

MSCI

A Clear View of
Risk and Return

Consultation on a proposal to create MSCI Global Socially Responsible Indices

February 2011

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Introduction

Introduction

- Globally, investors increasingly seek to invest in accordance with their values—such as religious beliefs, moral standards, or ethical views
 - Examples of such beliefs are avoidance of sin stocks, respect for human rights, adherence to an international normative standard such as UN Global Compact, etc.
- In response to increasing client demand in this arena, MSCI is proposing to create a family of MSCI Global Socially Responsible Indices
- These indices will exclude companies that are inconsistent with specific values based criteria
- Additionally, these indices will target companies with high ESG ratings relative to their sector peers, to ensure the inclusion of the best-of-class companies from an ESG perspective
- MSCI welcomes any feedback from the investment community and plans to contact directly some market participants to solicit feedback. Please note that the consultation may or may not lead to the creation of the MSCI Global Socially Responsible Indices

Proposed MSCI Global Socially Responsible Indices: Methodology

Proposed Index Construction Methodology: Overview

- Transparent, objective and rules-based methodology
- Universe: MSCI World ESG Index
- Values Based Exclusion Criteria: The proposed index will exclude companies that are inconsistent with specific values based criteria
 - Alcohol
 - Civilian Firearms
 - Gambling
 - Military Weapons
 - Nuclear Power
 - Tobacco
 - Adult Entertainment
 - GMO
- Minimum ESG rating criteria: The index will only include companies that have an ESG rating of “A” or above in order to ensure high ESG quality

Proposed Index Construction Methodology: Universe

- The Universe for the proposed index will be the MSCI World ESG Index
 - The index will cover the large and mid (standard) size-segments in all the Developed Markets
- The MSCI World ESG Index targets the highest ESG rated companies, making up 50% of the free float adjusted market capitalization in each sector in each region
 - Only companies with an ESG rating of “B” or above are eligible for inclusion in the MSCI World ESG Index
- This choice of universe ensures that only the best-of-class ESG companies in each region and sector will be included in the MSCI Global Socially Responsible Index

Proposed Index Construction Methodology: Values Based Exclusion Criteria

- **Alcohol**
 - “Producer” companies that earn 5% or more of revenues from alcohol-related activities
- **Civilian Firearms**
 - All companies classified as “Producer”
 - “Retailer” companies that earn 15% or more from civilian firearms
- **Gambling**
 - “Operations” and “Support” companies that earn 5% or more of revenues from gambling-related activities
- **Military Weapons**
 - All companies classified as “Nuclear Weapons Systems”, “Nuclear Weapons Components”, “Chemical and Biological Weapons Systems”, and “Chemical and Biological Weapons Components”
 - All companies classified as a “Cluster Bomb Manufacturer”
 - All companies classified as a “Landmine Manufacturer”
 - All companies that earn 5% or more from Military Weapons - “Weapons - Global Total Maximum Percentage of Revenue”

Proposed Index Construction Methodology: Values Based Exclusion Criteria

- **Nuclear Power**
 - “Utility” companies with 6,000 MW or more of installed nuclear capacity & “Utility” companies with less than 6,000 MW of installed nuclear capacity that do not have at least the same amount of installed capacity in renewable sources
 - “Essential supplier”: companies that earn 5% or more of revenues from nuclear-related activities
 - All companies involved in Uranium Mining
 - All companies involved in designing nuclear reactors
- **Tobacco**
 - All companies classified as “Producer”
 - “Distributor”, “Retailer”, and “Supplier” companies that earn 15% or more from tobacco products
- **Adult Entertainment**
 - All companies classified as “Producer” that earn more than 5% of revenues from this activity
- **GMO**

Proposed Index Construction Methodology: Minimum ESG Rating

- The proposed index will only include companies that have an ESG rating of “A” or higher*
 - This would ensure a high minimum level of ESG performance, consistent with the aim of including only the best-of-class companies in the index

* Results obtained using “BBB” as the minimum rating criteria are presented in the appendix

Proposed MSCI Global Socially Responsible Indices: Characteristics

Proposed Index: Summary Results

- The proposed MSCI World Socially Responsible Index has 422 companies, compared to 786 companies in the MSCI World ESG Index
- Weight of US drops from 47.5% in the MSCI World ESG Index to 44.4% in the proposed MSCI World Socially Responsible Index

