

MSCI®

# press release

## MSCI INDEX REBALANCING FOR NOVEMBER 2001

**Geneva, October 9, 2001.** MSCI announced today the changes to the MSCI Standard Index Series resulting from the first phase of the implementation of the Enhanced Methodology and the changes to both the MSCI Standard and Provisional Index Series resulting from the regularly scheduled November Quarterly Index Rebalancing. The above changes will be effective as of the close of November 30, 2001.

In addition, MSCI posted on its web site, [www.msci.com](http://www.msci.com), the full list of pro forma constituents of the MSCI Standard Index Series<sup>SM</sup>, reflecting all changes that will be effective as of the close of November 30, 2001. The posting includes the pro forma Interim Foreign Inclusion Factors. As of the close of November 30, 2001, the Interim Foreign Inclusion Factors will be used to adjust the market capitalization of securities in the index.

The early publication of this information is intended to provide more time for investors to analyze and understand the resulting changes before their implementation.

MSCI has minimized the changes resulting from the regularly scheduled November Quarterly Index Rebalancing for both the MSCI Standard and Provisional Index Series. The only addition to the indices will be Inditex, which will be added to the MSCI Spain Index<sup>SM</sup> and to the MSCI Provisional Spain Index<sup>SM</sup> to increase the representation of the Retailing Industry Group. The largest deletion will be Abbey National, which will be removed from the MSCI United Kingdom Index<sup>SM</sup> and from the MSCI Provisional United Kingdom Index<sup>SM</sup> to reduce the over-representation of the Banks Industry Group caused by the recent merger of the Halifax Group with the Bank of Scotland.

As a reminder, MSCI has also limited updates of Foreign Inclusion Factors in the MSCI Provisional Index Series<sup>SM</sup> in the November Quarterly Index Rebalancing to only those resulting from a review of Foreign Ownership Limits. The Foreign Inclusion Factors of three constituents of the MSCI Provisional India Index<sup>SM</sup> were affected by increases in Foreign Ownership Limits.

Most of the changes in the MSCI Standard Index Series announced today result from the first phase of the implementation of the MSCI Enhanced Methodology. The Enhanced Methodology adjusts the market capitalization of index constituents for free float and targets for index inclusion 85% of free float-adjusted market capitalization in each industry group, in each country. The objective of the first phase of the implementation, effective at the end of November, is to reflect approximately half of the changes in the MSCI Standard Index Series. To achieve this, an Interim Foreign Inclusion Factor will be used to adjust the market capitalization of each constituent. As a reminder, the second and final phase of the implementation of the Enhanced Methodology in the MSCI Standard Index Series will take place as of the close of May 31, 2002.

As previously announced, the MSCI Provisional Index Series has been created to assist investors in understanding the changes that would occur if the Enhanced Methodology were immediately and completely implemented in the MSCI Standard Index Series.

Below is a brief pro forma analysis of the changes that will occur in the MSCI Standard Index Series for some of the more frequently used global and regional composite indices, using data as of October 1, 2001.

**All Country World Index (ACWI) Free** – The MSCI ACWI Free Index<sup>SM</sup> represents 49 of the world's developed and emerging markets. On a pro forma basis, the weight of developed markets in the MSCI ACWI Free Index will be 96.2%, up from 95.3%, while the weight of emerging markets will be 3.8%, down from 4.7%. The increase in weight of developed markets in the MSCI ACWI Free Index is primarily due to the higher average free float, less restrictive foreign ownership limits and a greater availability of sizeable and liquid securities in developed markets as compared to emerging markets.

On a pro forma basis, the MSCI USA and the United Kingdom Indices will have the largest increases in country weights. The weight of the MSCI USA Index will increase to 53.4% of the MSCI ACWI Free Index, up from 50.7%, while the weight of the MSCI United Kingdom Index will increase to 10.3%, up from 9.9%. Conversely, the largest decreases in country weights in the MSCI ACWI Free Index will occur in the MSCI Japan, France and Germany Indices (-0.6, -0.5 and -0.4 percentage points, respectively).

The industry groups with the greatest weight differences on a pro forma basis will be Diversified Financials and Technology Hardware & Equipment, which will have weights of 5.4% and 7.7%, respectively, up from 5.0% and 7.4%, respectively. The largest decreases in industry group weights in the MSCI ACWI Free Index will occur in the Telecommunication Services, Automobiles and Components, and Materials industry groups (-0.3, -0.2 and -0.2 percentage points, respectively).

