



**Consultation on the Transition Plan
of the Methodology Enhancements
to the MSCI China A Index**

April 9, 2009

Overview

- MSCI opened the consultation on potential enhancements to the MSCI China A Index Methodology on February 20, 2009.
- Following the consultation feedback from the investment community on the potential enhancements to the MSCI China A Index, MSCI will proceed with the enhancements to the current MSCI China A Index Methodology.
- The enhanced MSCI China A Methodology will follow the MSCI Global Investable Market Indices (GIMI) Methodology, providing exhaustive representation and non-overlapping size segmentation of the investable universe. As a result of the methodology transition, the enhanced MSCI China A Index will be composed of a large cap and a mid cap size-segment.
- MSCI will continue to consult on the implementation of the transition. MSCI welcomes any feedback from the investment community, and plans to directly contact some market participants to solicit feedback. Results with regards to the index transition will be announced on or before April 30, 2009.

Transition Plan Proposal

- MSCI is considering the following two options:
- **Option 1:** The current MSCI China A Index would be transitioned to the enhanced methodology in one single phase coinciding with the May 2009 Semi-Annual Index Review.
- **Option 2:** The current MSCI China A Index would be transitioned to the enhanced methodology in two phases.
 - **First phase of the transition coinciding with the August 2009 Quarterly Index Review:**
 - The enhanced MSCI China A Index would be rebalanced as per the GIMI Methodology and compared to the current MSCI China A Index.
 - All companies that would be in the enhanced MSCI China A Index but not in the current MSCI China A Index would be added to the current MSCI China A Index at half of their free float-adjusted market capitalization, and all companies that would not be in the enhanced MSCI China A Index but in the current MSCI China A Index would be retained in the current MSCI China A Index but at only half of their free float-adjusted market capitalization.
 - **Second phase of the transition coinciding with the November 2009 Semi-Annual Index Review:**
 - The enhanced MSCI China A Index would be rebalanced.
 - All differences between the rebalanced enhanced MSCI China A Index and the current MSCI China A Index would be fully implemented in the current MSCI China A Index.

Appendix

Index Turnover

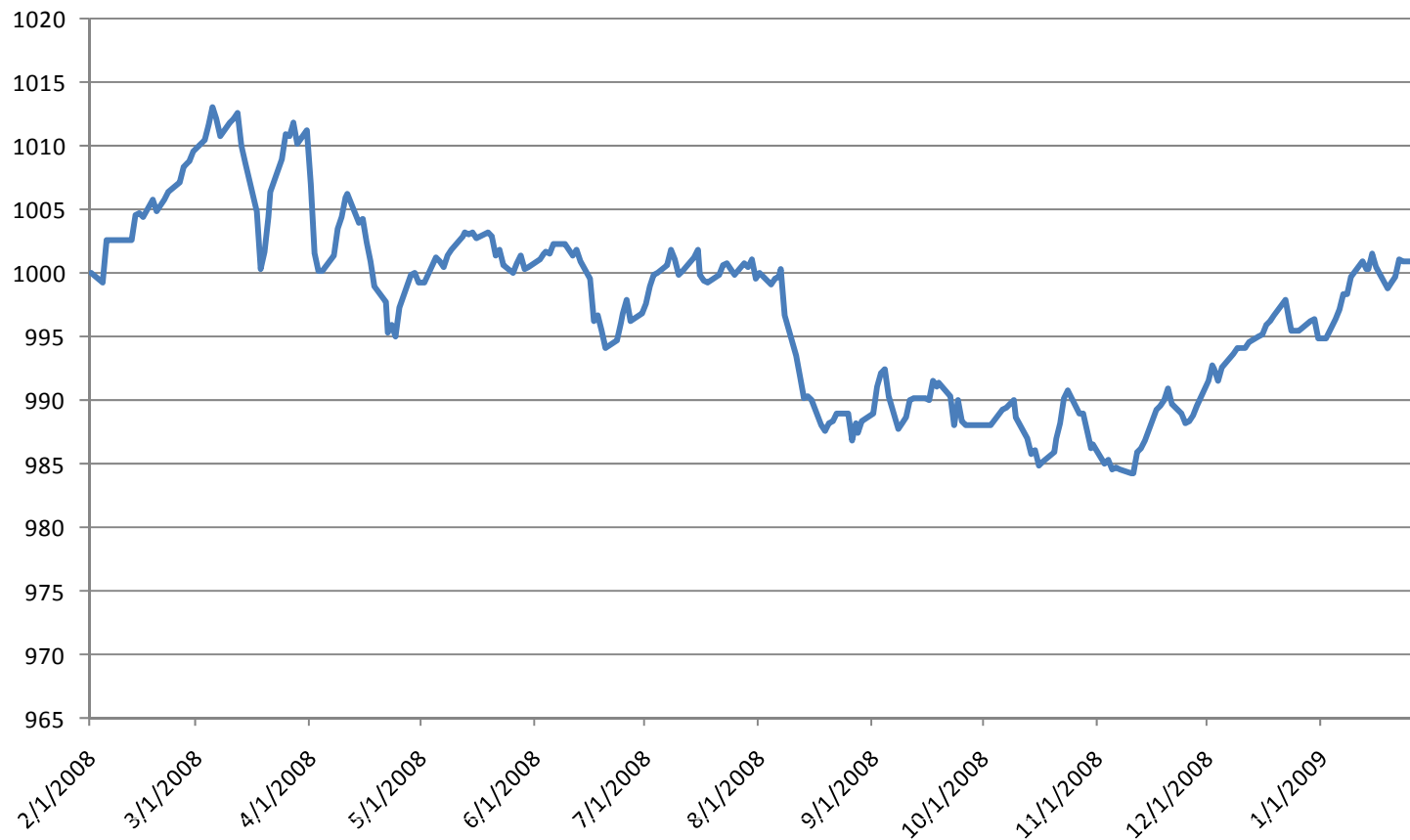
- Under the GIMI Methodology, the number of MSCI China A Index constituents would be 347 with 62 additions and 28 deletions. 285 out of 313 current index constituents would remain in the index. The total one-way index turnover would be 11.1%

