

MSCI USA ESG Index

MSCI ESG Indices The **MSCI USA ESG Index** is a broadly diversified global index that includes large and mid capitalization companies with high ESG ratings relative to their sector peers. The MSCI USA ESG Index targets sector weights that are similar to its parent index, the MSCI USA Index, in order to reduce tracking error.

Cumulative Index Performance—Total Returns (Dec 31, 2000 – Sept 30, 2010)¹



Index Performance—Total Returns (%) (Sept 30, 2010)

Index Returns	1 Mo	3 Mo	QTD	YTD	1 Yr	Annualized			
						3 Yr	5 Yr	10 Yr	Since Base Date (Dec 2000)
MSCI USA ESG	8.93	10.27	10.27	3.82	11.66	-5.76	1.07	n/a	0.33
MSCI USA	9.09	11.53	11.53	4.00	10.27	-6.98	0.80	-0.47	0.45

Index Risk and Return Characteristics^a (Dec 2000 – Sept 2010)

	Beta	R ²	Tracking Error	Sharpe Ratio	Annualized		
					3 Yr	5 Yr	Since Base Date (Dec 2000)
MSCI USA ESG	1.06	97.93	2.74	-0.11	22.42	18.17	17.64
MSCI USA	1.00	100.00	0.00	-0.11	21.53	17.49	16.42

Index Fundamentals (Sept 30, 2010)

Dividend Yield (%)	1.89
P/E	23.70
P/B	3.86

^a Based on monthly return data

ESG ratings evaluate a company's track record in addressing relevant environmental, social and governance (ESG) issues. MSCI ESG Indices bring together the widely-accepted [MSCI Global Investable Market Indices Methodology](#) with in-depth analysis and ratings from MSCI ESG Research². Today, MSCI is the only major index provider with an in-house ESG research business unit.

¹ On September 1, 2010 the FTSE KLD indices transitioned to the MSCI ESG Indices. The former KLD indices had multiple third party index calculators over time. Consequently the MSCI ESG index histories have been aggregated and compiled to create a continuous time series from a variety of sources—sources which may have followed different index calculation methodologies in some instances.

² MSCI ESG Research is the successor to ESG pioneers KLD, Innovest and IRRC, which were acquired through MSCI's recent acquisition of RiskMetrics. The MSCI ESG Indices use ratings and other data, analysis and information supplied by MSCI ESG Research. MSCI ESG Research is produced by RiskMetrics's wholly-owned subsidiary, Institutional Shareholder Services Inc. ("ISS"), or its subsidiaries.

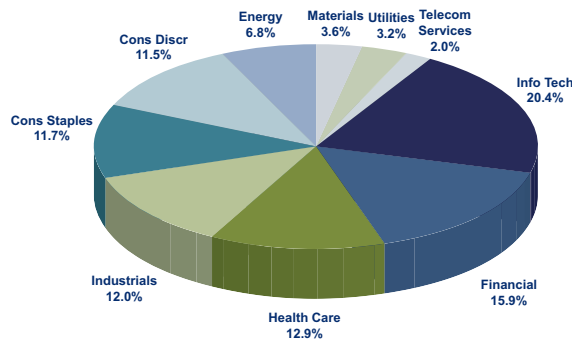
Index Constituent Characteristics

	MSCI USA ESG
Number of Companies	308
Adj Mkt Cap (USD Billions)	
Index	4,985.61
Top 10	1,330.94
Average	16.19
Median	8.30
Largest	172.71
Smallest	0.85
Top 10 Companies % Weight	26.70%

Top 10 Constituents

Top 10 Holdings	Adj Mkt Cap (USD Millions)	Index Weight %	GICS® Sector
Procter & Gamble	172,708	3.46	Cons Staples
IBM Corp	172,014	3.45	Info Tech
Johnson & Johnson	170,890	3.43	Health Care
Google A	129,134	2.59	Info Tech
Cisco Systems	125,074	2.51	Info Tech
Wells Fargo & Co	124,385	2.49	Financials
Merck & Co	114,783	2.30	Health Care
Oracle Corp	107,810	2.16	Info Tech
Pepsico	107,149	2.15	Cons Staples
Intel Corp	106,996	2.15	Info Tech

Sector Weights



Index Methodology

The MSCI USA ESG Index includes only companies with an ESG rating of "B" or above, targeting 50% of each sector's adjusted market capitalization in the parent MSCI USA Index. The index is reconstituted in May of each year and is also reviewed in August, November and February. At each review, constituents with ratings that have fallen to "CCC" or lower are deleted from the index. Additions are considered only in sectors where the adjusted market capitalization coverage does not meet the 50% target (with a 5% buffer to minimize turnover). To minimize turnover, constituents are added only in sectors where the current market capitalization coverage is less than 45%, until the 50% target is reached.

MSCI ESG Research Scoring Methodology

MSCI ESG Research examines extensive data and key ESG performance indicators (general and industry-specific) to derive a composite ESG score for each company. ESG scores are mapped to a 9-point letter scale, with ratings from AAA (highest) to C (lowest). Companies are ranked by ESG scores against their sector peers to determine their eligibility for the indices. MSCI ESG indices include the highest-rated eligible constituents in each sector, applying the adjusted market capitalization targets for that sector.

Index Real Time Tickers

	Bloomberg	Reuters
Index – Price Return	USSLM	.MIUS00002PUS
Index – Total Return (w. Divs)	TUSSLMU	.MIUS00002GUS
Index – Net Return (w. Divs less withholding tax)	NUSSLMU	.MIUS00002NUS

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