

MSCI Infrastructure Indices Methodology

April 2008

1. INTRODUCTION

The MSCI Infrastructure Indices are free float-adjusted market capitalization indices designed to track the performance of global listed infrastructure companies, by capturing broad and diversified investment opportunities across telecommunication, utilities, energy, transportation and social infrastructure sectors. They aim to serve as a relevant benchmark and research tool for investment in the listed infrastructure asset universe.

2. CONSTRUCTING THE MSCI INFRASTRUCTURE INDICES

The MSCI Infrastructure Indices are constructed from the applicable MSCI country and composite indices ("Parent Index"). Parent Indices can be MSCI Global Standard Indices or any other size segment index built under the MSCI Global Investable Market Indices Methodology. Securities of companies that belong to a specific set of eligible sub-industries derived from the Global Industry Classification Standard (GICS®) are selected to create the MSCI Infrastructure Indices.

2.1. Infrastructure Sectors¹ and Corresponding GICS® Sub-industries

The infrastructure indices are divided into five infrastructure sectors namely 1) Telecommunication Infrastructure, 2) Utilities, 3) Energy Infrastructure, 4) Transportation Infrastructure and 5) Social Infrastructure.

The table below lists the corresponding sub-industries based on the GICS®:

Infrastructure Sector	GICS® Code	GICS® Sub-Industry	Description
Telecommunication Infrastructure	50101010	Alternative Carriers	Providers of communications and high-density data transmission services primarily through a high bandwidth/fiber-optic cable network.
	50101020	Integrated Telecommunication Services	Operators of primarily fixed-line telecommunications networks and companies providing both wireless and fixed-line telecommunications services not classified elsewhere.
	50102010	Wireless Telecommunication Services	Providers of primarily cellular or wireless telecommunication services
Utilities	55101010	Electric Utilities	Companies that produce or distribute electricity. Includes both nuclear and non-nuclear facilities.
	55102010	Gas Utilities	Companies whose main charter is to distribute and transmit natural and manufactured gas.
	55103010	Multi-Utilities	Utility companies with significantly diversified activities in addition to core Electric Utility, Gas Utility and/or Water Utility operations.
	55104010	Water Utilities	Companies that purchase and redistribute water to the end-consumer. Includes large-scale water treatment systems.

¹ Infrastructure Sectors are not official GICS® sectors but aggregated subsets of GICS sub-industries based on the MSCI Infrastructure Indices Methodology.

Energy Infrastructure	10102040	Oil & Gas Storage & Transportation	Companies engaged in the storage and/or transportation of oil, gas and/or refined products. Includes diversified midstream natural gas companies facing competitive markets, oil and refined product pipelines, coal slurry pipelines and oil & gas shipping companies.
Transportation Infrastructure	20305010	Airport Services	Operators of airports and companies providing related services.
	20305020	Highways & Railtracks	Owners and operators of roads, tunnels and railtracks.
	20305030	Marine Ports & Services	Owners and operators of marine ports and related services.
Social Infrastructure	25302010	Education Services	Companies providing educational services, Includes, private universities, correspondence teaching, providers of educational seminars, educational materials and technical education.
	35102020	Health Care Facilities	Owners and operators of health care facilities, including hospitals, nursing homes, rehabilitation centers.

3. MAINTAINING THE MSCI INFRASTRUCTURE INDICES

3.1. Quarterly and Semi-Annual Index Reviews

Coinciding with the quarterly and semi-annual index reviews of the Parent Index, the MSCI Infrastructure Indices are rebalanced on the last business day of February, May, August and November.

3.2. Ongoing Event Related and GICS® Changes

In general, the MSCI Infrastructure Indices follow the event maintenance of the corresponding Parent Indices. Changes in the Parent Index affecting securities in the relevant sub-industries are reflected simultaneously in the MSCI Infrastructure Indices. The only exceptions are highlighted below.

3.2.1. Corporate Events

There will be no early inclusion of new securities to the index, except when the new security results from an event affecting an existing constituent (e.g., spin off, merger). Otherwise, a new addition to the Parent Index outside the regular index reviews will be added to the MSCI Infrastructure Indices at the next regularly scheduled Index Review. For example, an early inclusion to the Parent Index following an IPO in September would only be considered for inclusion to the MSCI Infrastructure Indices at the following November Semi-Annual Index Review. Likewise, if a security experiences a GICS® change into the infrastructure sectors due to a corporate event, it will only be considered for inclusion to the MSCI Infrastructure Indices during the next regularly scheduled Index Review.

If a security is deleted from the Parent Index due to a corporate event, it will be removed from the MSCI Infrastructure Indices at the effective date of the event. Similarly, if a security experiences a GICS® change out of the infrastructure sectors following a corporate event, it will be removed from the MSCI Infrastructure Indices at the effective date of the event.

3.2.2. GICS® Changes

Regular monthly and annual GICS® reviews may result in the migration of a security's GICS® sub-industry into or out of the infrastructure sectors. Newly eligible securities after such a GICS® change will only be considered for inclusion in the MSCI Infrastructure Indices during the following regularly scheduled Index Review. Any existing constituent moving out of the infrastructure sector will be deleted from the MSCI Infrastructure Indices at the effective date of the GICS® change (as of the close of the last business day of the given month).