Industry Group	Current		Pro Forma		No of Sec		Indx Wgt	
	Nb of Sec	Index Wgt	Nb of Sec	Index Wgt	Add	Del	Add	Del
Automobiles & Components	10	1.4%	10	1.2%	1	1	0.1%	0.1%
Banks	10	17.8%	13	17.0%	3	-	0.8%	0.0%
Capital Goods	55	11.9%	54	11.5%	5	6	1.1%	0.4%
Commercial Services & Supplies	1	0.2%	1	0.2%	-	-	0.0%	0.0%
Consumer Durables & Apparel	15	2.9%	13	2.8%	2	4	0.4%	0.3%
Consumer Services	3	1.0%	3	0.9%	-	-	0.0%	0.0%
Diversified Financials	2	2.7%	5	2.8%	3	-	0.4%	0.0%
Energy	15	6.7%	21	7.6%	8	2	1.7%	0.1%
Food & Staples Retailing	3	0.4%	3	0.4%	-	-	0.0%	0.0%
Food, Beverage & Tobacco	15	5.3%	17	5.2%	3	1	0.4%	0.1%
Health Care Equipment & Services	2	0.2%	3	0.3%	1	-	0.1%	0.0%
Household & Personal Products	2	0.2%	1	0.1%	1	2	0.1%	0.2%
Insurance	2	3.8%	3	4.0%	1	-	0.5%	0.0%
Materials	71	14.3%	74	14.6%	9	6	2.0%	0.4%
Media	3	0.7%	4	0.8%	1	-	0.2%	0.0%
Pharmaceuticals, Biotechnology & Life Sciences	17	4.0%	22	4.5%	5	-	0.9%	0.0%
Real Estate	22	7.4%	27	7.3%	5	-	0.5%	0.0%
Retailing	12	3.4%	12	3.1%	-	-	0.0%	0.0%
Semiconductors & Semiconductor Equipment	1	0.1%	0	0.0%	-	1	0.0%	0.1%
Software & Services	3	0.8%	3	0.7%	-	-	0.0%	0.0%
Technology Hardware & Equipment	12	1.9%	10	1.7%	2	4	0.2%	0.2%
Telecommunication Services	1	1.9%	1	1.8%	-	-	0.0%	0.0%
Transportation	21	5.5%	29	6.1%	8	-	1.2%	0.0%
Utilities	15	5.5%	18	5.5%	4	1	0.6%	0.1%
Total	313	100.0%	347	100.0%	62	28	11.1%	2.0%

Data as of December 31, 2008
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Relative Performance of Simulated GIMI China A Index

Relative Performance of Simulated GIMI China A Index to the current MSCI China A Index



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