

# MSCI Custom Equity Indices FAQ

April 2008

## 1. What do MSCI Custom Equity Indices provide?

MSCI Custom Equity Indices combine the full depth and breadth of MSCI Barra's index and security database with over 35 years of index calculation expertise. Using any MSCI International or Domestic Equity Index as a starting point, MSCI Barra can calculate custom equity indices following client-specified directions. Custom indices may provide more appropriate benchmarks for a client's particular investment restrictions or guidelines, asset allocation strategy or unique investment approach.

## 2. What types of custom calculations are available?

- a. Combine any number of countries, regions or Global Industry Classification Standard (GICS®) industries
- b. Exclude any number of countries, regions or GICS industries
- c. Full market cap, or free float adjusted market cap weighting
- d. Fixed weight of any country, region, or GICS industry on a daily, monthly, quarterly, semi-annual, or annual basis
- e. Cap the weight of any securities, issuers, countries, regions, GICS industries or custom defined group(s)
- f. 10/40 daily capping for any of the above
- g. Equal Weight for any of the above
- h. Hedge any of the above
- i. A market cap or security ratio size index on any of the above
- j. Hedge any percent of exposure to one currency, from 1% to 100%
- k. Hedge any combination of currency exposures or country exposures against one currency
- l. Index level ratios (same as calculated for standard indices – only calculated for custom indices if requested from the beginning)

Other types of index customization may be available. Requests should be submitted to MSCI Barra Client Service.

## 3. What types of data packages are available for MSCI Custom Equity Indices?

MSCI Custom Equity Indices are delivered in comma-delimited text files, referred to as data packages. Each client and/or vendor receives a unique data package, such that any modifications unique to that client (add an index, change a currency or change format) will not have an impact on the data packages of other clients. The general data package types include:

- a. Index levels only
- b. Security data only
- c. Index levels plus security data

## 4. Is history available for MSCI Custom Equity Indices?

Yes, clients that subscribe to custom index history will receive the index level history in Excel files. Day-by-day historical data package generation is not supported, even for short periods of time. History will not be delivered until the Custom Index Operations Team confirms that the first file has successfully been delivered. This is to ensure that there is no gap between the last date in the history file and the first date of file delivery to the client.

Index level custom index history is available from Dec 31, 1998, except for instances when the underlying MSCI Equity Index history starts after this date. In these cases, custom index history is available from the start date of the underlying MSCI Equity Index history.

PLEASE NOTE that MSCI Custom Equity Indices can only provide security level history for a limited selection of indices.

**5. How do corrections to the underlying MSCI Equity Indices affect MSCI Custom Equity Indices?**

Corrections are reflected in custom index files at the same time as corrections are applied to the underlying MSCI Equity Indices. Historical corrected values are distributed upon request to subscribing clients.

**6. How are MSCI Custom Equity Indices delivered?**

- a. Internet FTP (File Transfer Protocol)
- b. Direct email delivery
- c. APT, Capco, FactSet, Thomson/DataStream, Mellon Analytical Solutions (MAS), MAS: Index Services, Markit, Rimes, RiskMetrics, Style Research, Vestek (Thomson)

Distribution via Bloomberg and Reuters may only occur in certain instances where the custom index is also being licensed as the basis for a structured product, passive fund, ETF or ETN. Bloomberg and Reuters may only distribute index levels. Distribution of custom indices via these platforms may vary.

- d. Real-time delivery via Bloomberg, Reuters, Factset and Telekurs.

**7. How are MSCI Custom Equity Indices received via a data vendor?**

The MSCI Custom Index Team will work with the MSCI Data Vendor Team to deliver the data in the proper format. The custom index client must then coordinate with the vendor regarding posting and receiving the data.

**8. What is the expected daily delivery time for MSCI Custom Equity Indices?**

MSCI Custom Equity Indices are delivered on a daily basis between 7:30 pm EST and 9:30 pm EST.

For an additional cost, earlier delivery may be available, except for hedged indices:

- Between 12:30pm and 1:00pm EST for securities trading on Asia Pacific exchanges.
- Between 3:30pm and 4:15 pm EST for securities trading on European exchanges.

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## Contact Information

[clientservice@mscibarra.com](mailto:clientservice@mscibarra.com)

### Americas

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Americas	1.888.588.4567 (toll free)
Atlanta	+ 1.404.949.4529
Boston	+ 1.617.856.8716
Chicago	+ 1.312.706.4999
Montreal	+ 1.514.847.7506
New York	+ 1.212.762.5790
San Francisco	+ 1.415.576.2323
Sao Paulo	+ 55.11.3048.6080
Toronto	+ 1.416.943.8390

### Europe, Middle East & Africa

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Amsterdam	+ 31.20.462.1382
Cape Town	+ 27.21.683.3245
Frankfurt	+ 49.69.2166.5325
Geneva	+ 41.22.817.9800
London	+ 44.20.7618.2222
Madrid	+ 34.91.700.7275
Milan	+ 39.027.633.5429
Paris	0800.91.59.17 (toll free)
Zurich	+ 41.44.220.9300

### Asia Pacific

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China Netcom	10800.852.1032 (toll free)
China Telecom	10800.152.1032 (toll free)
Hong Kong	+ 852.2848.7333
Singapore	+ 65.6834.6777
Sydney	+ 61.2.9033.9333
Tokyo	+ 813.5424.5470

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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 risk and performance 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.