

# APPENDIX E: Important Definitions

## E.1 Special Drawing Rights (SDRs):

A member's quota in the IMF is denoted in SDRs. The quota determines the amount of a member's subscription, its voting right, its access to IMF financing and its shares of the allocation of the SDRs.

## E.2 The Morgan Stanley "MSCI" Organization:<sup>1</sup>

MSCI is a leading provider of global indices and benchmark related products and services to investors worldwide. It is headquartered in New York, and conducts business worldwide with operations in Geneva, London, Hong Kong, Tokyo, Singapore, Sydney, Frankfurt, Milan, Paris, Princeton and San Francisco.

The business of MSCI is to provide benchmark products and services to the investment management community, to distribute index and company-level data and to license the MSCI indices to third parties for the purpose of creating derivative and proprietary products.

**E.2.1 The Benchmark Research Group (BRG)** is responsible for research and analysis in connection with the MSCI Indices. The members of the BRG provide expertise in country and company research and analytic research. MSCI has the largest and most experienced research staff in the index business, and therefore it has resources and skills to ensure that the analysis of thousands of securities around the world is as accurate as it can be.

**E.2.2 The Index Committee** is responsible for all editorial decisions affecting the MSCI Indices, including additions and deletions of constituents within the Indices. The members of the Committee are from MSCI and the BRG. MSCI provides independent and unbiased indices. To this end, MSCI has a strict internal compliance structure ensuring the independence of its editorial decision making.

**E.2.3 The Editorial Advisory Board (EAB)** serves MSCI in an advisory capacity, providing input on index construction methodology and new product development. The EAB provides a formal forum in which leading senior members of the investment industry worldwide can actively discuss the present and future role of MSCI benchmarks in the investment process. The EAB comprises approximately 18 members from leading pension funds, asset management firms, consultants and academicians from around the world.

**E.2.4 The MSCI-Egypt Price Index** measures market price performance only. The index measures the sum of the free float-weighted market capitalization returns of all its constituents on a given day.

**E.2.5 The MSCI-Egypt Total Return Indices** measures the market performance, including price performance and income from dividend payments. MSCI's Daily Total Return (DTR) methodology reinvests dividends in indices the day the security is quoted ex-dividend (x-date). Dividends are not considered in price indices.

## E.3 The following MSCI-Egypt Total Return Indices are calculated:

**E.3.1 With Gross Dividends.** This series approximates the maximum possible dividend reinvestment. The amount reinvested is the dividend distributed to individuals resident in the country of the company, but does not include tax credits.

**E.3.2 With Net Dividends.** This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

**E.3.3 The MSCI ACWI (All Country World Index) Index**<sup>SM</sup> is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. As of May 2005 the MSCI ACWI consisted of the following 49 developed and emerging market country indices: Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, China, Colombia, Czech Republic, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Jordan, Korea, Malaysia, Mexico, Morocco, Netherlands, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Portugal, Russia, Singapore Free, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, the United States and Venezuela.

**E.3.4 The MSCI Emerging Markets Index**<sup>SM</sup> is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of May 2005 the MSCI Emerging Markets Index consisted of the following 26 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, Turkey and Venezuela.

**E.3.5 The MSCI EM (Emerging Markets) Europe, Middle East and Africa Index**<sup>SM</sup> is a free float-adjusted market capitalization index that is designed to measure equity market performance in the emerging market countries of Europe, the Middle East & Africa. As of May 2005, the MSCI EM EMEA Index consisted of the following 10 emerging market country indices: Czech Republic, Hungary, Poland, Russia, Turkey, Israel, Jordan, Egypt, Morocco and South Africa.

<sup>1</sup> Morgan Stanley website: [www.msci.com](http://www.msci.com)