

**MSCI**<sup>®</sup>**CONSULTATION QUESTIONNAIRE**  
PLEASE REFER TO THE CONSULTATION DOCUMENT**FRAMEWORK FOR COUNTRY RECLASSIFICATION  
IN THE MSCI GLOBAL EQUITY INDICES**

MSCI is consulting with investors in order to understand their needs and constraints regarding the framework for the reclassification of a country from the emerging to the developed market indices. This questionnaire will help MSCI in its investigation, and will also provide MSCI with additional useful information related to the use of the MSCI Global Equity Indices. **The consultation document can be found on MSCI's website at [www.msci.com/consultation/](http://www.msci.com/consultation/)**

**Please submit your response by October 15, 2004, either via e-mail to [consultation@msci.com](mailto:consultation@msci.com) or by fax to (41) 22 817 9205. Please feel free to send the answers to the questions and any other comments via an additional Word document if that is more convenient for you.**

**Contact Details**

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Email: \_\_\_\_\_ Telephone: \_\_\_\_\_

**Assets under management**

Total assets: \_\_\_\_\_

Assets in Emerging Markets (EM): \_\_\_\_\_ of which in segregated EM accounts/funds: \_\_\_\_\_

**Mandates (check all that apply)**Global Mandates  Regional Mandates  EM Mandates **Type of investment style (check all that apply)**Passive  Enhanced  Active   
Bottom up  Top Down  Quant  Other 

Please describe \_\_\_\_\_

**Use of MSCI Indices (check all that apply)**Benchmark  Performance measurement  Research 

Which MSCI indices do you use? \_\_\_\_\_

**A. Current framework and potential enhancements**

1. Do you have concerns with the current framework for the reclassification of countries? If yes, what is the main issue in your view?

---

---

2. Do you believe that announcing a formal review at an earlier stage, and making a more formal distinction between the formal review and the consultation can enhance the process?

---

3. Would you suggest a different alternative?

---

4. At which stage in the process should market participants become aware of the beginning of a formal review of a country's status?

---

5. For how long should the formal review remain open before a public consultation is launched?

- a. Short timeframe, such as 1 to 1 ½ years
- b. Two to three years
- c. If none of the above, what would you suggest?

---

**B. Factors for country classification**

6. Do you agree that the approach to country classification should essentially be qualitative, supplemented by quantitative references when possible? If no, why?

---

---

---

7. What factors other than those highlighted in the Consultation Document do you consider to be essential in analyzing the potential reclassification of a country?

---

---

8. To what extent should political risk be a factor in determining whether a country should be reclassified as developed?

---

- How do you account for political risk in your investment decisions? How do you assess political risk?

---

---

9. Which factors would you give particular emphasis to in trying to assess the stability and sustainability of a country's economy?

---



---



---

10. What is the importance of membership in regional economic/political blocks such as EMU or EU in assessing the sustainability of economic development?

---



---

**C. Transition of countries**

11. What are the investment process needs and constraints that MSCI should take into account for the transition of countries?

---

12. Is it preferable to co-ordinate the transition of countries, such as making the transition of several countries coincide, or should the timing of reclassification be based solely on a country's individual merits?

---

13. Portugal and Greece were reclassified from the emerging to the developed market indices in one step. However, MSCI may decide to implement the reclassification of larger countries in different phases to facilitate the transition. This would imply that during the transition a country could be simultaneously in the World (Developed) and Emerging Market Indices. Would you view that as problematic?

---

14. Would you prefer an alternative approach whereby an even longer lead time would be provided with an implementation of the change in one phase, while also providing a provisional index, at an early stage of the process?

---



---

**D. Inclusion and removal of countries**

15. Do you currently invest in countries that are not part of the MSCI Global Equity Indices? If yes, which ones? Do you believe these countries should be included in the MSCI Global Equity indices?

---

16. Are there countries that you would like to see removed from the MSCI EM Index?

---

**E. General questions**

17. Which countries, based on your analysis, should be under formal review:

- a. Today?
- b. In one to two years?
- c. In three to four years?

Please elaborate

---

---

---

18. Which additional issues do you expect to see, in the years to come, with the potential reclassification of countries from emerging to developed?

---

---

---

19. Would you suggest other segmentations in addition to, or instead of, the current emerging/developed classification?

---

---

---

**For further information on MSCI indices or MSCI data, please visit our web site at [www.msci.com](http://www.msci.com) or contact:**

Amy Davidson, MSCI, New York  
Sara Corsaro, MSCI, London  
Jammy Chan, MSCI, Hong Kong  
Olivia Vong, MSCI, Tokyo

+ 1 212 762 5790  
+ 44 20 7425 6660  
+ 852 2848 6740  
+ 813 5424 5470

#### **NOTICE AND DISCLAIMER**

**Morgan Stanley Capital International Inc.’s (“MSCI”) Consultation Paper Discussing the Framework for Country Reclassification and Major Weight Changes in the MSCI Equity Index Series and this Questionnaire (the “Consultation Documents”) have been prepared solely for informational purposes.** The Consultation Documents are not a recommendation to participate in any particular trading strategy and may not be relied on as such. The user of the information contained in the Consultation Documents assumes the entire risk of any use made of the information provided therein. **None of the proposals or alternatives set forth in MSCI’s Consultation Documents have been adopted by MSCI, and they may or may not be adopted, in whole or in part, by MSCI.**

Neither MSCI nor any other party makes any express or implied warranties or representations with respect to the information contained in the Consultation Documents (or the results to be obtained by the use thereof), and MSCI hereby expressly disclaims all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI or any other party have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

The Consultation Documents may not be reproduced or disseminated in any form without prior written permission from MSCI. You may not use or permit the use of any of the information in the Consultation Documents to verify or correct data in any compilation of data or index. Also, you may not use or permit anyone else to use the information in the Consultation Documents in connection with the writing, trading, marketing or promotion of any financial instruments or products or to create any indices.

MSCI is a leading provider of global indices and benchmark related products and services to investors worldwide. MSCI’s editorial decisions regarding its index construction methodology and construction of its indices are made independently of any third party, including its shareholders, Morgan Stanley, a global financial services firm and a market leader in securities, asset management and credit services, and The Capital Group Companies, Inc., a global investment management group.

Morgan Stanley Capital International, MSCI, ACWI, EAFE, EM and all other service marks referred to in the Consultation Paper are the exclusive property of MSCI and its affiliates.