#securities	MSCI World	MSCI World ESG	After applying Values-based exclusion criteria on MSCI World ESG	Proposed MSCI World SRI (only stocks rated "A" and above)	Weight in Index	MSCI World	MSCI World ESG	After applying Values-based exclusion criteria on MSCI World ESG	Proposed MSCI World SRI (only stocks rated "A" and above)
CA	101	43	41	22	CA	5.4%	6.1%	6.2%	6.2%
EU	480	234	222	142	EU	29.2%	29.8%	28.9%	28.7%
PA	487	205	192	151	PA	15.9%	16.6%	16.6%	20.6%
US	591	304	293	107	US	49.5%	47.5%	48.3%	44.4%
Total	1659	786	748	422	Total	100.0%	100.0%	100.0%	100.0%

*Pro forma results as of Dec 1, 2010

Proposed Index: Summary Results

- Average sector coverage (as a % of MSCI World) for the proposed MSCI World Socially Responsible Index is 27.4% versus 47.8% for the MSCI World ESG Index
- The Health Care Sector has the highest coverage, while Utilities has the lowest coverage in the proposed Index. Many of the Utilities sector companies that are included in the MSCI World ESG Index are rated below “A” and therefore do not qualify for inclusion in the proposed MSCI World Socially Responsible Index

Sector Coverage	MSCI World	MSCI World ESG	After applying Values-based exclusion criteria on MSCI World ESG	Proposed MSCI World SRI (only stocks rated "A" and above)
Consumer Discretionary	100.0%	50.4%	47.5%	34.1%
Consumer Staples	100.0%	47.3%	46.2%	29.2%
Energy	100.0%	33.3%	33.1%	9.2%
Financials	100.0%	50.6%	50.6%	25.1%
Health Care	100.0%	51.0%	51.0%	49.9%
Industrials	100.0%	51.2%	50.4%	20.4%
Information Technology	100.0%	49.5%	49.4%	48.2%
Materials	100.0%	49.4%	41.7%	17.3%
Telecommunication Services	100.0%	44.7%	44.7%	11.9%
Utilities	100.0%	44.8%	27.0%	7.9%
Total	100.0%	47.8%	45.9%	27.4%

*Pro forma results as of Dec 1, 2010

Proposed Index: Top constituents

- The top five constituents are from the US
- Nine of the top ten constituents belong to the Information Technology or the Health Care sector, reflecting the relatively high ESG performance of these sectors relative to the others

Name	Country	Region	Sector	Rating	Weight
IBM Corp	USA	NA	Information Technology	AA	2.9%
Procter & Gamble Co	USA	NA	Consumer Staples	A	2.8%
Johnson & Johnson	USA	NA	Health Care	A	2.7%
Google A	USA	NA	Information Technology	A	2.2%
Intel Corp	USA	NA	Information Technology	A	1.9%
Novartis	SWITZERLAND	EU	Health Care	A	1.8%
Oracle Corp	USA	NA	Information Technology	A	1.8%
Cisco Systems	USA	NA	Information Technology	AA	1.7%
Merck & Co	USA	NA	Health Care	A	1.7%
Glaxosmithkline	UNITED KINGDOM	EU	Health Care	A	1.6%
Hewlett-Packard Co	USA	NA	Information Technology	AA	1.6%
Roche Holding Genuss	SWITZERLAND	EU	Health Care	AA	1.5%
McDonald's Corp	USA	NA	Consumer Discretionary	A	1.3%
Royal Bank of Canada	CANADA	NA	Financials	A	1.2%
Abbott Laboratories	USA	NA	Health Care	A	1.1%
Standard Chartered	UNITED KINGDOM	EU	Financials	A	1.0%
Toronto-Dominion Bank	CANADA	NA	Financials	AA	1.0%
BG Group	UNITED KINGDOM	EU	Energy	A	1.0%
Westpac Banking	AUSTRALIA	PA	Financials	AA	1.0%
Mitsubishi UFJ Fin Grp	JAPAN	PA	Financials	A	0.9%

*Pro forma results as of Dec 1, 2010

Proposed Index: Risk/Return Profile

- Back-testing Approach: Using the same constituents as of today, historical simulations were run going back over three years to calculate risk/return characteristics for all the portfolios
- The proposed index gives better returns than both the simulated MSCI World Index* and the simulated MSCI World ESG Index. Risk decreases consistently as ESG quality increases

