

MSCI 10/40 Equity IndicesST

Benchmark indices for UCITS compliant funds.¹

Overview

The MSCI 10/40 Equity Indices provide a benchmark alternative for UCITS funds. The indices aim to balance three objectives:

- Reduce tracking error between a UCITS fund and its benchmark index by taking into consideration investment limits set forth in the UCITS III Directive.
- Minimize tracking error between the MSCI 10/40 Equity Index and its unconstrained Parent Index through periodic weight rebalancings.
- Minimize turnover between scheduled index rebalancings through a comprehensive methodology.

Key Benefits

Designed to More Precisely Reflect the Relevant Opportunity Set

The MSCI 10/40 Equity Indices are designed and maintained on a daily basis to take into consideration the 10% and 40% concentration constraints on funds subject to the UCITS III Directive, and the Directive's requirement of grouping securities into Group Entities. The majority of equity benchmarks offered in the European marketplace today are not constructed to address these regulatory investment constraints, which often leads to misstating the true investable universe.

Designed to Minimize Tracking Error

Given the UCITS III concentration constraints, the MSCI 10/40 Equity Indices aim to minimize the tracking error between the 10/40 Equity Index and the Parent Index by periodically rebalancing the 10/40 Equity Index relative to the constituents' weights in the Parent Index. In some markets, 10/40-related constraints are the leading cause of tracking error between UCITS compliant funds and unconstrained benchmark indices.

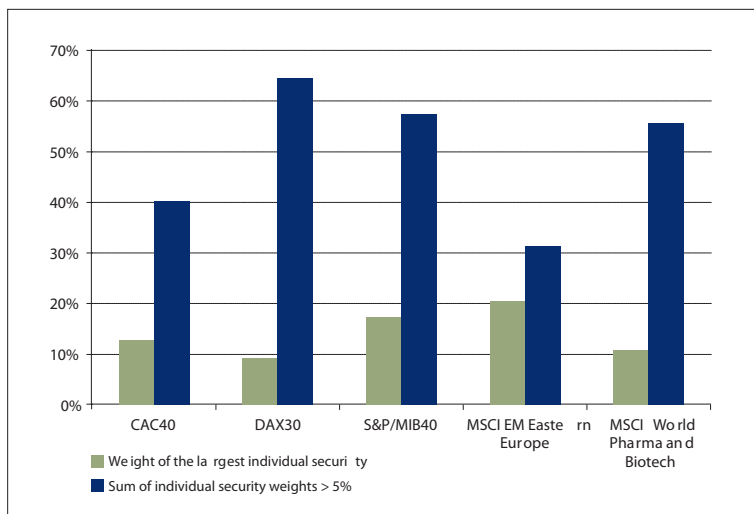
Designed to Minimize Index Turnover

To avoid constant rebalancing and excessive index turnover, three mechanisms are embedded in the MSCI 10/40 Equity Index Methodology:

1. A buffer zone for performance flexibility that caps the weight of Group Entities at a cushion of 10% below the 10/40 constraint thresholds.
2. An algorithm that is triggered by market driven breaches of 10/40 constraints and that aims to minimize turnover while restoring the weight constraints.
3. Ongoing corporate event management.

Designed to Facilitate Performance Reporting and Attribution

With the aim of representing the true investable universe in a constrained environment, the MSCI 10/40 Equity Indices provide clients with a powerful benchmark tool that they can use to separate performance attributed to regulatory constraints from performance attributed to market movements or management skill.



Data as of May 2006

Examples of indices that do not meet the MSCI 10/40 Index weight constraints

¹UCITS: Undertakings for Collective Investment in Transferable Securities.

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+ 65.6834.6777
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- Sydney
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- Tokyo
+ 813.5226.8222
- Toronto
+ 1.416.628.1007
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+ 41.44.220.9300

Product Information

MSCI 10/40 Equity Indices are licensed and delivered on an index-by-index basis, as requested by clients.

Available in Eight Currencies

- MSCI Local², USD, EUR, GBP, CHF, NOK, SEK, DKK

Frequency

- Daily

History - Price, Net and Gross History Available

- Standard Country, Region, Sector, Value and Growth history available from December 1998
- Small Cap history available from May 31, 2002
- US Equity history available from November 30, 2002
- KOKUNAI (Japanese Domestic) history available from May 31, 2005

Daily Data Distribution

- Contains both index and security level data.
- Delivered between 00.30—04.00 Central European Time (next day). All delivery times are approximate.

Available from MSCI Barra via:

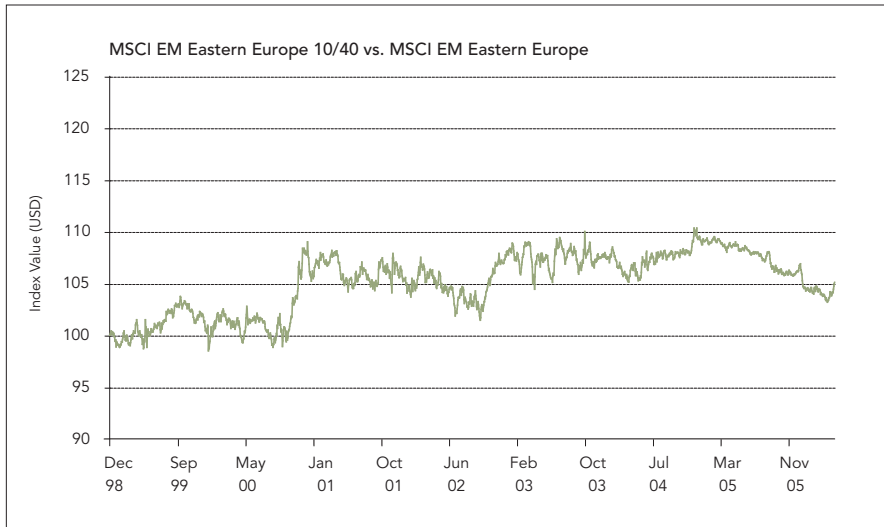
Internet FTP (File Transfer Protocol)

- Datastream
- RIMES
- FactSet

Customization

MSCI 10/40 Equity Indices can be customized as follows:

- By GICS[®] sector, industry group and industry, or by geography, subject to certain constraints.
- Performance, as well as index and constituent data, can be provided in formats or certain different currencies.
- Investment criteria and buffer zones can be customized for certain different investment constraints.



Data as of May 2006

*Performance differential:
MSCI 10/40 Equity Index
relative to its Parent Index*

² MSCI Local: A single currency or basket of currencies representing the theoretical performance of an index without any impact from FX fluctuations.

About MSCI Barra

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Barra products include indices and portfolio risk and performance analytics for use in managing equity, fixed income and multi-asset class portfolios. The company's flagship products are the MSCI International Equity Indices, which include over 120,000 indices calculated daily across more than 70 countries, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Barra is headquartered in New York, with research and commercial offices around the world.

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