APPENDIX I: MSCI INFRASTRUCTURE SECTOR CAPPED INDICES

In addition to the free float-adjusted market capitalization weighting scheme, a sector capped version is also made available for investors who desire a more balanced sector distribution.

The MSCI Infrastructure Sector Capped Indices follow similar index construction rules to the market capitalization weighted indices except that the weights of the Telecommunication Infrastructure and Utilities sectors are each fixed at one-third of the index, and the Energy, Transportation and Social Infrastructure sectors have a combined weight of the remaining one-third. Constituent weights within the respective sector are based on free float-adjusted market capitalization.

Infrastructure Sector	Weight
Telecommunication Infrastructure	1/3
Utilities	1/3
Energy, Transportation & Social Infrastructure (Combined)	1/3

During the regularly scheduled Index Review, the individual sector weights within the sector capped indices will be recapped to one-third. The remaining maintenance rules are similar to the market capitalization weighted indices.

Exhibit 1 provides the sector weight of the MSCI ACWI Infrastructure Index and MSCI ACWI Infrastructure Sector Capped Index following the November 2007 Semi-Annual Index Review of the Parent Index.

Exhibit 1: Sector Weight of MSCI ACWI Infrastructure Index and MSCI ACWI Infrastructure Sector Capped Index

Infrastructure Sector	Weight in MSCI ACWI Infrastructure Index	Weight in MSCI ACWI Infrastructure Sector Capped Index
Telecommunication Infrastructure	53.94%	33.33%
Utilities	40.21%	33.33%
Energy Infrastructure	2.59%	14.76%
Transportation Infrastructure	2.62%	14.90%
Social Infrastructure	0.64%	3.67%
Total	100.00%	100.00%

Data as of December 3, 2007

Note that the sector weights in between two quarterly reviews may deviate from one-third due to price movement or on-going corporate events on existing constituents.

APPENDIX II: INDEX PERFORMANCE

Exhibit 2 provides a performance comparison of the MSCI ACWI Infrastructure Index and MSCI ACWI Infrastructure Sector Capped Index with the MSCI ACWI Index.

Exhibit 2: Performance of MSCI Infrastructure Indices and MSCI ACWI Index (December 2002 to December 2007)

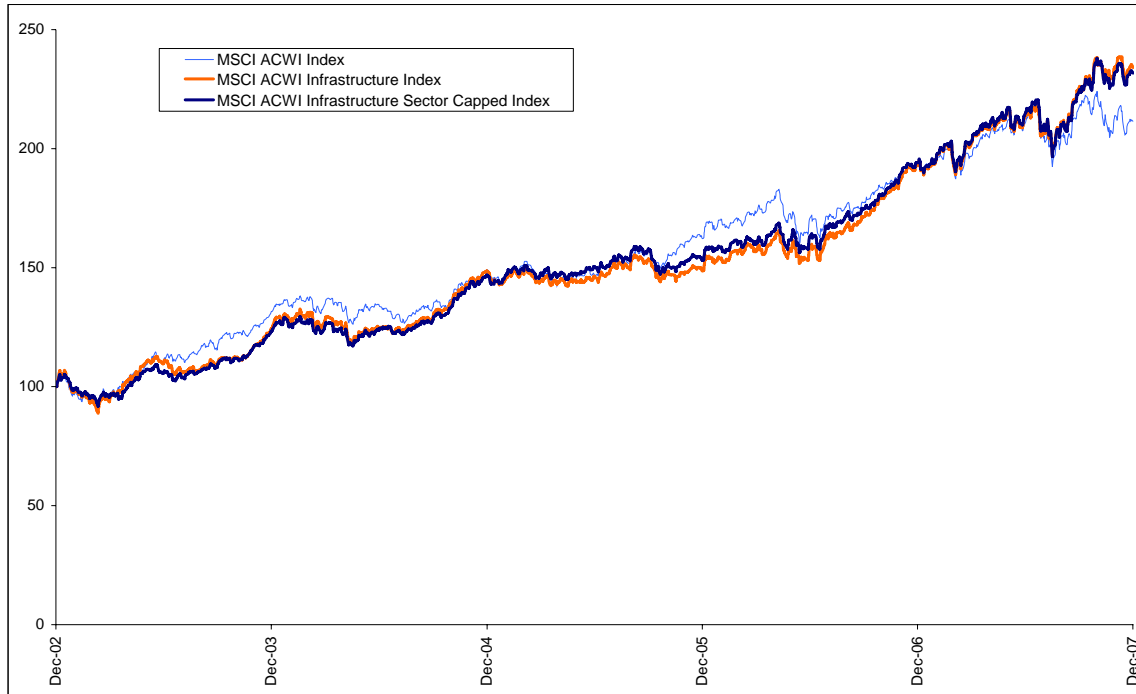


Exhibit 3 provides the annualized index risk and return for the three indices.

Exhibit 3: Annualized Risk and Return: December 2002 to December 2007

	Return	Risk ¹
MSCI ACWI Index	16.1%	9.5%
MSCI ACWI Infrastructure Index	18.5%	10.0%
MSCI ACWI Infrastructure Sector Capped Index	18.3%	8.8%

Note: ¹ Risk is measured as annualized standard deviation of monthly returns

The following sections have been modified since January 2008:

- 2.1. Infrastructure Sectors¹ and Corresponding GICS[®] Sub-industries**
- 3.2. Ongoing Event Related and GICS[®] Changes**

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