	Return	Risk	Active Risk
Simulated World	-5.7%	24.8%	-
Simulated World ESG	-5.0%	24.3%	1.9%
Proposed MSCI World SRI	-4.7%	21.5%	5.1%

*Data from Dec 2007 to Nov 2010

- Based on the Barra Global Equity Model 2 (GEM2)**, the forecasted risk is lower for the proposed index compared to the MSCI World Index. Forecasted risk also decreases consistently as ESG quality increases

	Ex-Ante Total Risk	Ex-Ante Active Risk vs. MSCI World
MSCI World Index	22.2%	-
MSCI World ESG Index	22.0%	1.2%
Proposed MSCI World SRI	20.4%	2.7%

* Simulated World index calculated using only the constituents as of today, and not actual constituents of the MSCI World Index, for comparability purpose

** As of December 31, 2010

Proposed Index: Ineligible Companies based on values based criteria

- 38 companies from the MSCI World ESG Index (3.9% by weight) are ineligible for inclusion in the proposed index based on the values based criteria
- The top five exclusions (by weight) are from Europe

Region-Sector	Count	Weight in World ESG
CA	2	0.15%
Consumer Staples	1	0.03%
Materials	1	0.12%
EU	12	2.06%
Consumer Discretionary	3	0.64%
Energy	1	0.05%
Information Technology	1	0.01%
Materials	4	1.00%
Utilities	3	0.36%
PA	13	0.60%
Consumer Staples	6	0.19%
Materials	2	0.09%
Utilities	5	0.32%
US	11	1.10%
Industrials	1	0.18%
Materials	2	0.10%
Utilities	8	0.82%
Grand Total	38	3.91%

Top 10 Exclusions

Name	Region	Country	Sector	Rating	Exclusion Reason
BASF	EU	GERMANY	Materials	B	GMO
LVMH	EU	FRANCE	Consumer Discretionary	A	Alcohol Producer
Richemont (fin) a	EU	SWITZERLAND	Consumer Discretionary	AA	Civilian Arms Producer
Iberdrola	EU	SPAIN	Utilities	A	Utility - Nuclear
Syngenta	EU	SWITZERLAND	Materials	BB	GMO
Nextera Energy	NA	USA	Utilities	BBB	Utility - Nuclear
Precision Castparts Corp	NA	USA	Industrials	BBB	Military Weapons
PG&E Corp	NA	USA	Utilities	A	Utility - Nuclear
CLP Holdings	PA	HONG KONG	Utilities	BBB	Utility - Nuclear
Agrium	NA	CANADA	Materials	BBB	GMO

*Pro forma results as of Dec 1, 2010

Consultation Questions

Consultation Questions

- Is the choice of MSCI World ESG Index as the universe appropriate?
- Are the values based exclusion criteria incorporated in the index methodology in-line with global investors' preferences?
 - Is the use of revenue thresholds in the determination of values based exclusions appropriate?
 - Should there be any additional values-based criteria (such as animal testing)?
- Is the minimum ESG rating of “A” criteria pertinent?

Appendix

Risk/Return: Back-tested for regional Socially Responsible Indices

- Back-test simulation results using the same constituents as of today, going back over three years are shown below: In Europe, Canada and US, the proposed Socially Responsible indices outperform the corresponding simulated regional index
- For Europe and US, the risk is lower for the proposed Socially Responsible indices compared to the simulated regional indices. For Pacific and Canada, the risk numbers are slightly higher for the proposed Socially Responsible indices. In case of Canada the higher risk may also be attributable to the fact that the proposed MSCI Canada Socially Responsible Index is a slightly concentrated index (22 stocks only)
- For Canada and US, the higher active risk may be attributable to the concentrated nature of the portfolios compared to the corresponding simulated regional indices

	Return	Risk	Active Risk
Simulated regional indices			
Pacific	-5.6%	27.4%	-
Europe	-10.0%	33.2%	-
Canada	0.7%	35.8%	-
US	-3.5%	29.7%	-
Simulated regional SRI			
Pacific	-6.8%	28.5%	4.0%
Europe	-9.2%	30.9%	4.9%
Canada	4.5%	36.5%	7.5%
US	-1.4%	25.5%	6.7%

