

EXCHANGE TRADED PRODUCTS:

EXCHANGE TRADED FUNDS (ETFs)

SPDR

Select Sector SPDRs:

Consumer Discretionary

Consumer Staples

Energy

Financials

Health Care

Industrials

Materials

Technology (+ Telecom)

Utilities

iShares S&P 500

iShares S&P 500/Barra Growth

iShares S&P 500/Barra Value

iUnits S&P 500

FUTURES

S&P 500

E-Mini S&P 500

S&P 500/Barra Growth

S&P 500/Barra Value

S&P 500 Sector Futures:

Financials

Technology (+ Telecom)

OPTIONS

S&P 500

Select Sector SPDRs

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About the Index

Widely regarded as the best single gauge of the U.S. equities market, this world-renowned index includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities it is also an ideal proxy for the total market. The S&P 500 is part of a series of S&P U.S. indices that can be used as building blocks for portfolio construction.

The S&P 500 is maintained by the S&P Index Committee, a team of Standard & Poor's economists and index analysts, who meet on a regular basis. The goal of the Index Committee is to ensure that the S&P 500 remains a leading indicator of U.S. equities, reflecting the risk and return characteristics of the broader large-cap universe on an on-going basis. The Index Committee also monitors constituent liquidity to ensure efficient portfolio trading, while keeping index turnover to a minimum.

Index Methodology

The S&P Index Committee follows a set of published guidelines for maintaining the index. Complete details of these guidelines, including the criteria for index additions and removals, Committee policy statements, and research papers are available on the website at www.standardandpoors.com/indices, under Index Committee Policy. These guidelines provide the transparency required and fairness needed to enable investors to replicate the index and achieve the same performance as the S&P 500.

All changes to the S&P 500 are announced to the public via press release, also available on the website.

CRITERIA FOR INDEX ADDITIONS

- U.S. company. To determine what is a "U.S. company", the Index Committee looks at a number of factors including location of the company's operations, its corporate structure, accounting standards and exchange listings.

- Market cap in excess of \$4 billion. This market cap minimum is reviewed from time to time to ensure consistency with market conditions.
- Financial viability. This is usually determined by four consecutive quarters of positive as-reported earnings, where as-reported earnings are defined as GAAP Net Income excluding discontinued operations and extraordinary items.
- Adequate liquidity and reasonable price. The ratio of annual dollar value traded to market capitalization should be 0.3 or greater. Very low stock prices can affect a stock's liquidity.
- Public float of at least 50%.
- Sector representation. The Index Committee strives to maintain a balance for the S&P 500 in line with the sector balance of the universe of eligible companies greater than \$4 billion.
- Must be an operating company. Closed-end funds, holding companies, partnerships, investment vehicles and royalty trusts are not eligible. Real Estate Investment Trusts (REITs) are eligible for inclusion.

Continued index membership is not necessarily subject to these guidelines. The Index Committee strives to minimize unnecessary turnover in index membership and each removal is determined on a case-by-case basis.

CRITERIA FOR INDEX REMOVALS

- Companies that substantially violate one or more of the criteria for index inclusion.
- Companies involved in merger, acquisition or significant restructuring such that they no longer meet the inclusion criteria.

December 31, 2004

Data That Defines Markets, Analysis That Leads Them

Index Performance

Returns

1 Month	3.40%
3 Month	9.23%
YTD	10.88%

Returns (% pa)

1 Year	10.88%
3 Years	3.59%
5 Years	-2.30%
7 Years	4.77%

Risk (% pa)

3 Years Std Dev	15.07%
5 Years Std Dev	16.35%

Sharpe Ratio

3 Years	0.0630
5 Years	-0.0645

S&P 500

Portfolio Characteristics

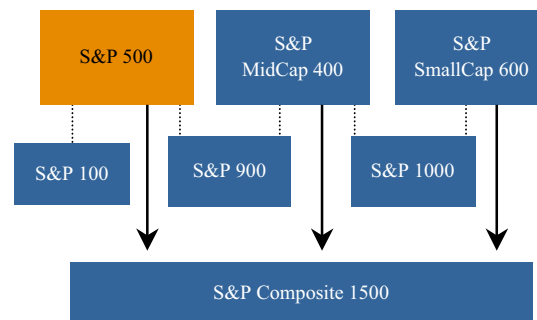
No. of Companies	500
Market Cap (\$ bil)	11,288.57

Company Size (\$ bil):

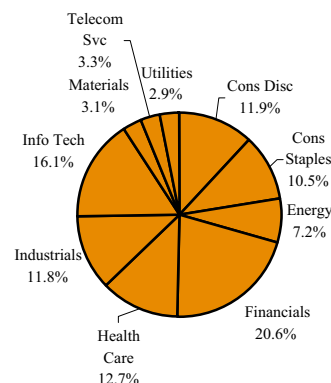
Average	22.58
Largest	385.88
Smallest	0.75
Median	10.61

% Wgt Largest Company	3.42%
Top 10 Holdings (% Mkt Cap Share)	21.23%

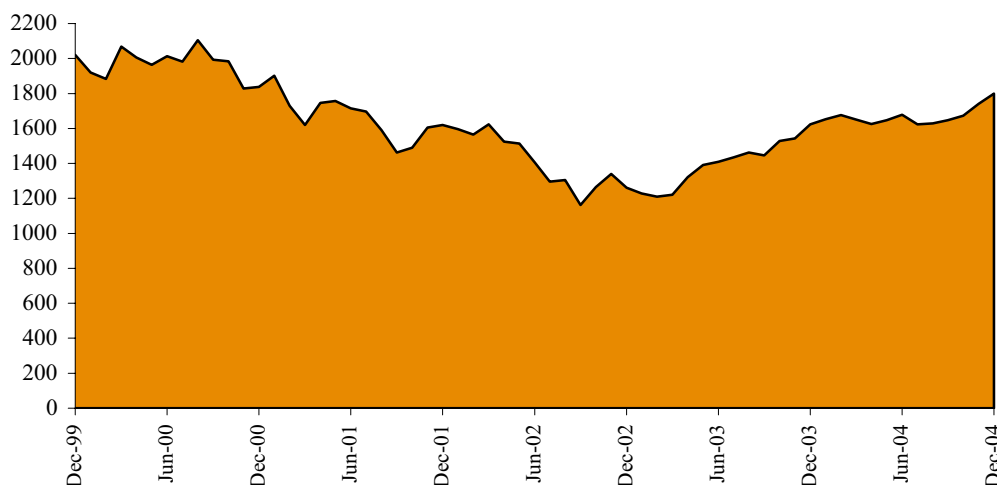
S&P U.S. Indices



Sector Breakdown



5 Year Historical Performance



Top 10 Companies

Country	Company	Mkt Cap (\$ mill)	Index Weight	Sector Weight	GICS® Sector
USA	General Electric	385,882.9	3.42%	28.98%	Industrials
USA	Exxon Mobil Corp.	330,693.4	2.93%	40.94%	Energy
USA	Microsoft Corp.	290,380.2	2.57%	16.03%	Information Technology
USA	Citigroup Inc.	250,042.3	2.22%	10.73%	Financials
USA	Wal-Mart Stores	223,685.7	1.98%	18.91%	Consumer Staples
USA	Pfizer, Inc.	202,508.5	1.79%	14.15%	Health Care
USA	Bank of America Corp.	189,800.9	1.68%	8.15%	Financials
USA	Johnson & Johnson	188,213.2	1.67%	13.15%	Health Care
USA	American Int'l. Group	171,042.2	1.52%	7.34%	Financials
USA	International Bus. Machines	164,105.8	1.45%	9.06%	Information Technology

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