MSCI Short & Leveraged Daily Indices

Performance benchmarks for daily shorting and leveraged investment strategies

The MSCI Short & Leveraged Daily Indices aim to replicate the performance of daily shorting and leveraged investment strategies, and can be used as benchmarks for institutional investors following such strategies. They can also be licensed for use as the basis for exchange traded funds or other index-linked investment products.

The MSCI Short & Leveraged Daily Indices are part of the recently launched MSCI Thematic & Strategy Indices.

Key Benefits & Features

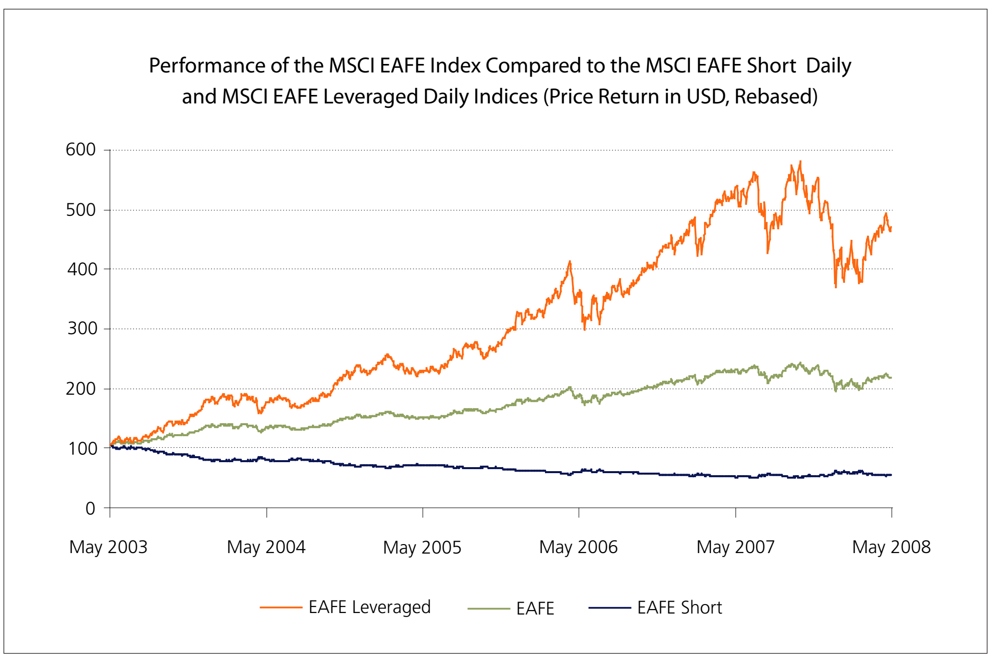
Robust and Transparent Performance Measurement and Manager Evaluation Tool — The MSCI Short & Leveraged Daily Indices can be used by fund managers, pension plans and consultants to carry out performance attribution, performance measurement and manager evaluation, specific to a daily short or leveraged investment strategy.

More Accurate Reflection of Daily Short Investment Strategies — The MSCI Short Daily Indices are the first from a major index provider to incorporate stock borrowing costs, reflecting the actual investment process of managers who employ this trading strategy. Stock borrowing costs used in the calculation of the MSCI Short Daily Indices will be updated periodically using data from various sources including the OTC total return equity swap market.

Magnify Performance to the International Equity Market — The MSCI Leveraged Daily Indices can be used to measure the performance of certain segments of the equity market by a factor of two times the return of the corresponding MSCI Equity Index.

Flexible and Broad Country Coverage — MSCI Short & Leveraged Daily Indices can be calculated for most MSCI Developed and Emerging Markets countries, regions and sectors. No other short and leveraged indices provide such broad coverage.

Index Licensing — The MSCI Short & Leveraged Daily Indices may be licensed for use by institutional investors around the world for portfolio management and benchmarking purposes. The indices may also be licensed to serve as the basis of structured products and other index-linked investment vehicles such as ETFs and ETNs.



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MSCI Short & Leveraged Daily Indices – Product Information

The MSCI Short & Leveraged Daily Indices can be calculated for most MSCI Developed and Emerging Markets countries, regions and sectors, and may be licensed by clients who subscribe to the corresponding MSCI Developed Markets or Emerging Markets index or security level product.

Index level data for select indices will be added to the MSCI Developed and Emerging Markets Core Modules and the MSCI Basic Index and Enhanced Index Services in July 2008. Security level data may be licensed separately.

Methodology Highlights

MSCI Short Daily Indices	MSCI Leveraged Daily Indices
The MSCI Short Daily Indices take into account four main components of the performance from daily shorting investment strategies :	The MSCI Leveraged Daily Indices take into account three main components of the performance from daily leveraged investment strategies:
Capital gains associated with the underlying equity securities + Cash dividends paid by the underlying equity securities + Interest earned on the initial capital as well as on the proceeds of the short sale + Stock borrowing costs, typically fees paid to the beneficial owners of the borrowed stocks	Capital gains associated with the underlying equity securities + Cash dividends paid by the underlying equity securities + Interest paid to the lender of the capital that is used to lever the portfolio

Data Provided

- Index and security level data as per standard MSCI Custom Indices
- Index level data specific to the MSCI Short & Leveraged Daily Index Methodology

Additional Index Level Data			
Overnight LIBOR Rate	Weight in Long Index	Parent Index Perf (Short)	Number of Actual Calendar Days
Spread Deposit	Parent Index Perf (Long)	Weight of Cash in Deposit	Shorting Cost Fraction
Spread Borrowing	Weight in Short Index	Weight of Borrowed Capital	Shorting Costs at Index Level

Delivery

- **Direct delivery –** index and security level files are delivered daily via internet FTP
- **Vendors**

– Index and security level data - FactSet, Mellon Analytical Solutions, Rimes, Risk Metrics, Style Research and Thomson/DataStream
– Index level data - Bloomberg and Reuters

Frequency

- Daily delivery of index and security level data
- Real-time index levels available on client request

History

- Daily index level history from December 29, 2000 for MSCI Short & Leveraged Daily Indices based on MSCI Standard Indices
- Daily index level history from June 1, 2007 for MSCI Short & Leveraged Daily Indices based on MSCI Global Investable Market Indices

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.