*Data from Dec 2007 to Nov 2010

**Active risk calculated vs. corresponding simulated regional index

Forecasted Risk for regional Socially Responsible Indices

- Based on the Barra GEM2 model*, the forecasted total risk of the proposed regional Socially Responsible Indices is lower than the forecasted total risk of the corresponding MSCI regional Index for all the regions
- MSCI Pacific Socially Responsible Index has the lowest forecasted risk among all regions
- MSCI Europe Socially Responsible Index has the lowest forecasted active risk among all regions

Region	MSCI Regional Index Ex-Ante Total Risk	Regional SRI	
		Ex-Ante Total Risk	Ex-Ante Active Risk vs. Regional Index
Pacific	20.5%	19.9%	2.9%
US	22.8%	20.8%	4.0%
Europe	26.2%	25.3%	2.8%
Canada	26.6%	25.6%	5.5%

* As of December 31, 2010

Number of securities: By sector in each region

#securities	MSCI World	MSCI World ESG	World SRI - BBB and above	Proposed MSCI World SRI
CA	101	43	35	22
Consumer Discretionary	7	5	5	4
Consumer Staples	8	5	4	2
Energy	27	11	10	6
Financials	21	3	3	3
Health Care	1	1		
Industrials	7	4	3	2
Information Technology	3	3	1	1
Materials	20	7	5	3
Telecommunication Services	4	2	2	
Utilities	3	2	2	1
EU	480	234	200	142
Consumer Discretionary	66	27	23	22
Consumer Staples	38	27	26	17
Energy	25	15	11	7
Financials	107	43	39	31
Health Care	30	6	6	6
Industrials	88	44	43	29
Information Technology	20	5	4	4
Materials	52	36	29	14
Telecommunication Services	25	10	8	4
Utilities	29	21	11	8
PA	487	205	186	151
Consumer Discretionary	76	29	29	29
Consumer Staples	33	16	10	10
Energy	14	10	10	4
Financials	110	28	28	22
Health Care	25	7	7	7
Industrials	97	40	40	31
Information Technology	47	15	15	15
Materials	56	42	36	28
Telecommunication Services	9	3	3	2
Utilities	20	15	8	3
US	591	304	206	107
Consumer Discretionary	96	47	40	22
Consumer Staples	44	24	22	17
Energy	49	32	11	3
Financials	102	64	43	14
Health Care	63	17	17	16
Industrials	72	45	29	9
Information Technology	83	21	21	21
Materials	32	22	11	4
Telecommunication Services	13	11	4	
Utilities	37	21	8	1
Grand Total	1659	786	627	422

- There are 422 companies in the proposed MSCI World SRI
- The “World SRI – BBB and above” includes all companies in the MSCI World ESG Index that are consistent with the values based criteria and have a rating of “BBB” and above. In this case, the number of companies increases to 627 (as a result of the lowering of the minimum ESG rating)

*Pro forma results as of Dec 1, 2010

Weight of regions and sectors in Index

Weight in Index	MSCI	MSCI	World SRI -	Proposed MSCI
	World	World ESG	BBB and above	World SRI
CA	5.4%	6.1%	5.8%	6.2%
Consumer Discretionary	0.2%	0.3%	0.4%	0.4%
Consumer Staples	0.2%	0.2%	0.2%	0.1%
Energy	1.4%	1.5%	1.3%	1.1%
Financials	1.7%	1.8%	2.2%	3.1%
Health Care	0.0%	0.1%	0.0%	0.0%
Industrials	0.3%	0.5%	0.2%	0.2%
Information Technology	0.2%	0.3%	0.0%	0.1%
Materials	1.2%	1.2%	1.0%	1.2%
Telecommunication Services	0.1%	0.2%	0.3%	0.0%
Utilities	0.1%	0.1%	0.1%	0.1%
EU	29.2%	29.8%	29.8%	28.7%
Consumer Discretionary	2.6%	2.8%	2.7%	3.3%
Consumer Staples	3.6%	3.4%	3.6%	2.9%
Energy	3.0%	2.0%	1.5%	1.7%
Financials	6.2%	7.1%	6.8%	6.8%
Health Care	3.1%	3.4%	4.2%	5.9%
Industrials	3.2%	3.2%	3.9%	3.4%
Information Technology	0.8%	0.9%	1.1%	1.5%
Materials	3.1%	3.5%	2.5%	1.3%
Telecommunication Services	2.0%	2.2%	2.7%	1.2%
Utilities	1.5%	1.4%	0.7%	0.7%
PA	15.9%	16.6%	19.6%	20.6%
Consumer Discretionary	2.3%	2.4%	3.0%	4.1%
Consumer Staples	1.0%	1.0%	1.0%	1.4%
Energy	0.4%	0.4%	0.6%	0.3%
Financials	4.5%	4.5%	5.7%	4.8%
Health Care	0.7%	0.8%	0.9%	1.3%
Industrials	2.5%	2.5%	3.2%	3.2%
Information Technology	1.4%	1.5%	1.9%	2.7%
Materials	1.9%	2.0%	2.0%	1.9%
Telecommunication Services	0.6%	0.6%	0.8%	0.7%
Utilities	0.8%	0.8%	0.6%	0.3%
US	49.5%	47.5%	44.8%	44.4%
Consumer Discretionary	5.6%	5.8%	5.6%	5.5%
Consumer Staples	5.2%	5.3%	5.4%	6.1%
Energy	5.9%	3.6%	1.4%	0.5%
Financials	7.4%	7.6%	7.1%	3.5%
Health Care	5.6%	5.8%	7.3%	9.9%
Industrials	5.3%	5.8%	3.9%	1.6%
Information Technology	9.5%	9.5%	11.9%	16.6%
Materials	1.8%	1.7%	1.2%	0.7%
Telecommunication Services	1.6%	0.9%	0.5%	0.0%
Utilities	1.7%	1.5%	0.6%	0.1%
Grand Total	100.0%	100.0%	100.0%	100.0%

