

# MSCI FX Hedge Indices

Designed to reflect the performance of a currency hedge on an MSCI index

Currency returns can have a dramatic impact on the returns of equity indices. While there are times during the investment cycle when investors may be comfortable taking the equity and the currency risk together, there are other times when hedging the currency exposure is also useful. The MSCI FX Hedge Indices are designed to reflect the investment process of hedging the currency exposure of MSCI equity indices by selling currency forwards in the exact currency weights of the parent MSCI index.

The MSCI FX Hedge Indices are designed to be used as a currency overlay for the MSCI Global Investable Market Indices and the MSCI Hedged Indices:



Constructing the MSCI FX Hedge Indices involves the following steps:

- Defining the home currency
- Identifying the currencies to be sold
- Identifying the weight for each currency to be sold in the index

## Key Benefits

**Transparent Performance Measurement Tool** — The MSCI FX Hedge Indices can be used by fund managers, pension plans and other institutional investors to understand the impact of hedging currency exposure in a regional or composite index.

**Benchmarking Tool** — Asset owners and consultants can use the MSCI FX Hedge Indices as a benchmark for institutional currency overlay mandates.

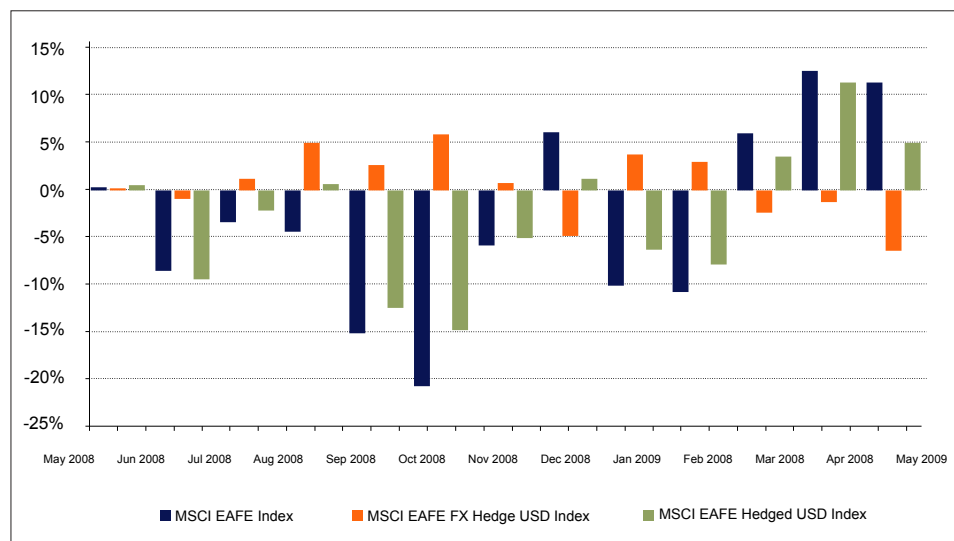
**Index Expertise** — MSCI Barra has built upon its long-standing index design expertise, gained in part through

the existing MSCI Daily Hedged and MSCI Global Currency Indices, to create this new index methodology.

**Flexible and Broad Country Coverage** — MSCI FX Hedge Indices can be calculated for most regional or composite indices within the MSCI Developed, Emerging and Frontier Markets.

**Index Licensing** — The MSCI FX Hedge Indices may be licensed for portfolio management and benchmarking purposes, as well as to serve as the basis of index-linked investment vehicles such as OTC options or swaps, structured products and ETFs.

## Monthly Performance Comparison



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China Netcom  
10800.852.1032  
China Telecom  
10800.152.1032  
Chicago  
+ 1.312.675.0545  
Frankfurt  
+ 49.69.133.859.00  
Geneva  
+ 41.22.817.9777  
Hong Kong  
+ 852.2844.9333  
London  
+ 44.20.7618.2222  
Madrid  
+ 34.91.700.7275  
Milan  
+ 39.02.5849.0415  
Montreal  
+ 1.514.847.7506  
New York  
+ 1.212.804.3901  
Paris  
0800.91.59.17  
San Francisco  
+ 1.415.576.2323  
São Paulo  
+ 55.11.3706.1360  
Singapore  
+ 65.6834.6777  
Stamford  
+ 1.203.325.5630  
Sydney  
+ 61.2.9033.9333  
Tokyo  
+ 813.5226.8222  
Toronto  
+ 1.416.628.1007  
Zurich  
+ 41.44.220.9300

**MSCI FX Hedge Indices – Product Information**

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

The MSCI FX Hedge Indices can be calculated for any regional or composite index within the MSCI Global Investable Market Indices family. Additionally, clients may select the home currency of their choice. The flagship indices at launch are:

- MSCI ACWI FX Hedge Index in USD and EUR
- MSCI World FX Hedge Index in USD and EUR
- MSCI EAFE FX Hedge Index in USD and EUR
- MSCI Emerging Markets FX Hedge Index in USD and EUR
- MSCI Europe FX Hedge Index in USD and EUR
- MSCI Pacific FX Hedge Index in USD and EUR

**Data Provided**

Index Level Data		
Calculation Date	Index Currency	Previous Rebalancing Date
MSCI Index Code	Index Level Today	Latest Index Base Date
MSCI Index Name	Index Level 1 Day Ago	Index Base Value
Index Variant Type	Performance in Percent	

Security Level Data		
Calculation Date	Previous Observation Date	Spot FX Rate (T)
MSCI Index Code	Currency Weight Prev Observation Date	One Month Interest Rate (T)
MSCI Index Name	Currency Weight Next Observation Date	One Month Fwd Rate (T)
Index Currency	One Month Fwd Rate Previous Roll Date	One Week Fwd Rate (T)
ISO Currency Symbol	Number of Days to Next Roll Date	Interpolated One Month Fwd Rate (T)
Previous Roll Date	Spot FX Rate Previous Observation Date	

**Reporting Options**

- Daily delivery of index and currency level data
- Real-time index levels available for flagship indices or on client request

**History**

- Developed Markets daily index level history from December 31, 2001
- Emerging Markets daily index level history from December 31, 2004

**Delivery**

- MSCI FX Hedge Indices are delivered individually, either directly from MSCI Barra or via Reuters or Bloomberg

**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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