

INDEX BULLETIN

Changes to the Dow Jones Wilshire 5000 and its subsidiary indexes

On August 11, 2005 Dow Jones and Wilshire announced that they will be redefining the United States company inclusion rule for the Dow Jones Wilshire 5000 and its subsidiary indexes.

New methodology

Beginning with the September 2005 rebalance of the Dow Jones Wilshire 5000 and its subsidiary indexes, the United States company definition for inclusion in these indexes will change. Companies that are incorporated outside of the United States, with headquarters outside the U.S., but are considered by the investment community to be U.S. companies, will become eligible for inclusion. Companies whose headquarters and primary market listing differ, such as where no home equity market is available, will be evaluated on an individual basis. This rule differs from the existing inclusion rule which states that equity issues, including REITs and limited partnerships, must be headquartered and have their primary listing in the United States. Factors that may be considered in the individual security analysis include:

- The country where the company's headquarters and management are located.
- The company's legal domicile.
- The stock exchange(s) it trades on, if there is no listing in its home country.
- The location of its operations (production assets).
- The currency in which dividends (if any) are paid, and the tax laws affecting the treatment of those dividends.

Implementation & Analysis

The methodology change will be effective on September 19th, which corresponds to the September quarterly review. Preliminary data indicates that 34 companies will be eligible for index inclusion as a result of the new rule. Our turnover analysis of the preliminary data indicates that the Dow Jones Wilshire 5000 Index and the Dow Jones Wilshire 4500 Index will experience 1.0% and 1.8% turnover respectively due to this event alone. However, given that the effective date corresponds with the September quarterly share changes and the monthly IPO additions we estimate turnover of 1.39% for the Dow Jones Wilshire 5000 and 2.92% for the Dow Jones Wilshire 4500 creating a significant event for the index series.

The largest 10 companies being added to the Dow Jones Wilshire 5000 are listed in Table 1, along with their respective weights within each index. The additional companies will cause a slight shift in the industry weights within the indexes, as depicted in Table 2. We estimate the Dow Jones Wilshire 5000 index will experience the greatest increase in the Producer Manufacturing sector with a 0.35% increase. The Finance sector will increase 0.15% while the Health Technology sector will decrease 0.11%. The Dow Jones Wilshire 4500 will experience the greatest sector shift in Finance with an increase of 0.37% followed by Electronic Technology (0.30% increase) and Technology Services (0.24% increase).

Table 1: Top 10 additions to the DJ Wilshire 5000 and their respective weights in the DJW5000 and DJW4500

Ticker	Company Name	Industry	DJW 5000	DJW 4500
TYC	Tyco International Ltd.	Producer Manufacturing	0.41%	--
ACE	ACE Ltd.	Finance	0.09%	--
ACN	Accenture Ltd. Cl A	Technology Services	0.08%	0.37%
MRVL	Marvell Technology Group Ltd.	Electronic Technology	0.07%	0.32%
XL	XL Capital Ltd. Cl A	Finance	0.07%	--
RE	Everest Re Group Ltd.	Finance	0.04%	0.17%
AXS	Axis Capital Holdings Ltd.	Finance	0.03%	0.12%
GRMN	Garmin Ltd.	Electronic Technology	0.02%	0.11%
PRE	PartnerRe Ltd.	Finance	0.02%	0.11%
RNR	RenaissanceRe Holdings Ltd.	Finance	0.02%	0.10%

Sources: DJ Wilshire, Factset

Table 2: Estimated Industry Weights for additions to DJ Wilshire 5000 and 4500

DJ Wilshire 5000 Industries	Before	After	Diff	DJ Wilshire 4500 Industries	Before	After	Diff
Producer Manufacturing	6.37%	6.72%	0.35%	Finance	24.87%	25.24%	0.37%
Finance	20.94%	21.09%	0.15%	Electronic Technology	8.22%	8.52%	0.30%
Technology Services	6.35%	6.37%	0.02%	Technology Services	5.96%	6.20%	0.24%
Transportation	1.42%	1.44%	0.02%	Transportation	1.90%	2.01%	0.11%
Electronic Technology	10.18%	10.19%	0.01%	Miscellaneous	0.12%	0.12%	0.00%
Miscellaneous	0.03%	0.03%	0.00%	Distribution Services	1.56%	1.55%	-0.01%
Non-Energy Minerals	0.99%	0.98%	-0.01%	Non-Energy Minerals	1.35%	1.32%	-0.03%
Commercial Services	1.28%	1.27%	-0.01%	Communications	1.88%	1.85%	-0.03%
Distribution Services	0.93%	0.92%	-0.01%	Consumer Services	8.03%	7.98%	-0.05%
Consumer Durables	1.89%	1.87%	-0.02%	Consumer Non-Durables	2.77%	2.72%	-0.05%
Process Industries	2.30%	2.28%	-0.02%	Process Industries	3.04%	2.98%	-0.06%
Communications	2.90%	2.87%	-0.03%	Commercial Services	3.28%	3.22%	-0.06%
Health Services	2.63%	2.60%	-0.03%	Consumer Durables	3.03%	2.97%	-0.06%
Industrial Services	2.51%	2.48%	-0.03%	Health Services	3.50%	3.43%	-0.07%
Consumer Services	6.14%	6.10%	-0.04%	Utilities	3.74%	3.67%	-0.07%
Utilities	3.54%	3.50%	-0.04%	Energy Minerals	4.24%	4.16%	-0.08%
Consumer Non-Durables	6.63%	6.57%	-0.06%	Producer Manufacturing	4.40%	4.31%	-0.09%
Retail Trade	5.77%	5.71%	-0.06%	Industrial Services	4.16%	4.07%	-0.09%
Energy Minerals	7.01%	6.94%	-0.07%	Retail Trade	5.45%	5.35%	-0.10%
Health Technology	10.19%	10.08%	-0.11%	Health Technology	8.49%	8.33%	-0.16%

Sources: DJ Wilshire, Factset

All of us at Northern Trust Global Investments look forward to working with you to effectively manage this event. If you have any questions or an interest in discussing this situation, please contact your Investment Relationship Manager.