- In the proposed index, the weight of US decreases from 47.5% to 44.4%, while Pacific increases from 16.6% to 20.6% , compared to the MSCI World ESG Index

*Pro forma results as of Dec 1, 2010

Coverage in each sector in each region

Sector Coverage	MSCI	MSCI	World SRI -	Proposed MSCI
	World	World ESG	BBB and above	World SRI
CA	100.0%	54.8%	41.0%	31.8%
Consumer Discretionary	100.0%	64.3%	64.3%	50.5%
Consumer Staples	100.0%	56.1%	46.6%	17.5%
Energy	100.0%	52.0%	35.2%	21.5%
Financials	100.0%	50.6%	50.6%	50.6%
Health Care	100.0%	100.0%	0.0%	0.0%
Industrials	100.0%	80.1%	33.5%	16.7%
Information Technology	100.0%	100.0%	10.7%	10.7%
Materials	100.0%	46.4%	31.3%	27.0%
Telecommunication Services	100.0%	72.7%	72.7%	0.0%
Utilities	100.0%	61.6%	61.6%	31.3%
EU	100.0%	48.8%	38.9%	27.0%
Consumer Discretionary	100.0%	52.1%	39.7%	35.0%
Consumer Staples	100.0%	44.7%	38.4%	22.4%
Energy	100.0%	30.7%	19.2%	15.4%
Financials	100.0%	54.4%	41.4%	29.8%
Health Care	100.0%	52.6%	52.6%	52.6%
Industrials	100.0%	47.9%	46.8%	29.1%
Information Technology	100.0%	51.1%	50.3%	50.3%
Materials	100.0%	54.1%	30.5%	11.3%
Telecommunication Services	100.0%	53.3%	51.9%	16.5%
Utilities	100.0%	43.3%	18.1%	12.4%
PA	100.0%	49.8%	47.1%	35.6%
Consumer Discretionary	100.0%	49.9%	49.9%	49.9%
Consumer Staples	100.0%	49.1%	39.5%	39.5%
Energy	100.0%	52.7%	52.7%	20.0%
Financials	100.0%	48.0%	48.0%	28.9%
Health Care	100.0%	53.0%	53.0%	53.0%
Industrials	100.0%	48.5%	48.5%	34.9%
Information Technology	100.0%	53.7%	53.7%	53.7%
Materials	100.0%	49.4%	41.1%	28.1%
Telecommunication Services	100.0%	53.8%	53.8%	31.9%
Utilities	100.0%	51.5%	28.2%	11.0%
US	100.0%	45.8%	34.5%	24.6%
Consumer Discretionary	100.0%	49.3%	38.3%	26.7%
Consumer Staples	100.0%	48.5%	39.1%	32.2%
Energy	100.0%	29.0%	8.9%	2.3%
Financials	100.0%	49.1%	36.9%	12.9%
Health Care	100.0%	49.6%	49.6%	48.3%
Industrials	100.0%	53.0%	28.2%	8.4%
Information Technology	100.0%	47.9%	47.9%	47.9%
Materials	100.0%	43.7%	25.3%	10.0%
Telecommunication Services	100.0%	27.8%	11.2%	0.0%
Utilities	100.0%	42.5%	12.8%	1.5%
Grand Total	100.0%	47.8%	38.2%	27.4%

