

MSCI Europe Factor Indices

Long-short indices based on the MSCI Europe Index and designed to reflect the returns of a single Barra risk factor and the market

MSCI Factor Indices are constructed by optimizing an MSCI index to achieve a specified high level of exposure to a target Barra factor, and very low exposure to all other style, industry and country factors. MSCI Barra currently offers long-short factor indices that target Momentum, Value, Volatility, and Leverage factors for the European equity market. The index family may be expanded in the future to cover a wider range of factors.

The MSCI Europe Factor Indices are long-short indices constructed using an optimization process that, based on specific constraints, aims to represent a specified exposure to a target factor, very low exposure to other factors and low tracking error relative to the MSCI Europe Index. The Barra Equity Model used is the Barra Europe Short-Term Model (Barra EUE2S).

Barra EUE2 Factor Definitions

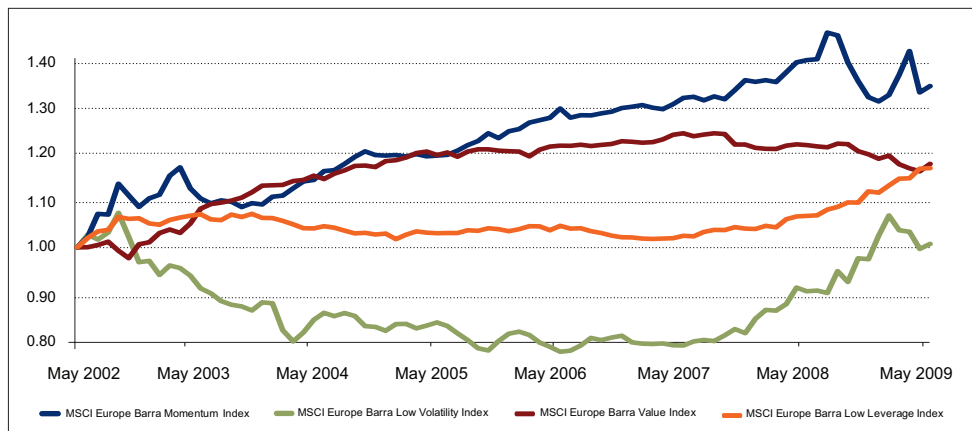
Momentum — identifies stocks that have been recently successful based on historic alpha (5-year beta regression) and price behavior in the market, measured by 12-month cumulative excess returns.

Leverage — measures a company's debt exposure.

Value — captures the extent to which a company's ongoing business is inexpensively priced in the marketplace.

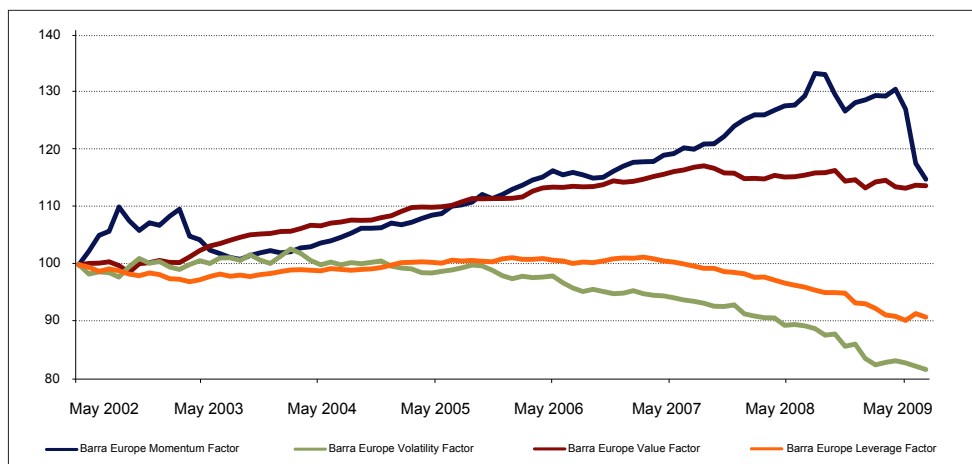
Volatility — predicts the volatility of a stock based on its historical price behavior.

Relative Performance to the MSCI Europe Index



Notes:
Relative performance from May 2002 to April 2009
Factor Returns are based on research simulations using proxy methodology that does not incorporate shorting cost screening

Historical Cumulative Return of Main Barra Factors in the Barra EUE2S Risk Model



Notes:
Factor returns from May 2002 to April 2009

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MSCI Europe Factor Index Methodology Highlights

| Construction Steps | Long-Short MSCI Europe Factor Indices |
|--|--|
| (1) Benchmark | MSCI Europe Index |
| (2) MSCI Parent Index and Selection Universe | MSCI Europe Investable Market Index Constituents (Large, Mid & Small Cap) |
| (3) Optimization Objective | The MSCI Europe Factor Index aims to target 1 or -1 standard deviation of exposure and the lowest tracking error relative to the MSCI Europe Index |

| Optimization Constraints | |
|---|---|
| (4) Target Factor Exposure | Momentum target exposure 1 standard deviation from the MSCI Europe Index Value target exposure 1 standard deviation from the MSCI Europe Index Low Volatility target exposure -1 standard deviation from the MSCI Europe Index Low Leverage target exposure -1 standard deviation from the MSCI Europe Index |
| (5) Other Style Exposures | +/- 0.1 standard deviations from the MSCI Europe Index |
| (6) Country and Industry Exposures | +/- 0.5% standard deviations from the MSCI Europe Index |
| (7) Portfolio Leverage | MSCI Europe Barra Momentum Index fixed at 130/30 MSCI Europe Barra Value Index fixed at 130/30 MSCI Europe Barra Low Volatility Index fixed at 150/50 MSCI Europe Barra Low Leverage Index fixed at 130/30 |
| (8) Net Equity Exposure | 100% |
| (9) Shorting Cost (Value Weighted Average Fee 7 Day) ¹ | <100 bps Shorting Cost Cutoff for a security to be newly included into a short position <133 bps Shorting Cost Cutoff for a security currently held as a short position |
| (10) Max Number of Stocks | 400 |
| (11) Max Stock Weight | +/- 2% weight from the MSCI Europe Index |
| (12) 1-Way Monthly Turnover | <5% |
| (13) 1-Month Average Daily Traded Value Trade Limit | <10% |

¹ The MSCI Factor Indices are screened using certain short interest data sourced from Data Explorers. See www.dataexplorers.com for further information regarding short interest data.

MSCI Factor Indices – Product Information

The MSCI Factor Indices are licensed and delivered on an index-by-index basis, as requested by clients. Clients must be licensed to receive the corresponding MSCI Core Data Module.

Reporting Options

- Daily delivery of index and security level data
- Real-time price return index levels are calculated in EUR and disseminated every 15 seconds during market trading hours
- End-of-day price and total return index levels are calculated in EUR

History

- Daily index level history from December 31, 2002 available to licensed clients at a later date

Delivery

- MSCI Factor Indices are delivered individually via MSCI Direct Delivery or via the following vendor platforms:
 - Bloomberg*, BNY/Mellon Analytical Solutions, FactSet**, Markit, Netik, Thomson Reuters* (DataStream, QAI, Vestek, and 3000Xtra), RIMES, RiskMetrics, Style Research, Sungard/APT, Wilshire
- End of day index levels are available via www.msccibarra.com

* Index levels only available.

** Certain restrictions and limitations may apply.

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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