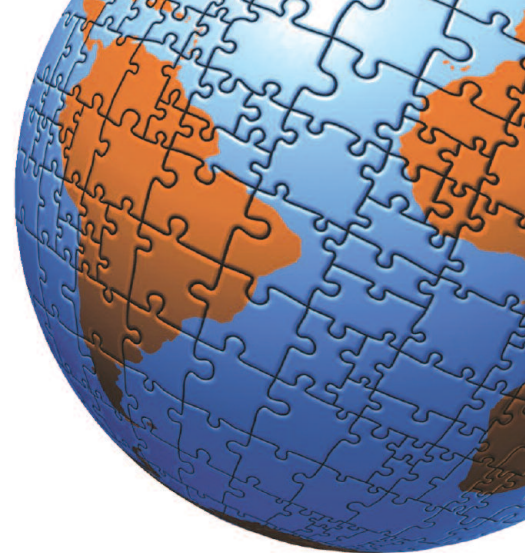


FTSE Global Equity Index Series Country Classification



SEPTEMBER 2011 UPDATE

1. Classification of Markets 2011 Results

FTSE Group has confirmed the results of its annual country classification review, the process by which stock markets are classified as either Developed, Emerging or Frontier status within the FTSE Global Equity Index Series.

The FTSE Policy Group has approved two changes to the designation of countries in the FTSE Global Equity Index Series.

- **Thailand** – Promoted from Secondary Emerging to Advanced Emerging
- **Ghana** – Inclusion as a Frontier market

The change to Thailand's market status will be implemented in the FTSE Global Equity Index Series in March 2012. The inclusion of Ghana as a Frontier market will take effect from June 2012.

2. FTSE Watch List 2011

In order to ensure that the potential, as well as confirmed, movement of markets between categories is completely transparent for investors, FTSE maintains a Watch List of countries that are being considered for promotion or demotion between the various market classifications.

The following markets have been confirmed as Watch List countries at this Review:

- **China 'A' Share** – Possible inclusion as Secondary Emerging
- **Greece** – Possible demotion to Advanced Emerging
- **Kazakhstan** – Possible inclusion as Frontier
- **Kuwait** – Possible inclusion as Secondary Emerging
- **Poland** – Possible promotion from Advanced Emerging to Developed
- **Taiwan** – Possible promotion from Advanced Emerging to Developed
- **Ukraine** – Possible inclusion as Frontier

Poland and Ukraine are new additions to the Watch List. Colombia will be removed from the Watch List. China 'A' Shares, Greece, Kazakhstan, Kuwait and Taiwan will remain on the Watch List.

All countries on the Watch list will be reviewed again in September 2012. FTSE will give investors a minimum of six months notice prior to changes being implemented in its indices, as a result of a country classification review.

A further update on FTSE's assessment of each of these Watch List markets against its Quality of Markets criteria will be published in March 2012.

FTSE GLOBAL EQUITY INDEX SERIES

Developed	Advanced Emerging	Secondary Emerging	Frontier
Australia	Brazil	Chile	Argentina
Austria	Czech Republic	China	Bahrain
Belgium/Luxembourg	Hungary	Colombia	Bangladesh
Canada	Malaysia	Egypt	Botswana
Denmark	Mexico	India	Bulgaria
Finland	Poland	Indonesia	Côte d'Ivoire
France	South Africa	Morocco	Croatia
Germany	Taiwan	Pakistan	Cyprus
Greece	Thailand*	Peru	Estonia
Hong Kong	Turkey	Philippines	Ghana*
Ireland		Russia	Jordan
Israel		UAE	Kenya
Italy			Lithuania
Japan			Macedonia
Netherlands			Malta
New Zealand			Mauritius
Norway			Nigeria
Portugal			Oman
Singapore			Qatar
South Korea			Romania
Spain			Serbia
Sweden			Slovakia
Switzerland			Slovenia
UK			Sri Lanka
USA			Tunisia
			Vietnam

**Following the 2011 September Country Classification Review, the change to Thailand's market status will be implemented in the FTSE Global Equity Index Series in March 2012. The inclusion of Ghana as a Frontier market will take effect from June 2012.*

QUALITY OF MARKETS CRITERIA

Markets are assessed against the criteria outlined below. Inclusion as Developed status requires that all criteria are met, Advanced Emerging requires that the specified 15 criteria are met, inclusion as Secondary Emerging requires that the specified 9 criteria are met, while inclusion as Frontier requires that the specified 5 criteria are met. Assessment of markets included in FTSE GEIS against these criteria can be found at www.ftse.com/country

	DEV	ADV EMG	SEC EMG	FRONTIER
Market and Regulatory Environment				
Formal stock market regulatory authorities actively monitor market (e.g., SEC, FSA, SFC)	X	X	X	X
Fair and non-prejudicial treatment of minority shareholders	X	X		
Non or selective incidence of foreign ownership restrictions	X	X		
No objection to or significant restrictions or penalties applied to the investment of capital or the repatriation of capital and income	X	X	X	X
Free and well-developed equity market	X	X		
Free and well-developed foreign exchange market	X	X		
Non or simple registration process for foreign investors	X	X		
Custody and Settlement				
Settlement - Rare incidence of failed trades	X	X	X	X
Custody - Sufficient competition to ensure high quality custodian services	X	X	X	
Clearing & settlement - T +3 or shorter, T+7 or shorter for Frontier	X	X	X	X
Stock Lending is permitted	X			
Settlement - Free delivery available	X			
Custody - Omnibus account facilities available to international investors	X	X		
Dealing Landscape				
Brokerage - Sufficient competition to ensure high quality broker services	X	X	X	
Liquidity - Sufficient broad market liquidity to support sizeable global investment	X	X	X	
Transaction costs - implicit and explicit costs to be reasonable and competitive	X	X	X	
Short sales permitted	X			
Off-exchange transactions permitted	X			
Efficient trading mechanism	X			
Transparency - market depth information / visibility and timely trade reporting process	X	X	X	X
Derivatives				
Developed derivatives market	X			

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