



NYSE Composite Index[®]

Symbol: NYA



nyseindexes.com

NYA

NYSE Composite Index®

Overview

The New York Stock Exchange established the NYSE Composite Index (NYSE: NYA) in 1966 to provide a comprehensive measure of the performance of all of the common stocks listed on the NYSE. The NYSE Composite closely reflects the broader market, as it represents 77% of the total market capitalization of all publicly traded companies in the United States. Furthermore, it encompasses 61% of the total market capitalization of all publicly traded companies around the world. By this last measure, the NYSE Composite is the broadest of all popular broad-based U.S. indexes.

To modernize and align the index methodology with those of other popular broad-based indexes, the NYSE reintroduced the NYSE Composite Index in January 2003 under a new methodology that is fully transparent and rule-based. At its reintroduction, the NYSE Composite was recalculated to reflect a new base value of 5,000 as of December 31, 2002. A comparison of the old versus new index methodology is summarized in Exhibit 5.

The NYSE's objectives in developing proprietary indexes are to showcase the strength of the companies listed and traded on the Exchange and to provide investors with a way to monitor trends within the world's most liquid marketplace. Four new NYSE-branded indexes were launched in June 2002 to complement the NYSE Composite, all of which are composed entirely of NYSE-listed companies. These include the NYSE U.S. 100, the NYSE International 100, the NYSE World Leaders, and the NYSE TMT Indexes. In January 2004, the NYSE Financial, Energy and Health Care Indexes were added to the family of NYSE-branded indexes. With a listed company population that includes the world's most liquid and prominent companies, the NYSE is uniquely positioned to establish indexes that can serve as useful benchmarks to investors around the world.

Exhibit 1

	NYSE Composite	Nasdaq Composite	Russell 3000	Wilshire 5000	DJ U.S. Total Mkt	S&P 1500
# of Stocks	2,053	3,158	3,000	5,000	1,627	1,500
- U.S.	1,660	2,848	3,000	5,000	1,627	1,500
- Non-U.S.	393	310	0	0	0	0
Total Mkt Cap (\$ bln) *	17,424.1	3,816.8	14,011.8	14,822.7	13,584.6	12,727.0
- % of total U.S. mkt cap	77%	20%	95%	100%	92%	86%
- % of total worldwide mkt cap	61%	13%	49%	55%	48%	45%
Concentration of Top Holdings						
- Top 10 holdings as % of index mkt cap	13%	28%	16%	15%	17%	18%
Market Capitalization (\$ billion)						
Average	8.5	1.3	4.7	3.1	8.4	8.5
Median	1.7	0.2	1.0	0.4	2.4	2.1
Largest	371.7	247.9	371.7	371.7	371.7	371.7
Smallest (\$ million)	4.8	2.1	3.7	2.1	81.1	54.6

Source: FactSet. Data as of 12/31/05
* Float-adjusted

Index Description

The NYSE Composite Index is designed to measure the performance of all common stocks listed on the NYSE, including ADRs, REITs and tracking stocks. The NYSE Composite consists of over 2,000 U.S. and non-U.S. stocks. It is a measure of the changes in aggregate market value of all NYSE-listed common stocks, adjusted to eliminate the effects of capitalization changes, new listings and delistings. The index is weighted using free-float market capitalization and calculated on both price and total return basis.

Characteristics of the NYSE Composite Index

- **Broad Scope:**

The NYSE Composite consists of 2,068 common stocks, including 1,703 U.S. and 365 non-U.S. stocks as of April 30, 2005. With a total float-adjusted market capitalization of over \$15 trillion, the NYSE Composite represents 77% of the total market capitalization in the U.S., and encompasses 64% of the world's total market capitalization (Exhibit 1). It provides an exceptional breadth of diversification and is a useful benchmark for investors tracking global market performance in a single market in a single time zone.

- **Composition:**

The NYSE Composite consists exclusively of NYSE-listed companies. To become listed, all had to meet the NYSE's substantial original listing standards, providing a base level of quality for the index's potential components.

- **Well Diversified:**

- U.S. and non-U.S. stocks represent 67% and 33%, respectively, of the NYSE Composite's total market capitalization. Component companies are from 39 countries.
- Among the broad-based U.S. indexes analyzed, the NYSE Composite has the lowest concentration in a few mega-cap stocks, with the largest 10 issues in the index accounting for 15% of the index total market capitalization.

- **Comprehensive Sector Coverage:**

The component stocks in the NYSE Composite cover all of the 10 industries defined by the Industry Classification Benchmark. The sector breakdown in Exhibit 2 shows that the NYSE Composite's sector representation is fairly consistent with most other broad-based market indexes and characterizes the diversity of NYSE-listed companies.