**EAFE (Europe, Australasia, Far East) Index** – The MSCI EAFE<sup>®</sup> Index represents 21 developed equity markets outside of North America. On a pro forma basis, the MSCI United Kingdom Index will have the largest increase in country weight, increasing to 25.4% of the MSCI EAFE Index, up from 23.3%. The largest decreases in country weights in the MSCI EAFE Index will occur in the MSCI France, Germany and Italy Indices (-0.8, -0.5 and -0.4 percentage points, respectively).

**Emerging Markets Free (EMF) Index** – The MSCI EMF Index<sup>SM</sup> represents 26 of the world's emerging markets. The MSCI Korea and South Africa Indices will have the largest increases in country weights on a pro forma basis. The weight of the MSCI Korea Index will increase to 13.8% of the MSCI EMF Index, up from 12.3%, while the weight of the MSCI South Africa Index will increase to 12.6%, up from 11.4%. The largest decreases in country weights in the MSCI EMF Index will be in the MSCI India, Malaysia Free and Chile Indices (-0.9, -0.9 and -0.7 percentage points, respectively).

Attached is a pro forma analysis comparing the country weights of the pro forma MSCI Standard ACWI Free Index with the country weights of the current MSCI Standard ACWI Free Index. In addition, attached are the top country and industry group weight increases and decreases for the pro forma MSCI Standard ACWI Free, World, EAFE and EMF Indices as compared with the corresponding current MSCI Standard Indices.

Note: All pro forma information uses data as of October 1, 2001.

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

**Evert-Jan ten Brundel, MSCI, London**

**+ 44 20 7425 6660**

**Dorsey Horowitz, MSCI, New York**

**+ 1 212 762 5790**

Bonnie Chan, MSCI, Hong Kong + 852 2848 6740  
Taiki Kimura, MSCI, Tokyo + 813 5424 5470  
Daniel Guthrie/Emma Leeds, Luther Pendragon, London + 44 20 7618 9100  
Mary Beth Kissane, Abernathy MacGregor, New York + 1 212 371 5999

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MSCI Client Services can be reached on:

London	+44 20 7425 6660	New York	+1 212 762 5790	Tokyo	+813 5424 5470
Frankfurt	+49 69 2166 5325	San Francisco	+1 415 576 2323	Hong Kong	+852 2848 6740

And at a further thirteen locations around the world.

**COMPARISON OF THE PRO FORMA MSCI STANDARD ACWI FREE INDEX WITH  
THE CURRENT MSCI STANDARD ACWI FREE INDEX  
BY COUNTRY**

	Pro forma MSCI Standard ACWI Free Index Weight	Current MSCI Standard ACWI Free Index Weight	Weight Difference (Percentage Points)
<b>Developed Markets - NORTH AMERICA</b>			
USA	53.42%	50.67%	2.76
Canada	2.07%	2.06%	0.01
<b>Developed Markets - EUROPE</b>			
United Kingdom	10.34%	9.94%	0.40
France	4.15%	4.67%	-0.53
Switzerland	3.06%	3.10%	-0.03
Germany	2.91%	3.27%	-0.36
Netherlands	2.26%	2.35%	-0.09
Italy	1.66%	1.91%	-0.25
Spain	1.26%	1.32%	-0.06
Sweden	0.82%	0.88%	-0.06
Finland	0.65%	0.65%	0.00
Belgium	0.41%	0.47%	-0.05
Denmark	0.36%	0.42%	-0.06
Ireland	0.32%	0.31%	0.02
Portugal	0.20%	0.24%	-0.04
Norway	0.19%	0.21%	-0.02
Greece	0.14%	0.14%	0.00
Austria	0.06%	0.09%	-0.03
<b>Developed Markets - ASIA PACIFIC</b>			
Japan	9.48%	10.05%	-0.57
Australia	1.40%	1.35%	0.05
Hong Kong	0.70%	0.81%	-0.11
Singapore Free	0.32%	0.36%	-0.04
New Zealand	0.05%	0.05%	0.00
<b>Emerging Markets - ASIA PACIFIC</b>			
Korea	0.52%	0.58%	-0.06
Taiwan	0.46%	0.55%	-0.09
Malaysia Free	0.27%	0.38%	-0.11
China Free	0.26%	0.28%	-0.02
India	0.23%	0.33%	-0.10
Thailand Free	0.06%	0.09%	-0.03
Indonesia Free	0.04%	0.05%	-0.01
Philippines Free	0.03%	0.04%	-0.01
Pakistan	0.01%	0.01%	0.00
<b>Emerging Markets - LATIN AMERICA</b>			
Mexico Free	0.41%	0.54%	-0.13
Brazil Free	0.33%	0.40%	-0.08
Chile	0.11%	0.17%	-0.06
Argentina	0.04%	0.06%	-0.02
Venezuela	0.02%	0.03%	-0.01
Peru	0.02%	0.02%	0.00
Colombia	0.01%	0.01%	-0.01
<b>Emerging Markets - EMEA</b>			
South Africa	0.47%	0.53%	-0.06
Israel	0.16%	0.21%	-0.05
Russia	0.12%	0.15%	-0.03
Turkey	0.05%	0.07%	-0.02
Poland	0.04%	0.05%	-0.01
Hungary	0.04%	0.05%	-0.01
Czech Republic	0.02%	0.03%	-0.01
Morocco	0.01%	0.01%	0.00
Egypt	0.01%	0.01%	0.00
Jordan	0.01%	0.01%	0.00
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	

