

MSCI®

# press release

## MSCI TO LAUNCH U.S. BROAD MARKET AND MICRO CAP INDICES

### *Indices Complete MSCI's Full US Equity Indices Offering*

**Princeton, November 1, 2004**--MSCI, a leading provider of U.S. equity, international equity, fixed income and hedge fund indices, announced today that it will publish the MSCI US Broad Market and Micro Cap Indices on December 1, 2004, with history from May 30, 2003. The performance of the indices will be posted on msci.com starting on December 1. Constituent level data will also be made available to clients on this date.

These indices join the MSCI US Equity Indices introduced in 2003 that have been well accepted by market participants. To date, there are over \$40 Billion in assets benchmarked to the indices, and 17 Exchange Traded Funds (ETFs) based on the indices. Many of the previously launched indices have been adopted by Vanguard as the basis of mutual funds and ETFs.

The MSCI US Broad Market Index is the aggregation of the MSCI US Large Cap 300, Mid Cap 450, Small Cap 1,750 and Micro Cap Indices. This index represents approximately 99.5% of the capitalization of the U.S. equity market and includes approximately 3,800 companies. The MSCI US Broad Market Index represents a greater proportion of the U.S. equity market cap than the most commonly used broad market indices.

The MSCI US Micro Cap Index represents the micro cap companies in the U.S. equity market. The index targets for inclusion, approximately the bottom 1.5% of the U.S. equity market capitalization and contains more than 1,300 companies. The MSCI US Micro Cap Index is investable due to the free float adjustment of index constituents and minimum market cap requirements.

Simultaneously, MSCI will also introduce the MSCI US Small + Mid Cap 2200 Index, and the MSCI US Small + Micro Cap Index, as well as sector and industry sub-indices for all of the new market cap indices based on the Global Industry Classification Standard (GICS®). Value and growth indices for the MSCI US Small + Mid Cap 2200 Index will also be introduced on December 1, 2004.

“The launch of the MSCI US Broad Market and Micro Cap Indices completes the introduction of this state of the art index series that enables investors to thoroughly analyze and track the US equity market in its entirety, as well as every segment of it,” said Charissa Smith, Managing Director, MSCI. “The challenge in building a micro cap index is to create one that accurately and broadly represents the segment, but is also replicable by investors. We believe that MSCI's Micro Cap Index has achieved that balance.”

Ms. Smith continued, “The MSCI US Equity Indices are being well received in the market as they offer a better representation of market segments and have greater style integrity than existing indices. In addition, index turnover is reduced through the innovative use of buffer zones. The transparent rules based methodology makes the indices ideal for benchmarking, research, asset allocation, performance measurement, and as the basis of investment products.”

The MSCI US Equity Indices feature the use of eight variables to define value and growth, index rebalancings four times per year, and free float adjustment of index constituents.

MSCI has been an equity index provider for over thirty-five years. Close to 2,000 organizations worldwide currently use MSCI indices.

**Below is the performance of the MSCI US Equity Indices as of October 25, 2004**

	<u>1 Year</u>	<u>YTD</u>	<u>QTD</u>
BROAD MARKET INDEX	9.27%	0.52%	-1.44%
LARGE CAP 300 INDEX	7.24%	-1.01%	-1.98%
MID CAP 450 INDEX	14.69%	5.12%	0.13%
SMALL CAP 1750 INDEX	16.36%	5.30%	-0.03%
MICRO CAP INDEX	10.37%	-1.59%	-0.04%
INVESTABLE MARKET 2500 INDEX	9.25%	0.54%	-1.45%
PRIME MARKET 750 INDEX	8.40%	-0.04%	-1.64%
SMALL + MID CAP 2200 INDEX	15.41%	5.20%	0.06%
SMALL + MICRO CAP INDEX	15.72%	4.55%	-0.03%

Note: The MSCI US Investable Market 2500 Index is the aggregation of the MSCI US Large Cap 300, Mid Cap 450 and Small Cap 1,750 Indices. The MSCI US Prime Market 750 Index aggregates the MSCI US Large Cap 300 and Mid Cap 450 Indices.

### About MSCI

MSCI is a leading provider of equity, fixed income and hedge fund indices and related products and services. MSCI estimates that over USD 3 trillion is benchmarked to its indices on a worldwide basis. MSCI is headquartered in New York, with research and commercial offices around the world. 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. In June 2004, Morgan Stanley acquired Barra, a global leader in risk management technology for investment professionals. Barra's operations will be combined with MSCI to form MSCI Barra.

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

<b>Amy Davidson, MSCI, New York</b>	<b>+ 1 212 762 5790</b>
<b>Guillermo Bedit, MSCI, London</b>	<b>+ 44 20 7425 6660</b>
<b>Jammy Chan, MSCI, Hong Kong</b>	<b>+ 852 2848 6740</b>
<b>Olivia Vong, MSCI, Tokyo</b>	<b>+ 813 5424 5470</b>

<b>Ed Rowley/Patrick Linehan, Abernathy MacGregor, New York</b>	<b>+ 1 212 371 5999</b>
<b>Daniel Guthrie/Beany McLean, Luther Pendragon, London</b>	<b>+ 44 20 7618 9100</b>

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