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Proposal to Introduce Frequency of Trading Requirements for the MSCI Frontier Markets IMI

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Proposal and Impact

- MSCI proposes to apply Frequency of Trading requirements for the MSCI Frontier Markets Investable Market Indexes (IMI)
 - A minimum level of **50% of 12-month Frequency of Trading** would be required for the inclusion of a security in the MSCI Frontier Markets IMI in addition to Annualized Traded Value Ratio (ATVR)
 - Existing constituents of the MSCI Frontier Markets IMI would remain in the Index if their **12-month Frequency of Trading is greater than or equal to 10%** and all other criteria are met
 - Currently, MSCI applies 12-month ATVR as the only liquidity measure for the MSCI Frontier Markets IMI
 - This potential change would bring the liquidity requirements for the MSCI Frontier Markets IMI closer to the requirements for the MSCI ACWI IMI
- **Impact of the Proposal**
 - Based on the data used for the November 2013 Semi-Annual Index Review, this proposal would result in the deletion of BANK OF BEIRUT from the MSCI Lebanon IMI
- MSCI welcomes feedback from the investment community on the potential application of the Frequency of Trading requirements for the MSCI Frontier Markets IMI before April 4, 2014 and will announce its final decision shortly thereafter.
- This proposal may or may not result in changes to the MSCI Global Investable Market Indexes.

Constituents of the MSCI Frontier Markets IMI with the Lowest Frequency of Trading

Bottom 10 constituents of MSCI FM IMI ranked by 12M FOT

Country	Security Name	Company Full Mcap	12 Month Frequency of Trade
MA	Hyper	431.16	50.81%
OM	Asaffa Foods	295.87	44.67%
OM	Oman Oil Marketing Co	338.21	43.15%
OM	Smn Pow er Holding	297.85	39.59%
BH	Bahrain Duty Free Compl	218.32	35.60%
LB	Blom Bank	1,773.75	33.74%
OM	Al Omaniya Fin Service	198.41	31.47%
BH	Bahrain Com Facilitie	281.64	23.04%
BH	Bmmi	273.65	15.18%
LB	Bank Of Beirut	958.88	6.07%

*The lists excludes the constituents of the MSCI UAE and MSCI Qatar Indexes

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