

MSCI[®]

10/40 EQUITY INDICESSM

The MSCI 10/40 Equity Indices aim to reduce tracking error between a UCITS* fund and its benchmark index. The indices are calculated and delivered on an index-by-index basis, according to client requirements.

The indices:

- Aim to reflect a more relevant picture of the opportunity set presented by a unique regulatory environment
- Help reduce unnecessary tracking error
- Simplify the investment process, performance reporting and attribution.

Current Situation

A large majority of equity benchmarks offered in the marketplace today are not constructed to address regulatory investment constraints. As a result, benchmarks often "overstate" the true investable universe and therefore can cause undesirable effects on performance measurement.

In some markets, 10/40 related constraints are the leading cause of tracking error.

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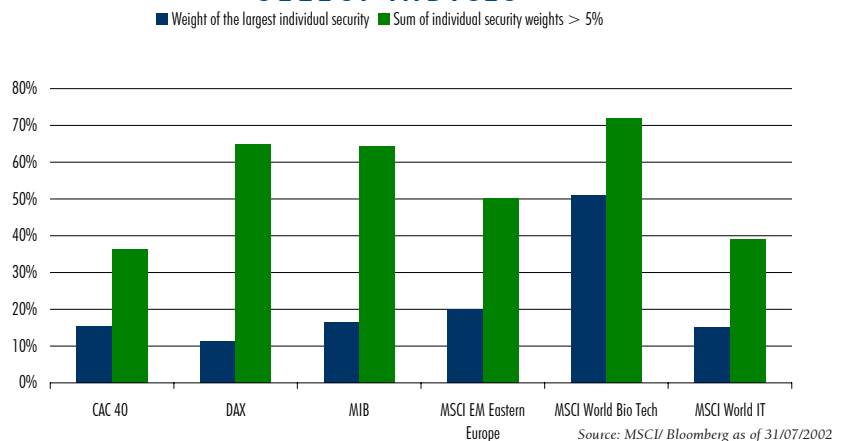
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SELECT INDICES



How

MSCI has developed a proprietary methodology, based on extensive simulations and client consultations, that derives and maintains 10/40 Equity IndicesSM from the following MSCI Equity Index Families ("Parent Indices"):

- Standard - Regional, Country, Sector
- Value/Growth
- Small Cap

*UCITS - Undertakings for Collective Investment in Transferable Securities.

THE KEY FEATURES AND BENEFITS OF MSCI'S 10/40 INDEX METHODOLOGY INCLUDE:

Stability

Ensuring timely and ongoing stability requires a 10/40 Index to be rebalanced as soon as the weight of one or more securities exceeds the methodology's constraints. In practice this means that "as needed" rebalancings take place as of the close of the day when the methodology's constraints are broken, such that the index will comply with the weight restrictions before the opening of the following trading day. Rebalancings also occur after additions of constituents to the Parent Index, and at quarterly reviews (generally on the last business day of February, May, August and November).

Minimized Tracking Error Versus the Parent Index

Tracking error is minimized by decreasing the weights of constituents subject to the 10/40 constraint in a proportional way. Indices are rebalanced versus the Parent Indices quarterly, based on a Parent Index's constituents' weights, to minimize tracking error.

Minimized Turnover

To ensure that the MSCI 10/40 Equity Indices are not subject to constant rebalancing and thus to excessive index turnover caused by short-term market movements, MSCI's 10/40 Index Methodology uses a "buffer", which is set equal to 10% of the value of each constraint. For example, the 10% limit is reset to 9% and the 40% limit is reset to 36% every time the index is rebalanced. In addition, the MSCI 10/40 Equity Indices are primarily rebalanced on an "as needed" basis, relative to the existing constituents' weights when the index breaks the weights constraints, as opposed to rebalancing to the constituents' weights in the Parent Index.

For more specifics, please contact MSCI Global Client Service for a copy of the *MSCI 10/40 Equity Indices: Index Construction and Maintenance Methodology*.

PRODUCT CONTENTS

MSCI 10/40 Equity Indices are subscribed to, and delivered on, an index-by-index basis, as requested by clients. The product contains both index and security level data, and indices are calculated in eight currencies - Local, USD, EUR, GBP, CHF, NOK, SEK and DKK. Data elements offered include:

INDEX LEVEL DATA

- | | | |
|-----------------------------------|-----------------------------------|------------------------|
| • MSCI Index Code | • Number of Constituents | • Current Index Level |
| • Index Name | • Number of Constituents Next Day | • Previous Index Level |
| • Last Rebalancing Date | • Index Variant Type | • Performance |
| • Next Day Rebalanced Information | • Index Variant Base Date | |

SECURITY LEVEL DATA

- | | | |
|----------------------|---|-------------------------------------|
| • ISO Country Symbol | • GICS® Code | • Unit of Quotation |
| • MSCI Security Code | • GICS Code Next Day | • Foreign Exchange (FX) Rate |
| • Security Name | • Number of Shares | • Capping Inclusion Factor Next Day |
| • Sedol Code | • Foreign Inclusion Factor (FIF) Next Day | • Capped Weight Next Day |
| • Reuters RIC Code | • Currency of Price Today | |
| • Bloomberg Ticker | • Price Today | |

MARKET COVERAGE

The 10/40 Equity Index methodology can be applied to all 23 Developed Market (DM) and 27 Emerging Market (EM) countries, MSCI regional indices, as well as MSCI sector, industry group and industry indices.

DISTRIBUTION OF DATA

MSCI 10/40 Equity Indices are available via Direct Delivery from MSCI and via Datastream.

Delivery Methods

CometSM - email

Internet FTP (File Transfer Protocol) from the Comet server

Datastream

Frequency

Daily reporting

History

- Price, net and gross history is available from December 1998
- Small Cap history is available from May 31, 2002.

AVAILABILITY OF DATA

DAILY DATA DISTRIBUTION

Between 10.30 - 12.30 Central European Time (next day)

Note: All delivery times are **approximate**.

FOR MORE INFORMATION

Please contact MSCI Global Client Service or your local MSCI representative. Global Client Service support is available worldwide, 24 hours a day, five days a week - see front page for contact details.

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