

INDEX BULLETIN

MSCI UPDATE - EMERGING MARKETS

SUMMARY – PHASE II & SEMI-ANNUAL REVIEW

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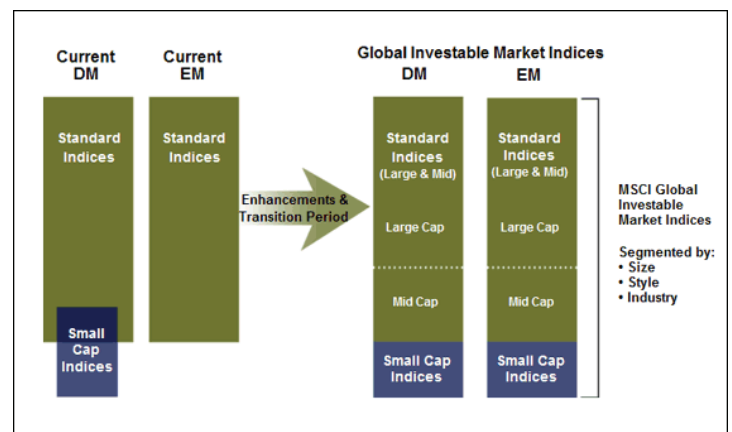
MSCI Transition – Phase II – May 30, 2008

On May 7th MSCI announced the results of its Semi-Annual Index Review for the changes effective after the close of May 30th. This review marks the end of the two-step transition from the old MSCI index methodology to the new Global Investable Market Indexes (GIMI) – **the most notable improvements being implemented are the clearly segmented Large, Mid, and Small Cap Indexes and the Emerging Markets Small Cap index series.**

MSCI Transition – Phase II

In this last transition step, the final 50% of the free float market cap will be deleted from or added to the Global Standard Indexes. Phase I additions and deletions were implemented in the November 2007 Semi-Annual Review.

The expected one-way turnover including the transition for the MSCI Emerging Markets Standard Index, is 5.2%.



Semi-Annual Index Review

MSCI also announced non-transition related changes to the indexes including additions, deletes, investability factor changes (FIF), and share changes. There will be 37 securities additions and 26 deletions from the Emerging Markets Index resulting in turnover of 3.4% (not including transition assets) and a 2.3% increase in market capitalization. Of the 37 additions, 23 are in Asia. The five largest additions in Asia are all in China and the two largest are Tencent Holdings and Belle International Holdings. The two securities along with four others were part of the Developed Index classified in Hong Kong. However, under MSCI's new country classification methodology these securities will be classified as China companies resulting in their migration to the Emerging Market index. The other 3 largest additions to Emerging Market Asia are IPOs that were listed in the second half of 2007. There are also several additions to the Europe, Middle East, Africa region and Latin America region due to new eligibility, as well as several migrations from Emerging Market Small Cap to the Mid Cap segment. The largest addition to Emerging Markets by market capitalization is Uralkali Common, a Russian agriculture stock with a 19 billion USD market capitalization and a projected pro forma weight of .77% in the MSCI Emerging Market index. On a net basis, the number of constituents in the MSCI Emerging Markets index will increase by 11 names to 789 companies with a projected market capitalization of 3.6 trillion USD.

The Semi-Annual Index Review also reflects changes to the Global Minimum Size References and the Market Size-Segment Cutoffs, which impacts both the cutoffs and number of companies for the Large,

continued



Mid, and Small index segments. Prior to this methodology the Emerging Markets Index did not have a Large/Mid breakdown. The new MSCI methodology will introduce the MSCI Emerging Markets Small Cap index series. Investors will now be able to combine their Large + Mid Cap investments and their Small Cap investment into a single comprehensive "All Cap" fund (e.g. Emerging Markets Investable Market Index (IMI)).

The Global Minimum Size Reference (GMSR) for EM is calculated as 50% of the Developed Markets GMSR, which decreased significantly as a result of poor market performance from the last Semi-Annual rebalance in November 2007. The GMSR decreased by 10%, 16.8%, and 22.7% for the Large, Mid, and Small segments of both Developed and Emerging markets. However, during the period of MSCI's analysis, between October 11, 2007, and April 10, 2008, Emerging Markets outperformed Developed Markets in the Large segment, and underperformed in the Mid and Small Cap segments. EM Asia underperformed all other regions.

All of us at Northern Trust Global Investments look forward to working with you to effectively manage the MSCI index evolution. We also welcome discussions on general international equity benchmark issues. If you have any questions about the MSCI methodology or transition or are interested in discussing related index trading strategies, please contact your Investment Relationship Manager.

	Pro forma Prov Std Index					Pro forma Prov Small Cap Index					Pro forma Investable Market Index				
	Index Market Cap	# Sec	# Add	# Del	One-way Index Turnover	Index Market Cap	# Sec	# Add	# Del	One-way Index Turnover	Index Market Cap	# Sec	# Add	# Del	One-way Index Turnover
ACWI	30,453,231	2,545	86	82	1.6%	4,082,794	6,165	681	226	8.3%	34,536,025	8,710	661	202	1.8%
EM	3,551,524	789	37	26	3.4%	478,161	1,664	319	56	17.2%	4,027,685	2,453	334	80	4.6%
EM Asia	1,869,086	494	23	18	4.2%	325,371	1,212	229	28	16.8%	2,194,457	1,696	237	31	5.5%
EM EMEA	873,165	175	13	7	3.6%	91,520	301	50	20	17.9%	964,686	476	56	20	4.2%
EM Latin America	809,273	130	1	1	1.2%	59,270	151	40	8	18.4%	868,543	281	41	9	2.5%
FM	193,986	166	13	10	6.1%	-	-	-	-	-	-	-	-	-	-
FM ex GCC	63,964	85	6	10	6.2%	-	-	-	-	-	-	-	-	-	-
GCC ex SA	130,021	81	7	0	6.0%	27,033	119	18	7	11.6%	157,054	200	22	4	5.8%

All market caps are in USD millions. Data as of April 10, 2008.

	Pro forma Standard Index						Pro forma Small Cap Index					
	Index Market Cap	# Full Add	# Full Del	# 1/2 Add	# 1/2 Del	One-way Index Turnover	Index Market Cap	# Full Add	# Full Del	# 1/2 Add	# 1/2 Del	One-way Index Turnover
ACWI	30,453,231	83	82	139	334	3.1%	-	-	-	-	-	-
EM	3,551,524	34	26	41	156	5.2%	-	-	-	-	-	-
EM Asia	1,869,086	22	18	21	81	5.9%	-	-	-	-	-	-
EM EMEA	873,165	11	7	13	53	5.5%	-	-	-	-	-	-
EM Latin America	809,273	1	1	7	22	3.3%	-	-	-	-	-	-

All market caps are in USD millions. Data as of April 10, 2008.

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