Note: All pro forma information uses data as of October 1, 2001.

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**MSCI STANDARD INDEX SERIES  
PRO FORMA DATA FOR MAIN REGIONAL INDICES**

**MSCI ACWI FREE INDEX**

	<b>Weight Difference</b>		<b>Weight Difference</b>
<b>Top Country Weight Increases</b>		<b>Top Industry Group Weight Increases</b>	
USA	2.76%	Diversified Financials	0.38%
United Kingdom	0.40%	Technology Hardware & Equipment	0.37%
Australia	0.05%	Energy	0.29%
Ireland	0.02%	Health Care Equipment & Services	0.17%
Canada	0.01%	Commercial Services & Supplies	0.11%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
Japan	-0.57%	Telecommunication Services	-0.32%
France	-0.53%	Automobiles & Components	-0.23%
Germany	-0.36%	Materials	-0.19%
Italy	-0.25%	Consumer Durables & Apparel	-0.14%
Mexico Free	-0.13%	Banks	-0.14%

**MSCI WORLD INDEX**

	<b>Weight Difference</b>		<b>Weight Difference</b>
<b>Top Country Weight Increases</b>		<b>Top Industry Group Weight Increases</b>	
USA	2.35%	Technology Hardware & Equipment	0.38%
United Kingdom	0.31%	Diversified Financials	0.36%
Australia	0.04%	Energy	0.29%
Ireland	0.02%	Health Care Equipment & Services	0.15%
-	-	Food, Beverage & Tobacco	0.15%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
Japan	-0.69%	Telecommunication Services	-0.26%
France	-0.59%	Automobiles & Components	-0.24%
Germany	-0.41%	Consumer Durables & Apparel	-0.16%
Italy	-0.28%	Transportation	-0.13%
Hong Kong	-0.12%	Banks	-0.12%

**MSCI EAFE INDEX**

	<b>Weight Difference</b>		<b>Weight Difference</b>
<b>Top Country Weight Increases</b>		<b>Top Industry Group Weight Increases</b>	
United Kingdom	2.03%	Energy	0.73%
Australia	0.26%	Technology Hardware & Equipment	0.23%
Switzerland	0.25%	Materials	0.15%
Ireland	0.08%	Pharmaceuticals & Biotechnology	0.14%
Finland	0.06%	Software & Services	0.11%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
France	-0.79%	Capital Goods	-0.41%
Germany	-0.53%	Automobiles & Components	-0.36%
Italy	-0.42%	Banks	-0.22%
Japan	-0.33%	Insurance	-0.21%
Hong Kong	-0.18%	Telecommunication Services	-0.15%

**MSCI EMF INDEX**

	<b>Weight Difference</b>		<b>Weight Difference</b>
<b>Top Country Weight Increases</b>		<b>Top Industry Group Weight Increases</b>	
Korea	1.54%	Technology Hardware & Equipment	0.95%
South Africa	1.21%	Energy	0.63%
China Free	0.90%	Insurance	0.51%
Taiwan	0.47%	Diversified Financials	0.23%
Poland	0.09%	Software & Services	0.20%
<b>Top Country Weight Decreases</b>		<b>Top Industry Group Weight Decreases</b>	
India	-0.93%	Food, Beverage & Tobacco	-0.83%
Malaysia Free	-0.90%	Capital Goods	-0.72%
Chile	-0.67%	Utilities	-0.60%
Mexico Free	-0.62%	Banks	-0.28%
Thailand Free	-0.27%	Household & Personal Products	-0.24%

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