- Sector coverage drops to 27.4% for the proposed index, compared to 47.8% for the MSCI World ESG Index
- US has the lowest sector coverage, while Pacific has the highest

*Pro forma results as of Dec 1, 2010

Risk/Return: Back-testing & Forecasted Using “BBB” As minimum rating

- Back-testing results (using the same constituents as of today) if we use “BBB” as the minimum rating are shown below

	Return	Risk
Simulated World	-5.7%	24.8%
Simulated World ESG	-5.0%	24.3%
World SRI: BBB and above	-5.5%	23.5%
Proposed MSCI World SRI	-4.7%	21.5%

*Data from Dec 2007 to Nov 2010

- Some of the top underperformers over the analysis period were BBB rated banks: ROYAL BANK OF SCOTLAND, ARSHALL & ILSLEY CORP and DEXIA, which might explain the underperformance of the ‘Wold SRI:BBB and above’ strategy, given the underperformance of the financial sector
- Using the GEM2 model*, we can see that forecasted risk decreases consistently as ESG Quality improves

	Ex-Ante Total Risk	Ex-Ante Active Risk vs. MSCI World
MSCI World	22.2%	-
MSCI World ESG Index	22.0%	1.2%
World SRI: BBB and above	21.6%	1.7%
Proposed MSCI World SRI	20.4%	2.7%

* As of December 31, 2010

Values-based exclusion criteria and ESG Ratings for MSCI World

- For the MSCI World, 14.2% of constituents (by market cap weight) are inconsistent with the values-based criteria
- Out Of the remaining constituents, 55.6% have a rating below “A”

Market Cap Weights of constituents based on Values based exclusion criteria and ESG Rating

MSCI World	Excluded due to Values-Based Criteria			Not Excluded due to Values-Based Criteria			Total
	Below A	A and above	Total	Below A	A and above	Total	
	Consumer Discretionary	0.9%	0.3%	1.2%	5.7%	3.8%	
Consumer Staples	3.2%	0.1%	3.3%	3.7%	3.0%	6.7%	9.9%
Energy	0.2%	0.0%	0.2%	9.6%	1.0%	10.5%	10.8%
Financials	0.3%		0.3%	13.9%	5.5%	19.5%	19.8%
Health Care	0.3%	0.0%	0.3%	3.1%	6.0%	9.1%	9.4%
Industrials	3.1%		3.1%	5.8%	2.3%	8.1%	11.3%
Information Technology	0.3%	0.0%	0.3%	5.2%	6.3%	11.6%	11.9%
Materials	2.7%	0.1%	2.8%	3.9%	1.4%	5.3%	8.1%
Telecommunication Services				3.7%	0.5%	4.2%	4.2%
Utilities	2.4%	0.3%	2.7%	1.0%	0.3%	1.3%	4.0%
Total	13.4%	0.8%	14.2%	55.6%	30.2%	85.8%	100.0%

Number of constituents based on Values based exclusion criteria and ESG Rating

MSCI World	Excluded due to Values-			Not Excluded due to Values-			Total
	Below A	A and above	Total	Below A	A and above	Total	
	Consumer Discretionary	18	3	21	138	86	
Consumer Staples	25	7	32	40	51	91	123
Energy	3	1	4	91	20	111	115
Financials	2		2	252	86	338	340
Health Care	1	1	2	57	60	117	119
Industrials	36		36	155	73	228	264
Information Technology	7	1	8	86	59	145	153
Materials	14	3	17	92	51	143	160
Telecommunication Services				44	7	51	51
Utilities	36	5	41	35	13	48	89
Total	142	21	163	990	506	1496	1659

*Pro forma results as of Dec 1, 2010

Rating distribution for MSCI World ESG Index

- There are no companies rated “CCC” or below in the MSCI World ESG Index
- About 59% of the companies in the index are rated “A” or higher

MSCI World ESG Index		
Rating	#securities	weight
AA	97	15.6%
A	345	43.5%
BBB	214	23.3%
BB	81	11.6%
B	49	6.0%
Total	786	100.0%

*Data as of Dec 1, 2010

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