Exhibit 2

Industry Breakdown (%)	NYSE Composite	Nasdaq Composite	Russell 3000	Wilshire 5000	DJ U.S. Total Mkt	S&P 1500
Basic Materials	4.8	2.3	2.8	2.7	2.6	2.8
Consumer Services	12.1	13.9	13.5	15.5	13.4	13.2
Consumer Goods	7.0	3.5	8.0	7.9	7.9	8.3
Oil & Gas	13.0	4.0	8.3	8.7	9.2	9.4
Financials	25.7	10.0	21.8	21.9	21.0	20.3
Health Care	11.0	12.6	12.8	12.2	12.7	12.7
Industrials	11.1	10.1	12.5	12.5	12.6	13.2
Technology	5.3	42.1	14.3	13.5	14.4	13.8
Telecommunications	5.6	1.4	2.6	2.2	2.7	2.7
Utilities	4.4	0.1	3.4	3.1	3.4	3.7

Source: FactSet. Data as of 12/31/05

• **Strong Performance and Low Volatility:**

The NYSE Composite outperformed all other major broad-based U.S. indexes on a one-, five- and ten-year basis (Exhibit 4). It is also the least volatile index based on weekly returns over the last 10 years (Exhibit 3). On a risk-adjusted returns basis (using Sharpe Ratio), the NYSE composite outperformed these broad-based indexes on a one-, three-, five- and ten-year basis (Exhibit 4).

Index Methodology

The NYSE Composite is calculated using a revised methodology that is rule-based and fully transparent. The following table summarizes the differences between the new and the old methodology; a copy of the index methodology guide can be obtained at www.nyseindexes.com.

Exhibit 3

	Volatility (%)*	Correlation vs. NYSE Composite
NYSE Composite	13.4%	1.000
Nasdaq Composite	26.7%	0.767
Russell 3000	15.0%	0.960
Wilshire 5000	15.0%	0.956
DJ U.S. Total Mkt	15.3%	0.931
S&P 1500	15.1%	0.962

Source: FactSet. Data as of 12/31/05

*Annualized volatility based on monthly returns over the last five years

Exhibit 4

	Annualized Return (%)				Sharpe Ratio			
	1-yr	3-yr	5-yr	10-yr	1-yr	3-yr	5-yr	10-yr
NYSE Composite	7.0%	15.7%	2.2%	8.3%	0.32	1.13	-0.16	0.29
Nasdaq Composite	1.4%	18.2%	-2.2%	7.7%	-0.21	0.89	-0.25	0.12
Russell 3000	4.3%	13.9%	-0.1%	7.5%	0.00	0.94	-0.29	0.20
Wilshire 5000	4.6%	14.5%	0.6%	7.5%	0.03	0.98	-0.25	0.20
DJ U.S. Total Mkt	4.5%	14.0%	-0.3%	7.4%	0.02	0.98	-0.30	0.21
S&P 1500	3.8%	13.3%	n/a	n/a	-0.06	0.89	n/a	n/a

Source: FactSet. Data as of 12/31/05

Exhibit 5

	Old Methodology	New Methodology
Security class eligible for inclusions	All security classes except preferred stocks	Common stocks, ADRs, Tracking Stocks, REITS
Weighting	Full market capitalization	Float-adjusted market cap
Base Value/Base Date	50 as of December 31, 1965	5,000 as of December 31, 2002
Rebalancing	Ongoing	Ongoing
Share updates (<10%)	Daily	Quarterly
Return calculations	Price return only	Price and total return

