

MSCI® client communication

MSCI INTERNATIONAL EQUITY INDICES--BASIS FOR NEW VIPERs® EXCHANGE TRADED SHARES

New York, July 26, 2002. MSCI is pleased to announce that The Vanguard Group filed an application with the Securities and Exchange Commission that would permit its international stock index funds to issue exchange-traded shares that will track three MSCI International Equity Indices.SM

If approved, the new Vanguard VIPERs (for Vanguard Index Participation Equity Receipts) will be the only exchange-traded fund (ETF) in the industry to track the MSCI Europe and MSCI Pacific Indexes,SM and will represent the first ETF to provide broad-based coverage of the emerging markets universe, rather than single emerging market countries or regions.

MSCI International Equity Indices are the preeminent benchmarks in the US for international equity performance.¹ “As the ETF market increases in stature and attracts more assets, the choice of the underlying indices that ETFs track becomes more important. Due to our disciplined approach to index construction, strong reputation for client service and data integrity, the MSCI indices are an excellent choice for this growing market,” said Henry Fernandez, President and CEO of MSCI.

¹Pensions and Investments Magazine Survey, July 2000.

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