarantee a loss in a declining market.

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For more complete information on Fidelity® NASDAQ Composite Index® Tracking Stock or Fidelity® NASDAQ Composite Index® Fund or any Fidelity fund, including fees and expenses, visit Fidelity.com or call any time at 800-FIDELITY for a free prospectus, which you should read carefully before you invest or send money.

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