Exhibit 6

Top 100 Components			
Company	Ticker	Index Weight %	Industry
General Electric	GE	2.13	Industrial
Exxon Mobil	XOM	2.05	Energy
Citigroup	C	1.45	Financial
BP	BP	1.33	Energy
Procter & Gamble	PG	1.14	Consumer Non-Cyclical
Bank of America	BAC	1.07	Financial
HSBC Holdings	HBC	1.05	Financial
Johnson & Johnson	JNJ	1.03	Healthcare
Pfizer	PFE	1.00	Healthcare
Toyota Motor	TM	0.92	Consumer Cyclical
American International Group	AIG	0.89	Financial
Altria Group	MO	0.89	Consumer Non-Cyclical
GlaxoSmithKline	GSK	0.84	Healthcare
Total S.A.	TOT	0.83	Energy
JPMorgan Chase	JPM	0.80	Financial
Mitsubishi UFJ Financial Group	MTU	0.79	Financial
Vodafone Group	VOD	0.76	Telecommunications
International Business Machines	IBM	0.75	Technology
Novartis	NVS	0.75	Healthcare
Chevron	CVX	0.73	Energy
Royal Dutch Shell Cl. A	RDS.A	0.70	Energy
Wal-Mart Stores	WMT	0.69	Consumer Cyclical
Wells Fargo	WFC	0.60	Financial
PepsiCo	PEP	0.56	Consumer Non-Cyclical
AT&T	T	0.55	Telecommunications
UBS	UBS	0.54	Financial
Sanofi-Aventis	SNY	0.54	Healthcare
Coca-Cola	KO	0.51	Consumer Non-Cyclical
Royal Dutch Shell Cl. B	RDS.B	0.51	Energy
Home Depot	HD	0.50	Consumer Cyclical
UnitedHealth	UNH	0.49	Healthcare
Verizon Communications	VZ	0.48	Telecommunications
Banco Santander Central Hispano	STD	0.47	Financial
Wachovia	WB	0.47	Financial
Hewlett-Packard	HPQ	0.47	Technology
Nokia	NOK	0.47	Technology
AstraZeneca	AZN	0.44	Healthcare
Time Warner	TWX	0.44	Consumer Cyclical
ConocoPhillips	COP	0.42	Energy
E.ON AG	EON	0.41	Utilities
Siemens	SI	0.41	Industrial
ENI S.p.A.	E	0.41	Energy
Berkshire Hathaway Inc. Cl A	BRK.A	0.40	Financial
Merck	MRK	0.40	Healthcare
Medtronic	MDT	0.40	Healthcare
ING Groep	ING	0.40	Financial
Barclays	BCS	0.39	Financial
Telefonica S.A.	TEF	0.38	Telecommunications
Sprint Nextel	S	0.38	Telecommunications
Credit Suisse	CSR	0.36	Financial

Source: NYSE. Data as of 12/31/05

Top 100 Components cont.

Company	Ticker	Index Weight %	Industry
Wyeth	WYE	0.35	Healthcare
Abbott Laboratories	ABT	0.35	Healthcare
Banco Bilbao Vizcaya Argentaria	BBV	0.35	Financial
Allianz	AZ	0.35	Financial
BHP Billiton	BHP	0.34	Basic Materials
Tyco International	TYC	0.34	Industrial
Schlumberger	SLB	0.33	Energy
Merrill Lynch	MER	0.33	Financial
American Express	AXP	0.33	Financial
Morgan Stanley	MWD	0.32	Financial
Motorola	MOT	0.32	Technology
Eli Lilly	LLY	0.31	Healthcare
3M	MMM	0.31	Industrial
Texas Instruments	TXN	0.31	Technology
U.S. Bancorp	USB	0.31	Financial
Honda Motor	HMC	0.31	Consumer Cyclical
United Technologies	UTX	0.30	Industrial
WellPoint	WLP	0.30	Healthcare
AXA	AXA	0.30	Financial
Boeing	BA	0.29	Industrial
Royal Bank Of Canada	RY	0.29	Financial
Deutsche Bank	DB	0.29	Financial
BellSouth	BLS	0.28	Telecommunications
ABN AMRO Holding	ABN	0.28	Financial
Goldman Sachs	GS	0.28	Financial
Rio Tinto	RTP	0.28	Basic Materials
Canon	CAJ	0.28	Technology
DaimlerChrysler	DCX	0.28	Consumer Cyclical
Walt Disney	DIS	0.28	Consumer Cyclical
United Parcel Service	UPS	0.27	Industrial
Lloyds TSB Group	LYG	0.27	Financial
Fannie Mae	FNM	0.27	Financial
Lowe's	LOW	0.27	Consumer Cyclical
Manulife Financial	MFC	0.27	Financial
Viacom Inc. Cl B	VIA.B	0.26	Consumer Cyclical
Walgreen	WAG	0.26	Consumer Cyclical
Freddie Mac	FRE	0.26	Financial
Bristol-Myers Squibb	BMY	0.26	Healthcare
Target	TGT	0.25	Consumer Cyclical
Deutsche Telekom	DT	0.25	Telecommunications
Matsushita Electric Industrial	MC	0.25	Consumer, Cyclical
Genentech	DNA	0.25	Healthcare
McDonald's	MCD	0.25	Consumer Cyclical
Washington Mutual	WM	0.24	Financial
E.I. DuPont de Nemours	DD	0.24	Basic Materials
Dow Chemical	DOW	0.24	Basic Materials
Diageo	DEO	0.24	Consumer Non-Cyclical
France Telecom	FTE	0.24	Telecommunications
BASF	BF	0.23	Basic Materials
Sony	SNE	0.23	Consumer Cyclical

Source: NYSE. Data as of 12/31/05

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