

MSCI Barra is pleased to announce the availability of index level and constituent data for the MSCI Frontier Markets Indices. The MSCI Frontier Markets Indices are designed to track the performance of a range of equity markets that are now more accessible to global investors.

In addition, MSCI Barra is providing a series of new regional and global composite indices that combine the MSCI Frontier Markets Indices with the existing MSCI Emerging Markets and MSCI All Country Indices. The resulting indices include the MSCI Emerging and Frontier Markets (EFM) Index and the MSCI All Country World and Frontier Markets (ACWI FM) Index.

## Country Coverage

The new MSCI Frontier Markets Indices cover 19 countries:

- *Central and Eastern Europe & CIS (Commonwealth of Independent States):* Bulgaria, Croatia, Estonia, Kazakhstan, Romania, Slovenia and Ukraine
- *Africa:* Kenya, Mauritius, Nigeria and Tunisia
- *Middle East:* Bahrain, Kuwait, Oman, Qatar, the United Arab Emirates and Lebanon
- *Asia:* Sri Lanka and Vietnam

For the list of composite indices and their country components, please refer to page 3.

Please note that Saudi Arabia is currently excluded from the MSCI Frontier Markets Indices due to the investment restriction applied to foreign investors based outside the Gulf Cooperation Council (GCC) countries.

MSCI Barra will continue to monitor potential markets that may qualify for the MSCI Frontier Markets Indices on a semi-annual basis, during the May and November Semi-Annual Index Reviews. Additional Frontier Markets that could be considered during the May 2008 Semi-Annual Index Review include, among others:

- *Central and Eastern Europe & CIS:* Georgia, Latvia, Lithuania and Serbia
- *Africa:* Senegal
- *Latin America & Caribbean:* Jamaica and Trinidad & Tobago

## Index Methodology

The MSCI Frontier Markets Indices Methodology follows similar principles to the methodology of the MSCI Global Investable Market Indices (GIMI), but takes into account the specific market capitalization structure and liquidity constraints that characterize these markets. MSCI Barra consulted with a large number of market participants around the world before finalizing the index methodology.

For more details on the MSCI Frontier Markets Indices Methodology, please consult the MSCI Global Investable Market Indices Methodology book at <http://mscibarra.com/products/indices/GIMImethodology.html>.

## Index Data Availability

Calculation of the MSCI Frontier Markets Indices began as of the close of November 30, 2007. On December 18, 2007, MSCI Barra began publishing the index levels and returns on [www.mscibarra.com](http://www.mscibarra.com) and began making available constituent information upon request to subscribers of the MSCI Emerging Markets (EM) Core and MSCI EM Core VG Plus modules, under a separate data license agreement.

On February 7, 2008, index level data will be added to the MSCI Enhanced Index Service and MSCI EM All Country Sectors (ACS) modules - in files dated February 7, 2008. At the same time,

index and constituent data will be added to the MSCI EM Core and MSCI EM Core VG Plus modules. All modules are available direct from MSCI Barra or via most vendor platforms.

History for the MSCI Frontier Markets Indices will be provided in calendar Q2 2008. Further information regarding the historical data will be communicated to clients in calendar Q1 2008.

### **Index Characteristics**

The MSCI Frontier Markets Indices Methodology features the following main characteristics:

- **Frontier Markets Definition:**
  - MSCI Barra starts by considering equity markets not included in the MSCI Emerging Markets Index, that
    - demonstrate a relative openness to and accessibility for foreign investors,
    - are generally not considered as part of the developed markets universe,
    - do not belong to a country undergoing a period of extreme economic and political instability.
  - MSCI Barra applies the following materiality requirement:
    - A minimum of two companies with securities eligible for the Standard Index.
- **Index Objectives:**
  - The MSCI Frontier Markets Indices Methodology aims to achieve a balance between a fair representation of the investment opportunity set and adequate investability requirements for each Frontier Market.
- **Index Family Structure:**
  - MSCI Barra calculates Standard Indices for all Frontier Markets. The Standard Indices aim to cover a range around 85% coverage of the free float-adjusted market capitalization of the investable equity universe in each market, while striving to maintain reasonable size integrity across the Frontier Markets.
- **Investability:**
  - Two different levels of global minimum size references are required to accommodate substantially different size structures among the Frontier Markets:
    - the Emerging Markets global minimum size reference; or
    - 0.5 times the Emerging Markets global minimum size reference.
  - The upper and lower limits of the global minimum size range extend from 1.15 times to 0.5 times the above mentioned global minimum size references.
  - Three different levels of liquidity are considered in order to account for the specific market characteristics of the Frontier Markets: 2.5%, 5% and 15% Annualized Traded Value Ratio (ATVR).
  - Minimum of two index constituents for the Standard Indices.
  - No additional investability requirements are set for the Standard Indices.



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### About MSCI Barra

MSCI Barra is a leading provider of investment decision support tools to investment institutions worldwide. MSCI Barra products include indices and portfolio analytics for use in managing equity, fixed income and multi-asset class portfolios.

The company's flagship products are the MSCI International Equity Indices, which are estimated to have over USD 3 trillion benchmarked to them, and the Barra risk models and portfolio analytics, which cover 56 equity and 46 fixed income markets. MSCI Barra is headquartered in New York, with research and commercial offices around the world. Morgan Stanley, a global financial services firm, is the majority shareholder of MSCI Barra.