

# MSCI<sup>®</sup> press release

## EQUITY INDICES

### MSCI DEVELOPING NEW US EQUITY INDICES FOR DOMESTIC INVESTORS

**Princeton, August 2, 2002.** MSCI, a leading provider of international equity, fixed income and hedge fund indices announced today that it is developing a new family of US equity indices for domestic investors. The new index series will reflect the full breadth of investment opportunities within the US equity markets by capitalization size, value/growth investment styles and sector groups. The new index family will be introduced in phases beginning in early 2003.

The new MSCI US equity indices will feature large, mid and small cap indices that aggregate into an investable market index. A micro cap index will also be developed that, in combination with the investable market index, will aggregate into a total market index. The benchmarks will define value and growth styles independently of each other using a new multi-factor approach, and sector indices will be calculated based on the Global Industry Classification Standard (GICS)<sup>SM</sup>. The new index methodology contains a number of innovations designed to offer investors a best of breed benchmark series covering the total US market. A summary of the methodology has been posted on MSCI's web site at [www.msci.com](http://www.msci.com).

"MSCI is developing this product in response to significant client demand for a US equity index series that features the disciplined approach to index methodology, data integrity and level of service that MSCI brings to international equity investors," said Henry Fernandez, President and CEO of MSCI. "Extensive consultations with investors indicate that the MSCI US equity index series will be welcomed by asset owners, consultants and asset managers as a valuable tool for asset allocation and portfolio performance measurement."

These new indices are designed with features that specifically address the concerns that investors have consistently voiced about existing US domestic benchmarks. Improvements include:

- Thorough and transparent index construction and maintenance methodology
- Eight different variables (three for value and five for growth) used to more accurately reflect value and growth styles
- Buffer zones that reduce index turnover caused by the temporary migration of securities from one size or style sub index to another

The addition of the new MSCI US equity index series to the existing family of MSCI International Equity Indices<sup>SM</sup> will allow US asset owners and investment managers to efficiently manage and allocate global equity portfolios using MSCI's domestic and international indices, all sharing common features such as:

- Free float-adjustment of constituent weights
- Consistent treatment of corporate events
- Consistent industry classification of US and international equity securities using the Global Industry Classification Standard (GICS)

More details regarding this new index series will be made available over the next several months.

**For further information on MSCI indices or MSCI data, please visit our web site at [www.msci.com](http://www.msci.com) or contact MSCI Client Services:**

<b>Jessica Parra Martinez, MSCI, London</b>	<b>+44 20 7425 6660</b>
<b>Dorsey Horowitz, MSCI, New York</b>	<b>+1 212 762 5790</b>
<b>Taiki Kimura, MSCI, Tokyo</b>	<b>+813 5424 5470</b>
<b>Jammy Chan, MSCI Hong Kong</b>	<b>+852 2848 6740</b>

<b>Daniel Guthrie/Emma Leeds, Luther Pendragon, London</b>	<b>+44 20 7618 9100</b>
<b>Ed Rowley/Steve Bruce, Abernathy MacGregor, New York</b>	<b>+1 212 371 5999</b>

---

This information is the property of Morgan Stanley Capital International Inc. (MSCI). It is provided for informational purposes only, and is not a recommendation to participate in any particular trading strategy. This information may not be used to verify or correct data, or any compilation of data or index or in the creation of any indices. Nor may it be used in the writing, creating, marketing or promotion of any financial instruments or products. This information is provided on an "as is" basis. None of MSCI, its affiliates nor any other party involved in the making or compiling of this information makes any representation or warranty, express or implied, as to the results to be obtained by any person or entity from any use of this information, and the user of this information assumes the entire risk of any use made of this information. None of MSCI, its affiliates nor any other party involved in the making or compiling of the information makes any express or implied warranties, and MSCI, its affiliates and any such third party hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, its affiliates or any other party involved in the making or compiling of this information have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Morgan Stanley Capital International, MSCI, ACWI, EAFE, EMF and all other index service marks referred to herein are the exclusive property of MSCI and its affiliates. All MSCI indices are the exclusive property of MSCI and may not be used in any way without the express permission of MSCI. The Global Industry Classification Standard (GICS)<sup>SM</sup> was developed by and is the property of MSCI and Standard & Poor's.

MSCI is a leading provider of global indices and benchmark related products and services to investors worldwide. Morgan Stanley, a global financial services firm and a market leader in securities, asset management, and credit services, is the majority shareholder of MSCI, and The Capital Group Companies, Inc., a global investment management group, is the minority shareholder.

MSCI Client Services can be reached on:

London	+44 20 7425 6660	New York	+1 212 762 5790	Tokyo	+813 5424 5470
Frankfurt	+49 69 2166 5325	San Francisco	+1 415 576 2325	Hong Kong	+852 2848 6740

And at a further thirteen locations around the world.