

MSCI USA Minimum Volatility Index (USD)



The **MSCI USA Minimum Volatility Index** aims to reflect the performance characteristics of a minimum variance strategy applied to the US large and mid cap equity universe. The index is calculated by optimizing the MSCI USA Index, its parent index, for the lowest absolute risk (within a given set of constraints). Historically, the index has shown lower beta and volatility characteristics relative to the MSCI USA Index.

Cumulative Index Performance—Total Returns (Dec 31, 1998 – Jan 31, 2012)



Annual Performance (%)

Year	MSCI USA	MSCI USA Min. Vol.
1999	22.37	7.31
2000	-12.56	6.03
2001	-12.03	-6.45
2002	-22.71	-15.69
2003	29.11	19.00
2004	10.71	14.01
2005	5.72	5.77
2006	15.32	12.41
2007	6.03	5.43
2008	-37.14	-27.52
2009	27.14	18.36
2010	15.45	14.70
2011	1.99	12.87

Index Performance—Total Returns (%) (Dec 31, 1998 – Jan 31, 2012)

Index	1 Mo	3 Mo	1 Yr	Annualized				Since 12/31/1998
				3 Yr	5 Yr	10 Yr		
MSCI USA Min. Vol.	1.47	5.35	14.70	19.51	3.08	5.00		4.23
MSCI USA	4.71	5.41	4.29	19.50	0.52	3.62		2.17

Index Fundamentals (Jan 31, 2012)

	MSCI USA Min. Vol.	MSCI USA
Div. Yld (%)	2.75	2.10
P/E	16.10	14.47
P/B	2.74	2.14
Fwd P/E	13.75	11.67

Index Risk and Return Characteristics (Dec 31, 1998 – Jan 31, 2012)

	Beta	Tracking Error	Annualized Std Dev ¹ (%)			
			3 Yr	5 Yr	10 Yr	Since 12/31/98
MSCI USA Min. Vol.	0.69	6.97	13.55	15.11	12.29	12.17
MSCI USA	1.00	0.00	18.18	18.90	15.87	16.12

Sharpe Ratio ²			
3 Yr	5 Yr	10 Yr	Since 12/31/98
1.58	0.10	0.19	12.17
1.19	-0.06	0.08	-0.12

¹ Based on monthly total return data

² Based on BBA USD LIBOR 1M

The MSCI USA Minimum Volatility Index was launched on May 30, 2008. Data prior to the initial calculation date is back-tested data (i.e., calculations of how the index might have performed over that time period had the index existed).

January 31, 2012

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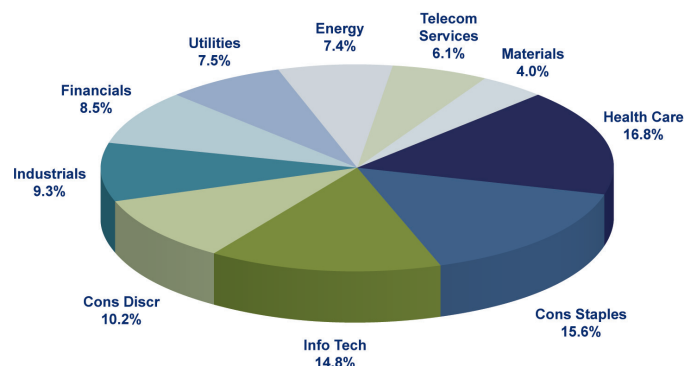
Index Constituent Characteristics

	MSCI USA Min. Vol.	MSCI USA
Number of Sec.	126	586
Mkt Cap (USD Billions)		
Index	12,226.6	12,385.2
Top 10	1,917.1	204.7
Average	97.0	21.1
Median	86.7	9.5
Largest	220.7	423.2
Smallest	4.6	1.8

Top 10 Constituents

Constituent	Mkt Cap (USD Millions)	MSCI USA MV Weight (%)	MSCI USA Weight (%)	Sector	Sector Weight (%)
Ecolab	220,695.49	1.81	0.15	Materials	45.2
Microsoft	200,835.21	1.64	1.80	Info Tech	11.1
Paychex	192,065.99	1.57	0.08	Info Tech	10.6
ADP	188,931.97	1.55	0.22	Info Tech	10.5
Spectra Energy	188,007.69	1.54	0.17	Energy	20.6
American Tower	185,862.72	1.52	0.20	Financials	16.4
O'Reilly Auto.	185,837.55	1.52	0.09	Cons Discr	14.9
Eli Lilly	185,360.05	1.52	0.33	Health Care	9.0
Exxon Mobil	184,966.22	1.51	3.29	Energy	20.2
Wal-Mart Stores	184,483.93	1.51	0.94	Cons Staples	9.7
Total	1,917,046.82	15.68	7.26		

Sector Weights



Index Methodology

The MSCI Minimum Volatility Indices are designed to provide the lowest return variance for a given covariance matrix of stock returns. Each MSCI Minimum Volatility Index is calculated using Barra Optimizer to optimize a given MSCI parent index for the lowest absolute volatility with a certain set of constraints. These constraints help maintain index replicability and investability and include index turnover limits, for example, along with minimum and maximum constituent, sector and/or country weights relative to the parent index. Each Minimum Volatility Index is rebalanced (or is re-optimized) semi-annually in May and November. Indices may also be optimized for various currencies.

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MSCI About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices with approximately USD 7 trillion estimated to be benchmarked to them on a worldwide basis; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world.

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¹ As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.